



BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(“Bupa Arabia”, “the Company”)
EXECUTIVE COMMITTEE (“EC”)
CHARTER

1. <u>Constitution, Principal Role and Term</u>
Constitution - This Charter was originally constituted by the Board during 2009, and thereafter approved by the public shareholders, including amendments to the same. This latest version, enhancing alignment with the latest regulatory corporate governance regulations, was approved by the Board during November 2020, subject to regulatory approval where applicable, and subject to public shareholders approval, where applicable, on 24 June 2021.
Principal Role – The principal role of the Executive Committee (“EC” “the Committee”) is to, on behalf of the Board, monitor the performance of the business on an ongoing basis, to review financial targets, Annual Operating Plans (AOP) and forecasts, before they are presented to the Board for approval, and to ensure that the business is operating within its solvency margin limits. The EC will review the strategies and objectives of the business and acts as a “bridge” between the Board and the management of the business on performance monitoring and approvals, thereby facilitating the Board’s efficiency and enhancing the Company’s decision making processes. The EC supports the Board with the management of the business through the review, and monitoring, of all aspects of the operational performance of the company on a routine frequent basis to ensure that there are no barriers to achieving the objectives set. It also reviews and approves, as required per its Charter, and per the Board Delegated Authorities Framework (DAF), certain aspects of a commercial nature, and supports ensuring the Company is fully compliant with all regulatory requirements. The EC reports to the Board.
In performing its duties the Committee will maintain effective working relationships with the Board, other Board Committees where required, and Bupa Arabia’s Executive and Senior management. To perform their role effectively, each Committee member will need to develop and maintain their skills and knowledge, including an understanding of the Committee’s responsibilities and of the Company’s business, operations and risks.
Term - the term of the Committee shall run concurrent with the Board term, and such term shall be governed by the Company’s By-Laws (Articles), and which cannot exceed the three (3) years maximum specified within the Company Law, as shall be approved by the Board, Regulators and thereafter the public shareholders in the General Assembly (GA) meeting.

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2. <u>Membership, Chairman and Secretary</u>
Composition and Chairman – The Committee is to comprise of no less than three (3) and no more than five (5) members, as per the Nomination and Remuneration Committee (NRC) recommendation approval, after Board and regulatory approval where applicable, in accordance with the relevant Saudi regulations. The Committee Chairman shall be appointed by the Board, subject to Regulators’ approval thereafter, and the EC may be composed of executive and non-executive members.
This Charter, and also the Company’s Code of Corporate Governance (CCG), contains more details on these role responsibilities.
Knowledge – The Board shall ensure that the members of the Committee are appropriately qualified to discharge their responsibilities.
Confidentiality – Board/Committee members must sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all the matters discussed through, or associated with, the Board/Committee’s activities, whether the Board/Committee member has ceased to be an active or current Board/Committee member or not.
Disclosure of Interests – Committee members shall disclose any direct or indirect interest in the Company’s business and insurance contracts concluded by it and such interests shall be authorised by the public shareholders in the GA meeting(s) if applicable.
Committee members shall not take part in any business that competes with the Company nor trade in the activities performed by the Company. The Company has the right to claim indemnification for any losses caused by such business or act.
Each member of the Committee shall disclose to the Committee:
a) Any personal financial interest in any matter including, but without limitation to, related party transactions, business and family interests, and
b) Any potential conflict of interest arising from a cross-directorship.
Any such Committee member shall abstain from voting on the relevant matters in relation to which such interest exists and from participating in the discussions concerning such resolutions.
Secretary – The Committee Secretary shall be appointed by the Board from the Company’s staff and shall not be the Secretary of the Audit Committee.
Committee Members Compensation – All Board, and Board Committee, members are entitled to annual compensation if the eligibility requirements have been fulfilled by the member. The Board, and Board

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

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

5. Authorities

The core authorisation categories, and the associated limits, delegated to the EC by the Board are contained within the Board approved Board Delegated Authorities Framework (DAF) and include the below detailed approvals which the EC can provide directly to the management of the business:

5.1 Mergers, Acquisitions, Disposals & strategic investments > SR15m <= SR25m

5.2 Sales Contracts, whether new or renewal: >= SR150m <= SR250m

5.3 Purchase contracts > SR8m <= SR12m (Excluding Outsourcing Contracts)

5.4 Outsourcing Contracts > SR3m <= S6m

5.5 Medical Claims/Insurance Supply Chain Contracts > 10% <= 20% of current year projected claims spend

5.6 Budgeted Capital Investment Proposals >SR3m <= SR6m

5.7 Ex-Gratia , requires joint CFO approval within the CFO limit >SR2m <= SR3m

5.8 Capex, Opex payments, Appointment of positions which report directly to CET members, wherever not within the Board approved budget, including any and all contracts as well as for prosecution, defence or litigation settlement related, whether customer compensation or other third party > SR8m <= SR10m

5.9 Other expense items, Bad debt write-off & fixed asset disposal > SR2m < =SR3m

Other approvals:

5.10 Approve the formation, membership composition and Charter, of each of the Company's "Management Committees", other than for any Management Committees which related to any Risk or other control functions and which Management Committees formation, membership composition and Charter shall be the approval responsibility of the Risk Management Committee (RMC) and the Audit Committee (AC) and which current examples of are the:

5.10.1 Bupa Arabia Executive Risk Committee (BAERC), the Underwriting Committee (UC), and the Cyber Security Committee, which authority resides with the RMC, and

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

5.11 Recommendation approval to the Board of:

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

5.11.2 Dividends

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5.11.3 Changes in Share Capital and/or equity
5.11.4 Approval of the Company's Investor Relations website framework and content (through which the Company communicates its Governance and other activities/updates to its Shareholders via the Company website)
5.11.5 Media and Shareholder Communications Policy
5.11.6 Extension of the Company's activities into new Business sectors or new geographic areas
5.11.7 Any decision to cease to operate all, or any material part, of the Company's business operations
The Board authorized scope of the Committee's roles duties and responsibilities are detailed below in section 6.
6. <u>Roles, Duties and Responsibilities</u>
The Committee members should, while performing their tasks, give priority to the Company's interest against any other considerations that might affect their work or decisions. Members of the Committee shall perform their duties free from any external influence, whether from within or outside the Company. Committee members shall not allow their own personal interest to come before, or in conflict with, that of the Company, its shareholders, or any other Stakeholders. The Code of Corporate Governance (CCG) includes the principal roles and responsibilities of the EC, and which are repeated below for completeness of this Charter. The Board authorizes the Committee, within the scope of its responsibilities, to:
6.1 Monitor the actual performance of the business, on a periodic basis, against AOP, quarterly re-forecasts and management targets. 6.2 Monitor the implementation of the Board's policies and procedures. 6.3 Monitor the performance of the Chief Executive Officer (CEO) and senior management team. 6.4 Review draft AOP figures prior to their submission for approval by the Board. 6.5 Monitor solvency levels and make recommendations as appropriate. 6.6 Approve operating profit, before tax and zakat, AOP/F1/F2 deviations to a maximum adverse variation which is less than or equal to 15%. 6.7 Provide recommendations and final approval for changes in delegation levels as specified within the Board approved Delegated Authorities Framework (DAF): 6.7.1 Recommend changes to the delegation levels of the CEO for the approval by the Board, 6.7.2 Approve changes to the CEO Delegated Authorities levels of the Chief Executive Team (CET) members following the CEO's recommendation. 6.8 Providing strategic guidance, including setting objectives and formulating strategic plans, and supervising the implementation of strategic plans and major transactions when requested by the Board.

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6.9 Review of performance in the light of the Company's strategy, objectives, business plans and budgets, including the underlying risks, and versus the Company Risk Appetite Statements (RAS), where required and applicable, and ensuring that any necessary corrective action is taken.
6.10 Reviewing and ensuring the appropriateness of the information and materials communicated to the shareholders, including for press releases on matters, and for the general assembly meetings, when requested by the Board.
7. <u>Reporting and Evaluating Performance Responsibilities</u>
The Board – The Chairman of the Committee (or a Committee member nominated by the Chairman) shall report to the Board on the proceedings of each Committee meeting (in subsequent Board meeting), and make appropriate recommendations.
The Committee is responsible for ensuring it receives sufficient information, and materials, from the CEO and the Management of the Company, through the Committee Secretary, to enable it to monitor and evaluate the performance of the Company, the CEO and the Management.
The Committee shall ensure that the Board is updated on the Committee approvals it has provided to the business.
Ensure that the meeting minutes are prepared by the Committee Secretary, and that they are reviewed and authorised by the in attendance Committee members and the Committee Secretary.
Recommendations – The Committee shall make whatever recommendations to the Board, Board Committees, CEO and Management which it considers appropriate on any area where it deems action or improvement is necessary.
Committee Report – The Committee shall assist the Board by preparing a statement for inclusion in the Company's Annual Report describing the role and responsibilities of the Committee and actions taken by the Committee during the relevant period to discharge those responsibilities
General Assembly (GA) Meetings – The Chairman of the Committee, or Committee member delegated by the Chairman if applicable, must attend the Company's GA Meeting(s) so as to be available to respond to any questions of the Shareholders on the Committee's activities and areas of responsibility. If the Committee member is a Board member they must also attend the GA meetings.
Evaluation of Performance – – The Committee shall assess the achievement of the duties specified in the Charter and report the findings to the Board. The Committee shall support the NRC, and/or the Board, in the evaluation of the Committee's, and/or the Committee's members' performance, as and when required.

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8. <u>Review of the Committee Charter</u>
The Committee shall develop, implement and review its own Charter annually and shall thereafter recommend its revised Charter for the Board's approval.
Thereafter, the Committee shall ensure that the revised Charter is approved by the Board, and if necessary by Bupa Arabia's regulator(s) and/or public shareholders, as deemed applicable.
The Committee shall make available the Charter (explaining the role and the authority delegated to it by the Board) on request and by including the information on the Company's website.
9. <u>Corporate Governance Standards</u>
The Company Corporate Governance Standards are defined in the Company Code of Corporate Governance (CCG).
10. <u>Definitions</u>
The standard Company definitions, and acronyms, applicable throughout the Corporate Governance Framework (CGF), Code of Corporate Governance (CCG), and the Board and the Board Committees' Charters, are defined within the "Definitions and Acronyms" section of the CCG.

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