

Bupa Arabia Code of Corporate Governance (CCG)

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Appendix A – Board Charter, and Appendix 1 – Schedule of Matters Reserved for the Board (SMRB)

Appendix B – Audit Committee Charter

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Appendix D – Investment Committee Charter

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Appendix F – Risk Management Committee Charter

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1. Approach to Corporate Governance, and Corporate Governance Standards

Bupa Arabia is dedicated to adhering to internationally acclaimed best practices in corporate governance. This commitment is crucial for achieving excellence across the three (3) primary corporate governance elements:



Key elements of Bupa Arabia’s governance approach include:



To streamline references and avoid redundancy across various governance documents, these principles are outlined here and are applicable throughout all corporate governance structures, policies, and procedures of the Company.

2. Commitment to Corporate Governance

Bupa Arabia is committed to upholding world-class corporate governance standards at all organizational levels, from the Board down to management committees. This commitment encompasses not only the application, but also the ongoing adherence to all corporate governance regulations mandated by Saudi authorities. The Company continuously develops and updates its governance frameworks, codes, policies, procedures, and standards to align with best practices and meet regulatory demands.

A formal Corporate Governance Framework (CGF), which includes this Code of Corporate Governance (CCG), was established in alignment with international standards and local regulatory requirements.

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The CGF and CCG were endorsed by the Board on October 12, 2016, and subsequently approved by public shareholders at the General Assembly on December 20, 2016. Further enhancements to align with new Saudi regulations were approved by the Board in November 2017 and ratified by shareholders on November 30, 2017, ensuring that our governance practices remain robust and effective.

3. Definitions and Acronyms

For clarity and consistency, the following definitions and acronyms are used throughout all components of the Company’s CGF, including relevant Codes, and Board and Committee Charters. These are documented here to prevent redundancy and facilitate ease of reference. Each term or acronym is defined as follows:

- **“ABR”** – Annual Board Report.
- **“AC”** – Audit Committee.
- **“AC Chairman”** – the chairman of the AC.
- **“AFS”** – Annual Financial Statements.
- **“AOP”** – Annual Operating Plan.
- **“ARA”** – Annual Report & Accounts (ARA).
- **“Best Practices”** – means best practices in corporate governance, as determined by the Board from time-to-time, encompassing all the laws and regulations applicable to the Company.
- **“Board Chairman”** or **“Chairman”** – a Non-Executive Board Member elected by the Board to preside over the Board meetings and organize its activities.
- **“Board Committee”** or **“Committee”** – a standing or ad-hoc committee established by the Board, composed primarily of Board members, and delegated specific oversight responsibilities under a Board-approved Charter, which include the AC, EC, IC, NRC, RMC
- **“Board of Directors”** or **“Board”** or **“Board Members”** – the collective body of the board members of Bupa Arabia for Cooperative Insurance Company.
- **“Bupa Arabia”** or **“the Company”** – Bupa Arabia for Cooperative Insurance Company.
- **“CBDO”** – Chief Business Development Officer – member of the Chief Executive Team (CET) and highest-ranking business development role in the Company.
- **“CCG”** – Code of Corporate Governance.

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- **“CEO”** - Chief Executive Officer – the Company officer with the highest rank in the Executive Management of the Company, who oversees, its daily management, regardless of the title of his/her position.
- **“CET”** or **“Chief Executive Team”** or **“Executive Management”** – collectively comprising the CBDO, CEO, CFO, CHRO, COO, CGRCO, CGO, CIO, and the CISO.
- **“CFO”** – Chief Financial Officer (CFO) – member of the CET and highest-ranking financial role in the Company.
- **“CG”** – Corporate Governance.
- **“CGF”** – Corporate Governance Framework.
- **“CGO”** – Chief Growth Officer (CGO) – member of the CET and highest-ranking growth role in the Company.
- **“CGRCO”** – Chief Governance, Risk and Control Officer (CGRCO) – member of the CET and highest-ranking risk role in the Company.
- **“Charter”** or **“Terms of Reference”** or **“ToR”** – the written document, approved by the Board or shareholders, that sets out the mandate, authority, composition, responsibilities and operating procedures of the Board or any of its Committees.
- **“CHI”** – Council of Health Insurance, regulator of health insurance in Saudi Arabia.
- **“CHRO”** – Chief Human Resources Officer (CHRO) – member of the CET and highest-ranking human resources role in the Company.
- **[“CIO”** – Chief Information Officer.]
- **[“CISO”** – Chief Information Security Officer.]
- **“CMA”** – Capital Market Authority, regulator of listed institutions in Saudi Stock Market.
- **“CMT”** – Crisis Management Team.
- **“Co. Sec.”** or **“Company Board Secretary”** – the officer (and supporting secretariat function) appointed by the Board to coordinate Board and Committee meetings, maintain corporate records and minutes, manage shareholder-meeting logistics and disclosures, and advise the Board on governance and regulatory requirements. The Company Board Secretary shall not be the secretary of the AC.
- **“COD”** – Compliance Department.
- **“Committee Chairman”** – the Board Committee member who has been recommended by the Board to be its chairman and whose appointment as Board Committee chairman has thereafter been

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approved by the Regulators, where applicable. The Board Committee chairman is approved by the Board to preside over the relevant Board Committee meetings and to organize its activities.

- **“Companies Law”** – The Companies Law issued by Royal Decree No. (M/132) dated 1/12/1443 AH.
- **“COO”** – Chief Operations Officer (COO) – member of the CET and highest-ranking operations role in the Company.
- **“Corporate Governance Department”** – the department that oversees and coordinates the Company’s corporate governance matters.
- **“CSTRD”** – Cyber Security and Technology Risk Department.
- **“DCS”** – Director – Company Secretariat.
- **“Department Leader”, “Function leader”** – the most senior resource leading the department, or function, regardless of the grade of the position.
- **“DoA”** – Delegation of Authority Matrix.
- **“EC”** – Executive Committee.
- **“Executive Director” or “Executive Board Member”** – a member of the Board who is also a member of the Executive Management of the Company, dedicates his/her activity on a full-time basis to the Company, participates in the day-to-day management of the affairs of the Company, and receives a monthly or annual salary in return thereof from the Company.
- **“External Auditor(s)”** – the independent audit firm(s) appointed by the shareholders’ General Assembly to examine the Company’s financial statements, express an opinion on their fairness and compliance with IFRS and Saudi regulations, and report directly to the AC and shareholders.
- **“GA” or “General Assembly”** – a meeting of the public shareholders with the Company, which can be an Ordinary (OGM) or Extraordinary (EGM) General Assembly Meeting and first requires regulatory approval and the fulfillment of the various regulatory requirements and regulatory approvals in advance of the GA invitation approval and Tadawul invitation announcement.
- **“IA”** – Insurance Authority, the authorized regulator of insurance industry in Saudi Arabia.
- **“IAD”** – Internal Audit Department.
- **“IC”** – Investment Committee.
- **“IFS”** – Interim Condensed Financial Statements, as in quarterly and as announced by the Company on the stock exchange market after each quarterly reporting period, after External Auditors’, AC, Board and regulatory approvals.

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- **“Independent Director” or “Independent Board Member”** – a member of the Board who is considered independent as defined by the relevant legislation, regulations and the Best Practices as determined by the Board, and/or the Nomination and Remuneration Committee (NRC), based on the criteria the Board may consider as appropriate or relevant. This means that the member is fully independent from management and the Company. Independence is the ability to judge things after taking into account all relevant information without undue influence from management or from other external entities. Independence cannot be attained by a Board member in the following situations, which include but are not limited to:
 - A. if he/she holds five percent or more of the shares of the Company or any other company within its group; or is a relative of who owns such percentage.
 - B. if he/she is, or a relative of, any member of the Board of the Company, or any other company within the Company’s group.
 - C. if he/she is a relative of any Senior Executive of the Company, or of any other company within the Company’s group.
 - D. if he/she is a Board member of any company within the group of the Company for which he/she is nominated to be a Board member.
 - E. if he/she is an employee or used to be an employee, during the preceding two years, of the Company or a company within its group, or if he/she held a controlling interest in the Company or any party dealing with the Company or any company within its group, such as external auditors or main suppliers during the preceding two years.
 - F. if he/she has a direct or indirect interest in the businesses and contracts executed for the Company’s account.
 - G. if the member of the Board receives financial consideration from the Company in addition to the remuneration for his/her membership of the Board or any of its committees exceeding an amount of (SAR 200,000) or 50% of his/her remuneration of the last year for the membership of the board or any of its committees, whichever is less.
 - H. if he/she engages in a business where he competes with the Company, or conducting businesses in any of the company's activities.
 - I. if he/she served for more than nine years, consecutive or inconsecutive, as a Board member of the Company.
- **“KPIs”** – the Company’s Key Performance Indicators, as determined by the Board.

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- **“KRIs”** – the Company’s Key Risk Indicators, as determined by the Board.
- **“MC”** – Ministry of Commerce, the Ministry for Companies in Saudi Arabia.
- **“MISA”** – Ministry of Investment of Saudi Arabia, which is responsible for developing the investment environment in the Kingdom of Saudi Arabia.
- **“Non-Executive Director” or “Non-Executive Board Member”** – a member of the Board who does not dedicate his/her activity on a full-time basis to the Company, is not involved in any way in the day-to-day management of the Company, and does not receive a monthly or annual salary from the Company.
- **“NRC”** - Nomination & Remuneration Committee.
- **“NRC Chairman”** – the chairman of the NRC.
- **“Regulation(s)”** – The prevailing relevant regulations in the Kingdom of Saudi Arabia.
- **“Regulators”** – CMA, CHI, MC, MISA, NDMO, and IA.
- **“Related Company”** – a company (or one of several companies that Regulators may consider to be acting in concert) holding a shareholding of 5% or more of the equity of the Company, or a company in which the Company (either alone or with other companies that Regulators may consider to be acting in concert) holds a shareholding of 5% or more.
- **“RMC”** – Risk Management Committee.
- **“RMD”** – Risk Management Department.
- **“Saudi” or “Saudi Arabia”** – means the Kingdom of Saudi Arabia.
- **“Secretary”** – with respect to (i) the AC, the officer (and supporting secretariat function) appointed by the AC to administer its meetings in accordance with the AC Charter; provided that the secretary of the AC shall not be the Company Board Secretary or the secretary of any other Committee, and (ii) the other Committees, the officer (and supporting secretariat function) appointed by the Board to administer each such Committee’s meetings in accordance with their respective Charters.
- **“Senior Positions”** – members of the Board, Board Committees, Executive Management, Company Board Secretary, leadership of the risk function, including the legal affairs, corporate governance and risk management functions, as well as the two independent functions: the Internal Audit Department, and the Compliance Department.

- **“Significant Shareholders”** – natural or legal persons that, directly or indirectly, alone or in association, controls 5% or more of the Company’s shareholding.
- **“Stakeholders”** – persons or parties who have an interest in the Company, including shareholders, policyholders, claimants, employees, reinsurers, regulatory and supervisory bodies.
- **“Vice-Chairman”** – a Non-Executive Board Member elected by the Board to, in the absence of the Chairman, preside over the Board meetings and organize its activities.

4. Board of Directors’ Responsibilities

Overview and Framework

The Board of Directors, guided by the Board Charter, and the DoA, represents a robust governance structure. The Board members, parallel to the Committee members, the CEO, the Executive Management, and the Company Board Secretary, are distinguished by their independence, objectivity, emotional intelligence, discretion, truthfulness, loyalty, diligence, confidentiality, integrity, commercial acumen, self-motivation, and hard work.

Code of Corporate Governance Clarification:

This CCG delineates the principal roles and responsibilities in accordance with best practice standards and the various laws and regulations of Saudi Arabia. It ensures that all required responsibilities across different roles are explicitly included within this CCG, aligning with diverse regulatory requirements.

Board's Mandate and Accountability

The Board acts as a fiduciary representing all shareholders and is committed to managing the Company’s affairs with due care and loyalty. It strives to maximize the Company’s value and safeguard its interests through prudent management of the Company’s assets, policies, and operations, always aiming to enhance stakeholder value.

The primary mission of the Board is to set strategic directions, oversee financial performance, and ensure compliance with legal and ethical standards prescribed by the laws of the Kingdom of Saudi Arabia. The Board ensures the Company upholds its values, mission, and long-term vision, providing strategic oversight and promoting exemplary governance and ethical standards.

Responsibilities and Delegation

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The Board operates on a fully informed basis, exercising due diligence and care, always acting in the best interests of the Company and its shareholders. It maintains high ethical standards and ensures fair treatment of all shareholders, considering the diverse impacts of its decisions.

Operational effectiveness is enhanced by delegating specific authorities to Board Committees and Executive Management, yet the Board retains overall accountability for the Company's operations. This structure is detailed in the Board DoA, governed by the, which outlines the delegation process across the organization.

Additional Governance Documents

The Board Charter (Appendix A), provides comprehensive details on the roles, responsibilities, and processes concerning the Board and its Committees.

Leadership Roles: The Chairman, and Vice-Chairman, of the Board

The primary role and responsibility of the Chairman of the Board is to effectively lead, coordinate, and manage the Board's activities. This leadership ensures that the Board operates efficiently, fulfills its legal and regulatory obligations, and adheres to the Company's By-Laws and applicable laws and regulations without any constraints in discharging these duties. The Chairman also ensures this leadership does not interfere unduly with the operational activities of the Company.

Key duties of the Chairman include, but are not limited to:

- **Information and Discussion Facilitation:** Ensuring the Board receives comprehensive, clear, accurate, and truthful information. The Chairman also guarantees that all critical issues are discussed adequately and timely.
- **Board Meetings Organization:** Organizing the Board's activities, including setting agendas for Board meetings in consultation with the Company Board Secretary, the CEO, and other Board members, and engaging with External Auditors as necessary.
- **Meeting Leadership:** Presiding over Board meetings and overseeing the information and reports provided to the Board
- **Stakeholder Communication:** Facilitating communication channels with shareholders and conveying their opinions to the Board.

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- **Board Performance Encouragement:** Encouraging Board members to fulfill their duties effectively for the Company's best interests and promoting a culture of constructive criticism and engagement among all Board members.
- **Representational Duties:** Representing the Company in interactions with third parties, including judicial and regulatory bodies, and overseeing relationships between the Board and its internal and external parties.
- **Governance and Compliance:** Advocating for higher standards of corporate governance and ensuring continual compliance with relevant laws and regulations.

The Vice-Chairman's role mirrors that of the Chairman but is exercised in the absence of the Chairman. It is imperative that the roles of the Chairman and Vice-Chairman remain distinct and separate from any executive positions within the Company, ensuring their duties do not overlap with those of the CEO.

The Chief Executive Officer (CEO)

The CEO is tasked with the overall management of the Company's day-to-day operations, guided by the Board's strategic vision, mission, culture, values, and targets. Key responsibilities include, but are not limited to:

- **Strategic Implementation:** Executing business operations in accordance with the Board-approved strategic framework and leading significant negotiations and agreements.
- **Public Relations:** Acting as the primary liaison with regulators, media, investors, and other key stakeholders to promote the Company's image and objectives.
- **Operational Coordination:** Coordinating the formulation of objectives across various functions and ensuring operational effectiveness and compliance with governance standards.
- **Risk and Control Management:** Overseeing internal control systems and risk management frameworks and ensuring the adequacy of compliance and internal audit functions.
- **Leadership and Development:** Administering key executive roles, performing periodic performance evaluations, and ensuring robust succession planning and leadership development.

The Members of the Board

Board members play a pivotal role in governance and strategic oversight. Their responsibilities extend across several key areas to ensure the Company operates efficiently and ethically while pursuing its strategic objectives, which include, but are not limited to, the following:

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- **Strategic Oversight:** Board members provide critical insights and guidance on the Company's strategic direction. They review and challenge management's proposals and plans, ensuring they are robust and align with the Company's long-term goals.
- **Governance and Compliance:** Board members ensure that the Company adheres to all regulatory requirements and ethical standards. They advocate for transparency and accountability in all Company processes and decisions.
- **Risk Management:** Board members oversee the Company's risk management framework, ensuring that risks are appropriately identified, assessed, and managed. They ensure that the risk management strategy is integrated with the Company's overall strategic plan.
- **Performance Evaluation:** The Board regularly evaluates the Company's performance against set targets and strategic objectives, which include analyzing financial reports, operational results, and market performance.
- **Stakeholder Communication:** Board members ensure effective communication with all stakeholders, including shareholders, employees, and other key partners. They facilitate dialogue to gather insights and feedback that inform strategic decisions.
- **Ethical Leadership:** Board members are expected to exhibit and promote the highest levels of integrity, fairness, and ethical behavior within the Company. They serve as role models, setting the tone for corporate culture and ethical standards.
- **Access and Advisory Support:** Board members have full access to the Company's management and advisory services, enabling them to make informed decisions. This includes interacting with the Company Board Secretary and Corporate Governance Department to ensure all Board procedures comply with applicable rules and regulations.

The Independent Board Members

Independent Board Members are central to sound governance and effective strategic supervision. The Independent Board Members act with full objectivity, ensuring that the Company operates ethically and efficiently.

In addition to the general responsibilities outlined in the Board Charter (Appendix A), Independent Board Members have specific duties that include:

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- **Protecting Minority Shareholders:** They conduct sound, independent analysis and make decisions on matters involving conflicts of interest or related party transactions. This includes independent voting on such matters as required by regulations and the Company’s policies.
- **Strategic Oversight:** Independent Board Members voice their opinions on strategic issues, Company policies, and performance. They are also involved in the accountability of the Company's functions and its representatives, including the appointment of Executive Management. For those serving as AC Chairman, this extends to the appointment and management of the Internal Audit Department (IAD) and Compliance Department (COD).
- **Conflict of Interest:** They ensure that the interests of the Company, along with all its shareholders and stakeholders (including employees and regulators), are prioritized in situations involving conflicts of interest.
- **Committee Participation:** They actively participate in Board Committees, especially the Audit Committee and the Nomination & Remuneration Committee, as mandated by law and corporate regulations.
- **Corporate Governance and Internal Controls:** They oversee the development and monitoring of the Company’s corporate governance processes and internal control systems, ensuring effective implementation and adherence by management.
- **Advisory Role:** They perform advisory functions as designated by the Board or as required by law, aiding the Board in its decision-making and thereby enhancing the Company’s governance.

The Company Board Secretary

The Company Board Secretary function is pivotal in coordinating and ensuring adherence to the Co. Sec. related policies, procedures, and processes, thereby maintaining best practice standards for the Board and its Committees in compliance with all relevant laws and regulations.

The Company Board Secretary must:

- A. Possess robust knowledge of the Company's business and operational activities, strong communication skills, and experience at a senior level in publicly listed companies, well-versed in the applicable laws, regulations, and best practices in corporate governance.
- B. As appointed by the Board, the Company Board Secretary can be a Board member or staff, reporting to the Board on Co. Sec. matters. The Company Board Secretary is authorized to provide certified extracts from Board meeting minutes and Board approvals.

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- C. he/she holds a bachelor degree in law, finance, accounting or administration or their equivalent, and has relevant practical experience of not less than three years
- D. he/she has relevant practical experience of not less than five years

The Company Board Secretary's responsibilities include, but are not limited to:

- Information Management: Implementing processes for effective communication of management information to and from the Board and its Committees.
- Efficiency in Relationships: Maintaining efficient and effective working relationships within all levels of the Company and key external parties.
- Documentation and Compliance: Managing the preparation and review process of the Annual Board Report (ABR) and coordinating the Company's Annual Report & Accounts (ARA), ensuring compliance with all regulatory requirements.
- Board Support: Providing advisory and administrative support to Board members and Committee members, including managing the development and implementation of Board member induction and training programs.
- Administrative Oversight: Coordinating, organizing, and attending Board meetings, ensuring adherence to proper procedures, and maintaining formal documentation such as Board resolutions and meeting minutes.

5. Responsibilities of the Audit Committee (AC)

The Audit Committee (AC) plays a crucial role in overseeing the Company's financial integrity and regulatory compliance. Detailed descriptions of the AC's membership, roles, responsibilities, authority, activities, relationships, and operational processes are outlined in the AC Charter (Appendix B).

Membership and Appointment:

- Composition: The Board forms the AC by resolution and the Ordinary General Assembly approves its Charter and membership terms.
- Independence and Expertise: At least one member must be an Independent Director, ensuring no Executive Directors are included in the AC, and at least one of its members is specialized in finance and accounting.

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6. Responsibilities of the Other Board Committees

To aid in fulfilling its oversight responsibilities, the Board delegates specific authorities to various Board Committees, which enhances the efficiency of decision-making processes and the robustness of internal controls and authorization protocols.

Framework and Delegation:

Board Delegated Authorities Framework (DAF): This framework outlines the delegation of Board authorities to Board Committees and the CEO, subject to regulatory and public shareholder approval as necessary.

Board Committees:

1. Audit Committee (AC) – Appendix B
2. Executive Committee (EC) – Appendix C
3. Investment Committee (IC) – Appendix D
4. Nomination & Remuneration Committee (NRC) – Appendix E
5. Risk Management Committee (RMC) – Appendix F

7. Responsibilities of the Management

Management is primarily responsible for the operational execution and strategic direction of the Company, ensuring the efficient use of resources to achieve corporate objectives. The management must operate under the governance framework established by the Board and is accountable for its performance.

Key Responsibilities:

- Operational and Strategic Execution: Implement and manage the Company’s strategic plans, policies, and internal controls.
- Compliance and Reporting: Ensure compliance with legal and regulatory requirements and manage communication of material information to shareholders and stakeholders.
- Financial Management: Develop and manage the Company’s financial strategies and report periodically on the progress.

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- Risk Management: Implement and oversee the Company’s risk management and internal control frameworks.
- Human Resources and Culture: Develop organizational structures and foster a culture of ethical values and performance-based rewards.
- Governance Support: Provide necessary information and support to the Board to facilitate effective governance.
- Succession Planning: Manage succession planning and talent retention initiatives to ensure leadership continuity.

Management’s responsibilities are critical in maintaining the alignment of operational activities with the strategic objectives set by the Board, ensuring the Company operates within the highest standards of corporate governance and ethical conduct.

8. Responsibilities of the Control Functions

To ensure robust corporate governance, internal control, and risk management practices, and to comply with the relevant regulatory requirements for insurance companies, the Company has established the following detailed control functions. These functions are essential for adhering to regulatory and supervisory requirements, and their principal roles, duties, and responsibilities include, but are not limited to:

1. Risk Management Department (RMD)

Role and Structure:

- The RMD is tasked with overseeing the entire risk management process at the Company, coordinating the development of the risk management policy and frameworks.
- It reports directly to the Chief Governance, Risk, and Control Officer and is authorized by the Risk Management Committee (RMC). The department includes divisions such as Enterprise Risk Management, Operational Risk Management, Risk Governance, Management of Insurable Risks, and Risk Analytics.

Key Responsibilities:

- Develop and maintain the Company's risk management framework, policies, and strategies.

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- Lead the implementation of the Enterprise Risk Management (ERM) Framework.
- Maintain and update the risk database/register through various means including risk assessment workshops and executive meetings.
- Facilitate the development of the Company's Operational Risk profile and risk mitigation strategies, monitoring their progress.
- Ensure the overall risk exposure of the Company remains within the accepted risk tolerance levels.
- Develop mechanisms to consolidate and escalate reported risks across different Business Units.
- Act as a primary contact for inquiries related to the Framework and its processes.
- Promote a risk-aware culture through continuous education and communication efforts.
- Liaise with the Internal Audit Department for internal controls evaluation and Risk-Based Audit Planning.
- Review and analyse the Company's risk portfolio to identify and address key risk areas.
- Oversee the effectiveness of business continuity management and the resilience of the Company to disruptions.
- Oversee the alignment of Cyber Security measures with the Company's risk management strategy and provide assurance that privacy regulations and compliance requirements are met effectively.
- Provides strategic direction and oversight to safeguard the organization's digital assets and sensitive information.
- Oversee and lead the health and safety, promoting a 'zero harm' culture.
- Manage the Company's insurance programs and maintain relationships with external service providers, including insurers and brokers.

2. Legal Affairs Department

Role and Structure:

- The Legal Affairs Department handles all legal risks associated with the Company's operations.
- It reports to the Chief Governance, Risk, and Control Officer (CGRCO) on legal matters, ensuring compliance with laws and regulations.

Key Responsibilities:

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- Manage legal risks for strategic initiatives, investments, and new ventures, including contingency planning around legal risks.
- Provide legal advice across all levels of the Company and secure external legal advice when necessary.
- Standardize contracts and negotiate significant agreements to protect the Company's interests.
- Manage litigation and legal proceedings, represent the Company in judicial settings, and coordinate the defence of the Company's rights and interests.
- Provide advisory services on legal matters, monitor legislative changes affecting the Company, and provide oversight on strategic projects such as mergers, acquisitions, and joint ventures.

3. Corporate Governance Department

The Corporate Governance Department is tasked with overseeing all corporate governance activities at Bupa Arabia. This includes coordinating the development, implementation, and ongoing adherence to corporate governance structures, frameworks, codes, policies, and procedures that align with best practice standards. The department ensures compliance with all relevant laws, regulations, and best practices pertaining to corporate governance.

The Corporate Governance Department reports to the Chief Governance, Risk, and Control Officer (CGRCO) regarding corporate governance matters. It plays a crucial role in ensuring the Company's compliance with relevant laws and regulations.

Key Responsibilities:

Regulatory Management and Communications:

- Serve as the lead function in managing regulatory relations and requirements with the Capital Market Authority (CMA) and Tadawul, as authorized by the Board.
- Manage and maintain transparent and constructive relationships with regulators including CMA, Tadawul, MC, and MISA, facilitating regulatory approvals and compliance.

Governance Documentation and Compliance:

- Authorize all Tadawul announcements, ensuring content complies with guidelines and obtaining Board approval for materially significant announcements.

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- Coordinate the preparation and authorization of the Annual Report & Accounts (ARA) and ensure the corporate governance sections meet regulatory requirements.
- Maintain and periodically review the Company By-Laws and conduct gap analyses against relevant laws and governance regulations.
- Develop and maintain the DoA, which outline the authorities delegated at each management level.

Meeting Coordination and Reporting:

- Coordinate General Assembly (GA) meetings, including preparing agendas and materials in coordination with the Board and shareholders.
- Manage the completion of regulatory processes for the appointment of Board and Board Committee members, including the IA Fit and Proper (F&P) Forms process.
- Annually review the Annual Board Report (ABR) to ensure compliance with CG disclosure obligations and regulatory requirements.

Policy Development and Implementation:

- Lead the development and recommend Board approval of corporate governance related policies within the Corporate Governance Framework (CGF), including this Code of Corporate Governance (CCG).
- Monitor and ensure adherence to CG regulations of the CMA, IA, and other applicable regulations, recommending improvements to the Company’s frameworks and standards.

Stakeholder Engagement and Communication:

- Act as a custodian of the CGF, CCG, and all CG policies and procedures.
- Appoint a responsible person for managing investor relations tasks to ensure effective and fair communication between the Company and shareholders.

Regulatory Monitoring and Advisory:

- Monitor regulators’ circulars and upcoming regulations on corporate governance, providing evaluation and feedback to regulators as required.

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- Lead the management and coordination of all regulatory requirements for GA meetings, including securing CMA regulatory approvals and managing shareholder database interactions for GA voting.

4. Cyber Security & Technology Risk Department (CSTRD)

The Cyber Security & Technology Risk Department (CSTRD) operates as a vital second line of defense, offering business support, oversight, and recommendations concerning the Company’s cyber security, business continuity, and data management, privacy and data protection. The CSTRD ensures compliance with global best practices and adheres to all relevant Saudi regulations. With a focus on cyber security governance, which involves policy development and framework establishment, cyber security risk management, including risk assessment and mitigation strategies. The CSTRD also runs the Company’s Security Operations Center (SOC), which involves proactive monitoring, incident response and threat intelligence activities for timely threat assessment and response readiness.

Key Responsibilities:

Business Continuity Planning and Disaster Recovery:

- Provides assessment and monitoring services for Business Continuity Planning (BCP) and Disaster Recovery (DR), including conducting annual evaluations.
- Takes a leadership role in managing Crisis Management events to ensure effective response strategies and minimal disruption.
- Oversee data quality assurance and manage the privacy and security of Company information assets.

Audit and Assessment Coordination:

- Leads and coordinates BCP, DR, and information technology audits/assessments, both internally and with external third parties, to ensure compliance and readiness.

Cyber Security Framework Implementation:

- Responsible for the deployment of the Company’s cyber security framework, aligning with the Board-approved roadmap and adhering to the IA cyber security framework and associated regulations. Overseeing the implementation of cyber security program and architecture, and cyber security awareness and culture.

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Cyber security GRC

- Involves developing policies and procedures to guide secure practices, data protection, and incident response within organizations and comply with applicable Saudi regulations.
- Includes conducting risk assessments to identify threats and vulnerabilities, and implementing mitigation plans such as security controls, encryption, and incident response plans to reduce potential risks.

Cyber security Operations:

- Monitor networks, systems, and applications for security threats.
- Detect and respond promptly to incidents, investigate breaches, implement fixes, optimize security tools, collaborate to enforce policies, and provide regular security reports.
- Gather and analyze threat information, and monitor external sources for emerging threats, assess their impact on systems, develop defense recommendations, share intelligence for proactive security, and continuously improve threat analysis processes.
- Performing regular cyber security assurance and validation activities on regular basis.

Personal Data Protection Law Implementation:

- Ensure that the organization processes the personal data of its staff, beneficiaries, providers or any other individuals (also referred to as data subjects) in compliance with the applicable data privacy regulations.

Data Management Standard Implementation:

- Overseeing and managing organization's data-related strategies, policies, and initiatives in compliance with the National Data Management Standards.

Policy Management:

- Oversees the development and implementation of key Enterprise Policies and associated procedures, including:
 - Business Continuity Management
 - Critical Incident Management

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- Information Security
- Data Quality
- Quality

Reporting and Communication:

- Provides detailed reports on assessments and departmental activities to the Board, Audit Committee (AC), and Risk Management Committee (RMC), as required.
- Engages with external parties, including clients and regulators, in areas of subject matter expertise, ensuring transparent and effective communication.

9. Responsibilities of the Independent Functions

1. Compliance Department (COD)

The Compliance Department is tasked with ensuring the Company's adherence to all relevant laws, regulations, and rules as stipulated by the IA and other regulatory bodies. The Compliance Department operates under the direct oversight of the Audit Committee (AC), which also authorizes its structure, roles, and responsibilities.

Structure:

The Compliance Department comprises of four key units:

- Regulatory Compliance
- Compliance Monitoring
- Anti-Financial Crimes
- Speak-Up

Key Responsibilities:

Regulatory Engagement:

- Interact directly with the Company's regulators to ensure compliance with regulations and uphold the Company's integrity.
- Secure all necessary regulatory approvals from IA.

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- Promptly inform IA of any approvals required by the Board, Board Committees, or other regulatory entities.

Compliance Management:

- Develop and manage protocols for communication with regulators, maintaining thorough records of all interactions and ensuring timely responses.
- Strengthen measures to prevent and detect money laundering and terrorism financing through detailed investigations, analysis, and staff training.
- Conduct rigorous inspections of various business units to ensure regulatory compliance, involving interviews and document reviews.

Training and Development:

- Provide and facilitate regulatory training sessions to ensure all staff are well-informed of their roles and responsibilities regarding compliance.

Customer and Incident Management:

- Assist in managing customer complaints to reduce their frequency.
- Ensure significant regulatory incidents are reported.

Reporting and Reviewing:

- Report significant compliance risks and control issues to the Board, Audit Committee, and Executive/Senior Management.

2. Internal Audit Department (IAD)

The Internal Audit Department serves as an independent entity within the Company, providing objective reassurance, advisory services, and consulting, aimed at improving the Company's operations.

As a third line of defense, the IAD supports the Company's mission of ensuring longer, healthier, happier lives by enhancing the effectiveness of risk management, control, and governance processes.

The IAD reports directly to the Audit Committee, and its structure, roles, and responsibilities are also authorized by the AC.

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Key Responsibilities:

Audit Reporting:

- Submit quarterly and annual reports to the Board and the Audit Committee, assessing the internal control systems and providing recommendations.
- Explain deviations from the planned activities in the annual report and present them during the first quarter following the fiscal year-end.

Operational Excellence:

- Ensure that audit activities align with the IAD’s purpose and responsibilities, utilizing resources efficiently and adhering to the standard for the Professional Practice of Internal Auditing.
- Evaluate the adequacy and effectiveness of the Company’s governance, risk management, and internal control processes.

Monitoring and Evaluation:

- Monitor the internal control system and verify compliance with applicable laws, regulations, and Company policies.
- Evaluate other functions and third-party services to maximize coverage and avoid duplication of efforts.

Consulting Services:

- Provide consulting and advisory services related to governance, risk management, and control as required.
- Evaluate specific operations upon request from the Board, Audit Committee, or management.

Risk and Control Reporting:

- Report significant risk exposures resulting from control failures to the Board, Audit Committee, and Executive/Senior Management.

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External Auditor Coordination:

- Assist the Audit Committee in evaluating the performance and coordination of External Auditors with the IAD.

10. Roles & Responsibilities of the Actuarial Function & the Appointed Actuary

The actuarial function encompasses a comprehensive range of responsibilities as outlined in the IA actuarial work rules and regulations, divided into three main areas:

Reserving & Forecasting

- Reserving: Key focus on maintaining accurate reserve levels to meet future claims and obligations.
- Forecasting & Reserving: In-depth analysis and forecasting including trends, inflation, price increases, contributions, and top providers.

Actuarial Reporting

- Comprehensive reporting covering various aspects such as Risk Management, IFRS 17, Solvency & Capital, Reinsurance, Asset-Liability Management (ALM), and Experience Studies.

Pricing & Data Analytics

- Annual Medical Pricing: Setting annual pricing strategies based on comprehensive data analysis.
- Quarterly Medical Pricing Adequacy: Reviewing and adjusting medical pricing to ensure it remains adequate and competitive.
- Predictive Modeling: Employing advanced models to predict future trends and their impact on the business.

Product Development

- Product Performance Monitoring: Ongoing analysis of product performance against market expectations.
- New Product Development Analysis: Analytical support for the development of new products.

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- Liaison with Pricing, Marketing, and Sales: Collaborative efforts to ensure cohesive product development strategies.

Per the actuarial rules set forth by IA on March 1st, 2020, the Board of Directors and Senior Management are mandated to equip the actuarial function with adequate resources, reflecting the Company’s scale and complexity. This includes sufficient human resources, technology access, and opportunities for training and professional development.

Additional Roles & Responsibilities of the Appointed Actuary:

- Regulatory Reporting: Delivering periodic regulatory or supervisory reports and templates as required by IA.
- Access to Information: Full access to Board papers, accounting books, and essential documents for duty performance, with adequate controls to ensure confidentiality.
- Engagement with Leadership: Effective communication with the Board of Directors and Senior Management about the findings of actuarial reports.
- Record-Keeping: Maintaining detailed records in line with professional standards of the Actuarial Association, ensuring these are kept within the Company for a minimum of ten years post-reporting, accessible only to authorized personnel and regulatory bodies.

11. Disclosure & Transparency

The Company is committed to the highest standards of disclosure and transparency, ensuring timely and equitable information sharing to all stakeholders, in full compliance with applicable laws and regulations. The Company’s commitment to disclosure and transparency is demonstrated through:

- Regulatory and Best Practice Monitoring: The Corporate Governance Department monitors and implements best practices in disclosure and financial reporting. The Company Board Secretary updates the Board on these practices, recommending enhancements routinely.
- Comprehensive Information Provision: The Company pledges to provide meaningful information to its shareholders, regulators, employees, and the public, maintaining transparency in all communications.

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- **Responsibility for Financial Statements:** The Board assumes full responsibility for the accuracy and completeness of its Annual and Interim Financial Statements and reports, adhering strictly to IFRS and local amendments.
- **Transparent Nomination and Appointment Processes:** Ensuring transparent procedures for Board appointments, following cumulative voting as required by regulations.
- **Equal Access to Information:** Provision of financial and non-financial information to all shareholders and stakeholders without discrimination.
- **Clarity and Timeliness:** Disclosure practices characterized by clarity, accuracy, and timeliness, in both English and Arabic.
- **Comprehensive Website Information:** Maintaining a bilingual Company website with extensive and up-to-date information including governance documents, financial statements, and stock exchange announcements.
- **Interactive Financial Presentations:** Conducting detailed, interactive quarterly financial results presentations for shareholders and analysts following stock exchange updates.

12. Treatment of Shareholders and Protection of Minority Shareholder Rights

The Company ensures fair and equitable treatment of all shareholders, including minority interests, through rigorous corporate governance and internal control mechanisms demonstrated through:

- **Protection of Shareholder Rights:** The Company is committed to protecting the rights of all shareholders and ensuring non-discriminatory access to information.
- **Clear Internal Policies:** Definition and implementation of internal policies to ensure all shareholders can exercise their rights effectively.
- **Engagement and Participation in GA Meetings:** Encouraging active shareholder participation in General Assembly meetings, with provisions for proxy voting and direct interactions with the Board.
- **Transparency in Operations and Transactions:** Clear disclosure of conflicts of interests and related party transactions, with appropriate Board and committee oversight.

The Company's commitment extends to maintaining rigorous standards of disclosure, ensuring all shareholders are well informed and can actively participate in the Company's governance.

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13. Shareholders' General Assembly

A. Competencies of the Ordinary General Assembly

The Ordinary General Assembly is convened under conditions prescribed by the Companies Law, its implementing regulations, and the Company's By-Laws.

- Annual Meetings: The Ordinary General Assembly must meet at least once within six months following the end of the Company's financial year.
- Special Conditions for Convening: The Board must issue invitations for the General and Special Shareholders' Assemblies in accordance with the stipulations of the Companies Law and the Company's By-Laws. This includes convening the Ordinary General Assembly within 30 days upon the request of the External Auditor, the Audit Committee, or shareholders holding at least 10% of the Company's voting shares. If the Board fails to call the assembly within this period, the External Auditor may directly convene the meeting.
- Notice of Meeting: The date, place, and agenda of the General Assembly must be announced at least 21 days in advance, with notifications posted on the Exchange. Additionally, the Company may utilize contemporary technology to invite shareholders to these assemblies.
- Shareholder Participation: Shareholders are encouraged to actively participate and vote in the General Assembly meetings, which may be conducted using modern technological methods. The Board is tasked with facilitating extensive shareholder engagement by selecting suitable times and locations for these meetings.

The Ordinary General Assembly holds authority over all Company affairs, excluding those reserved for the Extraordinary General Assembly, with key responsibilities including, but not limited to:

1. Electing and removing Board members.
2. Permitting a Board member to have direct or indirect interest in the business and contracts that are executed for the Company's account, in compliance with the provisions of the Companies Law and its implementing regulations.
3. Permitting a Board member to take part in any activities that may lead to competition with the Company, or competition in any of its activities, in compliance with the provisions of the Companies Law and its implementing regulations.
4. Monitoring the compliance of the Board members with the provisions of the Companies Law and its implementing regulations and other relevant laws and the Company's By-Laws; inspecting any

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damage that may occur as a result of their violation of such provisions or mismanagement of the affairs of the Company; determine the liability resulting therefrom and undertaking the procedures it deems proper in this regard pursuant to the Companies Law and its implementing regulations.

5. Review and discuss the Company's financial statement.
6. Review and discuss the Board report.
7. Deciding on the proposals of the Board with respect to the method of distributing the net profits;
8. Appointing one or more External Auditors of the Company, specifying their fees, reappointing them, dismissing them, discussing their report and making a decision in its regard.
9. Looking into the violations and errors committed by the External Auditors of the Company when performing their duties and any difficulties, reported by the Company's External Auditors, regarding their empowerment by the Company's Board or management to review the books, records and other documents, statements and clarifications required to perform their duties, and respond to that as it deems appropriate in this regard.
10. Deciding the use of the Company's reserves, if such has not been set aside for a specific purpose in the Company's By-Laws, provided that using such reserves shall be based on a proposal of the Board and used in ways that benefits the Company or the shareholders.
11. Forming the Company's reserves and determining their uses.
12. Setting aside amounts from the Company's net profits to achieve social purposes for the benefit of the Company's employees in accordance with Article (123) of the Companies Law.
13. Approving the sale of more than (50%) of the assets of the Company, whether in one or several transactions within a period of 12 months from the date of the first transaction. In the event that the sale of such assets falls within the powers of the Extraordinary General Assembly, the approval of the Extraordinary General Assembly will be required.

B. Competencies of the Extraordinary General Assembly

The Extraordinary General Assembly shall have the following competencies:

1. Amending the Company's By-Laws, except for amendments which are deemed null and void pursuant to the provisions of the Companies Law.
2. Increasing the Company's share capital in accordance with the situations provided by the Companies Law and its implementing regulations.

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3. Decreasing the Company's share capital if it exceeds the Company's needs or in the event the Company incurs financial losses, in accordance with the situations provided by the Companies Law and its implementing regulations.
4. Deciding the use of the reserve allocated for specific purposes in the Company's By-Laws.
5. Resolving to maintain or liquidate the Company before the end of the term specified in the Company's By-Laws.
6. Approving the Company's shares buy-back.
7. Issuing preferred shares or redeemable shares or approving their sale or converting a type or class of the Company's shares into another type or class of shares as per the Company's By-Laws and the implementing regulations of the Companies Law for Listed Joint Stock Companies.
8. Issuing debt instruments or financing deeds convertible into shares and stating the maximum number of shares that may be issued against such instruments or deeds.
9. Allocate shares that are issued upon the capital increase or part of them for the employees of the Company, and its affiliates or some of them, or any of them.
10. Suspending preemptive rights of shareholders in subscribing for the capital increase in exchange for cash or giving priority to non-shareholders in cases as deemed in the interest of the Company; provided that, it is permitted under the Company's By-Laws.

The Extraordinary General Assembly may also pass resolutions within the scope of the Ordinary General Assembly, provided that it is in accordance with the general assembly voting requirements.