

لائحة حوكمة الشركة

الشركة السعودية لإعادة التأمين (إعادة)

Corporate Governance Policy

Saudi Reinsurance Company "Saudi Re"

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Chapter One: Introductory Provisions

Article One: Preamble:

1. The Corporate Governance Policy of Saudi Reinsurance Company “Saudi Re” is in line with Article (91) of Chapter Ten of the Corporate Governance Regulations issued by the Board of the Capital Markets Authority pursuant to Decision No. (8-16-2017) dated 16/05/1438H, corresponding to 13/02/2017G, based on the Companies Law promulgated by Royal Decree No. (R/3) dated 28/01/1437H, amended by Capital Market Authority Board Decision No. (8-5-2023) dated 25/06/1444H, corresponding to 18/01/2023G, or its subsequent amendments pursuant to the Companies Law promulgated by Royal Decree No. (R/132) dated 01/12/1443H or its amendments and pursuant to Clause (10) of Section Two of the Insurance Companies Governance Regulations issued by the Insurance Authority on 22/10/2015G or any subsequent amendments.
2. The Corporate Governance Policy of Saudi Reinsurance Company “Saudi Re” highlights the rules of leading and directing the company including ways to organize the various relationships between the Board of Directors, Executive Management, Shareholders and Stakeholders by establishing rules and procedures to facilitate decision making in a transparent and credible manner in order to protect the rights of shareholders and stakeholders and achieve fairness and competitiveness.
3. This policy should be read together with the Insurance Company Governance Regulations issued by the Insurance Authority and the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Markets Authority.
4. This policy is issued in both Arabic and English. In cases of discrepancy, the Arabic version shall prevail.

Article Two: Policy Objectives

This Policy aims to create an effective corporate governance legal framework, and in particular aims to:

1. Activate the role of Shareholders in the company and facilitate the exercising of their rights.
2. State the authorities and responsibilities of the Board of Directors and Executive Management.
3. Activate the role of the Board of Directors and committees and developing their efficiency to enhance decision making mechanisms in the company.
4. Achieve transparency, integrity and fairness in the company and its transactions and enhance disclosure therein.
5. Provide effective and balanced tools to manage instances of conflict of interest.
6. Enhance staff monitoring and accountability mechanisms.
7. Create a general framework to manage Stakeholders and preserve their rights.

Article Three: Definitions

In applying the provisions of this policy, the following words and phrases set forth below shall have the meanings shown opposite each of them, unless otherwise required by context.

Companies Law: the Companies Law issued by Royal Decree No. (R/132) dated 01/12/1443H.

Corporate Governance Regulations: Corporate Governance Regulations amended by decision no. (8-5-2023) issued by the CMA Board on 25/06/1444H, corresponding to 18/01/2023G.

Company: Saudi Reinsurance Company “Saudi Re”, a Joint Stock company registered pursuant to commercial register no. (1010250125) in the city of Riyadh.

Insurance Authority: Entity responsible for regulating the insurance sector.

Capital Market Authority: Entity responsible for monitoring companies listed in the Saudi stock market.

Market: Saudi Exchange

Policy: Corporate Governance Policy of the Saudi Reinsurance Company “Saudi Re”.

Shareholders: Shareholders in Saudi Reinsurance Company “Saudi Re”.

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Shareholders' Assembly An assembly comprised of the Company's Shareholders pursuant to the provisions of the Companies Law and the Company's memorandum of association.

Board of Directors or Board: Board of Directors of Saudi Reinsurance Company "Saudi Re".

Directors: Members of Saudi Reinsurance Company "Saudi Re" Board of Directors elected by the Shareholders' Assembly to manage the Company.

Chairman: A non-executive director elected by the Board to head its meetings and organize its business.

Executive Director: A Board member who is a member of the Company's Executive Management and participates in the daily management of its affairs against a monthly salary.

Non-Executive Director: A Board member that provides opinions and advice but does not in any way participate in the daily management of the Company and does not receive a monthly or annual salary.

Independent Director: A board member who is fully independent from management and the Company.

Independence: Having the ability to judge matters after considering into consideration all relevant information without any influence from management or external entities. A Director cannot be considered independent in the following instances that include but are not limited to:

1. If they own (5%) or more of the Company or a Related Company, is a relative to someone that owns such a share or if they are a representative or employee of a Major Shareholder.
2. If they are a director on the board of Related Company or subsidiary or held that position in the past two years.
3. If they have been a Director on the Company Board of Directors for over 9 continuous or separate years.
4. Whether they hold a position in the Company's Executive Management or the management of a Related Company or a Major Shareholder, or if they held such a position in the past two years.
5. If they are an employee of the Company, a Related Company or a company that offers services to the Company (such as auditors, consultancy firms, etc.), or they were previously employed by such entities during the past two years or they own a controlling shares in any such entity.
6. They are related to a Director or member of the Executive Management of the Company or a Related Company.
7. They have a contractual or commercial relationship with the Company (whether direct or indirect, or through an entity in which they are a Major Shareholder, director or manager) that resulted in payment or receipt of an amount from the Company equal to (SAR 250,000) excluding amounts related to insurance contracts and remunerations earned by that director for their membership in the Board) during the past two years or if they have a direct or indirect interest in work and contracts performed in favor of the Company. Work and contracts conducted with a Director to meet their personal needs shall not be considered an interest that nullifies independence of a Director for which a permit should be obtained annually from the Ordinary General Assembly, if such work and contracts are conducted under the same terms and conditions applied by the Company to all contractors and vendors and fall within the Company's regular activities unless deemed otherwise by the Nominations Committee.
8. If they have a financial commitment toward the Company, any of its Directors or Executive Management in a manner that can impact their judgment and ability to make decisions with full independence.
9. If they receive funds from the Company in addition to their remunerations for serving on the Board or any of its committees above SAR 200,000 or 50% of their remuneration for the previous year received against their service on the Board or any of its committees, whichever is less.
10. If they conduct a business that competes with the Company or has dealings in a branch of the Company's activities.

CEO: The highest officer in the Company's Executive Management responsible for its daily management.

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Related Company: Any company (or company in a group considered to be a single entity by the Insurance Authority) that owns (5%) or more of the share capital of Saudi Reinsurance Company “Saudi Re”, or a company in which Saudi Reinsurance Company “Saudi Re” - alone or in partnership with a group of companies considered to be a single entity by the Insurance Authority - owns (5%) or more of its share capital.

Major Shareholders: Natural or legal persons who control, directly or indirectly, alone or in partnership with others, (5%) or more of the Company share capital.

Executive Management (Company Management): Includes the Managing Director, CEO, General Manager and their deputies, Financial Officer, heads of key departments, those responsible for the risk management, internal auditing and compliance functions in the Company and those who hold similar positions as well as those who hold any other positions designated by the Insurance Authority.

Cumulative Voting: A method of voting to select Directors that allows each shareholder votes equal to the number of shares they own, so that they may vote all in favor of a single nominee or divide them between nominees they choose without any repetition of these votes. This method increases the chances of Minority Shareholders to be represented on the Board through cumulative votes for a single nominee.

Leadership Positions: Include Board membership Executive Management.

Relatives:

1. Fathers, mothers, grand parents and their predecessors.
2. Children, grand children and their successors.
3. Bothers, sisters or half-brother and half-sisters.
4. Spouses.
5. Or those that have a commercial relationship that can impact decision making, and any establishments in which a Director owns more than (5%).

Stakeholders: Persons or parties that have an interest in the Company’s activities, including Shareholders, the insured, claimants, Company employees, re-insurers and supervisory and control entities.

Minority Shareholders: Shareholders representing a non-controlling percentage in the Company and cannot influence it.

Related Parties:

1. Major Shareholders in the Company.
2. Members of the Company Board of Directors or any of its Subsidiaries and their Relatives.
3. Senior executives of the Company or any of its Subsidiaries and their Relatives.
4. Board members and executives of Major Shareholders in the Company.
5. Establishments or companies owned by a Director, a senior executive or their Relatives.
6. Companies in which any Directors, senior executives or their Relatives are a partner.
7. Companies in which any Directors, senior executives or their Relatives are a director or a senior executive.
8. Joint stock companies in which any Directors, senior executives or their Relatives own (5%) or more.
9. Companies where any Directors, senior executives or their Relatives are able to influence the decision-making process, even through advice or guidance (other than advice and guidance from a person professionally licensed).
10. Any person whose advice and guidance are able to influence the Company’s decisions, its Directors and senior executives (other than advice and guidance from a person professionally licensed).
11. Holding companies or subsidiaries of the Company.

Controlling Share: The ability to influence the actions or decisions of another person, directly or indirectly, solely or together with a relative or subsidiary, through ownership of (30%) or more of the voting rights in the Company or has the right to appoint (30%) or more of the management staff.

Chapter Two: Governance Framework

Article Four: General Provisions

1. The Company Board shall create and develop the Company Governance Policy (this Policy) in line with the requirements of the Insurance Company Governance Regulations issued by the Insurance Authority and the Corporate Governance Regulations issued by the Capital Markets Authority. This Policy shall be presented to the General Assembly for approval during its first meeting. A copy of the Policy shall then be provided to the Insurance Authority within (21) business days from the date of approval. The Board shall review this Policy at least annually and present any recommended amendments to the General Assembly, provided the Insurance Authority is notified of any changes to the Company's Corporate Governance Policy within (21) business days from the date the amendment is approved.
2. The Company shall create and develop a Remuneration and Compensation Policy in line with the requirements of the Insurance Company Governance Regulations issued by the Insurance Authority upon approval by its Board. The Board shall review the Company's Remuneration and Compensation Policy at least annually, provided the Insurance Authority is notified of any changes to that Policy within (21) business days from the date the amendment is approved.
3. The Company shall create and develop a Code of Conduct upon approval by its Board to ensure that the Company's activities are conducted fairly and ethically. The Company's Code of Conduct must cover the following areas at a minimum:
 - a. Conflict of Interest.
 - b. Integrity and fidelity.
 - c. Compliance with relevant laws and regulations.
 - d. Confidentiality.
 - e. Fair treatment.
 - f. Company Asset Protection.
 - g. Guiding Principles for Ethical Behavior.
 - h. Reporting Irregular or Unethical conduct.
4. The Company shall provide the Insurance Authority with a copy of its Organizational Structure upon approval by the Company Board together with any subsequent amendments to the same within (21) business days from the date of approval of the structure or amendment.

Article Five: Key Governance Principles

Saudi Reinsurance Company "Saudi Re" shall apply all key governance principles upon which the Company's Corporate Governance Framework is built, which include the following:

1. **Accountability:**
 - a. The Board has the right to hold Executive Management accountable, and the Shareholders and Stakeholders have the right to hold the Board accountable through the relevant internal regulations and policies.
 - b. Final responsibility for performance, conduct and regulatory compliance of the Company rests with the Board. Delegation of authority to Board committees or the Executive Management does not exempt the Board from any of its responsibilities. Furthermore, the Board is responsible for the performance of any other parties engaged to complete tasks or manage specific functions. In all events, the Board may not issue a general or open authorization.
2. **Disclosure and Transparency:**
 - a. The Board shall prepare written official policies and procedures that specify - at a minimum - the type of information to be disclosed, the method and timing of disclosure, disclosure

quality, sufficiency and speed assurance procedures in line with the requirements of relevant laws and regulations.

- b. The Board shall be responsible for assuring a suitable level of transparency and sufficient disclosure in a timely manner for events that may have an adverse impact on the Company's financial state, its financial performance and risks that face the Company and its method of management and governance.

3. Adequacy and Suitability of Individuals:

- a. Directors and members of any Board Committees and the Executive Management shall have sufficient honesty, integrity, efficiency, knowledge and experience required to perform their duties and must comply with all laws, regulations and instructions issued by the Insurance Authority at all times, specifically the requirements for appointment in Leadership Positions in financial institutes under the supervision of the Insurance Authority.
- b. All appointments in Leadership Positions, including Directors and members of Board Committees, must be according to the requirements of appointment in Leadership Positions in financial institutes issued by the Insurance Authority.
- c. The Nominations and Remunerations Policy approved by the Company shall include rigorous official standards and procedures to monitor and assess the adequacy and suitability of Directors, members of Board committees and Executive Management in a continuous manner. The Company must notify the Insurance Authority of any information or conditions that may impact the assessment of the adequacy and suitability of these individuals within a period not exceeding three business days from the date of receiving such information or the occurrence of that change.

4. Independence:

- a. The Company has a high level of Independence in decision making at the Company level, which may be achieved, for example, through segregation of Board and Management duties, enhancing the Independence of Control Functions and avoiding the risk of Conflict of Interest.
- b. The Board may utilize the services of independent third parties to verify the efficiency and sufficiency of the Company's governance structures and procedures and other technical matters that the Board may not possess sufficient knowledge and experience in.

Chapter Three: Rights of Shareholders

Section One: General Rights

Article Six: Fair Treatment of Shareholders

1. The Board shall endeavor to protect the rights of Shareholders to ensure equality and fairness among them.
2. The Board and the Executive Management of the Company is obliged not to discriminate among shareholders who own the same type or class of shares nor prevent them from accessing any of their rights
3. The Company shall specify in its internal policies the necessary procedures to ensure that all Shareholders are able to exercise their rights.

Article Seven: Rights pertaining to Shares

A Shareholder shall have all rights connected to a share, particularly the following:

1. Receiving their share of net profits decided to be distributed in cash or as a share issuance.
2. Receiving their share of the Company assets upon liquidation.
3. Attending Shareholder assemblies, participate in their discussions and vote on their decisions.
4. Disposal of their shares according to the provisions of the Companies Law, The Capital Market Law and their implementing regulations.
5. Inquire and request access to the Company's books and documents. This includes details and information about the Company's activities and its operational and investment strategy in a manner that does not harm the Company's interests and does not contradict the Companies Law, The Capital Market Law and their implementing regulations
6. Monitoring the performance of the Company and the activities of the Board.
7. Hold Directors accountable, raise liability claims against them and challenge Shareholder assembly decisions according to the terms and limitations stated in the Companies Law and the Company's memorandum of association.
8. Priority to subscribe to new shares issued for cash shares, unless a non-extraordinary assembly suspends the implementation of preemptive rights - if so stated in the Company's memorandum of association - according to Article 129 of the Companies Law.
9. Record their shares in the Company's shareholders' register.
10. Request to review a copy of the Company's memorandum and articles of association, unless the Company publishes the same on its website.
11. Nominate and elect Directors.

Article Eight: Facilitation of Exercising Rights and Access to Information by Shareholders

1. The Board shall provide full, clear and accurate and non-misleading information to allow Shareholders to exercise their rights fully and shall make such information available in a timely manner and regularly update the same.
2. The method in which information is made available to Shareholders must be clear and detailed, include a statement of Company information Shareholders are entitled to receive and must be made available to all Shareholders of the same type or category.
3. The most effective method must be used to communicate with Shareholders, and they must be treated equally in terms of access to information.

Article Nine: Communication with the Shareholders

1. The Board shall ensure that communications between the Company and shareholders are based on a common understanding of the Company's strategic objectives and its interests.

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2. The Chairman and CEO shall endeavor to keep other Directors informed of the Shareholders' opinions and discuss these opinions with them.
3. No Shareholder may interfere in the operations of the Board or Executive Management of the Company unless they are a Director or a member of the Executive Management, of their interference was through an ordinary general assembly, subject to its authorities and within the parameters and conditions set by the Board.
4. The Company shall designate an officer responsible for tasks related to investor relations in the Company in a manner that achieves effective and fair communication between the Company and Shareholders.

Article Ten: Board Member Elections

1. The Company shall announce on the Market website information about nominees for membership of the Board when publishing or extending an invitation to convene a general assembly, provided such information includes a description of the nominees' experience, qualifications, skills and previous and current jobs and memberships. The Company shall provide a copy of this information at its head office and on its website.
2. Voting on Director nominees during a general assembly shall be limited to nominees whose information was announced by the Company according to clause (1) of this Article.

Article Eleven: Dividend Distribution

1. The General Assembly shall determine the percentage to be distributed to Shareholders from net profit after deduction of reserves, if any.
2. The Board shall prepare a clear policy concerning dividend distribution in a manner that achieves the interests of the Shareholders and the Company pursuant to the Company's memorandum of association.
3. Each Shareholder is entitled to a profit share as determined by the Shareholder's Assembly pursuant to the recommendation of the Board after obtaining the required regulatory approvals.

Article Twelve: Dividend Distribution Policy

First: General Provisions

The Company's Dividend Distribution Policy depends on the achievement of returns and gains for investors in the Company's shares where the impact of such returns and gains extends to include the following pillars:

1. Distribution of sufficient cash profits to the Shareholders, after considering the various factors at the time of distribution including the Company's financial state, working capital requirements, distributable profits, credit limits available to the Company in addition to the overall economic situation.
2. Granting free shares to Shareholders if the conditions and requirements are met with regard to retained profits, Shareholder equity components within the Company's financial statements and balance sheets.
3. Priority, whether for cash profits or grant shares, shall be given to Shareholders registered in the records of the Depository Center of the Financial Market at the end of the trading day on which the general assembly was convened, upon obtaining the approvals of the concerned authorities.
4. The Company shall pay the profits allocated for distribution to the Shareholders at the times determined by the Board.

Second: Profit Eligibility

A Shareholder be entitled to their profit share according to the general assembly's decision. The decision shall detail the accrual date and distribution date. Share eligibility for Shareholders registered in the Shareholders' Register shall fall due at the end of the designated accrual date. The Company shall notify the Capital Market Authority - promptly - of any dividend distribution decision or recommendation.

Allocated profit shall be distributed to the Shareholders at the time and place set by the Board upon the prior written approval of the Insurance Authority.

Third: Dividend Distribution Announcement

1. The decision to announce and pay dividends, including the decision related to the amount of the distribution and its payment process, will be taken by the Shareholders' General Assembly according to the Board's recommendations.
2. The decision related to the announcement and payment of dividends will be a separate item on the Shareholders' General Assembly Agenda.
3. The decision to allocate the amount of the distribution and its process shall be issued by the Board during its meeting when the initial distribution of the Company's net profits for the year is approved and will be recommended to the Shareholders' General Assembly.
4. Taking into consideration the requirements of announcements related to profits and details they must include according to the instructions on company announcements issued by the Capital Market Authority or any other relevant laws and regulations, the following shall be included:
 - a. The dividend amount per share.
 - b. Period of dividend payment.
 - c. Type of distribution.
 - d. The decision to announce dividend distributions will be issued pursuant to the Company's memorandum of association.

Fourth: Re-Insurance Operations Accounts

1. An account shall be designated to earned premiums, re-insurance commissions and other commissions.
2. An account shall be designated to reimbursements incurred by the Company.
3. At the end of the year, the total surplus representing the difference between the total of premiums and reimbursements minus paid commissions, marketing, administrative and operational expenses and required technical provisions pursuant to relevant regulating instructions.
4. The determination of the net surplus shall be as follows: Returns on investment belonging to the insured are added to the total surplus mentioned in clause (3) above after calculating any returns they are entitled to and deducting any realized expenses they owe.
5. Distribution of the net surplus, either by distributing (10%) to the insured directly or by reducing their premiums for the following year. The equivalent of (90%) shall be transferred to the Shareholders' income accounts.

Fifth: Shareholders' Income Statement

1. Shareholder profit from returns on Shareholder investments will be according to the rules set by the Board.
2. Shareholders' percentage from the net surplus will be as stated in Clause (5) of (First) under this Article.

Sixth: Zakat and Reserve

The Company must:

1. Set aside the required Zakat and income tax.
2. The Company shall allocate at least (20%) of its annual profits as a regulatory reserve until the total reserve reaches (100%) of the paid-up share capital.
3. When allocating net profits to shares, the ordinary general assembly may decide to create other reserves to the extent that meets the Company's interests or guarantees the distribution of fixed profits to Shareholders to the extent possible.

Seventh: Company Losses

If the losses of a joint stock company reach (half) of the issued share capital, the Board must disclose the same as well as its recommendations regarding these losses within (60) days from the date of being notified of the extent of these losses, and convene an extra-ordinary general assembly within (180) days from the date of being informed in order to consider the continuity of the Company and take any necessary actions to manage or resolve such losses.

Section Two: Rights pertaining to the General Assembly

Article Thirteen: Authorities of the Extra-Ordinary General Assembly

1. Amend the Company's memorandum of association, except for amendments that are considered to be invalid under the Companies Law.
2. Increase the Company's share capital according to the terms of the Companies Law and its implementing regulations.
3. Reduce the Company's share capital if it exceeds the Company's requirements or if the Company sustains financial losses pursuant to the provisions of the Companies Law and its implementing regulations.
4. Decide to use the allocated reserve for the purposes specified in the Company's memorandum of association.
5. Decide to continue or dissolve the Company prior to the term stated in its memorandum of association.
6. Approve the acquisition of Company shares.
7. Issue premium shares or refundable shares, approve their acquisition or the conversion of a type of class of Company shares to another type or class pursuant to the Company's memorandum of association and the implementing regulations of the Companies Law pertaining to listed joint stock companies.
8. Issue debt instruments or finance instruments convertible to shares and determine the maximum number of shares that can be issued against such instruments.
9. Allocate issued shares when increasing the share capital or part thereof to employees of the Company and subsidiaries, or some of them, or the like.
10. Suspend the implementation of priority rights of Shareholders to subscribe to capital increases against cash shares, or granting non-shareholders priority wherever the Company's deems it in its interest if so stated in the Company's memorandum of association.

The extraordinary general assembly may issue decisions that fall within the mandate of the ordinary general assembly, provided such decisions are issued pursuant to the conditions for issuing ordinary general assembly decisions by a majority of voting rights represented in the meeting.

Article Fourteen: Authorities of an Ordinary General Assembly

Other than the authorities of the extraordinary general assembly, the ordinary general assembly shall be responsible for all the Company's affairs, and in particular:

1. Director election and removal.
2. Allowing a Director to have direct or indirect interests in business and contracts conducted in favor of the Company, according to the provisions of the Companies Law and its implementing regulations.
3. Allowing a Director to participate in any business that may compete with the Company, or to compete with the Company in any of its activities according to the provisions of the Companies Law and its implementing regulations.

4. Monitor the Directors' compliance with the provisions of the Companies Law, its implementing regulations, other relevant laws and the Company's memorandum of association, inspect any harm caused by their non-compliance with these provisions or their mismanagement of the Company, determine resulting liability and take any action it deems necessary in that regard according to the Companies Law and its implementing regulations.
5. Review and discuss the Company's financial statements.
6. Review and discuss the Board's report.
7. Issue decisions regarding Board proposals pertaining to the method of net profit distribution.
8. Appoint one or more auditors for the Company, determine their fees, re-appoint them, dismiss them, discuss their report and issue a decision in that regard.
9. Consider violations and errors committed by the Company's auditors in the performance of their duties, as well as any difficulties notified by the Company's auditors, with regard to being allowed access by the Board or Company Management to books, records and other documents, details and clarifications required to perform their duties, and take any action it deems necessary in that regard.
10. Decide to utilize the Company's reserves in the event they are not allocated to a specific purpose in the Company's memorandum of association, provided utilization of such reserves is based on the Board's proposal and for purposes that benefit the Company or Shareholders.
11. Create Company reserves and designate their uses.
12. Withhold portions of the Company's net profit for social purposes related to Company employees as stated in Article (123) of the Companies Law.
13. Approve the sale of more than (50%) of the Company's assets, whether in a single transaction or several transactions within (12) months from the date of the first sale transaction. If the sale of such assets included matters that fall within the mandate of the extraordinary general assembly, then the approval of the extraordinary general assembly must be obtained.

Article Fifteen: Shareholders' Assembly

1. The annual general assembly shall be convened at least once during the six months that follow the end of the Company's fiscal year. Other ordinary general assemblies may be convened when needed.
2. General and private Shareholder assemblies shall be convened upon the invitation of the Board, according to the conditions stipulated in the Companies Law, its executive regulations and the Company's memorandum of association. The Board must convene the ordinary general assembly to convene within thirty days from the date of the request of the auditor, audit committee or a number of Shareholders representing at least (10%) of the Company's shares with voting rights. The auditor may convene the ordinary general assembly if the Board does not convene it within thirty days from the date of the auditor's request.
3. The ordinary general assembly may be convened by a resolution of the competent authority in the following cases:
 - a. If the period determined to convene the ordinary general assembly stated in Clause (1) of Article (88) of the Companies Law, has elapsed without the assembly being convened.
 - b. If it is determined that there are violations of the Companies Law or the Company's memorandum of association, or there is deficiency in Company management, including the number of Directors below the minimum required for the Board to be duly convened.
 - c. If the Board does not convene the ordinary general assembly within the period determined under Clause (1) of Article (90) of the Companies Law from the date of a request by the auditor, or one or more Shareholders representing at least (10%) of the Company's shares with voting rights.

4. Without prejudice to the Companies Law and its executive regulations, the timing of the general assembly meeting, its venue and agenda must be announced at least 21 days prior to the same. The invitation shall be published on the Market website and Company website. In addition, the Company may issue an invitation to convene general and private assemblies for its Shareholders through modern technology methods.
5. The Company may amend the general assembly agenda within the period from the announcement stipulated in Clause (3) of this article and the timing of the general assembly, provided the Company announces this according to the terms of Clause (3) of this article.
Shareholders must be allowed an opportunity to effectively participate and vote in general assemblies. General assemblies may be convened, and Shareholders may participate in and vote on its resolutions through modern technology methods according to the executive regulations of the Companies Law pertaining to listed joint stock companies.
6. The Board shall facilitate participation of the largest number possible of Shareholders in general assemblies, including selection of the proper time and place.
7. The Company shall ensure that Shareholders interested in attendance are registered at the Company's head office prior to the time of the general assembly, unless the Company's memorandum of association states otherwise.

Article Sixteen: General Assembly Agenda

1. When preparing the general assembly agenda, the Board must take into consideration the matters that Shareholders wish to lists. Shareholders representing at least (10%) of the Company shares with voting rights may add one or more matters to the general assembly agenda upon its preparation.
2. The Board must place each topic on the general assembly agenda in a separate item, and not place topics that are fundamentally different under a single item, and not place businesses and contracts in which a Director may have a direct or indirect interest within a single item; for the purpose of receiving the Shareholders' votes on the item as a whole.
3. Shareholders must be allowed, through the Company's website and Market website upon publishing the general assembly meeting announcement, to receive information pertaining to the general assembly agenda, especially the Board report, auditor's report, financial statements and the audit committee's report to enable them to make informed decisions in that regard. The Company must update this information in the event the general assembly agenda is amended.
4. The Capital Market Authority may add any other topics it deems fit to the general assembly agenda.

Article Seventeen: Extra-Ordinary General Assembly Quorum

1. An extraordinary general assembly shall be considered duly convened when attended by Shareholders representing at least (half) of the Company's shares with voting rights.
2. If this quorum stated in Clause (1) of this article is not met, an invitation shall be sent for a second meeting to be held pursuant to the terms stipulated in Article (91) of the Companies Law. However, the second meeting may be held one hour after the end of the first meeting timing, provided the to the first meeting includes the possibility of such a second meeting being convened. In all events, the second meeting shall be properly convened if attended by a number of Shareholders representing at least (one quarter) of the Company's shares with voting rights.
3. If the necessary quorum is not met for the second meeting, an invitation to a third meeting shall be issued to be convened pursuant to the same conditions stipulated in Article (91) of the Companies Law. The third meeting shall be duly convened regardless of the number of shares with voting rights in attendance.

Article Eighteen: Ordinary General Assembly Quorum

1. An ordinary general assembly shall be considered duly convened if attended by Shareholders representing at least (one quarter) of the Company's shares with voting rights.
2. If the quorum required to convene an ordinary general assembly meeting, as stipulated in Clause (1) of this Article, is not met, an invitation to a second meeting to be convened under the same conditions stipulated in Article (91) of the Companies Law shall be issued within the thirty days following the first meeting. However, the second meeting may be held one hour after the time designated for the first meeting, provided the invitation to the first meeting includes the possibility of convening such a second meeting. In all events, the second meeting shall be duly convened regardless of the number of shares with voting rights in attendance.

Article Nineteen: Conduct of a Shareholder Assembly

1. The Shareholders' General Assembly meetings shall be chaired by the chairman, his deputy (if the chairman is absent) or whom is delegated by the Board of directors of its members (when the chairman and his deputy are absent); and if not possible, the General Assembly shall be chaired by whom the shareholders delegates from the board members or others by voting.
2. The Chairman of the Shareholders' Assembly shall ensure that shareholders the opportunity to effectively participate and vote in general assembly meetings and avoid creating any process that may hinder the attendance of general assemblies or using any voting rights. Shareholders shall be informed of the rules that govern the conduct of such meetings and voting procedures.
3. Shareholders may discuss the topics listed on the general assembly agenda and direct questions regarding these topics to the Directors and auditor. These questions must be answered to the extent that does not harm the Company's interests.
4. Shareholders must be allowed access to the minutes of the general assembly. The Company must provide the Capital Market Authority with a copy of these minutes within (ten) days from the date of the meeting.
5. The Company must announce to the public and notify the Capital Market Authority and the Market - according to the controls set by the Capital Market Authority - the results of the general assembly upon its conclusion.

Article Twenty: Voting Rights

1. Voting is a fundamental shareholder right that cannot be revoked in any manner. The Company shall avoid creating any process that may hinder the use of voting rights. Moreover, the Company must facilitate to exercise of voting rights by Shareholders and treat all Shareholders equally.
2. Votes in general assemblies are calculated based on a single vote per share.
3. The Company shall apply the Cumulative Voting method when voting to select Directors during the general assembly.
4. Votes may be conducted with the use of modern technology according to the controls set by the competent entity.

A Shareholder may delegate - in writing - another Shareholder who is not a Director or a Company employee to attend the general assembly on their behalf.

Chapter Four: Board of Directors

Section One: Board Formation

Article Twenty-One: Board Composition

1. The number of the Board members must be suitable for the size and nature of the Company's activities provided it does not exceed (11) Directors and is not below (5) Directors at any given time.
2. The Board composition must reflect a suitable representation of independent directors. In all events, the number of independent directors must not be less than 2 or one third of the Board, whichever is higher.
3. The Board must generally be diverse in terms of qualifications, knowledge, experience, skill and complete integrity to effectively perform its duties and responsibilities.
4. A Director on the Company's Board may not be a director on the board of another local insurance company and/or re-insurance company, or any of its committees, and must not hold a Leadership Position in any of these companies.

Article Twenty-Two: Director Nomination Process

The Director nomination process must take the following into consideration:

1. Allowing sufficient time to submit nominations for Board positions, provided nominations remain open for at least one month from the date of announcement.
2. The Nominations and Remunerations Committee reviews all nominations and documents all relevant authorities and recommendations.
3. A written no objection is obtained from the Insurance Authority prior to electing any Directors.
4. Shareholders are provided with sufficient information about the nominees, their qualifications and relationship to the Company prior to voting on their selection. A copy of this information must be provided at the Company's head office and on its website.
5. Cumulative Voting is applied when voting on the appointment of Directors during a general assembly.
6. The number of nominees whose names are presented to the general assembly must be more than available Board positions so that the general assembly has the opportunity to choose from among the nominees.
7. If there isn't a sufficient number of nominees, the Board may enlist the services of an independent specialized third party to determine additional nominees for Director positions.
8. The Company must notify the Insurance Authority when rejecting any Director nominations stating the reasons for such rejection.

Article Twenty-Three: Director Appointment

1. The Company's memorandum of association shall determine the number of Board Directors, provided it is not less than five.
2. The general assembly shall elect Directors for the term stipulated in the Company's memorandum of association provided it does not exceed four years. They may be re-elected unless otherwise stated in the Company's memorandum of association.
3. A Director may not serve on the Board of Directors of more than five listed joint stock companies at the same time.
4. The Company must notify the Capital Market Authority of the names of the Directors and their titles within (five) business days from the commencement date of the Board term - or from the date of their appointment, whichever is shorter, as well as any changes to their positions within (five) business days from the date the changes occurred.

5. Upon joining the Board, Directors must undergo an orientation program. Each new Director must be provided with a statement of their tasks and responsibilities in addition to comprehensive information about the Company's business, its strategic plans and relevant laws and regulations.

Article Twenty-Four: Board Membership Conditions

Without prejudice to Board nomination policies and standards, a Director must be a professional with sufficient experience, knowledge, skills and required independent to conduct their duties efficiency and ability. In particular, they must have the following:

1. **Ability to lead:** To have leadership skills that qualify them to grant authorities in a manner that encourages performance and the implementation of best practices in the area of effective management and adherence to professional values and ethics.
2. **Competency:** To have suitable academic qualifications, professional and personal skills, level of training and relevant practical experience related to the Company's current and future activities, management, economy, accounting, the law or governance in addition to the willingness to learn and train.
3. **Ability to direct:** To have the technical, leadership and administrative capabilities, quick decision making, comprehension of technical requirements related to work and the ability to provide strategic direction, planning and a clear vision for the future.
4. **Financial Knowledge:** To have the ability to read and understand financial statements and reports.
5. **Health:** To have no health issues that would prevent them from conducting their duties and specialties.

When electing Directors, the general assembly must take into consideration the recommendations of the Nominations Committee and the availability of the necessary personal and professional requirements to perform their duties effectively as stated in this Article.

Article Twenty-Five: Vacant Board Seats

If a seat becomes vacant on the Board, the Board may - upon receiving the previous written non-objection of the Insurance Authority, appoint a new Director in the vacant position unless this appointment is approved during the first general assembly. The Capital Market Authority must be notified within (five) business days from the date of this appointment.

Article Twenty-Six: Appointment of the Chairman, Vice Chairman and Managing Director

1. The Board must select a Non-Executive Director to head the Board. A Non-Executive Director may also be selected to be Vice Chairman and a Managing Director must be appointed after obtaining the approval of the Insurance Authority.
2. The Board shall authorize the Chairman to organize the Board's business and grant him the necessary powers to conduct his duties.

Article Twenty-Seven: Separation of Positions

1. The positions of Chairman and any other executive position in the Company such as the Managing Director, CEO or General Manager may not be held by the same individual at the same time.
2. The Board must designate the authorities of the Chairman, Vice Chairman, Managing Director and CEO and their responsibilities clearly and in writing if these are not stated in the Company's memorandum of association.
3. In all events, a single person may not hold absolute decision-making authority in the Company.

Section Two: Board Responsibilities and Authorities

Article Twenty-Eight: Board Responsibilities

1. The Board represents all Shareholders and must exercise due diligence and fidelity in managing the Company and do all things that would protect, grow and maximize the value of its interests.
2. The Board is responsible for all of the Company's business even if it authorizes committees or individuals to exercise some of its duties. In all events, the Board may not issue a general or open authorization.
3. Enhance the culture of governance in the Company and adopt high ethical standards.
4. The Board must be continuously informed of work progress, operate in good faith and care with due diligence to comply with relevant laws and regulations to the benefit of the Shareholders, the insured and other Stakeholders.
5. Directors must be fully authorized to gather any relevant information within the limits of the Board's responsibility.
6. Directors must have a proportionate ability to influence decisions made.
7. Directors must perform their duties without any external influence, whether from within the Company or outside of it. They may not exploit their positions to achieve personal interests or the interests of any of their shareholders, insured and other Stakeholders.
8. Directors and Board committees are prohibited from disclosing confidential information received as part of their duties to the Shareholders or the public outside the scope of general assembly meetings or use any of this information to achieve personal gain or profits.

Article Twenty-Nine: Main Functions of the Board

1. Strategic leadership of the Company, create strategic plans, the Company's main objectives and oversee their implementation, review the same periodically and ensure the availability of human and financial resources required to accomplish the same. This includes:
 - a. Creating, reviewing and directing the Company's comprehensive strategy, key business plans and risk management policies and procedures.
 - b. Determining the Company's optimal capital structure, its financial strategies and objectives and approving all types of estimated budgets.
 - c. Overseeing the Company's main capital expenses, asset acquisitions and disposals.
 - d. Setting performance targets, monitoring execution and overall performance in the Company.
 - e. Periodically reviewing and approving the Company's organizational and functional structures.
 - f. Ensuring the availability of the human and financial resources required to achieve the Company's objectives and key plans.
2. Approving, reviewing and regularly updating main policies and procedures.
3. Creating and monitoring the Company's internal controls and ensuring its sufficiency and effectiveness. This includes:
 - a. Creating a written policy to manage actual and potential conflicts of interest for each of the Directors, Executive Management and Shareholders. This includes misuse of the Company's assets and facilities, misconduct resulting from related party transactions.
 - b. Ensuring the soundness of financial and accounting systems, including laws related to financial reporting.
 - c. Ensuring the implementation of suitable monitoring system to measure and manage risk by creating an overall visualization of risks that may face the Company, creating a risk management awareness environment at Company level and presenting it transparently to Stakeholders and related parties of the Company.
 - d. Annually reviewing the effectiveness of the Company's internal controls.
4. Creating the values and standards that govern business in the Company.

5. Creating and monitoring a risk management system in the Company to assess, manage and continuously manage risks.
6. Selecting and appointing executives in key positions (when needed) and ensuring that the Company has a suitable policy to provide a suitable substitute able to continue work with the required skills.
7. Overseeing Executive Management and monitoring the Company's performance against the performance targets set by the Board.
8. Overseeing management of the Company's finance, its cash flows and its financial and credit relationships with others.
9. Ensuring the protection of Shareholder interests at all times.
10. Creating effective communication channels to keep Shareholders continuously and periodically informed of the Company's various activities and any material developments.
11. Submitting suggestions to extraordinary general assembly regarding the following:
 - a. Increasing or decreasing the Company capital.
 - b. Dissolving the Company prior to the term stipulated in its memorandum of association or deciding its continuity.
12. Submitting suggestions ordinary general assembly regarding the following:
 - a. Using the Company's reserves if they are not allocated to a specific use within the Company's memorandum of association.
 - b. Creating additional reserves or provisions for the Company.
 - c. Net Company profit distribution method.
13. Notifying the ordinary general assembly, upon convening, of businesses and contracts in which a Director has a direct or indirect interest, provided this notification includes the information submitted by that Director to the Board according to Clause (14) of Article (28) of the Corporate Governance Regulations. The notification must also include a special report from the Company's external auditor.
14. Ensuring the soundness and effectiveness of the reporting and financial statement submission system and the disclosure mechanism.
15. Ensuring the accuracy and integrity of the data and information that must be disclosed according to applied disclosure and transparency policies.
16. Enhancing the Company's governance level and standards and ensuring compliance with relevant laws and regulations at all times.
17. Forming specialized Board committees pursuant to decisions specifying the committee's terms, powers and responsibilities and how it will be overseen by the Board. The formation decision shall include the names of the committee members, their duties, rights and tasks and how the performance and work of these committees and their members will be evaluated.
18. The Board must grant the Audit Committee sufficient powers to verify any matters within its mandate, ensure the independence of the internal auditing function and its ability to access all information required for it to perform its duties. The Board must also respond to auditors' reports and ensure that Executive Management is aware of the internal auditors' recommendations.
19. Creating clear written policies and procedures to regulate the activities of the Board.
20. Preparing clear and specific policies, standards and procedures for Board membership - in line with the mandatory provisions of this Policy - and implementing the same upon ratification by the general assembly.
21. Creating a written policy to regulate relationships with Stakeholders.
22. Creating policies and procedures that ensure the Company's compliance with laws and regulations and with disclosure of material information to Shareholders and Stakeholders and ensure compliance with the same by Executive Management.

23. Prepare the Company's preliminary and annual financial statements and approve them prior to publication.
24. Prepare the Board report and approve it prior to publication.
25. Determine the types of bonuses granted to Company employees such as fixed bonuses, performance related bonuses and bonuses in the form of shares, provided this is aligned with the executive regulations of the Companies Law related to listed joint stock companies.

Article Thirty: Exercising the Board's Authorities

1. The Board must exercise its authorities and tasks to lead the Company within the framework of wise and effective limits that allow the measurement, management and mitigation of risks.
2. The Board may - within the limits of its authority - delegate to one or more of its members, committees or others the conduct of a specific tasks or tasks.
3. The Board may procure advisory services from independent external parties when needed at the Company's expense.
4. The Board shall create an internal policy stating the Board's procedures and aiming to encourage its members to work effectively towards the fulfillment of their duties to the Company.
5. The Board shall organize its work and allocate sufficient time to perform its tasks and responsibilities including preparation for Board and committee meetings, and ensuring the coordination, recording and preservation of its minutes.

Article Thirty-One: Chairman's Role and Responsibilities

Without prejudice to any other supervisory or monitoring requirements, and in addition to his duties as a Board member, the Chairman's duties include but are not limited to the following:

1. Organizing the conduct of the Board, including preparing Board meeting agendas, taking into consideration any issues presented by a Director or raised by the auditor, and consulting with the Directors and CEO when preparing these agendas.
1. Ensuring that Directors receive full, clear, accurate and non-misleading information in a timely manner.
2. Ensuring that the Board discussed all key issues effectively and in a timely manner.
3. Representing the Company before judicial bodies, supervising relations between the Board internal and other external entities according to the Companies Law, its executive regulations and the Company's memorandum of association.
4. Supporting the Board's efforts to Enhance the Company's governance level and standards and ensuring compliance with relevant laws and regulations at all times.
5. Encouraging Directors to conduct their duties effectively and in line with the Company's interests.
6. Ensuring that the Board is performing its duties responsibly and without undue interference in the Company's operations.
7. Periodically meeting with Non-Executive Directors without the presence of any Company executive.
8. Encouraging constructive relationships and effective participation between the Board, Executive Management, Executive, Non-Executive and Independent Directors and creating a culture that encourages constructive criticism.
9. There must be no overlapping between the responsibilities of the Chairman and those of the CEO. The Chairman must adhere to his supervisory role and not perform any executive duties that are the responsibility of the CEO.

Article Thirty-Two: Vice Chairman's Role and Responsibilities

The Vice Chairman shall replace the Chairman in his absence. The Vice Chairman shall also perform all of the Chairman's duties as stipulated in Article Thirty-One of this Policy.

Article Thirty-Three: Tasks and Duties of Directors

Each Director - by virtue of their membership in the Board - shall perform the following tasks and duties:

1. Provide proposals to develop the Company's strategy.
2. Monitor the performance of the Executive Management and the extent to which they achieve the Company's aims and objectives.
3. Review of the Company's performance reports.
4. Ensure the soundness and integrity of the Company's financial statements and information.
5. Ensure that the Company has robust financial controls and risks management systems.
6. Determine suitable remunerations for the Executive Management.
7. Provide an opinion on the appointment and removal of members of the Executive Management.
8. Participate in creating the succession and substitution plan for the Company's executive functions.
9. Fully comply with the provisions of the Companies Law, the Capital Market Law and their implementing regulations and relevant laws and memorandum of association when conducting their duties on the Board, and refrain from doing or participating in any activity that constitutes mismanagement of the Company's affairs.
10. Attend Board Meetings and general assemblies and not be absent without a legitimate excuse notified to the Chairman in advance or for urgent reasons.
11. Allocate sufficient time to perform their responsibilities, prepare for Board and committee meetings and effectively participate in the same, including asking relevant questions and holding discussions with the Company's senior executives.
12. Study and analyze information related to topics considered by the Board prior to giving an opinion.
13. Allow other Directors to provide their opinions freely, encourage the Board to discuss matters and request the opinion of specialized members of the Company's Executive Management and others if the need arises.
14. Notify the Board fully and immediately of any interests - direct or indirect - in the business and contracts conducted for the Company. Such notice must include the nature of that interest, its limits, the names of any concerned individuals and the benefit expected to be received directly or indirectly from that interest whether it is financial or non-financial. That Director should not participate in votes on any decisions made in that regard according to the provisions of the Companies Law, the Capital Market Law and their implementing regulations.
15. Notify the Board fully and immediately that Member's - direct or indirect - participation in any business that competes with the company or competition, whether direct or indirect, with any branch of the company's activity according to the provisions of the Companies Law, the Capital Market Law and their implementing regulations.
16. Not disclose any secrets they became aware of through their membership on the Board to any of the Company's Shareholders - unless during a general assembly - or to others in accordance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations.
17. Work based on complete information, in good faith while exercising due diligence and care for the Company's and Shareholders' interests.
18. Understand the duties, roles and responsibilities associated with being a Director.
19. Develop their knowledge in the area of the Company's activities and business and in related financial, commercial and industrial areas.

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20. Resign their position on the Board if they are unable to fulfill their duties in the best possible manner.

Article Thirty-Four: Duties of the Independent Board Member

Without prejudice to Article Twenty-Eight of this Policy, the Independent director of the board shall effectively participate in performing the following duties:

1. Expressing his/her independent opinion in respect of strategic issues and the Company's policies and performance and appointing members of the Executive Management;
2. Ensuring that the interest of the Company and its shareholders are taken into account and given priority in case of any conflicts of interest;
3. Overseeing the development of the Company's Corporate Governance rules, and monitoring the implementation of the rules by the Executive Management.
- 4.

Article Thirty-Five: Distribution of Authorities and Duties

The organizational structure of the Company shall specify the competencies and distribute the duties between the Board and the Executive Management in accordance with the best practices in Corporate Governance, and to improve the efficiency of the Company's decision making and to achieve a balance of powers and authorities across the Board and the Executive Management, and to achieve this, the Board shall:

1. Approve and develop internal policies in respect of the Company's business, including specifying the duties, competencies and responsibilities assigned to the various organizational levels;
2. Approving a written and detailed policy that identifies the powers delegated to the Executive Management, a matrix stating these powers, means of implementation and the period of delegation\ The Board may request the Executive Management to submit periodic reports in respect of its exercise of such delegated powers.
3. Identifying the matters on which the Board reserves the power to decide.

Section Three: Procedures of the Board Activities

Article Thirty-Six: Board Meetings

1. Board meetings shall be convened periodically and when required, provided the Board's annual meetings are not less than (4), where there is at least a meeting every three months.
2. Non-Executive Directors must hold separate meetings without the attendance of management staff (Management) once per year. Non-Executive Directors may invite any officers from the Control Functions to attend these meetings.
3. The Board shall convene pursuant to an invitation from its Chairman or the request of any of its Directors. The invitation must be sent to each Director at least (ten) business days prior to the date of the meeting and should include the meeting agenda, and required documents and information, unless the situation requires an urgent meeting to be convened, at which time the agenda and required documents and information may be sent within a period less than (ten) business days prior to the meeting date.
4. The Board shall determine the location of its meetings and may convene them with the use of modern technology.
5. Board meetings are confidential. The Board may invite any of the Company's employees or individuals from outside the Company with experience to attend a Board meeting and provide any information or clarifications the Board may request, provided they may not participate in any other topics and may not vote on any of the Board's resolutions.

Article Thirty-Seven: The Agenda of Board Meetings

1. Board meetings agendas are prepared in consultation with the CEO taking into consideration any issue presented by a Director or raised by the auditor.
2. The Board shall approve the agenda once the Board meeting is convened. Should any member of the Board raise any objection in respect of such agenda, such objection shall be recorded in the minutes of the meeting
3. Each member of the Board is entitled to propose additional items to the agenda.

Article Thirty-Eight: Board meeting Quorum

1. The board meeting shall not be valid unless attended by half of the Board members (by themselves or by proxy), unless the Company's bylaws stated greater percentage or number.
2. A Director may assign any of the other Directors to attend Board meetings in their stead unless the Company's bylaws states otherwise.

Article Thirty-Nine: Organizing the Attendance of the Board Meetings

1. The Attendance of Board meetings, and dealing with cases of irregular attendance by members of such meetings shall be organized.
2. An Independent Director of the Board shall make every effort to attend all meetings in which important and material decisions affecting the position of the Company are made.

Article Forty: Remarks of the Board Members

1. If any member of the Board has any remarks in respect of the performance of the Company or any of the matters presented and which was not resolved in the Board meeting, such remarks shall be recorded and the procedures taken or to be taken by the Board in connection therewith must be set forth in the minutes of the Board meeting.
2. If a member of the Board expresses an opinion differs from the Board resolution, such opinion must be recorded in detail in the minutes of the Board meeting.

Article Forty-One: Board Meeting Documentation

1. Board minutes of meeting must be issued and signed by the Chairman and Secretary and documented in an official register.
2. Board minutes of meeting must include the names of attendees, discussions conducted, main deliberations, votes, dissents, abstinence from voting (with justification), decisions issued and any reservations to these decisions. The minutes must also include all records and documents reviewed during the meeting and/or referenced in the minutes of meeting.

Article Forty-Two: Board Decisions

1. Board decisions are passed by the majority of votes of Directors in attendance whether in person or by proxy. In the event of equal votes, the Chairman's party shall prevail.
2. A Board decision becomes valid as on the date of its issuance, unless it states that it will become valid at a later time or when certain conditions are met.
3. The Board may issue its decisions on urgent matters through roll call, unless a Director requests - in writing - a Board meeting to discuss such matters. These decisions are issued with the approval of the majority of Directors. These decisions will be presented to the Board at its first subsequent meeting to be noted in the minutes of that meeting.

Article Forty-Three: Appointment of the Board Secretary

1. The Board must appoint a secretary for the duration of the Board to coordinate the Board's work and provide support and assistance to the Directors. The Secretary may be a Director or Company employee.
2. The board secretary must have sufficient experience and knowledge of the Company's business and activities, have good communication skills and an awareness of relevant laws and regulations and best practices in corporate governance.

Article Forty-Four: Board Secretary

1. The Board shall appoint a secretary among its members, company employees or a third party, whose competencies and wage shall be specified by a Board resolution, unless the Company's bylaws include provisions in connection therewith, provided that such powers shall include:
 - a. Coordinating Board meetings in addition to ensuring the availability of suitable means of communication to exchange and record information between the Board, its committees, Executive and Non-Executive Directs and maintain minutes of meeting. Board minutes of meeting are considered to be the required official record of actions and decisions taken by the Board and its committees. Minutes must be accurate and clearly reflecting any items and topics discussed during Board meetings, decisions made, and any other matters discussed.
 - b. The Board Secretary shall notify Directors of meeting times, provide them with the agenda and related documents and ensure they are delivered at least (ten) business days prior to the meeting.
 - c. Coordinating among the Board members.
 - d. Ensuring that the Board members comply with the procedures approved by the Board;
 - e. Providing the Board members with the agenda of the Board meeting and related worksheets, documents and information and any additional information, related to the topics included in the agenda items, requested by any Board member
 - f. Board minutes must document any voting conducted during the meeting, including dissents and abstinence. Any documents referenced during the meeting must also be attached or referred to. A list including the names of members present and absent must be prepared along with a list of approved committees and any abstinence from voting (if any) for each Director with reasons.
 - g. Board minutes of meeting must include all discussions and deliberations, place, time, start and conclusion of the meeting, decisions issued by the Board and voting results and must be kept in a special organized register. The names of attendants and their reservations - if any - must also be noted. Minutes must be signed by the Chairman of the meeting, all attending Directors and Secretary.
 - h. Retaining the reports submitted to the Board and the reports prepared by it;
 - i. Presenting the draft minutes to the Board members to provide their opinions on them before signing the same
 - j. Ensuring that the Board members receive, fully and promptly, a copy the minutes of the Board's meetings as well as the information and documents related to the Company
 - k. Regulating the disclosure register of the Board and Executive Management as per Article (89) of these Regulations
 - l. Providing assistance and advice to the Board members.
 - m. Minutes of meeting are distributed to the concerned parties within no more than fifteen (15) days and must designate the person or entity responsible for implementation of the decisions made. At the beginning of every year, the Board shall prepare a specific schedule to receive reports from the concerned committees, internal and external auditors, and ensure that the method to submit and prepare reports is consistent with the approved internal policy

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including the preparation of key information and presenting the same to the Board on the scheduled times.

2. The Secretary of the Board may not be relieved except pursuant to a decision of the Board.
3. The Board shall set a reward for the Secretary for performing this role.

Article Forty-Five: Qualifications of the board Secretary

The Board must specify the conditions that the secretary must meet, provided that they include at least one of the following:

1. The Secretary must have sufficient experience and knowledge of the Company's business and activities, have good communication skills and an awareness of relevant laws and regulations and best practices in corporate governance.
2. He/she has relevant practical experience of not less than five years.

Article Forty-Six: Professional and Ethical Standards

The Board shall establish a policy for professional conduct and ethical values at the Company, which shall particularly take the following into consideration:

1. Ensuring that each member of the Board or the Executive Management and employees perform his/her duties of loyalty and care to the Company, and undertake the measures that may protect the Company's interests and contribute to its development and increase its value, and shall not, at all times, prioritize his/her own interests over the interests of the Company.
2. A Board member shall represent all shareholders of the Company and take all actions to achieve the best interests of the Company and its shareholders, while protecting the rights of the other Stakeholders rather than only the interests of the group that elected him
3. Entrench among the Board members and Senior Executives the principle of compliance with all relevant laws, regulations and instructions.
4. Preventing the Board members or the Executive Management from abusing their positions with the aim of achieving benefits for himself/herself or a third party.
5. Ensuring that the Company's assets and resources are only used to achieve the Company's purposes and objectives, and not to achieve personal interests.
6. Establishing accurate, well-formed, and clear rules regulating the authority to access the Company's internal information and timing to access it, in a way that prevents the Board members, the Executive Management and others from making personal use or disclosing the same to any person, except within the prescribed limits or as permitted by law.

Article Forty-Seven: Regulation of Conflict of Interest and Related Parties

The Board and Executive Management must apply the approved conflict of interest policy, which includes avoidance of conflicts of interest, nominee disclosure of conflict of interest, competing with the Company, the concept of competing businesses, events in which license renewals are rejected and acceptance of gifts including clear procedures to disclose conflict of interest prior to the start of actions that may result in conflict of interest, or when such conflict occurs, all pursuant to the Corporate Governance Regulations issued by the Capital Market Authority.

Article Forty-Eight: Rules of Competing with the Company

Without prejudice to Article (27) of the Companies Law and other relevant provisions in these regulations, if a member of the Board, or a member of one of its committees, desires to engage in a business that may compete with the Company or any of its activities, the following shall be taken into account:

1. Notifying the Board of the competing businesses he/she desires to engage in and recording such notification in the minutes of the Board meeting.

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2. The conflicted member shall abstain from voting on the related decision in the Board meeting, the meeting of its committees, and General Assemblies.
3. The chairman of the Board informing the Ordinary General Assembly, once convened, of the competing businesses that the member of the Board, or a member of one of its committees, is engaged in, after the Board assesses the board member's competition with the company's business or if he/she is in competition with one of the branch activities that it conducts in accordance with the standards issued by the Ordinary General Assembly upon a proposal from the Board and published on the company's website, provided that such businesses are assessed on annual basis.
4. Obtaining an authorisation of the Ordinary General Assembly of the Company, or of the Board through a delegation of the Ordinary General Assembly, for the Board member to engage in the competing business.

Article Forty-Nine: Disclosure and Transparency

Without prejudice to Rules on the Offer of Securities and Continuing Obligations and Listing Rules, the Board shall set forth in writing the policies, procedures and supervisory rules related to disclosure pursuant to the disclosure requirements provided for in the Companies Law and the Capital Market Law, as the case may be, and their implementing regulations, taking into consideration the following:

1. Such policies shall include proper disclosure methods that enable the shareholders and other Stakeholders to access the financial and non-financial information pertaining to the Company's performance and information in respect of ownership of shares, and to obtain a comprehensive view of the Company's position.
2. Disclosure to shareholders and investors shall be made without discrimination in a clear, correct and non-misleading fashion, and in a timely, regular and accurate manner in order to enable shareholders and other Stakeholders to exercise their rights to the fullest extent.
3. The Company's website shall include all information required to be disclosed and any details or other information that may be published through other disclosure methods.
4. Reporting rules shall be established and shall describe the information required to be disclosed and the method of its classification in terms of its nature, and the frequency of its disclosure.
5. The disclosure policies shall be reviewed periodically and their compliance with the best practices and the provisions of the Capital Market Law and its implementing rules shall be verified.

Section Four: Training, Support, Assessment and Remuneration

Article Fifty: Training

Directors must ensure they are aware of the latest regulatory developments and are participating in training programs organized by the Company as needed in areas and topics relevant to their role, which include but are not limited to corporate governance, risk management, finance, internal auditing, regulations, compliance and any other topics of importance.

Article Fifty-One: Providing Members with Information

The Executive Management of the Company shall provide the Board members, the Non-Executive Directors in particular, and the committees of the Company with all of the necessary information, details, documents and records, provided that they shall be complete, clear, correct and non-misleading, in due course to enable them to perform their duties and obligations.

Article Fifty-Two: Board Assessment

The Nominations and Remunerations Committee shall assess the Board's evaluation (each Director separately and the Board overall) at least every year using official, transparent and objective standards.

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Article Fifty-Three: Director Remuneration and Compensation

1. The Company's bylaw shall clarify the manner in which Directors are awarded.
2. The Board shall propose board of directors based on the recommendations of the Nominations and Remunerations Committee and relevant laws, regulations and instructions. Proposed remunerations and compensations are only confirmed upon the approval of the general assembly.
3. The Company must ensure that written details of proposed remunerations and compensations are published to be available to all Shareholders prior to the general assembly meeting during which votes will occur with regard to these remunerations and compensations.

Section Five: Board Membership Expiry or Termination

Article Fifty-Four: Membership Expiry Provisions

Pursuant to the Company's bylaw, Board membership expires due to one of the following reasons:

1. End of term, resignation, death, mental or physical illness that render the Director unable to perform their duties.
2. The Director is no longer qualified to conduct their duties under any laws applied in the kingdom of Saudi Arabia.
3. If the Board determines that a Director breached their duties in a manner detrimental to the Company's interests, provided this determination is reached with the approval of the ordinary general assembly.
4. Missing three consecutive meetings in a single year without an excuse acceptable to the Board.
5. If a ruling is issued declaring the Director's bankruptcy or insolvency or they submit a settlement with their creditors or stop settling their debts.
6. Conviction of immoral behavior and breach of trust, or violation of laws and regulations in Saudi Arabia or any other country.
7. When a Director's tenure expires through any method of expiry, the Company shall immediately notify the Capital Market Authority, providing reasons for the expiry.
8. The Insurance Authority and Capital Market Authority] shall be notified when any Director resigns or their tenure expires for any reason, other than the expiry of the Board term, within (five) business days from the date of resignation.
9. The general assembly may at any time remove all or part of the Board of Directors.
10. The Board may, with the majority of its members' votes, relieve the Chairman of his duties at any time.
11. If the general assembly refuses to grant a license to a Director to conduct a competing business, that Director must resign within the period specified by the general assembly. Otherwise, their tenure will be considered expired, unless they decide they no longer wish to enter into the contract, transaction, competitions or reconciliation of his status according to the Companies Law and its executive regulations prior to the expiry of the period designated by the general assembly.

If a Director resigns, and has remarks regarding the Company's performance, they must submit a written statement of these remarks to the Chairman. This statement must be presented to the other Directors.

Chapter Five: Board Committees

Section One: General Provisions

Article Fifty-Five: Committees Formation

1. The Board shall establish specialized Board committees to extend its oversight into particular areas of the Company's activities, such as nomination and remuneration, audit, risk management, investment, regulatory compliance, disclosure, governance, human resource, strategic development, etc., and delegate the necessary powers to its committees and monitor their performance.
2. At a minimum, the Board shall establish an executive committee, an audit committee, a nomination and remuneration committee, a risk management committee, and an investment committee.
3. Committee formation shall be pursuant to general procedures created by the Board that include determination of a mandate for each committee, as well as the period and authorities vested in that committee during that period and how oversight was conducted by the Board. The committee must notify the Board of its findings or decisions transparently. The Board must track the work performed by these committees to ensure they perform the duties delegated to them.
4. Members of committees may not be less than three or more than five.
5. The Board must approve regulations for each committee it forms. Each of these committees must have standard procedures created by the Board specifying the committee's duties, term, scope, powers, responsibilities and supervision mechanism by the Board.
6. Each committee will be responsible for its tasks before the Board. This does not lessen the Board's responsibilities for such tasks, powers or authorities delegated to the committee.
7. Board committees may procure advisory services from external specialized entities to perform their role, when needed, at the Company's cost upon the Board's approval.
8. Board committees shall operate under a mechanism similar to that of the Board.
9. The Board must review minutes of meetings held by the committees and their recommendations.
10. Committee chairmen or their deputies from among committee members must attend general assembly meetings to answer the Shareholders' questions.
11. The Company must notify the Capital Market Authority of the names of the committee members and their titles within (five) business days from the date of their appointment as well as any changes to their positions within (five) business days from the date the changes occurred.

Article Fifty-Six: Committee Membership

1. A sufficient number of Non-Executive Directors must be appointed to committees concerned with duties that may cause conflicts of interest, such as verifying the soundness of financial and non-financial reports, reviewing related party transactions, Board nominations, senior executive appointments and determining remunerations. The heads and members of these committees must demonstrate due diligence, loyalty and care towards the interests of the Company and Shareholders and place them before their own personal interests.
2. When forming the Remunerations and Nominations Committees, the Company shall ensure that the members are Independent Directors. Non-Executive or non-members of the Board may also be enlisted, whether they are Shareholders or others, provided the Chairmen of these two committees are Independent Directors.

3. The Chairman of the Board may not be a member of the Audit Committee. He may participate in other committees provided he is not a chairman of any of the committees stipulated under this Policy.

Article Fifty-Seven: Committee Meetings

1. Board Directors and Executive Management, other than the Secretary and committee members, may not attend committee meetings unless requested by the committee to provide their opinion or advice.
2. In order for committee meetings to be duly held, they must be attended by the majority of their members. Their decisions are also issued by the majority of votes in attendance. In the event of a tie, the chairman of the meeting's party shall prevail.
3. Committee meetings must be documented, and minutes prepared including all discussions and deliberations conducted, committee recommendations and voting results and keep the same in a special and organized register. The names of members attending and their reservations - if any - shall also be included and these minutes must be signed by all attending members.

Section Two: Audit Committee

Article Fifty-Eight: Audit Committee Formation

1. The Audit Committee will be formed by a decision of the Board, and will be comprised of Shareholders or others, provided it does not include any Executive Directors, and provided there is a member of the committee that is specialized in financial and accounting affairs.
2. The Committee must include at least (3) and at most (5) members.
3. The audit committee shall have at least one Independent Director among its members.
4. The Board shall appoint a member of the Audit Committee as its Chairman after receiving a written non-objection from the Insurance Authority.
5. The Chairman of the Board may not be a member or chairman of the Audit Committee.
6. Audit Committee members may not be an executive, employee or consultant of the Company.
7. Audit Committee members may not be a directors, manager, employee, consultant, associate or representative of a related party of the Company. These shall include but are not limited to:
 - a. Shareholders or founders.
 - b. External auditors.
 - c. Suppliers.
 - d. Company clients.
 - e. Legal persons who have a financial, commercial or first-degree relationship with the Company's Board or its executives.
8. The Chairman of the Audit Committee may not have a family connection or a financial or commercial relationship with any Board Directors.
9. The Chairman of the Audit Committee may not have a connection to the Company's Executive Management that would influence their independence.
10. Any person who works or has worked in the Company's finance Department, the Executive Management or for the Company's external auditor during the preceding two years may not be a member of the audit committee.
11. Audit Committee members may not serve on Audit Committees in more than four listed joint stock companies at the same time.
12. Audit Committee members may not be a member on the board of directors or audit committee of any other company that operates in the insurance sector in Saudi Arabia.
13. The Board shall appoint the Chairman and members of the Audit Committee for a period of three years after receiving a written non-objection from the Insurance Authority.

14. The Board may renew the term of the Audit Committee or one of its members for a further three years once.
15. The Board may appoint new Audit Committee members if a new Board is elected after obtaining a written non-objection from the Insurance Authority.
16. The Board of Directors, upon receiving a written non-objection from the Insurance Authority, may remove any members of the Audit Committee if they are no longer qualified or if they breach the provisions of this Policy, Cooperative Insurance Companies Control Law, its executive regulations or other related regulations and instructions.
17. An Audit Committee member is entitled to resign provided they submit their resignation to the Board one month in advance. The Company must inform the Insurance Authority in writing of the Audit Committee member's resignation and reasons for their resignation and provide the Insurance Authority with a copy of the resignation within (five) business days from the date of resignation.
18. The member shall be considered to have resigned their position on the Audit Committee if they fail to attend more than three Audit Committee Meetings consecutively without an acceptable excuse to the Board.
19. If the position of a member on the Audit Committee becomes vacant during the membership term, the Board shall within one month from the date on which this position became vacant appoint another member to complete the term of their predecessor upon the written non-objection of the Insurance Authority.
20. An Audit Committee member's term shall expire immediately if any change occurs that may breach the conditions of membership stipulated in this Policy or any other regulations, instructions or other decisions issued by the Insurance Authority. The Audit Committee member must not attend any committee meeting held after the date of the change.
21. The Company's General Assembly shall, upon a recommendation of the Board, issue a regulation for the audit committee which shall include the rules and procedures for the activities and duties of the committee, the rules for selecting its members, the means of their nomination, the term of their membership, their remunerations, and the mechanism of appointing temporary members in case a seat in the committee becomes vacant

Article Fifty-Nine: Audit Committee Meetings

1. The Audit Committee shall convene periodically and when needed, provided it convenes at least (6) times during the financial year and whenever needed. An Audit Committee meeting is duly convened if attended by half its members.
2. The Audit Committee shall meet periodically with the accounting auditor and internal auditor. The internal auditor and accounting auditor are also entitled to request meetings with the Audit Committee when required.

Article Sixty: Audit Committee Duties and Responsibilities

1. Oversee the Internal Audit Department in the Company to ensure the effective execution of its activities and duties set by the Board.
2. Review internal auditing procedures and prepare written reports regarding this review including presenting recommendations to the Board in that regard.
3. Review the audit plan presented by the internal and external auditors and provide feedback on the same.
4. Assess the efficiency, effectiveness and objectivity of external auditors, Internal Audit Department or the internal auditors and Regulatory Monitoring Department or regulatory monitor.
5. Coordinate between internal and external auditors.
6. Review the assessment of internal control procedures by internal and external auditors.

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7. Review transactions and operations with related parties.
8. Review, approve and monitor implementation of the compliance plan.
9. Oversee the activities of external auditors and approve any activity outside the scope of the auditing tasks assigned to them while performing their duties.
10. Review the external auditor's recommendations concerning financial statements and follow-up procedures completed in that regard.
11. Verify the independence of external auditors from the Company, its Directors and Executive Management.
12. Discuss interim annual and quarterly financial statements with external auditors and the Company's Executive Management prior to their issuance.
13. Review preliminary and annual financial statement prior to presentation to the Board and provide recommendations in that regard.
14. Review accounting policies adopted at present and advise the Board including providing recommendations in that regard.
15. Review financial and non-financial internal controls and the risk management system.
16. Appoint and dismiss the head of Internal Auditing or Internal Auditor, head of Compliance or Compliance Officer after receiving the non-objection of the Insurance Authority and assess performance and remunerations for all concerned employees.
17. Verify the independence of the Internal Audit Department or Internal Auditor, the Regulatory Monitoring Department or Compliance Officer and ensure there are no limitations to their work or anything that may adversely impact their work.
18. Assess the efficiency, effectiveness and objectivity of external auditors, Internal Audit Department or the internal auditor and the Compliance Department or Compliance Officer.
19. Review the Regulatory Monitoring Department or Compliance Officer reports, internal and external auditing reports, follow up implementation of corrective measures recommended and provide recommendations to the Board in that regard.
20. Review feedback from the Insurance Authority and relevant oversight and supervisory entities regarding any regulatory violations or required corrective measures and make recommendations to the Board in that regard.
21. Follow up compliance with the Insurance Authority report and all reports issued by the concerned entities and make recommendations to the Board in that regard.
22. Monitor the activities of the Compliance Department and ensure the Company's compliance with and adherence to the laws and regulations of the Insurance Authority, Capital Market Authority and other laws and regulations.
23. Review the actuarial expert reports and make recommendations to the Board in that regard.
24. Ensure the Company's compliance with the actuarial expert's proposals and recommendations when they are mandatory and required pursuant to the Insurance Authority's regulations or instructions.
25. Determine the monthly salary and incentives of the Internal Audit Department, Regulatory Monitoring Department, Internal Auditor or Compliance Officer according to the Company's internal policies approved by the Board.
26. Ensure there are ethical conduct rules approved by the Board to ensure that the Company's activities are conducted in a fair and ethical manner.
27. Follow up important cases raised by or against the Company and present periodic reports in that regard to the Board.
28. Ensure optimal use and control of IT required to issue reliable and timely information and data.
29. The Committee has the authority to investigate any activities within its mandate and obtain any information it may require.

30. The Auditing Committee's report includes details of the Committee's performance of its duties and functions as stated in the Companies Law and its implementing regulations, provided it includes its recommendations and opinion as the sufficiency of the Company's internal and financial controls and risk management. The Board shall maintain sufficient copies of this report at the Company's head office.

It must also be published on the Company's website and Market website upon publishing the invitation to convene the general assembly to allow Shareholders that wish to obtain a copy of the report to receive such a copy. In addition, a summary of this report will be recited during the general assembly.

31. The Audit Committee shall create a mechanism that allows Company employees to report any misconduct in financial reporting or otherwise confidentially and ensure its implementation.

32. The Audit Committee is entitled to access the Company's records and documents. It may request any clarification or details from the Directors or Executive Management. It may also request the Board to convene the Company's general assembly if the Board hinders its work or if the Company suffers significant damage or risk.

Section Three: Nominations and Remunerations Committee

Article Sixty-One: Nominations and Remunerations Committee Formation

1. The Nominations and Remunerations Committee shall be formed pursuant to a decision of the Board and its members will be appointed in line with the rules issued by the general assembly.
1. Its members shall be appointed from the Board or outside the Board, provided that it should not include any Non-Executive Directors.
2. The Company's general assembly - upon the suggestion of the Board - shall issue the Nominations and Remunerations Committee regulations, provided it includes the Committee's limitations, work procedures, tasks, member selection rules, their tenure and remunerations.
3. The Committee must include at least (3) members.
4. The Committee shall include 2 Independent members. The Chairman of the Board may not chair this Committee.

Article Sixty-Two: Nominations and Remunerations Committee Meetings

The Nominations and Remunerations Committee shall hold its meetings periodically and whenever needed, provided it meets at least twice per year.

Article Sixty-Three: Nominations and Remunerations Committee Duties and Responsibilities

1. Recommend nominees to the Board and its committees according to regulatory requirements and approved policies and standards. The Committee must take into consideration not to nominate a person previously convicted of a breach of trust to the Committee.
2. Prepare a description for the capabilities and qualifications required for Board and Board committee memberships, including the time a member should allocate to Board and Board committee business.
3. Create procedures to be implemented in the event of a position on the Board or senior executive becoming vacant.
4. Review required skills suitable for Board membership at least annually and provide recommended solutions in line with the Company's best interests.
5. Create succession policies and procedures for the Board and its committee.

6. Review the structure and composition of the Board and its committees and determine its weaknesses periodically, propose the necessary steps to manage them and create job descriptions for Executive, Non-Executive and Independent Directors and Senior Executives.
7. Assess and monitor the independence of Directors and Board committee members at least annually and ensure there is no conflict of interest in events where a member sits on the Board of another company.
8. Create clear priorities for Board compensations and remuneration (as approved by the general assembly), its committees, the CEO and members of Executive Management based on their performance in order to achieve the Company's strategic objectives and adjusted business profits.
9. Ensure that an annual review is performed for Executive Management staff remunerations independently from Executive Management.
10. Provide final recommendations to the Board regarding the appointment and dismissal of members of Executive Management and/or promoting current employees to Executive Management functions as per the rules of the Insurance Authority related to suitability of individuals.
11. Provide final recommendations to the Board with regard to dismissal of members of Executive Management.
12. Create succession policies and procedures for the CEO and Senior Executive Management staff and monitor the implementation of these succession plans and procedures.
13. Assess Director performance (Board performance overall and the individual performance of Directors (and its committees periodically) at least annually).
14. Oversee the orientation and periodic training program for Directors.
15. Take any other action or assume any other authorities and responsibilities the Committee may be assigned or authorized to do from time to time by the Board.

Section Four: Executive Committee

Article Sixty-Four: Executive Committee Formation

1. The Executive Committee shall be formed pursuant to a decision of the Board and its members will be appointed in line with the memorandum of association and rules issued by the general assembly.
2. The Committee must include at least (3) and at most (5) members.
3. The Executive Committee may be composed of Executive and Non-Executive Directors, provided one is an Independent Director.

Article Sixty-Five: Executive Committee Meetings

The Executive Committee shall hold its meetings periodically and whenever needed, provided it meets at least (6) times per year.

Article Sixty-Six: Executive Committee Duties and Responsibilities

1. Exercise the authorities and privileges of the Board when the Board is not in session and where a quick decision or action is required and justified, unless the Committee is authorized to issue a decision instead of the Board regarding any issues for which delegation of authority is not permitted under applicable laws, or where the approval of the Company Shareholders is required or another Board committee is specifically tasked with that matter.
2. Review the details of the Company's business strategy and present recommendations to the Board for its approval.

3. Review the details of the Company's business plan and budget, monitor business plan and budget progress regularly and oversee the activities of the Company CEO.
4. Support the CEO in managing specific requirements or tasks on a need basis.
5. Review coalitions, mergers and acquisitions and other strategic agreements and provide recommendations regarding the same to the Board for approval.
6. Take any other action or assume any other authorities and responsibilities the Committee may be assigned or authorized to do from time to time by the Board.
7. The Executive Committee reports to the Board.

Section Five: Investment Committee

Article Sixty-Seven: Investment Committee Formation

1. The Investment Committee shall be formed pursuant to a decision of the Board and its members will be appointed in line with the rules issued by the general assembly.
2. The Investment Committee must comprise at least (3) members. The formation must be in line with Article (34) of the Investment Regulations, provided it includes Independent, Executive and Non-Executive Directors.

Article Sixty-Eight: Investment Committee Meetings

The Investment Committee shall hold its meetings periodically and whenever needed, provided it meets at least (4) times per year.

Article Sixty-Nine: Investment Committee Duties and Responsibilities

1. Ensure that the Company's investment policy is prepared according to the Company's overall business strategy and regulatory limitations.
2. Obtain the Board's approval on the investment policy.
3. Review and draft the investment policy quarterly, taking into consideration changes in business requirements and Market conditions.
4. Appoint and assess the performance of investment managers and funds.
5. Recommend the appointment and dismissal of the investment advisor to the Board.
6. Authorize a selected sub-committee and/or the management team to implement the decisions of the Investment Committee when needed.
7. Issue strategy implementation decisions for each segment of the investment portfolios, whether exposure in each segment will be implemented through negative or positive management, whether it will be managed internally or through external managers through separate authorizations or investment funds.
8. The Executive Committee reports to the Board.
9. Review decisions made by the management team and investment advisor(s).
10. Submit reports to the Board regarding the Company's investment performance in terms of risks, returns on investments, provisions and any key relevant developments.
11. Take any other action or assume any other authorities and responsibilities the Committee may be assigned or authorized to do from time to time by the Board.

Section Six: Technical Committee

Article Seventy: Technical Committee Formation

1. The Technical Committee shall be formed by a decision from the Board, provided the Committee is headed by a member of the Board's Non-Executive Directors.
2. The Committee must include at least (3) members.

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3. The members of the Committee must have the capacity to allocate the necessary time to complete their duties as members of the Committee.
4. Committee members must have administrative or advisory experience in the field of insurance or re-insurance.
5. External members may be appointed to the Committee to increase the available expertise.

Article Seventy-One: Technical Committee Meetings

The Technical Committee shall hold its meetings periodically and whenever needed, provided it meets at least (2) times per year.

Article Seventy-Two: Technical Committee Duties and Responsibilities

1. Review insurance underwriting policies and related key controls and guidelines.
2. Review pricing approaches and tools used to price/assess risk.
3. Review underwriting performance periodically.
4. Review claim activities periodically.
5. Review business plan assumptions annually and recommend the preparation of insurance business plans to be submitted to the Board.
6. Recommend new types of insurance to be approved by the Board.
7. Review and recommend areas where the Company should/should not underwrite from to be approved by the Board.
8. Determine the re-insurance outsourcing structure (repeated re-insurance) at the Company and submit recommendations to the Board regarding the cost of outsourcing for approval. Emphasize that classifications of companies participating in re-insurance outsourcing are within the limits of regulatory and supervisory requirements and that any changes to the same are assessed properly and that necessary procedures are taken.
9. Reassess the Company's re-insurance structure regularly.
10. Take any other actions or assume any other authorities and responsibilities that may be assigned or delegated from time to time by the Board.
11. The Committee has the authority to obtain advice and assistance from legal advisors, accountants and other internal or external consultants and approve fees and other retention terms pertaining to any external advisor(s).

Section Seven: Risk Management Committee

Article Seventy-Three: Risk Management Committee Formation

1. The Risk Management Committee shall be formed pursuant to a decision of the Board and its members will be appointed in line with the rules issued by the general assembly.
2. The Committee must include at least (3) members from the Board or outside the Board.
3. The Committee shall be chaired by a Non-Executive Director.
4. The Risk Management Committee members must have a suitable level of knowledge in risk management and financial matters and the ability to allocate the time necessary to complete their duties as members of the Committee.
5. External members may be appointed to the Committee to increase the available expertise.

Article Seventy-Four: Risk Management Committee Meetings

The Risk Management Committee shall hold its meetings periodically and whenever needed, provided it meets at least (2) times per year.

Article Seventy-Five: Risk Management Committee Duties and Responsibilities

1. Reassess the Company's risk tolerance policy, parameters and risk exposure regularly.
2. Reassess the Company's risk management policy.
3. in line with the Company's responsibilities towards Shareholders and compared to regulatory and supervisory requirements.
4. Oversee the implementation of the necessary measures to mitigate identified risk.
5. Understand and review risks associated with the Company's activities and business and maintain the acceptable risk threshold of the Company.
6. Oversee the risk management system, assess its effectiveness and ensure the availability of suitable infrastructure and resources.
7. Assess the effectiveness of the risk management unit.
8. Assess and analyze risk as per stress testing scenarios (such as reduced rating, capital, regulatory and supervisory violations/penalties and the like).
9. The Risk Management Committee reports to the Board.
10. Review and assess the business continuity plan.
11. Review and obtain the Board's approval on the following cybersecurity governance documents:
 - a. Authorization of the Cybersecurity Committee.
 - b. Cybersecurity Governance Framework.
 - c. Cybersecurity Strategy.
 - d. Cybersecurity Policy.
12. Ensure that the Company's cybersecurity risks are managed properly.
13. Periodic review of the impact of natural disasters on insurance portfolios.
14. Periodic review of maximum limits of insurance parameters.
15. Periodic review of the sufficiency of the Company's capital and solvency.
16. Periodic review of asset and liability management operations.
17. Review periodic reports issued by the Risk Management Unit, such as quarterly risk management reports.
18. Take any other decisions and/or assume any other authorities and responsibilities that may be assigned or delegated to the Committee from time to time by the Board. The Committee has the authority to obtain advice and assistance from legal advisors, actuaries, accountants or internal or external consultants and approve fees and other conditions pertaining to any external advisor(s).

Chapter Six: Control Functions

Article Seventy-Six: Risk Management

1. The Company will form a Risk Department that will identify, analyze, classify and assess risks the Company may face.
2. The Company shall prepare an independent risk management policy that determines the general framework for risk management in the Company and risk management methods.
3. In its annual report, the Company shall disclose its risk management policy, any amendments to the same as well as risks the Company may face and how to monitor them.
4. The risk management function will identify, assess, measure, control, monitor and mitigate risks continuously at the level of each individual risks and overall. Without prejudice to any other supervisory or control requirements, the duties of the risk management function include the following:
 - a. Implementation of the risk management strategy.
 - b. Monitoring the risks the Company may encounter.
 - c. Creating effective risk management policies and procedures to identify, assess, measure, control, monitor and mitigate risk.
 - d. Identifying emerging risks and proposing corrective measures to mitigate and control them.
 - e. Assessing the Company's risk tolerance and exposure (through tolerance tests for example) on a periodic basis.
 - f. Creating a contingency plan.
 - g. Coordinating with Executive Management to ensure the effectiveness and efficiency of the Company's risk management system.
5. The risk management function must perform its duties and activities in line with the risk management policy and any other supervisory or control requirements issued by the Insurance Authority.
6. The risk management function must be independent from the underwriting function.
7. The number of employees in the risk management function and the level of their knowledge and experience must be in line with the size, nature and complexity of the Company's business.
8. The risk management policy may report to the CEO or any other Executive. The head of risk management must be allowed to communicate directly and without hindrance with the Risk Management Committee.

Article Seventy-Seven: Internal Audit

1. Formation of the Internal Audit Department: The Internal Audit Department shall be comprised of at least a single internal auditor recommended by and accountable to the Audit Committee. When forming the Internal Audit Department and its function, the following shall be taken into consideration:
 - a. Employees in this department must be suitably efficient, independent and trained and may not be required to perform any work other than internal auditing.
 - b. The Department reports to the Audit Committee and will be content and accountable to the Audit Committee.
 - c. Remunerations for the head of the Internal Audit Department shall be determined according to the Audit Committee's proposal pursuant to Company policies.
 - d. The Department shall be allowed unconditional access to information and documents.
2. Role and responsibilities of internal auditing: The overall duties and responsibilities of the Internal Audit Department include, but are not limited to, the following:

- a. Assessing the effectiveness and efficiency of the Company's internal controls, policies, procedures and reporting mechanism, and level of compliance with the same and provide improvement recommendations.
 - b. Verify compliance with internal policies, plans, procedures, laws and regulations.
 - c. Authenticity, integrity and soundness of financial and non-financial information and methods used to determine and measure the same and report this information to the Audit Committee.
 - d. The independence of the Internal Audit Department is achieved by reporting to the CEO administratively and the Audit Committee functionally.
 - e. Ability to fully and freely access all of the Company's facilities, activities, data, systems, records, information and property and interview any of its employees.
3. Internal Auditing Plan: The Internal Audit Department shall operate according to a comprehensive review plan approved by the Audit Committee updated annually, key activities and operations, including risk management and compliance management activities, must be reviewed at least annually.
 4. Internal Auditing Report:
 - a. The Internal Audit Department shall prepare a written report to the Board and Audit Committee at least quarterly. This report must include an assessment of the Company's internal monitoring system, the Department's conclusions and recommendations, details of actions taken by each department to implement previous audit findings and recommendations, and any comments related to failing to implement the same in a timely manner.
 - b. The Internal Audit Department shall prepare an overall written report to the Board and Audit Committee regarding audits performed during the financial year, mapping them to the approved plan and stating reasons for any deviations, if any, within the quarter following the end of the subject financial year.

Article Seventy-Eight: Compliance

1. The Audit Committee shall oversee the Company's Compliance Department.
2. The compliance monitoring function shall be responsible for ensuring the Company's compliance with all relevant laws, regulations and instructions issued by the Insurance Authority, the Capital Market Authority or other concerned supervisory entities and taking the necessary action to improve regulatory compliance in the Company.
3. The Compliance Officer reports to the Audit Committee.
4. In the event of non-compliance with relevant laws and regulations, the Audit Committee and concerned entity must be notified.
5. Ensuring a high level of responsiveness to regulatory requirements imposed by oversight authorities such as the Insurance Authority, Capital Market Authority, Ministry of Commerce and the like, ensuring full compliance with these requirements and reporting on them in a timely manner.
6. Ensuring that the Executive Management has sufficient understanding of the risks of non-compliance that the Company may be exposed to, and that it is working to assess relevant controls, operations, systems, policies and procedures to ascertain their effectiveness against such risks.
7. Taking the necessary steps towards enhancing and encouraging a culture of compliance with high efficiency at the entire Company level.
8. Independence of the Compliance Department is achieved through its functional reference, namely the Audit Committee. The Compliance Officer may communicate directly with the Audit Committee on matters of compliance.

Chapter Seven: Appointed Actuary

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Article Seventy-Nine: Appointed Actuary

The appointed actuary shall perform the duties and tasks stipulated in Article Twenty of the executive regulations of the Insurance Companies Control Law, and in line with the requirements of the Actuarial Work Regulation for

Insurance and/or Reinsurance Companies issued by the Insurance Authority. These include:

1. Receiving the required information and details from the former actuary.
2. Reviewing the Company's balance sheet.
3. Assessing the Company's ability to settle its future liabilities.
4. Determining retention rates.
5. Pricing of the Company's insurance products.
6. Determining and approving the Company's technical provisions.
7. Reviewing the Company's investment policy and providing recommendations.
8. Any other actuarial recommendations.

Chapter Eight: Company Auditor

Article Eighty: Company Auditor

1. The Company shall assign the review of its annual accounts to an independent, efficient, experienced and qualified auditor to prepare an objective independent report to the Board and Shareholders clarifying whether the Company's financial statements fairly represent the Company's financial positions and performance in material aspects.
2. The ordinary general assembly appoints the Company Auditor based on the nomination of the Board, taking the following into consideration:
 - a. Nomination was based on the recommendation of the Audit Committee.
 - b. The Auditor is licensed and meets the requirements of the concerned entity.
 - c. The Auditor's interest does not conflict with the Company's.
 - d. The number of candidates must not be less than two.
3. The Auditor shall perform due diligence and notify the Authority if the Board fails to take proper actions regarding suspicious matters raised by the Auditor. Upon the request of the Board, the Auditor may convene the ordinary general assembly if the Board fails to facilitate the Auditor's work, and will be responsible for compensating the Company, Shareholders or other due the errors committed by the Auditor in their work. If several auditors are involved in these errors, they shall be jointly liable.

Chapter Nine: Executive Management:

Article Eighty-One: Executive Management Oversight

The Board shall form the Company's Executive Management, organize its work, monitor and oversee Executive Management and ensure it is performing its assigned duties. To that end, the Board shall:

1. Create the necessary administrative and financial policies.
2. Ensure that the Executive Management is operating according to Board approved policies.
3. Select and appoint the Company CEO and supervise his work.
4. Appoint and remove the head of the Internal Audit Department or Unit or the Internal Auditor and determine their remuneration.
5. Hold periodic meetings with Executive Management to discuss work progress and any impediments and issues as well as discuss important information pertaining to the Company's activity.
6. Create performance standards for Executive Management in line with the Company's objectives and strategies.
7. Create succession plans for Company management.

Article Eighty-Two: Executive Management Formation

1. Each position in the Executive Management must have a documented and detailed job description setting the roles, responsibilities, specifications, qualifications, reporting lines, interactions with other internal entities, authorities and authority limits.
2. Members of Executive Management must have the necessary skills, knowledge and experience to ensure that the Company's activities are managed effectively and properly.
3. The Insurance Authority must be provided with information regarding the efficiency and qualifications of Executive Management upon its request.
4. Executive Management must provide the Board with a full presentation on management performance, at least during each Board meeting.
5. Priority is given to Saudis for Executive Management positions.

Article Eighty-Three: Executive Management Authorities and Tasks

Without prejudice to the Board's authorities under the provisions of the Companies Law and its implementing regulations, Executive Management shall be responsible for executing the Company's key plans, policies, strategies and objectives to achieve its goals. The following shall be part of the role and responsibility of Executive Management:

1. Executive Management shall be responsible for overseeing the Company's daily activities. Without prejudice to any other supervisory or control requirements, Executive Management duties include but are not limited to the following:
 - a. Implementing the Company's strategic plans.
 - b. Management of the Company's daily activities.
 - c. Creating a process to identify, measure, mitigate and monitor risk.
 - d. Creating policies and procedures necessary to ensure the efficiency and effectiveness of the internal control system.
 - e. Maintaining documents and reviewing accounts.
 - f. Working according to the directions of the Board and reporting to it.
 - g. Ensuring that all monitoring and control requirements are met to the fullest extent possible.
2. Implementing the Company's internal policies and systems approved by the Board.
3. Proposing and implementing the Company's comprehensive strategy, key and interim business plans, investment,

4. finance and risk management policies and mechanisms, plans to manage administrative emergencies.
5. Proposing the Company's optimal capital structure, strategies and financial objectives.
6. Proposing the Company's key capital expenses, asset acquisitions and disposals.
7. Proposing the Company's organizational and functional structures and presenting the same to the Board for consideration.
8. Implementing and overall supervision of internal controls and systems including:
 - a. Implementing the Conflict-of-Interest Policy.
 - b. Implementing financial and accounting systems properly, including laws related to financial reporting.
 - c. Implementing suitable monitoring systems to measure and manage risk by creating an overall visualization of risks that may face the Company, creating a risk management awareness environment at Company level and presenting it transparently to the Board and other Stakeholders.
9. Implementing the Company's governance rules effectively - without contradicting this Policy - and proposing their amendment when required.
10. Implementing policies and procedures that ensure the Company's compliance with laws and regulations and with disclosure of material information to Shareholders and Stakeholders.
11. Providing the Board with the necessary information to exercise its responsibilities and provide its recommendations regarding the following:
 - a. Increasing or decreasing the Company capital.
 - b. Dissolving the Company prior to the term stipulated in its memorandum of association or deciding its continuity.
 - c. Using the Company's reserves if they are not allocated to a specific use within the Company's memorandum of association.
 - d. Creating additional Company reserves.
 - e. Net Company profit distribution method.
12. Proposing the policy and types of remunerations to be granted to employees such as fixed bonuses, performance related bonuses and bonuses in the form of shares.
13. Preparing periodic financial and non-financial reports pertaining to progress in Company activities based on the Company's strategic plans and objectives and presenting these reports to the Board.
14. Managing the Company's daily activities, in addition to management of its resources optimally and in line with the Company's objectives and strategy.
15. Actively participating in building and growing an ethical culture within the Company.
16. Implementing internal monitoring and risk management systems, ensuring the effectiveness and sufficiency of these systems and ensuring compliance with the risk level approved by the Board.
17. Proposing internal policies pertaining to the Company's work, including the determination of tasks, authorities and responsibilities assigned to the various organizational levels.
18. Proposing a clear delegation of authority policy and method of implementation.
19. Proposing authorities to be delegated to Executive Management, decision making procedures and duration of delegation, provided it presents periodic reports to the Board on the exercising of these authorities.

Chapter Ten: Closing Provisions

Article Eighty-Four: Closing Provisions

This Policy comes into effect from the date of approval by the general assembly.

1. The provisions of this Policy supersede any conflicting internal procedures or policies in the Company.
2. For matters not explicitly stipulated in this Policy, reference must be made to the Company's memorandum of association, Companies Law, Insurance Company Governance Regulations issued by the Insurance Authority and the Corporate Governance Regulations issued by the Capital Market Authority.
3. The Board shall monitor the implementation of this Policy, ensure its effectiveness and amend it when necessary, ensure the Company's compliance with these rules, review and update the rules according to regulatory requirements and best practices, review the rules of professional conduct that represent Company values and other internal policies and procedures in a manner that meets the Company's needs in line with best practices.
4. Constantly inform Company Directors of developments in the area of corporate governance and best practices, or delegate this to the Audit Committee or other committees or departments.



إعادة
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