



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 December 2018.

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 31/12/2018 and 31/12/2017.

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 tenth 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:

In 2018 Bupa Arabia had a good trading year, in spite of the overall economic challenges, a shrinking health insurance market, and the insurance sector's overall lacklustre performance. Bupa Arabia increased its written premiums by 10.8% over 2017, due to healthy pricing and good growth in new business, and achieved a record written premium level of SR8.6b.

The 2018 investment income results represent another record year for Bupa Arabia, with a year on year growth of 16.6% achieved, driven mainly by an increased portfolio, an increase in Cash and Fixed Income yields, and further supported by a rising interest rate environment.

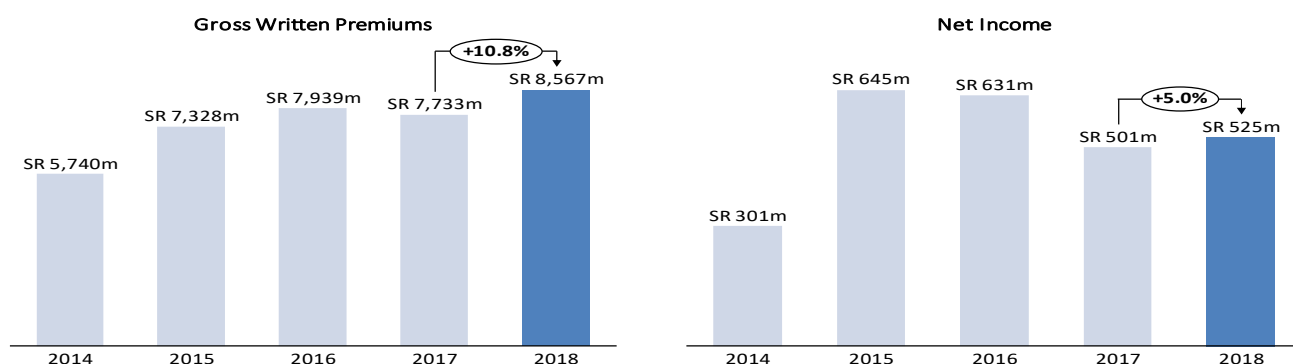
The 2018 year was also a record year for collections, in line with the record level of written premium, with a total of SR8.5b collected during the year. However, the BDP expense was higher in 2018, in part as a result of the economic situation and its impact on lapsed debt, but also due to the timing of the BDP versus the business growth, as well as an overall increase in the aging of the receivables.

During 2018 Bupa Arabia paid 2017 fiscal year dividends to its shareholders of SR160m (a pay-out ratio of 32%), versus the SR120m (a pay-out ratio of 19%) paid in 2017 for the 2016 fiscal year. The Company also distributed, during November 2018, bonus shares, one bonus share for every two shares held, thereby increasing the capital by SR0.4b to SR 1.2b, an increase of 50%.

2.1 Summary revenue and profit results:

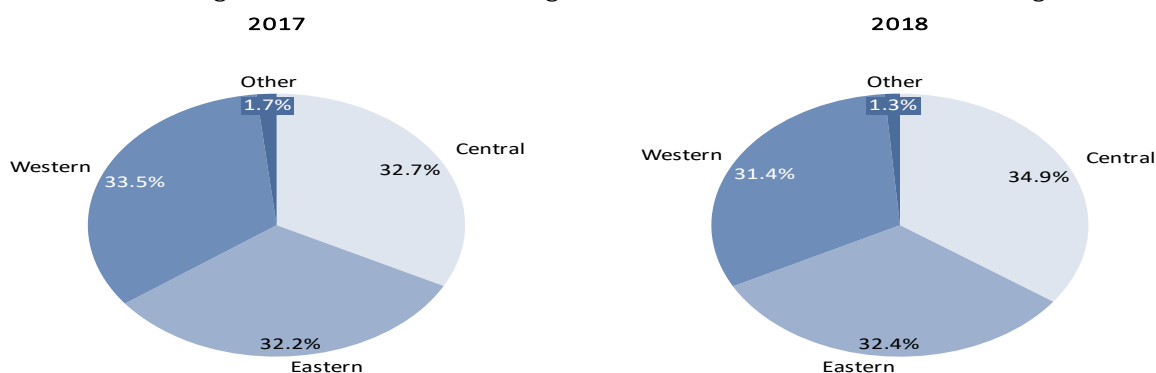
	2014	2015	2016	2017	2018
	SR000s	SR000s	SR000s	SR000s	SR000s
Gross written premiums (GWP)	5,740,449	7,328,016	7,938,630	7,732,961	8,566,648
Net earned premiums (NEP)	4,595,075	6,739,398	7,667,316	7,672,314	8,150,242
Total revenue	4,637,358	6,758,649	7,797,710	7,830,146	8,348,460
Gross claims paid	3,289,128	5,007,697	5,944,793	6,428,617	6,708,524
Net claims incurred (NCI)	3,649,005	5,211,046	6,178,445	6,405,003	6,788,985
Total expenses	654,351	829,408	923,163	874,137	985,317
Surplus from insurance operations	327,269	731,176	653,949	503,919	487,272
Shareholders' net income	301,275	645,077	630,705	500,614	525,431
Loss Ratio	79.4%	77.3%	80.6%	83.5%	83.3%
Earnings Per Share ("EPS")	2.51	5.38	5.26	4.18	4.39

Bupa Arabia's net income grew by 5% compared to 2017, driven by higher net underwriting results, due to a combination of higher earned premiums and an improved loss ratio, at 83.3% versus the 83.5% of 2017. The growth in net income was further supported by an increase in investment income. The underwriting and investment income gains more than compensated the higher operating expenses (which in part driven by the associated variable costs of the increased written premium) and the increase in the Bad Debt Provision ("BDP") expense during the year. Versus 2017 Bupa Arabia's 2018 GWP was higher by SR0.8b, and Net Income grew by SR24m:



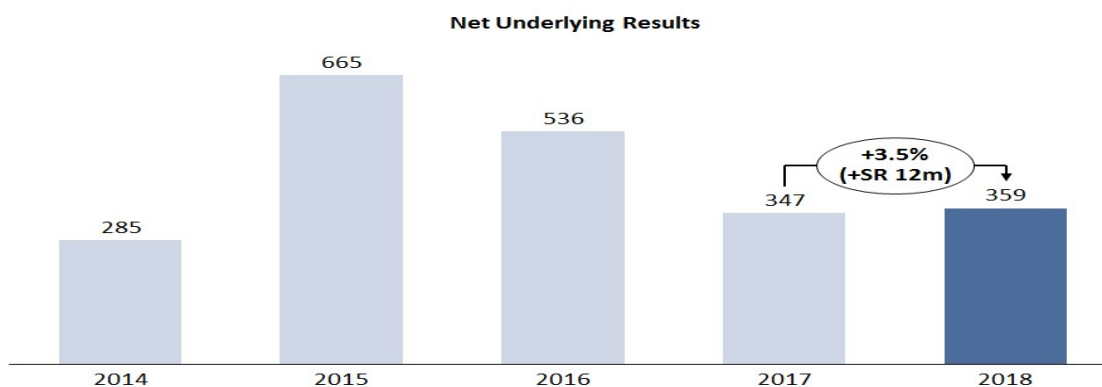
2.2 GWP Geographical mix:

The 2018 geographical mix of GWP was similar to that of 2017, with the main change being a marginal mix change to the Central region from the Western region, with the Eastern and "Other" regions broadly in line:



2.3 Net underlying results:

The net underlying results reflect the insurance results income, by removing the BDP expense/income and the investment/other income. During 2018 Bupa Arabia achieved a growth of SR12m in underlying results mainly due to the improved net underwriting results:



2.4 Summary balance sheets:

ASSETS	2014 SR000s	2015 SR000s	2016 SR000s	2017 SR000s	2018 SR000s
Cash and cash equivalents	1,846,850	798,862	225,830	229,884	290,413
Term deposits	1,257,757	3,547,529	4,045,310	3,945,383	4,715,281
Investments	644,546	624,928	1,258,420	1,721,690	1,621,491
Prepayments and other assets	72,561	95,046	148,991	170,528	202,985
Premiums receivable - gross	676,545	863,715	1,123,540	1,013,656	1,119,902
Allowance for doubtful premiums receivable	(77,858)	(114,266)	(142,997)	(142,674)	(169,231)
Premiums receivable - net	598,687	749,449	980,543	870,982	950,671
Reinsurer's share of unearned premium	39,733	900	1,356	5,146	6,320
Reinsurer's share of outstanding claims	13,432	3,012	1,720	1,030	3,014
Deferred policy acquisition costs (DAC)	56,601	78,415	72,281	71,076	118,323
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)	60,667	77,167	90,945	133,497	138,516
Accrued Interest on statutory deposit	-	-	3,585	5,121	6,882
Statutory deposit	40,000	80,000	80,000	80,000	120,000
TOTAL ASSETS	4,728,834	6,153,308	7,155,458	7,332,337	8,271,896

Total assets increased by 12.8%, year on year, due mainly to:

- Cash and cash equivalents growth of 26.3% (higher GWP and strong collections),
- An increase in term deposits of SR0.8b, up 19.5% (due to additional placements),
- An increase in net premium receivable of 9.1% (higher GWP),
- Growth in DAC of SR47m (higher GWP).

LIABILITIES AND SURPLUS	2014 SR000s	2015 SR000s	2016 SR000s	2017 SR000s	2018 SR000s
Unearned premiums (UEP)	2,383,358	2,890,679	3,094,990	3,091,079	3,428,131
Outstanding claims provision (OCP)	812,530	1,054,369	1,321,622	1,341,536	1,472,681
Reinsurance balance payable	3,253	-	15,117	39,613	50,636
Accrued expenses and other liabilities	305,866	312,643	237,017	212,067	367,204
Obligation under Long-Term Incentive Plan (LTIP)	22,754	-	-	-	-
Amount due to shareholders' operations	-	-	148,477	-	-
Policyholders' share of surplus from insurance operations	81,181	154,299	169,884	138,581	139,755
Accrued Zakat and income tax	23,903	42,577	116,953	148,704	199,784
Accrued Interest on statutory deposit	-	-	-	5121	6,882
Amount due to related parties	44,490	32,201	24,344	33,586	41,095
Total liabilities	3,677,335	4,486,768	5,128,404	5,010,287	5,706,168
Total equity	1,051,499	1,666,540	2,027,054	2,322,050	2,565,728
Total liabilities and equity	4,728,834	6,153,308	7,155,458	7,332,337	8,271,896

Total liabilities increased by 13.9%, year on year, due mainly to:

- Unearned premium reserves increased by 10% (GWP higher by 11%),
- Outstanding claims reserves increased to SR1.5b, an increase of 10%, (GWP higher by 11%),
- Accrued expenses and other liabilities grew by 49% (mainly: the new VAT payable liability, levies payable, and higher commissions payable (levies and commissions mainly growth related)),
- Fair value reserves decreased by SR29m, driven by the rising interest rates environment in 2018.

3. Statutory payments and payable to regulatory bodies:

As part of the CMA disclosure requirements of Article 43, paragraph 21:

•3.1 Table of payments and amounts payable to regulatory bodies:

Regulator: and Description	Paid		Paid Change	Payable		Payable Change
	2017 SR000s	2018 SR000s	2017 vs 2018 SR000s	2017 SR000s	2018 SR000s	2017 vs 2018 SR000s
GAZT : Zakat and Income Taxes	47,478	38,119	(9,359)	148,704	199,784	51,080
GAZT : Value Added Tax (VAT)	0	329,943	329,943	0	69,911	69,911
GAZT : Total	47,478	368,062	320,584	148,704	269,695	120,991
SAMA: Levies	38,547	42,252	3,705	5,549	6,130	581
CCHI: Levies and License Fees	77,094	84,504	7,410	11,098	12,260	1,162
TOTAL: Levies and license Fees	115,641	126,756	11,115	16,647	18,390	1,743
CMA/Tadawul: Service and License Fees	864	906	42	0	0	0
GOSI	25,208	30,083	4,875	2,412	2,654	242
Total	189,191	525,807	336,616	167,763	290,739	122,976

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

The total paid during the year, for Zakat and Income Tax, was SR38.1m being SR12.1m for the 2017 GAZT return (SR8.2m for Zakat and SR3.9m for Income Tax), SR23.3m as 2018 advance tax, and SR2.7m for other payments. The SR2.7m other payments comprising SR0.5m Zakat and SR2.2m related to Contract Retention Release Letters. The SR199.8m payable, for GAZT 2018 Zakat and Income Taxes, includes a SR49.5m provision for the 2018 GAZT return (SR8.9m Zakat and SR40.6m Income Tax), payable in 2018, and the remainder is predominantly additional contingent provisions for Zakat matters, for the year 2018, of SR35.6m, and prior years, which are under appeal.

In addition to the amounts detailed and described, an additional amount of SR8.3m was paid during 2018 for withholding taxes and SR4.8m has been provided in the 2018 results' related to withholding tax payable in 2019 incurred in 2018.

During 2018 Saudi Arabia implemented VAT and Bupa Arabia settled SR329.9m to the GAZT for VAT payments, and had SR69.9m VAT payable at the end of the year.

•3.3 The Saudi Arabian Monetary Authority (SAMA):

The increase in levies paid/payable to SAMA is due to 2018's higher written premiums. The SR42.3m levies paid comprised SR5.5m (2017 Q4) and SR36.8m (2018 Q1-Q3). The SR6.1m payable is the 2018 Q4 levies provision.

•3.4 The Council for Cooperative Health Insurance (CCHI):

The increase in levies and license fees paid/payable to CCHI is mainly due to 2018's higher written premiums. The SR84.5m paid comprised SR0.1m license fees (2017 SR50k), and SR84.4m for levies (SR11.0m for 2017 Q4 and SR73.4m for 2018 Q1-Q3). The SR12.3m payable is the 2018 Q4 levies provision.

•3.5 The General Organization for Social Insurance (GOSI):

The increase in GOSI paid/payable was due to an increase in staff costs and the total paid to GOSI during the year was SR30.0m, comprising SR2.4m for 2017 and SR27.6m relating to 2018. The 2018 GOSI provision payable is SR2.7m.

•3.6 Tadawul and the Capital Market Authority (CMA):

The SR906k paid to Tadawul comprised SR400k service fees, SR487k Annual Listing Fees (stock exchange related administrative services/public reporting regulatory requirements and activities), and SR19k as other service fees.

•3.7 Regulatory penalties:

Penalties settled during the year included a payment to the Ministry of Labour for SR52k which mainly for a breach in terms of the Saudi labour law.

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:	2013	2014*	2015*	2016	2017**
Description	SR000s	SR000s	SR000s	SR000s	SR000s
Retained Income (pre-Zakat & Inc. Taxes)	147,334	301,275	645,077	630,705	500,614
Dividend Amount	20,000	N/A	160,000	120,000	160,000
Pre-Zakat & Inc. Taxes Dividend Pay-out Ratio	13.6%	N/A	24.8%	19.0%	32.0%
Number of Shares in Issue	40,000	40,000	80,000	80,000	80,000**
Saudi Riyals Dividends per Share	0.50	N/A	2.00	1.50	2.00
% of Dividend/Year/Quarter Distributed	100% 2014Q2	N/A	100% 2016Q2	100% 2017Q2	100% 2018Q2

*SR400m of the 2014 retained earnings was 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 as at 31/12/2018.

• 7 Key other functional activities during the year:

• 7.1 Our proposition and marketing:

During 2018 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 brand, in Saudi Arabia:

a) Life-touching Healthcare Services:

In our commitment to offer our members unique healthcare services that add real value to their lives, we created the Tebtom healthcare program to help all our members and their families feel taken care of by our team members. The Tebtom program provides tangible services to all our members and which go well beyond health insurance, such as the medication refill and home lab services for chronic patients, and also the home vaccination service for children. Our doctors are also available to facilitate, through authorised third parties where appropriate, quick and immediate answers, to questions about their personal, and their families’, medical needs.

b) Exceptional Experiences at Hospitals:

We created the “Rahatkom” program, a significant enhancement of our previous “Point-of-Care (POC)” program. This involved physically transforming nearly 40 offices, led by almost 70 Bupa Arabia delegates, at top hospitals across the Kingdom. It makes members feel secure and well taken care of 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 us, as Bupa Arabia, to benefit from best practices and global medical guidelines from all around the world, and implement them in Saudi Arabia. Therefore, we continuously strive to combine our global expertise and capabilities with our in-depth local knowledge

of our local customers' 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). 2018 is the eighth successive year of providing free health insurance and medical cover to the orphans living in the orphanages under the MLSD, in 52 orphanages kingdom wide, across 16 cities.

During 2018 the orphans also visited both Al-Ittihad and Al-Hilal football clubs where they experienced "once-in-a-lifetime" opportunities to meet the players at the clubs' centres, experience match-days and receive player autographed club memorabilia.

We also continued our annual Ramadan donation initiative and we have now donated nearly 200,000 items since the initiative commenced, to charities registered under the Ministry, for distribution to disadvantaged families as part of the Ministry's Ramadan programs.

During 2018 we also donated over 1,000 IT hardware items to the non-profit foundation "Irtiqaa", which will refurbish the items and send them for installation at several charity foundations. We also provided space within our office canteen facilities for Nine Tenths (9/10ths), one of the Human Resource Development Fund (HRDF) Vision 2030 initiatives, that focuses on supporting Saudi Productive Families and small businesses, through Tojjar Booth, and these booths provide quality food to our employees, from Productive Families.

•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 our operations unit continues to succeed as reflected below:

- Improved the Net Promoter Score (NPS) to a new record of 67% (versus the 2017 record high of 65%).
- Maintained Customer Satisfaction at the record high 90% level of the previous year.
- Strengthened the Health Care Operations (HCO) differentiation.
- Built new capabilities in claims processes through the Health Risk Management (HRM) initiative.
- Provided Total Quality Management (TQM) quality assurance.
- Enabled 'Lean management' to increase staff productivity, and to continue to expand the lean process design (we achieved the runner up award in the Lean Transformation Category of the inaugural Four Principles Kaizen Awards of 2018).
- A strong focus on claims costs resulting in better managing the medical inflation curve.
- Strengthened the 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 provided technological support to the Company and during 2018 continued to develop underlying core systems and technological capabilities whilst moving towards further enhanced systems and processes through future digitalisation. Some of the more significant completed, and planned future developments, are detailed below:

- Continued progress against the Digital Strategy agenda,
- Infrastructure modernization projects,
- TPA systems requirements,
- E-commerce platform,
- The Customer Relationship Management (CRM) system,
- Various in support of regulatory requirements including; VAT, CCHI new upload systems, and other, such as SAMA 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 and business growth and, during 2018, we implemented a range of initiatives that impacted the Company positively.

We 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 and which led to an increase in Saudisation (please refer section 8.7).

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", which has a number of well qualified "Management Associate Trainees" who are currently undergoing on-the-job training in Bupa Arabia and, during 2018, we accepted a further intake to the program. The ultimate aim of the program is to identify and develop high potential Saudi talent who have the potential to fill future Bupa Arabia leadership roles (enhancing our succession planning).

During 2018, as part of a Bupa Group global initiative, Bupa Arabia engaged with a world-renowned Employee Engagement service provider and conducted a comprehensive and anonymous Pulse survey with all our staff members, achieving a participation rate of 84% and an engagement score of 76%, which indicates that overall we are well positioned versus leading Employers' of Choice institutions across the globe. The results of this survey will form the foundation of our People Strategy, and Employee Engagement KPIs, for 2019.

• 7.6 Our Chief Executive Team (CET):

• 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.

Tal is a Board member on various companies and committees. He is the 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 the Young Presidents Organization (YPO) and a member of Young Global Leaders (YGL).

He joined Choate's Board in New York in 2014.

Mr. Tal Nazer 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. During 2018 Nader was appointed as independent Board member, and member of the Audit Committee, and member of the Strategy Committee, of Saudi Steel Pipes (SSP), a Saudi publicly listed company and leading manufacturer of pipes in the MENA region, and 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 5 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 secondary market company) and as 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 that was responsible for a variety of HR leadership roles at global and regional levels at Procter & Gamble (P&G). Tariq was the P&G Saudi Arabia leader and also led the HR/Organizational development for the Global Development Organization (GDO), on assignment at P&G headquarters in Switzerland, which had a worldwide reach. Prior to that, he held key roles at Tetra Pak in business development, KPMG in People Consulting and AIESEC (Australia) in leadership development. Tariq established his own executive HR consultancy, providing executive leadership hiring and assessment services to major companies in Saudi. 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. He has completed executive programs in leadership, strategy and innovation from IMD, Switzerland.

- **Chief Risk Officer, (CRO) Ali Fawzi Hamdan**

Mr. Ali Hamdan joined Bupa Arabia in January 2016, as a CRO, bringing more than 15+ years of risk management and advisory experience, which capitalizes on multifaceted industry knowledge and significant exposure in leading multicultural teams. Prior to joining Bupa Arabia, Ali was the Middle East, North Africa and Turkey Chief Audit Executive for General Electric for almost four years. Ali also spent three years with Dubai Holding as the Head of Risk Management and Internal Audit for its subsidiary Sama Dubai, based out of Dubai, UAE. Prior to that, Ali worked for Deloitte and Andersen in the Enterprise Risk Services and Assurance & Business Advisory Services, respectively. Ali holds an Executive MBA degree (2015) from London Business School and a Bachelor's degree in Business Administration (2001) from the American University of Beirut in Lebanon. Ali also holds the CIA and CCSA certifications.

- **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 2018, are detailed within this section whilst others are described throughout this ABR.

• 8.1 Our Strategy review:

Bupa Arabia's strategic vision is aligned with the Kingdom's 2030 Vision for healthcare:

“Bupa Arabia is the greatest healthcare company in the Arab world. It is designed to deliver on its purpose. When it touches you, whether you are an employee, a customer or a community member, you live a longer, healthier, happier life. We have written history.”

At the heart of this vision is for Bupa Arabia to keep building its status as a healthcare partner to millions of people in Saudi Arabia. We aim to provide health insurance that leads the market in unlocking wider access to affordable, high-quality healthcare. As the largest health insurance company in the Kingdom, Bupa Arabia provides:

- Global expertise and reach, being part of the largest healthcare network in the world outside of the US and with over 70 years of experience.
- A drive to shift the healthcare industry to a patient-centric, outcomes-focussed paradigm. We provide life-touching healthcare services with our Tebtom program and care when needed most, in hospitals, with our Rahatkom program.
- Partnerships with government and other stakeholders in Saudi society to tackle the most pressing healthcare needs, subject to the legal and regulatory environments.

At Bupa Arabia, we believe in the “service profit chain” and know that extraordinary business performance cannot be delivered without a healthy and highly engaged workforce; hence we strive to attract and retain talented, skilled and engaged employees who love working at Bupa Arabia because of our ‘amazing culture’, which we define on five dimensions:

- We are leaders in all we do,
- We have an innovative and caring culture,
- We are loved by customers,
- We have amazing talent,
- We consistently act according to our values.

We will continue to enhance the sustainability of the Company's governance and oversight through our three lines of defence model and by improving Bupa Arabia as a Risk Intelligent Organization, via our Board/Board Committees oversight and our; Company Secretariat, Cyber Security and Technology Risk (including business continuity management), Risk Management, and Legal Affairs and Corporate Governance departments.

During 2018 we commenced a strategy refresh and this will be presented to the Board for approval during 2019. We aim to continue on our impressive trajectory during 2019, with a key pillar being to improve margins through more robust targeted pricing and in addition our top strategic priorities are to continue to:

- Strengthen our distribution,
- Better serve our members and clients,
- Strive for regulatory excellence,
- Build our people talent, capability and capacity, to deliver on our future,
- Expand our service offering,
- Remain committed to working with all the Saudi health authorities and regulators to identify and address the biggest health challenges facing Saudi society,
- Enhance our technological capability, including Digital, through our established “Digital Factory”.

• 8.2 Our Third Party Administration (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 the regulatory and client requirements for TPA Services during 2018 and 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 2018 we capitalised on our 2017 Risk and Governance developments, through the further enhancement of the control function capabilities (talent and tools), by successfully filling all vacancies and also significantly improving the Risk function Saudisation level (refer section 13, for the Corporate governance developments during the year).

• 8.5 Our Business continuity management (BCM):

During 2018, 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 completed a significant project 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.

This included the activation of an integrated crisis management/incident response structure encompassing plans required to respond to a disruptive incident, and including:

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

During 2018 we enhanced our Business Continuity Management policy and further, as required by SAMA 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.

Multiple IT Disaster Recovery Plan tests were conducted with some of the identified gaps closed and others scheduled for closure during 2019. Additionally, during 2019, 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.

During early 2018, in support of enhancing our second line of defence, and as required by the SAMA Cyber Security Framework, the Cyber Security and Technology Risk capability was enhanced through our appointment of a Chief Information Security Officer (CISO).

• 8.6 Our Shariah compliance:

Bupa Arabia maintained its Shariah compliance and, on 17/05/2018 announced the receipt, on 16/05/2018, of the approval of the Shariah Review Bureau (SRB) for its Shariah status per the 2017 annual Shariah Audit Report (reference BPA-204-05-01-05-18) 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 2018 we were successful in increasing the

Saudisation level to circa 75%, versus 2017 at circa 72%. 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:

Bupa Arabia is committed to treating all its shareholders consistently and fairly and keeping them informed of all relevant key developments, whether through either Tadawul announcements or the Company's website.

During the year the composition of Bupa Arabia's major shareholders changed due to the purchase by Bupa Investments Overseas Limited (BIOL) of an additional 5.0% shareholding in Bupa Arabia, from the Nazer Group's Modern Computer Programs Company Limited (4.91%) and ASAS Healthcare Company (0.09%), effective on, and as announced on Tadawul on, 07/08/2018. As at 31/12/2018 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 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:

The Company's objective is to provide the best access to the highest appropriate quality and cost effective care for its members. In doing so, it also seeks to make a sustainable return such that it may invest in the future while retaining a solvent position to ensure that member liabilities are never at risk of default.

In 2018 the economic situation continued to be challenging and we estimate that the Saudi market for health insurance GWP likely grew only due to the second half growth of premiums as a result of the CCHI added benefits from 1st July 2018. There was a continued reduction of many foreign workers (mostly blue collar), and expatriate dependents, whilst the insured Saudi population grew by around 13%, mostly in preparation for the enforcement led by the CCHI and which set to start during 2019. Price increases were achieved, predominantly due to the additional regulatory benefits, and in part some slight easing of the prior years' competitive pressures.

During 2019 we anticipate a continued difficult business environment for the majority of our clients, while affordability will continue to be a challenge, with many clients looking for extended payment terms, and/or lower network coverage, although we expect competitive pricing pressures to ease and the economy to start to recover. A regulatory enforcement of the currently uninsured Saudi population may drive an increase in market size, as it is estimated that the enforcement will potentially bring as many as 2.3 million Saudis to the insured market. We expect the expatriate numbers to generally stabilize in 2019 with 300-400k to leave the market.

Containing medical inflation remains a key focus and will continue to be challenging in 2019 due to the continued capacity restraints of existing provision, coupled with rising medical health provider costs. We will continue to invest in our Health Risk Management (HRM) to help detect and reduce fraud, abuse, as well as to continue to

manage our network providers to manage medical inflation, whilst still presenting networks of the highest quality and coverage to our members.

At the end of 2018 Bupa Arabia estimates it has a total Saudi insurance market share of +/-25%, versus the +/-22% of 2017, and we will look to continue to provide the best services, and differentiated products, whilst we are also proud of the extraordinary customer satisfaction levels we have continued to achieve in 2018.

• 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:

- Economic slowdown continuation with only a gradual recovery - which might lead to market shrinkage and higher unemployment.
- Medical inflation risk – that there continues to be insufficient provision capacity to cope with the increasing healthcare demands of the Kingdom and which results in material increases in medical inflation.
- Regulatory enforcement risk – the risk that the anticipated CCHI regulatory enforcement on the insurable Saudi population does not materialize as planned.
- Key competitors upgrading their internal capabilities and engaging in aggressive pricing - which might lead to intensified competition in the coming three years.
- Strong competition for top talent - which might lead to increases in staff costs and challenges to fill key roles.
- Strategic and operational risks associated with new proposed initiatives of the different Saudi Arabia regulators, and which may increase operational costs.
- Increased and unexpected cyber threats – which might lead to information security breaches and/or business disruption, potentially causing financial losses and reputational damage.
- Credit Risk – the risk that collections of receivables are adversely impacted leading to a higher than anticipated BDP expense,
- Interest Rate Risk – the risk of facing a decrease in the value of our investments due to increases in the US\$ benchmark interest rates.

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.

Board and Committees' Membership, and summary analysis, as at 31/12/2018:

Board/Board Committee Members at 31/12/18	Board of Directors	Audit Committee (AC)	Executive Committee (EC)	Investment Committee (IC)	Nomination and Remuneration Committee (NRC)	Risk Management Committee (RMC)
Chairmen:	Eng. Loay Nazer	Dr. Adnan Soufi*	Eng. Loay Nazer	Aamer Alireza	Zaid Algwaiz*	Abdulhadi Shayif*
Vice-Chairman:	David Fletcher					
Independent* Members	Abdulhadi Shayif* Zaid Algwaiz* Dr. Adnan Soufi*	Khalid Al-Soliman* David Hunt* Sulaiman Alkahtani*		Zaid Algwaiz* Khalid Alkattaf*	May Al-Hoshan*	
Non-Executive Members	Simeon Preston Martin Houston		David Fletcher Simeon Preston	Niall Dooner	Claire Semple	Paul Davis Rami Makarem
Executive Member	Tal Nazer (CEO)		Tal Nazer			Tal Nazer
Members:	Eight (8)	Four (4)	Four (4)	Four (4)	Three (3)	Four (4)
Secretary:	Mark Sutcliffe	Ali Hamdan (CRO)	Mark Sutcliffe	Mark Sutcliffe	Mark Sutcliffe	Mark Sutcliffe
Secretary Reports to	Board Chairman	AC Chairman	EC Chairman	IC Chairman	NRC Chairman	RMC Chairman
2018 No. Meetings	Six (6)	Seven (7)	Five (5)	Five (5)	Three (3)	Four (4)
2018 Avg. Attendance	89.6% (97.9% by proxy)	92.0%	90.0%	80.0%	100.0%	93.8%
2017 No. Meetings	Eight (8)	Seven (7)	Five (5)	Four (4)	Four (4)	Four (4)
Independence %	38%	100%	0%	50%	67%	25%
Saudi %	63%	75%	50%	75%	67%	50%
Female %	0%	0%	0%	0%	67%	0%

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 comprises three members with the Independence and Saudi percentages both at 67%.

Current (fourth) Board Term, effective 22/01/2018 to 30/06/2019, roles, term number, representing:

Membership Role	Board Member name	Nationality	Term Number	For the current term representing:
Independent*	Mr. Abdulhadi Ali Saif Shayif*	Saudi	3 rd	Not applicable
	Mr. Zaid Abdulrahman Algwaiz*	Saudi	2 nd	Not applicable
	Dr. Adnan Abdulfattah Soufi*	Saudi	1 st	Not applicable
Non-Executive	Eng. Loay Hisham Nazer	Saudi	4 th	Nazer
	Mr. David Martin Fletcher	British	2 nd	BIOL
	Mr. Simon Preston	British	1 st	BIOL
	Mr. Martin Joseph Houston	British	1 st	BIOL
Executive	Mr. Tal Hisham Nazer	Saudi	4 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 and date	Incoming and date	Representing
Mr. Martin Potkins (31/03/2018)	Mr. Simeon Preston (01/04/2018)	BIOL
Mr. Aamer Ali Reza (30/09/2018)	Not Applicable	Nazer
Not Applicable	Mr. Martin Houston (01/10/2018)	BIOL

Board Committee member summary changes during the year:

Outgoing and date	Incoming and date	Committee
Mr. Martin Potkins (31/03/2018)	Mr. Simeon Preston (01/04/2018)	EC
Not Applicable	Mr. Sulaiman Alkahtani (01/06/2018)	AC
Mr. Aamer Ali Reza (30/11/2018)	Ms. Claire Semple (01/12/2018)	NRC

Next (fifth) Board Term, effective 01/07/2019 to 30/06/2022:

In adherence to regulations the Company will present Board and Audit Committee members to the public shareholders for approval, by accumulative voting, at the GA in the second quarter of 2019. The Company has announced, on Tadawul on 18/11/2018, the start of the Board Nomination Period and will evaluate all applicants in accordance with the GA approved Nomination and Appointment Policy and Procedure, and in accordance with Saudi Arabia regulations, through the NRC and the Board.

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)	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. Current 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

David Fletcher (Vice-Chairman)	More significant qualifications	Board Membership in other Saudi PLCs
Bupa Arabia Board member since 2014. Currently Bupa, the London, UK based, international healthcare group, Group Chief Risk Officer (since 01/01/2017) and member of its Executive Team after being MD of Bupa International Development Markets, since 2014, and having joined Bupa as Chief Internal Auditor. Prior to that 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. 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 Modern History, Durham University, UK (1985).	Not applicable

Tal Hisham Nazer (Executive Member) (CEO)	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

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

Zaid Algwaiz (Independent)	More significant qualifications	Board Membership in other Saudi PLCs
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. During 2018 was appointed as Independent Board member, and Chairman of the Compensation, Nomination & Governance Committee, and member of the Executive Committee, of NCB. 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.	Bachelor Accounting, King Saud University, KSA (1987).	National Commercial Bank (NCB).

Dr. Adnan Soufi (Independent)	More significant qualifications	Board Membership in other Saudi PLCs
Bupa Arabia Independent Board member, and Audit Committee Chairman, since 2016. 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

Simeon Preston (from 01/04/2018) (Non-Executive)	More significant qualifications	Board Membership in other Saudi PLCs
Bupa Arabia Board and Executive Committee Member since 2018. The Chief Executive Officer of the International Markets division of Bupa, the London, UK based, international healthcare group, since October 2017. Simeon was previously with the AIA Group for seven years in roles which included Group Chief Operations Officer and prior to that was its Group Chief Strategy 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

Martin Houston (from 01/10/2018) (Non-Executive)	More significant qualifications	Board Membership in other Saudi PLCs
Bupa Arabia Board Member since 1 October 2018 and has served as a non-executive director on the main Board of Bupa, the London, UK based, international healthcare group, since January 2014. Martin also sits on the Bupa Nominations Committee and is the Chairman of its Remuneration Committee. Martin was previously employed by the 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.	Bachelor of Geology, Newcastle University, UK (1979). Master of Science, Petroleum Geology, Imperial College, London, UK (1983).	Not applicable

Martin Potkins (until 31/03/2018) (Non-Executive)	More significant qualifications	Board Membership in other Saudi PLCs
Bupa Arabia Board member since 2016. Bupa Group Corporate Controller, since 2015, after having spent many years in a variety of Senior Finance roles at reputable Finance and Insurance Companies, such as Friends Life, Resolution Operations LLP, where he was Group Financial Controller, Prudential plc, as Head of Financial Control, and prior to that spent six years with Aviva plc working in both the UK General Insurance business (as Finance Control Director) and the UK Life and Pensions business (as Deputy Finance Director).	Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) (FCA). Bachelor of Science (Joint Honours) Computer Science & Mathematics, University Of Manchester, UK (1982).	Not applicable

Aamer Ali Reza (until 30/09/2018) (Non-Executive)	More significant qualifications	Board Membership in other Saudi PLCs
Bupa Arabia Independent Board member since inception in 2008 until completion of the third Board term on 21/01/2017. A Bupa Arabia Board member representing Nazer for the fourth term and also the current Chairman of the Bupa Arabia IC, since 31/12/2017. Was previously NRC member and NRC Chairman, until 30/12/2017).	Bachelor of Economics and Political Science, Pitzer College, California, USA (1994). Advanced Management Program at Harvard University (2016)	Board member of Saudi Industrial Services Company (SISCO), from 2014 to still current.

10.2b The Board members' other significant role details, at 31/12/2018, are as follows:

Eng. Loay Hisham Nazer (Board Chairman)	Period
Board member/representative in a variety of Nazer businesses of which the most current and relevant are:	
1. Nazer Group Holding Company (Chairman)	1. 1990 - Current
2. Modern Computer Program Co. Ltd (MCPC) (Chairman)	2. 1990 - Current
3. ASAS Healthcare Company (Chairman)	3. 1997 - Current
4. Arabian Medical Marketing (Nawah Healthcare) Company (Chairman)	4. 1995 - Current
5. International Medical Clinics Company (Partner)	5. 2013 - Current
6. Nazer Dialysis and Advanced Healthcare Services Co. Ltd (Partner)	6. 2009 - Current
7. Loay Hisham Nazer Company Ltd. (Chairman)	7. 2011 - Current
8. Arab Conference Organizing Co. (ARC) (former Chairman and Board member - Nazer sold its stake during 2018)	8. 2005 - 2018
9. Board Member of Diaverum Arabia Company (previously Chairman until May 2018)	9. 2010 - Current
<u>Bupa/Nazer JVs:</u>	
10. Bupa Middle East Holdings Two WLL (Board Member)	10. 2009 - Current
11. Nazer Bupa for Medical Equipment Company (NBME) (Chairman)	11. 2015 - Current
Other more relevant:	

12. Chairman of the Al-Ittihad Football Club, since 26/11/2018	12. 2018 - Current
13. Chairman of the Makkah Cluster Advisory Board (since 2017), previously the Advisory Council of the King Abdullah Medical City in Makkah (since 2016).	13. 2016 – Current
14. Ex-National Unified Procurement Co. for Medical Supplies (NUPCO).	14. 2016 – 2018
15. Ex-Chairman of the Saudi Arabian Judo Federation.	15. 2013 - 2016
16. Ex-Vice-Chairman of the Saudi Olympic Committee	16. 2016 - 2017
17. Ex-CCHI Board member	17. 2007 - 2013

David Fletcher (Board Vice-Chairman)	Period
Board and Committee member of a variety of Bupa businesses of which the most current and relevant are:	Various
1. Bupa International Markets Limited	1. 2015 – Current
2. Bupa Middle East Holdings Two WLL (Bupa/Nazer JV)	2. 2015 – Current
3. Max Bupa Health Insurance Company Limited	3. 2014 – Current
Prior to Bupa more relevant more recent Board role:	
4. Ex-President Director/CEO, Bank Permata Indonesia	4. 2009 - 2014

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

Abdulhadi Shayif (Independent)	Period
1. AlAwwal Bank:	1.2008 - Current
<ul style="list-style-type: none"> • Independent Board member • Executive Committee member • Nomination and Remuneration Committee Chairman 	
2. Saudi Ground Services:	2. 2015 - Current
<ul style="list-style-type: none"> • Independent Board member • Audit Committee member 	
3. Health Water Bottling Co. (Riyadh), Board member and Audit Committee Chairman	3. 2016 – Current
4. AlMajdouie Group (Dammam) Board member	4. 2006 – Current
5. Ex-Board member of the AlAttieH Group (Jeddah)	5. 2007 - 2018
6. Deutsche Securities Saudi Arabia (Riyadh), Board Chairman	6. 2011 - Current
7. Nama Cargo (part of Nesma Group), Board Chairman	7. 2015 - Current

Zaid Algwaiz (Independent)	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. Ex-Independent Board member, and Chairman of the Audit Committee, of Mohammed Abdulaziz Al-Rajhi and Sons Investment Company	2. 2018 – 2018
3. Ex-Independent Board member, and Chairman of the Audit Committee, of Wilaya Investment Company	3. 2018 - 2018
4. Ex-Independent Board member, and Audit Committee member, of Al-Rahji Steel Industries	4. 2014 – 2018
5. Ex-Member of the Saudi British Bank (SABB) Nomination & Remuneration Committee	5. 2016 – 2018
6. Chairman of the Risk and Assets & Liability Committee of Mohammed Ibrahim AlSubaie & Sons Investment Company (MASIC)	6. 2014 – Current
7. Audit Committee member of Thakher Real Estate Development Company	7. 2016 - Current
8. Ex-Independent Board member of Al-Yusr Leasing and Finance (closed joint stock company)	8. 2015 – 2016
9. Ex-Independent Board Member and Chairman of the Audit Committee in AlAwwal Capital (formerly, Saudi Hollandi Capital), 100% Subsidiary of AlAwwal Bank	9. 2010 – 2016
10. Ex-Independent Board member of Middle East Specialised Cables Company (Saudi PLC)	10. 2009 – 2015
11. Ex-Independent Board member of HSBC Saudi Arabia Mutual Funds Board	11. 2008 – 2015
12. Ex-Independent Board member of the Gulf Finance Company, Saudi Arabia.	12. 2012 - 2015

Dr. Adnan Soufi (Independent)	Period
1. Chairman, Advisory Committee to the CMA	1. 2018 - Current
2. Founder and Managing Partner of DAS Partners, Jeddah	2. 2016 - Current, (prev. 2013-2014)
3. Ex-Member of the Board of Trustees, University of Business and Technology (UBT), Jeddah	3. 2013 – 2014
4. Ex-Member of Board advisors to UCLA Centre for Middle East Development.	4. 2011 – 2014
5. Ex-Investment Committee Member, King Abdulaziz University Endowment.	5. 2013 – 2014
6. Ex-OECD MENA Investor Council Member	6. 2013 – 2014
7. Ex-Board Member of Arabian Cement	7. 2012 - 2014

Simeon Preston (Non-Executive) (Since 01/04/2018)	Period
Board and Committee member of a variety of Bupa businesses of which the most current and relevant are:	Various
1. Bupa International Markets Limited	1. 2018 – Current
2. Bupa Middle East Holdings Two WLL (Bupa/Nazer JV)	2. 2018 – Current
3. Max Bupa Health Insurance Company Limited	3. 2018 – Current
4. Bupa (Asia) Limited	4. 2018 – Current
5. Bupa International Limited	5. 2018 – Current

Martin Houston (Non-Executive) (Since 01/10/2018)	Period
1. Non-executive Board member on the British United Provident Association (Bupa) Limited main board (since January 2014)	1. 2014 – Current
2. Executive Vice-Chairman of Tellurian Investments Incorporated	2. 2016 – Current
3. Vice-Chairman of Hakluyt North America	3. 2017 – Current
4. Appointed by Moelis and Company as the Chairman of its Global Energy Group (since March 2018)	4. 2018 – Current
5. Non-executive Board member of CC Energy Development Limited	5. 2014 – Current
Other: •Fellow of the Geological Society of London	

<ul style="list-style-type: none"> •Member of the Development Committee of the Royal Opera House 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 	
---	--

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

The Board also appoints the Board Committee Secretaries for each new term, based on the recommendation of the NRC, where required and applicable, and for the new term appointed the CRO as AC Secretary (please refer profile in 7.6), the CHRO as NRC Secretary, and the Director – Company Secretariat as the Company Board Secretary and the Secretary for all the other Board Committees. During 2018 the Director – Company Secretariat was also appointed as the NRC Secretary, 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, more than 18 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. Mr. Sutcliffe 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. He 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 policies for the remuneration of Board/Board Committee/CET members were most recently updated and approved by the 30/11/2017 GA meeting:

- Board Member Remuneration Policy.
- Board Committee Member Remuneration Policy.
- Chief Executive Team Remuneration Policy.

During 2019 Bupa Arabia will conduct a new Board and Board Committee Member Remuneration benchmarking exercise to ensure that the above remuneration policies are competitive. 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 policy is not to pay any attendance fees for any meetings but 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 2018 AFS, note 24b, and below:

Board Member Name	Other Role	Representing	2018	2017	2018 Change
Mr. Abdulhadi A.S. Shayif*	RMC Chairman	Not Applicable	375	375	0
Mr. Zaid Algwaiz*	NRC Chairman	Not Applicable	375	375	0
Dr. Adnan A. Soufi*	AC Chairman	Not Applicable	375	375	0
Total Independent * Board Members			1125	1125	0
Eng. Loay H. Nazer	Board Chairman	Nazer	500	500	0
Mr. David Fletcher #	Board V-Chairman	BIOL	300	300	0
Mr. Simeon Preston # (from 01/04/18G)	EC Member	BIOL	225	0	225
Mr. Martin Houston (from 01/10/18G)	None	BIOL	50	0	50
Mr. Aamer Alireza (until 30/09/18)	IC Chairman	Nazer	281	375	-94
Mr. Martin Potkins # (until 31/03/18G)	EC Member	BIOL	75	300	-225
Total Non-Executive Board Members			1431	1475	-44
Mr. Tal Nazer	CEO	Not Applicable	300	300	0
Total Executive Board Members			300	300	0
Total Board Members Remuneration			2856	2900	-44

#The Board/Board Committee remuneration fees for BIOL Bupa Arabia board member 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 2018 AFS, note 24a, and the table below, for the salaries, emoluments, allowances and bonuses, expensed/or provided for within the 2017/2018 results, by/for, the board members and the senior management:

Description	Executive Board Member (CEO) (Board Remuneration)	Independent and Non-Executive Board Members	Senior Management (including CEO and CFO)		
	2018 SR000s	2018 SR000s	2018 SR000s	2017 SR000s	2018 (Change)
Salaries and emoluments	300	2556	17728	16888	840
Board Allowances	0	0	N/A	N/A	N/A
Bonuses & LTIP	N/A	0	14040	14178	-138
EOS	N/A	0	978	879	99
2018	300	2556	32746	31945	801
2017	300	2600	31945		
2018 (Change) SR000s	0	-44	801		

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.

• 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 31/12/2018:

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 31/12/2017		Closing 31/12/2018		Change	
	No of shares	Debt Instruments	No of shares	Debt Instruments	In shares	%
Mr. Abdulhadi Shayif	201,000	-	301,500	-	100,500	50%
Mr. Zaid Algwaiz	2,000	-	3,000	-	1000	50%
Dr. Adnan Soufi	-	-	-	-	-	-
Eng. Loay Hisham Nazer	2,000	-	3,000	-	1000	50%
Mr. David Fletcher	-	-	-	-	-	-
Mr. Simeon Preston	N/A	N/A	-	-	-	-
Mr. Martin Houston	N/A	N/A	-	-	-	-
Mr. Tal Hisham Nazer [^]	1,000	-	58,479	-	57,479	5748%

[^] The shares reflected for Mr. Tal Nazer are the same shares per the Board members' 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 31/12/2017		Closing 31/12/2018		Change	
	No of shares	Debt Instrum.	No of shares	Debt Instrum.	In shares	%
Mr. Tal Hisham Nazer^ (CEO)	1,000	-	58,479	-	57,479	5,748%
Mr. Nader Ashoor (CFO)	-	-	-	-	-	-
Mr. Ali Sheneamer (CBDO)	4,106	-	11,628	-	7,522	183%
Mr. Tariq Alamoudi (CHRO)	-	-	-	-	-	-
Mr. Ali Fawzi Hamdan (CRO)	-	-	-	-	-	-
Mr. Atef Mufti (CSO)	-	-	-	-	-	-
Mr. Mohamed El Missaoui (COO)	-	-	-	-	-	-
Mr. Mark Lance Sutcliffe (Co. Board Sec.)	8,614	-	16,860	-	8,246	96%
Mr. Nasser AlQawas (Legal Counsel)	-	-	-	-	-	-
Mr. Ahmed Jaber (Risk)	-	-	-	-	-	-
Mr. Ali Jazzar (Compliance)	-	-	-	-	-	-
Mr. Assem Hammam (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 22/01	Board 2 20/03	Board 3 24/04	Board 4 31/05	Board 5 30/07	Board 6 21/11	Overall
Eng. Loay Hisham Nazer	N	Y	Y	Y	Y	Y	83%
Mr. David Martin Fletcher	Y	N	Y	Y	N	Y	67%
Mr. Tal Hisham Nazer	Y	Y	Y	Y	Y	Y	100%
Mr. Abdulhadi A.S. Shayif	Y	Y	Y	Y	Y	Y	100%
Mr. Zaid A. Algwaiz	Y	Y	Y	Y	Y	Y	100%
Dr. Adnan A. Soufi	Y	Y	Y	Y	Y	Y	100%
Mr. Simeon Preston	N/A	N/A	Y	Y	Y	Y	100%
Mr. Aamer A. Ali Reza	N	Y	Y	Y	N	N/A	60%
Mr. Martin Potkins	Y	Y	N/A	N/A	N/A	N/A	100%
Mr Martin Houston	N/A	N/A	N/A	N/A	N/A	Y	100%
Total % Attendance	75%	88%	100%	100%	75%	100%	90%

• **10.8 Major board approvals/resolutions:**

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

- The quarterly IFS, for fourth quarter 2017, and 2018 first to third quarters, the 2017 AFS and ABR, and the conflicts of interests, and related party transactions contained therein, per the AC recommendation, after receiving SAMA approval, and subject to the public shareholders' approval in the GA, where applicable,

- The appointments of Board and Board Committee members, and changes in Secretaries, as per the NRC recommendation,
- 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),
- The 2019 AOP, as per EC recommendation.

Please refer to the sections 10.9, 10.10, 12, 2018 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 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	Period	2018	2017	Incr /-Decr
Bupa Global	Bupa	Reinsurance Premium Ceded (Bupa International Saudi Arabia Plan)	12 months	14,939	9,252	5,687
Al-Ittihad Sports and FC	Eng. Loay Nazer	Marketing expenses - net (GWP less Expenses)	Nov-Dec '18	521	0	521
My Clinic International Medical Company	Nazer	Nurse service fees	Oct-Dec '18	33	0	33
NCB Capital	Dr. Adnan Soufi	Service Fees & Bank Charges	Jul-Dec '18	482	0	482
Various	Various	Other expenses charged - net	2018	892	0	892
My Clinic International Medical Company	Nazer	'17 receivable from Nazer Medical Clinics to Bupa Arabia was Microsoft Dynamics licence recharged	2017	0	284	-284
Bupa Investments Overseas Limited (BIOL)	Bupa	Tax Equalisation - net	12 months	9,120	0	9,120
Bupa Investments Overseas Limited (BIOL)	Bupa	Board and Committee Member remuneration	12 months	858	800	58
Bupa Middle East Holdings Two W.L.L.	Bupa and Nazer	Trade mark fees	12 months	20,542	19,321	1,221
Shariah Review Bureau (SRB)	Mr. Abdulhadi Shayif	Shariyah consulting services	Jan-Oct '17	0	119	-119
Total Listed Transactions				47,387	29,776	17,611

• 10.10 Related party transactions relating to insurance contracts:

Details of health insurance contracts' associated with Bupa Arabia's Board members are reflected below:

2018 ABR Health Insurance Cover of Board Members

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	2018	2017	2018 Change	2018 % Change
1.	Mr. Abdulhadi Shayif	Family and Personal Employees Health Insurance	01/01 - 31/12	SR 000s	55	67	(12)	-18%
2.	Mr. Zaid Algwaiz	Personal Family Health Insurance + NCB insurance cover	24/06 - 23/06	SR 000s	14	28	(14)	-50%
3.	Dr. Adnan Soufi	SEDCO - Saudi Economic Develop Holding, Co. Ltd.	14/04 - 13/04	SR millions	3	3	(0)	-1%
4.	Eng. Loay H. Nazer	Nazer Group Related Contracts (multiple contracts)	Various	SR millions	9	8	1	8%
5.	Mr. Aamer Alireza	Xenel Group Related Contracts (multiple contracts)	Various	SR millions	50	53	(3)	-5%
6.	Mr. Tal Nazer	Bupa Arabia Employees Health Insurance Scheme	01/07 - 30/06	SR millions	18	16	2	12%
	Mr. David Fletcher	Not insured through Bupa Arabia	N/A	N/A	N/A	N/A	N/A	N/A
	Mr. Simeon Preston	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
1.	Mr. Abdulhadi Shayif	Settles family and personal employees' health insurance cover amounts directly to Bupa Arabia						
2.	Mr. Zaid Algwaiz	Previously settled personal/family health insurance cover amounts directly to Bupa Arabia until covered by NCB (not with Bupa) after joining NCB's Board May-18						
3.	Dr. Adnan Soufi	Settles 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	Health cover for self and family is as an employee of the Xenel Group and the Xenel Group settles to Bupa Arabia directly						
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						
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	2018	2017	2018 Change	2018 % Change
	Mr. Abdulhadi Shayif	Health Water Bottling Company (Mr. Shayif a Board Member)	30/06 - 29/06	SR millions	4	4	0	13%
	Mr. Abdulhadi Shayif	Saudi Ground Services (Mr. Shayif a Board Member)	01/07 - 30/06	SR millions	38	0	38	N/A
	Mr. Zaid Algwaiz	Rahji Steel Company (Mr. Algwaiz a former Board Member)	24/06 - 23/06	SR millions	7	7	1	8%
	Eng. Loay H. Nazer	Al-Ittihad FC (Eng. Loay Nazer is Chairman since 26/11/18)	10/08 - 09/08	SR 000s	299	0	299	NA
	Mr. David Fletcher	During 2018 there were 16 contracts (2017 : 28 contracts)						
	Mr. Simeon Preston	which Bupa (England UK) had an interest in	Various	SR millions	4	4	-1	-15%

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.

Where contracts are new and started during the current period, for example Saudi Ground Services (SGS) and Al-Ittihad FC, the GWP reflected is not the full insurance contract premium but pro-rated from effective date of the creation of the related party transaction relationship, SGS (July 2018) and Al-Ittihad FC (November 2018).

• **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 Chairmen, in liaison with the NRC.

During 2018 the Company approved the routine more formal assessment process of a three-year cycle in which the first two year's assessments will be on an internal, anonymous self-assessment, basis and the third year through an independent external party. During 2018 Bupa Arabia completed the first such internal assessment, using an internationally reputable specialised consultant, and their software, and the results of which were presented to the NRC and the Board with some areas for improvement and development identified.

11 Board Committees:

The Board Committee remuneration fees, excluding Board member remuneration, are reflected below:

Committee Member (Non-Board Member)	Member Name	2018 Remuneration	2017 Remuneration	2018 Change in Remuneration
Audit Committee (AC)	Mr. David Hunt*	125	125	0
	Mr. Khalid Al-Soliman*	125	125	0
	Mr. Suliman Al-Hattar* (since 01/06/18)	73	0	73
	AC Sub-Total	323	250	73
Investment Committee (IC)	Mr. Khaled Al-Khattaf*	100	100	0
	Mr. Niall Dooner #	100	100	0
	Mr. Aamer Alireza (Non-Board since 01/10/18)	38	0	38
	IC Sub-Total	238	200	38
Nomination & Remuneration Committee (NRC)	Ms. May Al-Hoshan*	100	100	0
	Ms. Claire Semple # (since 01/12/18)	8	0	8
	NRC Sub-Total	108	100	8
Risk Management Committee (RMC)	Mr. Rami Makaram	100	100	0
	Mr. Paul John Davis #	100	100	0
	RMC Sub-Total	200	200	0
Total Committee Members' (Non-Board Member) Remuneration Fees		869	750	119

As the EC members are also Board members there are no separate EC fees paid or payable. Mr. Aamer Ali Reza's remuneration is for remuneration as non-board member IC Chairman, and NRC member, for the fourth quarter of the year. # The BIOL representatives whom Bupa employees do not personally receive the remuneration, which is received by the legal entity BIOL.

• **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 2018 AC meeting attendances are reflected below, the seventh meeting was with the Board.

AC member name	Relevant experience and qualifications	AC1 18/1	AC2 7/3	AC3 19/4	AC4 31/7	AC5 23/10	AC6 19/11	AC7 20/11	%
Dr. Adnan Soufi (Saudi)	Refer Board section 10.2	Y	Y	N	Y	Y	Y	Y	86%
Mr. David Hunt (British)	B.Sc. Banking & Finance, Loughborough University of Technology, UK (1987). 30 years banking and insurance experience, more recently as CEO of Gulf Finance (KSA and UAE), 25 years' experience with the HSBC Banking Group, including as MD for SABB Takaful (2007-2011).	Y	Y	Y	Y	Y	Y	Y	100%
Mr. Khalid Ali-Soliman (Saudi)	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	Y	Y	N	Y	Y	Y	86%
Mr. Sulaiman Alhatlan (Saudi) (Since 01/06/18)	M.Sc. Degree in Accountancy, San Diego State University, USA, (1998), and Bachelor's Degree in Accounting, King Saud University, (1994).	N/A	N/A	N/A	Y	Y	Y	Y	100%
	Total Overall % AC Member Attendance	100%	100%	67%	75%	100%	100%	100%	92%

• 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 2018 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,
- The updated Company website framework for the Investor Relations section, per the Company Board Secretary recommendation.

EC member name	EC 1 22/1	EC 2 20/3	EC 3 24/4	EC 4 31/5	EC 5 20/11	Overall
Eng. Loay Hisham Nazer	N	Y	Y	Y	Y	80%
Mr. David Martin Fletcher	Y	N	Y	Y	Y	80%
Mr. Tal Hisham Nazer	Y	Y	Y	Y	Y	100%
Mr. Simeon Preston (Since 01/04/2018)	N/A	N/A	Y	Y	Y	100%
Mr. Martin Potkins (Until 31/03/2018)	Y	Y	N/A	N/A	N/A	100%
Overall Total %	75%	75%	100%	100%	100%	90%

• **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.

IC member	Relevant experience and qualifications	IC 1 13/02	IC 2 28/03	IC 3 10/05	IC 4 30/7	IC 5 19/11	Overall
Mr. Aamer Ali Reza (Saudi)	Refer Board section 10.2	N	Y	Y	N	Y	60%
Mr. Zaid Algwaiz (Saudi)	Refer Board section 10.2	Y	Y	Y	Y	Y	100%
Mr. Khaled Al-Khattaf (Saudi)	Over 20 year's investment/banking experience, more recently Nomura CEO & MD, since 2010, and Gulf Investment Corp. (GIC) Chairman, since 2008. M.Sc. Finance (1996), and M.Sc. Accounting (1995) (both University of Colorado), B. Art Accounting King Saud University (1989), and CPA 1998.	Y	Y	N	N	Y	60%
Mr. Niall Dooner (Irish)	Head of Asset Management for the Bupa Group (2015), prior to that Portfolio Management Expert for the European Central Bank and Senior Investment	Y	Y	Y	Y	Y	100%

	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).						
Overall Total %		75%	100%	75%	50%	100%	80%

• 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.

At 31/12/2018 the NRC comprised a majority of independent members, having as Chairman an independent person not the Chairman of the Board, and the 2018 meeting details are reflected below:

NRC member	Relevant experience and qualifications	NRC1 13/2	NRC2 10/5	NRC3 19/11	Total
Mr. Zaid Algwaiz (Saudi)	Refer Board section 10.2	Y	Y	Y	100%
Mr. Aamer Ali Reza (until 30/11/2018) (Saudi)	Refer Board section 10.2	Y	Y	Y	100%
Ms. May Al-Hoshan (Saudi)	During August 2018 was appointed as Chief Human Resources Officer of Saudi Fransi Bank, having previously been Alawwal Bank's General Manager Human Resources (2014 to June 2018), MD – Head of Human Capital Management, NCB Capital (2007-2014), Master's in Engineering (Knowledge Management) at the George Washington University, Bachelor Science, B.Admin. (Organizational Behaviour), at the Boston University.	Y	Y	Y	100%

Ms. Claire Semple (British) (from 01/12/2018)	Bupa International Markets People Director since May 2018, having previously been 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 Development roles at various international companies including Telecom New Zealand and Diageo. Holds an MSc. Organisation & People Development, Salford University, UK (2004), a graduate Diploma from the Institute of Personnel & Development, UK (1996) and a BA (Hons) English Literature, University of Lancaster, UK (1992).	N/A	N/A	N/A	N/A
Overall Total %		100%	100%	100%	100%

• **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 2018 RMC meeting attendances are reflected below, the third meeting was with the Board.

RMC member name	Relevant experience and qualifications	RMC1 25/4	RMC2 16/10	RMC3 21/11	RMC4 19/12	Overall %
Mr. Abdulhadi Shayif (Member and Chairman since 22/1/2017) (Saudi)	Refer Board Section 10.2	Y	Y	Y	Y	100%
Mr. Paul Davis (British)	Bupa Arabia Board member since 2016. Over 25 years’ experience in legal, risk and compliance roles, Bupa’s Group Risk Director Governance and Assurance since 2015, previously with Grant Thornton, as Associate Director. Extensive international experience having held a number of senior management positions in India, the Middle East and Asia during 13-year career with Standard Chartered Bank.	Y	Y	N	Y	75%
Mr. Tal Nazer (Saudi)	Refer Board Section 10.2 and CET Section 7.6	Y	Y	Y	Y	100%

Mr. Rami Makarem (Lebanese) (Committee member and Non-Board member)	Nazer COO since 2013 and the CFO of a UAE holding Co the 5 years prior to that. MBA London Business School, Post Graduate Diploma in Financial Strategy, Said Business School, Oxford University, UK, completed CPA and CMA exams (USA), and B.Sc. Business Admin., Lebanon.	Y	Y	Y	Y	100%
Overall %		100%	100%	75%	100%	94%

12 General Assembly (GA) meetings:

In 2018 we held two Extraordinary GA Meetings (EGM) and we include the highlights of our key stock exchange announcements, and the summary of the GA resolutions approved. Shareholders are referred to our Tadawul announcements, our 2018 AFS, and our Company Website's Investor Relations Governance section, 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 31/05/2018 (results announced on 03/06/2018):

- (1): The Annual Board Report for the year ended 31/12/2017.
- (2): The External Auditors Report for the year ended 31/12/2017.
- (3): The Annual Financial Statements for the year ended 31/12/2017.
- (4): The selection of the external auditors, and their fees (Ernst & Young and KPMG Al-Fozan & Partners)
- (5): The dividend distribution of SR2.00/share, SR160m, representing 20% of the paid up capital at the time.
- (6): The remuneration paid to the Board members, at SR2,900K, for the year ended 31/12/2017.
- (7): The absolving of the Board of Directors of their responsibility for the year ended 31/12/2017.
- (8): The purchase of LTIP shares, to a maximum value of SR11,059k, to a maximum of 150k shares.
- (9): The appointment of Mr. Simeon Preston, as BIOL Board member representative.
- (10): The delegation of authority to the Board to approve an interim dividend.
- (11-29): The ratification of related party transactions, business and contracts, for the prior and future years.

12-2 EGM resolutions approved on 22/11/2018 (results announced on 25/11/2018):

- (1): The Capital increase of SR400m, from SR800m to SR1,200m, through bonus shares.
- (2): The appointment of Mr. Martin Houston, as Board member representing the foreign shareholder.
- (3): The appointment of Mr. Sulaiman Alkhatani, as Audit Committee member.
- (4-7): The updates of the Company's Company By-Laws.
- (8-14): The updates of the Company's Code of Corporate Governance, including the Board Charter, Schedule of Matters Reserved for the Board (SMRB), and all the Charters of all the Board Committees.
- (15): The related party transactions related to Eng. Loay H. Nazer, Mr. Tal Nazer, and My Clinic
- (16): The related party transactions related to Mr. Abdulhadi Shayif and Saudi Ground Services (SGS)
- (17): The related party transactions related to Dr. Adnan Soufi and National Commercial Bank Capital (NCBC)

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.

12-3 GA meetings attendance by the Board Members:

Board member name	EGM 1 31/05/2018	EGM 2 22/11/2018	Overall
Eng. Loay Hisham Nazer	Y	Y	100%
Mr. David Martin Fletcher	Y	Y	100%
Mr. Tal Hisham Nazer	Y	Y	100%
Mr. Abdulhadi Ali Saif Shayif	N	Y	50%
Mr. Zaid Abdulrahman Algwaiz	Y	N	50%
Dr. Adnan Abdulfattah Soufi	Y	Y	100%
Mr. Simeon Preston	Y	N	50%
Mr. Martin Houston	N/A	N	0%
Mr. Aamer Abdullah Ali Reza	Y	N/A	100%
Mr. Martin Potkins	N/A	N/A	N/A
Overall Board Member % GA Attendances	88%	63%	75%

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. During 2018 Bupa Arabia further developed its Code of Conduct, and supported it through a significant 2018 promotional launch of our enhanced "Speak-Up"/Whistleblowing platform and associated policy/procedures.

Bupa Arabia is committed to maintaining 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 updated all these key documents again for the public shareholders' approval in the GA meeting of November 2018.

During 2018 the Company continued to invest and enhance its corporate governance through:

- The appointment of new resources to support improved controls and also new regulatory requirements; Chief Information Security Officer and Senior Manager – Risk Based Supervisory.
- A continued focus on the development of the Company's Policies and Procedures, including the update of the Company's Enterprise Policy Framework.
- The strengthening and reinforcement of the second and third lines of defence (in accordance with the adopted Three Lines of Defence model in Bupa Arabia).

Bupa Arabia ranked 1st in Saudi Arabia in the Corporate Governance Index (CGI) rankings, for Public Disclosure & Transparency, and was also the no 1 ranked insurance company (for the second successive year), in the overall

CGI rankings list, ranked 9th of all Saudi listed companies, and in the top 10 overall rankings for the second successive year since the awards began, at the AlFaisal University's second Annual Corporate Governance Conference, for strong Corporate Governance practices during 2016 (a 2018 award).

Control Functions:

In support of ensuring robust practices of legal affairs and corporate governance, internal control, and 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. 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 2018 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 Al-Qawas

Mr. Nasser Al-Qawas joined Bupa Arabia during 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. 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, and the Group Chief Compliance Officer. Mr. Al-Qawas 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) and 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.

During 2018 we appointed a Senior Manager – Risk Based Supervisory, in support of enhancing our Risk Management practices and in support of fulfilling the SAMA Risk Based Supervisory Framework and its associated regulations.

The RMD is led by the Head of Risk Management and whose profile is reflected below:

Head - Risk Management Department, Ahmed Jaber

Mr. Ahmed Jaber joined Bupa Arabia during 2016, holds a Bachelor Degree in Engineering from the King Fahad University of Petroleum and Minerals, and has 15 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. 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 Fraud Examiner, Certified Risk Analyst, Certified Operational Risk Manager, Project & Contract Risk Specialist and Certified Compliance Officer).

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.

Pricing and actuarial:

The 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. These pricing and actuarial capabilities 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. Mr. Dakkak 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. Mr. Saba 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.

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, Ali Jazzar

Mr. Jazzar joined Bupa Arabia during the third quarter of 2017, bringing more than 15 years' experience of mainly compliance and corporate governance, and in his previous role to Bupa Arabia he was the SAMA Relations and Monitoring Manager for the National Commercial Bank (NCB) for almost three years. Mr. Jazzar's previous experience also covered Company Secretariat, Shareholders and Investors Relations, Regulatory Investigations, 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, engaging with them as they establish regulations, and assuring compliance with such regulations to maintain his employer's reputation for integrity and regulatory compliance. Majoring in Computer Information Technology at Marymount University in Virginia, USA. Mr. Jazzar is a Certified Compliance Officer (CCO) by SAMA, Henley Business School and the American Academy of 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), Assem Hammam

Mr. Hammam joined Bupa Arabia during the third quarter of 2017, bringing more than 10 years' of experience in Internal Audit, covering value-addition through assurance and consultation services in the financial and operations sectors. Throughout his career, he built a solid acumen in driving organizations to act with the highest level of integrity, risk understanding and management, compliance with internal and external laws and regulations and reporting processes, as well as the implementation and administration of efficient, and transparent, Internal Audit processes and documentation. Prior to joining Bupa Arabia, Mr. Hammam was the Internal Audit Manager/ Acting Head of Internal Audit of the 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. Mr. Hammam holds a bachelor 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, point number 20 'Corporate Governance' and in Compliance with the overall requirements of these SAMA 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	93 a) 4) 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 2020.

There are a number of voluntary requirements within the CMA regulations which Bupa Arabia has decided to either adapt, as for example our inclusion last year 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 were approved by the Board during 2014 and will continue to be enhanced during 2019 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 2018 Bupa Arabia made nine requests of Tadawul for its shareholder database 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 director 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 10.3 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 1 January 2015G, and during May 2017G 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 12.1) and, at the end of the current fiscal period holds 458,434 LTIP shares, value SR33m, 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 the highest level of internal control assessment maturity ("Excellent") by the end of 2020.

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, confirms 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 31/12/2018, were Ernst & Young and KPMG Al-Fozan & Partners, as was the case for the 2017 fiscal period.

23. Independent external actuary:

Manar Sigma Financial Consulting were the external actuary for 2018, as was the case for 2017.

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.