

Board Charter Appendix 1 - Schedule of Matters Reserved for the Board (SMRB)

In order to ensure clarity of understanding of the authority of the Board, and support its effectiveness, and the effectiveness of the Company decision making, the Board delegates certain matters to its Board Committees, the Chief Executive Officer (CEO) and the Management of the Company but reserves certain matters for its approval as a Board as a whole, as it considers them sufficiently important that they are not delegated but are fully considered by the whole Board for final decision. Key roles and responsibilities of the Company are detailed within the Company's Code of Corporate Governance and this document details the authority of the Board and the specific "Schedule of Matters Reserved for the Board".

The Board of Directors is ultimately accountable and responsible for the performance, conduct, and regulatory compliance of the Company. Delegating authority to the Board Committees, the CEO, the Company Board Secretary, or Senior Management shall not absolve the Board of its responsibilities. The Board is also responsible for the performance of third parties engaged to perform activities or to manage functions.

"Rec. by:" means "Recommended by" and refers to the Board Committee or party which considers the item and makes recommendation to the Board for its final decision, or where the Charter approves the decision to be made by the Board Committee under the Board Delegated Authorities Framework (DAF) as approved by the Board: "AC" - Audit Committee, "Co.Sec". - Company Secretariat/Company Board Secretary, "EC" - Executive Committee, "IC" - Investment Committee "NRC" - Nomination & Remuneration Committee and "RMC" – Risk Management Committee.

All matters detailed herein, even where reserved for the Board, are subject to the laws and regulatory approval(s), and the public shareholder approval(s) through the General Assembly Meeting, wherever required and applicable, as per the laws and/or regulations of Saudi Arabia.

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		Rec.by:
1.	Strategy and management	
1.1	Responsibility for the overall leadership of the Company and setting the Company's values and standards.	
1.2	Approval of the strategic aims, long term objectives and commercial strategy.	
1.3	Approval of the annual operating plans (AOP), and capital expenditure budgets and any material changes to them.	EC
1.4	Oversight of the Company's operations ensuring:	AC, RMC
1.4.1	competent and prudent management	
1.4.2	sound planning	
1.4.3	maintenance of sound management, corporate governance and internal control systems	
1.4.4	adequate accounting, financial reporting and other records; and	
1.4.5	compliance with statutory and regulatory obligations	
1.5	Review of performance in the light of the Company's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.	EC
1.6	Extension of the Company's activities into new business sectors or new geographic areas.	EC
1.7	Any decision to cease to operate all, or any material part, of the Company's business operations.	EC
2.	Structure and capital	
2.1	Recommendation to the shareholders for the approval of amendments to the Articles of Association, i.e. Company By-Laws, of the Company.	

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		Rec.by:
2.2	Changes relating to the Company's capital structure, except under employee share incentive plans.	
2.3	Changes to the Company's corporate structure.	
2.4	Changes to the Company's listing or its status as a publicly listed company.	
3.	Financial reporting and controls	
3.1	Approval of the: Annual Financial Statements (AFS), quarterly Interim Condensed Financial Statements (IFS), Annual Board Report (ABR), Annual Report & Accounts (ARA), including the business review, and including the related party transactions, including the recommendation of the same to the public shareholders for approval in the General Assembly meeting which approves the results, where required and applicable.	AC
3.2	Approval of any significant changes in accounting policies or practices.	AC
3.3	Approval of the independent external Actuary's reports: a) the annual Financial Condition Report (FCR), and b) the annual Actuarial Medical Expenses Pricing and Underwriting Practices Report.	
3.4	Approval of the following:	
	3.4.1 Capital Management (including Dividend) Policy	IC
	3.4.2 Investment Strategy and Investment Risk Appetite	IC
	3.4.3 Treasury (including Investment Policy Statement) Policy	IC
3.5	Recommendation to the shareholders for the approval of dividends, following SAMA no-objection and after authorizing management to seek SAMA no-objection.	EC

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4. Internal controls and risk management	Rec.by:
4.1 Responsibility for the maintenance of a sound system of internal control and risk management including:	AC/RMC
4.1.1 undertaking an at least annual assessment of the internal control and risk management processes	
4.1.2 approving an appropriate statement for inclusion in the Annual Board Report	
4.2 Responsibility for ensuring the Company manages risk effectively including the approval of the:	RMC
4.2.1 Internal Control Framework	
4.2.2 Risk Management Framework	
4.2.3 Risk Management Policy	
4.2.4 Enterprise Policy Management Framework	
4.2.5 Risk Appetite Statements (RAS) (the extent and categories of risk which the Board regards as acceptable)	
4.2.6 The Company Underwriting Manual/Policy Guidelines	
4.3 Approval of any activities outside of the Board approved Risk Appetite Statements (RAS)	
5. Mergers and acquisitions (M&A), disposals and contracts	
5.1 Mergers, Acquisitions, Disposals & strategic investments >SR25m	
5.2 Sales Contracts, whether new or renewal, > SR250m	
5.3 Approval of any contract pricing discount which exceeds the CEO's authorised pricing discount level per the prevailing approved Company Underwriting Manual	
5.4 Crisis management expenses >5% of the prior year net profit before Zakat and Income Tax	
5.5 Purchase contracts > SR12m (Excluding Outsourcing Contracts)	

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<p>5.6 Outsourcing Contracts > S6m</p> <p>5.7 Medical Claims/Insurance Supply Chain Contracts > 20% of current year projected claims spend</p> <p>5.8 Budgeted Capital Investment Proposals > SR6m</p> <p>5.9 Ex-Gratia , requires joint CFO approval within his limit > SR3m</p> <p>5.10 Capex, Opex payments, including any and all contracts, including for prosecution, defence or litigation settlement related, whether customer compensation or other third party, wherever not within the approved budget, > SR10m</p> <p>5.11 Other expense items, Bad debt write-off & fixed asset disposal > SR3m</p>	<p>Rec.by:</p>
<p>6. Communication</p>	
<p>6.1 Approval of agendas, resolutions and associated materials and documentation to be put to the shareholders at the general assembly meetings.</p>	<p>Co. Sec.</p>
<p>6.2 Approval of press releases concerning matters decided by the Board.</p>	
<p>6.3 Approval of the Company's Investor Relations website framework and significant content (through which the Company communicates its Governance and other activities/updates to its Shareholders via the Company website)</p>	<p>EC</p>
<p>6.4 Approval of Media and Shareholder Communications Policy.</p>	<p>EC</p>
<p>6.5 Approval of the process for ensuring the appropriate communications with the shareholders, and other stakeholders, and to ensure that their views are fully communicated to the Board as a whole, including the Company's Shareholders' Disclosure Policy.</p>	<p>Co. Sec.</p>

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		Rec.by:
7.	Board and Board Committee membership, organization structure and other appointments	
7.1	Approval of changes to the structure, size and composition of the Board, and the Board Committees	NRC
7.2	Ensuring adequate succession planning for the Board, the Board Committees, the Chief Executive Team and senior positions	NRC
7.3	Recommendation to the shareholders for the approval of the:	NRC
7.3.1	Board and Board Committee Member Nomination and Appointment Policy and Procedure	
7.3.2	Appointments of the members of the Board	
7.3.3	Appointments of the members of the Audit Committee	
7.4	Selection of the Chairman, and Vice-Chairman, of the Board, the Chief Executive Officer (CEO), and the Company Board Secretary	
7.5	Recommendation to the shareholders for the approval of the:	AC
7.5.1	Appointment, re-appointment, or removal of the joint external auditors	
7.6	Approval of the membership of the Board Committees, except for the Audit Committee, and the approval of the Chairman of each Board Committee.	NRC
7.7	Determining the independence of the Board, and where required and applicable the Board Committee, members.	NRC
7.8	Election, removal, or continuation in office of any Board member, or Board Committee member, at any time, including the suspension or termination of service of a Board member, or Board Committee member, provided in accordance with laws and regulations	NRC

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7.9	Organizational structure at the level of the CEO's reports (except of the Risk, Compliance and Internal Audit functions which are fully delegated to either the Audit Committee or the Risk Management Committee).	Rec.by: CEO
7.10	Election and removal of Bupa Arabia representatives on the Board(s), and Board Committee(s) of subsidiaries.	NRC
8.	Remuneration	
8.1	Recommendation to the shareholders for the approval of the:	NRC
8.1.1	The Board Member Remuneration Policy	
8.1.2	The Board Committee Member Remuneration Policy	
8.1.3	The Chief Executive Team (CET) Member Remuneration Policy	
8.1.4	The Company shares incentive scheme(s) i.e. Long-Term Incentive (LTIP) Scheme	
8.1.5	The purchase of the Company LTIP shares in accordance with the LTIP Scheme	
8.2	Company Remuneration, Compensation and Benefits (C&B) Scheme for employees, including annual bonus schemes and framework, and including the CEO and executive team members, and any significant changes thereto.	NRC
8.3	The Board approves the compensation of the Company Board Secretary, and the Audit Committee Secretary, as specified within the corporate governance regulations.	NRC
9.	Delegation of Authority	

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- 9.1 Approval of the division of responsibilities between the Board Chairman, the CEO and the Board Company Secretary, as reflected within the Code of Corporate Governance.
- 9.2 Approval of the delegated levels of authority, to the Board Committees, and the CEO, and as reflected within the Company Board Delegated Authorities Framework.
- 9.3 Approval of the establishment of the Board Committees, and their respective Charters, based on the recommendation approvals of the respective Board Committees, and subject to public shareholder approval where applicable.
- 9.4 Receiving the reports, and the minutes, from all the Board Committees, on their activities.

Rec.by:

10. Corporate governance and company secretarial, policies and matters

10.1 Approval of:

- 10.1.1 Corporate Governance Framework
- 10.1.2 Corporate Governance Policy
- 10.1.3 Board Delegated Authorities Framework (DAF)
- 10.1.4 Bupa Arabia Company Code of Conduct
- 10.1.5 Corporate Social Responsibility (CSR) Policy
- 10.1.6 Board, and Board Committee, member Code of Conduct
- 10.1.7 Board, and Board Committee member Conflicts of Interest Policy

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10.1.8 Board, and Board Committee member Insider Trading and Stock Tipping Policy	Rec.by:
10.2 Recommendation to the shareholders for the approval of the:	
10.2.1 Code of Corporate Governance, including the Board Charter and this Schedule of Matters Reserved for the Board (SMRB)	Co. Sec.
10.2.2 Audit Committee Charter	AC
10.3 Undertaking a formal annual review of its own Board performance, and that of its Board Committees, and the respective members of the same.	NRC
10.4 Review of the Board’s overall corporate governance arrangements.	RMC
10.5 Overseeing arrangements for organising and controlling the Company’s affairs responsibly and effectively and in compliance with regulatory requirements.	AC
10.6 Approval of Conflicts of Interest, in terms of the relevant laws and regulations.	AC
10.7 Considering the balance of interests between shareholders, employees, clients, and the community.	
10.8 Approval of significant, as defined by the Board, stock exchange (Tadawul) announcements.	Co. Sec.
11. Policies	
In addition to the frameworks/policies reserved for Board approval, in the preceding sections of this Schedule of Board Reserved Matters, the below, and including any major changes thereto, are reserved for Board approval, based on the recommendation approval of the relevant Board Committee, as stated:	
11.1 External Suppliers Policy	RMC

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11.2 Financial Crime Risk Policy (includes AML, CTF, Anti-Bribery, Gifts, Sanctions)

Rec.by:

AC

11.3 Fit and Proper Persons Policy

AC

11.4 Health & Safety Policy

RMC

11.5 Insurance Risk Policy

AC

11.6 People (Human Resources) Policy

NRC

11.7 Speak Up (Whistle Blowing) Policy

AC

11.8 Mergers and Acquisitions Policy

RMC

11.9 Strategic Partnerships and JVs Policy

AC

11.10 Other Enterprise Policies

RMC

RMC

and any other framework, code or policy which subsequently requires approval as a result of legislation, or any regulation, or which covers an area that is considered fundamental to Bupa Arabia, per the discretionary interpretation of the Board of Bupa Arabia

12. Other

12.1 The making of political donations.

RMC

12.3 Approval of the overall levels of insurance, including Directors & Officers liability insurance, and including Board, and Board Committee Members, and Company Board Secretary, and Audit Committee Secretary cover and indemnification.

RMC

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Board of Directors Approval Date: **19 November 2020**

General Assembly Meeting Approval Date: **29 December 2020**

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Rec.by:

- 12.4 Exercise such other powers on behalf of the Company as may be required from time to time, in accordance with the law and regulations.
- 12.5 Any decision likely to have a material impact on the Company from any perspective, including, but not limited to, financial, operational, strategic or reputational.
- 12.6 This schedule of Matters Reserved for the Board decisions (SMRB).

The Board will receive reports and recommendations from time to time on any matter which it considers significant to the Board.

Where the Board delegates a power to recommend, this will also be contained in the Charter of the relevant Board Committee and the Board Delegated Authorities Framework (DAF).

All other matters not specifically reserved in this schedule are delegated to the CEO through the CEO Delegated Authorities Framework.

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