



The Board of Directors of Bupa Arabia for Cooperative Insurance Company (the Company, or Bupa Arabia) is pleased to present the Annual Board Report (ABR) covering the Company's financial results and achievements for the twelve-month period ended 31/12/2019.

This ABR must be read in conjunction with the Company's stock exchange announcements, and the Annual Report & Accounts (ARA), which ARA includes the Annual Financial Statements (AFS) and, where not repeated herein, so as to avoid repetition, the contents of this ABR shall be considered to include all Company announcements, the ARA, and all AFS contents, in fulfilment of the regulatory requirements of the ABR.

All Bupa Arabia stakeholders are additionally referred to the Bupa Arabia Website's Investor Relations section, for key information about the Company's results, governance, stock exchange announcements and General Assembly (GA) minutes.

This ABR includes the most important developments, financial results, operational activities, and outlook disclosures, in compliance with the rules and regulations of the Kingdom of Saudi Arabia (KSA, or the Kingdom, or Saudi Arabia) and for comparative purposes uses the twelve month periods ending 31/12/2019 and 31/12/2018.

1. Activities:

a) Main activities:

Bupa Arabia is a publicly listed Saudi joint stock company (listed 17/05/2008) registered in Saudi Arabia under Commercial Registration number 4030178881, issued 10/05/2008, specialising in cooperative health insurance activities and operating in accordance with the relevant rules of all the relevant regulatory bodies in the Kingdom.

The Company's first fiscal period commenced on the issuance of the ministerial declaration to establish the Company (issued on 01/05/2008), and ended on 31/12/2009, and these financial statements represent the eleventh statutory financial statements of the Company.

b) Third Party Administration (TPA) activity:

As announced, on 01/01/2018, Bupa Arabia signed a TPA Services Agreement with Saudi Aramco which entails providing TPA services to Saudi Aramco employees, retirees, and their dependents, effective from 01/03/2018.

2. Business results and financial highlights:

2019 was a record trading year for Bupa Arabia. Despite the continuing economic challenges, and stagnant health insurance market, Bupa Arabia increased its written premiums by 21.5% over 2018. This was a true milestone as represents the first time Bupa Arabia has written premiums in excess of SR10b.

2019 also saw a growth in shareholder's income before zakat and income tax of 34.2%, to SR713m. This was achieved through higher reported net underwriting results, due mainly to a combination of improved earned premiums and margins. Net income was also higher in 2019, as a result of higher investment income, despite an increase in operating expenses during the year.

2019 was also a record year for investment income, reporting a growth rate of 27.6%, primarily as a result of a larger investment portfolio, which was supported by growth in cash flows from operations.

Despite the growth in business in 2019, the Company effectively managed to contain the bad debt provision during the year, while achieving record premium collections in excess of SR9.6b.

Bupa Arabia distributed fiscal year 2018 dividends to its shareholders of SR180m in 2019, compared to SR160m in 2018 (+13%), for the fiscal year of 2017, while reporting a healthy solvency position throughout the year. Please refer to section 6 for the Company Dividend Policy and Dividend History.

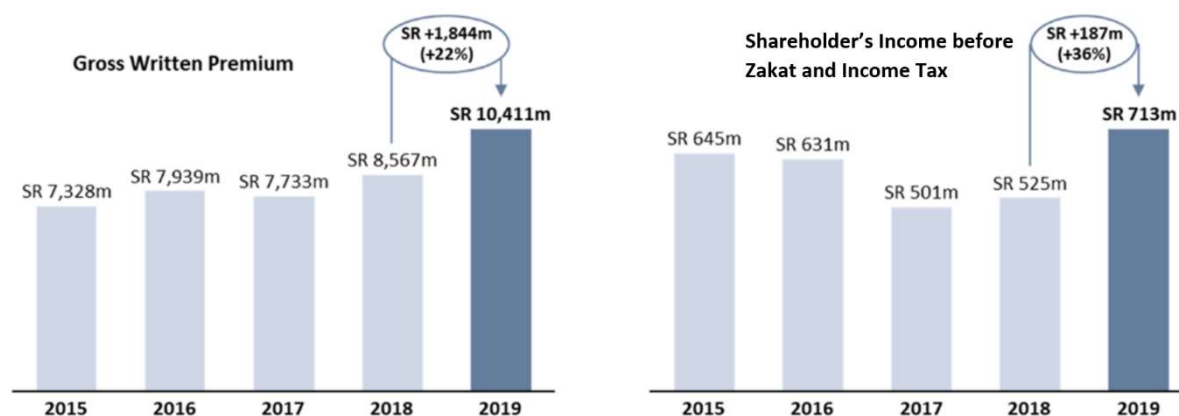
2.1 Summary profit results:

The below table shows the key financial metrics for the fiscal periods 2015-2019:

| Statement of Operations | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | SR000s 12 months | SR000s 12 months | SR000s 12 months | SR000s 12 months | SR000s 12 months |
| Gross written premiums (GWP) | 7,328,016 | 7,938,630 | 7,732,961 | 8,566,648 | 10,410,868 |
| Net earned premiums (NEP) | 6,739,398 | 7,667,316 | 7,672,314 | 8,150,242 | 9,371,291 |
| Total revenue | 6,758,649 | 7,797,710 | 7,830,146 | 8,348,460 | 9,630,246 |
| Gross claims paid | 5,007,697 | 5,944,793 | 6,428,617 | 6,708,524 | 7,655,078 |
| Net claims incurred (NCI) | 5,211,046 | 6,178,445 | 6,405,003 | 6,788,985 | 7,749,297 |
| Total expenses | 829,408 | 923,163 | 874,137 | 985,317 | 1,101,461 |
| Surplus from insurance operations | 731,176 | 653,949 | 503,919 | 487,272 | 1,101,461 |
| Shareholder's net income before Zakat and Income Tax | 645,077 | 630,705 | 500,614 | 525,431 | 712,654 |
| Underlying Results | 664,628 | 535,639 | 346,501 | 359,469 | 490,761 |
| Loss Ratio | 77.30% | 80.60% | 83.50% | 83.30% | 82.69% |
| Earnings Per Share (EPS) | 5.38 | 5.26 | 4.18 | 3.70 | 4.97 |

2.2 Historical key financial figures

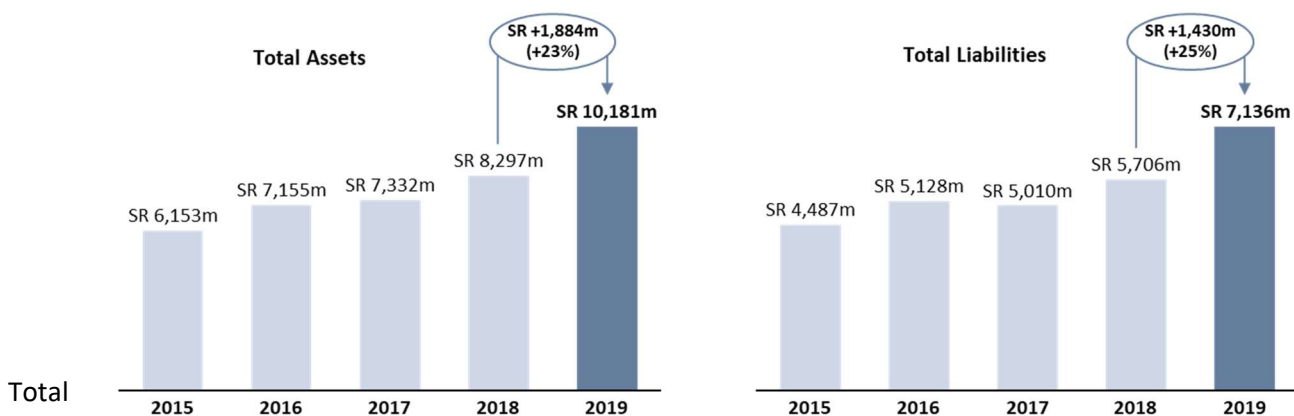
The below charts summarize Bupa Arabia's GWP, and Shareholder's Income before Zakat and Income Tax, respectively, for the fiscal periods 2015-2019:



Bupa Arabia's GWP grew by SR1,844m (+22%), to SR10,411m, while Shareholder's Income before Zakat and Income Tax grew by SR187m (+36%), to SR713m.

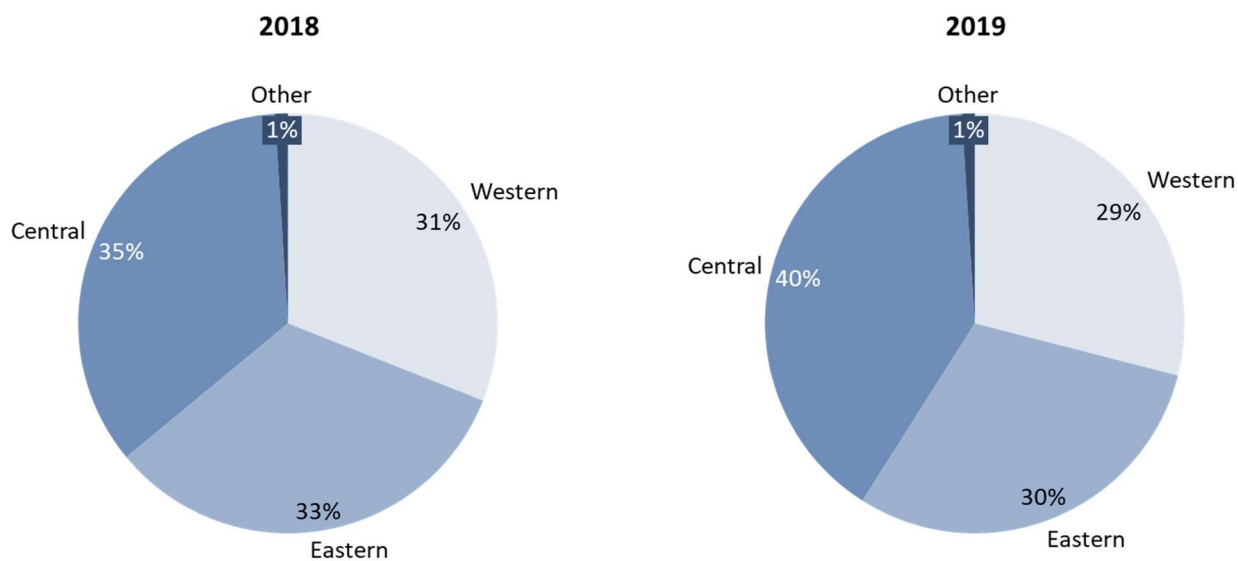
2.3 Historical Financial Position

The below charts highlight Bupa Arabia’s financial position for the fiscal periods 2015-2019:



Assets increased by SR1,884m (+23%), to SR10,181m, this growth primarily driven by growth in cash, investments and premium receivable balances. Total liabilities grew by SR1,430m (+25%), to SR7,136m, mainly due to the increase in unearned premiums, outstanding claims and other accrued liabilities.

2.4 Geographical analysis of Gross Written Premiums (GWP):



2019 witnessed a noticeable growth in premiums written in the Central region with the acquisition of a few key corporate accounts, surpassing the growth experienced in other regions.

2.5 Summary balance sheets:

| ASSETS | 2015 SR000s | 2016 SR000s | 2017 SR000s | 2018 SR000s | 2019 SR000s |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| Cash and cash equivalents | 798,862 | 225,830 | 229,884 | 290,413 | 665,709 |
| Term deposits | 3,547,529 | 4,045,310 | 3,945,383 | 4,715,281 | 5,063,976 |
| Investments | 624,928 | 1,258,420 | 1,721,690 | 1,621,491 | 1,840,832 |
| Prepayments and other assets | 95,046 | 148,991 | 170,528 | 202,985 | 276,643 |
| Premiums receivable - gross | 863,715 | 1,123,540 | 1,013,656 | 1,119,902 | 1,886,564 |
| Allowance for doubtful premiums receivable | (114,266) | (142,997) | (142,674) | (169,231) | (197,187) |
| Premiums receivable - net | 749,449 | 980,543 | 870,982 | 950,671 | 1,689,377 |
| Reinsurer's share of unearned premium | 900 | 1,356 | 5,146 | 6,320 | 20,625 |
| Reinsurer's share of outstanding claims | 3,012 | 1,720 | 1,030 | 3,014 | 5,190 |
| Deferred policy acquisition costs (DAC) | 78,415 | 72,281 | 71,076 | 118,323 | 134,022 |
| Amount due from insurance operations | - | 148,477 | - | - | - |
| Goodwill | 98,000 | 98,000 | 98,000 | 98,000 | 98,000 |
| Tangible and intangible assets (prev. Furniture, fittings and equipment) | 77,167 | 90,945 | 133,497 | 138,516 | 225,686 |
| Accrued Interest on statutory deposit | - | 3,585 | 5,121 | 6,882 | 10,820 |
| Statutory deposit | 80,000 | 80,000 | 80,000 | 120,000 | 120,000 |
| Deferred tax asset | 0 | 0 | 0 | 25,552 | 30,216 |
| TOTAL ASSETS | 6,153,308 | 7,155,458 | 7,332,337 | 8,297,448 | 10,181,096 |
| LIABILITIES AND SURPLUS | 2015 SR000s | 2016 SR000s | 2017 SR000s | 2018 SR000s | 2019 SR000s |
| Unearned premiums (UEP) | 2,890,679 | 3,094,990 | 3,091,079 | 3,428,131 | 4,376,219 |
| Outstanding claims provision (OCP) | 1,054,369 | 1,321,622 | 1,341,536 | 1,472,681 | 1,627,708 |
| Reinsurance balance payable | - | 15,117 | 39,613 | 50,636 | 54,413 |
| Accrued expenses and other liabilities | 312,643 | 237,017 | 212,067 | 367,204 | 545,028 |
| Obligation under Long-Term Incentive Plan (LTIP) | - | - | - | - | - |
| Amount due to shareholders' operations | - | 148,477 | - | - | - |
| Policyholders' share of surplus from insurance operations | 154,299 | 169,884 | 138,581 | 139,755 | 168,454 |
| Accrued Zakat and income tax | 42,577 | 116,953 | 148,704 | 199,784 | 274,709 |
| Accrued Interest on statutory deposit | - | - | 5,121 | 6,882 | 10,820 |
| Amount due to related parties | 32,201 | 24,344 | 33,586 | 41,095 | 78,848 |
| Total liabilities | 4,486,768 | 5,128,404 | 5,010,287 | 5,706,168 | 7,136,199 |
| Total equity | 1,666,540 | 2,027,054 | 2,322,050 | 2,591,280 | 3,044,897 |
| Total liabilities and equity | 6,153,308 | 7,155,458 | 7,332,337 | 8,297,448 | 10,181,096 |

3. Statutory payments and payable to regulatory bodies:

| Regulator: and Description | Paid | | Paid Change | Payable | | Payable Change |
|---------------------------------------|----------------|----------------|------------------------|----------------|----------------|------------------------|
| | 2018 SR000s | 2019 SR000s | 2019 vs 2018 SR SR000s | 2018 SR000s | 2019 SR000s | 2019 vs 2018 SR SR000s |
| GAZT : Zakat and Income Taxes | 38,119 | 48,597 | 10,478 | 199,784 | 274,709 | 74,925 |
| GAZT : Value Added Tax (VAT) | 329,900 | 214,400 | (115,500) | 13,239 | 12,504 | (735) |
| GAZT : Total | 368,019 | 262,997 | (105,022) | 213,023 | 287,213 | 74,190 |
| SAMA: Levies | 42,252 | 48,233 | 5,981 | 6,130 | 9,951 | 3,821 |
| CCHI: Levies and License Fees | 84,504 | 96,467 | 11,963 | 12,260 | 19,902 | 7,642 |
| TOTAL: Levies and license Fees | 126,756 | 144,700 | 17,944 | 18,390 | 29,853 | 11,463 |
| CMA/Tadawul: Service and License Fees | 960 | 1,145 | 185 | - | - | - |
| GOSI | 30,083 | 30,553 | 470 | 2,654 | 2,548 | (106) |
| Total | 525,818 | 439,395 | (86,423) | 234,067 | 319,614 | 85,547 |

3.1 The General Authority of Zakat and Income Tax (GAZT):

The total paid during 2019 for Zakat and Income Tax was SR48.6m, of which SR24.7m was for the 2018 GAZT returns, SR20.9m for 2019 advance tax, and SR3.0m for contract retention release letters. The SR274.7m payable to the GAZT includes SR72.8m payable in 2020 for 2019 zakat and tax returns, and the remainder is predominantly additional contingency provisions for Zakat matters.

Additionally, SR6.8m was paid during 2019 for withholding taxes and SR10.2m has been provided in the 2019 results' related to withholding taxes payable in 2020.

During 2019 Bupa Arabia settled SR214.4m to the GAZT for VAT payments and had SR12.5m VAT payable at the end of the year.

Additionally, SR46k was paid to the GAZT for a fine, refer section 3.6.

3.2 The Saudi Arabian Monetary Authority (SAMA):

The total paid to SAMA for levies was SR48,233k, of which SR42,103k was for the first three quarters of 2019 and SR6,130k for the fourth quarter of 2018. The 2019 results include a provision for the 2019 fourth quarter levies of SR9,951k. The increase in levies in 2019 is due to the increase in GWP. Additionally, SR150k was paid to SAMA for a fine, refer section 3.6.

3.3 The Council for Cooperative Health Insurance (CCHI):

The total paid to the CCHI for levies was SR96,467k, of which SR84,207k was for the first three quarters of 2019 and SR12,260k for the fourth quarter of 2018. The 2019 results include a provision for the 2019 fourth quarter levies of SR19,902k. The increase in levies in 2019 is due to the increase in GWP.

3.4 The General Organization for Social Insurance (GOSI):

The total paid to GOSI during the year was SR30,553k, which included a payment of SR2,535k for 2018. An amount of SR2,548k is provided in the 2019 results for the 2019 related GOSI commitments, which is payable in 2020.

3.5 Tadawul and the Capital Market Authority (CMA):

The Company paid SR1,145k to Tadawul/the CMA during 2019, which included SR591k for service fees, SR400k for annual listing fees, and SR154k for other fees.

•3.6 Regulatory penalties:

During 2019 the company paid a total of SR196k in penalties to regulatory bodies, of which SR150k to SAMA for a fine imposed by SAMA in relation to an Anti-Money Laundering (AML) violation versus the SAMA requirements, and which subsequently rectified to the satisfaction of SAMA, and SR46k to the GAZT for an Income Tax delay fine. Procedures have been enhanced to prevent any non-compliance in these areas in the future.

4. Maintenance of proper records and books of account:

As required in terms of the CMA disclosure requirement of Article 90, paragraph 39, point a), and as required by Saudi Arabian insurance regulations, the Company, and the Board, confirms that proper books of account have been maintained and that it maintains separate accounts for each of Insurance Operations and Shareholder Operations, within its accounting records, and can confirm that it has maintained proper accounting records during the financial year.

5. Unqualified opinion of the independent external auditors:

The joint independent external auditors' report contains an unqualified opinion that the financial statements, taken as a whole, present fairly in all material aspects the financial position of the company and that the financial statements comply with the requirements of the Regulations for Companies and the Company's By-Laws.

6. Dividends and the Company's policy for the distribution of profits:

As required in terms of the CMA disclosure requirement of Article 90, paragraph 24, the Company's By-Laws state the following with respect to the calculation and distribution of profits:

- The exclusion of Zakat and Income Tax.
- That 20% of net profits are allocated to form a statutory reserve. The general assembly has the authority to cease this transfer once the statutory reserve is equivalent to the paid up capital of the company.
- Based on the Board's recommendation, the general assembly can also hold a particular percentage of the annual net profit to form a reserve and it may allocate it to purposes of its choosing.
- The balance shall be distributed as a first payment in the amount not less than 5% of paid-up capital to the shareholders.
- The remaining balance shall be distributed to the shareholders as a share in the profits or to be transferred to the retained profits account.
- The Board may issue a decision to distribute periodical profits to be deducted from annual profits as specified in paragraph 4 above in accordance with the relevant regulating rules issued by the concerned authorities.

In addition to that stated within the Company By-Laws, during 2017 the Company approved the following as additional Dividend Policy:

"In addition to the distribution of profits requirements as reflected within the Company By-Laws (Articles of Association) the Company Dividend Policy is as reflected below:

To distribute any excess cash as dividends to Shareholders subject to:

- a) maintaining a solvency position in adherence to local laws and regulations at each quarter end, and,
- b) receiving the required regulatory and shareholder approvals for the dividend(s) wherever applicable, and,
- c) having accounted for the Company's requirements in meeting its Capital Management Policy and relevant Risk Management policies, which policies covering the business and investment requirements."

| Dividend History - Last 5 Fiscal Years: Description | 2014* SR000s | 2015* SR000s | 2016 SR000s | 2017** SR000s | 2018 SR000s |
|--|-----------------|-----------------|----------------|------------------|----------------|
| Retained Income (pre-Zakat & Inc. Taxes) | 301,275 | 645,077 | 630,705 | 500,614 | 525,431 |
| Dividend Amount | N/A | 160,000 | 120,000 | 160,000 | 180,000 |
| Pre-Zakat & Inc. Taxes Dividend Pay-out Ratio | N/A | 24.8% | 19.0% | 32.0% | 34.3% |
| Number of Shares in Issue | 40,000 | 80,000 | 80,000 | 80,000** | 120,000 |
| Saudi Riyals Dividends per Share | N/A | 2.00 | 1.50 | 2.00 | 1.50 |
| % of Dividend/Year/Quarter Distributed | N/A | 100% 2016Q2 | 100% 2017Q2 | 100% 2018Q2 | 100% 2019Q3 |

*SR400m of the retained earnings, as at 31/12/2014, were used in 2015 to double Bupa Arabia's share capital to 80m shares, through issuing one bonus share for every share held.

**At the time of the Dividends issue there were 80m shares. Bonus shares were issued during November 2018, one bonus share for every two shares held, using SR400m of the 2017 retained earnings, to increase Bupa Arabia's share capital by a further fifty percent, resulting in 120m shares in issue at 31/12/18.

• 7 Key other functional activities during the year:

• 7.1 Our proposition and marketing:

During 2019 Bupa Arabia continued to strengthen its brand proposition, through our three key pillars, reinforcing what we stand for as the leading health insurance provider, and health insurance brand, in Saudi Arabia:

a) Life-touching Healthcare Services:

Our "Tebtom" healthcare program provides our members unique healthcare services that add real value and go well beyond health insurance, such as the medication refill and home lab services for chronic patients, and also home vaccination services for children. Our doctors are also available to facilitate, through authorised third parties where appropriate, prompt answers, to questions about their personal, and their families', medical needs.

b) Exceptional Experiences at Hospitals:

Our "Rahatkom" program involved physically transforming nearly 79 offices, led by almost 67 Bupa Arabia delegates, at top hospitals across the Kingdom. It provides members security and care by guiding them, catering for their needs, and making their hospital visits easier, faster and less stressful (and even includes mobile hospital delegates to help our members where it matters the most).

c) Global Expertise and Reach:

Bupa's global network and reach enables Bupa Arabia to benefit from best practices and global medical guidelines from all around the world. We continuously strive to combine our global expertise and capabilities with our in-depth local knowledge of our local client's needs, all to ensure that we are able to offer all our members the very best in healthcare products and services.

• 7.2 Our corporate social responsibility (CSR):

Bupa Arabia continued its promise to help, change and support the lives of all orphans under the supervision of the Ministry of Labour and Social Development (MLSD) and 2019 was the ninth successive year of providing free health insurance and medical cover to the orphans living in the orphanages under the MLSD, in 46 orphanages across the kingdom, within 15 cities.

We also provided a Health Lounge to a new group of 299 orphans, under the "Nama'a Charity", and partnered with "Nine Tenths", one of the Human Resource Development Funds (HRDF) Vision 2030 initiatives that supports Saudi Productive Families and small business, through the "Tojjar Booth", which provides quality food from the Productive

Families.

During 2019 Bupa Arabia won the Global Business Outlook Magazine's "Best CSR Insurance Company" award.

During the first quarter of 2020 Bupa Araba, in alignment with the Ministry of Health (MOH), contributed SR20m to the MOH in support of Saudi Arabia's COVID-19 activities, to support the purchases of ventilators and to connect the Bupa Arabia Coronavirus Command Centre to support the MOH Call Centre.

• 7.3 Our operations, customer service and total quality management (TQM):

We continue to invest in our service delivery by continuously enhancing our capabilities, systems and service proposition, and this was reflected in the strong results in the Company's, Net Promoter Score (NPS), where targets were exceeded. Additionally, new processes were implemented, strengthening the Health Care Operations (HCO) and claims processes, through the Health Risk Management (HRM) initiative, and which assisted in managing the medical inflation cost curve. We also continued to strengthen our service platform, "Up Your Service Passion" focusing on cultural and service excellence activities.

• 7.4 Our technology:

In support of Bupa Arabia's business strategy, the Information Technology (IT) team continued to provide strong technological support, through a strong focus on the upgrading of core systems/systems functionality, whilst maintaining a strong focus on the Company's Digital Strategy agenda and Infrastructure modernization projects. We also continued to implement a variety of systems and processes in support of fulfilling all Saudi regulatory requirements including the SAMA/NCA IT governance and Cyber Security related.

• 7.5 Our people:

We strive to create a high performance based culture by empowering and engaging our employees and our aim is to attract and retain talented, well developed, and competitively compensated, employees that will better serve our clients to achieve sustainability, success, business growth, and strong succession planning.

During 2019 we implemented a range of positive initiatives, including supporting our gender diversity, through a leadership empowerment program for our talented female employees, and we also maintained our Platinum status in Nitaqat (the Saudisation program of the Saudi Ministry of Labour) through a constant focus on the attraction and retention of top Saudi talent.

Bupa Arabia's Child Day-Care facility, for its employees' children, is a high quality operation supporting our staff, and the younger members of the community, and we also continue to promote the development and employability of the Saudi youth, through the Bupa Arabia "Future Leaders Program".

The people development activities during the year also led to an increase in Saudisation (please refer section 8.7).

• 7.6 Our Chief Executive Team (CET):

During 2019 the composition of the CET changed, due to the departure of the Chief Risk Officer (CRO), and the Company is in progress with the recruitment of a replacement CRO.

• Chief Executive Officer, (CEO) Tal Nazer (Saudi)

Mr. Tal Hisham Nazer has been a Board Member and the Chief Executive Officer of Bupa Arabia since 2008. Leading this top and fast growing specialized health care company to higher standards, his relationship circle has widened and strengthened in the insurance market in Saudi Arabia with regulators, healthcare providers and the insured.

Mr. Tal Nazer is a Board member on various companies and committees. He is the Chairman of Najm for Insurance Services Company and Vice Chairman of the Nazer Group and a Board member of Nawah Healthcare, and a member of SAMA's Insurance Executive Committee. Mr. Nazer is also a member of CCHI's Private Health Insurance Strategic Committee and he is a member of the Young Presidents Organization (YPO) and a member of Young Global Leaders (YGL).

Tal holds an MBA from The Wharton School, Pennsylvania, USA (in Finance and Buyouts, completed in 2001) and a BA in Economics from the University of California at Los Angeles (completed in 1996).

- **Chief Financial Officer, (CFO) Nader Ashoor (Saudi)**

Mr. Nader Ashoor joined Bupa Arabia in November 2016, as Chief Financial Officer, after spending over 14 years with Saudi Aramco, where he had taken on various professional, supervisory and leadership roles, including the role of Director, IPO Design, and then Director, Finance readiness-IPO. In addition to his regular duties, Nader also served as Investment Committee Member of the Saudi Aramco Entrepreneurship Ventures Company. Since 2018 Nader has been an independent Board member, and member of the Audit Committee, of Saudi Steel Pipes (SSP), a Saudi publicly listed company and leading manufacturer of pipes in the MENA region. During 2018 Nader was also appointed as Board member of Diaverum, Saudi Arabia, the largest private renal care service provider in the region.

Nader holds an MBA degree with distinction in leadership from IMD International in Lausanne, Switzerland, as well as a Bachelor's degree in Accounting (first class honors) from KFUPM. He also holds the CMA and CIA certifications and has successfully completed the rigorous CPA examination requirements.

Nader has also received multiple coveted awards, including the Academic Excellence Award from the Governor of the Eastern Province, the IMA's Distinguished Performance Award and the IIA's William S. Smith Certificate of Honor Award.

- **Chief Business Development Officer, (CBDO) Ali Sheneamer (Saudi)**

Mr. Ali Mohammed Sheneamer has over 20 years' collective experience in marketing, sales and general management of which 6 years in Saudi health insurance, having joined in 2013 as Chief Commercial Officer. Ali has served, before joining Bupa Arabia, as the Deputy Governor and Chief Operating Officer of SAGIA for five years. Prior to this Ali was employed as group marketing head at the National Commercial Bank for two years and in various marketing assignments at Procter & Gamble for eight years. Ali currently serves as a board member of Baazeem Trading Company (a publicly traded Saudi company) and Ahmed Mohamed Saleh Baeshen & Co. (a closed joint stock Saudi company) and he is a member of the SAMA health insurance sub-committee.

Ali holds a Bachelor's degree in science (computer engineering) from King Abdulaziz University, Saudi Arabia.

- **Chief Human Resources Officer, (CHRO) Tariq Alamoudi, (Saudi)**

Mr. Tariq Alamoudi joined during 2017 and prior to joining Bupa Arabia, Tariq handled a wide range of leading roles in the Human Resources Department on global and regional levels at Procter & Gamble. He led P&G in Saudi Arabia as the country's HR leader and spearheaded an overseas assignment at the company's headquarters in Switzerland.

Tariq holds an MBA degree in Strategy and HRM from Griffith Business School and a Bachelor's degree in Marketing Management from Griffith University, Australia.

- **Chief Sales Officer, (CSO) Atef Mufti (Saudi)**

Mr. Atef Mufti joined during 2017 and prior to that was the Chief Commercial Officer and a member of the Board of Directors, of Panda Retail Co. for six years and in which role he was responsible for all the commercial buying and supply chain of Panda's business in KSA, the UAE and Egypt. Atef began his career with Saudi British Bank (SABB) in 1995 and spent more than 12 years working in the banking industry and, during which tenure, he held senior

management roles in branch network, sales and customer services. He thereafter assumed Executive roles as the Deputy General Manager, Personal Financial Services, responsible for all sales functions (branch, direct sales, financial planning and Takaful sales) in KSA. He was Managing Director for the Saudi Distribution Company (part of the Saudi Research & Marketing Group) followed by two years as the Western Region General Manager for Bank Al Bilad.

Atef holds a Bachelor's degree in Marketing from the King Fahad University of Petroleum and Minerals with a minor degree in Management.

- **Chief Operations Officer, (COO) Mohamed El Missaoui**

Mr. Mohamed El Missaoui joined Bupa Arabia in 2011 as the Director – Total Quality Management and spearheaded the design and the implementation of the Bupa Arabia Service Excellence Framework, leading the implementation of a number of innovations in the Operations and Healthcare services areas. Since 2013, as Director of Operations, Mohamed was in charge of the service operations areas related to customer service, mega accounts, membership fulfilment and quality, and during 2018 was promoted to the role of Chief Operations Officer.

Prior to joining Bupa Arabia, Mohamed was with Unilever MENA and led a variety of different MENA assignments related to the Supply Chain, ranging from Distribution, Logistics, and Customer service, to industrial engineering and quality. Mohamed has a collective more than 18 years' experience in the insurance, banking and FMCG sectors and prior to Unilever worked for two major North African banks.

Mohamed holds electro-mechanical engineering and MBA Finance degrees.

8. Bupa Arabia's significant plans, decisions and developments during the year:

Certain elements of Bupa Arabia's significant plans, decisions and developments, during 2019, are detailed within this section whilst others are described throughout this report.

- **8.1 Our Strategy review:**

Bupa Arabia undertook a comprehensive strategy review during 2019 that builds on its long-standing purpose of "helping people live longer, healthier and happier lives" and which fully aligns with its vision of being "the most trusted health insurer in Saudi Arabia". The new corporate strategy, which aims on accelerating the Company's growth trajectory over the next 5 years, is based on the following key three pillars:

- We remain passionate about our customers
- Our people make all the difference
- We are committed to strong and sustainable performance

These pillars are further underpinned by the following main goals:

- Driving net customer growth, revenue and profit
- Protecting and growing our core customer base
- Pursuing breakthrough differentiation and innovation in product and service offerings
- Harnessing digitalization in customer service, claims management and operational efficiencies
- Developing new distribution channels while delivering a seamless customer experience
- Solidifying our partnership with key customers
- Enhancing investment returns and introducing other complementary sources of income
- Actively engaging with regulators and other government stakeholders

We will continue our focus on nurturing a healthy and highly engaged workforce, and strive to attract, develop and retain outstanding professionals and leaders, while meeting Saudization targets. Delivering on the strategy will also see the Company working relentlessly on enhancing its corporate governance and risk management practices, and embedding corporate responsibility and sustainability, to create shared value.

• 8.2 Our TPA Services:

During 2018 Bupa Arabia successfully implemented its TPA related services for Aramco and continued to progress a number of activities in support of fulfilling, and enhancing, the regulatory and client requirements for TPA Services during 2019, and for future years.

• 8.3 Our Corporate social responsibility (CSR):

The continuous and ongoing development of our CSR programs remains a core element of our strategy and we will continue to explore opportunities of enhancing our community activities in all our areas of operation (refer section 7.2 for our CSR related activities and achievements).

• 8.4 Our Corporate governance and risk intelligence:

Building and maintaining a risk intelligent organisation is of the highest strategic priority for Bupa Arabia as we understand that having “great brakes” is just as important as a “powerful engine”.

We continue to invest in our corporate governance, including the continuous embracing of the “Three Lines of Defence” (3LoD) model and the ongoing recruitment and development of appropriate capabilities to ensure a world class governance environment with world class controls.

During 2019 we continued to enhance our corporate governance and control functions related, including good progress on policies, as well as the closure of audit findings (please refer section 13).

• 8.5 Our Business continuity management (BCM):

During 2019 Bupa Arabia continued to invest in the development and implementation of systems and procedures to support a high quality BCM, Crisis Management and Cyber Security capability, in compliance with regulatory requirements as well as leading industry and sector practices.

In order to sustain our activities in such a manner that protects the Company’s strategic position and reputation, we continued to progress our significant projects aimed at implementing technologies, processes and procedures to enable the appropriate recovery of key operations in line with targeted restoration schedules and to reduce the impact on clients for any other loss due to potentially sustained operational outages.

The activities in the year included the maintenance and further development of the integrated crisis management/incident response structure encompassing plans required to respond to any disruptive incident, and including:

- Emergency Response Plans
- Incident Response Plans
- Crisis Management Plans
- Business Continuity Plans
- IT Disaster Recovery Plans

During 2019 we enhanced our Business Continuity Management policy and procedures further, in alignment with SAMA’s regulations, completed new Cyber Security assessments and continued to develop our Cyber Security Framework roadmap to ensure we implement best practice Cyber Security governance in accordance with the Saudi regulations. We also created a new management committee, the Information Technology (IT) & Digital Technology (DT) Steering Committee (IDSC), to ensure the alignment of business, DT and IT activities, as well as continued our progress towards achieving an improved Cyber Security Maturity level, as required by the SAMA and National Cyber Association (NCA) regulatory requirements.

During 2019 Cyber Security controls disaster recovery and resilience were tested and others are scheduled for closure during 2020. Additionally, during 2020, we will continue to progress our systems and processes and implement annual training plans to ensure all relevant stakeholders are aware of their respective roles and responsibilities relating to the BCM Program.

• 8.6 Our Shariah compliance:

Bupa Arabia maintained its Shariah compliance and, on 29/04/2019 announced the receipt, on 28/04/2019, of the approval of the Shariah Review Bureau (SRB) for its Shariah status per the 2018 annual Shariah Audit Report (reference BPA-276-06-0104-19) on the following functions:

- Separation of accounts (shareholder and policyholder)
- Compliance of shareholder and policyholder investments with Shariah Guidelines,

The Company continues to develop its policies and evaluate its contracts in support of achieving overall Shariah compliance in the future.

• 8.7 Our development of Saudis and Saudisation:

We continue to prioritise the recruitment, development, retention, and enhancement of the careers of Saudi nationals, and to increase our Saudisation levels, and during 2019 we were successful in increasing the Saudisation level to 76.7%, versus 2018 at circa 75%. We are also an equal opportunity employer and very proud of our gender diversity across our workforce.

• 8.8 Our shareholders and our disclosure of information to all stakeholders:

As at 31/12/2019 the major shareholders were as per the below:

| Description | Shares | Shares % |
|--|--------------------|----------------|
| Bupa Investments Overseas Limited (BIOL) | 47,100,000 | 39.25% |
| Nazer Group control through the below two legal entity companies: | 15,706,552 | 13.09% |
| Nazer Group Holding Company Limited (Nazer) | 10,800,000 | 9.00% |
| Modern Computer Programs Company Limited (MCPC) | 4,906,552 | 4.09% |
| Major Shareholders | 62,806,552 | 52.34% |
| Public Shareholders | 57,193,448 | 47.66% |
| Total | 120,000,000 | 100.00% |

The Company policy on information disclosure to its stakeholders is to ensure that it provides all information required to be disclosed in terms of all Saudi regulations, including both financial and non-financial information, accurately, promptly, consistently and without discrimination, in a clear, correct and non-misleading manner, so as to ensure that all shareholders, and other stakeholders, are able to obtain a comprehensive view of the Company's position, so as to be able to exercise their rights to the fullest extent.

In support of this commitment the Company has implemented a process of fully bilingual stock exchange announcements, and Company website content, including fully bilingual Annual Reports, and General Assembly meeting minutes, to ensure that all shareholders/investors, and other stakeholders, are equally and fully informed of the Company's financial information, governance and other performance.

9. Bupa Arabia outlook, future prospects, risks and developments:

• 9.1 Competition and market dynamics:

Despite the 2019 health insurance market, in terms of insured lives, remaining relatively flat, with the departures of expatriates broadly offsetting the new Saudis entering the private sector workforce, pricing during the year significantly benefited from the CCHI's enhancement of the minimum mandatory table of benefits, effective from 01/07/2018, and the margin enhancement strategies competition continued to adopt, post the aggressive pricing period of 2016 and 2017. The market also benefited, towards the end of the third quarter of 2019, from the introduction of a newly mandated tourist visa, which was supported by an active promotion of an untapped, and promising, tourism sector in Saudi Arabia.

The competitive landscape has seen increased interest in further consolidation with a few potential mergers announced during the year amongst the smaller players. This is likely to be further fueled by the regulators intent to increase minimum capital requirements for insurers.

While the fundamentals of the health insurance market remain promising, 2020 is expected to be a year with many uncertainties, amid the Coronavirus (COVID-19) pandemic, and the recent oil prices slump. Bupa Arabia is well positioned to weather these challenges and is currently focused on managing the COVID-19 impact on its customers, people, supply chain, communities and business continuity. The Company continues to monitor the financial impact of these events on its operations.

• 9.2 Key Risks:

Part of the Bupa Arabia Risk Management System is the Risk Management Cycle, a continuous process that ensures a detailed understanding of our risk profile. Bupa Arabia has identified the top risks that may impact its ability to achieve its strategic objectives and annual operating plans, in a manner consistent with legal, regulatory and client expectations. Many of these risks remain systematic and inherent to the entire market place and/or industry, making them unpredictable and impossible to completely avoid:

- **COVID-19 risks** – the coronavirus global pandemic may adversely impact the Company's operations, financials, service levels, employees, customers and suppliers.
- **Cyber Security risks** – increased and more advanced cyber threats may lead to information security breaches, business interruptions, financial losses and reputational damage.
- **Medical Inflation risks** – expensive technological advancements in medical field, medical providers bargaining power, fraud and abuse, an aging and less healthy population, all may lead to an increase in incurred medical claims costs.
- **Economic Slowdown risks** – a continued economic slowdown, combined with a lower oil price environment and a coronavirus driven global recession, may lead to increased financial risks (price, liquidity/collection, credit/defaults, interest rates, and market risks).
- **Regulatory Risks** – increased regulatory changes may increase the cost of doing business and could lead to financial/other disciplinary actions, and reputational damage.
- **Competition Risks** – intensified competition may lead to aggressive pricing and margin deterioration, market share changes, and the possible loss of key leadership and technical talent.

In specific relation to COVID-19 related risks, Bupa Arabia has created a dedicated task force to plan and execute business continuity plans, so as to ensure the safety and wellbeing of our employees, to maintain excellent service levels, to actively engage with, and support, our customers, regulators and local communities, and to also stress test the company's financials, as well as to secure critical supplies.

Although it is challenging to mitigate such “non-diversifiable” risks, we are deploying hybrid risk management strategies to reduce residual risks to business tolerable levels. The focus is relentlessly on aligning key stakeholders in delivering the right client outcomes in the here and now, whilst ensuring that financial and brand strength is upheld, so that Bupa Arabia can continue to deliver on its purpose for the foreseeable future.

10-11 Board and Board Committees:

In support of the Company achieving its strategic aims the Board constitutes Board Committees, so as to support it in the execution of its responsibilities. The following sections contain information relating to the Board/Board Committees, and the more significant activities during the year.

The Board assesses its performance, and that of the Board Committees, and the members, periodically during each term, through the Company Board Secretary and the NRC, and completed such an assessment prior to the end of the term which ended on 30/06/2019. The Board, based on the NRC recommendation, has approved a process of external third party assessment once per term, and which planned to be completed during 2021.

During 2019 the fourth Board term ended, on 30/06/2019, and the new, fifth, board term commenced, for the three Gregorian year period effective from 01/07/2019. The Board membership was selected through a transparent, consistent and fair process, in accordance with the shareholder approved Nomination and Appointment Policy and Procedure, as per the NRC recommendation and, after SAMA no-objection, following the approval of the shareholders in the second quarter GA, on the regulatory required accumulative voting basis. As a result, new term Board/Committee memberships were re-constituted, after receipt of the SAMA no-objections, for each member and each Committee Chairperson, and thereafter robust induction training was provided.

During 2019 the Company also increased its Board size, to nine from eight, as per the 2019 GA approved Company By-Laws changes, and is currently in progress with filling this Board vacancy, as announced on Tadawul.

Board and Board Committees’ Membership, and summary analysis, as at 31/12/2019[^]:

| Board/Board Committee Members at 31/12/2019 [^] | Board of Directors | Audit Committee (AC) | Executive Committee (EC) | Investment Committee (IC) | Nomination and Remuneration Committee (NRC) [^] (as at 12/02/2020) | Risk Management Committee (RMC) |
|--|--|---|--------------------------------|---------------------------|---|---------------------------------|
| Chairperson: | Eng. Loay Nazer | David Hunt* | Eng. Loay Nazer | Osamah Shaker* | Huda AlGhpson* | Dr. Khaled Al-Faddagh* |
| Vice-Chairman: | David Fletcher# | | | | | |
| Independent Members* | Huda Al Ghoson* Zaid Algwaiz* Dr. Abdulla Elyas* | Walid Shukri* Zaid Algwaiz* Sulaiman Alkahtani* | | Selman Alfares* | Omar Najjar* | Dr. Abdulla Elyas* |
| Non-Executive Members: | Joy Linton# Martin Houston# | | Joy Linton# David Fletcher# | Niall Dooner# | Martin Houston# | James O'Reilly# Rami Makarem |
| Executive Members: | Tal Nazer (CEO) | | Tal Nazer (CEO) | | | |
| Members: | 9 (1 vacancy) | 4 | 4 | 3 | 3 | 4 |
| Secretary: | Mark Sutcliffe | Assem Hamam | Mark Sutcliffe | Mark Sutcliffe | Mark Sutcliffe | Mark Sutcliffe |
| Secretarty Reports to: | Board Chairman | AC Chairman | EC Chairman | IC Chairman | NRC Chairwoman | RMC Chairman |
| Independence % | 38% | 100% | 0% | 67% | 67% | 50% |
| Saudi % | 63% | 75% | 50% | 67% | 67% | 50% |
| Female % | 25% | 0% | 25% | 0% | 33% | 0% |

*Independent

#Representative of Bupa Investments Overseas Limited (BIOL)

[^]As at 31/12/2019 the new term NRC was not formally constituted as the regulatory approvals for the new term NRC members were still in progress. The above table reflects the new term NRC membership, as was approved effective 12/02/2020.

Current (fifth) Board Term, effective 01/07/2019 to 30/06/2022, roles, term number, representing:

| Membership Role | Board Member name | Nationality | Term Number | For the current term representing: |
|-----------------|------------------------|-------------|-----------------|------------------------------------|
| Independent* | Ms. Huda M. AlGhoson* | Saudi | 1 st | Not applicable |
| | Mr. Zaid A. Algwaiz* | Saudi | 3 rd | Not applicable |
| | Dr. Abdulla N. Elyas* | Saudi | 1 st | Not applicable |
| Non-Executive | Eng. Loay H. Nazer | Saudi | 5 th | Nazer |
| | Mr. David M. Fletcher# | British | 3 rd | BIOL |
| | Mrs. Joy C. Linton# | Australian | 1 st | BIOL |
| | Mr. Martin J. Houston# | British | 2 nd | BIOL |
| Executive | Mr. Tal H. Nazer | Saudi | 5 th | Not applicable |

The Board/Board Committees, approve matters through both circulation and formal meetings and, where items are approved through circulation, they are further approved through ratification approval in the formal meeting which follows the by circulation approval.

Board member summary changes during the year:

| Outgoing | Date | Representing | Comment |
|-----------------------|------------|--------------|-------------------|
| Mr. Abdulhadi Shayif* | 30/06/2019 | Independent | End of Board Term |
| Dr. Adnan Soufi* | 30/06/2019 | Independent | End of Board Term |

| Incoming | Date | Representing | Comment |
|--------------------|------------|--------------|----------------|
| Ms. Huda AlGhoson* | 01/07/2019 | Independent | New Board Term |
| Dr. Abdulla Elyas* | 01/07/2019 | Independent | New Board Term |

Board member summary replacement changes during the year:

| Outgoing | Outgoing Date | Incoming | Incoming Date | Representing |
|---------------------|---------------|------------------|---------------|--------------|
| Mr. Simeon Preston# | 01/07/2019 | Mrs. Joy Linton# | 01/12/2019 | BIOL |

10 Board of Directors:

• 10.1 Board purpose and meetings:

| Board Purpose |
|--|
| <p>The purpose of the Board is to set strategy and deliver value to all shareholders and stakeholders, in compliance with the regulations and laws of the Kingdom in an ethical and transparent manner. The Board is responsible for the Company's values, mission and long-term vision and for providing strategic direction and guidance for the Company's operations, including the ultimate responsibility of ensuring the Company follows exemplary corporate governance and ethics and for the provision of a robust system of internal controls and procedures to be in place to fulfil compliance of the Company, in both content and timeliness, with all the requirements of all the applicable laws and regulations of the jurisdictions in which it operates.</p> <p>The Board is responsible for establishing Board Committees, as required by regulations, to support the Board in achieving its responsibilities, and to support the Executive Management. The Board is responsible for establishing and approving matters it deems significant enough to be reserved for only the Board's decision and for those matters which it delegates to the relevant Board Committees (both as specified within the Board approved Schedule of Matters Reserved for the Board (SMRB) and the Board Delegated Authorities Framework (BDAF)).</p> |

• 10.2a Board member experience, qualifications, and membership in other Saudi joint-stock companies:

| Eng. Loay Hisham Nazer (Board Chairman) (Full Year) | More significant qualifications | Board Membership in other Saudi PLCs |
|---|---|--------------------------------------|
| Chairman and Board member of Bupa Arabia since inception in 2008. Founder and Chairman of the Nazer Group and Board member of various Nazer companies. Former Chairman of Al-Ittihad football club, former Vice-Chairman of the Saudi Olympic Committee and previously a CCHI Board member. | MBA, Anderson Graduate School of Management, UCLA, USA (1989), B.Sc. Mechanical Engineering, UCLA, USA (1987) | Not applicable |

| Mr. David Fletcher (Vice-Chairman) (Full Year) | More significant qualifications | Board Membership in other Saudi PLCs |
|---|---|--------------------------------------|
| Bupa Arabia Board member, and Vice-Chairman, since 2014. Currently Bupa, the international health insurance and provision group based in London, UK, Group Chief Risk Officer (since 01/01/2017) and member of its Executive Team after being MD of Bupa International Development Markets, after having joined Bupa as Chief Internal Auditor in 2014. Prior to that he was President Director/CEO, for 4 ½ years, of Permata Bank, Indonesia, an affiliate of Standard Chartered, after an extensive banking career at Standard Chartered. David has extensive international experience in banking, having held various senior positions with Standard Chartered and Citibank, and including Head of Audit and CEO roles. | B.A. Honours in Modern History, Durham University, UK (1985). | Not applicable |

| Mr. Tal Hisham Nazer (Executive Member) (CEO) (Full Year) | More significant qualifications | Board Membership in other Saudi PLCs |
|--|---|--------------------------------------|
| Bupa Arabia CEO/Board member since inception in 2008. Refer CEO profile in section 7.6 and below for other more significant roles. | Bachelor Economics, UCLA, USA (1996) and MBA Finance and Buyouts, Wharton, USA (2001) | Not applicable |

| Mr. Abdulhadi Shayif (Independent) (Until 30/06/2019) | More significant qualifications | Board Membership in other Saudi PLCs, up to and including 30/06/2019: |
|---|--|---|
| Bupa Arabia Independent Board member, from 2011 until 30/06/2019, Audit Committee (AC) Chairman, from 2011 to 2017, Risk Management Committee (RMC) Chairman, from 22/01/2017 until 30/06/2019. A Board member and Chairman of various committees at the Alawwal Bank, SGS, and Deutsche Securities and previously Chairman of the FWU International advisory Board, Munich, Germany. Previously also GM and Board member of NCB. | Bachelor Economics, American University of Beirut, Lebanon (1970). | Alawwal Bank, Saudi Ground Services Co. (SGS) |

| Mr. Zaid Algwaiz (Independent) (Full Year) | More significant qualifications | Board Membership in other Saudi PLCs |
|--|---|---------------------------------------|
| <p>Bupa Arabia Independent Board member since 2014 and Investment Committee (IC) Chairman from 2014 until 30/12/2017. Joined the Nomination and Remuneration Committee (NRC) during 2016 and became its Chairman on 31/12/2017 whilst still currently also a member of the IC (both until 30/6/2019). Joined the Audit Committee (AC), on 01/07/2019, for the new term. During 2018 was appointed as Independent Board member, and Chairman of the Compensation, Nomination & Governance Committee, and member of the Executive Committee, of NCB. During 2019, was appointed as Independent Board Member, and Chairman of the Audit Committee, of Gulf International Bank-Capital, and was also appointed as Independent Chairman of the Audit Committee of Noon Investment Company. Spent many years in the banking sector and was Deputy Managing Director of HSBC Saudi Arabia. A Board and Committee member for a variety of Companies.</p> | <p>Bachelor Accounting, King Saud University, KSA (1987).</p> | <p>National Commercial Bank (NCB)</p> |

| Ms. Huda AlGhoson (Independent) (Since 01/07/2019) | More significant qualifications | Board Membership in other Saudi PLCs |
|---|--|---|
| <p>Bupa Arabia Independent Board member since 01/07/2019. Huda was the Executive Director of Human Resources at Saudi Aramco. Huda is currently a member of the Board of the General Organization for Social Insurance (GOSI), the Credit Suisse Saudi Arabia Bank, and of the Institute of Public Administration. Huda is also a member of the Saudi Telecommunications Company (STC) Nomination & Remuneration Committee. Huda is the Chairwoman of the Board of Trustees of the Arabian Society of Human Resources Management (ASHRM).</p> | <p>MBA from the American University of Washington, D.C., USA and BA in English Literature from the King Saud University in Riyadh.</p> | <p>Credit Suisse Saudi Arabia Bank.</p> |

| Dr. Abdulla Elyas (Independent) (Since 01/07/2019) | More significant qualifications | Board Membership in other Saudi PLCs |
|---|---|--------------------------------------|
| <p>Bupa Arabia Independent Board Member, and Risk Management Committee Member, since 01/07/2019. Dr. Abdulla is a co-founder of Careem, and current member of its executive leadership. Prior to that initiated and co-founded Enwani, a tech start-up in Saudi Arabia focused on the home delivery industry. Dr. Abdulla serves as a board member on a number of public and private companies, and has previously led management consulting engagements in Europe, the USA, South East Asia and the Middle East.</p> | <p>PhD in Business Administration, honored with a Magna Cum Laude from RWTH Aachen, Germany, and an MSc in Computer Science, from RWTH Aachen, Germany.</p> | <p>Not Applicable</p> |

| Mrs. Joy Linton (Non-Executive) (Since 01/12/2019) | More significant qualifications | Board Membership in other Saudi PLCs |
|--|--|--------------------------------------|
| Bupa Arabia Board Member, and Executive Committee Member, from 01/12/2019. Appointed in 2016 as an executive director of the main Board of Bupa, the international health insurance and provision group based in London, UK. Mrs. Linton has been with Bupa since 2011 and is also a Board member of BIOL, is the Chief Financial Officer of Bupa, and a member of its Executive Team. She is also a Non-Executive Director of Max Bupa, Bupa's associate health insurance business in India. Prior to joining Bupa Joy was the CFO of National Foods. | Bachelor's degree in Commerce from the University of Melbourne, Australia (1987) | Not applicable |

| Dr. Adnan Soufi (Independent) (Until 30/06/2019) | More significant qualifications | Board Membership in other Saudi PLCs (up to and inclusive of 30/06/2019) |
|--|--|--|
| Bupa Arabia Independent Board member, and Audit Committee Chairman, from 2016 until 30/06/2019. Appointed as Independent Board member of National Commercial Bank Capital (NCBC) during 2018. During 2018 was also appointed as Chairman, Advisory Committee to the CMA and was previously a Board Member of the (CMA) (2014-2016), a Royal Decree appointment. Adjunct Professor of Leadership, Strategy and Governance at the King Abdulaziz University (2013 to present), Executive leadership experience at SEDCO Holding (1991-2013 including as CEO (2010-13)) and at the King Abdulaziz University (1979-2006, including as Dean of the Faculty of Economics 1995-98)). | PH.D. Business Admin. George Washington University, Washington D.C., USA, (1984), MBA, Seattle University, USA (1979), and Bachelor, Electrical Engineering, Seattle University, USA (1977). | Not applicable |

| Mr. Simeon Preston (Non-Executive) (Until 01/07/2019) | More significant qualifications | Board Membership in other Saudi PLCs |
|--|---|--------------------------------------|
| Bupa Arabia Board Member, and Executive Committee Member, from 2018 until 01/07/2019. Previously the Chief Executive Officer of the International Markets division of Bupa, the London, UK based, international healthcare group. Prior to Bupa was with the AIA Group for seven years in roles which included Group Chief Operations Officer. | BSc. Geography, London School of Economics (1991), MSc. Geographical Information Systems, Leicester University (1992), MSc. Transportation Policy & Planning, Newcastle University (1993), all the prior in the UK. MBA, INSEAD, France (1999). | Not applicable |

| Mr. Martin Houston (Non-Executive) (Full Year) | More significant qualifications | Board Membership in other Saudi PLCs |
|---|---|--------------------------------------|
| <p>Bupa Arabia Board Member since 1 October 2018 and served as a non-executive director on the main Board of Bupa, the international health insurance and provision group based in London, UK, from January 2014 until 31 December 2019. Martin was appointed as Chairman of the Board of the EnQuest Group, effective 1 October 2019. He is also the Vice-Chairman of Tellurian Incorporated, a Senior Advisor to Hakluyt and the Chairman of Moelis and Company's Global Energy Group. He is also a non-executive director of CC Energy, a private exploration and production company. Martin was previously employed by the British Gas (BG) Group plc, and its predecessor companies, retiring after 32 years in February 2014 as its Chief Operating Officer and as a member of its Board.</p> | <p>Bachelor of Geology, Newcastle University, UK (1979). Master of Science, Petroleum Geology, Imperial College, London, UK (1983).</p> | <p>Not applicable</p> |

10.2b The Board members' other significant role details, at 31/12/2019, are as follows:

| Eng. Loay Hisham Nazer (Board Chairman) (Full Year) | Period |
|--|---|
| <p>Board member/representative in a variety of Nazer businesses of which the most current and relevant are:</p> <ol style="list-style-type: none"> 1. Nazer Group Holding Company (Chairman) 2. Modern Computer Program Co. Ltd (MCPC) (Chairman) 3. ASAS Healthcare Company (Chairman) 4. Arabian Medical Marketing (Nawah Healthcare) Company (Chairman) 5. International Medical Clinics Company (Partner) 6. Nazer Dialysis and Advanced Healthcare Services Co. Ltd (Partner) 7. Loay Hisham Nazer Company Ltd. (Chairman) 8. Board Member of Diaverum Arabia Company (Chairman until May 2018) <p><u>Bupa/Nazer JVs:</u></p> <ol style="list-style-type: none"> 9. Bupa Middle East Holdings Two WLL (Board Member) 10. Nazer Bupa for Medical Equipment Company (NBME) (Chairman) <p>Other more relevant:</p> <ol style="list-style-type: none"> 11. Chairman of the Makkah Cluster Advisory Board (since 2017), previously the Advisory Council of the King Abdullah Medical City in Makkah (since 2016). 12. Ex-Chairman of the Al-Ittihad Football Club 13. Ex-National Unified Procurement Co. for Medical Supplies (NUPCO). 14. Arab Conference Organizing Co. (ARC) (former Chairman and Board member – Nazer sold its stake during 2018) 15. Ex-Vice-Chairman of the Saudi Olympic Committee 16. Ex-Chairman of the Saudi Arabian Judo Federation. 17. Ex-CCHI Board member | <ol style="list-style-type: none"> 1. 1990 - Current 2. 1990 - Current 3. 1997 - Current 4. 1995 – Current 5. 2013 - Current 6. 2009 - Current 7. 2011 – Current 8. 2010 – Current 9. 2009 – Current 10. 2015 – Current 11. 2016 – Current 12. 2018 – 2019 13. 2016 – 2018 14. 2005 – 2018 15. 2016 - 2017 16. 2013 - 2016 17. 2007 - 2013 |

| Mr. David Fletcher (Board Vice-Chairman) (Full Year) | Period |
|---|--|
| <p>Board and Committee member of a variety of Bupa businesses of which the most current and relevant are:</p> <ol style="list-style-type: none"> 1. Bupa International Markets Limited 2. Bupa Middle East Holdings Two WLL (Bupa/Nazer JV) | <ol style="list-style-type: none"> 1. 2015 – Current 2. 2015 – Current |

| | |
|---|-------------------|
| 3. Max Bupa Health Insurance Company Limited Prior to Bupa more relevant more recent Board role: | 3. 2014 – Current |
| 4. Ex-President Director/CEO, Bank Permata Indonesia | 4. 2009 - 2014 |

| Mr. Tal Hisham Nazer (Executive Member) (CEO) (Full Year) | Period |
|--|--------------------|
| Board member/representative in a variety of Nazer businesses of which the most current and relevant are: | 1. 2004 – Current |
| 1.Nazer Group Holding Company (Board member) | 2. 2008 – Current |
| 2.Modern Computer Program Co. Ltd (MCPC) (Board member) | 3. 2013 – Current |
| 3.ASAS Healthcare Company (Board member) | 4. 2010 – Current |
| 4.Arabian Medical Marketing (Nawah Healthcare) Company (Board member) | 5. 2019 - Current |
| 5.Najm for Insurance Services Company (Chairman of the Board) | 6. 2005 – Current |
| 6.Quick Solutions for Trading Company (Board member) | 7. 2011 – Current |
| 7.Tal Hisham Nazer Company Limited (General Manager) | |
| <u>Bupa/Nazer JVs:</u> | 8. 2009 – Current |
| 8.Bupa Middle East Holdings Two WLL (Board Member) | 9. 2015 - Current |
| 9. Nazer Bupa for Medical Equipment Company (NBME) (Board member) | |
| <u>Other more relevant:</u> | 10. 2015 – Current |
| 10.Committee Member of the SAMA Insurance Companies General Committee | 11. 2013 – 2016 |
| 11.Ex-Board member of the Human Resources Development Fund (HRDF) | 12. 2014 – Current |
| 12.Board member of Choate Rosemary Hall, New York, USA | 13. 2014 – 2017 |
| 13.Ex-Nazer Dialysis and Advanced Healthcare Services Co. Ltd (Board member) | |
| 14. Arab Conference Organizing Co. (ARC) (former Board member – Nazer sold its stake during 2018) | 14. 2005 - 2018 |

| Mr. Zaid Algwaiz (Independent) (Full Year) | Period |
|--|-------------------|
| 1. Independent Board Member, and Chairman of the Compensation, Nomination & Governance Committee, and member of the Executive Committee, of NCB | 1. 2018 – Current |
| 2. Independent Board member and Chairman of Audit Committee of Gulf International Bank – Capital. | 2. 2019 - Current |
| 3. Independent Chairman of the Audit Committee of Noon Investment Company. | |
| 4. Ex-Independent Board member, and Chairman of the Audit Committee, of Mohammed Abdulaziz Al-Rajhi and Sons Investment Company | 3. 2019 - Current |
| 5. Ex-Independent Board member, and Chairman of the Audit Committee, of Wilaya Investment Company | 4. 2018 – 2018 |
| 6. Ex-Independent Board member, and Audit Committee member, of Al-Rahji Steel Industries | 5. 2018 - 2018 |
| 7. Ex-Member of the Saudi British Bank (SABB) Nomination & Remuneration Committee | 6. 2014 – 2018 |
| 8. Chairman of the Risk and Assets & Liability Committee of Mohammed Ibrahim AlSubaie & Sons Investment Company (MASIC) | 7. 2016 – 2018 |
| 9. Ex-Audit Committee member of Thakher Real Estate Development Company | 8. 2014 – Current |
| 10. Ex-Independent Board member of Al-Yusr Leasing and Finance (closed joint stock company) | 9. 2016 – 2019 |
| 11. Ex-Independent Board Member and Chairman of the Audit Committee in AlAwwal Capital (formerly, Saudi Hollandi Capital), 100% Subsidiary of AlAwwal Bank | 10. 2015 – 2016 |
| | 11. 2010 – 2016 |

| | |
|---|-----------------|
| 12. Ex-Independent Board member of Middle East Specialised Cables Company (Saudi PLC) | 12. 2009 – 2015 |
| 13. Ex-Independent Board member of HSBC Saudi Arabia Mutual Funds Board | 13. 2008 – 2015 |
| 14. Ex-Independent Board member of the Gulf Finance Company, Saudi Arabia. | 14. 2012 - 2015 |

| Ms. Huda AlGhosaon (Independent) (Since 01/07/2019) | Period |
|---|--|
| 1. Bupa Arabia for Cooperative Insurance Company (Independent Board Member) | 1. 2019 – Current |
| 2. Institute of Public Administration (Board Member) | |
| 3. Saudi Telecom Company (STC) (Member of the Nomination & Remuneration Committee) | 2. 2019 – Current 3. 2018 – Current |
| 4. General Organization for Social Insurance (GOSI) (Board Member) | 4. 2014 – Current |
| 5. Credit Suisse Saudi Arabia Bank (Board Member) | 5. 2017 – Current |
| 6. Saudi Aramco (Executive Director) | 6. 1981 - 2017 |
| 7. Yanbu Aramco Sinopec Refining Company (YASREF) (Board Member) | 7. 2012 - 2017 |
| 8. Johns Hopkins Aramco Healthcare Company (JHAH) (Board Member) | 8. 2013 - 2017 |
| 9. Saudi Aramco Asia Company (SAAC) (Board Member) | 9. 2010 - 2016 |
| 10. Board of Trustees of the Arabian Society of Human Resources Management (ASHRM) (Chairwoman) | 10. 2014 – Current |
| 11. Saudi Aramco Development Company (SADCO) (Board Member) | 11. 2012 - 2017 |
| 12. Saudi Aramco Investment Management Company (SAIMCO) (Board Member) | 12. 2012 - 2017 |

| Dr. Abdulla Elyas (Independent) (Since 01/07/2019) | Period |
|--|----------------------------------|
| 1. Bupa Arabia for Cooperative Insurance Company (Independent Board Member) | 1. 2019 – Current |
| 2. Careem Incorporated (Co-Founder) | 2. 2014 – Current |
| 3. Saudi Arabian Small and Medium Enterprise Authority (Board Member) | 3. 2016 – Current |
| 4. Saudi Arabian Public Investment Fund (Investment Committee Steering Member) | 4. 2017 – 2018 |
| 5. Rocket Internet SE (Agent for Saudi Arabia) | |
| 6. Enwani (Co-Founder and Managing Director) | 5. 2012 - 2016 |
| 7. IDS Scheer Consulting (Senior Management Consultant) | 6. 2012 - 2014 7. 2008 - 2011 |

| Mrs. Joy Linton (Non-Executive) (Since 01/12/2019) | Period |
|---|------------------|
| 1. Bupa (Chief Financial Officer) | 1. 2016– Current |
| 2. Bupa (Executive Team Member and Executive Board Member) | 2. 2016– Current |
| 3. Bupa (General Manager-Health Services Strategy and M&A) | 3. 2015– 2016 |
| 4. Bupa (Interim People Officer) | 4. 2015– 2015 |
| 5. Bupa Australia and New Zealand (Financial and Commercial Director) | 5. 2012 - 2015 |
| 6. Bupa Australia (Chief Financial Officer) | 6. 2011– 2012 |
| 7. Bega Cheese Limited (Non-Executive Director of the ASX) | 7. 2011- 2015 |
| 8. Bupa Investments Overseas Limited (Board Member) | 8. 2015– Current |
| 9. Max Bupa Health Insurance Company Limited (Board Member) | 9. 2015– Current |

| | |
|---|--------------------|
| 10. Bupa Finance PLC (Board Member) | 10. 2016 – Current |
| 11. Lion, Formerly National Foods (Variety of senior roles culminating in the last role as the Chief Financial Officer) | 11. 1996 – 2010 |

| Mr. Martin Houston (Non-Executive) (Full Year) | Period |
|---|-------------------|
| 1. Executive Vice-Chairman of Tellurian Investments Incorporated | 1. 2014 – Current |
| 2. Senior Advisor, Hakluyt | 2. 2016 – Current |
| 3. Moelis and Company - Chairman of the Global Energy Group (since March 2018) | 3. 2017 – Current |
| 4. Non-executive Board member of CC Energy Limited | |
| 5. Chairman of EnQuest plc | 4. 2018 – Current |
| | 5. 2019 - Current |
| Other | |
| • Fellow of the Geological Society of London | |
| • Member of the advisory board of the Global Energy Policy unit at Columbia University's School of International and Public Affairs, New York | 2014 – Current |

The Board approves the Board Chairman, Board Vice-Chairman, CEO and Company Board Secretary for each term, subject to regulatory approval where required and applicable, and for the fifth term all were approved as re-appointments of the fourth term.

The Board also appoints the Board Committee's Secretaries for each new term, based on the recommendation of the NRC, where required and applicable, and for the new term appointed the Head of the Internal Audit Department (IAD) as the AC Secretary, and the Director of Company Secretariat, as the Company Board Secretary, and the Secretary for all the other Board Committees, except the AC, please refer to the profile below:

Director – Company Secretariat, and Company Board Secretary, Mark Sutcliffe

Mr. Mark Sutcliffe has a collective 30+ years' experience in a variety of Senior Finance and Governance roles in a variety of internationally renowned, or listed, companies, including the most recent, almost twenty (20) years, in Saudi Health insurance, having joined the Bupa business in Saudi Arabia, during 2000. Amongst his significant experience at Bupa Arabia, Mr. Sutcliffe has managed all the financial statements and regulatory reporting related of the business, as well as all the Company Secretariat related, as Company Board Secretary and Secretary of the majority of the various Board Committees, since its inception. Mark also implemented the Company's Governance related, including the Company website investor relations section, and has been responsible for the Company's Annual Report and Accounts (ARA) since the Company's inception.

Mark has tertiary qualifications from the Nelson Mandela Metropolitan University (NMMU), Port Elizabeth, South Africa, in the form of a Diploma Cost & Management Accounting (1988), achieved with an Academic Merit Award, and a Higher Diploma in Management (1990), for which he achieved both Academic Colours, and the Best Student Prize award. Mark also completed a Company Secretary course via the George Washington University (achieved with distinction).

• 10.3 Board/Board Committee and Executive remuneration policies, benefits and emoluments of Board/Board Committee Members and Senior Executives:

The remunerations of the Board, and Board Committees', members, and of the Executive Management, are determined by the respective Remuneration Policies, which are approved by the shareholders in the GA meetings. These Remuneration Policies are authorised by the Board, subject to the shareholder's approval, after the recommendation of the NRC, and are periodically updated after appropriate benchmarking. The benchmarking is

made against appropriate local, and/or international, companies' remuneration levels, and this process includes accounting for external third party subject matter expertise, where considered appropriate.

During 2019, in accordance with the new Board term, the Company completed appropriate benchmarking, and an outcome of which the Board, based on the NRC recommendation, authorised changes, subject to the approval of the shareholders of the update of the Remuneration Policies, in the first GA of 2020, and which are reflected in sections 10 and 11. The changed amounts were accrued within the 2019 costs per the financial statements and will only be settled to the relevant persons after the approval of the shareholders, and subject to any required regulatory approvals.

The key policies determining the remunerations of the Board, and Board Committee's, members, as reflected within the Company's Terms of Engagement for Board and Board Committee members, and of Executive Management, are:

1. The Board Member Remuneration Policy,
2. The Board Committee Member Remuneration Policy, and
3. The Chief Executive Team (CET) Member Remuneration Policy, and the Company Human Resources Policy.

The duties and responsibilities of the Board, and Board Committees, and their members, are as defined within these policies and the various governance documents, including the Code of Corporate Governance, the Board and Board Committees' Charters, and the Terms of Engagement, and the remunerations are based on the fulfilment of their duties, and minimum meeting attendance levels. During 2019 there were no significant deviations from these policies.

Board/Board Committee members are remunerated per these policies, as aligned with the Company By-Laws and all relevant KSA regulations, and Bupa Arabia's updated policy is to pay attendance fees, for the Non-Executive Board, and Board Committees', members, for any Board, GA or Board Committee meetings attended, to a maximum of SR50k attendance fees per fiscal year, whether attendance is physically in person (SR5k/meeting) or by conference (SR2.5k/meeting), to settle customary related costs on a reimbursement of actual costs basis, and to settle the remuneration fees quarterly in arrears. Please refer to the 2019 AFS, note 24b, and below:

| Board Member Name | From | Until | Other Role(s) | Representing | Total 2018 Remu. (SR000s) | 2019 Remu. (SR000s) | 2019 Attendance Fees (SR000s) | Total 2019 (SR000s) | 2019 Change (SR000s) |
|--|----------|----------|-----------------------|----------------|---------------------------|---------------------|-------------------------------|---------------------|----------------------|
| Mr. Zaid Algwaiz* | 01-07-19 | 31/12/19 | AC Member | Not Applicable | 375 | 375 | 28 | 403 | 28 |
| | 01-01-19 | 30/06/19 | NRC Chairman | Not Applicable | | | | | |
| Ms. Huda Al Ghoson* | 01-07-19 | 31/12/19 | Not Applicable | Not Applicable | 0 | 200 | 10 | 210 | 210 |
| Dr. Abdulla Elyas* | 01-07-19 | 31/12/19 | RMC Member | Not Applicable | 0 | 175 | 20 | 195 | 195 |
| Mr. Abdulhadi Shayif* | 01-07-19 | 30/06/19 | Previous RMC Chairman | Not Applicable | 375 | 188 | 0 | 188 | (188) |
| Dr. Adnan A. Soufi* | 01-07-19 | 30/06/19 | Previous AC Chairman | Not Applicable | 375 | 188 | 0 | 188 | (188) |
| Total Independent * Board Members | | | | | 1125 | 1125 | 58 | 1183 | 58 |
| Eng. Loay H. Nazer | 01-01-19 | 31/12/19 | Board Remuneration | Nazer | 500 | 475 | 20 | 495 | (5) |
| | | | Board Chairman Bonus | | 0 | 375 | 0 | 375 | 375 |
| Mr. David Fletcher # | 01-01-19 | 31/12/19 | Board V-Chairman | BIOL | 300 | 300 | 10 | 310 | 10 |
| Mr. Martin Houston | 01-10-18 | 31/12/19 | Not Applicable | BIOL | 50 | 250 | 10 | 260 | 210 |
| Mrs. Joy Linton # | 01-12-19 | 31/12/19 | EC Member | BIOL | 0 | 25 | 0 | 25 | 25 |
| Mr. Simeon Preston # | 01-04-18 | 01-07-19 | Previous EC Member | BIOL | 225 | 150 | 0 | 150 | (75) |
| Mr. Aamer Alireza | 01-01-18 | 30/09/18 | Previous IC Chairman | Nazer | 281 | 0 | 0 | 0 | (281) |
| Mr. Martin Potkins # | 01-01-18 | 31/03/18 | Previous EC Member | BIOL | 75 | 0 | 0 | 0 | (75) |
| Total Non-Executive Board Members | | | | | 1431 | 1575 | 40 | 1615 | 184 |
| Mr. Tal Nazer | 01-01-19 | 31/12/19 | CEO/ EC Member | Not Applicable | 300 | 300 | 0 | 300 | 0 |
| Total Executive Board Members | | | | | 300 | 300 | 0 | 300 | 0 |
| Total Board Members Remuneration | | | | | 2856 | 3000 | 98 | 3098 | 242 |

#The Board/Board Committee member remuneration fees for BIOL representatives who are employees of Bupa are received by the Bupa legal entity BIOL and not by the individual persons in their personal capacity (refer sections 10, 11 and 18).

Other than the above annual remuneration amounts, and the reimbursement of actual expenses, Bupa Arabia Board members do not receive any other benefits from Bupa Arabia.

Please refer to the 2019 AFS, note 24a, and the table below, for the salaries, emoluments, allowances and bonuses, expensed/or provided for within the 2018/2019 results, by/for, the board members and the senior management:

| Description | Executive Board Members (CEO) (Board Remuneration) | Independent and Non-Executive Board Members | Senior Management (Including CEO and CFO) | | |
|-------------------------|--|---|---|-------------|---------------|
| | 2019 SR000s | 2019 SR000s | 2019 SR000s | 2018 SR000s | 2019 (Change) |
| Salaries and emoluments | 300 | 2,325 | 17,146 | 17,728 | (582) |
| Board Allowances | 0 | 98 | N/A | N/A | N/A |
| Bonuses & LTIP | N/A | 375 | 19,423 | 14,040 | 5,383 |
| EOS | N/A | 0 | 1,028 | 978 | 50 |
| 2019 | 300 | 2,798 | 37,597 | 32,746 | 4,851 |
| 2018 | 300 | 2,556 | 32,746 | | |
| 2019 (Change) SR000s | 0 | 242 | 4,851 | | |

The annual bonus and LTIP remuneration entitlements, of the Company's Senior Management, are based on a combination of Company results performance measures, and individual performance measures, both having to be achieved. The SR375k Bonus reflected for the Board members is the Board Chairman's bonus and no Board members are entitled to any LTIP shares.

• 10.4 Description of the Bupa Arabia equities of the board members and their immediate family members:

The Bupa Arabia equities held by the Bupa Arabia Board members, and their immediate family members, are as detailed below as at 31/12/2019:

| Interest of the Company's Board members and their spouses and minor children in the shares or debt instruments of the Company or any of its subsidiaries | | | | | | |
|--|--------------------|------------------|--------------------|------------------|-----------|-------|
| Name of Board Member | Opening 31/12/2018 | | Closing 31/12/2019 | | Change | |
| | No of shares | Debt Instruments | No of shares | Debt Instruments | In shares | % |
| Mr. Abdulhadi Shayif | 301,500 | - | 301,500 | - | 0 | 0% |
| Mr. Aamer Alireza | - | - | 10,692 | - | 10,692 | 100% |
| Mr. Zaid Algwaiz | 3,000 | - | 3,000 | - | 0 | 0% |
| Dr. Adnan Soufi | - | - | - | - | - | - |
| Eng. Loay Hisham Nazer | 3,000 | - | 3,000 | - | 0 | 0% |
| Mr. David Fletcher | - | - | - | - | - | - |
| Mr. Simeon Preston | - | N/A | - | - | - | - |
| Mr. Martin Houston | - | N/A | - | - | - | - |
| Mr. Tal Hisham Nazer [^] | 58,479 | - | 1,000 | - | (57,479) | (98%) |
| Dr. Abdulla Elyas | - | - | - | - | - | - |
| Ms. Huda AlGhoson | - | - | - | - | - | - |
| Mrs. Joy Linton | - | - | - | - | - | - |

[^] The shares reflected for Mr. Tal Nazer are the same shares per the Senior Management Executives' equities table in section 10.5.

• 10.5 Description of the Bupa Arabia equities of the senior management executives and their immediate family:

The Bupa Arabia equities held by the senior management executives, and senior/key management as per the SAMA definition, which the Company interprets as the CET members, Director - Company Secretariat/Company Board Secretary and leaders of the control functions (Legal and Corporate Governance, Legal Counsel, Risk Management, Compliance and Internal Audit Departments), and their immediate family members, in their personal capacity, are as detailed below:

| Interest of the Company's Senior Executives, Senior Managers, and their spouses and minor children in the shares or debt instruments of the Company or any of its subsidiaries: | | | | | | |
|---|-----------------------|------------------|-----------------------|------------------|-----------|-------|
| Name of Executive/Senior Manager | Opening 31/12/2018 | | Closing 31/12/2019 | | Change | |
| | No of shares | Debt Instrum. | No of shares | Debt Instrum. | In shares | % |
| Mr. Tal Hisham Nazer^ (CEO) | 58,479 | - | 1,000 | - | (57,479) | (98%) |
| Mr. Nader Ashoor (CFO) | - | - | - | - | - | - |
| Mr. Ali Sheneamer (CBDO) | 11,628 | - | 18,526 | - | 6,898 | 59% |
| Mr. Tariq Alamoudi (CHRO) | - | - | - | - | - | - |
| Mr. Atef Mufti (CSO) | - | - | - | - | - | - |
| Mr. Mohamed El Missaoui (COO) | - | - | - | - | - | - |
| Mr. Mark Lance Sutcliffe (Co. Board Sec.) | 16,860 | - | 19,593 | - | 2,733 | 16% |
| Mr. Bassel Gazzaz (Corporate Sales) | - | - | 6,168 | - | 6,168 | 100% |
| Mr. Nidal Saab (TPA) | - | - | 1,000 | - | 1,000 | 100% |
| Mr. Nasser AlQawas (Legal Counsel) | - | - | - | - | - | - |
| Mr. Ahmed Jaber (Risk) | - | - | - | - | - | - |
| Mr. Luay Abumansour (Compliance) | - | - | - | - | - | - |
| Mr. Assem Hamam (Internal Audit) | - | - | - | - | - | - |

^ The shares reflected for Mr. Tal Nazer are the same shares per the Board members' equities table in 10.4.

• 10.6 Description of any interest in a class of voting shares held by other persons:

As required in terms of the CMA disclosure requirements of Article 90, paragraph 25, other than the equities and interests of the Board members, senior executives/managers, and their respective immediate family members, as detailed within sections 10.4 and 10.5, Bupa Arabia is not aware of any other interest in a class of voting shares held by persons that have notified Bupa Arabia of their holdings pursuant to Article 45 of these rules.

• 10.7 Board meeting attendances:

As required in terms of the CMA disclosure requirements of Article 90, paragraph 31:

| Board Member Name | Board 1 05/02 | Board 2 13/03 | Board 3 30/04 | Board 4 18/06 | Board 5 01/07 | Board 6 17/09 | Board 7 19/11 | % |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------|
| Eng. Loay Hisham Nazer | Y | Y | Y | Y | Y | Y | Y | 100% |
| Mr. David Martin Fletcher | Y | Y | Y | Y | Y | Y | Y | 100% |
| Mr. Tal Hisham Nazer | Y | Y | Y | Y | Y | Y | Y | 100% |
| Mr. Abdulhadi A.S. Shayif (Until 30/06/2019) | Y | Y | Y | N | N/A | N/A | N/A | 75% |
| Mr. Zaid A. Algwaiz | Y | Y | N | Y | Y | Y | Y | 86% |
| Dr. Adnan A. Soufi (Until 30/06/2019) | Y | Y | Y | Y | N/A | N/A | N/A | 100% |
| Mr. Simeon Preston (Until 01/07/2019) | Y | Y | Y | N | N | N/A | N/A | 60% |
| Mr. Martin Houston | Y | Y | N | Y | Y | Y | Y | 86% |
| Dr. Abdulla Elyas (From 01/07/2019) | N/A | N/A | N/A | N/A | Y | Y | Y | 100% |
| Ms. Huda AlGhoson (From 01/07/2019) | N/A | N/A | N/A | N/A | Y | Y | Y | 100% |
| Mrs. Joy Linton (From 01/12/2019) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Total % Attendance | 100% | 100% | 75% | 75% | 87% | 100% | 100% | 91% |

• 10.8 Major board approvals/resolutions:

Amongst the major Board resolutions/approvals during the year were the following:

- The Company's updated Strategy, as per the EC recommendation,
- The CEO's updated contract, in alignment with the new Company Strategy, as per the NRC recommendation,
- The update of the Company's Risk Appetite Framework (RAF), and Risk Appetite Statements (RAS), as per the RMC recommendation,
- The 2020 Annual Operating Plan (AOP), as per the EC recommendation.
- The quarterly IFS, for fourth quarter 2018, and 2019 first to third quarters, the 2018 AFS and ABR, and the conflicts of interests, and related party transactions contained therein, per the AC recommendation, after receiving SAMA no-objection, and subject to the public shareholder's approval in the GA, where required and applicable,
- The appointments of the Board members, and Board Committee members and chairpersons, and changes in Secretaries, as per the NRC recommendation, for the new term, where required and applicable,
- The approvals of all the GAs related, in accordance with the relevant required committee recommendations,
- Any approvals as required in terms of the Schedule of Matters Reserved for the Board (SMRB).

Please refer to the sections 10, 12, 2019 AFS note 24, and the GA meeting minutes of the Tadawul announcements for further details of the related party transactions and conflicts of interests. Where any Board/Board Committee member has any conflict of interest the matter is addressed through the voting of the Board/Board Committee member(s) excluding the Board/Board Committee member(s) which have the related party conflict and/or conflict of interest.

• 10.9 Related party transactions:

The Company has related party transactions due mainly to the ownership, by Bupa and Nazer, in a few of the companies Bupa Arabia deals with. Additionally, due to some of the Bupa Arabia independent Board members' roles, or that of their first degree relatives, with other companies. Further details are reflected within the AFS, and the GA minutes, which can also be found on the Company's website for further information, both historic and expected future.

In any instance where any Board member was conflicted, whether personally or via related party relationship, the conflicted Board member did not vote.

| Legal Entity | Related Party | Description | 2019 Period | 2018 Period | 2019 SRk | 2018 SRk | SRk Incr/ (Decr). |
|---|-----------------|--|-------------------|-------------------|---------------|---------------|-------------------|
| Bupa Global | Bupa | Reinsurance Premium Ceded (Bupa International Saudi Arabia Plan) | 12 months Jan-Dec | 12 months Jan-Dec | 36,423 | 14,939 | 21,484 |
| Al-Ittihad Sports and FC | Eng. Loay Nazer | Marketing expenses - net (GWP less Expenses) | N/A | 2 months Nov-Dec | - | 521 | (521) |
| My Clinic International Medical Company | Nazer | Nurse service fees | 12 months Jan-Dec | 3 months Oct-Dec | 132 | 33 | 99 |
| NCB Capital | Dr. Adnan Soufi | Service Fees and Bank Charges | 6 months Jan-Jun | 6 months Oct-Dec | 715 | 482 | 233 |
| Various | Various | Other expenses - net | 12 months Jan-Dec | 12 months Jan-Dec | 673 | 892 | (219) |
| Bupa Investments Overseas Limited (BIOL) | Bupa | Tax Equalisation - net | 12 months Jan-Dec | 12 months Jan-Dec | (2,988) | 9,120 | (12,108) |
| Bupa Investments Overseas Limited (BIOL) | Bupa | Board and Committee Member Remuneration | 12 months Jan-Dec | 12 months Jan-Dec | 700 | 858 | (158) |
| Bupa Middle East Holdings Two. W.L.L. (BMEH2) | Bupa and Nazer | Trade mark fees | 12 months Jan-Dec | 12 months Jan-Dec | 23,608 | 20,542 | 3,066 |
| Total Listed Transactions | | | | | 59,263 | 47,387 | 11,876 |

• 10.10 Related party transactions relating to insurance contracts:

Details of health insurance contracts' associated with Bupa Arabia's Board members, or that of their first degree relatives, are reflected below:

| Bupa Arabia Board Members' Personal/Family Health Insurance with Bupa Arabia | | | | Gross Written Premium (GWP) | | | | |
|--|------------------------------|--|-----------------|-----------------------------|------|------|-------------|---------------|
| Ref. | Board Member Name | Contract Description / Explanation | Period | Saudi Riyals | 2019 | 2018 | 2019 Change | 2019 % Change |
| 1. | Mr. Abdulhadi Shayif* | Family and Personal Employees Health Insurance | 01/01 - 31/12 | SR 000s | 64 | 55 | 9 | 17% |
| 2. | Mr. Zaid Algwaiz* | Minor 2018 personal family health insurance before NCB insurance cover | 24/06 - 23/06 | SR 000s | N/A | N/A | N/A | N/A |
| 3. | Dr. Adnan Soufi* | SEDCO - Saudi Economic Develop Holding, Co. Ltd. | 14/04 - 13/04 | SR millions | 3 | 3 | 0 | 13% |
| 4. | Eng. Loay H. Nazer | Nazer Group Related Contracts (multiple contracts) | Various | SR millions | 10 | 9 | 1 | 12% |
| 5. | Mr. Aamer Alireza | Xenel and Nazer Group Related Contracts (multiple contracts) | 0m '19, 12m '18 | SR millions | N/A | 50 | (50) | -100% |
| 6. | Mr. Tal Nazer | Bupa Arabia Employees Health Insurance Scheme | 01/07 - 30/06 | SR millions | 19 | 18 | 1 | 6% |
| 7. | Dr. Abdulla Elyas* | Careem Contract Health Insurance Scheme | 20/04 - 19/04 | SR millions | 1 | N/A | 1 | 100% |
| | Ms. Huda Alghoson* | Not insured through Bupa Arabia | N/A | N/A | N/A | N/A | N/A | N/A |
| | Mr. David Fletcher | Not insured through Bupa Arabia | N/A | N/A | N/A | N/A | N/A | N/A |
| | Mrs. Joy Linton | Not insured through Bupa Arabia | N/A | N/A | N/A | N/A | N/A | N/A |
| | Mr. Martin Houston | Not insured through Bupa Arabia | N/A | N/A | N/A | N/A | N/A | N/A |
| | * Independent | * Independent Board Members | | | | | | |
| 1. | Mr. Abdulhadi Shayif* | Settles family and personal employees' health insurance cover amounts directly to Bupa Arabia | | | | | | |
| 2. | Mr. Zaid Algwaiz* | Previously, in early 2018, settled personal/family health insurance cover amounts to Bupa Arabia until covered by NCB after joining NCB's Board during May 2018 | | | | | | |
| 3. | Dr. Adnan Soufi* | Previously settled personal family health insurance cover amounts directly to SEDCO in line with the SEDCO scheme for its former executives | | | | | | |
| 4. | Eng. Loay H. Nazer | Health cover for self and family is as an employee of the Nazer Group and the Nazer Group settles to Bupa Arabia directly | | | | | | |
| 5. | Mr. Aamer Alireza | Not applicable for the 2019 year as Mr. Aamer Alireza was no longer a Bupa Arabia Board member during the 2019 year (Mr. Alireza was a Board member during 2018) | | | | | | |
| 6. | Mr. Tal Nazer | Health cover for self and family is as an employee member of the Bupa Arabia Health Insurance scheme and reflected within the staff costs | | | | | | |
| 7. | Dr. Abdulla Elyas* | Health cover for self and family is as an employee of Careem and Careem settles to Bupa Arabia directly | | | | | | |
| Bupa Arabia Board Members' Other Related Party Health Insurance with Bupa Arabia | | | | Gross Written Premium (GWP) | | | | |
| Ref. | Board Member Name | Contract Description / Explanation | Period | Saudi Riyals | 2019 | 2018 | 2019 Change | 2019 % Change |
| | Mr. Abdulhadi Shayif* | Health Water Bottling Company (Mr. Shayif a Board Member) | 30/06 - 29/06 | SR millions | 3 | 4 | (1) | -18% |
| | Mr. Abdulhadi Shayif* | Saudi Ground Services - new contract after Mr. Shayif Bupa term end | 01/07 - 30/06 | SR millions | N/A | 38 | (38) | -100% |
| | Mr. Zaid Algwaiz* | Rahji Steel Company (Mr. Algwaiz a former independent Board Member) | 24/06 - 23/06 | SR millions | N/A | 7 | (7) | -100% |
| | | NCB (Mr. Algwaiz an independent Board Member of NCB) | 01/01 - 31/12 | SR millions | 151 | N/A | 151 | 100% |
| | | A variety of Bupa health insurance contracts, relating to first degree relatives of Mr. Algwaiz, including Etihad Etisalat Company (Mobily) (2018 and 2019), and Al-Rahji Bank (2019 only) | Various | SR millions | 200 | 89 | 110 | 123% |
| | Dr. Adnan Soufi* | NCB Capital (Dr. Adnan an NCB Capital Indep. Board member from 2019) | 01/01 - 31/12 | SR millions | 5 | N/A | 5 | 100% |
| | Eng. Loay H. Nazer | Al-Ittihad FC (Eng. Loay Nazer former Chairman) | 10/08 - 09/08 | SR 000s | N/A | 299 | (299) | -100% |
| | Mr. David Fletcher | During 2019 there were 25 contracts (2018 : 16 contracts) which Bupa (England, UK) had an interest in | Various | SR millions | 6 | 4 | 2 | 68% |
| | Mrs. Joy Linton | | | | | | | |
| | Mr. Martin Houston | | | | | | | |
| | Dr. Adnan Soufi* | NCBC Management & Admin Fees (Dr. Adnan is an Indep. Board Member) | 6m '19, 6m '18 | SR 000s | 715 | 482 | 233 | N/A |
| | Eng. Loay H. Nazer | Al-Ittihad FC Sponsorship (Eng. Loay Nazer former Chairman) | Various | SR 000s | N/A | 521 | (521) | -100% |
| | Eng. Loay H. Nazer+Tal Nazer | My Clinic Nurse fees services provided to Bupa Arabia Offices | 12m '19, 3m '18 | SR 000s | 132 | 33 | 99 | N/A |

Any health insurance cover which Bupa Arabia provides to any Bupa Arabia Board member, and/or if applicable his company/ family members, or with whom he may be associated or have an interest, is done strictly on an arm's length basis, with no preferential treatment in any form, and in accordance with the Company's pricing and loss ratio targets per the Company's Underwriting Policy/Manual. This is in full adherence to each of the SAMA medical pricing regulations, and the CCHI medical insurance product regulations.

• 10.11 Assessment of the Board/Board Committees and the members' performance:

The Company routinely assesses the performance of the Board/Board Committees, and the respective members, on an ongoing basis, through the closed Board sessions, through the NRC, and via the Company Secretariat with the Committee Chairpersons, in liaison with the NRC.

11 Board Committees:

The Board Committee member remuneration fees, and attendance fees, excluding the Board member remunerations, are reflected below:

| Committee | Member Name | From | Until | Total 2018 Remu. (SR000s) | 2019 Remu. (SR000s) | 2019 Attendance Fees (SR000s) | Total 2019 (SR000s) | 2019 Change (SR000s) |
|--|--|----------|----------|---------------------------|---------------------|-------------------------------|---------------------|----------------------|
| Audit Committee (AC) | Mr. David Hunt* (Member) | 01/12/18 | 30/06/19 | 125 | 150 | 20 | 170 | 45 |
| | (AC Chairman) | 01/07/19 | 31/12/19 | | | | | |
| | Mr. Suliman Al-Hatlan* | 01/06/18 | 31/12/19 | 73 | 138 | 15 | 153 | 80 |
| | Mr. Walid Shukri* | 01/07/19 | 31/12/19 | 0 | 75 | 15 | 90 | 90 |
| | Mr. Khalid Al-Soliman* | 01/12/18 | 30/06/19 | 125 | 63 | 0 | 63 | (63) |
| <i>AC Sub-Total</i> | | | | 323 | 425 | 50 | 475 | 152 |
| Investment Committee (IC) | Mr. Osamah Shaker* (Member) | 01/01/19 | 31/12/19 | | | | | |
| | (IC Chairman) | 01/02/19 | 31/12/19 | 0 | 146 | 10 | 156 | 156 |
| | Mr. Selman Alfares* | 01/07/19 | 31/12/19 | 0 | 50 | 10 | 60 | 60 |
| | Mr. Niall Dooner # | 01/07/19 | 31/12/19 | 100 | 100 | 5 | 105 | 5 |
| | Mr. Khaled Al-Khattaf* | 01/07/18 | 31/12/18 | 100 | 0 | 0 | 0 | (100) |
| | Mr. Aamer Alireza (Non-Board IC Chair) | 01/10/18 | 31/12/18 | 38 | 0 | 0 | 0 | (38) |
| <i>IC Sub-Total</i> | | | | 238 | 296 | 25 | 321 | 83 |
| Nomination & Remuneration Committee (NRC) | Ms. May Al-Hoshan* | 01/12/18 | 30/06/19 | 100 | 50 | 0 | 50 | (50) |
| | Ms. Claire Semple # | 01/12/18 | 30/06/19 | 8 | 50 | 0 | 50 | 42 |
| <i>NRC Sub-Total</i> | | | | 108 | 100 | 0 | 100 | (8) |
| Risk Management Committee (RMC) | Dr. Khalid Al-Faddagh* (Chairman) | 01/07/19 | 31/12/19 | 0 | 75 | 15 | 90 | 90 |
| | Mr. Rami Makaram | | | 100 | 100 | 0 | 100 | 0 |
| | Mr. James O'Reilly # | 01/07/19 | 31/12/19 | 0 | 50 | 8 | 58 | 58 |
| | Mr. Paul John Davis # | 01/12/18 | 30/06/19 | 100 | 50 | 0 | 50 | (50) |
| <i>RMC Sub-Total</i> | | | | 200 | 275 | 23 | 298 | 98 |
| Total Committee Members' (Non-Board Member) Remuneration Fees | | | | 868 | 1096 | 98 | 1194 | 325 |

• 11.1 Audit Committee (AC):

| AC Purpose |
|---|
| The principal role of the AC is to monitor the integrity of the Company's financial statements, in accordance with the relevant financial reporting standards, compliance with laws and regulations, to review and, where appropriate, make recommendations to the Board on internal financial controls, Compliance, Internal Audit and to review the External Audit process and External Auditors performance. The Committee shall also have oversight, through the Company's RMC, for ensuring that the Company's risk management processes are adequate and effective, particularly with regard to the impact on the Company's financial reporting and its code of business conduct. A |

further lead role responsibility of the AC is the monitoring of the effectiveness, performance and objectivity of the Compliance function and the Internal Audit function, through the Compliance and Internal Audit functions reporting directly to the AC Chairman.

The 2019 AC meeting attendances are reflected below, the seventh meeting was with the Board.

| AC member name | Relevant experience and qualifications | AC1 29/1 | AC2 6/3 | AC3 24/4 | AC4 16/7 | AC5 24/10 | AC6 18/11 | AC7 19/11 | % |
|--|---|-------------|------------|-------------|-------------|--------------|--------------|--------------|-------|
| Dr. Adnan Soufi* (Saudi) (until 30/06/2019) | Refer Board section 10.2 | Y | Y | Y | N/A | N/A | N/A | N/A | 100 % |
| Mr. David Hunt* (British) (Full year - AC Chairman for the new term, since 01/07/2019) | B.Sc. Banking & Finance, Loughborough University of Technology, UK (1987). Over Thirty years' global experience in banking, financial services and insurance including, twenty-five years as an International Manager with the HSBC Banking Group. Previously Managing Director for SABB Takaful (2007-2011) and CEO for Gulf Finance, Saudi Arabia. Special Advisor to the Actis private equity Group 2012-2014. | Y | Y | Y | Y | Y | Y | Y | 100 % |
| Mr. Khalid Al-Soliman* (Saudi) (until 30/06/2019) | B.Sc. Accounting, King Saud University, (1986) and CPA (1994). Variety of senior NCB roles including, Senior Fin. Controller (2004-2014), Head of the Accounting Dept. (2001-2003), and Head of Finance (1997-2000). | Y | N | Y | N/A | N/A | N/A | N/A | 67% |
| Mr. Sulaiman Alhatlan* (Saudi) (Full Year) | M.Sc. Degree in Accountancy, San Diego State University, USA, (1998), and Bachelor's Degree in Accounting, King Saud University, (1994). | Y | Y | Y | Y | Y | Y | N | 86% |

| | | | | | | | | | |
|--|---|-------------|------------|-------------|-------------|-------------|-------------|------------|------------|
| Mr. Zaid Algwaiz* (Saudi) (for the new term, since 01/07/2019) | Refer Board section 10.2 | N/A | N/A | N/A | Y | Y | Y | Y | 100 % |
| Mr. Walid Shukri* (Saudi) (for the new term, since 01/07/2019) | A member of a variety of international and Saudi Boards and Committees including for companies such as the Saudi Electric Company, Saudi Mechanical Industries Company, Hokair and the Kanoo Group (Bahrain). Walid holds a degree in industrial management accounting (with Honors) from the King Fahad University of Petroleum and Minerals, KSA, and is a qualified accountant, CPA, USA, and Saudi SOCPA. | N/A | N/A | N/A | Y | Y | Y | Y | 100 % |
| Total Overall % AC Member Attendance | | 100% | 75% | 100% | 100% | 100% | 100% | 75% | 93% |

AC member's summary changes during the year:

| Outgoing | Date | Comment |
|--------------------------------|------------|-------------|
| Dr. Adnan Soufi* (AC Chairman) | 30/06/2019 | End of Term |
| Mr. Khalid Al-Soliman* | 30/06/2019 | End of Term |

| Incoming | Date | Comment |
|-------------------|------------|----------|
| Mr. Zaid Algwaiz* | 01/07/2019 | New Term |
| Mr. Walid Shukri* | 01/07/2019 | New Term |

• 11.2 Executive Committee (EC):

| EC Purpose |
|--|
| The purpose of the EC is to support the Board with the management of the business through the review, and monitoring, of all aspects of the operational performance of the Company on a routine basis to ensure that there are no barriers to achieving the strategy and objectives set. It recommends to the Board the annual income targets, and proposed dividends, accounting for solvency requirements, and also reviews and approves, as required per the SMRB, certain aspects of a commercial nature, including its Charter. It also supports the Board and the business in ensuring that the Company is compliant with regulatory requirements. |

During 2019 the EC approved:

- The pricing and loss ratio of contracts of the scale/pricing where required to be approved or EC recommended in terms of the SMRB/EC Charter.

| EC member name | EC 1 13/3 | EC 2 18/6 | EC 3 1/7 | EC 4 19/11 | % |
|--|--------------|--------------|-------------|---------------|------------|
| Eng. Loay Hisham Nazer | Y | Y | Y | Y | 100% |
| Mr. David Martin Fletcher | Y | Y | Y | Y | 100% |
| Mr. Tal Hisham Nazer | Y | Y | Y | Y | 100% |
| Mr. Simeon Preston (until 01/07/2019) | Y | N | N | N/A | 33% |
| Mrs. Joy Linton (since 01/12/2019) | N/A | N/A | N/A | N/A | N/A |
| Overall Total % | 100% | 75% | 75% | 100% | 87% |

EC member's summary of replacements during the year:

| Outgoing | Outgoing Date | Representing | Incoming | Incoming Date | Representing |
|--------------------|---------------|--------------|-----------------|---------------|--------------|
| Mr. Simeon Preston | 01/07/2019 | BIOL | Mrs. Joy Linton | 01/12/2019 | BIOL |

• 11.3 Investment Committee (IC):

| IC Purpose |
|---|
| The purpose of the IC is to assist the business in developing its investment policy and to thereafter supervise its adherence to it. To manage the company's investments to achieve the best return for the business, within the given risk parameter as approved by the Board, taking into account liquidity requirements and solvency constraints. The IC will also monitor investment performance and act as the liaison between third party investment managers and Bupa Arabia to ensure investments are in line with its IPS, SAMA's regulations and are fully Shariah compliant. Among other duties, the IC also provides investment advice to the Company and the Board and will approve institutions to be used for significant investment placements. |

During the first quarter of 2019 Mr. Osamah Shaker, independent non-Board member, joined the IC in place of Mr. Khaled Al-Kattaf, effective 01/01/2019, and was thereafter appointed IC Chairman, effective 01/02/2019, in place of Mr. Aamer Ali Reza. Effective 01/02/2019 therefore the IC comprised three members.

| IC member | Relevant experience and qualifications | IC 1 27/02 | IC 2 07/05 | IC 3 28/10 | IC 4 18/11 | % |
|---|--|---------------|---------------|---------------|---------------|------|
| Mr. Osamah Shaker* (Saudi) (Since 01/01/2019) | GIB Capital CEO and Board Member since 2016, Investment Committee Chairman and Member at Bupa Arabia since Jan\Feb 2019. He holds a Master of Science in Statistics from Colorado State University, USA, and Bachelor of Administrative Sciences in Quantitative Methods from King Saud University, KSA. | Y | Y | Y | Y | 100% |

| | | | | | | |
|---|--|-------------|-------------|-------------|-------------|-------------|
| Mr. Zaid Algwaiz* (Saudi) (until 30/06/2019) | Refer Board section 10.2 | Y | Y | N/A | N/A | 100% |
| Mr. Niall Dooner (Irish) | Senior Actuary for Bupa Global DAC, prior to joining Bupa a Portfolio Management Expert for the European Central Bank and Senior Investment Dealer for the Central Bank of Ireland. B.Sc. Financial and Actuarial Mathematics (2007) from Dublin City University and Fellow of the UK's Institute and Faculty of Actuaries (2011). | Y | Y | Y | Y | 100% |
| Mr. Selman Alfares* (Saudi) (from 01/07/2019) | Nessel Holding Company CEO since 2004, the CEO of AlMajd AlArabiyah since 2017, and Board Member and Member of Executive Committee at Hassana Investment Company since 2018. Holding a Bachelor of Science in Computer Information Systems from Arizona State University, USA. | N/A | N/A | Y | Y | 100% |
| Overall Total % | | 100% | 100% | 100% | 100% | 100% |

IC member's summary changes during the year:

| Outgoing | Date | Comment |
|----------------------|------------|-------------|
| Mr. Zaid Algwaiz* | 30/06/2019 | End of Term |
| Mr. Khaled AlKattaf* | 30/06/2019 | End of Term |

| Incoming | Date | Comment |
|---------------------|------------|----------|
| Mr. Selman Alfares* | 01/07/2019 | New Term |
| Mr. Osamah Shaker* | 01/07/2019 | New Term |

• 11.4 Nomination and Remuneration Committee (NRC):

| NRC Purpose |
|--|
| <ul style="list-style-type: none"> • To effectively manage Board, and Board Committee, member appointments, in accordance with both regulations and the approved policies and procedures, through recommendation to the Board, or regulators, where required, including ensuring the independence of the independent members, the absence of any conflict of interest, and that there are no reasons, versus the regulatory requirements, preventing the proposed membership(s), of Board, and Board Committee, members, prior to submission to SAMA by the Company. • To evaluate the structure and composition of the Board, and the Board Committees, and recommend changes to the Board. • To annually review the requirements of suitable skills for membership of the Board, and Board Committees, and reflect updates of the same within the Nomination and Appointment Policy and Procedure, for the approval of the public shareholders. • To develop clear policies regarding the compensation and remuneration of the Board, and Board Committee, members, following industry/market benchmarking, and to recommend them to the Board, • To recommend the Company's Long-Term Incentive Plan (LTIP) to the Board, • To recommend the Company's Chief Executive Team Remuneration Policy, and Employee Remuneration Policy, to the Board. • To review and approve the remuneration, and incentive payments (short term incentives/bonuses and Long-Term Incentive Plan (LTIP)) of the CEO, CET and the Company. • To recommend succession plans for the Board and the Board Committees, to the Board. • To establish and monitor succession plans for the CEO and the CET. • To annually assess/evaluate the performance of the Board, Committees, and their respective members. |

| NRC member | Relevant experience and qualifications | NRC1 26/02 | NRC2 17/6 | % |
|--|---|---------------|--------------|-------------|
| Mr. Zaid Algwaiz* (Saudi) (until 30/06/2019) | Refer Board section 10.2 | Y | Y | 100% |
| Ms. May Al-Hoshan* (Saudi) (until 30/06/2019) | During August 2018 May was appointed as Chief Human Resources Officer of Saudi Fransi Bank, having previously been Alawal Bank's General Manager Human Resources (2014 to June 2018), MD – Head of Human Capital Management, NCB Capital (2007-2014), May has a Master's in Engineering (Knowledge Management) at the George Washington University, and a Bachelor of Science, B.Admin. (Organizational Behaviour), at the Boston University. | Y | Y | 100% |
| Ms. Claire Semple (British) (until 30/06/2019) | Group Head of Talent, Leadership & Learning for Bupa since September 2019. Previously Bupa International Markets People Director 2018-2019, having held roles as People Director at Bupa Asia (2016-2018) and Leadership & Talent Director at Bupa International Markets (2015-2016). Prior to that a variety of HR and Organisational | Y | Y | 100% |

| | | | | |
|------------------------|---|-------------|-------------|-------------|
| | Development roles at various international companies including Telecom New Zealand, Unilever and Diageo. Holds an MSc. Organisation & People Development, (2004), a graduate Diploma from the Institute of Personnel & Development, UK (1996) and a BA (Hons) English Literature, University of Lancaster, UK (1992). | | | |
| Overall Total % | | 100% | 100% | 100% |

NRC member's summary changes during the year:

| Outgoing | Date | Comments |
|--------------------|------------|-------------|
| Mr. Zaid Algwaiz* | 30/06/2019 | End of Term |
| Ms. Claire Semple# | 30/06/2019 | End of Term |
| Ms. May AlHoshan* | 30/06/2019 | End of Term |

The regulatory approval for the new term NRC membership was in progress, and the new term NRC was therefore not yet formally constituted, as at 31/12/19, and as a result there were no formal NRC meetings held during the second half of 2019. The new term NRC was formally constituted on 12/02/20, following the receipt of the regulatory approvals for the NRC members, and whom comprising:

NRC new term membership:

| NRC Member Name and role | Effective Date | Comments |
|---|----------------|--|
| Ms. Huda AlGhosen* (Saudi), also as NRC Chairperson | 12/02/2020 | Independent Board Member, refer section 10.2 |
| Mr. Omar Najjar* (Saudi) | 12/02/2020 | Independent Non-Board Member |
| Mr. Martin Houston (British) # | 12/02/2020 | Board Member, refer section 10.2 |

• 11.5 Risk Management Committee (RMC):

| RMC Purpose |
|---|
| <p>The main purpose of the RMC is to assist the Board in its risk management strategy and oversight of risk across Bupa Arabia. This includes overseeing the current risk exposures and risk strategy, development of the overall risk appetite and tolerance, monitoring the effectiveness of the risk management framework including risk policies, process and controls, and the promotion of a risk aware culture throughout Bupa Arabia. The Committee is also committed to excellence in risk management and enhancing Bupa Arabia by:</p> <ul style="list-style-type: none"> • Being sighted on risk and engaging risk management to deliver sustainable performance • Owning the whole of Bupa Arabia's risk profile and acting on risk themes holistically • Recognizing emerging risks and proposing risk appetite changes to the Board, as needed • Defining and owning Bupa Arabia's risk culture and the mechanisms for installing this • Recommending policies for the approval of the Board, in terms of its Charter • Oversight of the implementation of Corporate Governance, per the CMA Corporate Governance Regulations articles 94 and 95. |

The 2019 RMC meetings and attendances are reflected below. The fourth meeting was with the Board:

| RMC member name | Relevant experience and qualifications | RMC1 03/04 | RMC2 14/10 | RMC3 18/11 | RMC4 19/11 | % |
|---|---|---------------|---------------|---------------|---------------|------|
| Dr. Khalid Al-Faddagh* (Saudi) (RMC Chairman from 01/07/2019) | Board Member at the E1 Healthcare Cluster, Independent Board Member at Vision Invest, Chairman of the Risk & Compliance Committee at ACWA POWER, Independent Board Audit Committee Member at SABIC and SPIMACO, Independent Board Risk Committee at the PIF. Dr. Al-Faddagh holds a PhD in Mechanical Engineering, Applied Mechanics from the Imperial College, England, UK. Achieved a Master of Science in the same major from the Victoria University of Manchester, England, UK. | N/A | Y | Y | Y | 100% |
| Dr. Abdulla Elyas* (Saudi) (from 01/07/2019) | Refer Board section 10.2 | N/A | Y | Y | Y | 100% |
| Mr. James O'Reilly # (British) (from 01/07/2019) | Currently Chief Risk Officer for Bupa Global and its affiliates, since Feb-2019, and was previously the Risk and Compliance Director of the Bupa Global division (2018-19). Is a Fellow of the Association of Chartered Certified Accountants (ACCA), UK, (since 2015), having been a member since 2010. | N/A | Y | Y | N | 67% |
| Mr. Rami Makarem (Lebanese) (Full year) | Currently the Nazer Group CEO. Previously the CFO of a UAE holding conglomerate for 5 years and before that was a Finance Manager for an IT multinational company in Riyadh. Previously worked as an auditor with a big four assurance company in Jeddah and Abu Dhabi. He holds an Executive MBA from the London Business School, a Post Graduate Diploma in Financial Strategy from the Said Business School at Oxford University. Rami is also a CPA and CMA (USA), and has a B.Sc. Business Admin., from Lebanon. | Y | Y | Y | Y | 100% |
| Mr. Abdulhadi Shayif* (Saudi) | Refer Board Section 10.2 | Y | N/A | N/A | N/A | 100% |

| | | | | | | |
|--|---|-------------|-------------|-------------|------------|------------|
| (RMC Chairman until 30/06/2019) | | | | | | |
| Mr. Tal Nazer (Saudi) (until 30/06/2019) | Refer Board Section 10.2 and CET Section 7.6 | Y | N/A | N/A | N/A | 100% |
| Mr. Paul Davis# (British) (until 30/06/2019) | Over 25 years' experience in legal, risk and compliance roles. Qualified as a solicitor in London in 1992. Extensive international experience having held a number of senior management positions in India, the Middle East and Asia during a 13-year career with Standard Chartered Bank. Is currently the Bupa Group Risk Director, Governance and Assurance. | Y | N/A | N/A | N/A | 100% |
| Overall % | | 100% | 100% | 100% | 75% | 94% |

RMC member's summary changes during the year:

| Outgoing | Date | Comment |
|-----------------------|------------|-------------|
| Mr. Tal Hisham Nazer | 30/06/2019 | End of Term |
| Mr. Abdulhadi Shayif* | 30/06/2019 | End of Term |
| Mr. Paul Davis# | 30/06/2019 | End of Term |

| Incoming | Date | Comment |
|------------------------|------------|----------|
| Dr. Khalid Al-Faddagh* | 01/07/2019 | New Term |
| Dr. Abdulla Elyas* | 01/07/2019 | New Term |
| Mr. James O'Reilly# | 01/07/2019 | New Term |

12 General Assembly (GA) meetings:

In 2019 we held two Extraordinary GA Meetings (EGM) and we include the highlights of our key Tadawul announcements, and the summary of the GA resolutions approved. Shareholders are referred to our fully detailed Tadawul announcements, our 2019 AFS, and our Company Website's Investor Relations Governance section, including the GA minutes, as we feel they contain sufficiently full information to enable Shareholders to be fully informed to make their decisions:

12-1 EGM resolutions approved on 30/06/2019 (results announced on 01/07/2019):

- (1): The Annual Board Report for the year ended 31/12/2018.
- (2): The External Auditors Report for the year ended 31/12/2018.
- (3): The Annual Financial Statements for the year ended 31/12/2018.
- (4): The selection of the external auditors, and their fees (Ernst & Young and KPMG Al-Fozan & Partners)
- (5): The dividend distribution of SR1.50/share, SR180m, representing 15% of the paid up capital at the time.
- (6): The remuneration paid to the Board members, at SR2,856K, for the year ended 31/12/2018.
- (7): The absolving of the Board of Directors of their responsibility for the year ended 31/12/2018.
- (8): The delegation of authority to the Board to approve an interim dividend.

(9): The changes to the Company's Long-Term Incentive Plan (LTIP).

(10): The purchasing of the LTIP shares by the company in order to fulfil the current LTIP Cycle's required shares purchase, to a maximum value of SR17,743,567, and to a maximum number of shares of 251,000.

(11): The appointment of the members of the Board of Directors, for the next new term.

(12): The formation of the Audit Committee, its membership, and its charter, for the new term.

(13-40): The ratification of related party transactions, business and contracts, for the prior and future years.

12-2 EGM resolutions approved on 12/11/2019 (results announced on 13/11/2019):

(1): The purchasing of the LTIP shares by the company in order to fulfil the current LTIP Cycle's required shares purchase, to a maximum value of SR15,000,000, and to a maximum number of shares of 210,000.

(2): The updating of the Audit Committee Charter.

(3): The updating of the Risk Management Committee Charter.

(4): The ratification of the medical insurance contracts for the year 2019 with Gulf International Bank Capital, Zaid Algwaiz is a related party.

(5): The ratification of the medical insurance contracts for the year 2019 with Ahmed Mohammed Baeshen Company, Ali Sheneamer is a related party.

(6): The changes in Article 3 of the Company's By-Laws, refining the Company's Objectives in accordance with the Bupa Arabia SAMA license, as requested by SAMA.

(7): The changes in Article 15 of the Company's By-Laws, increasing the Board membership from eight (8) to nine (9).

As required in terms of the CMA disclosure requirement of Article 90, paragraph 5, the Company, and the Board, confirms that it follows a procedure of ensuring all its Board, and Executive Management, members are aware of the shareholders' suggestions and remarks, on the Company and its performance, by circulating the GA minutes with the Board materials, and including the GA minutes on the Company's website.

12-3 GA meetings attendance by the Board Members:

| Board Member Name | EGM 1 30/06/2019 | EGM 2 12/11/2019 | % |
|---|---------------------|---------------------|------------|
| Eng. Loay Hisham Nazer | N | Y | 50% |
| Mr. David Martin Fletcher | N | N | 0% |
| Mr. Tal Hisham Nazer | Y | Y | 100% |
| Mr. Abdulhadi Ali Saif Shayif (until 30/06/2019) | N | N/A | 0% |
| Mr. Zaid Abdulrahman Algwaiz | Y | N | 50% |
| Dr. Adnan Abdulfattah Soufi (until 30/06/2019) | Y | N/A | 100% |
| Mr. Simeon Preston (until 01/07/2019) | N | N/A | 0% |
| Mr. Martin Houston | N | N | 0% |
| Dr. Abdulla Nadeem Elyas (from 01/07/2019) | N/A | N | 0% |
| Ms. Huda Mohammed ALGhosoN (from 01/07/2019) | N/A | N | 0% |
| Mrs. Joy Linton (from 01/12/2019) | N/A | N/A | N/A |
| Overall Board Member % GA Attendances | 38% | 29% | 33% |

13 Bupa Arabia Corporate Governance and Risk Management:

• Corporate Governance and Bupa Arabia Commitment:

Bupa Arabia is fully committed, through all levels of the Company hierarchy, including its Board and its Board Committees, to the implementation of world class corporate governance standards and to implementing, and thereafter adhering to, the Corporate Governance regulations of all Saudi regulators. Bupa Arabia will develop and implement corporate governance structures, frameworks, codes, policies, procedures and standards to support its achievement of best practices and adherence to the regulations and will maintain these up to date and aligned with regulatory requirements. This will ensure Bupa Arabia succeeds in fulfilling the five key elements of Corporate Governance:

- Strong commitment to Corporate Governance
- Strong commitment to world class Board practices
- Appropriate control environments and processes
- Strong regime of disclosure and transparency
- Protection of all Shareholders' rights, including minority shareholders.

Bupa Arabia is also committed to the implementation of international best practice standards for the prevention of bribery and corruption, fraud, financial crimes and is committed to preventing anti-competitive practices.

Bupa Arabia is committed to maintaining, and developing, its formal Corporate Governance Framework (CGF), including its Code of Corporate Governance (CCG), in alignment with international best practice, and in adherence to the regulators' Corporate Governance regulations, and plans to further enhance its key governance documents, for the approval of the shareholders, during 2020.

During 2019 the Company continued to invest and enhance its corporate governance through:

- The re-launch of the Company Whistle-Blowing practices, through educational videos and training sessions, including enhancing the anonymity of the raising of concerns,
- Training and awareness sessions in relation to the Competition Laws, including analysis of Bupa Arabia's alignment to them, and an update to the Board, in relation to the same,
- The implementation of the updated Company RAF and RAS.
- The updates of the AC and RMC Charters, in line with best practice and the new SAMA Cyber Security related requirements,
- Fraud training to the Company employees and representatives, including for the Board members,
- A continued focus on the development of the Company's Policies and Procedures.

Control Functions:

In support of ensuring robust practices of legal affairs and corporate governance, internal control, risk management, and cyber security and technology risk management, and in order to adhere to the relevant Saudi Arabia regulatory requirements of insurance companies, the Company, in addition to its Company Secretariat function, has established the below detailed control functions, which all report to the CRO, which role, as at 31/12/19, was vacant and the Company actively recruiting for. In addition to any other regulatory or supervisory requirements the principal role, duties and responsibilities of these control functions include, but are not limited to:

The Legal Affairs and Corporate Governance Department (LACGD):

The LACGD is responsible for the frameworks, codes, policies and procedures governing the management of the relationships, and the associated information sharing to and from, the Company's Management, Shareholders and other stakeholders, including its regulators and its employees, in accordance with all the laws and the relevant regulations.

The LACGD reports to the CRO and is responsible for ensuring the Company's compliance and adherence with the laws and relevant regulations. The LACGD also manages the Company's relationships with the Capital Market Authority (CMA) and stock exchange (Tadawul). During 2019 it was led by the Director – Legal Affairs and Corporate Governance, and Company Legal Counsel, and whose profile is below:

Director – Legal Affairs and Corporate Governance, and Company Legal Counsel, Nasser Alqawas:

Mr. Nasser Alqawas joined Bupa Arabia May 2016 and has over 25 years of substantial legal, compliance, corporate governance and board secretariat experience. Throughout his career he has managed to build a solid acumen in driving organizations to act with the highest level of integrity, and compliance with the local and international prevailing laws, in the different regions where they operate, in addition to administering efficient and transparent legal processes and documentation. He started his professional career in Arent Fox law firm for 6 years, after that and during his 20-year tenure at NCB, he was responsible for a variety of different roles and responsibilities, including Legal Advisor, Head of the Legal Execution Section, Manager of Legal Advisory & Research, General Board Secretary, the Group Chief Compliance Officer and then he was appointed as Chief Legal Advisor. Nasser holds a Master, and a Bachelor, of Law degree (from the King Abdulaziz University, Saudi Arabia), a diploma in Regulation, Compliance & Anti-Money Laundering (from the University of Reading, England), Certified Compliance Officer from Financial Academy (SAMA), and Leadership Executive Certificates from INSEAD.

The Risk Management Department (RMD):

The RMD is responsible for the overall Risk Management process across Bupa Arabia, coordinating the development of the Risk Management Policy and related frameworks, for monitoring the risk database/register and for reporting on material risks and action plans.

The RMD reports directly to the CRO, with access to the RMC and the structure entails: Enterprise Risk Management, Fraud Risk, Operational Risk Management and Risk Operations, Health & Safety, Management of Insurable Risks, and Risk Analytics. The RMD is led by the Head of Risk Management and whose profile is reflected below:

Director - Risk Management Department, Ahmed Jaber:

Mr. Ahmed Jaber joined Bupa Arabia during 2016, holds a Bachelor Degree in Industrial Engineering from King Fahad University of Petroleum and Minerals. He has 18 years of experience in engineering, risk, credit control, operational risk, fraud prevention and investigations, and internal audit. Prior to joining Bupa Arabia, Mr. Jaber was Head of Investigations and Fraud Prevention at the National Commercial Bank (NCB) and also previously; Head of Operational Risk Management and Acting Head of Retail Banking Audit. Ahmed Also was the Western Regional Head of Country Credit and Risk Control in SAMBA and worked as a Field Engineer in Schlumberger Middle East. He also has an International Diploma in Risk Management (American Academy of Financial Management), an Executive Certificate from the London Business School and other certifications (Certified GRC Professional (GRCP), Certified GRC Auditor (GRCA) Certified Fraud Examiner (CFE), Certified Risk Analyst (CRA), Certified Operational Risk Manager (CORM), Project & Contract Risk Specialist (PCRS) and Certified Compliance Officer (CCO)).

The Cyber Security & Technology Risk Department (CSTRD):

The CSTRD is a second line of defence and is responsible for the overall Cyber Security and Technology Risk monitoring processes across Bupa Arabia, coordinating the development of the related Policy and frameworks, and for assessing and monitoring the IT, Cyber Security and Technology risks and for reporting on the associated material risks and mitigation plans.

The CSTRD is responsible for the alignment of the Company with the SAMA Cyber Security Framework and for ensuring the Company's BCM and Crisis Management processes are fit for purpose.

The CSTRD reports directly to the CRO, with access to the AC and RMC as required and its structure covers Cyber Security, Information Systems Resilience & Technology Risk and BCM.

The CSTRD is led by the Head – Cyber Security & Technology and whose profile is reflected below:

[Head – Cyber Security & Technology Risk Department, Mohamed Elerian:](#)

Mr. Elerian joined Bupa Arabia during the first quarter of 2017, bringing more than 19 years' experience in information technology/security, software development life cycle, ERP implementation, web and applications solutions, data mining, global shared business services, and business process outsourcing. Prior to joining Bupa Arabia, Mr. Elerian was Security IT leader for the North Africa region at General Electric (GE), where he spent six years. Before GE he was the Middle East & Africa Senior Information Systems Manager at Parsons and prior to that was the Middle East IT Manager at Johnson & Johnson (Medical). Mr. Elerian holds an applied Accounting diploma from the American University of Cairo in Egypt, and a Bachelor's degree in Accounting and Business Administration from Ain Shams University in Egypt. He also possesses Certificates in: Lean Six Sigma, Change Acceleration Process, Cognos 8, Business Intelligence Oracle Discoverer Administration and AS Discoverers, and also Kofax Training.

[Finance pricing, actuarial, asset management & business advisory departments:](#)

The Finance pricing and actuarial capabilities of the Company are essential control functions to ensure the accuracy of the Company's pricing and the claims reserving, in accordance with both international best practice and the Saudi regulations, and these roles report into the Finance function, headed by the CFO. Additionally, the asset management and business advisory department performs a key control function, in relation to the management of the investment assets, in accordance with the Board approved Investment Policy Statement (IPS), Risk Appetites, and in adherence to the SAMA regulatory investment guidelines. These key Finance functions are currently lead by:

[Director - Commercial Finance, Jamil Dakkak:](#)

Mr. Jamil Dakkak has more than 10 years' finance experience and joined Bupa Arabia in the first quarter of 2017, as Head - SME Pricing, before being appointed as Acting Director – Commercial Finance. Prior to joining Bupa Jamil was the Assistant Vice President at SEDCO Capital and amongst his responsibilities included portfolio management and investment analysis as well as conducting valuations on publicly listed companies, and on IPO stocks, in the MENA region. Prior to that, Mr. Dakkak was a Manager at Price Waterhouse Coopers where he was involved in financial modelling & analysis, valuation, feasibility studies & market research, business plans, and financial due diligence for companies in different sectors. Jamil is a CFA holder and holds a bachelor's degree in Systems Engineering followed by an MBA from KFUPM and Masters in Finance from the University of Tampa, Florida.

[Director – Actuarial and Financial Analysis, Chadi Saba:](#)

Mr. Chadi Saba has more than 14 years' experience in health insurance. He joined Bupa Arabia in 2009 holding several management positions in Pricing and Commercial Finance and amongst his responsibilities included product development, setting the pricing strategy, benefit control and claims reserving. He was appointed as Director – Actuarial and Financial Analysis during 2018. Prior to that, Mr. Saba held the position of Actuarial Analyst at GlobeMed where he was involved in rate adequacy studies, underwriting performance reviews, actuarial modelling and reinsurance arrangements. Chadi holds a bachelor's degree in Actuarial Science and Insurance from Notre Dame University and Masters in Financial Economics from the American University of Beirut.

[Director – Asset Management & Business Advisory, Ahmed Bajunaid:](#)

Mr. Bajunaid has more than 11 years' experience in investment management. He joined Bupa Arabia in 2018 to lead the transformation activities related to the investment management function and to assist with company-wide key

strategic initiatives as part of the Business Advisory function. He was appointed as Director – Asset Management & Business Advisory during 2019.

Before joining Bupa, Ahmed worked at Sanabil Investments, where he was responsible for investing and managing its global private equity program. Before that, he spent nine years at Saudi Aramco Investment Management Department conducting strategy analysis and fund manager due diligence and reporting for private equity, public equities and hedge funds. Ahmed also worked with Cambridge Associates as an investment consultant within the private equity research team between Boston and London. Ahmed holds a Bachelor of Arts degree in Business Finance from Durham University and an MBA from Columbia Business School.

Independent Functions:

In line with best practice corporate governance, and as a key part of the Bupa Arabia 3LoD model, the Company has independent functions which report directly to the AC, with dotted line reporting to the CEO for day-to-day administration related, and both functions have full access to the Board, and also Board Committees, where required. The Compliance Department forms part of the Company's 2nd line of defence and the Internal Audit Department is a 3rd line of defence.

The Compliance Department (COD):

The COD is considered as an essential factor for Bupa Arabia's success and market leading position in health insurance in the Kingdom of Saudi Arabia, due to the critical role it plays in effectively managing compliance risks, integrating a strong Compliance culture into daily business activities and strategic planning of Bupa Arabia, maintaining Bupa Arabia's reputation, and protecting Bupa Arabia's Stakeholders.

The COD reports directly to the AC and its structure, roles and responsibilities are authorised by the AC. The COD is constituted of three units; Regulatory Compliance, Compliance Inspection and Financial Crime, and is led by the Head – Compliance, whose profile is detailed below:

Head – Compliance Department, Luay Abumansour:

Mr. Abumansour joined Bupa Arabia in Dec 2019, bringing more than 12 years' experience on the area of compliance, anti-money laundering (AML), counter terrorist financing (CTF) and corporate governance. Before joining Bupa Arabia, Mr. Abumansour was the Head of Compliance and AML/CTF at Abdul-Latif Jameel United Real Estate Financing Company for 5 years, he managed to establish and build the Compliance and AML/CTF function. Before that he spent 7 years in Bank Aljazira, he played several roles in the area of AML/CTF compliance, where his last role was the Head of AML/CTF investigations division. Mr. Abumansour previous experience also covered Compliance Monitoring, and Regulatory Relations and Monitoring, and throughout his career he has managed to build an effective and robust relationship with the Saudi regulators. Luay holds a bachelor's degree in systems and Industrial Engineering from King Fahad University of Petroleum and Minerals, he is also a Certified Compliance Professional (CCP) by the International Academy of Business and Financial Management.

The Internal Audit Department (IAD):

The IAD is an independent and objective assurance and consulting activity that is guided by the philosophy of Bupa Arabia's governance and systems of internal controls.

The primary role of IAD is to help Bupa Arabia's Board, and AC, protect the assets, reputation and sustainability of the organization. Internal Audit will achieve this through assessing whether key significant risks are identified and appropriately reported to the Board and the AC, assessing whether they are adequately controlled and by assisting Executive Management to improve the effectiveness of governance, risk management and internal controls.

In its capacity of “third line of defence” it assists Bupa Arabia in accomplishing its purpose of “longer, healthier, happier lives” by bringing a systemic and disciplined approach to evaluate and improve the effectiveness of the organization’s risk management, control, and governance processes.

The IAD reports directly to the AC and its structure, roles and responsibilities are authorised by the AC and it contains talented audit professionals experienced in Financial, Operational, Compliance and IT audits. The function is led by the Head of Internal Audit whose profile is detailed below:

Head - Internal Audit Department (IAD), Mr. Assem Hamam:

Mr. Assem Hamam joined Bupa Arabia during the fourth quarter of 2017, bringing more than 10 years’ of experience in Internal Audit, covering value-addition through assurance and consultation services in various sectors. Throughout his career, he built a solid acumen in driving organizations to act with the highest level of integrity, risk understanding and management, corporate governance, compliance with internal & external laws & regulations, internal controls and reporting processes, as well as the implementation and administration of efficient, and transparent, Internal Audit processes. Prior to joining Bupa Arabia, Mr. Hamam was the Internal Audit Manager/ Acting Head of Internal Audit of SEDCO Group and, during which 10-year tenure, he held a variety of roles and responsibilities, which including: External Assurance, Laws & Regulations Compliance Inspections, Fraud Investigations, Internal Assurance, Controls Measurement, Reporting Restructuring, Benchmarking and Committee Secretary. Assem holds a bachelor’s degree in accounting from the King Fahad University of Petroleum and Minerals and various certificates in Internal Assurance.

14 – 22 Additional disclosures (in accordance with laws and regulations):

The following sections contain additional disclosures in accordance with the laws and regulations of Saudi Arabia, including the SAMA Insurance Corporate Governance Regulations, and the CMA Corporate Governance regulations.

14. Other disclosures and information in accordance with laws and regulations:

• **14.1 Provision of corporate governance:**

Bupa Arabia is committed to, and is in full compliance with, the full adherence to the provisions of the SAMA Insurance Corporate Governance Regulations, as well as with that of the requirements of the Company’s Code of Corporate Governance. The Company is also in compliance with the CMA Corporate Governance Regulations with the following minor exception:

| Article Number | Article section and narrative | Reason for non-compliance |
|----------------------------------|---|---|
| 90/93 – Board Report disclosures | Article 90 paragraph 8 with respect to Article 93 a) paragraph 4) point b): Disclosure of the five Senior Executives who have received the highest remuneration from the Company. | The CMA has deferred the adherence to these specific articles of the CMA regulations to the fiscal year 2020 reporting in 2021. |

There are a number of voluntary requirements within the CMA regulations which Bupa Arabia has decided to either adapt, as for example within the RMC scope the corporate governance related, or adopt in the future, either when required to as mandatory, or earlier if considered appropriate and best practice to do so.

In terms of the CMA Corporate Governance regulation article number 89, regarding policies that regulate the relationship with stakeholders to protect their respective rights, Bupa Arabia’s policies will be enhanced during 2020 to ensure a stronger alignment with regulations and latest international best practice.

• 14.2 Tadawul shareholder database requests:

As required in terms of the CMA disclosure requirements of Article 90, paragraph 32, during 2019 Bupa Arabia made nine (9) requests of Tadawul for its shareholder database, on a variety of dates, and for a variety of reasons and which including:

- For the purpose of the GA Meetings,
- For Financial results reporting/disclosure purposes,
- For the identification of specific high volume, bulk, Bupa Arabia shares purchases, where applicable,
- So as to monitor the composition of the Company's shareholders, both international and local.

the above all being for the purpose of ensuring fulfilment of regulatory requirements and to continue to develop a better understanding of the composition of our Shareholders so as to be able to better understand and serve our Shareholders' needs.

15. No subsidiaries:

As required in terms of the CMA disclosure requirement of Article 90, paragraphs 22 and 23, the Company, and the Board, confirms Bupa Arabia has no subsidiaries and therefore no issued shares, nor any debt instruments, for any subsidiary.

16. No borrowings or loans:

As required in terms of the CMA disclosure requirement of Article 90, paragraph 27, the Company, and the Board, confirms that it has no borrowings or loans outstanding at the end of the current twelve month period and nor has it been required to make any payments against borrowings or loans during this twelve month period.

17. Declarations relating to debt instruments, options, warrants and rights:

As required in terms of the CMA disclosure requirements of Article 90, paragraphs 28, 29 and 30, the Company, and the Board, confirms the below declarations:

- That it has not issued, nor granted, any convertible debt instruments, options, warrants or similar rights during the financial year and accordingly has not received any consideration for the same,
- That it has not converted, nor issued, nor granted, any subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights during the financial year,
- That it has not redeemed, purchased or cancelled any redeemable debt instruments during the financial year. The Company has no such securities outstanding so the value of the same is nil.

18. Declarations relating to waiver of salary, compensation and rights to dividends:

As required in terms of the CMA disclosure requirements of Article 90, paragraphs 35 and 36, the Company, and the Board, confirms the below declarations:

- That there have been no instances of any arrangements or agreements under which any Board Member or Senior Executive of the Company has waived any salary or compensation, other than that the Board, and Board Committee, member remuneration fees for the Bupa employee representatives who are Bupa Arabia Board, or Board Committee, members are received by the legal entity BIOL, and not by the individual persons in their personal capacity (please refer to sections 10 and 11).
- That there have been no instances of any arrangements or agreements under which any shareholder of the Company has waived any rights to any dividends.

19. Long term incentive plan (LTIP):

As required in terms of the CMA disclosure requirement of Article 90, paragraph 38: during 2015 the Company launched a new and enhanced LTIP scheme, on an equity shares basis only, effective 01/01/2015, and during May 2017 obtained the GA meeting approval for this LTIP Scheme. The company secures advance GA approval for the annual purchase of the LTIP shares for each LTIP cycle (refer section 12) and, at the end of the current fiscal period holds 668,147 LTIP shares, cost value SR57.5m, on behalf of the LTIP participants. For more detail please refer to the AFS: "Statement of changes in shareholders' equity" and note 29 "Share Based Payments".

20. Internal control system and effectiveness:

As required in terms of the CMA disclosure requirement of Article 90, paragraph 39, point b), the Company, the Audit Committee, and the Board, confirms the system of internal control is sound and acceptable in design and effectiveness. In line with Bupa Arabia's commitment to an ongoing governance improvement journey, an internal control roadmap has been developed to achieve improved levels of internal control assessment maturity.

21. Continuation as a going concern:

As required in terms of the CMA disclosure requirement of Article 90, paragraph 39, point c), the Company, and the Board, confirm there are no significant doubts about the Company's ability to continue as a going concern.

22. External auditors:

The joint external auditors, as approved per the EGM (refer section 12), for the fiscal year ended 31/12/2019, were Ernst & Young and KPMG Al-Fozan & Partners, as was the case for the 2018 fiscal period.

23. Independent external actuary:

Bupa Arabia's independent external actuary, for the 2019 fiscal year was Lux Actuaries. Manar Sigma Financial Consulting was Bupa Arabia's independent external actuary for the 2018 and prior fiscal years.

Conclusion:

The Board would like to thank all customers for demonstrating continued extremely high levels of loyalty, and all investors, for contributing to the Company's success and leadership within the Saudi Arabian health insurance market. The Board would also like to express its sincere appreciation and gratitude to the Company's management and employees for their dedication, strong leadership and efforts throughout the reporting period.