



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

**Corporate Governance 2024
&
Internal Governance Regulations**



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Corporate Governance Regulation

This regulation was updated by Board of Directors Resolution No. 131 dated 04/21/2024, and approved by the General Assembly on 4th June 2024



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Chapter one: General Introduction

1- Preamble:

This regulation sets forth the rules and standards governing Saudi Arabian Cooperative Insurance Co. (SAICO), a Saudi joint stock company, hereinafter referred to as “the Company,” in order to ensure adherence to the best governance practices that ensure protection of shareholders’ rights and protection of stakeholders’ rights, as it has been prepared in accordance with requirements of the Governance Regulations. Companies issued by the Capital Market Authority and amended on 01/18/2023 AD, in accordance with Insurance Companies Governance Regulations issued by the Insurance Authority on 10/22/2015 AD, in accordance with the Companies Law, rules for offering securities and continuing obligations, and the company’s articles of association.

2- The purpose of the regulation

Improving and organizing the company’s governance environment, making its governance to a high degree of transparency, and emphasizing the company’s commitment to corporate governance by developing the following:

- An administrative performance based on increasing the company’s value and the ability to hold it accountable.
- An effective supervisory role in cooperation with executives in order to achieve interests of the company and shareholders, including minority investors, and seek to increase shareholders’ rights in appropriate ways.
- Disclosure of information, appropriate transparency, and existence of an effective internal control and risk management system.

The company must commit to disclosing in Board of Directors’ report provisions of the Governance Regulation issued by the Capital Market Authority and the Insurance Authority that have been implemented and provisions that have not been applied and the reasons for this.

The employees responsible for governance in the company have read and understood these regulations and that their responsibility for implementing them is considered a joint responsibility. Accordingly, they pledge themselves to confirm the company’s commitment to implementing all the articles contained therein.

3- Definitions:

The words and phrases set out in this guide have the meanings given to them in the Capital Market Authority’s law and in list of terms used in the Capital Market Authority’s regulations and rules. For the purpose of applying this guide, the words and phrases set out below have the meanings shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:

A) Corporate governance:

Rules for leading and directing the company include mechanisms to regulate the various relationships between Board of Directors, executive directors, shareholders and stakeholders. This clarifies special rules and procedures to facilitate the decision-making process and give it a transparency and credibility for purposes of protecting rights of shareholders and stakeholders, and achieving justice, competition, and transparency in the market and work environment.

B) Executive member

He is a member of Board of Directors who is dedicated to the company’s executive management and participates in its daily work.

C) Non-executive member

He is a member of Board of Directors who is not dedicated to the company’s executive management and doesn’t participate in its daily work.



D) Independent member:

Non-executive board member who have complete independence in his position and decision, but he is not subject to any of the independence restrictions listed below, but are not limited to:

- 1- To be owner of five percent or more of the company's shares or of another Company in its group, or to be related to someone who owns this percentage.
- 2- To have a direct or indirect interest in the business and contracts carried out on behalf of the Company.
- 3- To be related to any member of BOD of the Company or of any other Company in its group.
- 4- To be related to any of the senior executives in the Company or in another Company in its group.
- 5- To be a member of Board of Directors of another Company in the company's group Company for which the candidate is nominated for membership in its Board of Directors.
- 6- He works or worked as an employee during the past two years for any of any related party to the company or any company in its group, such as external auditors and major suppliers, or that he owned controlling shares in any of those parties during the past two years.
- 7- To receive sums of money from the company as well as remuneration for membership in Board of Directors or any of its committees in excess of 200,000 riyals or 50% of his remuneration in the previous year that he received in exchange for membership in Board of Directors or any of its committees, whichever is less. (Except for the amounts related to insurance contracts and remuneration that the member is entitled to for his membership in Board of Directors during the last two years.
- 8- To engage in any business that it would compete with the Company or to trade in any of the activities that the Company carries out.
- 9- To have served for more than nine (9) years, whether consecutively or separately, on the Company's Board of Directors.

E) Relatives:

- Parents, grandparents, and their ascendants
- Children and their descendants
- brothers and sisters or half brothers and sisters
- Husbands and wives

F) stakeholders

Everyone who has an interest with the company (such as shareholders, employees, creditors, customers, suppliers and the community)

G) Minority shareholders:

They are shareholders who represent a group that does not control the company so that they cannot affect it

H) cumulative voting.

A voting method for selecting members of the Board of Directors grants the shareholder with voting rights the number of such shares; so as to allow him to vote it out to one candidate or divide it between those chosen by the candidates without duplicating these votes

4- Implementation date:

As of approval date of each regulation by Board of Directors of the Company and General Assembly, as appropriate, in the event that no legislative amendments occur or in the company's policy that require amending the regulations, Board of Directors must evaluate and review them annually from date of their adoption.

Chapter Two: Corporate Governance Commitment

1- Corporate Governance Regulation

The company's governance structure is based on the following principles:

- a) **Accountability:** Governance allows the company to be accountable to all shareholders, and provides guidance to board of directors in how to set the company's strategy and management control.



- b) justice: The company pledges to protect the shareholders' interests and ensure to be fair with them, including minority investors.
- c) Transparency: The company affirms its commitment to timeliness and accuracy in process of disclosing all important information related to financial position, company's performance, ownership structure, and company's governance, through certain communication channels that can be easily accessed by all parties interested in the company.
- d) Responsibility: The company is aware of rights of all parties interested in the company set out in the bylaws and regulations, and also encourages joint cooperation between those parties.

All employees perform their work in accordance with all applicable rules and regulations, in addition to their commitment to standards related to ethical behavior that are specified in these regulations in ethical guide of conduct and relationship with stakeholders.

2- Internal Governance Regulation

The corporate governance structure, processes and practices are governed by the company's articles of association and the following internal regulations:

- a) Corporate Governance Regulation
- b) Ordinary General Assembly
- c) Board of Directors regulations
- d) Audit Committee regulations
- e) Nominations and Remuneration Committee regulations
- f) Executive Committee regulation
- g) Investment Committee regulation
- h) Risk Management Committee regulations
- i) Remuneration policy for members of Board of Directors, sub-committees and executive management
- j) Disclosure and transparency policy
- k) Internal control regulations
- l) Profits Distributions policy
- m) Ethical behavior and relationships with stakeholders guide
- n) Conflict of Interests policy
- o) Policies and procedures for nominating and appointing members of Board of Directors and committees emanating from it
- e) Social Responsibility policy.

These internal regulations were prepared in accordance with regulatory requirements in Saudi Arabia, in addition to the best international practices related to corporate governance.

a) Adherence to company governance policies and practices:

The Board of Directors, Audit Committee and Managing Director/CEO of the company are responsible for ensuring compliance and periodic review of company's governance policies and practices.

Chapter Three: Best Practices for Board of Directors and Managing Director and CEO

Having a vigilant, specialized and independent Board of Directors is the basis for a good corporate governance law. The Board of Directors affects the company's performance through its supervision, guidance and oversight of the executive management in light of interest and benefit of shareholders. The company's executive managers play an important role in governance processes and effective cooperation between all parties and clear separation of powers are among the most important elements of successful governance.



1- Board of Directors Governance

A) Authorities:

Essence of management powers is determined in the company's Articles of Association and board of directors regulations, in accordance with the legislative requirements in the companies' law, registration and listing rules, corporate governance regulations issued by the Capital Market Authority Council, and insurance company governance regulations issued by the Insurance Authority.

B) Size:

The Board of Directors consists of appropriate number of members, not less than five members. This number has been determined by the company's Articles of Association and regulations of the Board of Directors. One of the most important considerations taken into account is the necessity of members having different competencies and skills.

C) Election and termination of service of members:

The General Assembly of shareholders elects members for a period not exceeding three years, and may be re-elected for similar periods, taking into account the period of the independent member. The General Assembly has the right to terminate service of the Board before the end of its term, and it may take this decision for all or some of the members.

D) Board composition and independence of members:

Composition of Board of Directors takes place in light of appropriate representation of all shareholders, the competencies and skills of the Board must be appropriate for its supervisory duties and for the development and follow-up of the management of the Company and its strategy. Each member must have the necessary experience, skills, and knowledge to carry out his duties effectively and to improve the Board's ability to achieve its long term goals for the company and its shareholders.

It is not permissible to combine position of Chairman of Board of Directors with position of General Manager or CEO. Therefore, the Chairman of the Board must be a non-executive member, and number of executive members on Board of Directors must not exceed a quarter of number of members, to ensure impartiality in decision-making and to achieve a balance of interests. Among all, it is not permissible for more than two members of Board of Directors to be executive members (from the executive branch) of the company, and the company is keen that these members are among those who do not have important relationships with the company other than their membership of Board of directors, in accordance with definition of them in the company's governance regulation in first Chapter, Paragraph (3), and that composition of Board of Directors reflects an appropriate representation of independent members. In all cases, number of independent members of the Board may not be less than two members or one-third of Board members, whichever is more. The company is also keen to do an induction program for members of Board of Directors when they join the Board of Directors.

E) Board committees

Board of Directors must form the following committees at a minimum:

1. Audit Committee
2. Nominations and Remuneration Committee
3. Executive Committee
4. Investment Committee
5. Risk Management Committee

Each committee must have its own regulation to determine its membership, powers, work procedures, and rights and responsibilities of its members. The chairpersons of the committee or their designated members must attend the general assemblies to answer shareholders' questions. The company must notify the Capital Market Authority of names of the committee members and their membership positions within five working days from the date of their appointment and any changes thereto within five working days from the changes date.

F) Work procedures:

Board of Directors shall meet according to a fixed schedule set at the first meeting after formation of the Board. This schedule helps the Board perform its duties effectively, according to this schedule, Board of Directors meets



(4) four times a year or more as required by the business interest, provided that Detailed procedures related to preparing for Board of Directors meetings have been determined in Board of Directors' regulations, and all Board members receive complete information about the topics that will be discussed at the meeting. This information includes the agenda, minutes of the previous meeting, and the main indicators of the company's performance, which includes appropriate financial information prepared by the company's management with clear recommendations for decision-making, Board of Directors must keep detailed records of meetings that include Board discussions and results of voting on its decisions signed by Chairman of the Board of Directors and Secretary of the Board individually.

G) Training and the possibility of consulting specialists:

The company provides guidance programs for new members about nature of the company's activity and some other important matters, from outside the company when there is a need for that.

H) Rewards:

Remuneration of non-executive board members includes annual remuneration and fees for attending meetings (according to company's articles of association), provided that in all cases these remunerations do not affect their independence. Board of Directors, through Nominations and Remuneration Committee, periodically reviews members' rewards, and the company also discloses these rewards in the annual report.

I) Loans to board members:

Personal loans may not be granted to the members of Board of Directors or members of the committees emanating from it.

J) Duties and responsibilities:

Members of Board of Directors perform their duties sincerely and with complete care in order to achieve interests of the company and all shareholders and not for the benefit of a specific group of them. All Board members are expected to attend all meetings of Board of directors and committees of which they are members, all of members are obligated not to use the internal information available to them for their personal benefit and to refrain from participating in events that could lead to a conflict of interest with the company. If this occurs, they are obligated to disclose it to rest of the members. Stakeholders must refrain from voting in board of directors on the related decisions. The company determined members' duties and responsibilities in the Board of Directors regulations.

2- Managing Director Governance/ Chief Executive Officer

The company understands that the daily management of company's activities requires effective leadership by company's Managing Director/CEO and his assistant managers, and working within a team is one of the best methods to meet the challenges facing the company.

A) Authority

The Managing Director/CEO and his assistant executive directors undertake daily management of the company and implement its objectives and strategy.

B) Selection and termination

Board of Directors selects Managing Director/CEO, and Managing Director/CEO, in turn, submits a proposal to Board of Directors about the executive directors it will appoint for approval. Board of Directors may terminate service of the Managing Director/CEO and his assistant executive directors at any time.

C) Succession plans

Board of Directors supervises preparation of a succession plan that demonstrates Board's effectiveness in dealing with loss of the company's key executives. To assist Board of Directors in this regard, Managing Director/CEO submits a list to Board of Directors that includes the appropriate individuals to replace the company's key executives.

D) Duties and responsibilities:

Managing Director/CEO shall perform his duties faithfully and with complete care to achieve interests of the company and all shareholders and not interests of a specific group of them. Managing Director/CEO and his



assistant executive directors shall refrain from participating in events that could lead to a conflict of their interests with interests of the company, if this occurs they must disclose this to Board of Directors in accordance with controls of the company's conflict of interest policy.

Chapter Four: Stakeholders' Rights:

All shareholders have the right to participate in company's management and its profits, all rights have been organized and specified in the company's articles of association and internal rules and regulations.

1- General Assembly

The company has regulations of General Assembly of Shareholders that explains all procedures related to its preparation, management, and decision-making.

A) Meeting and Agenda:

General assembly shall be held at invitation of the Board of Directors, in accordance with conditions stipulated in the Companies Law, its executive regulations, and Company's Articles of Association. Board of Directors must call the Ordinary General Assembly to convene within thirty days from date of the request of auditor, audit committee, or a number of shareholders whose ownership represents at least (10%) ten percent of the company's shares that have voting rights. The auditor may call the ordinary general assembly to convene if the Board of Directors does not call it within thirty (30) days from the date of the auditor's request. Every shareholder is invited to participate and vote during the assembly. Date of the assembly, agenda and all information related to it shall be announced at least twenty-one days before the date or according to the period stipulated in the legislative regulations or any subsequent amendment thereto, so that shareholder can make decisions on the topics that are discussed in the assembly, and the call shall be published on the website of market and company's website. In addition, the company may call for holding general and private assemblies of its shareholders by means of modern technology. The invitation shall include the agenda, and a copy of call and agenda shall be sent to the Capital Market Authority. The company's executive persons are responsible for these procedures and they shall be implemented by Secretary of Board of Directors. The company must have fair and effective ways to submit proposals and topics contained in the agenda, as well as proposals that include nominating members of Board of Directors. Upon preparing the agenda, Board of Directors must take into account topics that the shareholders wish to include on the agenda of meeting, and shareholders who have a percentage of (10%) at least ten percent of the company's shares that have voting rights is to add one or more topics to the General Assembly 's agenda when it is prepared. The agenda may not be changed or amended after its approval by Board of Directors.

B) General Assembly Management:

The company follows all necessary methods to facilitate participation of shareholders in the general assembly and in voting on the topics included in the agenda. Venue of the assembly is determined so that the majority of shareholders can easily reach it. Registration procedures must be appropriate and the company's executive individuals assist shareholders in exercising their voting rights in the event that they are unable to do so. Shareholders are excluded from actual attendance of the assembly by granting these shareholders right of written proxy to other individuals other than members of Board of Directors and other than company's employees, or through the remote voting service in accordance with controls and procedures of the Capital Market Authority. The company emphasizes necessity of presence of both members of Board of Directors and executive directors, Chairman of the Audit Committee and external auditors of the General Assembly, with aim of answering any questions or inquiries from shareholders. Every shareholder has the right to discuss and submit questions and inquiries related to the topics included in the agenda. Chairman of the General Assembly manages the meeting fairly, professionally and with experience and the voting process is conducted confidentially. The company must have effective mechanisms for voting process that guarantee protection of the rights of minor shareholders from unfair behavior and these mechanisms must be organized and specified in the company's article of association and regulations of the general assembly of shareholders. The procedures used to count votes in the general assembly must be transparent and do not include any possibilities would affect results of the vote, and Board of



Directors must separate each topic on the General Assembly's agenda into a separate item, not combine fundamentally different topics under single item, and not place works and contracts in which any member of Board of directors has a direct or indirect interest within single item

C) Results:

The voting results shall be distributed to shareholders at end of the General Assembly meeting or as soon as possible after end of the meeting. They must also release it publicly by placing it on the company's website and on Tadawul website. The company shall provide the Capital Market Authority with a copy of minutes of the meeting within (ten) days from date of the meeting.

2- Related Party Transactions:

The company discloses appropriate information related to transactions with related parties, including information about degree of kinship with members of board of directors or company's officials.

3- Profits Distribution Policy:

The company has prepared and follows a special regulation for dividend distribution policy in order to achieve interests of shareholders and company. The company must enable shareholders to review this policy at the general assembly meeting and refer to it in Board of Directors' report. Objectives of the dividend policy are as follows:

- a) Set a clear, understandable and predictable mechanism for determining distribution value.
- b) Ensure that distribution payment procedures are easy and effective.
- c) Ensure that the declared distribution is paid in its full value and according to payment dates.

Chapter Five: Transparency and Disclosure of Information:

Transparency, accuracy and timeliness of information disclosure shall be considered basic principles of corporate governance.

1- Disclosure policy and practice:

The company discloses all important information and provides shareholders with free access to it. This information contains the company's financial position, performance, ownership structure, and governance structure, and confirmation that Board of Directors has prepared and approved transparency and Information Disclosure Regulations, and the company publishes its full annual report, which contains a special part of company's governance, and it discloses the company's governance practices, its schedule of events, and important information on its website at appropriate times.

2- Financial Statements preparation:

The company maintains accounting records and prepares complete financial statements in accordance with accounting standards adopted in Saudi Arabia and discloses them in the annual report and on the company's website. It also discloses interpretations related to the financial statements so that user of those lists can assess the company's performance. The reports of Board of Directors, external auditors and audit committee are considered complementary to those financial information.

3- Control and Audit Committee:

Duties and responsibilities of the Audit Committee are represented in three basic topics: Supervising preparation of financial reports. Risk management, internal and external audit. The Committee consists of non-executive members who have appropriate experience in financial matters and powers, responsibilities, business procedures and committee's procedures have been listed in its own regulations.



4- External Audit:

External auditors review the company's financial statements. They are considered independent from company's management and shareholders, and are chosen by the general assembly of shareholders after being nominated by Board of Directors based on recommendation of the Audit Committee.

Company's review term carried out by the audit office must not exceed five continuous years. A period of two years must expire before the audit office is reappointment.

5- Ownership Structure:

The company confirms on the need for shareholders who own more than 5% of the company's shares to disclose it.

Chapter Six: Control functions:

1- Control compliance Responsibilities

Task of adhering must start from top of the pyramid (Board of Directors) and include senior management and all employees so that compliance is an integral part of the company's work and culture, as adherence to regulations, standards and instructions is one of the most important foundations and factors for success of financial institutions and preserves their reputation and credibility and shareholders' interests and customers, provides them protection from statutory penalties as it is a comprehensive, multi-faceted responsibility on all parties in the company, starting with Board of Senior Directors and ending with all employees, each according to his powers and tasks assigned to him.

Compliance monitoring requires full and direct support of senior management. Compliance management must be completely independent and has the authority to access information, documents and records, no matter how confidential they are, and it is not assigned any tasks that hinder or affect its independence and progress of its works, whether through external interference or from other departments. Compliance management is directly linked to the audit committee and submits its periodic reports. It may contact the Insurance Authority directly and provide it with information according to the determined procedures.

One of the main principles of compliance is the collective responsibility of all company employees. The compliance management performs various tasks, including:

- 1- Make Compliance Policy
- 2- Providing proactive advice to senior management.
- 3- Identify regulatory requirements and create a database for them.
- 4- Communicating with business departments and senior management and informing them of regulatory requirements continuously.
- 5- monitoring implementation of these laws and instructions by business departments.
- 6- Reporting violations and developing corrective plans in conjunction with business departments.
- 7- Providing training and awareness programs for compliance and Anti-money laundering and terrorist financing.
- 8- Follow up on resolving all non-compliance problems discovered by regulatory authorities.
- 9- Working with supervisory and regulatory authorities to address risks of non-compliance.
- 10- Informing senior management and executive management about risks of non-compliance received from regulatory authorities.
- 11- Submitting periodic reports to the Audit Committee, as well as to the senior and executive management, detailing fundamental compliance violations such as violations of regulations and instructions received from regulatory authorities, and statutory penalties or fines imposed on the company.
- 12- Establish an effective compliance environment.
- 13- Ensuring that all company policies and procedures are compatible with regulatory instructions
- 14- Activating the principle of warning signs (Alarm) to alert to violations of regulations, internal and external deviations, and situations that expose the company to non-compliance risks.



2- Responsibilities and structure of risk management department

Board of Directors and senior management are responsible for evaluating the risks to which the company is exposed. However, for daily management purposes, responsibility on head of the Risk Management Department, as Risk Management Department is responsible for the following important risk management tasks with regard to insurance risks:

- a) Implementing the risk management strategy approved by Board of Directors.
- b) Set an emergency plan to ensure business continuity
- c) Independence of risk management from all operational departments of the company must be ensured.
- d) Policy- making for insurance risks (including underwriting, reserves, claims management, and reinsurance).
- e) Accurate knowledge of insurance risks' sources.
- f) Identifying emerging risks and proposing corrective steps to mitigate and control them.
- g) Monitor insurance risk trends within the company (such as adherence to existing limits) and outside the company and report important issues to the company actuary.
- h) Implementation of various controls and action plans to mitigate various insurance risks.
- i) Understand, implement and ensure compliance with regulatory requirements.
- j) Reassessing the company's risk tolerance and periodic exposure to risks, for example, through conducting stress tests) For example periodically.
- k) Coordinating with senior management to ensure the effectiveness and efficiency of the company's risk management system.

Risk governance structure:

The company aims to establish a risk governance structure consistent with risk management methods of leading global insurance companies

Level 1: Board of Directors:

Level 2: BOD Sub-Committees:

Level 3: Risk management committee:

Level 4: Risk management means the following:

- 4-1: Product development risks.
- 4-2: Underwriting risks.
- 4-3: Claims settlement risks
- 4-4: Information technology risks
- 4-5: Pricing Risks.
- 4-6: Liquidity risk
- 4-7: Credit Risks
- 4-8: Commission rate risks
- 4-9: Corporate Governance Regulations
- 4-10: Exchange rate risk
- 4-11: Reinsurance risks
- 4-12: Reputation risk
- 4-13: Country Risk
- 4-14: Non-compliance risks
- 4-15: Anti-Money Laundering and Terrorism Financing

Level 5: Working units:

Risk management department is presided by a risk manager and is assisted by a team of support staff, Number of which is determined from time to time according to company's special needs.

The risk manager must have two reporting tracks as follows:



- a) CEO
- b) Risk management committee:

Regarding daily management issues, Director of Risk Management must carry out his duties under direct supervision of the CEO, and risk management as a whole is under direction of the Risk Management Committee.

Main general risk management responsibilities:

Internal risk control procedures must be established and a comprehensive risk management strategy must be adopted. This strategy must take into account market conditions and available experience to address related risks to which the company is exposed. Risk reduction strategies can consist of the following:

- a) Risk aversion
- b) Acceptance
- c) Reduction
- d) Transportation
- e) Benefit

Annual reviews should be conducted to determine whether the company has appropriately assessed impact and probability of material risks, and mitigated and addressed the risks, including identifying lessons learned.

3- Internal Audit responsibilities:

General tasks and responsibilities of Internal Audit Department include, but are not limited to:

- a) Evaluate effectiveness and efficiency of the company's internal controls, policies and procedures, company's reporting mechanism and extent of compliance with them and provide recommendations to improve it.
- b) Verify compliance with policies, plans, procedures, standards, laws and internal regulations.
- c) Credibility, integrity and integrity of financial and non-financial information and the means used to identify, measure and classify it and report this information to the Audit Committee.
- d) Adequacy and effectiveness of systems design, review of their implementation and performance, and efficiency of operations.
- e) Ability to access completely, freely without restrictions to all the company's facilities, activities, data, systems, records, information and property, and to meet any of its employees.

4- Role and responsibilities of the appointed actuary/actuarial department

After obtaining a non-objection from the Insurance Authority, the company appoints a responsible actuary to carry out the specified responsibilities in accordance with provisions of executive regulation of the cooperative insurance companies control law and provisions of controls for actuarial work related to insurance issued by the Insurance Authority.

Actuarial services refer to professional services provided to the company by an official acting as an actuary, these services include providing advice, recommendations, results and opinions.

The company must establish an actuarial department in accordance with controls of actuarial work related to insurance, commensurate with size and type of its business, consisting of actuaries and others to ensure compliance with requirements of the Insurance Authority with regard to assets and liabilities of insurance contracts, technical prices, monitoring adequacy of premiums, experience studies, capital adequacy, reinsurance, and quantitative aspects of risk management to support actuarial work.

To ensure that the appointed actuary provides objective and unbiased advice, he must act in good faith, honesty, and rationality, while exercising care and diligence and making independent judgments in interest of the company and insurance policyholders. He must put interest of the company and policyholders before any personal interest and avoid conflicts of interest when performing his responsibilities.

General roles and responsibilities of the actuary in charge/actuarial department include but are not limited to:

- 1- Carrying out the work assigned to him in accordance with actuarial principles and standards issued by the Actuarial Society of which he is a member. Be accountable before that association with regard to adherence to actuarial controls related to insurance and instructions of the Insurance Authority.



- 2- Carrying out his duties honestly and efficiently, and avoiding conflicts of interest. Providing objective, unbiased advice, not hiding any facts related to financial or technical situation of the company, and not intentionally giving incorrect information.
- 3- Not to disclose confidential information related to the company or information that he obtained while performing his work while he was on the job or after completing it, unless this disclosure is to the Insurance Authority or in implementation of the relevant regulations or instructions.
- 4- Review all work completed on his behalf and take responsibility for it.
- 5- Maintaining his work records organized according to professional standards of the Actuarial Society while maintaining complete confidentiality of data. The records must include copies of documents that must be submitted to the company and to the Insurance Authority, the basic data on which the records are based and the supporting calculations.
- 6- If the appointed actuary is not an employee of the company, the records referred to in Clause (5) above must be kept for at least ten years at the company from date of the report to which the records or documents related. It must be available only to the appointed actuary and his representative, the company and the insurance authority
- 7- Ensuring that its work is consistent with financial reporting standards followed in Saudi Arabia.
- 8- Providing advice on any other matters in accordance with instructions of Board of Directors and senior management, provided that this does not conflict with its responsibilities as stipulated in these controls and the instructions of the Insurance Authority.
- 9- The appointed actuary and Director of the Actuarial Department must communicate on application of provisions of these controls with Board of Directors, senior management and company's internal and external auditors, and manage activities of the actuarial department, including supervising provision of training and professional development for the actuarial department.
- 10- Obtain all required information from the former responsible insurance actuary.
- 11- Review the company's general financial position.
- 12- Evaluating the company's capital adequacy.
- 13- Evaluating the company's ability to meet its future obligations.
- 14- Pricing the company's insurance products.
- 15- Determine and approve the company's technical allocations and make recommendations regarding them.
- 16- Coordinating with risk management officials to evaluate results of significant risks and determine appropriate management methods for those risks to mitigate its effect.
- 17- Evaluating accuracy and efficiency of reinsurance arrangements and appropriate levels of risk retention.
- 18- Providing advice and recommendations to the company's Board of Directors on formulating an appropriate investment policy, taking into account nature of the maturity dates of insurance policyholders' debts and availability of appropriate assets.
- 19- Preparing appropriate reports according to financial reporting models required by the Insurance Authority.
- 20- Review the company's underwriting manuals
- 21- Providing advice on any other actuarial topics.

Chapter Seven: Executive Management

Senior management shall be responsible for supervising the company's daily activities which includes, but is not limited to, the following without prejudice to any other regulatory or supervisory requirements:

1. Implementing the company's strategic plans, main and interim work plans, investment policies and mechanisms, financing, risk management, and plans for managing emergency administrative conditions and its implementation.



2. Establishing appropriate procedures to identify, measure, reduce and monitor risks.
3. Proposing the company's capital structure, strategy and financial objectives.
4. Proposal for major capital expenditures of the company, owning assets, and dispose of them.
5. Proposing the company's organizational and functional structures and submitting them to Board of Directors for approval.
6. Implementing the company's governance rules, relevant regulations and policies, and proposing to amend them when needed.
7. Establishing the necessary policies and procedures to ensure efficiency and effectiveness of internal control system and general supervision thereof.
8. Proposing a policy and types of rewards granted to workers.
9. Proposing and developing internal policies related to the company's work, including determining tasks, powers, and responsibilities assigned to the various organizational levels, and ensuring that all regulatory and supervisory requirements are met to the greatest extent possible.
10. Proposing a clear policy for delegating work to these organizational levels and method of implementation.
11. Proposal of competence assigned to it, Decision-making procedures and assignment period, provided that periodic reports are submitted to Board of Directors on its exercise of those powers.
12. Managing and running the company's daily activities, as well as managing its resources optimally in accordance with the company's goals and strategy.
13. Each position in senior management shall have a documented and detailed job description that specifies roles, responsibilities, specifications, qualifications, lines of reporting (Provisional), mechanism of interaction with other internal entities, powers, and limits of authority.
14. Members of senior management have the necessary skills, knowledge and experience required to ensure that the company's activities are managed in an effective and prudent manner. The Insurance Authority must be provided with information about competence and qualifications of members of senior management when the Insurance Authority requests it.
15. Senior management provides Board of Directors with a comprehensive overview of management performance.
16. Priority in senior management positions shall be given to Saudi citizens, in the event of a need to appoint a non-Saudi citizen. the company must prove unavailability of a qualified Saudi citizen to fill the required position based on requirements for appointment to senior positions issued by the Insurance Authority.
17. The candidate must obtain the company's approval and obtain the insurance authority's non-objection before accepting nomination, assignment/or reassignment, appointment/or reappointment to any public or private entity, or assuming any other responsibilities such as membership in boards of directors, committees, or the like.
18. Preserving documents, reviewing accounts, working in accordance with directives of Board of Directors and submitting reports to it.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Regulation of the General Assembly of Shareholders

This regulation was updated by Board of Directors Resolution No. 131 dated 21/04/2024.



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Article (1): General Introduction:

- 1- The regulation of Board of Directors of the Saudi Arabian Cooperative Insurance Co., a Saudi joint stock company, was prepared in accordance with requirements of the Corporate Governance Regulations issued by the Capital Market Authority, amended on 01/18/2023 AD, in accordance with the Companies Law, rules for offering securities and continuing obligations, and Governance Regulations for Insurance Companies issued by the Insurance Authority dated 2015. /10/22 AD and the company's article of association.
- 2- This regulation shall come into effect after its approval by Board of Directors and shall apply to all general assemblies of shareholders after date of their approval.
- 3- These regulations regulate powers and procedures for calling, preparing and holding general assembly of shareholders, procedures for electing the individuals responsible for it and other matters related to it.
- 4- The General Assembly of Shareholders is the highest controlling body governing the company.
- 5- The company holds meeting for the general assembly of shareholders at least once a year during the six months following the end of the fiscal year.

Article (2): Powers of Ordinary General Assembly of shareholders:

1- The following topics are within jurisdiction of the ordinary general assembly of shareholders:

Except for which under jurisdiction of the Extraordinary General Assembly, the Ordinary General Assembly has jurisdiction over all company affairs, especially the following:

- a) Appointment of Board of Directors Members and its dismissal.
- b) Authorizing a member of Board of Directors to have a direct or indirect interest in business and contracts carried out on behalf of the company, in accordance with provisions of the Companies Law and its executive regulations.
- c) Authorizing participation of a member of Board of Directors in any work that would compete with the company, or compete with the company in one of branches of activity that it practices, in accordance with provisions of the Companies Law and its executive regulations.
- d) Monitoring members of the Board of Directors' compliance with provisions of the Companies Law, its executive regulations, other relevant regulations and company's articles of association, examining any damage arising from their violation of these provisions or their mismanagement of the company's affairs, determining the liability and taking what it deems appropriate in this regard in accordance with the Companies Law and executive regulations.
- e) Refer to and discuss the company's financial statements.
- f) Refer to and discuss Board of Directors' report.
- g) Decide on Board of Directors' proposals regarding method of distributing net profits.
- h) Appointing one or more auditors for the company, determining his fees, reappointing him, dismissing him, discussing his report and making a decision regarding it.
- i) Considering violations and errors committed by the company's auditors in performance of their duties, and any difficulties - notified by the company's auditors - related to Board of Directors or the company's



management enabling them to view the records, and other documents, data, and clarifications necessary to perform their duties, and taking what it deems appropriate in this regard.

- j) Report on use of the company's reserves if they are not allocated for a specific purpose in the company's articles of association, provided that the use of these reserves is based on a proposal from Board of Directors and in ways that benefit the company or shareholders.
 - k) Formation of the company's reserves and determining their uses.
 - l) Deducting amounts from the company's net profits to achieve social purposes for the company's employees, as stated in Article 123 of the Companies Law.
 - m) Approving the sale of more than 50% of company's assets, whether in a single deal or several deals within twelve months from date of the first sale deal, if the sale of those assets includes what falls within the powers of the Extraordinary General Assembly, Approval of extraordinary general assembly must be obtained.
- 2- The following topics are within jurisdiction of the ordinary general assembly of shareholders:
- a) Amending the company's articles of association, with exception of amendments that are considered invalid under provisions of the companies' articles of association.
 - b) Increasing the company's capital in accordance with conditions stipulated in the Companies Law and its executive regulations.
 - c) Decrease of the company's capital if it exceeds the company's needs or if the company suffers financial losses, in accordance with conditions stipulated in the Companies Law and its executive regulations.
 - d) Report on the use of reserve allocated for specific purposes in the company's articles of association.
 - e) Deciding whether to continue or dissolve the company before period specified in its articles of association.
 - f) Approval of purchase of company shares.
 - g) Issuing preferred shares or redeemable shares, approving their purchase, or converting one type or class of company shares to another type or class, in accordance of company's articles of association and executive regulations of the companies' law related to listed joint-stock companies.
 - h) Issuing debt instruments or financing instruments transferable into shares, and stating the maximum number of shares that may be issued in exchange for those instruments.
 - i) Allocation of shares issued upon increasing the capital or part of them to company's employees and its subsidiaries or some of them, or any of that.
 - j) 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 company's interest if so is provided for in the Company's articles of association. The extraordinary general assembly may issue resolutions within jurisdiction of the ordinary general assembly, provided that these decisions are issued in accordance with conditions for issuing decisions of the Ordinary General Assembly determined by a majority of voting rights represented at the meeting.

Article (3): Topics that shareholders desire to include on agenda of the General Shareholders' Assembly

- 1- Shareholders who own at least 10% of the company's shares that have voting rights may add one or more issues to the general assembly's agenda when preparing it.
- 2- Issues related to shareholders nominating individuals for membership in the company's board of directors must be submitted to the company at least thirty days before date of the general assembly that will elect the new board of directors.
- 3- Proposals regarding issues that shareholders wish to be included in agenda of the General Assembly of Shareholders must be sent at least thirty days before date of the General Assembly and sent by:
 - a. The registered mail for the company's headquarters address should be addressed to Investors' Relations Manager.



- b. Delivery should be made directly to Board Secretary/Investor Relations Officer.
 - c. The email provided in the nomination declaration and also on the electronic trading platform.
- 4- Shareholders must sign the proposals related to issues they wish to include on agenda of the General Assembly of Shareholders, in the event that proxies sign on their behalf, those powers of attorney must be attached to draft on those topics.
- 5- proposals on agenda related to shareholders nominating persons for membership in Board of Directors must be in writing and state the following:
- a. Names of the contributors who submitted these suggestions and their clear correspondence addresses.
 - b. Number and classification of their shares, with a commitment to retain these shares or more of them until the assembly is held.
- 6- In addition to those mentioned in (a) and (b) of paragraph (5) above, proposals related to shareholders to nominate people for membership in the company's board of directors must include the following information:
- a) Nominee's name and date of birth.
 - b) The candidate's academic certificates, date of each certificate and the granted educational institution.
 - c) Professional experience, including positions held by the candidate during the past ten years.
 - d) A list of companies and entities to which the candidate belongs or in which they have interests.
 - e) A list of the candidate's relatives, including the company's executives and its subsidiaries, specifying degree of kinship, if any
 - f) The candidate must have integrity, knowledge of financial and insurance matters and experience necessary to perform his duties.
- 7- Proposals submitted by shareholders regarding appointment of any person for membership in Board of Directors must include candidate's written approval of this appointment.
- 8- Board of Directors, through Nominations and Remuneration Committee, reviews these proposals for candidates for Board membership and makes acceptance and rejection decision.
- 9- The decision taken by Board of Directors regarding non-inclusion of some or all of the issues submitted by shareholders in the agenda, or non-inclusion of names of persons nominated by shareholders for membership of Board of Directors, must be sent to the shareholders who submitted those proposals.
- 10- The company must notify the Insurance Authority when any applications for candidacy for board membership are rejected, specifying reasons for rejection.
- 11- In addition to issues proposed by shareholders to include it on the agenda, or in the event that shareholders do not propose issues or number of candidates for board membership is insufficient, Board of Directors has the right to add issues that it deems appropriate to agenda and add candidates to the nomination list so that number of candidates for Board of Directors who their names are presented to the General Assembly for number of available seats so that the General Assembly has the opportunity to choose from among the candidates.
- 12- The agenda must include at least the following topics:
- a) Electing members of Board of Directors or renewing them in the event of expiration of their term of service.
 - b) Approval of appointment of external auditors.
 - c) Refer to the company's annual report.
 - d) Refer to the company's financial statements, which must include but not be limited to balance sheet and profit and loss statement (income statement).
 - e) Approval of distribution of profits and procedures for paying dividends, or distributing losses, in accordance with the company's annual financial results.
 - f) Discharge of members of Board of Directors.



Article (4): Call and preparation for General assembly of shareholders

- 1- Calling the ordinary general assembly of shareholders is one of the tasks of Board of Directors. Board of Directors must also call the ordinary general assembly to convene if requested by any of:
 - A) External Auditors.
 - B) Audit Committee.
 - C) A number of shareholders whose ownership represents at least 10% of the company's shares that have voting rights.

The auditor may call the ordinary general assembly to convene if the Board of Directors does not call it within thirty (30) days from the date of the auditor's request

- 2- Number of shares owned by shareholders who submitted the request to convene the Ordinary General Assembly is determined on call request date and they must keep the shares for the meeting date of the assembly.
- 3- List of shareholders is prepared based on data contained in the shareholder register held by the external registrar at the meeting date of the assembly.
- 4- The company must submit certified powers of attorney that enable shareholders to attend the ordinary general assembly of shareholders, before the assembly meeting is held.
- 5- The shareholder register must contain the following information:
 - a) Shareholder Full name
 - b) Type, number, date and place of issuance of shareholder's personal ID.
 - c) Shareholder's address to which correspondence can be sent.
 - d) Number and type of the owned shares.
 - e) Shareholder tel. No.
- 6- List of shareholders is prepared based on data contained in the shareholder register held by the external registrar at the meeting date of the assembly.
- 7- A call to hold an ordinary general assembly of shareholders shall be published at least twenty-one days before date of the assembly.
- 8- A call to hold the general assembly of shareholders must be published according to the law and through company's [website www.saico.com.sa](http://www.saico.com.sa) and Tadawul website.
- 9- Shareholders must have the opportunity to effectively participate and vote in general assembly meetings. General assembly meetings of shareholders may be held and the shareholder may participate in its deliberations and vote on its decisions by means of modern technology, in accordance with executive regulations of the companies' law related to listed joint-stock companies.
- 10- A copy of call must be sent to the Capital Market Authority within period specified for publication (in accordance with instructions issued by the competent authority).
- 11- A call to hold the annual general assembly of shareholders must contain the following:
 - a) Full name and main company address.
 - b) Date, place and time of the Assembly meeting.
 - c) Time and place determined for shareholders to register to attend, taking into account choosing the appropriate time and place to facilitate participation of the largest number of shareholders.
 - d) Agenda.
 - e) The procedures necessary to review information and documents related to issues included in the agenda and address from which this information and documents can be requested.
- 12- The information and documents that must be available to shareholders who have the right to participate in the assembly must include the following:



- a. The company's annual report and all financial statements, including the external auditors' report.
 - b. Information about candidates for board of directors' membership.
 - c. Board of Directors' recommendations related to distribution of profits, including amount of distributions and procedures for payment or distribution of losses, according to company's financial results.
 - d. Draft regulations of Internal corporate governance
 - e. Draft resolutions for the Ordinary General Assembly.
- 13- During preparation for the Ordinary General Assembly, it must be ensured that all information and documents on issues included in the agenda will be available on Tadawul website and the company's electronic website or in any other place specified in call to the General Assembly to convene for shareholders who are entitled to attend the General Assembly no less than a period before. About twenty-one days from date of the assembly, and this information and documents will also be available during the assembly meeting.
- 14- Voting on topics included in the agenda shall be by voting card, or by mandatory regular methods.
- 15- The voting form must include the following information:
- a) Company Name and address.
 - b) Date, place and time of holding the ordinary general assembly of shareholders.
 - c) Text of decisions to be voted on, or names of the candidates to be voted on.
 - d) Voting options must be "Agree," "Disagree," or "Abstain" for each issue on the agenda or for each candidate individually.
 - e) The voting card must be signed by shareholder or his representative.
- 16- Issues related to invalid voting cards are handled with in accordance with applicable regulations.
- 17- Board of Directors must place each issue on the General Assembly's agenda as a separate item, not combine fundamentally different issues under one item, and not place business and contracts in which Board members have a direct or indirect interest under one item.

Article (5): Call and preparation for Extraordinary General Assembly of Shareholders

- 1- Any general meeting of shareholders other than an ordinary general meeting will be an extraordinary general meeting of shareholders.
- 2- The board of directors shall call the ordinary general assembly of shareholders. The Board of Directors must also call the ordinary general assembly to convene if requested by any of:
 - a) External Auditors.
 - b) A number of shareholders whose ownership represents at least 10% of the company's shares that have voting rights.
 - c) Audit Committee.
- 3- Number of shares owned by the shareholders who submitted request to held the extraordinary assembly meeting is determined on basis of date on which they submitted call request, with obligation to keep them or more than them until the assembly is held.
- 4- Shareholders must sign request a call to hold an extraordinary general assembly submitted by them, and if someone on their behalf signs, the relevant powers of attorney must be attached to the request.

Controls of attendance by proxy:

Shareholder may authorize, in writing, another individual other than members of Board of Directors or employees of the company to attend the general assembly meeting in accordance with the following controls:

- a) Power of attorney must include the following information:



- 1- Full name of the shareholder, Name of company or institution according to the commercial registry.
 - 2- No. of Shares
 - 3- Civil registry No. - Commercial Register
 - 4- Proxy Full name.
 - 5- Proxy Civil registry No.
 - 6- Name and capacity of signatory of power of attorney, provided that a copy of the legal power of attorney is attached if the person signing power of attorney is a legitimate agent
 - 7- Date the power of attorney and its validity period
 - 8- Type of association needed power of attorney to attend
- b) To accept power of attorney, the following elements are required:
- 1- The legitimate power of attorney must stipulate the right to attend general assemblies of joint-stock companies and vote on agenda items.
 - 2- Power of attorney must be issued by a shareholder or his legal representative to individual other than employees of the Saudi Arabian Cooperative Insurance Co. or members of its board of directors, provided that power of attorney must be certified by one of the following:
 - i. One of the licensed banks or financial market institutions licensed in Saudi Arabia, provided that the proxy has an account with bank or with the financial market institution that certifies.
 - ii. Notaries or individuals licensed to perform notarial work
 - 3- Value of shares in powers of attorney issued to one shareholder does not exceed 5% of the company's capital unless power of attorney is issued by one shareholder and members of his family.
 - 4- Power of attorney must be for a specific meeting
 - 5- Original certified power of attorney and a copy shall not be accepted.
 - 6- Powers of attorney must be sent to the company at least two days before the assembly is held, and the proxy must submit the original power of attorney before the assembly is held.
 - 7- Board of Directors does not have the right to make amendments or cancel some of issues included in the agenda and decisions related to them, if the request to convene an extraordinary general assembly meeting sent by the auditor or shareholders who own at least 10% of the company's shares that have voting rights.
 - 9- Board of Directors does not have the right to reject the request to convene an extraordinary general assembly for any reason other than those stipulated in the law and internal regulations.
 - 10- If an extraordinary general assembly is called for at request of the auditor or shareholders who own at least 10% of the company's shares that have voting rights, the extraordinary general assembly shall be held within thirty days from date of submitting the request.
 - 11- Articles Three and Four of these regulations regulate procedures for calling and preparing the Extraordinary General Assembly.
 - 12- The Extraordinary General Assembly of Shareholders, in addition to powers assigned to it, may issue decisions on matters originally falling within powers of the Ordinary General Assembly under the same terms and conditions decided in the last assembly meeting.

Article (6): Ordinary General Assembly management

- 1- Every shareholder has the right to attend the General Assembly of Shareholders or to appoint another person to act on his behalf through a certified written power of attorney, provided that he is not a member of Board of Directors or an employee of the company.
- 2- Attendance of shareholders invited to attend the General Assembly or their representative must be registered on the same day of the General Assembly, and registration process must begin at least two hours before start of the General Assembly.



- 3- Process of registration of attendance of shareholders invited to the General Assembly shall take place in the same place where the General Assembly is held.
- 4- Process of registration of attendance of shareholders invited to the General Assembly takes place after verification of identification data provided by the shareholder with data included in the shareholders' register.
- 5- Functions of collecting and counting votes shall be carried out by two shareholders or those nominated by chairman of the General Assembly.
- 6- The following individuals must be called to attend the General Assembly of Shareholders:
 - a) Shareholders or their representatives under written powers of attorney.
 - b) Members of Board of Directors and Company's Managing Director and CEO.
 - c) Members of vote collection and counting committee and external registrar.
 - d) Company's External Auditors.
 - e) Representatives of the Capital Market Authority as observers.
 - f) Chairman of the Audit Committee or his representative from among members of the Audit Committee.
 - g) Individuals called by Chairman of the Board of Directors and Managing Director.
 - h) Committee chairmen or their designated members to answer shareholders' questions.
- 7- Individuals called by Board of Directors or Managing Director are not entitled to attend the General Assembly except after obtaining permission from Chairman of the General Assembly.
- 8- Process of registering attendance of shareholders invited to the General Assembly proceedings must extend until the General Assembly discusses of last issue on the agenda.
- 9- The General Shareholders' Assembly is valid only if it is attended by shareholders representing at least a quarter of the company's shares that have voting rights. If this quorum is not completed at the first meeting, A call shall be sent for a second meeting to be held within the thirty days following the previous meeting or one hour after the end of the specified period. To hold the first meeting, provided that call to hold the first meeting includes information indicating the possibility of holding this meeting, the meeting is considered valid regardless of number of shares with voting rights represented in it.
- 10- The extraordinary General Assembly of shareholders shall be valid only if it is attended by shareholders representing at least half of the company's shares with voting rights. If this quorum is not completed at the beginning of the Assembly, a second meeting shall be convened in the same conditions as those provided for in the paragraphs (8) of Article 4 and 9 of Article 6 of these regulations, or one hour after end of the period specified for holding the first meeting, provided that call to hold the first meeting includes information indicating possibility of holding this meeting. In all cases, the second meeting shall be valid if attended by shareholders representing at least one-quarter of the company's shares with voting rights. If the quorum is not completed at the second meeting, A call will be made for a third meeting under the same conditions stipulated in paragraphs (8) of Article 4 and 10 of Article 6 of these regulations), and the meeting will be valid regardless of number of shares with voting rights represented in it.
- 11- Chairman of Board of Directors shall chair the General Assembly of Shareholders, or his deputy in his absence, or whomever Board of Directors delegates from among its members for this purpose in the absence of Chairman of the Board of Directors and his deputy. In the event that this is not possible, the General Assembly shall be chaired by whomever the shareholders delegate from among Board members or others through voting.
- 13- If Chairman of Board of Directors refuses to invite and prepare for the Extraordinary General Assembly, the shareholders who requested a call may appoint Chairman of the Assembly.
- 14- The general assembly of shareholders must continue to perform its work without cease for a period not exceeding 4 hours, provided that chairman of assembly declares every two hours a rest period not exceeding fifteen minutes. If the assembly does not complete its work after that period, chairman of assembly may request that the assembly be completed in the next day.
- 15- After completing discussion of the last issue on the agenda, Chairman of the General Assembly will clarify procedures for informing shareholders about decisions taken and result of the vote.



- 16- The shareholder specifies one voting choice for each issue to be voted on in the voting card, and the voting card that violates this rule is excluded.
- 17- Decisions of the Ordinary General Assembly are issued by a majority of the voting rights represented at the meeting.
- 18- Decisions of the Extraordinary General Assembly are issued with approval of (two-thirds) of the voting rights represented at the meeting, except in cases where they must be issued by a three-quarters majority of the voting rights represented at the meeting, which are:
 - a. Increase or Decrease Capital
 - b. Extension of Company Duration.
 - c. Dissolution of the company before the period specified in its articles of association.
 - d. Merger of the company into another company or institution.
- 19- Board of Directors publishes decisions of the extraordinary general assembly if they include amending the company's articles of association.

Article (7): Procedures for making decisions and maintaining documents

- 1- The vote collection and counting committee summarizes the voting results, prepares a report and signs it.
- 2- The assembly secretary must prepare minutes of the general assembly of shareholders, and Chairman of assembly and secretary must sign it. Minutes of the voting results prepared by the vote collection and counting committee must be attached to it.
- 3- Minutes of the general assembly of shareholders must contain the following information:
 - a. Company name and headquarter address.
 - b. Type of general meeting of shareholders (ordinary or extraordinary).
 - c. Date, place and time of holding the general assembly of shareholders.
 - d. Percentage of number of shares represented to total number of company shares and the actual quorum of assembly.
 - e. General Assembly agenda.
 - f. Time of the beginning and end of works of the General Assembly of Shareholders.
 - g. The actual quorum for voting process for each agenda topic.
 - h. Votes number for each option of Voting options must be "Agree," "Disagree," or "Abstain" for each issue on the agenda or for each candidate individually.
 - i. Text of decisions taken by the General Assembly regarding each topic on the agenda.
 - j. Summary of discussions held on each agenda topics.
 - k. Name of Chairman and Secretary of the General Assembly.
 - l. Date of preparation of the General Assembly minutes.
- 4- Decisions taken in the General Assembly must be announced at venue of the General Assembly was held where the voting process took place, on the Tadawul website and on the company's website www.saico.com.sa, The Capital Market Authority must also be informed of results of the General Assembly immediately upon its conclusion according to the followed procedures.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Regulation of the Board of Directors

This regulation was updated by Board of Directors Resolution No. 131 dated 21/04/2024, and approved by the General Assembly on 4th June 2024.



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Article (1): General Introduction

The regulation of the Board of Directors of the Saudi Arabian Cooperative Insurance Company, a Saudi joint stock company, was prepared in accordance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority, amended on 01/18/2023, and in accordance with the Companies Law, the rules for offering securities and continuing obligations, and the Governance Regulations for Insurance Companies issued by the Insurance Authority dated 22/10/2015 and the company's Articles of association.

Article (2): Powers and Responsibilities of Board of Directors

- 1- The board of directors defines the authorities delegated to the executive management, decision-making procedures, the duration of delegation, and specifies the matters it retains decision-making authority over. The executive management submits regular reports on exercising delegated authorities. Additionally, the board forms the company's executive management, regulates its operations, oversees it, verifies its performance of assigned tasks, evaluates it, and accordingly:
 - a) Establishing clear and transparent written administrative, financial policies, and procedures is essential.
 - b) Verifying that the executive management operates in accordance with the approved policies is crucial.
 - c) Selecting and appointing the CEO of the company, supervising their work, and monitoring and evaluating their performance are important responsibilities.
 - d) Appointing the Internal Audit Manager or Internal Auditor, isolating them, and determining their bonuses are important tasks.
 - e) Conducting regular meetings with the executive management to discuss work progress, obstacles, and issues, as well as reviewing and discussing important information regarding the company's activities.
 - f) Establishing performance standards for the executive management that align with the company's goals and strategy.
 - g) Reviewing and evaluating the performance of the executive management.
 - h) Developing succession plans for company management.
- 2- The board of directors shall ensure the establishment of procedures to familiarize new board members with the company's operations, especially financial and legal aspects, and provide training as necessary.
- 3- The board of directors is the governing body of the company and is responsible for developing the comprehensive strategy, key objectives, overseeing and directing the performance of the executive management, and making decisions on matters not within the authority of the general shareholders' meeting.
- 4- The authorities of the board of directors regarding the company's strategy include but are not limited to:



- a. Directing, developing, and monitoring the comprehensive strategy of the company, including its key objectives and financial and operational plans, based on recommendations provided by the company's executives, and supervising its implementation.
 - b. Establishing and directing the risk management policy and reviewing it regularly.
 - c. Determining the optimal capital structure for the company, aligning it with its strategy, financial objectives, and approving annual budgets.
 - d. Supervising major capital expenditures of the company, owning assets, and managing them.
 - e. Setting performance goals, monitoring execution, and evaluating overall performance in the company.
 - f. Regularly reviewing the organizational and functional structures within the company and approving them.
 - g. Approving key policies and procedures, reviewing them, and updating them regularly.
- 5- The authorities of the board of directors regarding internal control include, but are not limited to:
- a) Developing a written policy that regulates conflicts of interest and addresses potential conflict situations for members of the board of directors, executive management, and shareholders. This includes misuse of company assets and facilities, as well as misconduct resulting from transactions with related parties.
 - b) Ensuring the integrity of financial and accounting systems, including systems related to preparing and filing financial reports and data, and ensuring the adequacy of disclosure mechanisms.
 - c) Establishing appropriate control systems for risk management and ensuring their implementation by outlining a comprehensive overview of the risks facing the company and transparently addressing them.
 - d) Developing and monitoring the company's internal control system, ensuring the annual review of its efficiency and effectiveness. Additionally, the board ensures that necessary measures are taken to ensure senior management responds to inquiries and recommendations from internal auditors.
- 6- The board of directors has authorities regarding preparation for and management of the general shareholders' meeting in accordance with the General Meeting Regulations for Shareholders.
- 7- The general assembly shall be informed during its meeting of any business or contracts in which a board member has a direct or indirect interest. This notification shall include information provided by the member to the board of directors, according to Article 28, Paragraph 14, of the Corporate Governance Regulations issued by the Capital Market Authority. This notification shall be accompanied by a special report from the external auditor of the company.
- 8- The board of directors reviews the minutes of meetings of committees formed from it and the reports submitted by these committees. It also regularly monitors the work of the committees to ensure they are carrying out their assigned tasks.
- 9- The board of directors reviews the company's corporate governance regulations annually and recommends any proposed amendments to the general assembly for approval.
- 10- The company shall provide its shareholders with its corporate governance charter, the annual reports of the board of directors and the audit committee on its website.
- 11- The board of directors always strives to protect the interests of stakeholders.
- 12- The board of directors is committed to promoting a culture of governance within the company and ensuring compliance with relevant regulations and standards at all times, aiming to enhance the company's governance level and standards.
- 13- The board of directors grants necessary powers to the audit committee to investigate any matter within its scope, ensuring the independence of the internal audit function and providing access to all information required for its duties.



Article (3): Board of Directors Formation

- 1- The company's management is overseen by a board of directors not less than five members.
- 2- The general assembly appoints board members with a term limit not exceeding three years. Reappointment of board members for additional terms is permissible, provided that the tenure of an independent board member does not exceed (9) years.
- 3- A board member is prohibited from being a partner, executive manager, or serving on the board of directors of another company that competes with the company.
- 4- The majority of the board of directors shall be non-executive members, and the number of independent members shall not be less than two members or one-third of the board, whichever is greater.
- 5- Combining the position of Chairman of the Board with any executive position in the company is not permissible.
- 6- Board members do not simultaneously hold directorships in the boards of other listed companies beyond the limits allowed by regulations.
- 7- The board of directors shall consist of members who possess the qualifications and experience necessary to fulfill their duties effectively.
- 8- It is not permissible to appoint the CEO as the Chairman of the Board of the company during the first year after the end of his services.
- 9- The company shall notify the authority of the names of the board members and their membership descriptions within five working days from the start date of the board's term or their appointment date, whichever is closer. Any changes to their membership shall also be reported within five working days from the date of the changes.
- 10- No minister is allowed to assume the chairmanship of the company's board of directors or be a member of the board, unless appointed by a decision from the Prime Minister.

Article (4): Nomination for Membership in the Board of Directors

- 1- A board member shall have professional competence, including experience, knowledge, skills, and necessary independence. Consideration shall be given to their leadership abilities, efficiency, guidance capabilities, financial knowledge, and physical fitness.
- 2- Each shareholder has the right to nominate themselves or one or more other shareholders or non-shareholders to the board of directors.
- 3- The company shall receive nominations from shareholders at least thirty (30) days before the date of the general assembly meeting in which new board members will be elected.
- 4- The board of directors has the right to add candidates if the list of nominees provided by shareholders is incomplete.
- 5- The candidate for a board of directors position can submit their nomination documents through:
 - a) The registered mail for the company's headquarters address shall be addressed to the Investor Relations Manager.
 - b) Delivery shall be made directly to the Board Secretary/Investor Relations Officer.
 - c) The email provided in the nomination announcement and also on the electronic trading platform.
- 6- The nomination documents shall include, but are not limited to, the following:
 - a. The nomination application shall include the full name of the candidate, their date of birth, and other relevant personal information.
 - b. The candidate's academic certificates, the date of each certificate's attainment, and the educational institution that granted them.
 - c. Professional experience, including the positions held by the candidate during the past ten years.
 - d. A list of companies and entities to which the candidate belongs or in which they have interests.
 - e. A list of the candidate's relatives employed by the company.
- 7- The board of directors, through the Nomination and Remuneration Committee, shall review the nominations submitted and identify the candidates included in the list of nominees within two weeks from the date specified in Article 4, Paragraph (3).



Article (5): Election and Termination of the Membership of Board Members

- 1- The General Assembly of shareholders elects board members for a term of three years, and reappointment of board members for additional terms is permissible provided that the tenure of an independent board member does not exceed (9) years.
- 2- The General Assembly of shareholders has the right to terminate the membership of the board before its term expires for all board members.
- 3- If a vacancy occurs for a board member's position, the board has the authority to appoint a temporary member with sufficient experience, after obtaining approval from the regulatory authority, without considering the voting order in the general assembly that elected the board. This appointment shall be reported to the Capital Market Authority within five working days from the appointment date. However, this appointment shall be presented to the next ordinary general assembly meeting for approval, and the new member will complete only the remaining term of the predecessor.
- 4- If the number of board members falls below the minimum requirement, which is three members, the ordinary general assembly shall be called as soon as possible to appoint the necessary number of members. Until this is done, the remaining members are not allowed to make any decisions.
- 5- Upon the expiration of a board member's term through any means of termination, the company shall notify both the Capital Market Authority and the Insurance Authority, stating the reasons for the termination, except in cases of the board's term completion, while ensuring compliance with relevant disclosure requirements.
- 6- The company's Articles of association outline the voting method in shareholders' meetings, and cumulative voting shall be used in electing the board of directors.

Article (6): Chairman of Board of Directors

- 1- The chairman of the board is elected by the board members, typically by a majority vote, after obtaining approval from the Insurance Authority.
- 2- The board appoints a vice chairman after obtaining approval from the Insurance Authority. The vice chairman presides over meetings in the absence of the chairman and also leads the general assembly of the company if delegated by the chairman in his absence.
- 3- Combining the positions of Chairman of the Board and CEO/Managing Director of the company is not permissible. It is essential to ensure there is no overlap between the supervisory responsibilities of the Chairman of the Board and the executive responsibilities and tasks of the CEO/Managing Director.
- 4- The Board of Directors shall have the right to terminate the position of the Chairman of the Board and to reappoint a new Chairman at any time, subject to a majority vote of the members.
- 5- The Chairman of the board shall perform the following, for example but not limited to:
 - a) Organizing the work of the Board of Directors and providing a conducive atmosphere for open discussion and exchange of opinions among all members on agenda items. Scheduling board meetings, sending out invitations, preparing agendas, chairing meetings, and organizing the voting process for decisions.
 - b) Organizing meeting minutes and signing them.
 - c) When receiving nominations for the position of CEO, they ensure the nominee's suitability for the position.
 - d) Presidency of the General Assembly of Shareholders.
 - e) Supervising the preparation of the Board of Directors' report, which is part of the company's annual report, regarding the activities of the board during the past year.
 - f) Representing the company before third parties as stipulated by the company's regulations, executive regulations, and basic system, and overseeing the relationships between the board and other internal and external entities.
 - g) Ensuring that board members receive complete, clear, accurate, and non-misleading information in a timely manner.
 - h) Supporting the board's efforts to improve the company's governance standards and ensuring compliance with relevant laws and regulations at all times.
- 6- In case the Chairman of the Board is absent from a meeting, the meeting is presided by the Vice Chairman of the Board or by anyone designated by the Chairman of the Board for that purpose, or by someone chosen by the members of the board, with a majority of the votes of the members present at the meeting.
- 7- Informing the Ordinary General Assembly upon its convening about the business and contracts in which a member of the Board of Directors has a direct or indirect interest shall include the information provided by the



member to the Board of Directors according to Article 28, Paragraph 14 of the Corporate Governance Regulations issued by the Capital Market Authority. This notification shall be accompanied by a special report from the external auditors of the company.

- 8- Independent Member Responsibilities in accordance with Article (28) of the amended Corporate Governance Regulations issued by the Capital Market Authority, an independent board member is encouraged to actively participate in the following tasks:
 - a. Providing independent opinions on strategic matters, company policies, its performance, and the appointment of executive management members.
 - b. Ensuring the consideration of the company's and its shareholders' interests and disclosing them in case of any conflicts of interest.
 - c. Supervising the development of the company's governance rules and monitoring the executive management's compliance with them.

Article (7): Board of Directors Meetings

- 1- Board meetings are held regularly as requested by the Chairman of the Board, as required by the company's interests, with a minimum of four annual meetings. There shall be at least one meeting every three months. Additionally, the board convenes upon written request from the following:
 - a) External Auditors.
 - b) One of the members.
- 2- The notification regarding the date, location, and time of the board meeting, along with the agenda and relevant information on the listed topics, shall be sent via registered mail or delivered to all board members and persons specified in Article 7 (1) upon their request for a meeting, at least five days before the meeting date.
- 3- The quorum for board meetings is a minimum of three members.
- 4- Delegating a board member to represent another board member is permissible, and voting on resolutions during meetings is allowed, provided that the delegation is in writing and is granted to one member only.
- 5- A meeting is not valid unless at least half of the actual or delegated members of the board of directors are present, with a minimum of three attendees, unless the company's regulations specify a higher percentage or number.
- 6- The board decisions are usually made by a majority vote, and in case of a tie, the decision favored by the chairman of the board prevails.
- 7- Decisions regarding transactions with related parties shall be made by a majority vote of the other members who do not have personal interests in those transactions. If there are personal interests involved, those transactions are approved in the first subsequent meeting of the general assembly.
- 8- The board shall invite executive directors to attend any of its meetings.
- 9- Non-executive board members shall hold closed meetings without the attendance of executive management at least once annually, and it is permissible to invite any of the oversight function employees to attend.

Article (8): Minutes of Board of Directors Meetings

- 1- The Secretary of the Board prepares a record containing the minutes of the Board meetings signed by both the Chairman of the Board and the Secretary.
- 2- The minutes shall include the following information:
 - a) Company name and headquarter address.
 - b) Place, date and time of the meeting.
 - c) Members who attended the meeting and its quorum.
 - d) Topics discussed and voted on and the result of the vote.
- 3- Minutes of Board meetings shall be signed by the Chairman of the Board, who is responsible for their accuracy, as well as by all attending members and the Board Secretary.
- 4- The company shall provide the minutes of Board meetings to external auditors and regulatory authorities.



Article (9): Board of Directors Committees

- 1- The Board of Directors establishes committees to discuss and review most of the matters within its authority.
- 2- The Board forms the following committees:
 - a. Audit Committee
 - b. Nominations and Remuneration Committee
 - c. Executive Committee
 - d. Investment Committee
 - e. Risk Management Committee
- 3- The board shall follow the activities of all committees stemming from it to ensure compliance with their responsibilities and duties.
- 4- Committees of the board shall seek the services of experts and specialists, with the board determining their fees.
- 5- The invitation to convene committee meetings is issued by the chairman of the relevant committee, one of its members, or by a decision of the board of directors.
- 6- The outcomes of committee meetings are expressed through written decisions signed by all committee members present at the meeting. These decisions are then presented to the chairman of the board.
- 7- All decisions and opinions taken by the committees are considered recommendations to the board of directors.
- 8- A sufficient number of non-executive board members shall be appointed to the committees concerned with tasks that shall result in conflicts of interest, such as ensuring the integrity of financial and non-financial reports, reviewing transactions of related persons, nominating for membership in the board of directors, appointing executive directors, and determining remuneration. Committee members shall be appointed from outside the Council after obtaining the approval of the Insurance Authority.
- 9- The Board of Directors ensures that the Audit Committee follows up on international and local developments in accounting standards, in accordance with the regulations and instructions of the Insurance Authority and other relevant parties.

Article (10): Board of Directors' Remuneration

The General Assembly of shareholders has the authority to determine and approve the fees received by members of the Board of Directors for their services on the board or its affiliated committees.

The compensation for the Chairman of the Board of Directors and board members for their services is set at 150,000 Saudi Riyals annually. Additionally, each member receives 3,000 Saudi Riyals for each board meeting attended and 1,500 Saudi Riyals for each committee meeting affiliated with the Board of Directors that they attend.

The company also covers the actual expenses incurred by the Chairman and members of the Board of Directors for attending board or committee meetings, including travel, accommodation, and subsistence expenses. In any case, the total amount paid to the Chairman and Board members shall not exceed 500,000 Saudi Riyals annually. The company shall ensure to send all written details of proposed bonuses and compensations to all shareholders before the General Assembly where these bonuses and compensations will be voted on. The company shall also ensure the approval of the General Assembly on the terms of bonuses and compensations. Members of the concerned Board or senior executives do not have the right to vote on these terms in the General Assembly. Adjustments to the remunerations of Board members can be made with the approval of an extraordinary General Assembly of shareholders if multiple meetings are held on the same day and location. The compensations for the mentioned expenses are provided only once for each member.

The fixed annual bonuses are disbursed based on the attendance rate of the member at meetings, and fixed bonuses are paid for attendance at each meeting.



Article (11): The Role and Responsibilities of the Secretary of the Board of Directors

The Board of Directors appoints a secretary for the duration of its term to coordinate the board's activities and provide support and assistance to its members. The secretary can be a member of the board or an employee of the company. The removal of the board secretary requires a decision from the Board of Directors. The board determines the compensation for the board secretary for performing these duties.

The board secretary shall have sufficient experience and knowledge of the company's operations and activities. They shall possess good communication skills, be familiar with relevant regulations and laws, and have knowledge of best practices in corporate governance.

The duties of the Secretary of the Board of Directors include, but are not limited to:

- 1- Coordinating Board meetings and ensuring the availability of appropriate means of communication to exchange and record information between the Board and its committees and between executive members of the Board of Directors and non-executive members, and keeping minutes of Council meetings. Minutes of Council meetings are the permanent official record of the actions and decisions taken by the Council and its committees, and accuracy shall be taken into account in preparing them. Minutes of the meeting shall clearly reflect all the items and topics raised at the Board of Directors meetings, the decisions taken, and any other topics discussed.
- 2- The minutes of the board meeting shall document any voting process during the meeting, including dissenting votes and abstentions. It shall also include references or indications of any documents or materials referred to during the meetings. Additionally, a statement shall be prepared listing the names of attending and non-attending members, approved committees, and any instances of abstention from voting by any member and their reasons, if applicable.
- 3- The secretary of the board of directors shall inform board members of meeting dates, provide them with agendas and related documents, and ensure their delivery at least (10) working days before the meeting. Meeting minutes shall be distributed to relevant parties within a period not exceeding fifteen (15) days, with the responsible person or entity for implementing the decisions made clearly identified. At the beginning of each year, the board shall establish a specific timeline for receiving reports from relevant committees, internal auditors, and external auditors, ensuring that the process of collecting, preparing, and presenting reports adheres to the approved internal policy. This includes preparing important information and presenting it to the board at designated times.
- 4- Coordinating and organizing regular and extraordinary general meetings, preparing their agendas and minutes, and ensuring compliance with disclosure requirements and relevant announcements.
- 5- Organizing a register of disclosures for the members of the Board of Directors and the executive management in accordance with Article (89) of the amended Corporate Governance Regulations issued by the Capital Market Authority.
- 6- Providing assistance and advice to the members of the Board of Directors.
- 7- Coordinating the preparation of the annual report for the Board of Directors.
- 8- Saving the reports submitted to the Board of Directors and the reports prepared by the board.
- 9- Verifying the compliance of board members with the procedures approved by the board.

As a minimum requirement for the Board Secretary, the following shall be stipulated:

- 1- Hold a university degree in Law, Finance, Accounting, Management, or equivalent or has practical work experience relevant to the role for no less than three years.
- 2- Has relevant practical experience of no less than five years.



Article (12): Succession Plan for Members of the Board of Directors and its Committees

Plan Purpose:

This plan ensures the continuity of work in the Board of Directors and organizes its work.

Plan Definition:

It is a specific mechanism that ensures that there is no shortage of a quorum for membership of the Board of Directors or the committees emanating from it.

Plan Goals:

The company aims to have a succession plan for the Board of Directors by avoiding vacancy in membership in the Board of Directors or the committees emanating from it in the event of a position being vacant due to resignation, death, or for any reason whatsoever, and identifying, preparing and preparing appropriate candidates qualified to fill these positions after obtaining the approval of the Insurance Authority.

Plan methodology:

The company works through a clear methodology through the following elements:

- 1- Determine the requirements for membership in the Board of Directors and its committees.
- 2- Evaluate the performance and capabilities of members of the Board of Directors and its committees.
- 3- Qualify, train and continuous development for members of the Board of Directors and its committees.

Responsible Authority:

The responsibility for following up on the management and implementation of the succession policy for members of the Board of Directors and its committees falls on the company's Governance Department in cooperation with the Nominations and Compensations Committee.

Nomination procedures for membership of the Board of Directors and its committees and the appropriate alternative:

The nomination process for board membership follows approved procedures outlined in the nomination and appointment policies for board members and their derived committees. In the event of a vacancy in the board or its derived committees, a suitable replacement is nominated through the Nominations and Remuneration Committee, approved by the Board of Directors, and then submitted to the regulatory authority for necessary approval. The appointment regarding board membership is ratified at the nearest company's general assembly.

Review and enforcement:

This policy is subject to review by the Board of Directors, and appropriate modifications or enhancements will be made whenever necessary.



Saudi Arabian Cooperative Insurance Company (SAICO)
Saudi Joint Stock Company

Audit Committee Regulation

This regulation was updated by Board of Directors Resolution No. 131 dated 21/04/2024, and approved by the General Assembly on 4th June 2024.



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Article (1): General Introduction:

- 1- The audit committee regulation for the Saudi Arabian Cooperative Insurance Company, a Saudi joint stock company, was prepared in accordance with the requirements of the corporate governance regulations issued by the Capital Market Authority and amended on 18/01/2023 AD, and in accordance with the companies' law and the executive regulation of the cooperative insurance companies' control system and Article (38) of the bylaws. For the company, in accordance with the Regulation for the Governance of Insurance Companies and the Regulations for Audit Committees in Insurance and/or Reinsurance Companies issued by the Insurance Authority on 22/10/2015.
- 2- The General Assembly of the Company shall issue, based on a proposal from the Board of Directors, the Committee's work regulations. This regulation includes the controls and procedures for its work, its tasks, the rules for selecting its members, the duration of their membership and their remuneration.
- 3- The main task of the audit committee is: Assisting the Board of Directors to carry out its supervisory tasks efficiently and effectively. In particular, the committee is responsible for ensuring the integrity and completeness of the financial statements, the relationship with external auditors, and internal audit policies and procedures and compliance.

Article (2): Audit Committee's Work Method

In performing their duties, committee members shall give priority to the interest of the company over any other considerations that shall affect their work or decisions. The following topics fall within the committee's responsibilities:

1- For Financial Statements:

- a. Review important accounting and reporting issues, including complex or unusual transactions, recent professional and regulatory rulings, and understand their impact on financial statements.
- b. Studying the initial and annual financial statements before presenting them to the Board of Directors and expressing an opinion and recommendation regarding them.
- c. Studying the annual financial statements, and considering whether they are complete, consistent with the information known to the members of the committee, and reflect appropriate accounting principles, and submit recommendations regarding them to the Board of Directors and express an opinion thereon.
- d. Providing assistance during the preparation of accounts and financial reports in order to ensure the accuracy, transparency and completeness of the financial information that the company discloses.
- e. Expressing a technical opinion - at the request of the Board of Directors - as to whether the Board of Directors' report and the company's financial statements are fair, balanced and understandable and include information that allows shareholders and investors to evaluate the company's financial position, performance, business model and strategy.
- f. Studying any important or unusual issues included in the financial reports.
- g. Thoroughly research any issues managed by the company's financial director, whoever assumes his duties, the company's compliance officer, or the auditor.



- h. Verifying accounting estimates on material issues contained in financial reports.
- i. Studying the accounting policies in place, expressing opinions, and making recommendations to the Board of Directors regarding them.
- j. Ensuring that financial reports have been prepared in accordance with accounting policies approved by relevant regulatory and supervisory authorities.
- k. Identifying and reviewing accounting issues affecting the preparation of financial reports and understanding their impact on the accuracy of those reports.
- l. Preparing recommendations for the Board of Directors regarding the appropriateness of the accounting policies applied to the nature of the company's business, evaluating them for the financial reports issued by the company, and assessing the audit process.
- m. Studying the operations between group entities and transactions with related parties.
- n. Preparing recommendations for the Board of Directors regarding the company's annual report before its approval by the board.

2- Regarding the Actuarial Expert (Technical Insurance Affairs Expert):

- A) Reviewing the actuarial expert's reports (Technical Insurance Affairs Expert) and submitting recommendations regarding them to the Board of Directors.
- B) Ensuring the company complies with the proposals and recommendations of the actuarial expert (Technical Insurance Affairs Expert) if they are mandatory according to regulations or instructions from the Insurance Authority.

3- For Insurance Authority:

- A) Reviewing the notes from the Insurance Authority and other relevant regulatory and supervisory bodies regarding any regulatory violations or required corrective actions, and providing recommendations to the Board of Directors accordingly.
- B) Monitoring reports issued by the Insurance Authority and other relevant supervisory and regulatory bodies and providing recommendations to the Board accordingly.

4- For Internal control and risk management:

- A) Studying and reviewing internal control, financial systems, and risk management in the company
- B) Preparing recommendations related to establishing and disseminating the control environment within the company.

5- For external auditors

- A) Making recommendations regarding the nomination of external auditors, their dismissal, determining their fees, and evaluating their performance, which includes the committee's review of their professional competence, independence, the expected risks of a conflict of interest, and a review of the scope of their work and the terms of contracting with them.
- B) Verifying the independence, objectivity, and fairness of the auditor and the effectiveness of the audit work, taking into account the relevant rules and standards.
- C) Conducting an annual review of the performance of the external auditors and making recommendations related to their appointment, reappointment, or termination of the company's contract with them
- D) Review the scope and presentation of the proposed audit to the external auditors, including coordination of audit efforts with internal audit.
- E) Working with external auditors in order to coordinate the preparation of the audit plan and procedures for the financial year, taking into account the company's current circumstances and any changes that have occurred in, in the conditions required by the legal supervisory authorities.
- F) Follow up on the work of the external auditors, and approve any work outside the scope of the audit work they are assigned while they are performing the audit work.
- G) Studying the external auditors' notes on the financial statements and following up on what has been done regarding them.
- H) Reviewing the external auditors' evaluation of internal control procedures.



- I) Working to solve the problems that the external auditors shall encounter while performing the audit process, which includes any difficulties they shall encounter regarding the objectives of the audit process or difficulty in accessing information.
- J) Discussion of important findings, recommendations made by external auditors, and the degree of executive management's response to them, as well as the corrective actions taken based on those recommendations and responding to their inquiries.
- K) The ability to communicate directly with external auditors to discuss important matters that shall arise, away from company management, and ensuring that external auditors have the ability to communicate with the audit committee chair at any time.
- L) Preparing recommendations regarding the company's policy regarding the services provided by external auditors, including regular audit services and other services such as consulting, training programs, and similar services, which shall affect their independence in performing regular audit services.
- M) Preparing recommendations regarding the company's policy regarding the required period to change external auditors.

6- For Internal Audit

- A) Supervising internal audit management within the company. Reviewing the effectiveness of internal audit in executing the tasks and responsibilities assigned to it by the Board of Directors.
- B) Adopting the Internal Audit Charter.
- C) Reviewing internal audit reports and monitoring the implementation of corrective actions for the findings noted therein.
- D) Reviewing the internal auditors' assessment of internal control procedures.
- E) Determining the monthly salary, bonuses, and other benefits for the Internal Audit Manager or Internal Auditor.
- F) Approving the annual audit plan and any significant changes to the plan. Reviewing the internal auditor's performance regarding their plan.
- G) Reviewing the internal audit budget, resource plan, activities, and organizational structure with the internal auditor.
- H) Evaluating the efficiency, effectiveness, and objectivity of the work performed by the internal audit department and the internal auditor.
- I) Assessing management's response to the internal audit findings and recommendations.
- J) Reviewing the effectiveness of the internal auditor's function, including compliance with the Institute of Internal Auditors' definition of internal auditing, the Code of Ethics, and International Standards for the Professional Practice of Internal Auditing.
- K) Meeting separately with the internal auditor to discuss any matters that the committee or internal audit believes shall be discussed privately, on a regular basis.
- L) Establishing procedures for reviewing complaints related to internal control procedures, financial statement preparation, and external audit.
- M) Appointment and removal of the Internal Audit Manager or Internal Auditor after obtaining the written non-objection from the Insurance Authority.
- N) Ensuring the independence of the Internal Audit Manager or Internal Auditor in carrying out their duties and verifying the absence of any constraints on their work or anything that could negatively impact their operations.

7- For Compliance monitor

- A) Review, approve and monitor the implementation of the compliance plan.
- B) The effectiveness of the system to monitor compliance with laws and regulations and the results of management investigations and follow-up (including actions taken in) cases of non-compliance.
- C) Reviewing the reports of the Compliance Monitoring Department or the Compliance Officer and submitting recommendations thereon to the Board of Directors.
- D) Reviewing the results of inspection visits by regulatory bodies, and any observations made by the auditor.
- E) Ensure that the company has a written code of conduct duly approved by the Board of Directors to ensure that the company's activities are conducted in a fair and ethical manner.
- F) Follow up on important lawsuits filed by or against the company and submit periodic reports thereon to the Board.



- G) Appointing and dismissing the Director of the Compliance Department or the Compliance Officer after obtaining a written confirmation of non-objection from the Insurance Authority.
- H) The independence of the Compliance Department (or the Compliance Officer) in performing its duties and verifying that there is no restriction on its work or the presence of anything that could negatively affect its work.
- I) Reviewing the reports of the regulatory authorities and verifying that the company has taken the necessary measures regarding them.
- J) Evaluating the efficiency, effectiveness and objectivity of the work carried out by the Compliance Monitoring Department and the Compliance Officer.
- K) Reviewing the contracts and transactions proposed to be conducted by the company with related parties, and presenting its views to the Board of Directors.
- L) Submit any issues it deems necessary to take action on to the Board of Directors, and express its recommendations regarding the actions that shall be taken.

8- Other Responsibilities

- A) Undertaking other activities related to this charter as requested by the Board of Directors.
- B) The committee ensures that its annual reports addressed to the company's general assembly are uploaded to the company's website.

Article (3): Authority and Responsibilities of the Audit Committee

- 1- The Audit Committee has the authority to conduct or authorize investigations into any matters within its scope of responsibility. It is authorized to:
 - a) Communicate directly with the Board of Directors, senior management of the company, all employees, committees, legal advisors, internal and external auditors at the company's head office and/or branches or any party related to the company.
 - b) Request documents, reports, clarifications and other appropriate information from company executives, officers and employees.
 - c) Hold meeting with the company's executive directors, officials and employees, and external auditors or the external consultant for committee meetings, to ask them and request clarifications and explanations from them as necessary.
 - d) Appoint independent consultants, accountants, or others from outside the company to advise the committee or requesting assistance from any consulting expert to carry out specific tasks to assist it in performing its work.
 - e) Perform duties assigned to it by the Board of Directors within the limits of the committee's powers mentioned in Article Two.
 - f) Have the right to access and review all of the company's private and confidential records and documents to perform its activities.
 - g) Request any clarification or statement from members of the Board of Directors or Executive Management.
 - h) Request the Board of Directors to convene the company's General Assembly if the Board of Directors obstructs its work or the company is exposed to serious damage or losses.
- 2- The committee annually reviews its regulations and prepares recommendations, if necessary, to the Board of Directors regarding its amendment.
- 3- The committee prepares its reports to the Board of Directors on a periodic basis and according to the requirements of the business interest.
- 4- The members of the audit committee shall do the following:
 - a) Participate in all committee activities and strive to attend all meetings.
 - b) Treat the information they have as a result of undertaking the committee's work with complete confidentiality.
 - c) Inform the Board of Directors of developments that affect their independence and conflicts of interest related to the decisions taken by the committee.
- 5- Develop a mechanism that allows the company's employees to submit their observations regarding any transgression in financial or other reports confidentially. The committee shall verify the application of this mechanism by conducting an independent investigation commensurate with the extent of the error or transgression and adopting appropriate follow-up procedures.



Article (4): A conflict Occurs Between the Audit Committee and the Board of Directors

In the event of a conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, or if the Board refuses to take into account the Committee's recommendation regarding appointing and dismissing the company's auditors, determining their fees, evaluating their performance, or appointing the internal auditor, the Board of Directors' report shall include the Committee's recommendation, its justifications, and the reasons for the Board not taking it into account.

Article (5): Rules for Selecting Committee Members and the Duration of Their Membership

- 1- An audit committee shall be formed by a decision of the company's Board of Directors of at least three members (other than executive members) and a maximum of five members, including a specialist in financial and accounting affairs, and the majority of them shall be from outside the board.
- 2- Membership of the Audit Committee members shall be for a period of (3) years after obtaining a written non-objection from the Insurance Authority.
- 3- The Audit Committee or one of its members shall be renewed for another three years only once.
- 4- The member of the audit committee shall not be the company's executives, employees, or advisors.
- 5- It does not include members of the Audit Committee, executive board members, executive directors, employees, consultants, and representatives of any parties associated with the company, including but not limited to: Main shareholders, founders, external auditors, suppliers, customers of the company and legal persons, who have first-degree relationships with the company's board of directors or with its executives or have any financial or commercial relationship with it.
- 6- The term of committee membership shall coincide with the term of membership of the Board of Directors.
- 7- At least two members of the committee, including the Chairman of the Audit Committee, shall have the necessary knowledge to carry out tasks related to the financial and accounting aspects and the preparation of financial statements, and how to deal with external auditors, internal auditors, and other concerned parties.
- 8- The members of the audit committee shall include an independent board member.
- 9- The Chairman of the Audit Committee shall be independent and appointed after obtaining a non-objection from the Insurance Authority. The Chairman of the Board shall not be a member of the Audit Committee or its Chairman.
- 10- It is not permissible for anyone who works or has worked during the past two years in the executive or financial management of the company or for the company's auditor to be a member of the audit committee.
- 11- Any audit committee member shall not serve simultaneously on audit committees for more than five public companies
- 12- The Chairman of the Audit Committee shall not be associated with other members of the Board of Directors or have any relationship or financial relationship with any member of the Board of Directors.
- 13- The Chairman of the Audit Committee has no connection to the company's senior management that might affect his independence.
- 14- The Board shall appoint new members to the Audit Committee in the event of electing a new Board of Directors after obtaining a non-objection from the Insurance Authority.



- 15- The Board of Directors, after obtaining written non-objection from the Insurance Authority, has the authority to dismiss any member of the Audit Committee in case they no longer meet the membership requirements, commit a violation of the provisions of this regulation, the regulations of the Cooperative Insurance Companies Control System, its executive regulations, or provisions of related regulations and instructions.
- 16- A member of the Audit Committee has the right to resign, provided that they submit their resignation request to the Board of Directors at least one month before the effective date of their resignation. The company shall notify the Insurance Authority in writing of the resignation of the Audit Committee member, including the reasons for resignation, and provide the Insurance Authority with a copy of the resignation request within five business days from the resignation date.
- 17- In case a seat on the Audit Committee becomes vacant, the Board shall appoint a temporary member to fill the vacant seat temporarily. This appointment shall be made within a maximum period of one month from the date the seat became vacant. The appointed member shall meet the necessary experience and requirements. The Financial Market Authority shall be informed of this appointment within five business days from the date of appointment. The new member will complete only the remaining term of their predecessor.
- 18- The membership of any member of the Audit Committee automatically ends when any change occurs that would violate the membership conditions stipulated in this regulation, or any other regulations, instructions, or decisions issued by the Insurance Authority. The member shall inform the company in writing immediately upon such a change occurring. Furthermore, they will not attend any Audit Committee meeting held after the date of the change.
- 19- An Audit Committee member shall not hold membership on Audit Committees in more than five listed joint-stock companies simultaneously.

Article (6): Committee Meetings

- 1- The Audit Committee appoints a secretary from the company's employees after obtaining the non-objection of the supervisory authority. The secretary cannot serve as a secretary for any other committee of the board.
- 2- Committee meetings are held to fulfill the duties and responsibilities of the committee. Generally, there shall be at least six meetings per year, including the annual meeting with the board of directors. If the board of directors discusses a topic within the committee's purview, the committee shall hold a meeting to discuss and prepare a report on this topic to present it to the board of directors before the board meeting.
- 3- Committee meetings are convened upon the invitation of the committee chairperson, any committee member, by decision of the board of directors, or the board chairman.
- 4- Additional meetings shall be held as necessary or as requested by the internal audit management, compliance management, or external auditors. In this case, the committee secretary is responsible for convening the meeting.
- 5- The quorum for the committee is achieved when at least half of its members are present.
- 6- The committee shall develop a detailed annual work plan that includes the main topics to be discussed during the year and the dates of its meetings.



- 7- The committee secretary shall send the meeting agenda and all relevant information regarding the topics to be discussed in the meeting to the committee members at least (10) working days before the meeting date. This allows members to study the topics thoroughly.
- 8- The minutes of each meeting are prepared and distributed by the committee secretary within ten (10) working days from the date of the meeting. A copy of the approved minutes with the original signatures is retained.
- 9- Members of the committee present at the meeting sign the minutes, which include the discussions, opinions presented, and decisions made by the committee.
- 10- The committee makes decisions based on the majority of the members present. In case of a tie vote on any decision, the opinion favored by the committee chair prevails.
- 11- It's expected that the committee chairman and all members attend every meeting, either in person, through teleconferencing, or via electronic platforms as agreed upon before the meeting. If necessary, the audit committee has the authority to invite anyone deemed appropriate from within or outside the company to attend its meetings. The audit committee shall participate in the meeting either in person, by phone, or through an electronic platform, as agreed upon with the audit committee before the meeting. External auditors shall be invited based on the agenda items of the meeting.

Article (7): Remunerations of the Committee Members

The remuneration for committee members amounts to 1,500 Saudi Riyals for each meeting attended by committee members, in addition to their personal expenses incurred to attend the meetings. Furthermore, external committee members receive an annual bonus of 100,000 Saudi Riyals, while committee members who are also members of the board of directors receive an annual bonus of 50,000 Saudi Riyals. These bonuses are based on the attendance rate of the member at committee meetings.

Article (8): Conflict of Interests:

- 1- Committee members shall not have a direct or indirect interest in the business or contracts conducted on behalf of the company.
- 2- Committee members are prohibited from engaging in competitive activities with the company or trading in activities they engage in.

Article (9): Report of the Audit Committee

- A) The Audit Committee's report shall include details of its performance, responsibilities as outlined in the Companies Act and its executive regulations. It shall also include recommendations and opinions regarding the adequacy of the company's internal control and financial systems, as well as risk management.
- B) The Board of Directors shall deposit an adequate number of copies of the Audit Committee's report at the company's main office and publish it on the company's website and the market's website when issuing the invitation to convene the General Assembly. This is to enable interested shareholders to obtain a copy, and a summary of the report shall be read during the General Assembly meeting.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Regulation of the Nomination and Remuneration Committee

This regulation was updated by Board of Directors Resolution No. 131 dated 21/04/2024, and approved by the General Assembly on 4th June 2024.



Contents:

Article (1): General Introduction:

Article (2): Powers of the Nomination and Remuneration Committee

Article (3): Rights and Responsibilities of the Nomination and Remuneration Committee

Article (4): Selection, Formation, and Termination of the Nomination and Remuneration Committee

Article (5): Procedures for Meetings of the Nomination and Remuneration Committee

Article (6): Compensation for members of the Nominations and Remuneration Committee

Article (1): General Introduction:

- 1- The Nominations and Remuneration Committee regulations were prepared for the Saudi Arabian Cooperative Insurance Company, a Saudi joint stock company, in accordance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority and amended on 01/18/2023 AD, and the Companies Law, and in accordance with the Insurance Companies Governance Regulations issued by the Insurance Authority on 10/22 AD. / 2015 AD and the company's bylaws.
- 2- The general assembly of the company shall issue, based on a proposal from the Board of Directors, the work regulations of the committee. This regulation includes the controls and procedures of its work, its tasks, the rules for selecting its members, the duration of their membership and their remuneration.
- 3- The Company's Nominations and Remuneration Committee was established to assist the Board of Directors in performing its guiding and supervisory tasks efficiently and effectively. The Committee is particularly concerned with nominating competent Board members and executive managers and emphasizing the need for the company's nominations policy to lead to the correct appointments and to the development and retention of distinguished Board members and managers. Thus, it helps the company achieves its goals and economic growth.

Article (2): Powers of the Nominations and Remuneration Committee

The following topics fall within the powers of the Nominations and Remuneration Committee.

- 1- The Committee shall do the following with regard to the nominations of members of the Board of Directors and Executive Directors:
 - a) Recommending to the Board of Directors to nominate for Board membership in accordance with the approved policies and standards, taking into account not to nominate any person who has previously been convicted of a crime against honor and honesty, and the company shall publish the nomination announcement on the company's website, the website of the financial market, and in any other means determined by the Authority, in order to invite people wishing to nominate. For membership in the Board of Directors, provided that nominations remain open for at least one month from the date of the announcement.
 - b) Recommendation regarding the appointment and dismissal of members of senior management, and other matters related to nominations and rewards.
 - c) Annual review of the required skills requirements for membership in the Board of Directors and preparation of a description of the capabilities and qualifications required for membership in the Board of Directors, including specifying the time that a member shall devote to the work of the Board and/or Board committees.
 - d) Reviewing and evaluating the structure of the Board of Directors and its committees and making recommendations regarding changes that can be made.
 - e) Identify the weaknesses and strengths of the Board of Directors and its committees, and suggest addressing them in a manner consistent with the company's interest.
 - f) Verify on an annual basis the independence of the board member and its committees, establish an appropriate mechanism to inform shareholders of any changes that shall lead to the member losing his independence, and ensure that there are no conflicts of interest if the member holds a membership in the board of directors of another company.



- g) Establishing special procedures in the event that the position of a member of the Board of Directors or senior executives becomes vacant.
- h) Preparing directives and introductory programs for new members of the Board of Directors about the nature of the company's business and a detailed description of their duties as members of the Board of Directors.
- i) Preparing recommendations for the Board of Directors related to determining specific criteria for selecting people to fill the position of Managing Director or CEO and heads of the company's main departments.
- j) Establishing clear policies for compensation and rewards for members of the Board of Directors and senior executives. When developing these policies, the use of standards related to performance shall be taken into account.
- k) Preparing an initial evaluation of the persons nominated for the position of Managing Director or CEO and for the heads of departments and units in the company.
- l) Preparing job descriptions and contract terms for the position of CEO and department managers in the company.
- m) Establishing appropriate standards and procedures to evaluate the performance of the CEO and department managers of the company.
- n) Conduct periodic performance evaluations for the CEO and department managers within the company, and regularly assess the performance of board members and their committees.
- o) Organize training programs for executive directors on corporate governance and ethical behavior within the company.
- p) Develop policies related to continuous improvement in the performance of employees at the senior management levels.
- q) Establish a policy and procedures for succession planning for the CEO and senior management executives, and monitor the implementation of succession plans and procedures for them.
- r) Develop a board-approved policy for job replacement and succession planning in accordance with the hiring requirements for leadership positions issued by the regulatory authority.

2- The committee performs the following regarding bonuses for board members and executive directors:

Preparing a clear policy for bonuses and incentives for board members, board committees, and executive management, and submitting it to the board for review, in preparation for approval by the general assembly. The policy aims to increase the company's value and is based on the personal efforts of each board member and executive in implementing the company's strategic objectives. It also relies on the committee's evaluation of their personal performance against the objectives set by the board through:

- a) Establish criteria for bonuses for board members and the chairman of the board that enable the company to achieve outstanding performance without compromising the independence of the members.
- b) Establish criteria for the bonuses of the managing director or CEO and department managers within the company, related to annual fixed salaries and variable bonuses based on a system for financial and non-financial performance evaluation. Additionally, develop criteria for a long-term incentive scheme to align the interests of managers with those of the company's shareholders, with the committee regularly reviewing these criteria.

3- Continuously review the appropriateness of the company's bonus criteria based on its performance, financial position, and key trends in the labor market.

4- Monitor the implementation of decisions made by the general assembly of shareholders regarding matters related to the bonuses of board members and senior executives of the company, and oversee how these bonuses are disclosed in the company's annual report.



Article (3): Rights and Responsibilities of the Nomination and Remuneration Committee

- 1- The committee has the following rights:
 - a) Requesting documents, reports, clarifications, and other relevant information from the officials, executives, and employees of the company.
 - b) Inviting company officials, executives, and employees to its meetings to question them and hear their explanations
 - c) Using the services of experts and consultants from outside the company.
 - d) Performing other tasks requested by the Board of Directors and falling within the authority of the Committee.
- 2- The committee shall annually review and evaluate its regulations with the aim of ensuring that it fulfills its duties and submits recommendations to the Board of Directors regarding making the necessary amendments thereto.
- 3- The committee shall submit minutes of its meetings and reports to the Board of Directors periodically.
- 4- In addition, committee members shall:
 - a) Participate in the activities and work of the committee, and attend all meetings.
 - b) To be fully aware of all developments in the business environment in which the company operates.
 - c) All information they have access to due to their work in the committee is considered confidential.
 - d) Informing the Board of Directors in the event of a conflict of interest resulting from decisions taken by the committee.

Article (4): Selection, Formation, and Termination of service of members of the Nominations & Remuneration Committee

- 1- The committee consists of a minimum of three members who are chosen by decision of the Board of Directors, including two independent members. This committee cannot be headed by the Chairman of the Board of Directors.
- 2- The term of appointment of the committee shall coincide with the term of appointment of the Board of Directors.
- 3- The managing director shall not be a member of the committee unless he is other than the CEO.
- 4- Committee members shall have appropriate knowledge, experience and skill in their dealings with the company's key executives.
- 5- The Board of Directors shall, at any time, terminate the service of any member of the Committee and choose another member.
- 6- The committee selects a chairman according to the majority of its members' votes after obtaining a non-objection from the Insurance Authority.
- 7- The Chairman of the Committee shall be an independent member.
- 8- In the event that one of the committee member seats becomes vacant, the board shall appoint a member to the vacant seat who has sufficient experience and the necessary requirements. This shall be notified to the Capital Market Authority within (5) five working days from the date of appointment, and the new member shall complete a term of appointment.

Article (5): Procedures for Meetings of the Nominations and Remuneration Committee

- 1- The committee appoints a secretary after obtaining a non-objection from the Insurance Authority.
- 2- Meetings shall be held when the need requires the committee to perform its functions and duties, and the committee shall hold a meeting before the Board of Directors meeting if there are topics that will be discussed by the Board of Directors that fall within its jurisdiction, provided that the committee holds at least two meetings annually.
- 3- Meetings are called by the committee chairman, members, or at the request of the Board of Directors.



- 4- A quorum for meetings shall be held in the presence of at least two members.
- 5- The committee secretary is responsible for distributing the meeting invitation and agenda to all committee members.
- 6- Minutes of meetings shall be signed by all members attending the meeting.
- 7- Decisions are taken by the committee by a majority of the members present, and in the event of a tie when voting on those decisions, the opinion for which the committee chairman votes shall prevail.

Article (6): Remuneration for Members of the Nominations and Remuneration Committee

The rewards received by committee members amount to 1,500 Riyals (one thousand five hundred Riyals) for each member for each meeting attended by committee members, in addition to their personal expenses incurred for attending the meetings. Each member outside the Board of Directors is also paid an annual reward in the amount of 100,000 Riyals (one hundred thousand riyals). Committee members who are members of the Board of Directors receive an annual reward of 50,000 Riyals (fifty thousand riyals), which is paid based on the member's attendance percentage at committee meetings.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Executive Committee Regulation

This regulation was updated by Board of Directors Resolution No. 131 dated 04/21/2024, and approved by the General Assembly on 4th June 2024.



Table of Contents:

Article (1): General Introduction

Article (2): Powers, responsibilities and duties of the Executive Committee

Article (3): Rights of the Executive Committee

Article (4): Selection, composition and termination of service of members of the Executive Committee

Article (5): Procedures Related to Executive Committee Meetings

Article (6): Remuneration for Members of the Executive Committee

Article (1): General Introduction:

- 1- The executive committee's regulations were prepared for the Saudi Arabian Cooperative Insurance Company, a Saudi joint stock company, in accordance with Article (38) of the company's Articles of Association, and in accordance with the corporate governance regulations issued by the Insurance Authority on 10/22/2015 AD and in light of the best international practices for corporate governance.
- 2- The regulations specify the authorities, responsibilities, and duties of the executive committee, as well as the selection and composition of its members and the procedures for terminating their service. They also define the rights and benefits of the members, along with the procedures for their meetings.
- 3- The members of the executive committee are appointed by the board of directors to ensure the board's presence between its meetings and to facilitate quick responses in emergency situations. Additionally, they assist the board in efficiently and effectively performing its supervisory duties, especially concerning setting the company's strategic objectives, financial and operational priorities, and making recommendations regarding dividend distribution policy. Furthermore, they evaluate the long-term productivity of the company's operational processes.

Article (2): The Powers, Responsibilities, and Duties of the Executive Committee

- 1- The committee exercises all authorities and assumes the duties of the board of directors during the period between board meetings.
- 2- The committee discusses and makes decisions on matters requiring urgent action during emergency events.
- 3- The committee's responsibilities include making routine decisions required for the company's regular business operations.
- 4- The committee shall be responsible for matters related to the company's strategy and objectives.
 - a) Reviewing the company's strategic planning procedures and processes in collaboration with the managing director or CEO.
 - b) Ensuring that the company's strategic plans have been translated into actionable behaviors and activities aimed at achieving the company's objectives.
 - c) Reviewing the recommendations of the managing director or CEO regarding the allocation of company resources aimed at aligning the company's strategic plans with its long-term operational objectives.
 - d) Periodically reviewing the strategic plans of the company, its branches, and its subsidiaries, as well as their operational objectives, to ensure alignment with the company's mission and goals.
- 5- Regarding operational priorities, the committee reviews and prepares recommendations for the board of directors concerning strategic decisions related to operational priorities. This includes expansion into new markets or countries and exiting current markets or countries.
- 6- The committee is responsible for the following regarding the company's financial planning and dividend distribution policy:
 - a) Preparing and reviewing recommendations for the board of directors regarding annual and long-term financial objectives and strategies, as well as performance indicators associated with them.
 - b) Reviewing important matters for the company, its branches, and its subsidiaries, such as matters related to the company's capital, credit rating, cash flows, borrowing activities, and investment deposits, in collaboration with the executive management and the audit committee.
 - c) Preparing and reviewing recommendations provided to the board of directors regarding the company's dividend distribution policy and its implementation.
 - d) Periodically reviewing actual capital expenditures and comparing them to the previously approved budgets.
- 7- Regarding the evaluation of the company's long-term productivity and operational efficiency, the committee reviews and prepares recommendations for the board of directors concerning strategic decisions related to



available opportunities aimed at improving the quality of the company's products and optimizing associated costs.

Article (3): Rights of the Executive Committee

- 1- The committee shall have the following rights:
 - a) Requesting documents, reports, clarifications, and other relevant information from officials, executives, and employees of the company.
 - b) Inviting officials, executives, and employees of the company to its meetings to question them and hear their explanations.
 - c) Seeking the services of experts and consultants from outside the company.
 - d) Performing other tasks requested by the board of directors that fall within the authority of the committee.
 - e) The committee conducts biennial reviews and evaluations of its regulations to ensure that it is fulfilling its duties, and submits recommendations to the board of directors regarding amendments to them.
- 2- The committee is required to regularly submit the minutes of its meetings and its reports to the board of directors.
- 3- In addition, committee members shall do the following:
 - a) Participate in the activities and tasks of the committee, attending all meetings diligently.
 - b) To be fully aware of all developments in the business environment in which the company operates.
 - c) All information they have access to due to their work in the committee shall be considered confidential.
 - d) Informing the Board of Directors in the event of a conflict of interest resulting from decisions taken by the committee.
 - e) Preparing an annual review and evaluation of the committee's activities and its members, including reviewing the degree of the committee's compliance with its regulations.

Article (4): Selection, Composition and Termination of Service of Members of the Executive Committee

- 1- The Board of Directors must form an executive committee and appoint its members in accordance with the company's Articles of Association and any rules issued by the General Assembly.
- 2- The number of members of the committee shall not be less than three and not more than five, and they are chosen by a decision of the Board of Directors. It shall consist of independent, executive and non-executive members.
- 3- The term of committee membership shall coincide with the term of membership of the Board of Directors.
- 4- Committee members shall be chosen from among the members of the Board of Directors.
- 5- Committee members shall have appropriate knowledge, experience and skill in dealing with key executives of the company.
- 6- The Board of Directors shall at any time terminate the service of any member of the Committee and select another member.
- 7- The committee selects a chairman based on the majority of its members' votes after obtaining a non-objection from the Insurance Authority.

Article (5): Procedures Related to Executive Committee Meetings

- 1- The committee shall appoint a secretary after obtaining a non-objection from the Insurance Authority.
- 2- The committee holds at least six (6) meetings annually.
- 3- Committee meetings are held as required by the business interest, and the committee meeting shall precede the Board of Directors meeting if the Board will discuss topics that fall within the committee's jurisdiction.
- 4- Meetings shall be called by the committee chairman, members, or by the Board of Directors.
- 5- The committee meeting is valid if it is attended by at least two people in person or by proxy, provided that the number of attendees in person is not less than two.
- 6- The committee secretary is responsible for distributing the meeting invitation and agenda to all committee members.
- 7- Minutes of meetings shall be signed by all members attending the meeting.



- 8- Decisions in the committee are taken by a majority of the members present, and in the event of a tie when voting on those decisions, the opinion for which the committee chairman votes shall prevail.

Article (6): Remuneration for Members of the Executive Committee

The remuneration received by committee members amounts to (1,500 Riyals) one thousand five hundred riyals for each member for each meeting attended by committee members, in addition to their personal expenses incurred for attending the meetings. Members of the committee who are not members of the Board of Directors are also paid an annual reward in the amount of 50,000 Riyals (fifty thousand Riyals). It is based on the member's attendance rate at committee meetings.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Investment Committee Regulation

This regulation was updated by Board of Directors Resolution No. 131 dated 04/21/2024, and approved by the General Assembly on 4th June 2024.



Contents:

Article (1): General Introduction

Article (2): Investment Committee Formation

Article (3): The Role and Responsibilities of the Investment Committee

Article (4): Remunerations of committee members

Article (1): General Introduction:

- 1- The Investment Committee regulations were prepared for the Saudi Arabian Cooperative Insurance Company, a Saudi joint stock company, in accordance with the requirements of the Insurance Companies Governance Regulations issued by the Insurance Authority on 10/22/2015 AD, and in accordance with the Investment Regulations issued by the Insurance Authority on 02/21/2012 AD.
- 2- The Board appoints the Investment Committee, which is responsible for providing recommendations to the Board on issues related to investments, such as the company's investment policy and asset distribution plans. The Committee has the right to make investment-related decisions within the framework of the Board's approved investment policy and asset distribution plans. The Investment Committee holds meetings periodically or whenever business necessity requires it.
- 3- The Investment Committee is responsible for developing and evaluating investment plans and policy. The Investment Committee shall seek the assistance of experts and specialized consultants as it deems appropriate and/or in accordance with agreement with the Council.

Article (2): Investment Committee Formation

- 1- The Board forms the Investment Committee and appoints its members in accordance with the instructions issued by the General Assembly, as the Board deems appropriate.
- 2- The Investment Committee consists of no less than (3) independent members, executive and non-executive, or from outside the Board.
- 3- The committee selects a chairman based on the majority of its members' votes after obtaining a non-objection from the Insurance Authority.
- 4- The committee appoints a secretary after obtaining a non-objection from the Insurance Authority.
- 5- All members of the committee shall have sufficient experience to be able to understand investment topics.
- 6- Decisions in the committee are taken by a majority of the members present, and in the event of a tie when voting on those decisions, the opinion for which the committee chairman votes shall prevail.

Article (3): The Role and Responsibilities of the Investment Committee

The Investment Committee assumes the following tasks, and the list of roles and tasks below is not exhaustive. It is the responsibility of the Investment Committee to study, add other tasks, and/or make changes to those listed below.

- A) Formulating and preparing the investment policy and reviewing its performance and implementation on a quarterly basis.
- B) Supervising investment policy and monitoring its implementation.
- C) Developing investment policy based on the Council's request.
- D) Ensuring regulatory compliance related to the company's investments.
- E)
- F) Submitting minutes of committee meetings and reports to the Council on the performance of the investment portfolio, activities, results and recommendations on a periodic basis
- G) Delegating responsibilities to senior management regarding investments.
- H) Reviewing the performance of each asset class, activities and results of senior management including approval of documents of all requirements, powers, limits, implementation, operation and management of the investment policy
- I) Assigning various tasks and powers to service contractors, asset managers, consultants, experts, actuaries, auditors, and others.
- J) Reviewing the activities and results of service providers, asset managers, consultants, experts, actuaries, auditors, and others.
- K) Reviewing new investments, allocating and distributing assets, rebalancing, and excluding assets, among other tasks.



- L) Measuring investment performance and benchmarking, risk management, and other related tasks.
- M) Monitoring the overall risks of the investment policy.

Article (4): Committee Members' Remunerations

Committee members receive a remuneration of 1,500 SAR (one thousand five hundred Saudi Riyals) for each meeting attended, in addition to reimbursement of their personal expenses incurred for attending meetings. Furthermore, non-board members of the committee receive an annual Remuneration of 50,000 SAR (fifty thousand Saudi Riyals), disbursed based on the member's attendance percentage at committee meeting.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Regulation of the Risk Management Committee

This regulation was updated by Board Resolution No. 131 dated 21/04/2024, and approved by the General Assembly on 4th June 2024.



Table of Contents:

Article (1): General Introduction

Article (2): Risk Management Committee Formation

Article (3): Roles and Responsibilities of the Risk Management Committee

Article (4): Committee Members' Authorities

Article (5): Quorum for Committee Meetings

Article (6): Committee Members' Remunerations

Article (1): General Introduction:

- 1- I have prepared the Risk Management Committee regulation for the Saudi Arabian Cooperative Insurance Company, a Saudi joint-stock company, in accordance with the requirements of the Corporate Governance Regulations for Insurance Companies issued by the Saudi Arabian Monetary Authority on 2015/10/22 AD and the Risk Management Regulations issued by the Saudi Arabian Monetary Authority on 2008/12/27 AD. The Corporate Governance Regulation issued by the Capital Market Authority and amended on 01/18/2023.
- 2- The Risk Management Committee is primarily responsible for managing various types of risks within the company. The committee should meet regularly, at least every six months, or whenever necessary.
- 3- The primary purpose of the Risk Management Committee is to assist the Board in overseeing risk management activities within the company and its subsidiaries, and to provide advice to the Board regarding the effectiveness of the company's enterprise risk management framework.
- 4- The committee oversees risk management activities within the company, including supervising the development and implementation of monitoring models and standardized reports to identify and evaluate significant risks identified in the assessment process.

Article (2): Risk Management Committee Formation

- 1- The Board forms the Risk Management Committee and appoints its members according to the instructions issued by the General Assembly.
- 2- The committee selects its chairperson by a majority vote of its members after obtaining the non-objection of the insurance authority.
- 3- Risk Management Director, or whoever the committee deems suitable, assumes the responsibilities of the committee's secretary after obtaining the non-objection of the insurance authority.
- 4- The Risk Management Committee consists of at least (3) members, chaired by a non-executive member.
- 5- All committee members must possess a suitable level of knowledge in risk management and financial matters.

Article (3): Roles and Responsibilities of the Risk Management Committee

The committee works to identify risks that the company may be exposed to and maintains an acceptable level of risk for the company. The committee's responsibilities include the following:

- 1- Supervising the various specific risks faced by the company and its subsidiaries, conducting appropriate assessment, monitoring, and mitigation of risks, and managing those risks.
- 2- Regular periodic review of risk management policies.
- 3- Conducting an annual review and evaluation of the company's risk management framework, regarding the identification, assessment, mitigation, and management of risks, including those identified by other committees of the board.
- 4- Submitting meeting minutes and reports to the board of directors regarding exposure to risks and proposed measures for managing these risks, and providing periodic recommendations to the board regarding them.
- 5- The reports of the Risk Management Committee include the evaluation and management of the following main types of risks and their derivatives:

A) Strategic risks

- 1- Capital
- 2- Current Strategy
- 3- Strategic initiatives
- 4- progress
- 5- profits



- 6- Corporate governance
- 7- Human capital and compensation
- 8- Reputation

- B) Market risks**
 - 1- Liquidity
- C) underwriting and claims risks**
 - 1- prices
 - 2- Concentration
 - 3- Claims Management
- D) Credit risks**
- E) Operational Risks**
 - 1- Technological matters
 - 2- Information Security
 - 3- Transactions / External Relations
 - 4- operation- other
 - 5- Compliance with Regulatory Regulations
 - 6- Anti-Money Laundering and Counter-Terrorist Financing

- 6- Developing comprehensive risk management strategies and policies tailored to the nature and scale of the company's activities, ensuring their implementation, review, and updating based on internal and external factors affecting the company.
- 7- Defining an acceptable level of risk exposure for the company, maintaining it, and ensuring that the company does not exceed it, with periodic verification.
- 8- Overseeing the company's risk management system and evaluating the effectiveness of the systems and mechanisms for identifying, measuring, and monitoring risks, as well as identifying areas of deficiency.
- 9- Preparing detailed reports on risk exposure and proposed steps for managing these risks, and presenting them to the board of directors.
- 10- Providing recommendations to the board regarding risk management issues.
- 11- Reviewing, evaluating, and discussing with the Chief Financial Officer and relevant departments of the company any significant risks or exposures, the assessment processes for management risks, the measures taken or to be taken by management to mitigate or address those risks, and the company's policies regarding risk assessment and management processes.
- 12- Verifying the feasibility of the company's continued operation and successful continuation of its activities, while identifying the risks that threaten its continuity over the next twelve months.
- 13- Reassessing the company's risk tolerance and periodic exposure to risks, for example, through conducting stress tests.
- 14- Ensuring the availability of adequate resources and systems for risk management.
- 15- Reviewing the organizational structure of the risk management function and making recommendations before its approval by the board of directors.
- 16- Verifying the independence of risk management employees from activities that may expose the company to risks, ensuring their understanding of the risks surrounding the company, and working to increase awareness of risk culture.
- 17- Reviewing the issues raised by the audit committee that may affect risk management in the company.
- 18- Defining the roles, responsibilities, and organizational structure of the risk management function to include the following:
 - a. Implementing the risk management strategy.
 - b. Monitoring the risks facing the company.
 - c. Developing effective policies and procedures for risk management to identify, assess, measure, control, and monitor risks, and to mitigate them.
 - d. Identifying emerging risks and proposing corrective steps to mitigate and control them.



- e. Regularly assessing the company's risk tolerance and exposure to risks. f- Developing an emergency response plan.
- f. Coordinating with senior management to ensure the effectiveness and efficiency of the company's risk management system.

Article (4): Committee Members' Authorities

The risk management committee is empowered to handle matters within its scope of duties and responsibilities as outlined, in addition to other issues that the board of directors may delegate to the committee. The committee's powers include the following:

1. The committee has the authority to request any management to conduct a study of certain risks as identified. Additionally, the committee may request relevant departments to impose specific limits, controls, or procedures as recommended by the committee or the board of directors.
2. The committee has the right to access all records of the company, and it is also entitled to recommend investigations into any matter within its scope of responsibilities.
3. The committee has the authority to seek advice from legal, accounting, or other advisors to provide counsel.
4. The committee may invite any employee of the company or external advisor to attend any of its meetings if deemed necessary.
5. The committee may, if necessary, obtain information from the CEO and consult with him.
6. The committee may consider any matter within the roles and responsibilities delegated to it by the board of directors, even if this matter has been previously referred to another committee under the board of directors and has been considered. The committee may also coordinate with any of the board committees or other management committees in any area to support the effectiveness and efficiency of their work.
7. The committee does not have any executive powers to compel the board of directors or company management to implement its recommendations unless authorized by the board of directors.
8. The committee is entitled to request information from the investment committee regarding matters related to market risks.

Article (5): Quorum for Committee Meetings

The quorum for meetings of the risk management committee is two members minimum, with decisions made by a majority of the members present, and in case of equality, the decision favored by the committee chair prevails. No member of the committee is allowed to delegate another individual or member to attend meetings.

The committee may conduct discussions and make decisions by circulation if necessary before the next scheduled meeting. Any decision made by the committee shall be in writing and signed by all members of the committee, effective as if it had been made at a meeting duly called and held in person.

The decisions approved by circulation are added to the agenda and minutes of the next committee meeting immediately.



Article (6): Committee Members' Remunerations

Committee members receive a Remuneration of 1,500 SAR (one thousand five hundred Saudi Riyals) for each meeting attended, in addition to reimbursement of their personal expenses incurred for attending meetings. Furthermore, non-board members of the committee receive an annual Remuneration of 50,000 SAR (fifty thousand Saudi Riyals), disbursed based on the member's attendance percentage at committee meetings.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Remuneration Policy for Members of the Board of Directors and its Affiliated Committees

This Policy was updated by Board Resolution No. 131 dated 21/04/2024, and approved by the General Assembly on 4th June 2024.



Policy purpose:

The company adheres to the regulations issued by the Ministry of Commerce and the Capital Market Authority and the Insurance Authority regarding compensation and bonuses for members of the board of directors. This policy aims to establish the guiding principles related to the compensation of board members and its committees. The company publishes details of proposed compensation and bonuses for members of the board of directors and its committees, including them in the company's annual report presented to the shareholders at the general assembly meeting.

Remunerations for Board and Committee Members.

The minimum annual remunerations for each chairman and member of the Board of Directors is SAR 150,000 (One hundred and fifty thousand Saudi riyals), with the maximum limit for the remunerations of any chairman or member not exceeding SAR 500,000 (Five hundred thousand Saudi riyals) annually for their membership in the board of directors and participation in its activities, including additional remunerations in the case of a member's participation in any committee of the committees arising from the board. The regulations of the committees arising from the board of directors govern the annual remunerations for committee members, if applicable, and the annual remunerations is calculated from the date of the member's appointment decision.

Each chairman and member of the board of directors receives an attendance allowance of SAR 3,000 per board meeting, and amount of SAR 1,500 per committee member for attending each meeting of the committees arising from the board. Similarly, the remunerations received by members of the committees arising from the board amount to SAR 1,500 for each member for attending each meeting, in addition to their personal expenses incurred for attending meetings. Furthermore, committee members outside the board of directors receive an annual remunerations of SAR 50,000, disbursed based on the member's attendance percentage at committee meetings.

Execution Mechanism:

1. The Remunerations are determined based on the recommendation of the Remunerations and Nominations Committee in the company, which reviews the attendance record of board members and their committees, as well as the tasks and topics they have undertaken. The appropriate recommendation is then submitted to the board for determining the remunerations for board members. The remunerations and Nominations Committee considers the following criteria when making recommendations, as the board considers them when determining and disbursing the remunerations for each board member:
 - a. The remunerations should be fair and commensurate with the member's qualifications, duties, and responsibilities, as well as the specific objectives set by the board of directors to be achieved during the fiscal year.
 - b. The remunerations should be proportionate to the company's activities and the skill required to manage it.
 - c. The remunerations shall take into account the sector in which the company operates, its size, and the member's experience.
 - d. The remunerations shall be sufficiently reasonable to attract and motivate competent and experienced members, and to retain them.
2. Board members are not allowed to vote on the agenda item regarding the remunerations of board members at the general assembly.
3. A board member who holds a professional license may receive compensation for any executive, technical, or consultancy positions assigned to them within the company, in addition to the compensation they may receive as a board member and/or as a member of committees formed by the board of directors, in accordance with the company's regulations and bylaws.
4. It is permissible for the remunerations of members to vary in amount, reflecting the member's level of experience, expertise, assigned tasks, independence, number of attended meetings, and other relevant considerations.
5. The remunerations of independent board members shall not be a percentage directly or indirectly to the profits generated by the company.



6. If it is found that the remunerations paid to any of the board members are based on inaccurate or misleading information presented to the general assembly or included in the annual board report, the board member must return them to the company. The company has the right to demand their return. If the general assembly decides to terminate the membership of any of the board members, the member is not entitled to any remunerations, and they must return all remunerations paid to them for the period during which their membership was nullified.
7. The remunerations and allowances for board members and members of committees formed by the board are disbursed annually.
8. The annual remunerations are divided among board members in case of resignation and appointment of a new board member, based on the date of appointment. Similarly, the remunerations are divided among board members when the board's term ends and a new term begins, based on the start date of the new term.
9. Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all the remunerations, Attendance allowances, and other benefits received by members of Board of Directors during the financial year. It shall also include a statement of what members of the Board received in their capacity as employees or administrators, or what they received in exchange for technical, administrative or consulting work in which General Assembly of the company has previously approved.

The policy is subject to the following regulatory documents:

- The Companies Regulations issued by the Ministry of Commerce.
- The Company's Articles of Association.
- The Corporate Governance Regulation issued by the Capital Market Authority.
- Executive regulations for Companies regulation.

Review and execution:

The policy is subject to annual review by the Nominations and Remunerations Committee. Any amendments to it are endorsed by the Board of Directors and recommended to the General Assembly for approval.



Executive Compensations Policy



Policy purpose:

The company adheres to the regulations issued by the Ministry of Commerce, the Capital Market Authority (CMA), and the Insurance Authority regarding compensation and Remunerations for senior executives. This policy aims to establish guiding principles related to executive bonuses. The company publishes details of proposed compensation and bonuses for senior executives and committees and include it in the annual report presented to the company's shareholders at the Annual General Meeting.

Policy Scope:

The policy encompasses employees at all executive and senior managerial levels within the company, whereby the Remunerations and Nomination Committee annually identifies the targeted executive and senior managerial positions (executives). The bonuses are fixed amounts paid to executive and senior managerial positions in addition to their basic salaries as performance incentives for achieving specific annual objectives. In general, the purpose of the bonus is to achieve the following:

1. recruitment and maintaining the best competencies.
2. Motivating and improving employee performance to achieve the company's annual goals to reflect the tasks and responsibilities and align with them.
3. Linking employee performance to the company's annual goals.
4. Fairness and equity, ensuring that the bonuses and the associated key performance indicator are clear, measurable, and linked to both overall organizational performance and individual performance of each employee involved. Bonuses are only paid based on rigorous performance evaluation criteria.

Setting the remunerations based on performance involves:

1. At the beginning of the year, the company sets general goals as well as individual objectives for executives. Each executive's performance indicators are defined separately, and the contribution percentage of each sector or department is determined according to their respective tasks and responsibilities.
2. At the end of each year, the Board of Directors decides whether to grant bonuses based on the recommendation of the Nomination and bonuses Committee, depending on the company's success in achieving its operational and net profit goals.
3. The values of bonuses granted to executives are determined in proportion to the net profit achieved by the company, the sector's contribution, the individual executive's contribution to achieving company goals, and the actual length of service of the executive during the calendar year.
4. The purpose of bonuses is not to compensate for executive salaries or supplement them. The Board of Directors has the absolute authority to determine whether bonuses shall be awarded or not, the value of these bonuses, and the timing of their payment. In the event that bonuses are approved for employees, it shall not be assumed that any previous payments have established a pattern or formed a precedent obligating the company to pay future bonuses.
5. Receiving an annual bonus is not automatic, and executives are not entitled to any bonuses for any year in which the company does not achieve net profits.
6. Executives are not entitled to any annual bonuses unless 80% of the financial target set at the beginning of the year is achieved.
7. Bonuses are not paid to any executive leading a sector that has not achieved 75% of its set targets at the beginning of the year.
8. The bonus will be halted or reclaimed if it is found to have been decided based on inaccurate information.
9. The bonus and its proportion will be reconsidered based on performance indicators if the Board of Directors decides to grant shares in the company to the executive management members in a specific fiscal year.



10. The Board of Directors ensures that the level and structure of bonuses and compensations encourage prudent practices and avoid taking high risks to achieve short-term returns.
11. The Board of Directors ensures that the level and structure of bonuses and compensations do not create any conflicts of interest that could negatively impact the company's performance.
12. The Board of Directors ensures that the level and structure of bonuses and compensations aim to achieve the interests of the stakeholders, shareholders, and the strategic goals of the company.

Factors influencing the calculation of an executive's remunerations:

1. Employee performance.
2. The performance of the sector (department, or division)
3. grade.
4. The level of contribution of the sector (or department) to achieve the company's objectives.
5. The performance evaluation system is conducted annually based on the tasks specified in the job description and key performance indicators relevant to the respective year. Work accomplished is measured against the achieved objectives.

Execution Mechanism:

1. The executive management presents the financial results achieved for the past fiscal year to the board to determine the reward pool according to the adopted policy.
2. The board reviews the financial results for the past year.
3. If the targeted net profit is achieved, the board requests the bonuses and Nomination Committee to determine the size of the bonuses based on the approved policy.
4. The committee determines the size of the bonuses.
5. The committee reviews the performance evaluation of the company and its various sectors.
6. The committee presents to the board the details of the proposed bonuses size and the eligible sectors.
7. After approving its stance on this matter, the board directs the executive management to disburse the bonuses and report back to the board on the actions taken.

The policy is subject to the following regulatory documents:

- The Corporate Governance Regulation issued by the Capital Market Authority.
- Insurance Companies Governance Regulation issued by the Insurance Authority.

Review and execution:

The policy is subject to annual review by the Nomination and Remunerations Committee and shall be amended whenever necessary to align with the company's financial position, budget, business volume, and risk appetite for each performance appraisal period. Any amendment is approved after a recommendation from the Board of Directors and the approval of the General Assembly.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Disclosure and Transparency Policy Regulation

This regulation was approved by Board Resolution No. 131 dated 21/04/2024



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Article (1): General Introduction

- 1- I have revised the transparency and disclosure policy for Saudi Arabian Cooperative Insurance Company, a Saudi joint stock company, in accordance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority and amended on 22/08/2022 AD, as well as in accordance with the Companies Law, rules for offering securities, continuous obligations, and the Corporate Governance Regulations for Insurance Companies issued by the Saudi Arabian Monetary Authority on 22/10/2015 AD, and the company's articles of association, taking into consideration the best international practices in corporate governance.
- 2- The transparency and information disclosure policy regulates the company and its various activities.
- 3- The Managing Director/ CEO of the company shall ensure the company's compliance with the provisions and articles contained in this regulation.

Article (2): Objectives and Principles of Disclosure

- 1- The purpose of disclosure is to provide information to investors and stakeholders of the company to enable them to make informed decisions.
- 2- When disclosing information, the company shall adhere to principles of accuracy, accessibility, timeliness, completeness, regulatory requirements, and additionally, the company shall strive to achieve a proper balance between disclosure and protection of its commercial interests.
- 3- The company shall not avoid disclosing negative information about the company if such information is deemed essential and significant to current and prospective shareholders.
- 4- Preferring a group of beneficiaries over others is prohibited within the company.
- 5- Any disclosure shall be complete, clear, accurate, non-misleading, and published through the specified means in the listing rules.
- 6- The company may request exemption from disclosure or delay its timing if it deems that disclosing an issue that shall be disclosed under the securities listing rules and continuous obligations could cause unjustified harm, and it is unlikely that non-disclosure of that issue would mislead investors regarding the



facts and circumstances necessary to evaluate the related securities. In this case, the company shall submit a statement to the authority in complete confidentiality, explaining the relevant information and the reasons for not disclosing that information at that time. The authority has the right to approve, reject, or delay the exemption request. If the authority approves the request, it may at any time require the company to disclose any information related to the exemption or delay.

Article (3): The individuals empowered to disclose on behalf of the company

- 1- The Managing Director or the Chief Executive Officer, or their delegated representatives in writing, are the individuals empowered to disclose information to parties interested in the company's affairs, such as shareholders, the public, the media, and government officials.
- 2- To reaffirm compliance with the disclosure policy, individuals empowered to disclose may delegate others to disclose information only in exceptional cases. Generally, anyone, except those authorized by the company, is prohibited from providing information or answering questions related to the company's activities without prior permission from the Chairman of the Board of Directors.
- 3- Coordination with the Managing Director, Chief Executive Officer, Chief Financial Officer, or any other person designated by the Managing Director regarding general reports that may impact the company's operations or its share value is required.
- 4- In the event that an employee of the company participates officially in any public event, it shall be ensured that any disclosure of information pertaining to the company is in accordance with the company's disclosure policy and based on prior approval from the officials responsible for the disclosure process.
- 5- The officials responsible for the disclosure process must have full knowledge of the company's activities relevant to the business community. The Managing Director or the Chief Executive Officer is responsible for communicating with these officials regarding business community engagement.

Article (4): Parties and rules governing information disclosure

- 1- The Board of Directors collaborates with the Managing Director and any other responsible individual to periodically develop, review, and enhance the company's disclosure policy.
- 2- The Managing Director, who serves as the Chief Executive Officer, is responsible for organizing, accuracy, and timing of information disclosure. They are also accountable for providing reports requested by regulatory governmental authorities. Furthermore, the Managing Director, as the Chief Executive Officer, is responsible for providing information about the company to shareholders, lenders, and other parties interested in the company's affairs.
- 3- The Secretary of the Board of Directors coordinates with the Managing Director, who serves as the Chief Executive Officer, to ensure:
 - a) The timing of disclosure of information as determined by stock exchange bulletins, ensuring disclosure of quarterly and annual reports, and any significant events affecting the company's financial operations.
 - b) Protecting company documents that must be retained, controlling access to them, and preparing certified copies of them by the company.
- 4- The company's disclosure policy is implemented in accordance with legislative requirements and in the best interests of the company and its shareholders.
- 5- The Managing Director, as well as those responsible for disclosure, must always have complete information about all aspects of the company's activities, with the aim of:
 - a) Determining whether those pieces of information meet disclosure requirements, assessing their importance, and determining if the timing is appropriate for disclosure.
 - b) Ensuring their complete understanding of the current company operations, which are considered crucial for investors.



- c) Avoiding awkward situations that might compel the company to deny any significant events that have occurred.

Article (5): Compliance with information disclosure

- A. The company shall disclose to the regulatory authority and the public, without delay, any material developments within the scope of its activities that are not known to the general public and may affect the company's assets, liabilities, financial position, overall business trajectory, or its subsidiaries, and which could reasonably lead to a change in the price of listed securities or significantly affect the company's ability to fulfill its debt obligations.
- B. The company shall disclose immediately and without delay to the regulatory authority and the public any of the following developments, whether they are material or not:
- 1- Any deal to purchase, sell, or lease an asset at a price equal to or exceeding 10% of the company's net assets according to either audited preliminary financial statements or the most recent reviewed annual financial statements.
 - 2- Any indebtedness outside the scope of the company's ordinary activities amounting to or exceeding 10% of the company's net assets according to the latest audited preliminary financial statements or reviewed annual financial statements, whichever is more recent.
 - 3- Any losses equal to or exceeding 10% of the company's net assets according to the latest audited preliminary financial statements or reviewed annual financial statements, whichever is more recent.
 - 4- Any significant change in the company's production environment or activities, including but not limited to resource abundance and accessibility.
 - 5- 5 - Change of CEO or any changes in the composition of the Board of Directors or in the Audit Committee.
 - 6- Any dispute, including any legal action, arbitration, or mediation, if the amount of the dispute or claim equals or exceeds 5% of the net assets according to the latest audited preliminary financial statements or reviewed annual financial statements, whichever is more recent.
 - 7- Any judicial ruling issued against the Board of Directors or any of its members, if the subject of the ruling is related to the activities of the Board of Directors or any of its members.
 - 8- An increase or decrease in the company's net assets equal to or exceeding 10% according to the latest audited preliminary financial statements or reviewed annual financial statements, whichever is more recent.
 - 9- An increase or decrease in the company's total profits equal to or exceeding 10% according to the latest reviewed annual financial statements.
 - 10- Entering into a contract with revenues equal to or exceeding 5% of the company's total revenues according to the latest reviewed annual financial statements, or the unexpected termination of such contract.
 - 11- Any transaction between the company and a related party, or any arrangement whereby both the company and the related party invest in a project or asset, or provide funding for it, if this transaction or arrangement equals or exceeds 1% of the company's total revenues according to the latest reviewed annual financial statements.
 - 12- Any interruption in any of the company's core activities or its subsidiaries (if any), equal to or exceeding 5% of the company's total revenues according to the latest reviewed annual financial statements.
 - 13- Any change in the company's fundamental system or principal office.
 - 14- Any change in the legal accountant.
 - 15- The submission of a liquidation petition, the issuance of a liquidation order, the appointment of a liquidator for the company or any of its subsidiaries under the Companies Act, or under any regulations applicable to the foreign issuer whose shares are listed on the main market according to the listing rules, including initiating any proceedings under insolvency laws.
 - 16- The issuance of a resolution by the company or any of its subsidiaries to dissolve or liquidate the company, or the occurrence of an event or the expiration of a period necessitating the company to be placed under liquidation or dissolution.
 - 17- The issuance of any recommendation or decision by the authorized party within the company to file a petition with the court to initiate any bankruptcy proceedings for the company under the bankruptcy law, along with a statement of its impact on the company's financial status or overall business trajectory.



- 18- The company shall receive a notification from the court regarding a third party's application to initiate financial restructuring proceedings, liquidation proceedings, or administrative liquidation proceedings under the bankruptcy law, along with a statement of its impact on the company's financial status or overall business trajectory.
- 19- The filing of a request to initiate any bankruptcy proceedings for the company with the court under the bankruptcy law, along with an explanation of the future steps, their timelines, and a statement of their impact on the company's financial status or overall business trajectory.
- 20- The issuance of a court ruling - both preliminary and final - to initiate any bankruptcy proceedings for the company under the bankruptcy law, along with an explanation of the future steps, their timelines, and a statement of their impact on the company's financial status or overall business trajectory.
- 21- The issuance of a court ruling - both preliminary and final - rejecting the request to initiate any bankruptcy proceedings for the company under the bankruptcy law, or rejecting any of them and initiating the appropriate bankruptcy proceedings, along with an explanation of the reasons for the rejection and a statement of its impact on the company's financial status or overall business trajectory.
- 22- The issuance of a court ruling - both preliminary and final - terminating the financial restructuring process or terminating the preventive settlement procedure for the company under the bankruptcy law, along with a statement of its impact on the company's financial status or overall business trajectory.
- 23- Filing an objection before the competent court regarding the opening or refusal to open any of the bankruptcy procedures under the bankruptcy law, or the termination or non-termination of the preventive settlement procedure or financial restructuring procedure under the bankruptcy law, along with a statement of its impact on the company's financial status or overall business trajectory.
- 24- The issuance of the judgment in the objection referred to in paragraph (23) of this article, either affirming or overturning the court's ruling and adjudicating the lawsuit under the bankruptcy law, along with a statement of its impact on the company's financial status or overall business trajectory.
- 25- Any significant developments included in the reports submitted by the company in the bankruptcy proceedings initiated under the bankruptcy law, along with a statement of their impact on the company's financial position or overall business trajectory, unless the Secretary or the Bankruptcy Committee or the competent authority has decided to keep them confidential under the bankruptcy law and its executive regulations.
- 26- The issuance of a judgment, decision, announcement, or order by a court or judicial authority, whether at the primary or appellate stage, which may negatively affect the company's utilization of any portion of its assets whose total value exceeds 5% of the company's net assets according to the latest audited interim financial statements or reviewed annual financial statements, whichever is more recent.
- 27- Invitation to convene the General Assembly: The agenda of its proceedings.
- 28- The results of the general assembly meeting.
- 29- any proposed change in capital, along with an explanation of its impact on convertible debt holders as applicable.
- 30- Any decision to declare dividends, recommend their declaration, pay dividends, or make other distributions to holders of listed securities.
- 31- Any decision or recommendation not to distribute dividends in cases where the company is not expected to distribute dividends.
- 32- Any decision to call, repurchase, withdraw, redeem, or tender securities, specifying the total amount, number of securities, and their value.
- 33- A decision not to pay regarding debt instruments or convertible debt instruments.
- 34- Any change in the rights associated with any class of listed shares or convertible debt instruments.
- 35- Disclosure is required in case of any transaction between the company and a related party, or if there is an arrangement in which both the company and the related party invest in any project or asset, or provide funding for it. This disclosure is necessary if the transaction or arrangement equals or exceeds 1% of the company's total revenue according to the latest audited annual financial statements. The nature of the interest related to the transaction or arrangement, the limits of that interest, the names of any individuals involved, and the expected benefit directly or indirectly obtained from that interest, whether financial or non-financial, must be disclosed. Additionally, disclosure of the ownership percentage of related persons in both parties involved in the disclosed event, if applicable, is required.
- 36- The company discloses the events that it is obligated to disclose in the event of their occurrence before the start of the trading period following the related event.
- 37- If any of the fundamental developments stipulated in the securities listing rules and ongoing obligations occur during the trading period, the company must wait until the end of the trading period before



announcing it on the trading website, ensuring all necessary precautions are taken to prevent leakage of the news about those fundamental developments before the announcement. However, if the news about the fundamental development is of the type that the company cannot guarantee its non-leakage, such as being associated with other parties whose commitment to confidentiality the company cannot ensure, or if the development is the subject of media coverage like natural disasters, fires, or the like, the company may request a temporary suspension.

- 38- Meetings of the board of directors, audit committees, or any other committees where a topic that must be disclosed based on the provisions of the securities listing rules and ongoing obligations will be discussed should be held during a period that allows the company to publish the announcement on the trading website before the start of the trading period following the meeting.
- 39- The company also discloses such cases on the trading website and on the company's electronic website: www.saico.com.sa

Article (6): The information available to shareholders

- 1- The company shall ensure that shareholders easily access the information and documents disclosed.
- 2- All shareholders have the right to review the matters and reports at the office of the Board Secretary/Investor Relations Officer, and the company must provide copies upon request by the shareholders.
- 3- The Board of Directors shall regulate the disclosure processes for each member and for members of the executive management, taking into account the following:
 - a. Establishing a dedicated register for disclosures by the Board of Directors and executive management and updating it periodically, in accordance with the disclosures required under the Companies Law, the Capital Market Law, and their respective implementing regulations.
 - b. Providing access to the company's shareholders register free of charge.

Article (7): Confidential Information

- 1- Confidential information and trade secrets are non-public information about the company that has current or potential value due to its exclusion from external parties.
- 2- The company shall take necessary steps to protect its trade secrets and confidential information.
- 3- The following individuals have the right to access confidential information:
 - a. Chairman and members of the board of directors.
 - b. Managing Director Governance/ Chief Executive Officer.
 - c. Finance Director.
 - d. The compliance Manager.
 - e. BOD Secretary.
- 4- The managing director or CEO has the right to amend the list of individuals authorized to access confidential information, excluding the chairman of the board or the CEO.
- 5- Individuals authorized to access confidential information are prohibited from using it for their personal benefit or disclosing it to parties interested in the company.
- 6- Individuals who obtain confidential company information illegally and disclose it to third parties are responsible for compensating the company for any losses incurred.
- 7- Confidential and trade secret information includes, but is not limited to:
 - a. The available investment opportunities for the company are still under study.
 - b. The authorizations and contracts are subject to negotiation.
 - c. The production secrets related to the composition of the company's products.
 - d. Detailed information regarding the cost of the company's products.



Article (8): internal Information

- 1- Internal information refers to non-public, significant information related to the activities, stocks, and any other information that, if disclosed, may impact the market value of the company's shares.
- 2- The information that could be included under the following topics is considered internal information:
 - a. Information directly related to the company or any of its subsidiaries and stocks.
 - b. Private information.
 - c. Any of the information that is classified as non-public.
 - d. Information that, if disclosed, may affect the market value of the company's shares.
- 3- Any person who can access internal information by law or according to the nature of their job, or if they are considered internal according to the company's internal regulations.
- 4- The following individuals can be considered internal:
 - a. Members of the board of directors, senior executives, and individuals involved in internal oversight may be considered internal. This applies to the company, its branches, and its subsidiaries.
 - b. Individuals appointed by the company or its subsidiaries who, as part of their duties, have access to the company's internal information.
 - c. Public employees appointed by governmental or supervisory authorities.
- 5- Employees shall not disclose internal information or engaging in transactions based on internal information.
- 6- The board is responsible for determining appropriate procedures regarding the transfer and use of internal information.
- 7- The managing director or CEO shall ensure the company's compliance with the regulations mentioned in the company's bylaws, internal laws, and other regulatory documents. This is to prevent conflicts of interest within the company and ensure the prevention of misuse of internal information by employees and administrative departments within the company.

Article (9): Disclosure in the Board of Directors' report

The board report shall include a presentation of its operations during the last fiscal year, along with all factors influencing the company's business. The board report should encompass the following:

- 1) What has been put into practice from the Capital Market Authority's Corporate Governance Regulations and the Insurance Authority's Governance Regulations for Insurance Companies, as well as what hasn't and why.
- 2) Names of board members, committee members, executive management, their current and previous positions, qualifications, and experiences.
- 3) Board functions, board composition, name of the board chairman and vice-chairman, start and end dates of the current term, number of independent board members, number of meetings held during the period and their dates, names of attendees for each meeting, details of compensation and bonuses for board members.
- 4) Names of companies inside or outside the Kingdom where a member of the company's board of directors is a current or former member of their boards, or among their executives.
- 5) The Board of Directors Formation and Classification of its Members as follows: Executive Board Member - Non-Executive Board Member - Independent Board Member.
- 6) The procedures taken by the board of directors to inform its members, especially non-executive ones, about shareholders' proposals and comments regarding the company and its performance.
- 7) A brief description of the committees' powers and tasks, such as: Committee on Audit and Nomination and bonuses Committee, including the names of the committees, their chairpersons and members, the



number of meetings held, the dates of these meetings, and attendance details for each member in each meeting.

- 8) A list of names, positions, qualifications, and experiences of each member of the senior management of the company.
- 9) Ownership of members of the board of directors and senior management in the company, both direct and indirect, and changes in their ownership during the past year as recorded in the shareholders' register.
- 10) Description of transactions with related parties, including major shareholders, board members, and senior management, during the period and the authority approving them.
- 11) Any situations that may involve conflicts of interest and the mechanism for addressing and dealing with them.
- 12) Names of major shareholders and their ownership percentage in the company's shares.
- 13) Where applicable, the methods adopted by the board of directors in evaluating its performance, the performance of its committees, and its members, as well as the external entity that conducted the evaluation and its relationship with the company, if any.
- 14) Disclosure of bonuses for board members and executive management in accordance with Article 90 of the Corporate Governance Regulations issued by the Saudi Capital Market Authority.
- 15) Any penalty, sanction, precautionary measure, or regulatory restriction imposed on the company by the regulatory authority or any supervisory, regulatory, or judicial entity, including the reasons for the violation, the entity imposing it, and the measures taken to remedy and prevent its recurrence in the future.
- 16) Any penalty, precautionary restriction, or punishment imposed on any member of the board of directors by any judicial, supervisory, or regulatory authority related to the company.
- 17) The results of the annual review of the effectiveness of the company's internal control procedures, along with the Audit Committee's opinion on the adequacy of the company's internal control system.
- 18) A recommendation from the Audit Committee to appoint an internal auditor within the company if it recommended such an appointment during the last fiscal year.
- 19) Recommendations from the Audit Committee that are in conflict with decisions of the Board of Directors, or recommendations that the Board rejected regarding the appointment, dismissal, determination of fees, performance evaluation of the external auditor, or appointment of the internal auditor. Also included are the justifications for these recommendations and the reasons for not accepting them.
- 20) Details of the company's social contributions, if any.
- 21) A statement of the dates of the general meetings of shareholders held during the last fiscal year and the names of the board members present at these meetings.
- 22) A description of the main activities of the company and its subsidiaries. If there are two or more types of activities described, a statement shall be attached for each activity detailing its impact on the company's business volume and its contribution to the results.
- 23) A description of the company's significant plans and decisions, including structural changes such as mergers, acquisitions, business expansions, or cessation of operations) and future business expectations.
- 24) Information related to any risks facing the company, whether operational, financial, or market-related, along with the company's risk management and monitoring policy.
- 25) A summary of the company's assets, liabilities, and business results for the past five financial years or since inception, whichever is shorter
- 26) A geographic analysis of the company's total revenues and those of its subsidiaries.
- 27) An explanation of any significant differences in operating results compared to the previous year or any forecasts announced by the company.



- 28) An explanation of any significant differences in operating results compared to the previous year or any forecasts announced by the company.
- 29) Subsidiary Company Name, Capital, Company's Ownership Percentage, Principal Activity, Country of Primary Operations, Country of Incorporation
- 30) Details of stocks and debt instruments issued for each subsidiary company.
- 31) A description of the company's policy on distributing stock dividends.
- 32) A description of any interests in the category of voting shares belonging to individuals other than members of the company's board of directors, senior executives, and their relatives who have notified the company of such rights under Article 85 of the Securities Offering and Continuous Disclosure Rules, and any changes in those rights during the last fiscal year.
- 33) A description of any interests and contractual securities or subscription rights belonging to members of the company's board of directors, senior executives, and their relatives in the company's shares or debt instruments, or any of its subsidiaries, and any changes in those interests or rights during the last fiscal year.
- 34) Information related to any loans held by the company (whether repayable on demand or otherwise), a disclosure of the total indebtedness of the company and its subsidiaries, any amounts paid by the company in repayment of loans during the year, the principal amount of the loan, the name of the lending party, its duration, and the remaining amount. If there are no loans on the company, it must provide a declaration to that effect.
- 35) A description of the categories and quantities of any convertible debt instruments, as well as any warrants, subscription rights, or similar rights issued or granted by the company during the fiscal year, along with an explanation of any consideration received by the company in exchange for them.
- 36) A description of any conversion or subscription rights granted under convertible debt instruments, securities, warrants, or similar instruments issued or granted by the company.
- 37) A description of any redemption, repurchase, or cancellation by the company of any redeemable debt instruments, and the remaining value of the securities, distinguishing between securities purchased by the company and those purchased by its subsidiaries.
- 38) The number of board meetings held during the last fiscal year, along with their dates, and a record of attendance for each meeting, specifying the names of attendees.
- 39) The number of requests made by the company for the shareholders' register, along with the dates of those requests and their reasons.
- 40) A description of any transaction between the company and a related party.
- 41) Information relating to any transactions or contracts in which the company is involved, or in which any member of the board of directors or senior executives of the company, or any person related to them, has an interest. This includes the names of the individuals involved in the transactions or contracts, the nature, terms, and duration of these transactions or contracts, as well as their amounts. If there are no such transactions or contracts, the company should provide a declaration to that effect.
- 42) A statement of any arrangements or agreements under which any member of the board of directors or senior executives of the company has waived any bonuses.
- 43) A statement of any arrangements or agreements under which any shareholders of the company have waived any rights to profits.
- 44) A statement of the value of regulatory payments made and due for the payment of any zakat, taxes, fees, or other obligations that have not been settled by the end of the fiscal year, along with a brief description and explanation of the reasons for their outstanding status.
- 45) A statement of the value of any investments or reserves established for the benefit of the company's employees.
- 46) Declarations include the following:



- a) That the accounting records have been prepared properly.
 - b) That the internal control system has been established on sound principles and effectively implemented.
 - c) That there is no significant doubt about the company's ability to continue its operations.
- 47) If the audit report includes reservations on the annual financial statements, the Board of Directors' report shall clarify those reservations, their reasons, and any related information.
- 48) If the Board of Directors recommends changing the auditors before the end of their term, the report shall contain this information, along with the reasons for recommending the change.
- 49) Information related to any competitive activities of the company or any of its branches engaged in or previously engaged in by any member of the Board of Directors shall be provided. This shall include the names of those involved in competitive activities, the nature of these activities, their terms, and conditions. If there are no such activities, the company shall provide a declaration to that effect.

Article (10): The timing of financial information disclosure

- 1- The Board of Directors approves the preliminary and annual financial statements, which are then signed by an authorized member of the Board, the CEO, and the CFO before their publication and distribution to shareholders and others.
- 2- The company submits the preliminary and annual financial statements, along with the Board of Directors' report, to the Capital Market Authority (CMA) as soon as they are approved by the Board of Directors. This submission occurs after obtaining approval from the Insurance Authority for the preliminary and annual financial statements.
- 3- The company announces its preliminary and annual financial statements through the electronic platforms specified by the regulatory authority immediately upon their approval. The company shall not distribute the financial statements to shareholders before they are announced in the market.
- 4- The company provides the regulatory authority and announces to the shareholders its preliminary financial statements, which shall be prepared and audited according to the accounting standards approved in the Kingdom, immediately upon their approval and within a period not exceeding 30 days from the end of the financial period covered by those statements.
- 5- The company provides the regulatory authority and announces to the shareholders its annual financial statements, which shall be prepared and audited according to the accounting standards approved in the Kingdom, immediately upon their approval and within a period not exceeding (3) three months from the end of the financial year covered by those statements, and within a period of no less than (21) twenty-one calendar days before the date of the annual general meeting of the shareholders.
- 6- The regulatory authority and the shareholders shall be provided with and disclosed to within a period not exceeding three months from the end of the financial year, a report issued by the board of directors containing the information required under the Corporate Governance Regulations.
- 7- The company's general policy dictates not to respond to rumors and market expectations unless the management deems it necessary to do so.
- 8- The financial statements shall be published on the Tadawul website within a maximum of six business days from the date of publishing the financial results announcement associated with them.
- 9- The company shall not request written non-objection from the Insurance Authority for the publication of financial statements until after presenting those statements to the Audit Committee in the company for approval. The request shall include all the approved templates from the Insurance Authority or the Capital Market Authority related to the financial statements, as well as the proposed announcement format, accompanied by the approval of the CEO, CFO, external auditor, and Audit Committee on the financial statements.



Article (11): Board of Directors' decisions approving appointments to leadership positions such as Chairman or Board member, Managing Director, General Manager, or Chief Executive Officer

- 1- The announcement of nominations for leadership positions is not mandatory unless a decision is issued by the Board of Directors to appoint the candidate to the leadership position. If the nomination is still under consideration and discussion within the company, the company is not obligated to announce it.
- 2- The Board of Directors shall not issue a decision approving the appointment of the candidate to a leadership position until the approval of the Insurance Authority is obtained for the appointment of the candidate to a leadership position, based on a request submitted to it by the Nomination, Remuneration, and Executive Management Committee. After obtaining the approval of the Insurance Authority on the nomination, the name of the candidate is presented to the Board of Directors to issue a decision approving his appointment.
- 3- If the Board of Directors issues a decision approving the appointment of the candidate to a leadership position, the decision shall be announced on the Tadawul website immediately and without delay, in accordance with the regulations, rules, and instructions of the Capital Market Authority, without mentioning the numbers or dates of the correspondences that took place before the approval of the Board of Directors of the company.

Article (12): Board of Directors' decisions regarding recommendations to change the increase or decrease of the company's capital

- 1- Issuing a decision by the Board of Directors recorded in the minutes of the board meeting recommending to the General Assembly to approve an increase or decrease in the company's capital.
- 2- The announcement of the Board of Directors' recommendation to increase the capital shall be made promptly through the Tadawul website in accordance with the instructions of the Capital Market Authority. The announcement shall explicitly state that this recommendation is subject to approval from the relevant authorities.
- 3- The company, represented by the Chairman of the Board of Directors, should submit a request to the Capital Market Authority for approval of the capital increase, including a business plan within (60) calendar days from the date of the announcement of the Board's recommendation to increase the company's capital.
- 4- The agenda of the General Assembly meeting shall not include the recommendation to increase the company's capital to make a decision. Instead, it shall await written approval from the Capital Market Authority regarding the request to increase the capital.

Article (13): The professional certification for information disclosure

As part of its efforts to enhance disclosure quality and achieve higher transparency standards, while also raising the necessary skills for disclosure officers to add value to the company and investors, the company adheres to listing rules, regulations, and relevant instructions for disclosures. The company ensures that disclosure officers obtain a professional certification in disclosure as a fundamental requirement to gain access to the disclosure system and publish financial and non-financial information.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Internal Control System Regulation

This regulation was approved by Board Resolution No. 131 dated 21/04/2024.



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Article (9): Individuals responsible for the internal control system

Article (1): General Introduction

- 1- The internal control system regulation for the Saudi Arabian Cooperative Insurance Company, a Saudi joint-stock company, have been prepared in accordance with the requirements of the Corporate Governance Regulations issued by the Saudi Capital Market Authority as amended on January 18, 2023, and the Companies Law, Securities Offering Rules, and Continuous Obligations Regulations. They also comply with the Corporate Governance Regulations for Insurance Companies issued by the Saudi Arabian Monetary Authority on October 22, 2015, and the company's Articles of Association.
- 2- The regulation specifies the objectives, principles, procedures, as well as the entities and individuals within the company responsible for the internal control system.

Article (2): Terms and Definitions

- 1- Internal control consists of procedures developed with the participation of both the board of directors and the executive management, as well as the company's employees, with the aim of providing adequate assurances regarding the achievement of the following company objectives:
 - A) The accuracy of financial statements and their reliability for decision-making.
 - B) The effectiveness and efficiency of the company's operations.
 - C) The compliance of the company's activities and operations with laws and regulations.
- 2- The internal control system contains the following principles:
 - A) Control environment.
 - B) Risk Assessment.
 - C) Control Activities.
 - D) Information and Communications.
 - E) Control and Monitoring of the Effectiveness of the Internal Control System.

Article (3): principles

The internal control system of the company is based on the following principles:

- 1- The functions of the internal control system are performed continuously and without interruption. These functions enable the company to identify deviations promptly and anticipate them in the future.
- 2- Each participant in the internal control processes is considered responsible, and their performance shall be reviewed by the person responsible for supervising the implementation of the internal control system within the company.
- 3- The internal control system entails segregating duties, and the company shall prevent any duplication in control functions and distribute these functions among employees so that no employee may singularly control the operation of assets and the recording of those assets in the books.
- 4- The company has established procedures related to authorizing financial and operational transactions only for individuals entrusted with such responsibilities through their authorities and roles.
- 5- The company emphasizes the ability to hold its organizational departments responsible for internal control by the Board of Directors, especially the Audit Committee and Internal Audit Management.
- 6- All units and departments within the company complement each other to ensure the implementation of the internal control system.



- 7- The company has established a culture of continuous development and improvement throughout its operations. It emphasizes the flexibility of its internal control system to adapt to future changes in the company's work environment, necessitating adjustments accordingly.
- 8- A timing system has been established for preparing reports related to deviations, with a suitable schedule for responsible individuals to address these deviations.
- 9- The level of strictness in the internal control system is commensurate with the significance of the subject under scrutiny.
- 10- The company's internal control system is comprehensive and covers all operational and financial activities.

Article (4): Control environment

- 1- The control environment within the company may be described as the collective mindset and intellectual stance of the board members, executive managers, and shareholders towards the internal control system. It encompasses their understanding of and practical decisions aimed at establishing and monitoring the company's internal control system.
- 2- The elements of the control environment consist of:
 - a) Integrity, ethical values, and commitment of the company's employees.
 - b) Management philosophy and operating style.
 - c) The manner in which management delegates authority and responsibilities, and organizes and develops employees within it.
 - d) The role of involvement and concern of the Board of Directors.

Article (5): Risk Assessment

The process of identifying and assessing the risks facing the company has been developed in accordance with the company's risk management policy.

Article (6): Control Activities

- 1- Control activities are the policies and procedures that help ensure that management directives are carried out and that necessary actions are taken to address the risks facing the company.
- 2- Procedures of the internal control system include:
 - a) Monitoring the implementation of the company's financial and operational plans.
 - b) Comparing current operational data with budgeted data.
 - c) Verifying the data provided by various operational units within the company.
 - d) Verifying the accuracy of accounting entries.
 - e) Verifying the accuracy of the dates related to document flow.
 - f) Evaluating the effectiveness of current deals and transactions.
 - g) Verifying management's endorsement of key documents.
 - h) Conducting regular and surprise inspections of asset inventory.
 - i) Settling and documenting accounts.
 - j) Utilizing information from external sources for the purpose of control.
 - k) Control over the use of tangible assets.
 - l) Setting limits on the trading of company assets, key documents, and electronic accounting files.



Article (7): Information and Communications

- 1- Information and communications refer to ensuring accuracy and timely access to information.
- 2- The company emphasizes providing comprehensive and accurate information about events and circumstances that affect decision-making within the company.
- 3- The company undertakes to establish and operate a comprehensive information system covering all its activities. The electronic information system of the company has been adopted and safeguarded in accordance with the procedures established by the company.
- 4- The company aims to establish effective communication channels to ensure that individuals involved in internal control processes understand and adhere to the adopted policies and procedures.
- 5- The company emphasizes protecting information by restricting access to authorized individuals only.

Article (8): Control and monitoring of the internal control system

- 1- A continuous evaluation calendar has been developed for the internal control system to identify the likelihood of significant errors that could affect the accuracy of financial statements. This calendar also ensures that the internal control system meets the objectives set for it.
- 2- The internal control system review process at the company consists of two stages:
 - a) A general review of the internal control system and an initial assessment of its reliability.
 - b) Certification of the assessment of key elements of the internal control system.

Article (9): Individuals responsible for the internal control system

- 1- The board of directors and executive management are responsible for establishing an appropriate internal control environment and ensuring the presence of high ethical standards at all operational levels within the company.
- 2- The board of directors, through the audit committee, is responsible for approving the internal control procedures within the company.
- 3- The managing director or CEO of the company is responsible for managing and implementing the internal control system within the company. Therefore, they delegate appropriate authorities to the managers responsible for internal control functions across various activities within the company.
- 4- The officials responsible for oversight and auditing conduct control activities on a daily basis and provide reports to the Board of Directors through the Audit Committee, as well as to the executive managers, regarding the results of internal audits related to the internal control system. These officials in charge of oversight and auditing functionally report to the Audit Committee and administratively report to the managing director or CEO of the company.
- 5- The officials responsible for oversight and auditing regularly convene, typically holding meetings no less frequent than once a month.
- 6- The outcomes of the meetings of the oversight and audit officials are regularly presented to the CEO, CFO, the Chairman of the Board, and the Audit Committee.
- 7- The company's executives provide an annual report on internal control related to financial statement preparation to the Board of Directors before the board meeting to approve the annual financial statements. The report on financial control related to the preparation of the financial statements shall contain the following:
 - a) Confirmation of the senior executive management's responsibility within the company for implementing internal control over the financial statement preparation process.
 - b) A description of the internal control system and the methods used to evaluate the effectiveness of the system.
 - c) Evaluating the internal control system for the process of preparing financial statements for the year relating to those statements.
 - d) The external auditors of the company have confirmed that they have prepared a special opinion on the evaluation of the company's management for its internal control system.
 - e) The company has prepared a timetable for reviewing the internal control system of the company and its subsidiaries.
 - f) The following functions are not performed by one person
 - 1- Direct and unrestricted access to company assets.



- 2- Approval of the operational processes related to those assets.
 - 3- Execution of Operational Processes.
 - 4- Accounting functions for those operational activities.
-
- g) The effectiveness of the internal control system depends on having qualified and competent employees, and the company has appropriate systems for selecting, developing, and training its employees in order to ensure the qualification of these employees.
 - h) Executive managers shall disclose information concerning any deficiencies or weaknesses in the company's internal control system.
- 9- The Internal Audit Department operates in accordance with a comprehensive audit plan approved by the Audit Committee, and this plan is updated annually.
 - 10- The Internal Audit Department prepares a written report on its activities and submits it to the Board of Directors and the Audit Committee at least quarterly, and this report should include an evaluation of the company's internal control system and the management's findings and recommendations, and a statement of the actions taken by each department to address the findings and recommendations of the previous review, along with any comments thereon, especially in cases where the findings and recommendations were not addressed in a timely manner, along with the reasons for this.
 - 11- The Internal Audit Department prepares a written general report and submits it to the Board of Directors and the Audit Committee on the audit activities performed during the fiscal year, comparing them with the approved plan. The report should explain the reasons for any deviations from the plan - if any - and should be submitted within the next quarter after the end of the fiscal year in question.
 - 12- The scope of the Internal Audit Department's report shall be determined by the Board of Directors based on the recommendation of the Audit Committee or the Internal Audit Department itself. The report shall specifically include the following:
 - a) Financial Affairs, Investment, and Risk Management Control and Supervision Procedures
 - b) Assessment of the evolution of risk factors in the company and existing systems; to face radical or unexpected changes in the financial market.
 - c) Evaluation of the performance of the Board of Directors and senior management in implementing the internal control system, including determining the number of times the Board was notified of control issues (including risk management) and how the Board addressed these issues.
 - d) Internal control failures, weaknesses, or emergencies that have or could have a financial impact on the company, and the actions taken by the company to address these failures, particularly those disclosed in the company's annual reports and financial statements).
 - e) The extent to which the company complies with internal control systems in identifying and managing risks.
 - f) Risk management information for the company.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Profit Distribution Policy Regulation

This regulation was approved by Board of Directors Resolution No. 131 dated 21/04/2024



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Article (2): Declaration and Distribution Article 3 Sources and Distribution Amount

Article (4): Shareholders entitled to receive distribution

Article (5): Payment of declared distributions

Article (1): General Introduction

- 1- The dividend distribution policy of Saudi Arabian Cooperative Insurance Company, a Saudi joint-stock company, has been amended in accordance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority and amended on January 18, 2023, and in accordance with the Articles of Association. Corporate governance of insurance companies issued by the Insurance Authority on October 22, 2015, in light of the company's articles of association, the rules for offering securities and ongoing obligations.
- 2- The policy outlines the company's procedures for calculating and determining the amount of distributions to be declared, as well as the form and timing of payment of those distributions.
- 3- The company declares distributions on the basis of annual results.
- 4- The company distributes dividends in accordance with its annual dividend policy, which allows the company to retain sufficient capital for future growth.
- 5- The company strives to achieve a consistent and reliable distribution policy from one year to the next.

Article (2): Dividend announcement

- 1- The decision to declare and pay dividends, including the amount of the dividends and the procedures for their payment, is made by the general meeting of shareholders based on the recommendations of the board of directors.
- 2- The decision to declare and pay dividends must be a separate item on the agenda of the general meeting of shareholders.
- 3- The recommendation on the determination of the amount of dividends and the procedures for their payment is made by the board of directors at its meeting when the preliminary dividend on the company's net profit for the year is approved, and it is recommended to the general meeting of shareholders.
- 4- The dividend payment announcement specifies the following:
 - a. The type of shares for which dividends are declared.
 - b. Dividend per share (DPS)
 - c. Dividend payment period
 - d. Form of dividends
- 5- The decision to declare dividends on common shares is made after the decision to declare dividends on preferred shares, if any, in accordance with the company's articles of association.
- 6- The company does not have the right to declare dividends if it is financially distressed on the date of this decision or in a state of bankruptcy or if such dividends would result in the company's bankruptcy or bankruptcy.
- 7- When submitting a request for prior approval from the insurance authority to distribute cash dividends to shareholders, the company must comply with the following:
 - a) Complete the Excel file for the request for cash dividend distribution in full and ensure the accuracy of the information contained therein.
 - b) To ensure the confidentiality of all files shared with the request, including a copy of the request letter - addressed to the responsible manager in the insurance authority or his equivalent; by placing: Password.
 - c) Sharing the password for the application files by the CEO) via mobile with the responsible manager in the insurance authority or his equivalent.
 - d) Submit the request to the insurance authority via the designated email address.



- e) Submit the request in hard copy, including the original letter to the insurance authority after the official announcement of the board of directors' recommendation to distribute cash dividends.
- 8- The company's executive management should verify that the requirements set by the insurance authority for studying the request for approval of dividend distribution are met, especially the verification of the company's financial soundness.
- 9- The executive management submits a written request to the insurance authority in accordance with paragraph (7) above for approval of the principle of dividend distribution, the distribution mechanism, and the amount of the dividend.
- 10- Upon receiving written non-objection from the insurance authority on the request, the executive management presents the dividend distribution proposal to the board of directors to issue a decision from the board - recorded in the minutes of the board meeting - recommending to the general assembly to approve the distribution of cash dividends.
- 11- Announce the board of directors' recommendation to distribute cash dividends through the trading platform in accordance with the instructions of the Capital Market Authority without referring to the numbers or dates of the communications that took place before the issuance of the board's decision.
- 12- -The recommendation for cash dividends should not be included on the agenda of the general assembly meeting for a decision to be made before obtaining written approval from the relevant authorities.
- 13- - Maintain the confidentiality of the dividend distribution proposal from the beginning of the study of the subject until the announcement of the board of directors' decision to recommend to the general assembly to approve the distribution of cash dividends through the trading platform.

Article (3): Sources and Distribution Amount

1. Dividends are paid from the company's net profit and distributed to shareholders on the basis of the number and type of shares.
2. Dividends for preferred shares - if any - may be paid from funds specifically created for the payment of such dividends.
3. Distributions
4. The amount of dividends for common shares is determined based on the recommendations of the board of directors and may not exceed this amount. 4- In accordance with Article 70 of the Executive Regulations of the Cooperative Insurance Companies Control System, the company's annual net profit, after deducting general expenses, other costs, and provisions, including legal zakat, provisions, and other reserves, shall be distributed to the holders of common shares in accordance with Articles 45 and 46 of the company's Articles of Association, as follows
 - a) To avoid paying zakat and income tax prescribed by law.
 - b) To set aside (100%) of net profits to form a legal reserve, the ordinary general meeting may stop this set aside when the total reserve reaches (100%) of the paid-up capital.
 - c) The Ordinary General Meeting may decide to form other reserves, to the extent that serves the interest of the Company or ensures the distribution of fixed profits as much as possible to shareholders.
 - d) A shareholder is entitled to his share of the profits in accordance with the decision of the General Meeting issued in this regard, and the decision shall specify the date of entitlement and the date of distribution. The right to dividends shall be for the shareholders registered in the shareholders' register at the end of the designated record date. and the company shall notify the Capital Market Authority without delay of any decisions to distribute dividends or recommendations to do so. The dividends to be distributed shall be paid to the shareholders at the place and on the dates determined by the Board of Directors, in accordance with the instructions issued by the competent authority, taking into account the prior written approval of the Insurance Authority.



The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis after obtaining the non-objection of the Insurance Authority and fulfilling the following requirements:

- 1- The ordinary general Meeting shall authorize the board of directors to distribute interim dividends pursuant to a decision that shall be renewed annually.
- 2- The company shall have good and regular profitability.
- 3- - The company shall have reasonable liquidity and be able to reasonably anticipate the level of its profits.
- 4- The company shall have distributable profits according to the latest reviewed financial statements sufficient to cover the proposed dividend distribution after deducting any dividends distributed or capitalized from those profits after the date of such financial statements.

Article (4): Shareholders Entitled to Receive Distributions

- 1- A list of shareholders entitled to receive distributions shall be prepared by the external registrar in accordance with the company's instructions.
- 2- The list of shareholders entitled to receive distributions must be prepared at the same time as the invitation to shareholders to attend the general meeting of shareholders and when the decision to distribute dividends is being considered.
- 3- This list must include the names of the registered shareholders as well as the names of the persons representing the shareholders who own the shares at the end of the trading day on the date of the general meeting.

Article (5): Payment of Declared Dividends

- 1- The board of directors must implement the general meeting's decision regarding the distribution of dividends to registered shareholders within (15) days from the due date of these dividends specified in the general meeting's decision or in the board of directors' decision to distribute interim dividends.
- 2- The company shall continue to pay the declared dividends for shares whose owners have not claimed their due dividends within the period announced in the previous paragraph.
- 3- - No interest shall be accrued on unclaimed dividends.
- 4- The company is responsible for paying the declared dividends, and therefore the company will be legally liable to the shareholders in case of failure to pay the dividends.
- 5- The preparation, coordination, and all arrangements required from the company related to the payment of dividends are the responsibility of the Investor Relations Department, which includes among its functions the relationship with shareholders.
- 6- The company shall notify shareholders of the date, place, and procedures for dividend payment by publishing this information through the same means used to publish the general meeting notice, or by sending letters to shareholders according to their addresses in the shareholders' register, as well as on the company's website.
- 7- The company may, for the purpose of organizing and completing the dividend payment process, engage an external party called a "paying agent," which is one of the banks with which the company deals. In any case, engaging an external party does not relieve the company of its legal responsibility to the shareholders with regard to the payment of dividends.
- 8- The company is obligated to notify shareholders in case of hiring or changing a "paying agent," using the same means of publication used for the general meeting notice, or by sending letters to shareholders according to their addresses in the shareholder register, or through its website.
- 9- The company shall handle matters related to the payment of declared dividends that are not stipulated in the law, the company's articles of association, or these regulations, in accordance with the best interests of the shareholders.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Handbook of Ethical Conduct and Relationship with Stakeholders

This policy approved by Board of Directors Resolution No. 131 dated 21/04/2024



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Article (2): Company Values

Article (3): Corporate Ethics Principles

Article (4): Ethical Standards for Company Relationships with Stakeholders

Article (5): Application

Article (1): General Introduction

- 1- Code of Ethics and Stakeholder Relations Guide for Saudi Arabian Cooperative Insurance Company (SACIC), a Saudi Public Joint Stock Company prepared in accordance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority, amended on 18/01/2023, and in accordance with the Insurance Companies Governance Regulations issued by the Insurance Authority on 22/10/2015, and in light of the Companies System, Securities Issuance Rules and Continuing Obligations.
- 2- Objectives of the Code of Ethics
 - a) Commitment to High Ethical behavior.
 - b) Encouraging Ethical Behavior and punishing non-compliance.
 - c) Fostering an Ethical Culture for Equal Application Across Board Members, Managers, and Employees.
- 3- By regularly implementing and adhering to this Guide in conjunction with the Corporate Governance Regulations, the Articles of Association, and the internal governance laws, the Company reaffirms its commitment to establishing and enhancing ethical conduct within its operations. Recognizing that ethical behavior extends beyond mere compliance with laws, and considering the significance of fostering investor, stakeholder, and community trust in the Company, this Guide goes beyond adherence to the laws and regulations applicable in the Kingdom by being prepared in light of the best global principles and practices.
- 4- The Board of Directors, executives, and employees of the Company have understood the Code of Ethics and collectively pledge and commit themselves to ensuring that the conditions contained in the Code will be respected and implemented.

Article (2): Company Values

The Company affirms its commitment to the following principles in all its internal and external relationships.

- a) Providing high-quality products and services.
- b) Leadership.
- c) Protecting shareholder rights.
- d) Environmental protection.
- e) Customer satisfaction.
- f) managing the company with integrity and honesty.

Article (3): Corporate Ethics Principles

- 1- The company is committed to ethical behavior in all its activities.
- 2- Ethical standards are based on the following principles:
 - a) Sincerity
 - b) Honesty
 - c) Justice
 - d) Transparency



- 3- in return, the company expects the same treatment from all parties with whom it deals.
- 4- The company's ethical standards focus on shareholders, investors, employees, customers, stakeholders, the government, and society as a whole.
- 5- those ethical standards are based on:
 - a) Respect for regulations, laws, and legislation in the Kingdom of Saudi Arabia.
 - b) Respect for human rights.
 - c) the company is managed with honesty and fairness, away from bribery and corruption, and from suspicious and unacceptable practices in its operations. The company does not give or receive gifts except within the limits of the customs of the business environment, and these gifts must be of no value.
 - d) Creating mutual benefits in all of the company's relationships. establishing and strengthening trust between the company and the community.
 - e) Respecting the environment in which the company operates.

Article (4): Ethical Standards for Company Relationships with Stakeholders

1- The relationship between the company and its employees

- A) The company considers its employees to be the foundation of its success, and therefore is committed to treating all employees with respect and trust and building a long-term relationship with them in accordance with the labor law in the Kingdom and respecting human rights, and the company does not use child labor.
- B) the company is committed to providing healthy and safe working conditions for its employees.
- C) The company is committed to preventing conflicts of interest that may affect the objectivity of employees and administrators in the company. In the event that employees and administrators are unable to prevent such conflicts, they must inform their supervisors and be excluded from decision-making processes.
- D) the company must treat all employees equally with respect to their appointment and promotion, and their rewards policy must be based on objectivity and impartiality, and a disclosure policy must be in place.
- E) Employees should be evaluated and rewarded based on objective performance measures.
- F) The company should organize training programs available to all employees for the purpose of developing their skills.
- G) The company must prohibit the use or disclosure of confidential information by employees and managers, and must implement the necessary and effective procedures for the circulation of confidential information. Regarding transparency in dealing with employees, the company must have a communication system with employees by holding meetings with them and consulting them on matters related to their working conditions and other topics that concern them.

2- The company's relationship with customers

Customer satisfaction is one of the company's top priorities, including providing safe, high-quality products and services at an appropriate price, and after-sales services are what define the company's relationship with its customers. The company always strives to fulfill its promises to its customers.



3- The company's relationship with its business partners

- a) The company believes that its long-term relationships with its business partners (agents, insurance brokers, partners, etc.) based on respect, trust, and fairness are the foundation of its success, and that the company will encourage its business partners to share in applying ethical standards.
- b) The company is committed to applying all regulations and rules related to combating money laundering and terrorist financing in the Kingdom by dealing only with suppliers, customers and other parties with whom they deal who apply those regulations and rules and their capital from legitimate sources.

4- The company's relationship with the state

- A) The company must pay the zakat and taxes due on it in full and on time for payment.
- B) The company is committed to implementing all legislation, regulations and laws related to its work, as well as optional charters and regulations.

Article (5): Application

1- The need to seek advice

"Given that many decisions, especially in the complex business environment, may involve numerous judgments regarding the appropriate ethical approach, all employees and managers in the company have the right to consult the Human Resources Manager or the Corporate Governance Officer, who will provide advice and guidance in accordance with the company's Code of Ethical Conduct.

2- Responsibility

Every person is responsible for their ethical conduct and adherence to the Code of Ethical Conduct, which is mandatory for all employees and managers of the company. It is an integral part of their employment contracts. All heads of departments in the company are committed to the CEO to implement this Code of Ethical Conduct in their departments and ensure that managers and employees understand it well.

Heads of departments provide assurances that all managers and employees are committed to applying all of the provisions in the Code of Ethical Conduct in all of their operations, and the CEO of the company presents these assurances to the Board of Directors.

All of the provisions in this Code of Ethical Conduct are part of the company's internal control system, and the company must periodically review and evaluate the provisions contained in this Code in order to improve it and ensure its effectiveness.

3- Settlement and treating complaints

The company dedicates a unit to handle incoming complaints, through dedicated phone lines and email addresses clearly displayed on its website, and links it to the internal complaints system to ensure its processing. The company also establishes an internal email address specifically for receiving and processing employee complaints.

- A) We take due care and explore all avenues to address incoming complaints and reach an amicable resolution with the complainant within (5) business days.
- B) Contacting the complainant upon receiving the complaint, and providing a subsequent means of communication that allows the complainant to engage with the company and follow up on their existing complaint or inquire about the company's response.



- C) Ensuring to provide appropriate and sufficient clarification for the inquiries of the complainant during communication with them, emphasizing the importance of providing necessary awareness regarding the complaint subject if required, and explaining all steps taken towards addressing the complaint, including supporting documents for processing and a settlement confirmation document.
- D) "The importance of studying recurring complaint issues and striving to improve the quality of communication with stockholders.
- E) Continuously verify the continued availability of access to the investor complaints system and submit an update request in case of any change in the identifier data within no more than (48) hours of its occurrence.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Conflict of Interest Policy Regulation

This regulation approved by Board of Directors Resolution No. 131 dated 21/04/2024.



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Article (1): General Introduction

- 1- I have prepared the Conflict of Interest Policy for the Saudi Arabian Cooperative Insurance Company, a Saudi joint stock company, in accordance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority and amended on 2024/01/18 AD, and in accordance with the Corporate Governance Regulations for Insurance Companies issued by the Insurance Authority on 2015/10/22 AD. This is in light of the company's Articles of Association, the Companies Law, Securities Offering Rules, Continuous Obligations, and the Executive Regulations of the Companies Law.
- 2- This policy regulates conflicts of interest and addresses potential conflict situations for members of the board of directors, executive management, and employees. This includes misuse of company assets and facilities, as well as misconduct arising from dealings with related parties.
- 3- "The aim of this policy is to assist members of the board of directors, executive management, employees, and shareholders in identifying potential conflicts of interest and establishing appropriate procedures for managing them.
- 4- Given that the potential for conflicts of interest is usually limitless and cannot be confined or defined in a set of procedures, it is expected that the actions of members of the Board of Directors, the Executive Management and employees of the company at all times in accordance with high standards of ethical conduct in matters characterized by confidentiality, and that they should also be responsible for seeking appropriate advice before engaging in activities that may be questionable.

Article (2): Definitions

- 1- The interested party is any board member, executive, officer, or employee of the company who has direct or indirect financial interests with the company.
- 2- "Financial interests arise when any board member, executive, officer, or employee of the company has financial interests with the company, either directly or indirectly, through their actions, investments, or through relatives, as follows:
 - A) Ownership, actual or potential investment in another company that has transactions or agreements with the company.
 - B) Actual or potential agreements for compensations or rights received from entities, companies, or individuals engaged in negotiations with the company regarding transactions or agreements.
- 3- Compensation includes direct and indirect benefits, gifts, and extraordinary services.
- 4- A person is not considered to have a conflict of interest unless the company's executives determine that a conflict of interest situation has occurred.
- 5- Relatives
 - Parents, grandparents, and their ascendants



- Children and their descendants
- Siblings or to a mother or father
- Husbands and wives

Article (3): Disclosure of conflicts of interest

- 1- The interested party is the one who is in an actual or potential conflict of interest situation, or who is unsure if they are in an actual or potential conflict of interest situation. They must disclose in writing to the Board of Directors or the Board Secretary the nature and degree of the actual or potential conflict of interest they face.
- 2- The interested party must disclose immediately upon realizing that they are in an actual or potential conflict of interest, and this disclosure must be detailed and accompanied by relevant facts.
- 3- "The Board of Directors or the Board Secretary shall review all disclosed conflict of interest cases as per paragraph (1) above, or those identified through a dedicated conflict of interest survey, and determine whether each case individually warrants further information. In the event that such information is requested, the interested party must provide it immediately.
- 4- "When the Board of Directors or the Board Secretary confirms the presence of an actual or potential conflict of interest, they must, within five days from the date of their review, provide specific written guidelines that the interested party must adhere to.

Article (4): Article 4: Guidelines for the Conflict of Interest for Board Members

- 1- Without permission from the General Assembly, a board member may not, each year, have a direct or indirect interest in the business and contracts conducted on behalf of the company. This excludes activities conducted through public competition if the board member has the best offer.
- 2- A board member must inform the board of any personal interest they have in the business and contracts conducted on behalf of the company, and this disclosure must be documented in the meeting minutes.
- 3- This member may not participate in voting on the decision issued in this regard by Board of Directors and shareholders' assemblies.
- 4- The interested party is not allowed to participate in voting on decisions related to this matter in the Board of Directors or the General Assembly.
- 5- Without an annual renewal permit from the General Assembly, a board member is not allowed to engage in any activity that competes with the company, have a direct or indirect personal interest, or trade in any branch of the company's business. The following must be considered:
 - a) Notify the Board of Directors of the competing activities he wishes to pursue, and document this notification in the minutes of the Board of Directors meeting.
 - b) The member with an interest shall not participate in voting on the decision to be issued in this regard in the Board of Directors and Shareholders' Meetings.
 - c) The Chairman of the Board shall inform the Ordinary General Assembly, during its convening, of the competitive activities pursued by a board member, after the Board of Directors has verified the competition of the board member in the company's activities or its competition in one of the branches of its business, according to standards set by the



General Assembly of the company - based on a proposal from the Board of Directors - and shall be published on the company's website, provided that these activities are verified annually.

- 6- If the Board of Directors refuses to grant the permit under Article (20) of the Executive Regulations of the Companies Law, the board member must submit his resignation within a deadline set by the Board of Directors. Otherwise, his membership on the board shall be terminated unless there is a decision to revoke the contract.
- 7- "Or he must resolve or rectify his situation according to the Companies Law and its executive regulations before the deadline specified by the Board of Directors expires."
- 8- "If the General Assembly refuses to renew the license granted under Articles 71 and 72 of the Companies Law and Article 48 of the Corporate Governance Regulations issued by the Capital Market Authority, the board member must submit his resignation within a deadline set by the General Assembly. Otherwise, his membership on the board shall be terminated unless there is a decision to revoke the contract or he resolves, reconciles his situation, or competes in accordance with the Companies Law and its executive regulations before the deadline specified by the General Assembly expires.
- 9- The company is not allowed to provide any type of cash loan to members of its board of directors or guarantee any loan made by one of them with a third party. Since the company's annual financial period ends on December 31 of each calendar year, the period prohibiting the transactions of board members and senior executives of the company in the company's shares applies during the following periods:
 - a. The 15 calendar days leading up to the end of the financial quarter until the announcement of the preliminary financial statements after their review."
 - b. The (30) calendar days preceding the end of the fiscal year until the date of announcement of the preliminary financial statements after their review or the audited annual financial statements.

Article 5: Conflict of Interest Guidelines for Executive Management and Company Employees

Chief Executive Officers and all company employees shall refrain from the following:

- a) Engaging in the business of competing companies.
- b) Engaging in any transactions with the company or having a direct or indirect personal interest without the approval of the Board of Directors or the General Assembly of Shareholders.
- c) Taking specific actions that could result in a conflict between their personal interests and the interests of the company.
- d) Using the company's rights and assets to achieve personal interests.
- e) Disclosing non-public or confidential information to parties with interests within the company.
- f) Using company information or investment opportunities for their personal benefit.
- g) Accepting gifts from individuals who may be influenced by the decisions of the Managing Director or Executive Managers, or accepting direct or indirect benefits from these individuals (refer to the Work Conduct Rules and Ethical Standards).

In any case, members of the Board of Directors and senior management who own any of the independent professional companies related to insurance, such as brokers and agents, that have dealings with the company must do the following:

- a. Disclose their ownership interest in the independent professional company to the Board of Directors in writing as soon as possible.
- b. Refrain from encouraging business dealings with the independent professional company they own.
- c. Refrain from voting on decisions related to dealings with the independent professional company they own. Disclosure must be made to the General Assembly upon its convening regarding dealings with independent professional insurance companies in which any member of the Board or senior management has a personal interest, the Chairman of the Board of Directors shall



provide the General Assembly with details of insurance contracts in which any member of the Board of Directors, senior management, or their related parties has an interest. This includes the type and size of these contracts and any resulting losses (if any).

Article (6): The company's commitment to disclosing cases of conflicts of interest

Without prejudice to the generality of the foregoing obligations, the company shall disclose in accordance with the requirements of the Capital Market Authority:

- 1- By notifying the Authority and the public without any delay when the company contracts or deals with a related party if this contract or dealing is equal to or exceeds 1% of the company's total revenues according to the latest audited annual financial statements.
- 2- -Included in the Board of Directors' Report:
 - a. A description of any transaction between the company and a related party.
 - b. Information regarding any contracts or activities in which the company is a party and in which there is or was an interest for any member of the Board of Directors, the CEO, the CFO, or any person related to any of them. If there are no such activities or contracts, the company must provide a declaration to that effect.

Article (7): Licensing regulations for business activities and contracts conducted on behalf of the company, in which a board member has a direct or indirect interest

1. Works and contracts that do not require a license:

Works and contracts that are carried out to meet personal needs do not fall within the scope of direct or indirect interests for which the approval of the general assembly is required if they are carried out under the same conditions and terms that the company follows with its contractors and dealers, and if these works and contracts are within the company's usual business.
2. Board of Directors' authorization based on a delegation from the general assembly:
 - a) The general assembly has the right to delegate the licensing authority specified in paragraph (1) of Article (71) of the Companies' System to the board of directors, provided that the delegation is subject to the following conditions.
 - b) That the total amount of the work or contract, or the total of the works and contracts during the fiscal year, is less than 1% of the company's revenues according to the latest audited financial statements, and is less than 10 million Saudi riyals.
 - c) That the work or contract does not include preferential terms for a member of the board of directors, and is on the same terms and conditions that the company follows with all contractors and dealers.
 - d) That the work or contract is not one of the consulting works or contracts that the board member performs – under a professional license for the benefit of the company in accordance with Article (3) of the regulations and procedures issued pursuant to the Companies' System.
 - e) A member of the board of directors shall be responsible for accounting for the transactions referred to in first subparagraph of paragraph (a) in which he has a direct or indirect interest during the fiscal year.
 - f) The maximum duration of the delegation is one year from the date of the approval of the ordinary general assembly to delegate its powers to the board of directors or until the end of the term of the delegated board, whichever comes first.
 - g) No member of the board of directors may vote on the items of delegation and cancellation of delegation at the ordinary general assembly.
- 3- Authorization from the General Assembly:

If the ordinary general assembly does not delegate the licensing authority referred to in paragraph (2) or if the conditions for granting the license referred to in paragraph (a) of paragraph (2) are not met, the license must be obtained from the ordinary general assembly for



works and contracts that are carried out on behalf of the company and in which a member of the board of directors has a direct or indirect interest.

4- indirect interest:

An indirect interest is considered if the works and contracts that are carried out on behalf of the company can achieve financial or non-financial benefits for the following categories, for example but not limited to:

- a) Relatives of a member of the board of directors.
- b) A Joint Liability Company, limited partnership, or limited liability company in which he or any of his relatives is a member of the board of directors, partner or a manager.
- c) A joint-stock company in which a member of the board of directors or any of their relatives owns, individually or collectively, 5% or more of the total number of its ordinary shares.
- d) An entity other than companies that is owned or managed by a member of the board of directors or any of his relatives.
- e) An entity or company in which the member or any of his relatives is a member of the board of directors or a senior executive, except for subsidiaries of the company
- f) A legal entity represented by a member of the board of directors

(Refers to relatives as defined in the Corporate Governance Regulations)

Article (8): Acceptance of Gifts

No member of the board of directors or senior executive may accept gifts from any person who has business dealings with the company, if those gifts could lead to a conflict of interests (see the Codes of Business Conduct and Ethical Standards)

Article (9): Conflict of Interests policy

All members of the board of directors, executive management, and company employees sign a statement in which they confirm that each of them:

1. Has received a copy of the Conflict of Interest Policy.
2. Has read and understood all of the provisions of the policy.
3. Agrees to comply with the policy.

Article (10): Illustrative Examples of Conflict of Interest Cases

- 1- When one of the "interested persons" establishes a company that engages in activities similar to those of the company.
- 2- That one of the interested persons uses their position in the company, or the information, or business opportunities that they obtain during their work in the company to obtain benefits for themselves or for others.
- 3- When an "interested person" such as a member of the Board of Directors makes a decision or enters into a transaction or purchase for the benefit of a company in which they have an interest.
- 4- When an 'interested person' engages in any activities that have interests that may make it difficult for them to perform their work in the company.
- 5- When an 'interested person' such as a board member takes financial compensation in exchange for providing consulting services to another company that competes with the company, meaning that the nature of its work and activity is similar to one of the activities of the main company.
- 6- Interceding for the employment of relatives and friends in the company or its subsidiaries or recommending them. In the event that a relative applies for a job with the interested persons, they should not intercede for them and should let things go according to the procedures and policies set by the company without any influence or interference, directly or indirectly.



- 7- That an employee and/or one of their relatives engages in any work for suppliers, subcontractors, or competitors.
- 8- That a member of the board of directors or a member of senior management owns or holds a position in professional services firms that have a relationship with SAICO Company.



Disclosure Form

1- Disclosure of ownership in any of the professional services firms related to insurance such as brokers and agents that have dealings with the Saudi Arabian Cooperative Insurance Company whether directly or indirectly.

Company Type	Company Name	Equities
<input type="checkbox"/> Insurance company		%
<input type="checkbox"/> Reinsurance company		%
<input type="checkbox"/> Self- Employment Companies		%
<input type="checkbox"/> None		

2- Disclosure of any dealings with related parties in the Saudi Arabian Cooperative Insurance Company whether directly or indirectly:

Company Type	Company Name	Contract Value:	Period of the Contract:
<input type="checkbox"/> Insurance contract			
<input type="checkbox"/> "Non-insurance contract"			
Please specify the type of contract			
<input type="checkbox"/> None			

3- "Disclosure of participation in competing businesses (this refers to participating in a business that could compete with the company or compete with it in one of the branches of activity that it carries out)"

Company Type	Company Name	Equities
<input type="checkbox"/> Insurance / Reinsurance Company		%
<input type="checkbox"/> Self- Employment Companies		%
<input type="checkbox"/> None		

4- I confirm that if I have any dealings with the company, I will refrain from encouraging dealings with the freelance company in which I have ownership and refrain from voting on any decisions related to dealing with it. I pledge to update the form if there are any changes to what has been disclosed and to inform the Secretary of the Board of Directors.

Name of Member/Employee

Title

Date:

Signature:



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Policies and Procedures for the Nomination and Appointment of Members of the Board of Directors and its Affiliated Committees

This regulation was updated by Board of Directors Resolution No. 131 dated 21/04/2024, and approved by the General Assembly on 4th June 2024.



Candidate Application Submission

Applications and attachments should be sent to the attention of the Investor Relations Officer at the General Administration of Saudi Arabian Cooperative Insurance Company (SAICO) at one of the following addresses:

P.O. Box 58073, Riyadh 11594

Email: investor_relations@saico.com.sa

Nomination Conditions:

1. The candidate should possess the necessary experience, integrity, and talents to contribute to enhancing the company's ability to perform optimally.
2. That no decision or judgment has been issued against him/her by any judicial or other authority.
3. A candidate for board membership shall not be a member of the board of directors of more than five listed public companies simultaneously.
4. To possess leadership skills that qualify him/her to delegate authority in a way that motivates performance and implements best practices in the Kingdom. Saudi Arabia in the field of effective management and adherence to professional values and ethics.
5. To possess the appropriate educational qualifications, professional and personal skills, and the relevant level of training and practical experience related to the company's current and future activities or to management, economics, accounting, or law, as well as a desire to learn and train.
6. To possess technical, leadership, and administrative capabilities, the ability to make quick decisions, and an understanding of the technical requirements related to [specific field or project]. Additionally, the ability to provide strategic direction and planning, and a clear vision for the future.
7. To be able to read and understand financial data and reports.
8. To not have a medical condition that exempts him/her from performing his/her duties and responsibilities.
9. To possess independence and avoid conflicts of interest.
10. Not to be an employee of the government.
11. Not to be insolvent or bankrupt.
12. To submit a written and signed notice expressing his/her clear desire to run for membership in the council.
13. To provide a profile that includes his/her CV, qualifications, and experience in the company's business field, if any.
14. To provide a statement of the joint-stock companies in whose boards of directors he/she still serves as a member.
15. To provide a statement of the names of the companies or institutions that he/she participates in the management or ownership of, directly or indirectly, and that carry out business similar to the company's business.
16. To clarify any relationship of kinship or otherwise that he/she has with any of the company's major shareholders, or with any of its external auditors.
17. To provide a statement of the existing contracts and transactions with the company or any business in which he/she has an interest, directly or indirectly.
18. To attach a copy of his/her ID, family register, and personal contact information.
19. To must fill out the suitability form issued by the insurance authority and attach it to the application for nomination, and the form can be obtained from the insurance authority's electronic website.
20. To complete Disclosure Form No. 3 issued by the Capital Market Authority and attach it to the application for nomination. The form can be obtained from the CMA's electronic website.
21. To provide any additional documents that may be requested by the supervisory authorities or by the company.

In addition, a candidate who has previously served as a member of the company's board of directors must submit a statement from the company's management, including the following information about the last term in which he/she served on the board:

- a. The number and dates of the board of directors' meetings held during each year of his/her membership, the number of meetings he/she attended in person, and the percentage of his/her attendance to the total number of meetings.



- b. The standing committees in which the member participated, the number and dates of the meetings held by each of these committees during the years of his/her membership in them, the number of meetings he/she attended in person, and the percentage of his/her attendance to the total number of meetings.
- c. A summary of the financial results achieved by the company during his/her membership on the board of directors.

Board of Directors Composition:

1. The composition of the board of directors should reflect appropriate representation of independent members. In all cases, the number of independent board members shall not be less than two or one-third of the total number of board members, whichever is greater.
2. The board should generally have diversity in terms of qualifications, knowledge, experience, and skills in the various fields of the company's business. In addition, each member should possess an appropriate level of qualifications, knowledge, experience, skills, integrity, leadership ability, guidance, competence, financial literacy, and physical fitness to fulfill their role and responsibilities effectively.

Procedures for nominating potential board members:

"The nomination procedures for board members should take into account the following:

1. Provide ample time for submitting nominations for board membership, with the nomination period remaining open for at least one month from the date of the announcement.
2. The Nominations and Compensation Committee shall review the nominations for board membership and document all relevant information and recommendations.
3. Obtain written clearance from the insurance authority before electing any board members.
4. Provide shareholders with sufficient information about the nominees, their qualifications, and their relationships with the company before voting on their election. A copy of this information shall be made available at the company's headquarters and on its website.
5. Adopt the cumulative voting method when voting in the general assembly on the appointment of board members.
6. Notify the insurance authority in case of rejecting any of the nominations for board membership, specifying the reasons for rejection.
7. The number of nominees for board membership proposed to the general assembly must exceed the number of available seats. This ensures that the general assembly has the opportunity to choose from among the nominees and limits voting in the general assembly to the nominees for board membership whose information has been announced by the company.

Nomination and appointment:

The Nominations and Remuneration Committee shall ensure, to the best of its ability, that the appointment of the chair of each committee of the board has been made in compliance with the regulations and systems issued by the supervisory authorities, including the following requirements:

1. All members of the board shall be appointed by the general assembly.
2. All members of the Audit Committee shall be non-executive directors, with at least one independent member, and the committee's chair and members shall not be elected for more than two consecutive terms.
3. The appointment of all members of the board of directors and members of the committees formed by the board of directors of an insurance company requires the non-objection of the insurance authority.

Nominations and Remuneration Committee:

The tasks and responsibilities of the Nominations and Remuneration Committee include the following:



- 1) The Nominations and Remuneration Committee shall recommend to the board of directors candidates for membership of the board and its committees in accordance with the regulatory requirements, policies, and approved standards. The committee shall ensure that no person is nominated for membership of the board or its committees who has been previously convicted of a crime involving a breach of honor or integrity.
- 2) Prepare a description of the skills and qualifications required for membership of the board of directors and its committees, including the time that a member must dedicate to the work of the board and its committees.
- 3) Evaluate and monitor the independence of board and committee members at least annually and ensure that there is no conflict of interest in cases where a member serves on the board of directors of another company.
- 4) Evaluate the performance of board members, the overall performance of the board, and the individual performance of its members and committees on a regular basis (annually).

Board membership:

Executive board member: An executive director is a member of the board of directors of a company who also serves as a member of the company's executive management team and participates in the day-to-day management of the company. Executive directors typically receive a monthly salary for their services.

"A non-executive director: A member of the board of directors of a company who provides advice and counsel to the board but does not participate in the day-to-day management of the company. Non-executive directors typically do not receive a salary for their services."

Independent member: Independent director This means that the member is completely independent of the management and the company. Independence means having the ability to judge matters after considering all relevant information without any influence from management or external parties. The board of directors shall conduct an annual assessment of the independence of its members to ensure that there are no relationships or circumstances that affect or could affect their independence. Independence is not achieved for a member of the board of directors in the following cases, by way of example and not limitation:

- 1) If he owns 5% or more of the company's shares or shares of a related company, or is related to someone who owns this percentage, or if he is a representative of a major shareholder or works for his benefit.
- 2) If he is a member of the board of directors of a related company or a subsidiary, or if he has held such a position during the past two years.
- 3) If he has been a member of the board of directors of the company for more than nine years, whether consecutive or non-consecutive.
- 4) If he has held a position in the senior management of the company or in the management of a related company or with a major shareholder or has held a position there during the past two years. If he is an employee of the company or of a related company or of a company that provides services to the company (such as auditors, consulting firms, etc.).
- 5) if he has previously worked for one of these parties during the past two years or has been an owner of controlling shares in any of these parties during the past two years.
- 6) If he is related to a member of the board of directors or a member of the senior management of the company or of a related company.
- 7) If he has a direct or indirect interest in the business and contracts conducted on behalf of the company.
- 8) If he has a financial obligation to the company or to any of its senior management members in a way that could affect governance and decision-making with complete independence.
- 9) If he receives financial amounts from the company in addition to the board of directors' membership fee and membership of the company's committees.
- 10) If he is involved in a business that competes with the company, or if he trades in one of the branches of activity that the company carries out.



Provisions for Termination of Membership on the Board of Directors:

Membership on the board of directors terminates in accordance with the company's articles of association for one of the following reasons:

- 1- Expiration of term, resignation, death, or mental illness or physical disability that may prevent the member from performing their duties fully.
- 2- Ineligibility of the member to continue exercising their responsibilities under any of the systems or regulations applicable in the Kingdom of Saudi Arabia.
- 3- - If the board of directors establishes that the member has breached their duties in a manner that harms the interests of the company, provided that the termination of membership is coupled with the approval of the ordinary general meeting.
- 4- If he/she is absent from attending three consecutive meetings during the same year without a legitimate excuse.
- 5- If he/she is declared bankrupt or insolvent, enters into a settlement with his/her creditors, or stops paying his/her debts.
- 6- If he/she is convicted of committing an act dishonorable or lacking integrity, or of forgery, or of violating the systems and regulations in the Kingdom of Saudi Arabia or in any other country.
- 7- Upon the termination of membership of a member of the board of directors by any of the methods of termination of membership, the company shall notify the Capital Market Authority immediately, stating the reasons that led to such termination.
- 8- The general meeting may at any time remove all or some of the members of the board of directors.
- 9- The board of directors may, by a majority vote of its members, remove the chairman of the board from his duties at any time.
- 10- If a member of the board of directors resigns and has comments on the company's performance, he/she must submit a written statement to the chairman of the board and the statement must be presented to the members of the board of directors.
- 11- The Insurance Authority must be notified upon the resignation of any member of the board or if his/her membership terminates for any reason other than the end of the board's term, within (5) working days from the date of leaving the job.



Saudi Arabian Cooperative Insurance Company (SAICO)

Saudi Joint Stock Company

Social Liability Policy

This policy approved by Board of Directors Resolution No. 131 dated 21/04/2024, and approved by the General Assembly on 4th June 2024.



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Article (1): General Introduction

The company aims to contribute effectively to social responsibility in accordance with the systems and laws issued by the relevant authorities, through the initiatives it provides in social work, its contribution to participation, support and adoption of social work and environmental protection, and the company also strives to encourage stakeholders to participate in social work, whether inside or outside the company.

Article (2): Definitions

- 1) Saudi Arabian Cooperative Insurance Company (SAICO)
- 2) Social Liability It is a religious and ethical commitment to society, based on which establishments make voluntary contributions to social work, and integrate social and environmental initiatives into their commercial activities to achieve the required solidarity and cooperation in many fields that will achieve sustainability and comprehensive development for society in all its categories.
- 3) "Corporate Social Responsibility (CSR) Team": It is a group of some of the company's employees or from outside it, work is coordinated between them to carry out targeted activities, initiatives, and programs in line with the company's goals in community.
- 4) Sustainable Development: It is a specific mechanism that ensures meeting the requirements of the present time while ensuring its continuity for future generations in the future.
- 5) Stakeholders are the groups or individuals who have a direct or indirect relationship with the company's activities, initiatives, or development.
- 6) Corporate Social Responsibility (CSR) Initiatives They are programs and activities specifically designed to meet specific social responsibility goals.

Article (3): Policy Scope

The scope of this policy covers the company, including its board of directors, its committees, its executive management, and all employees of the company.

Article (4): Policy Objectives

The Social Responsibility Policy aims to achieve the following:

- 1- Establish a methodology and institutional framework for social responsibility in the company, and disseminate its principles and culture among company members.
- 2- Encourage and motivate company members to raise their awareness of their social responsibilities and create a spirit of cooperation and solidarity towards society.



- 3- Strengthening relationships with stakeholders and building greater trust with the community to enhance the company's image and reputation positively.
- 4- Enhancing financial savings by increasing productivity, resource efficiency, and reducing energy, water, and waste consumption, which has a direct impact on the environment and society.
- 5- Achieving sustainable development for society in general and company members in particular.

Article (5): The basic rules and provisions for social responsibility activities and programs

- 1- The company and all its members are committed to complying with all state systems and related regulations issued by the supervisory and regulatory authorities, and respecting international standards and practices approved by the state in relation to initiatives and participation in social work and activities.
- 2- The company's social responsibility initiatives and programs should not be limited to financial or in-kind contributions, but should also extend to participating in activities and projects that serve the community as a whole or the target group in particular.
- 3- All implemented social programs, initiatives, and activities should be subject to evaluation, review, and measurement according to specific scientific and professional criteria.
- 4- Strive to diversify participation in social programs, initiatives, and activities in various fields, including but not limited to health, education, training and rehabilitation, charity, environmental, and agricultural fields, and avoid limiting them to specific areas.

Article (6): Ethical Standards for Company Relationships with Stakeholders

The company's relationship with the community

- A) The company considers itself an integral part of the community in which it operates and is committed to building its relationship with the community on the foundations of respect, trust, integrity, and justice.
- B) The company strives to create job opportunities for members of the community.
- C) Environmental protection is a top priority for the company, and the company strives to minimize any negative impact of its operations on the environment by reducing waste, emissions, fumes, and optimizing energy use.
- D) All operations and activities should be carried out with a high level of care in accordance with international standards.
- E) The company is committed to helping its community by supporting a range of charitable, educational, and similar activities.
- F) The company strives to build strong relationships with non-governmental organizations (NGOs) to create a better society and maintain the cleanliness and safety of the community as a whole.