

ALMOOSA HEALTH

DELEGATION OF AUTHORITY POLICY

1.0 PURPOSE: This document establishes the policies and procedures for delegating authority within the Almoosa Health Company (AH).

2.0 POLICIES.

2.1 It is the policy of AH that the Board of Directors (the Board) reserves those rights granted to it by law, regulation, and the Shareholders, except those that the Shareholders or the Board may delegate to its Committees or to the Chief Executive, except that which is delegated to the Senior Executives and others through this policy.

2.2 The Board is responsible for the Company's business even if it delegates any of its powers to committees, individuals or other third parties. The Board may not issue a general or an open-ended delegation.

2.3 The Board shall, from time to time, consider and approve a written and detailed policy that identifies the powers delegated to the Senior Executives, and a *Delegation Matrix* stating these powers, means of implementation, and the period of delegation.

2.4 For purposes of this policy, Senior Executives include:

- 2.4.1 Group Chief Executive Officer (GCEO);
- 2.4.2 Hospital Chief Executive Officers;
- 2.4.3 Group Chief of Quality and Accreditations;
- 2.4.4 Group Chief of Staff;
- 2.4.5 Group Chief Operating Officer;
- 2.4.6 Group Chief Nursing Officer;
- 2.4.7 Group Chief Financial Officer;
- 2.4.8 Group Chief Information Officer;
- 2.4.9 Group Chief FMS Director; and
- 2.4.10 Group Marketing Director.

2.5 The GCEO shall, from time to time, propose the powers to be delegated to the Senior Executives, the procedures for decision-making and the period of delegation, provided that the GCEO shall present periodic reports to the Board in respect of the exercise of such powers.

2.6 *Delegate Qualifications.* A leader who receives delegated authority shall have active involvement with the activity being conducted and having sufficient knowledge of the hospital's policies, rules, laws, regulations, and procedures to ensure compliance with them.

2.7 *Notice of Delegation.* Delegation shall be notified to concerned Senior Executives and employees by way of a memorandum or appointment letter authorized by the delegating officer and the concerned Chief of Service. Delegation of authority shall be commensurate with the leader's role within the organization. No delegation shall be made to any leader whose level of responsibility

within AH is lower or higher than that of a leader who reasonably could be expected to understand and act with respect to the powers being delegated.

2.8 The Board of Directors has delegated to the GCEO the following authorities:

Delegated Authority to GCEO from the BOD		
Category		Authority Delegated
2.8.1 Financial		
2.8.1.1	Operating Expenditure (budgeted)	Full authority
2.8.1.2	Operating Expenditure (unbudgeted)	Full authority
2.8.1.3	Capital Expenditure (budgeted)	Full authority
2.8.1.4	Capital Expenditure (unbudgeted)	Full authority
2.8.1.5	Bank Accounts and Signatories	Full authority
2.8.1.6	Bank Deposits other than cash accounts, such as term deposits	Full authority
2.8.1.7	Credit cards	Full authority
2.8.1.8	Sale of assets	Full authority
2.8.1.9	Non-disclosure (confidentiality) agreements	Full authority
2.8.1.10	Lease changes or renewals	Full authority
2.8.2 Governance		
2.8.2.1	Any change in the organization structure	Full authority
2.8.2.2	Public statements, publications, and shareholders Communications	Full authority
2.8.2.3	Publication of conference papers and speeches	Full authority
2.8.2.4	Memorandum of Understanding, Heads of Agreement and Alliance Agreements	Full authority
2.8.2.5	Sub-delegation of GCEO authority	Full authority subject to reporting and accountability requirements
2.8.3 Reporting Requirements		
2.8.3.1	Specified reporting requirements against outputs, Funding, or overall compliance returns	Full authority subject to Board oversight and reporting non-compliance
2.8.3.2	Event driven activities during the funding's term, usually because of a change in funding agreements or an external trigger	Full authority
2.8.3.3	Acquittal accounting	Full authority
2.8.4 Staffing		
2.8.4.1	Appointing managers and staff	Full authority
2.8.4.2	New Positions	Full authority
2.8.4.3	Replacing existing position	Full authority
2.8.4.4	Terminating or retrenching staff	Full authority
2.8.4.5	Remuneration of management and staff	Full authority

2.8.4.6	Consultants	Full authority
2.8.4.7	Business related expense claims	Full authority
2.8.4.8	Bonus and incentive schemes	Full authority
2.8.5 Customers		
2.8.5.1	Service Fee changes	Full authority
2.8.5.2	Accepting new clients	Full authority
2.8.5.3	Terminating clients	Full authority
2.8.6 Legal		
2.8.6.1	Obtaining legal advice in the normal course of business	Full authority
2.8.6.2	Settling litigation claims, legal disputes, and staff claims	Full authority
Tenders		
2.8.7.1	Tendering for new contracts from our current funders within our current operations parameters	Full authority
2.8.7.2	Tendering for contracts from current funders outside current operations parameters or from different funders	Full authority
2.8.7.3	Applying for new grants outside current operations parameters	Full authority

3 PROCEDURES

3.1 All Delegations of Authority must be documented in writing specifying the effective duration and approved by the supervisor of the individual who is delegating authority.

3.3 All Delegations of Authority for expenditure authorization must be documented and appropriately authorized.

3.4 *Peer-to-Peer and Peer-to-Subordinate Delegation.*

3.4.1 The delegator shall specify to the delegate the duties which are to be delegated. The usual practice is to list the functions to be performed in writing.

3.4.2 The delegator shall transfer specified authority to the delegate, usually in writing.

3.4.3 The delegate shall accept or reject the specified authority, usually in writing. If the delegates refuses, the delegator has shall transfer authority to another qualified peer or subordinate.

3.4.4 The delegate shall then exercise the authority specified by the delegator and complete any performance tasks associated with the delegation.

3.4.5 The above steps may be documented through the process of signing a temporary Job Description by delegator and delegate.

4 ATTACHMENTS: None

5 REFERENCES:

5.1 Joint Commission International Accreditation Standards, 7th Edition, 2021.

5.2 Saudi Central Board for Accreditation of Healthcare Institution, 3rd Edition 201.

5.3 Corporate Governance Regulations, English Translation of the Official Arabic Text, issued by the Board of the Capital Market Authority pursuant to Resolution Number 8-16-2017, dated 16/5/1438H corresponding to 13/2/2017G, based on the Companies Law issued by Royal Decree No M/3 dated 28/1/1437H, amended by Resolution of the Board of the Capital Market Authority Number 8-5-2023, dated 25/6/1444H corresponding to 18/1/2023 G, based on the Companies Law issued by Royal Decree No. M/132 dated 1/12/1443H.

