



Bupa Arabia for Cooperative Insurance Co. invites its shareholders to attend the Extraordinary General Assembly Meeting (First Meeting)

The Board of Directors of Bupa Arabia for Cooperative Insurance Company (the Company or Bupa Arabia) hereby cordially invites the shareholders to attend the Extraordinary General Assembly Meeting, to be held on Sunday 30th June 2019G, at 18:30, corresponding 27th Shawwal 1440H, at Bupa Arabia's Jeddah Head Office, Prince Saud Al-Faisal Street, Al-Khaleidiyah District, Jeddah, as per Google Maps location <https://goo.gl/maps/xhifFv2Mt832>, to consider and vote on the resolutions per the attached agenda.

Bupa Arabia also draws the attention of its shareholders to the following:

Every shareholder of Bupa Arabia has the right to attend this General Assembly meeting, either in person or through a proxy, provided a registered shareholder in the register of the shareholders of Bupa Arabia as per the securities Depository Center shareholder registry at the close of trading of the date of the Extraordinary General Assembly Meeting, as per the rules and regulations.

The quorum for holding the Extraordinary General Assembly meeting is 50% of the Company's capital overall, as per Article 33 of the Company's By-Laws. In the absence of a quorum required for holding the meeting, a second meeting can be held one hour after the end of the period specified for the first meeting. The second meeting shall be valid if attended by shareholders representing at least 25% of the Company's capital.

For those who cannot attend in person they have the right to assign another person (as long as not a Board member, and not an employee, of Bupa Arabia) to attend the General Assembly on his/her behalf under a written Power of Attorney (POA) (please refer sample at the end of this communication) and which must be attested/certified by a recognized authority, such as the following:

- Industrial Commercial Chambers, if the shareholder is an affiliate in one of them. This is also applicable if the shareholder is a company or juristic personality.
- Saudi banks, provided that the assignee has an account at the ratifying bank.
- Official notary office.

POAs must be submitted to the Bupa Arabia Head Office, located in Prince Saud Al-Faisal Street in Jeddah, P.O. Box 23807, Jeddah 21436, or they may be sent by e-mail (to invest@bupa.com.sa), and must be received at least two (2) days prior to the Extraordinary General Assembly meeting. On the Extraordinary General Assembly Meeting date, the POAs will be presented.



Any shareholders that are interested in attending the Extraordinary General Assembly Meeting are kindly requested to arrive at the meeting place before the scheduled time in order to allow some time to finalize the registration procedures, to bring their Saudi identification document (Saudi nationals) or Iqama (non-Saudi).

Bupa Arabia would like to confirm the availability of the automatic voting system for shareholders, on the agenda items, through the automated voting service on the Tadawulaty system, as provided by the Saudi Stock Exchange (Tadawul). The voting period will be five (5) days starting from 10:00 on Wednesday 26/06/2019G, and ending on Sunday 30/06/2019G, at 16:00. To note that registration and voting on the Tadawulaty system is freely available to all shareholders by using this link:

www.tadawulaty.com.sa



- **Resolution (1):** To vote on the Board of Directors Report for the year ended 31/12/2018G.
- **Resolution (2):** To vote on the Auditors' Report for the year ended 31/12/2018G.
- **Resolution (3):** To vote on the Annual Financial Statements for the year ended 31/12/2018G.
- **Resolution (4):** To vote on the selection of the external auditors from the nominees based on the Audit Committee recommendation, so that the said external auditors are assigned to review the annual financial statements for the fiscal year 2019, and the 2019 second and third quarters' quarterly reports, and the 2020 first quarter quarterly report, and to determine their fees.
- **Resolution (5):** To vote on the 2018 fiscal year cash dividend distribution, of SR1.50 per share, totaling Saudi Riyals one hundred and eighty million (SR180,000,000), representing 15% of the paid up capital, to the shareholders owning shares as per the securities depository centre shareholder registry two days after the date of the Extraordinary General Assembly Meeting, and to be distributed within 15 days of the due date as per this General Assembly Meeting approval.
- **Resolution (6):** To vote on the Board members' remuneration at SR2,856K for the year ended 31/12/2018G.
- **Resolution (7):** To vote on the absolving of the Board of Directors of their responsibility for managing the company for the year ended 31/12/2018G.
- **Resolution (8):** To vote on the delegation of the authority to the Board to approve an interim dividend to the shareholders, on a semi-annual or quarterly basis, if required and approved by the Company, and provided approved by the relevant regulator(s).
- **Resolution (9):** To vote on the changes to the Company's Long-Term Incentive Plan (LTIP), and to authorise the Board of Directors to determine the terms of the plan and to authorise the Board of Directors to authorise the execution of the LTIP shares transactions.
- **Resolution (10):** To vote on the purchase of the LTIP shares, by the Company, in order to fulfil the current LTIP Cycle's required shares purchase, being an approval of the purchase of LTIP shares, by the Company, to a maximum value of SR17,743,567, to a maximum number of shares of 251,000, for its LTIP scheme, for its entitled LTIP employees. The allocation will be done within a maximum period of 12 (Twelve) months from the date of the general assembly meeting which approves the LTIP shares purchase and the purchase will be financed through Cash. To authorise the Board to finalise the share buy-back transaction(s), in one or several phases, and to authorise the execution of the LTIP shares transactions, and/or the delegation of the authority to authorise the execution of the LTIP shares transactions.
- **Resolution (11):** To approve the appointment of the members of the Board of Directors for the next cycle for a period of three years, which will start from 01/07/2019G and which will end on 30/06/2022G, on a cumulative voting basis. Attached the profiles of the nominees being presented, and they are as follows:



- **Resolution (12):** To approve the formation of the Audit Committee and its membership, its terms of reference (Charter), that the remuneration of its members shall be in accordance with the already in existence Board and Committee Member Remuneration Policies, for the next cycle for a period of three years, which will start from 01/07/2019G and which will end on 30/06/2022G. Attached the profiles of the nominees being presented, and they are as follows:

1. Mr. David Hunt
2. Mr. Sulaiman Naser AlHatlan Alkahtani
3. Mr. Walid Ibrahim Shukri
4. Mr. Zaid Abdulrahman Algwaiz

- **Resolution (13):** To vote on the ratification of the business and contracts, for the year 2018G, with the Bupa International Markets division, without any preferential treatment, noting that Mr. Martin Potkins, Mr. David Martin Fletcher, Mr. Simeon Preston and Mr. Martin Houston have/had/will have an interest as members of the Board of Directors. Noting that the value in 2018 was 14,939 thousand Saudi Riyals.
- **Resolution (14):** To vote on the ratification of the business and contracts, for the year 2018G, with Bupa Investments Overseas Limited, being the Withholding Taxes, without any preferential treatment, noting that Mr. Martin Potkins, Mr. David Martin Fletcher, Mr. Simeon Preston and Mr. Martin Houston have/had/will have an interest as members of the Board of Directors. Noting that the value in 2018 was 9,120 thousand Saudi Riyals.
- **Resolution (15):** To vote on the ratification of the business and contracts, for the year 2018G, with Bupa Insurance Limited, being the value of shared insurance contract premium, without any preferential treatment, noting that Mr. Martin Potkins, Mr. David Martin Fletcher, Mr. Simeon Preston and Mr. Martin Houston have/had/will have an interest as members of the Board of Directors. Noting that the value in 2018 was 4,000 thousand Saudi Riyals.
- **Resolution (16):** To vote on the ratification of the business and contracts, for the year 2018G, with Bupa Middle East Holdings W.L.L., relating to brand fees, without any preferential treatment, noting that Eng. Loay Nazer, Mr. Tal Nazer, Mr. Martin Potkins, Mr. David Martin Fletcher, Mr. Simeon Preston and Mr. Martin Houston have/had/will have an interest as members of the Board of Directors. Noting that the value in 2018 was 20,542 thousand Saudi Riyals.
- **Resolution (17):** To vote on the ratification of the business and contracts, for the year 2018G, with Nazer for Dialysis and Advanced Health Services Limited, being the medical costs of providing medical services, without any preferential treatment, noting that Eng. Loay Nazer and Mr. Tal Nazer have/will have an interest as owners and Mr. Aamer Alireza as Nazer Bupa Arabia Board member. Noting that the value in 2018 was 38,817 thousand Saudi Riyals.
- **Resolution (18):** To vote on the ratification of the business and contracts, for the year 2018G, with Bupa Arabia for Cooperative Insurance Company, being the cost of providing health insurance to its employees, without any preferential treatment, noting that Mr. Tal Nazer has an interest as the CEO of Bupa Arabia for Cooperative Insurance. Noting that the value in 2018 was 18,048 thousand Saudi Riyals.
- **Resolution (19):** To vote on the ratification of the business and contracts, for the year 2018G, with Nazer Group Limited, being the cost of medical insurance for its employees, without any



preferential treatment, noting that Eng. Loay Nazer has/will have an interest as an owner and as the Chairman of the Nazer Group Limited, Mr. Tal Nazer has/will have an interest as an owner, and Mr. Aamer Alireza as Nazer Bupa Arabia Board member. Noting that the value in 2017 was 522 thousand Saudi Riyals.

- **Resolution (20):** To vote on the ratification of the business and contracts, for the year 2018G, with Nazer Clinics, being the cost of medical insurance for its employees, without any preferential treatment, noting that Eng. Loay Nazer and Mr. Tal Nazer have/will have an interest as owners and Mr. Aamer Alireza as Nazer Bupa Arabia Board member. Noting that the value in 2018 was 1,643 thousand Saudi Riyals.
- **Resolution (21):** To vote on the ratification of the business and contracts, for the year 2018G, with Nazer for Dialysis and Advanced Health Services Limited, being the cost of medical insurance for its employees, without any preferential treatment, noting that Eng. Loay Nazer as owner and the Chairman of Nazer for Dialysis and Advanced Health Services Limited, Mr. Tal Nazer as owner and Mr. Aamer Alireza as Nazer Bupa Arabia Board member, have/will have an interest. Noting that the value in 2018 was 5,794 thousand Saudi Riyals.
- **Resolution (22):** To vote on the ratification of the business and contracts, for the year 2018G, with Nawah Healthcare Company, being the cost of medical insurance for its employees, without any preferential treatment, noting that Eng. Loay Nazer as owner and the Chairman of Nawah Healthcare Company, Mr. Tal Nazer as owner, and Mr. Aamer Alireza as Nazer Bupa Arabia Board member have/will have an interest. Noting that the value in 2018 was 1,199 thousand Saudi Riyals.
- **Resolution (23):** To vote on the ratification of the business and contracts, for the year 2018G, with the Nazer Clinics & Pharmacies businesses in order to provide some medical and professional services, noting that prices will be comparable with the prices prevailing with other service providers and so without any preferential treatment, noting that there is/there will be an interest for Eng. Loay Nazer, Mr. Tal Nazer as owners, and Mr. Aamer Alireza as Nazer Bupa Arabia Board member. Noting that the value in 2018 was 2,006 thousand Saudi Riyals.
- **Resolution (24):** To vote on the ratification of the medical insurance contracts, for the year 2018G, with Dr. Adnan Soufi, being the cost of medical insurance for family members, without any preferential treatment, noting an interest for Dr. Adnan Soufi as a member of the Board of Directors of Bupa Arabia. Noting that the value in 2018 was 15 thousand Saudi Riyals.
- **Resolution (25):** To vote on the ratification of the medical insurance contracts, for the year 2018G, with Mr. Abdulhadi Ali Shayif, being the cost of medical insurance for family members and employees, without any preferential treatment, noting an interest for Mr. Abdulhadi Ali Shayif as a member of the Board of Directors of Bupa Arabia. Noting that the value in 2018 was 55 thousand Saudi Riyals.
- **Resolution (26):** To vote on the ratification of the medical insurance contracts, for the year 2018G, with Water Bottling Co. Ltd., being the cost of medical insurance for its employees, without any preferential treatment, noting an interest for Mr. Abdulhadi Ali Shayif as a member of the Board of Directors. Noting that the value in 2018 was 4,000 thousand Saudi Riyals.
- **Resolution (27):** To vote on the ratification of the medical insurance contracts, for the year 2018G, with Zaid Algwaiz, being the cost of family medical insurance, without any preferential treatment,



noting an interest for Zaid Algwaiz as a member of the Board of Directors. Noting that the value in 2018 was 14 thousand Saudi Riyals.

- **Resolution (28):** To vote on the ratification of the medical insurance contracts, for the year 2018G, with AlRajhi Steel Company, being the cost of medical insurance for its employees, without any preferential treatment, noting an interest for Zaid Algwaiz as a member of the Board of Directors. Noting that the value in 2018 was 7,127 thousand Saudi Riyals.
- **Resolution (29):** To vote on the ratification of the business and contracts, for the year 2018G, with the Nazer Medical Clinics, for expenses charged/re-charged, without any preferential treatment, noting an interest for Eng. Loay Nazer and Mr. Tal Nazer, as owners of Nazer companies and Mr. Aamer Alireza as Nazer Bupa Arabia Board member. Noting that the value in 2018 was 1,927 thousand Saudi Riyals.
- **Resolution (30):** To vote on the ratification of the business and contracts, for the year 2018G, with Nazer Medical Company Limited, for providing on-site clinic services for Bupa Arabia employees on the Bupa Arabia premises, noting that Mr. Loay Nazer and Mr. Tal Nazer have/had/will have an interest as owners of Nazer Medical Company Limited and Mr. Aamer Alireza as Nazer Bupa Arabia Board member. Noting that the value of this contract in 2018 was 130 Thousand Saudi Riyals.
- **Resolution (31)** To vote on the ratification of the business and contracts, for the year 2018G, with Nazer Medical Company Limited, for providing The Health Lounge services for Bupa Arabia employees on the Bupa Arabia premises, noting that Mr. Loay Nazer and Mr. Tal Nazer have/had/will have an interest as owners of Nazer Medical Company Limited and Mr. Aamer Alireza as Nazer Bupa Arabia Board member. Noting that the value of this contract in 2018 was 100 Thousand Saudi Riyals.
- **Resolution (32):** To vote on the ratification of the business and contracts, for the year 2018G, with the Saudi Ground Services (SGS), to provide medical insurance for its employees, without any preferential treatment, noting an interest for Abdulhadi Ali Shayif as a Board Member in SGS. Noting that the value in 2018 was 94,000 thousand Saudi Riyals.
- **Resolution (33):** To vote on the ratification of the business and contracts, for the year 2018G, with Xenel Group, to provide medical insurance for its employees, without any preferential treatment, noting an interest for Aamer Ali-Reza as a Board Member in Xenel. Noting that the value in 2018 was 50,000 thousand Saudi Riyals.
- **Resolution (34):** To vote on the ratification of the business and contracts, for the year 2018G, with NCB Capital, for investment services fees, without any preferential treatment, noting that Dr. Adnan A. Soufi has/had/will have an interest, as a Board member of NCB Capital. Noting that the value in 2019 to the end of March was 224 Thousand Saudi Riyals.
- **Resolution (35):** To vote on the ratification of the medical insurance contracts, for the year 2018G, with the National Commercial Bank (NCB), being the cost of medical insurance for its employees, without any preferential treatment, noting an interest for Zaid Algwaiz as a member of the Board of Directors. Noting that the contract started in June 2019 and the value of the contract is 149,825 thousand Saudi Riyals.
- **Resolution (36):** To vote on the ratification of the sponsoring contract for the year 2018G, with Al-Ittihad Football Club (ITTIHAD), without any preferential treatment, noting an interest for Loay



Hisham Nazer as the Chairman of the Board of Directors for Al-Ittihad. Noting that the value of the contract is 2,538 Thousand Saudi Riyals.

- **Resolution (37):** To vote on the ratification of the sponsoring contract for the year 2018G, with Al-Hilal Football Club (Hilal), without any preferential treatment, noting an interest for Sulaiman Naser AlHatlan Alkahtani as a member of the Board of Directors for Al-Hilal. Noting that the value of the contract is 3,088 Thousand Saudi Riyals.
- **Resolution (38):** To vote on the ratification of the medical insurance contracts, for the year 2018G, with Saudi Steel Pipe Company, being the cost of medical insurance for its employees, without any preferential treatment, noting an interest Nader Ashoor as a member of the Board of Directors for Saudi Steel Co. and Chief Finance Officer for Bupa Arabia. Noting that the value in 2018 was 4,115 thousand Saudi Riyals.
- **Resolution (39):** To vote on the ratification of the provider relations contracts, for the year 2018G, with Diaverum, being the medical services, without any preferential treatment, which is owned ninety-eight percent by the Nazer Group Limited and two percent by Eng. Loay Nazer. The related party relationship therefore exists due to the ownership/Board memberships of Eng. Loay Nazer and Mr. Tal Nazer (Chairman and Executive Board member/CEO of Bupa Arabia respectively), with Mr. Aamer Alireza as Nazer Bupa Arabia Board member representative and Mr. Nader Ashoor as CFO for Bupa Arabia and Diaverum Board Member. Noting that the value in 2018 was 38,817 thousand Saudi Riyals.
- **Resolution (40):** To vote on the ratification of the business and contracts, for the year 2018G, with the Fitaihi Holding Group to provide medical insurance for its employees, without any preferential treatment, noting an interest for Dr. Adnan Soufi as a Board Member in Fitaihi Group starting from 23 April 2019, Noting that the value of the contract is 1,247 thousand Saudi Riyals.



Power of Attorney Form	
Date: Corresponding to:	
Date: Corresponding to: I with national ID number..... issued from in my [personal] capacity or [an authorised signatory/ chairman/manger[name of authorising company] and the owner of shares of Bupa Arabia for Corporative Insurance with commercial registration number 4030178881 and pursuant to article 25 of the company's bylaws herby authorise to attend the Extraordinary General Assembly to be held on Sunday 30th June 2019G, at 18:30 at Bupa Arabia's Jeddah Head Office, Prince Saud Al-Faisal Street., Al-Khaledeyah District, Jeddah to vote and sign on my behalf on the agenda of the General Assembly Meeting. This authorisation is valid for this meeting and any subsequent adjourned meeting	
Full name of the person signing the POA:	
Capacity the person signing the POA:	National ID number of the person signing the proxy or Iqama ID (for non-Saudis) or its equivalent:
Signature (if a legal entity):	



Report of the Audit Committee – 2018

The Audit Committee oversees the Bupa Arabia for Cooperative Insurance Company's ("Bupa Arabia" or "the Company") financial reporting process on behalf of the Board of Directors. The Company's management has the primary responsibility for the financial statements, for maintaining effective internal control over financial reporting, and for management assessing the effectiveness of internal control over financial reporting. In fulfilling its oversight responsibilities, the Committee reviewed and discussed the audited annual financial statements and the related schedules in the Annual Board Report with the Company's management.

The Committee is governed by a charter, which is available on the Company's website and which was most recently approved by the public shareholders in the General Assembly meeting of 22 November 2018. The Committee held seven (7) meetings during fiscal year 2018. The Committee is comprised solely of independent members, as required by the Corporate Governance rules and regulations of the Kingdom of Saudi Arabia.

The membership of the Audit Committee, together with the current term appointment dates, and attendance at the 2018 committee meetings is set forth below:

Members	Current Term Join date	Attendance during 2018
Dr. Adnan Soufi	22 January 2017	6 meetings attended out of 7 held (6/7)
David Hunt	22 January 2017	7 meetings attended out of 7 held (7/7)
Khalid Al-Soliman	22 January 2017	6 meetings attended out of 7 held (6/7)
Sulaiman Alhatlan	1 June 2018	4 meetings attended out of 4 held (4/4)
Overall Attendance		92%, 23 of 25 attendances completed

The meetings of the Committee are designed to facilitate and encourage communication among the Committee, the Company's management, the Company's control functions (Compliance, Internal Audit and Risk Management) and the Company's independent External Auditors. The Committee discussed with the Company's control functions and the independent External Auditors the overall scope and plans for their respective reviews. The Committee meets with the control functions and the independent External Auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal control, including internal control over financial reporting and the overall quality of the Company's financial reporting.

The Audit Committee recognizes the importance of maintaining the independence of the Company's External Auditors, both in fact and appearance. Each year, the Committee evaluates the qualifications, performance and independence of the Company's External Auditors and determines whether to re-engage the current External Auditors. In doing so, the Audit Committee considers the quality and efficiency of the services provided by the External Auditors, their capabilities and their technical expertise and knowledge of the Company's operations and the insurance industry. Based on this evaluation, the Audit Committee recommended to the Board the retention of Ernst & Young (EY) and KPMG Al-Fozan & Partners (KPMG) as the Company's joint External Auditors for fiscal year 2018, which recommendation thereafter approved by the Board, and thereafter the shareholders in the General Assembly meeting of 31 May 2018. EY and KPMG have been the joint Independent Auditors for the Company since fiscal year 2016.

The members of the Audit Committee and the Board believe that, due to the EY and KPMG knowledge of the Company, and the industries in which the Company operates, it is in the best interest of Bupa Arabia, and its shareholders, to continue having EY and KPMG serve as the Company's Independent External Auditors. The Audit Committee has therefore recommended to the Board to recommend to the shareholders, at the Annual General Assembly Meeting, to ratify the appointment of the Independent External Auditors for the 2019 fiscal year.

The Committee reviewed and discussed with management, and the independent External Auditors, the Company's audited annual financial statements for the year ended 31 December 2018. Furthermore, the Committee reviewed the results of management's assessment of the effectiveness of the Company's internal control over financial reporting and the independent External Auditor's audit of the internal control over financial reporting. The Committee discussed with management, and the independent External Auditors, the plans of management to remediate control deficiencies, if any, as deemed applicable.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors, and the Board has approved, that the audited annual financial statements and related schedules, and management's assessment of the effectiveness of the Company's internal control over financial reporting be included in the 2018 Annual Report.

The Audit Committee confirms that it has, during 2018, completed its tasks and activities, in accordance with the powers afforded to it, as per the regulations and as reflected within its latest Audit Committee Charter. In fulfilling these tasks and activities, the Committee is able to express an opinion on the Company's internal control systems during 2018: As required in terms of the CMA disclosure requirement of Article 90, paragraph 39, point b), and the Companies Law Article 104, that the Company, and the Board, confirms the system of internal control is sound and acceptable in design and effectiveness. In line with Bupa Arabia's Executive Management commitment to pursue a continual 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.

The Committee carried out an assessment of its own performance in 2018 and, whilst overall the Committee members concluded that the Committee is performing effectively, the Committee agreed that to further enhance its effectiveness they needed to ensure they continued to develop their knowledge of business operations and how they were evolving which would involve further knowledge sessions and meetings with key relevant stakeholders.

Dr. Adnan Soufi, Audit Committee Chair

David Hunt, Audit Committee Member

Khalid Al-Soliman, Audit Committee Member

Sulaiman Alhatlan, Audit Committee Member

On behalf of the Audit Committee of Bupa Arabia for Cooperative Insurance Company,

Dr. Adnan Abdulfattah Soufi
Chairman of the Audit Committee

24 April 2019