



BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY INVESTMENT COMMITTEE

CHARTER

1. Constitution, Principal Role and Term
Constitution – This Charter has been prepared and reviewed by the Investment Committee and approved by the Board of Directors (the “ Board ”) of Bupa Arabia for Cooperative Insurance Company (“ Bupa Arabia ” or the “ Company ”) and includes at Schedule 1 an authority matrix in relation to various investments to be made by Bupa Arabia (the “ Investment Authority Matrix ”). This Charter, together with the Authority Matrix, was approved by, a Board resolution dated 19 November 2020, and the General Assembly dated 24 June 2021.
Principal Role – The principal role of the Investment Committee is to supervise (including where applicable, communicate its recommendations to the Board in relation to) the management of Bupa Arabia’s investments in accordance with (i) the authority provided to it by the Board to achieve optimal returns in light of the Board-approved risk parameters, (ii) the Company’s Investment Policy Statement, (iii) applicable liquidity and solvency constraints, (iv) Islamic Shariah principles, and (v) applicable law/regulation, including (without limitation) relevant SAMA regulations, circulars, directions and guidelines (together, the “ Criteria ”).
In performing its duties, the Investment Committee will maintain effective working relationships with the Board and Bupa Arabia’s management (including Bupa Arabia’s Asset Management Team (the “ AMT ”).
Term – The term of the Investment Committee shall run concurrent with the Board term in accordance with the Company’s bylaws, which cannot exceed the three years maximum specified by the Companies Law.
Each Investment Committee member shall hold office for a period of up to three (3) years, and such period may be extended for only one (1) further period of up to three (3) years.
2. Membership, Membership Review, Chairman and Secretary
Composition and Chairman – The Investment Committee shall comprise of not less than three (3) and not more than five (5) members subject to Board and regulatory approval where applicable. The Chairman of the Investment Committee (the “ Chairman ”) and each Investment Committee member shall be appointed by the Board after obtaining the relevant regulators’ written non-objection.
The Investment Committee shall comprise independent, executive and non-executive members and shall not include any person who may have a conflict of interest, for example representatives of external auditors, suppliers, or the Company’s major customers.
The Investment Committee members shall not be members of a board or an investment committee of any other company or entity operating in the insurance sector in the Kingdom of Saudi Arabia.
No Investment Committee member shall simultaneously serve on the investment committees of more than four (4) companies.

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The Chairman shall not: (a) be related to the other members of the Board or have any financial or business relationship with any members of the Board; and (b) shall not have a relationship with any executive or member of the Senior Management of the Company that could affect their independence as Chairman.
The Board, after obtaining the relevant regulators' written non-objection, may dismiss an Investment Committee member if they cease to satisfy the relevant membership terms or violate the provisions of the respective rules and regulations as prescribed by the Company from time to time.
Any Investment Committee member has the right to resign, after providing a resignation request in writing to the Board one (1) month before their resignation becomes effective.
The Company shall notify the relevant regulators, as applicable, in writing of the resignation of a member of the Investment Committee and the reasons therefor and provide the relevant regulators, as applicable, with a copy of the resignation request in due course.
In case of a vacant seat in the Investment Committee during the Term, the Board, after obtaining the relevant regulators' written non-objection, as applicable, shall appoint another member within one (1) month of the vacancy date to fill that vacant position. The new member shall complete his or her predecessor's term.
Knowledge – The Board shall ensure that the members of the Investment Committee collectively have sufficient knowledge and expertise to understand important issues related to investment policy and are appropriately qualified to discharge their responsibilities. All Investment Committee members, including the Chairman, must have recent and relevant financial or investment management expertise or experience. In addition, to perform their role effectively, each Investment Committee member must develop and maintain their skills and knowledge, including an understanding of the Investment Committee's responsibilities and of the Company's business, operations and risks.
Confidentiality – The Investment Committee members must each sign a Confidentiality Agreement with the Company and at all times maintain the strictest confidentiality of all matters discussed through, or associated with, the Investment Committee's activities, regardless of whether that Investment Committee member has ceased to be an active or current member. Members of the Investment Committee are prohibited from disclosing to shareholders or the public any confidential information obtained as they perform their role, other than in the general assembly, and must not use such information for their own benefit or personal gain.
Disclosure of Interests – Other than by virtue of being a representative of a shareholder of the Company, the Investment Committee members shall not have any direct or indirect interest in any transactions or contracts made for the account of the Company or any of its subsidiaries.
Investment Committee members shall not take part or participate (directly or indirectly) in any transactions, contracts or business that might compete (directly or indirectly) with the Company or trade in the activities performed by the Company. The Company has the right to claim indemnification for any losses caused by any breach of the foregoing and to require the relevant member to account for any profit made or gained as a result of entry into any such transactions, contract or business.
Each member of the Investment Committee shall disclose to the Investment Committee:
a) Any personal financial interest in any matter including, but without limitation, any transaction, contract or business and/or family interest, to be decided by the Investment Committee; and b) Any potential conflict of interest arising from a cross-membership of another investment committee or cross-directorship of, or involvement with, another entity.

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Any such member shall abstain from voting on resolutions of the Investment Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions unless such conflict has previously been disclosed to and authorized by the Board.
The Company shall not issue or renew any insurance policy for any of the Investment Committee members or parties related thereto before the full payment of the due premium. If any member submits a request for the payment of a claim under a policy issued to that member by the Company, the claim should be treated in accordance with procedures and rules set forth by the Company without any exception or preference. The Compliance Department Leader should be notified of any payment due to the member.
Membership Review – The Board shall review the membership of the Investment Committee from time to time and approve any changes to the Investment Committee’s membership.
The membership of any Investment Committee member shall terminate automatically upon the occurrence of any change that breaches the membership’s terms as per the relevant Regulations, instructions or decisions issued by the relevant regulators. Each Investment Committee member shall immediately inform the Company in writing upon the occurrence of such a change and the relevant member shall not attend any meeting of the Investment Committee held after the date of any such change.
Secretary – The secretary of the Investment Committee shall be appointed by the Board on the recommendation of the Nomination & Remuneration Committee (the “ Secretary ”). The Secretary shall give advance notices, send meeting agendas with any relevant materials to Investment Committee members and ensure their delivery within a period of ten (10) working days prior to the meeting. The Secretary shall handle the Investment Committee’s administrative tasks, schedule the Investment Committee’s meetings in coordination with its Chairman, prepare meeting minutes and ensure that the formalities in respect of such minutes are observed (see further below).
Committee Members Compensation – Each Investment Committee member is entitled to annual compensation if the eligibility requirements are satisfied by that member. The compensation shall be determined by the Board as per the Board Committees’ Remuneration Policy approved by the General Assembly in accordance with the applicable law and regulations.
The Secretary shall be eligible for remuneration for carrying out their role for each Investment Committee meeting. The amount of such compensation shall be determined by a decision issued by the Board upon the recommendation of the Nomination & Remuneration Committee.
3. Meetings
Frequency – The Investment Committee must hold its meetings at least four (4) times a year, which should correspond with the Company’s financial reporting cycle. The Secretary shall convene a meeting on receipt of a request by any Investment Committee member or the Board. The Investment Committee must also hold an annual meeting with the Board.
The Investment Committee is entitled, if the need arises, to hold other meetings in response to any of the following cases including but not limited to:
a) Upon the request of the chairman of the Board;
b) Cases in which the External Auditor, Internal Audit Department Leader, Compliance Department Leader or Actuary requests a Committee meeting due to a legitimate reason; and

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- c) Meetings on other issues such as: approval of an investment to be made by the Company in accordance with the Investment Authority Matrix, investment performance issues, compliance issues, conflicts of interest, and issues under professional and ethical codes of conduct.

Quorum and voting – The quorum of any meeting shall comprise the majority of the members of the Investment Committee. The resolutions in any meeting shall be approved by the majority of the members present and, in case of a tie, the Chairman shall have the casting vote. Voting on behalf of, or by proxy, from any member is not allowed. A decision that could be voted on at a meeting of the Investment Committee may instead be adopted by the written consent, given by electronic communication, of a majority of the members.

Attendance – Only Investment Committee members are entitled to attend the meetings. Attendance may be in person or by electronic means. The Investment Committee shall have the discretion to invite any other person(s) to attend all or part of any meeting, which it considers appropriate, as an observer.

In the absence of the Chairman, the Investment Committee shall choose a temporary chairman from the attending members.

As a minimum, the Chairman shall attend the Board meeting at which any major investment related decisions are approved.

An Investment Committee member shall be deemed to have resigned if that member fails to attend any meetings of the Investment Committee for three (3) consecutive times without presenting an excuse acceptable to the Board.

The Internal and External Auditors, Compliance and Legal representative and Risk management staff, shall be invited to make presentations to the Investment Committee, as deemed appropriate.

4. Proceedings

Notice, agenda and supporting documents – Notice of each meeting confirming the date, time and venue shall be circulated by the Secretary, or his or her designated representative, to all members of the Investment Committee and to other attendees (if appropriate) as far in advance as possible. The Secretary shall give advance notices, send meeting agendas with any relevant materials to Investment Committee members (and others, if required) and ensure their delivery within a period of ten (10) working days prior to the meeting, or such shorter period as may be agreed or required.

Duration – Sufficient time should be allowed to enable the Investment Committee to undertake as full a discussion, as may be required.

Minutes – The Secretary shall ensure that the minutes of each Investment Committee meeting are recorded, signed by all of the attending members, the Chairman and the Secretary, and entered into an official register. The minutes must also include the names of those present and in attendance, topics discussed, major deliberations, voting process, objections and abstentions from voting (with reasons if any), decisions taken, and reservations. All records and documents reviewed during the meeting and/or referred to in the minutes shall be attached to the minutes. Minutes of Investment Committee meetings shall be circulated to the members as soon as practicable following the meeting, and to each Board member with any relevant key papers for the following Board meeting (unless there is a conflict of interest in respect of a particular Board member), in each case within a period not exceeding fifteen (15) days hereafter. Persons responsible for implementing the Committee's resolutions shall be identified in the minutes.

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5. <u>Authorities</u>
The Board authorizes the Investment Committee and the Investment Committee shall:
a) review the Company's Investment Policy Statement on an annual basis and its implementation on a quarterly basis and monitor the overall risks of the Investment Policy Statement and undertake the review of the appropriateness thereof. The Investment Policy Statement shall be initially prepared/updated by the AMT and the Investment Committee shall recommend its approval to the Board, for the Board's approval and thereafter for approval by SAMA. The Investment Committee shall also ensure that the Investment Policy Statement is approved, or re-approved, annually by the Board;
b) ensure Investment Committee meeting minutes are prepared and the relevant formalities are complied with. The Investment Committee shall review, at least annually, its own performance and composition to ensure that it is operating effectively and recommend any changes it considers necessary to the Board for approval;
c) make recommendations on the wider investment performance to the Board as required, submit performance review reports to the Board, and provide updates to the Board on the Investment Committee's activities and the performance of the investments made by the Company against the relevant targets and industry benchmarks;
d) oversee the Company's investment portfolio and undertake the ongoing review of the performance of the Company's investments in each asset class to achieve optimal returns in accordance with the Criteria;
e) appoint/approve as appropriate, based on expertise/past performance (while ensuring that all relevant due diligence is undertaken), and review the performance and the relationship with the officially appointed investment manager(s)/fund managers as governed, in each case, by a relevant investment manager agreement (managing the Company's relationship with such investment manager(s)/fund managers shall be undertaken by the AMT);
f) ensure that all investments that are carried out are in compliance with the SAMA insurance regulations, the Investment Regulation, the Islamic Shariah principles and any other applicable laws and regulations;
g) ensure that all individuals conducting and monitoring investment activities have sufficient levels of knowledge and experience and seek external professional advice, when necessary, to perform its role, at the Company's expense, after obtaining the Board's approval;
h) monitor, on a continuous basis, any additional layers of liquidity that can be borrowed against, receive recommendations from the AMT in relation to the same, and make recommendations based thereon to the Board in relation to the same;
i) approve any investments subject to and in accordance with the Authority Matrix;
j) monitor, on a continuous basis, the Company's strategic asset allocations, receive recommendations from the AMT in relation to the same, and make recommendations based thereon to the Board in relation to the same;
k) consider investment activity and current market valuation, latest forecasts/asset allocation recommendations including buy/sell points and any other relevant investment issues;
l) agree with the Board a maximum risk level for each asset class and for the portfolio in total;
m) recommend the use of financial derivatives, subject to Shariah compliance, Board and SAMA approvals;
n) receive and review quarterly investment performance and make recommendations as appropriate;
o) review portfolio and asset class benchmarks and recommend as appropriate;
p) review the investment income annual operating plan (AOP) for the forthcoming calendar year before submission to the Board;

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- q) review and approve investment management agreements;
- r) review and appoint external advisors related to the role of the Investment Committee; and
- s) review asset liability matching (ALM).

6. Duties and Responsibilities

Members of the Investment Committee must always be fully informed of the course of business and act in good faith; with due diligence; in compliance with the applicable laws and regulations; and in the best interest of the Company's shareholders, policyholders, and other stakeholders. Members of the Investment Committee shall perform their duties free from any external influence, whether from within or outside the Company. Members of the Investment Committee shall not allow their own personal interest, or the interest of the parties they represent, to come before, or be in conflict with, that of the Company, its shareholders, and other stakeholders. Investment Committee members are accountable for their compliance with this Charter.

In accordance with the Company's Investment Policy Statement, the Investment Committee and the senior management shall from time to time prepare a delegated authority matrix which shall include the thresholds and the levels of approvals required for investments in various asset classes to be made by the Company. Any such authority matrix (such as the Investment Authority Matrix set out in Schedule 1) and any amendments to the same from time to time must be approved by the Board. All risk limits, exposures, and the relevant investments thresholds and the asset classes to which the authority matrix relates shall be reviewed by the Investment Committee on an annual basis and thereafter approved by the Board in order to verify their suitability for current market conditions and the Company's overall risk tolerance. For the avoidance of doubt, the Company's Investment Policy Statement (and any material changes thereto) must be approved by SAMA and must contain (*inter alia*) details of the Company's determination of its strategic asset allocation, and the establishment of limits for the allocation of assets by geographical areas, markets, sectors, counterparties and currencies.

7. Corporate Governance Standards

The Company Corporate Governance Standards are defined in the Company Code of Corporate Governance.

8. Definitions

Unless otherwise specified, the standard definitions, and acronyms, applicable throughout this Charter are defined within the "Definitions and Acronyms" section of the Company Code of Corporate Governance.



SCHEDULE 1 INVESTMENT AUTHORITY MATRIX

Key	
Propose	Where the investment recommendation originates
Endorse	By whom the recommendation should be endorsed as part of the process
Approve	With whom the decision-making authority to proceed with the investment lies, i.e. to buy and sell investments, ¹ and to appoint/terminate a manager (as applicable)
Informed	To whom the recommendation/decision is communicated for information purposes only

Permitted Investments ²	Board	IC	CEO	CFO	AMT
Cash & Cash Equivalents					
• Murabaha deposits or certificates of deposit: Islamic deposits with local or international counterparties (any value)	-	-	-	-	Approve
• Murabaha funds: Investment funds that invest predominantly in murabaha transactions:					
○ any value – low risk	-	-	-	Informed	Approve
○ any value – medium or high risk	-	Approve	-	Endorse	Propose
• Structured Deposits:					
○ yield enhanced capital guaranteed deposits (≤100m SAR)	-	-	-	Informed	Approve
○ yield enhanced capital guaranteed deposits (>100m SAR) ³	-	-	-	Approve	Propose
○ non-capital guaranteed deposits (any value)	-	Approve	-	Endorse	Propose

¹ Initial approvals to acquire could include the approvals (i) to sell down completely, and/or (ii) to sell down tactically for redeployment within IPS approved strategic allocations & exposure limits

² These investments are based on those found on pages 14-16 of the IPS, however the list has been developed further

³ This SAR 100m threshold for structured deposits and for sukuk may be reached by a single transaction or a series of transactions with a maximum of SAR 250m total delegated per calendar year excluding allocation to Saudi Sovereign Sukuk issuances

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Permitted Investments ²	Board	IC	CEO	CFO	AMT
Fixed Income					
- Islamic sukuk (as permitted by SAMA guidelines), local or international: - Senior <i>and</i> USD/SAR <i>and</i> investment grade⁴ (≤ 100m SAR)³ - Subordinated <i>or</i> non-USD/SAR <i>or</i> non-investment grade <i>or</i> > 100m SAR	- -	- Approve	- -	Informed Endorse	Approve Propose
Fixed income funds or DPM mandates: funds or managers that invest predominantly in sharia compliant fixed income instruments (any value)	-	Approve	-	Endorse	Propose
Certificates and structured notes, issued by investment grade institutions that are income generating and can be liquidated when needed (any value)	-	Approve	-	Endorse	Propose
Public Equities (any value)					
Individual Stocks: Purchasing stocks that are listed in any public market (including IPOs), local or international, including Real Estate Investment Trusts (REITs)	Approve	Endorse	Endorse	Endorse	Propose
Equity Mutual Funds: Investment funds that invest in equities listed in any public markets	-	Approve	-	Endorse	Propose
Signing DPM mandates to invest in listed equities (local and global)	-	Approve	-	Endorse	Propose
Structured Products: Periodic income-generating investment products that provide exposure to listed equities with adequate capital protection	Approve	Endorse	Endorse	Endorse	Propose
Alternative Asset Classes⁵ (any value)					
Private Equity, Private Debt, Real Estate, Infrastructure, Hedge Funds, Commodities, Leasing Strategies, Trade Finance, and Other Alternative Investments (directly or via a fund), locally or internationally	Approve	Endorse	Informed	Endorse	Propose

⁴ Or, in the local market where issues are unrated, then the rating of the issuer will be considered

⁵ Investments in derivatives, option contracts, hedge funds, deposits with foreign banks, private equity investments and any off-balance sheet instrument are prohibited and they should not be part of Bupa Arabia's asset allocation, unless specifically approved by SAMA and based on efficient portfolio management justifications. In addition, (i) such derivatives must be listed on a financial exchange, are capable of being readily closed out, are based on underlying admissible assets and have a prescribed pricing basis, (ii) the company has set aside assets that can be used to settle any obligations under these derivatives and set adequate provisions for any adverse changes on the derivatives and their coverage, and (iii) the counterparty must be reputable and in an acceptable financial condition (per Article 54 of SAMA's Investment Regulation and Article 62 of the Implementing Regulations of the Co-operative Insurance Companies Control Law).

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Permitted Investments	Board	EC*	CEO	CFO	AMT
- Strategic Venture Capital Investments: ≤ 15m SAR per transaction > 15m SAR ≤ 25m SAR per transaction ≥ 25m SAR per transaction	- - - Approve	- - Approve -	- Approve - Endorse - Endorse	- Endorse - Endorse - Endorse	- Propose - Propose - Propose

*Executive Committee

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**BUPA ARABIA – SUMMARY AUTHORITY MATRIX
OF BOARD/IC ROLES UNDER THE IC CHARTER**

Responsibility (as per IC Charter)	Board	IC
Approve the IC Charter	Approve	-
Appoint the IC chairman	Approve	-
Appoint/dismiss IC members	Approve	-
Approve conflicts of interest of IC members	Approve	-
Appoint the IC secretary	Approve	-
Determine the compensation of IC members	Approve	-
Appoint investment managers (including entering into investment management agreements)	-	Approve (AMT manages the relationship)
Approve investments with fund managers	-	Approve (subject to the Investment Authority Matrix)
Identify additional layers of liquidity that can be borrowed against	Approve	Endorse (AMT proposes)
Monitor strategic asset allocation	Approve	Endorse (AMT proposes)
Establish a maximum risk level for each asset class and for the portfolio in total	Approve	Propose
Recommend the use of financial derivatives	Approve (subject to SAMA approval)	Propose
Appoint external advisors related to the role of the IC	-	Approve
Prepare/update Investment Authority Matrix	Approve	Endorse (AMT/senior management proposes)
Prepare/update investment policy statement	Approve	Endorse (AMT proposes)

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