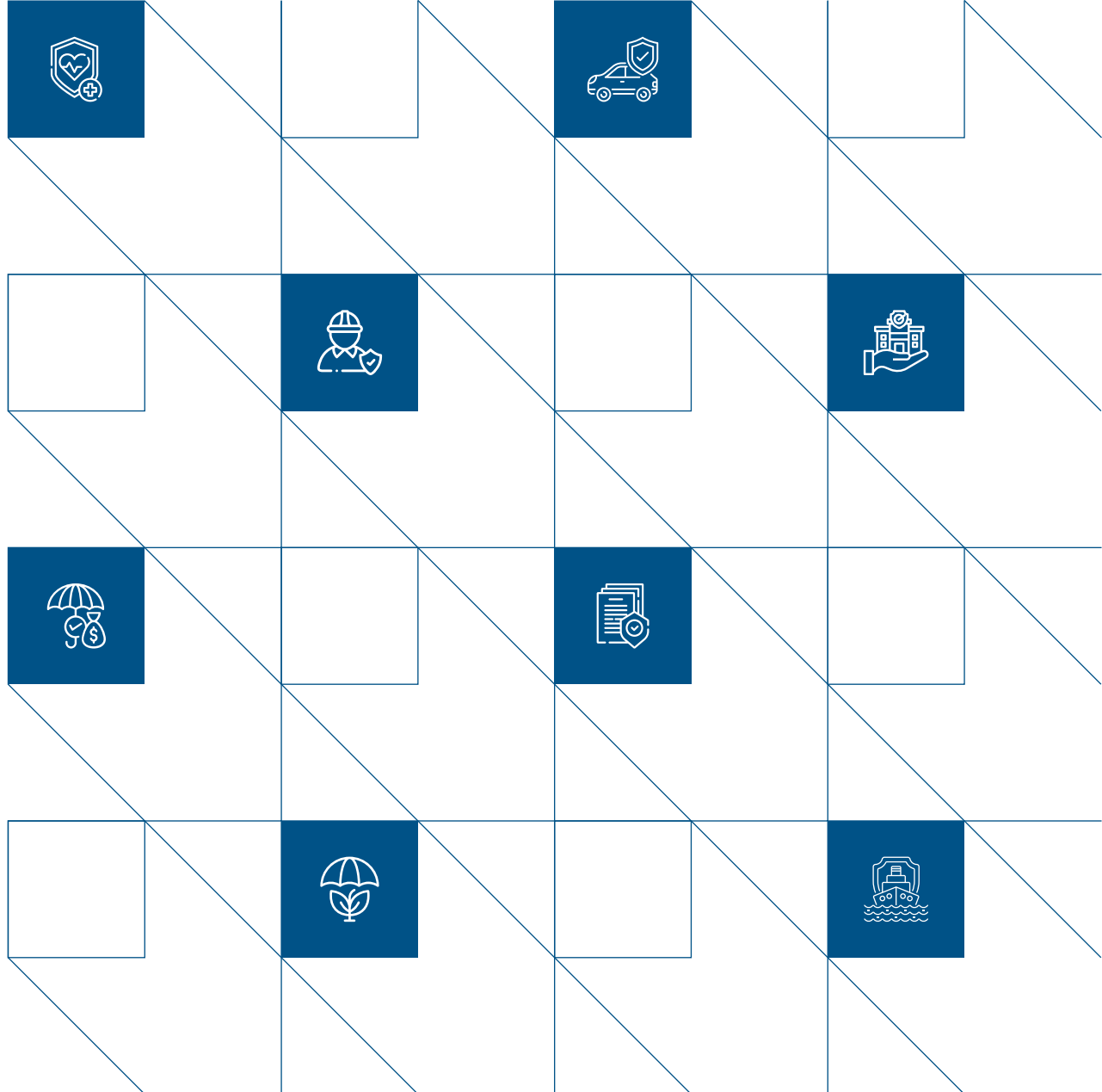


BOD ANNUAL REPORT — 2022



العربية
arabia
شركة التأمين العربية التعاونية





Dear AICC Shareholders,

Greetings,

The Board of Directors of AICC (the “Company”) is pleased to present to you the following report on The Company’s business results, achievements, plans, important decisions, and disclosures in accordance with the rules of registration and listing, the Corporate Governance Regulations and the Insurance Companies Governance Regulations, herewith attached the report of the external auditors and the audited financial statements for the financial year ending on 31/12/2022.

Table of Contents

1. Company's Business	6
2. Significant Developments and Decisions in 2022	8
3. Future plans and expectations	10
4. Risks that The Company may face and its assessment and addressing methods	11
5. Evaluation of Company Strategy and its Financial Position	14
6. Table indicating Company's assets and liabilities, and its business results for last five years 2018-2022	15
7. Subsidiaries	21
8. Investments or reserves established for the benefit of the Company's employees	22
9. Contracts and transactions with related parties in 2022	22
10. Existence of businesses or contracts in which The Company is a party and in which the CEO or the CFO or any person related to any thereof has an interest	22
11. The Board of Directors and its Committees	23
12. Names of the executive management members, their current and previous positions, qualifications and experience	34
13. A description of any interest, contractual securities and subscription rights belonging to members of the Board of Directors, senior executives and their relatives in the shares or debt instruments of the Company or any of its subsidiaries, and any change in that interest or those rights during the Financial year 2022:	35

14. Remuneration of Board members and Executives	36
15. The means adopted by the Board of Directors in evaluating its performance and the performance of its committees and members:	40
16. Statutory payments for 2022:	40
17. Financial fines imposed on The Company during 2022	41
18. External Auditors	41
19. Risk Management	41
20. Internal Audit Department and the Statutory Compliance Department	42
21. Results of annual review for Internal Control procedures' effectiveness	42
22. Capital, Shares, Debt Instruments and Shareholders' Equity	43
23. Actions taken by the Board of Directors to inform its members, especially non-executives, of the shareholders' proposals and comments regarding the company and its performance	44
24. A statement of the dates of the general assemblies of shareholders held during the year 2022 and the names of the Board members attending these assemblies	44
25. The number of the Company's requests for shareholders' records during 2022, the dates of those requests and their reasons	45
26. Corporate Governance Regulations	46
27. Acknowledgments:	47

1. Company's Business

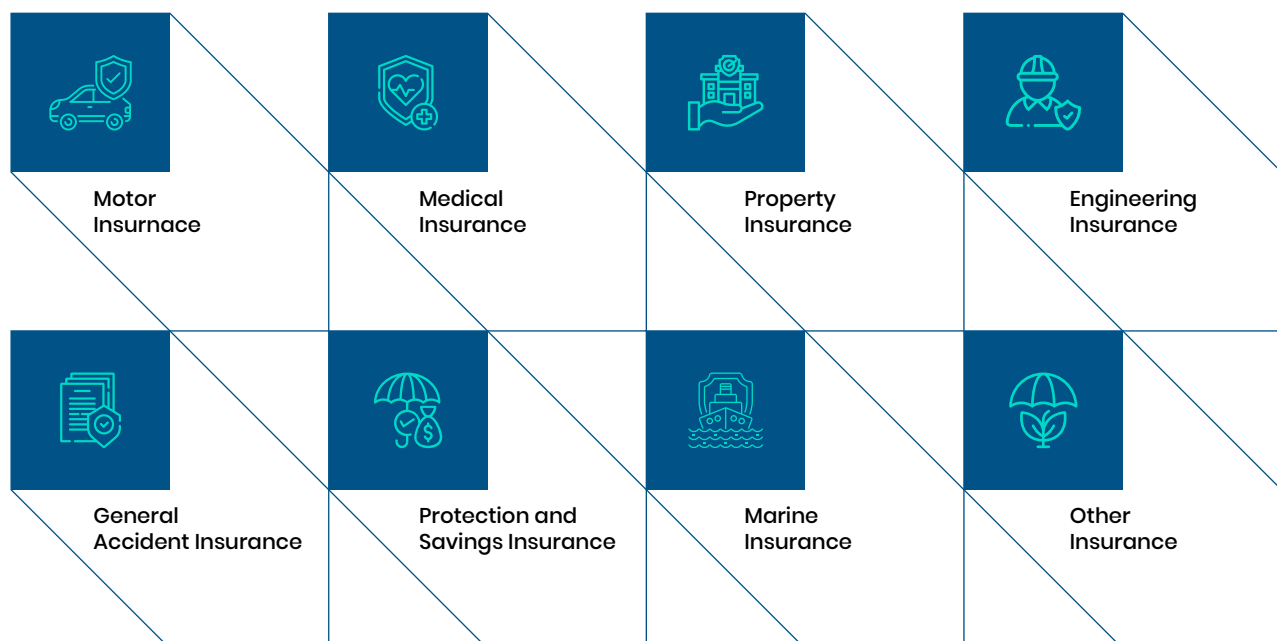
AICC is a Saudi public joint stock company established as per Royal Decree No. (M/23) dated 15/03/1428H (corresponding to 03/04/2007) and Cabinet Resolution No. (93) dated 14/03/1428 AH (corresponding to 02/04/2007). It operates under Commercial Registration No. 1010243302 issued in Riyadh on 18/01/1429 AH (corresponding to 27/01/2008). The Company's capital is two hundred and sixty-five million Saudi riyals (SAR 265,000,000), divided into twenty-six million five hundred thousand (26,500,000) ordinary shares with a nominal value of ten Saudi riyals (SAR 10/-) per share, which is totally paid. The shares have been listed on the Saudi Stock Exchange (Tadawul) on 26/01/1429H (corresponding to 04/02/2008).

The Company obtained the Saudi Central Bank's permit No. TMN/15/20086, dated 14/06/1429 AH (corresponding to 18/06/2008) to engage in insurance and reinsurance business in accordance with the provisions of the Cooperative Insurance Companies Control Law and its executive regulations. The license to practice the business was renewed for a period of three years starting on 11/06/1444H and ending on

10/06/1447H. the Saudi Central Bank's approval was obtained to amend the business at The Company's request so that it is limited to the practice of insurance business, according to letter No. 351000076885 dated 14/06/1435H corresponding to 14/04/2014. The Company's objectives are to engage in cooperative insurance and related activities in Saudi Arabia. Its main business includes all categories of general insurance, medical insurance, protection, and savings.

In accordance with Article 3 of the Company's articles of association, which states that The Company's purpose is: "To practice cooperative insurance business in the class of general insurance, health insurance and protection & savings insurance. The Company may carry out all business activities necessary to realize its objectives and shall transact such activities in conformity with the provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations and the laws and regulations in force in the Kingdom of Saudi Arabia, subject to obtaining necessary licenses from the competent authorities, if any."

Summary of insurance products:



Company Branches:

The Company operates through the head office and its licensed branches, which are spread in different regions of Saudi Arabia and are as follows:

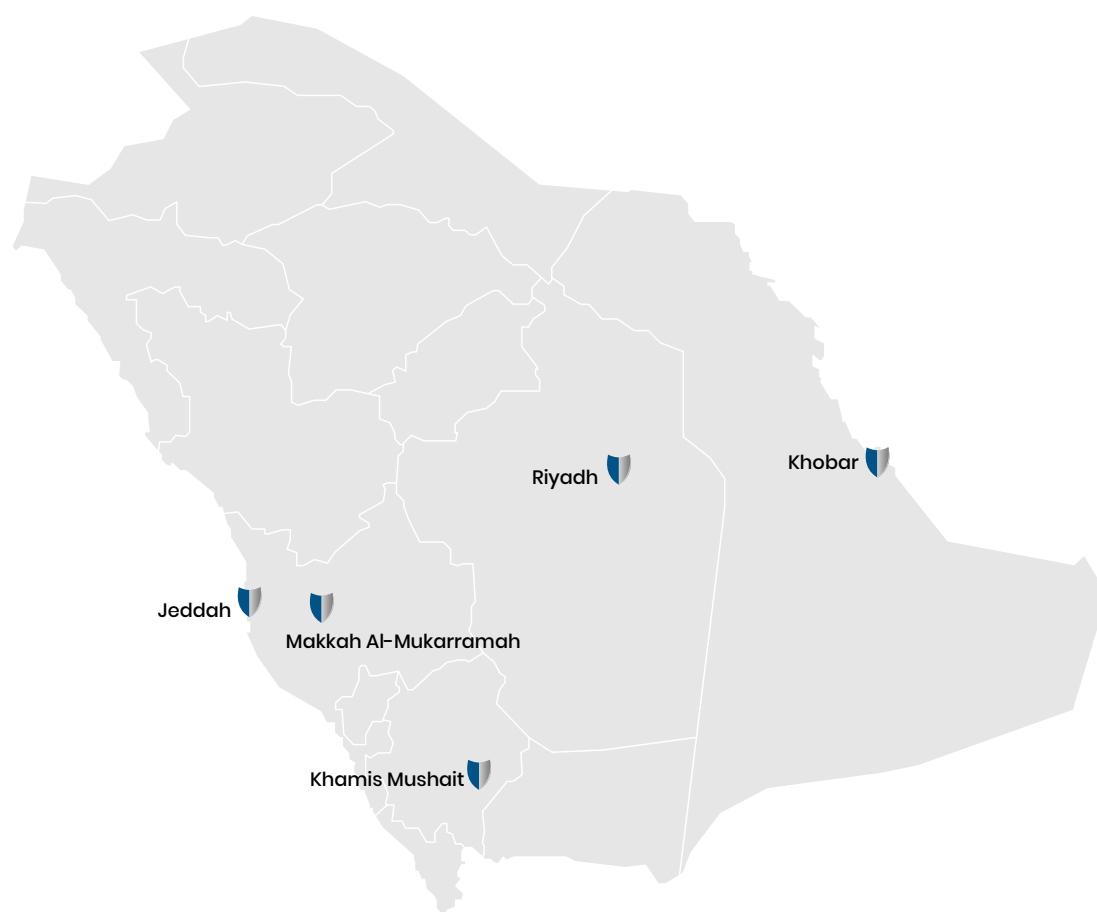
Head Office: Riyadh – Al Wurud District – King Abdulaziz Road, Bin Tami Center.

Tel: 011-2153360

Fax: 011-2153197

PO Box 286555 Riyadh 11323

Website: www.aicc.com.sa



a) Central Region:

Riyadh City Branch – King Abdulaziz Road, Bin Tami Center.

b) Western Region:

- 1) Jeddah: Tahlia Street, Al Salam Building.
- 2) Makkah Al-Mukarramah: Al-Rusaifa, Ring Road III, Al Salwa Tower, next to Civil Defense.

c) Southern Region:

Khamis Mushait – King Fahd Road, Al Tasheel Building

d) Eastern Region:

Khobar: – Custodian of the Two Holy Mosques Road – Prince Hammoud Street – Diwan Al-Jazirah Building

The Company also has several points of sale (POSS) spread throughout Saudi Arabia

2. Significant Developments and Decisions in 2022

The financial year 2022 was the 13th anniversary of the Company's operations. Below you will find the most significant decisions, major developments and actions taken during the financial year 2022:

Increasing the Company's capital from SAR 265M to SAR 530M through a rights issue:

- On 16/04/1440H (24/04/2019), the Company announced that it had received SAMA's Letter No. 89/30238 dated 18/08/1440H (23/04/2019) which included a no-objection to increasing the Company's capital by SAR 265M through a rights issue so that its capital would, after the increase, be SAR 530M, provided that the Company fulfill all the requirements of other official authorities.
- On 11/03/1442H (28/10/2020), Alinma Investment was appointed as a financial advisor to manage the subscription to the rights issue.
- On 13/09/1442H (25/04/2021), a capital increase approval application file was submitted to CMA. After CMA's approval had been obtained, an Extraordinary General Meeting ("EGM") was held on 04/04/1443H (09/11/2021) which disapproved the Board of Directors' recommendation to increase the capital.
- A request was submitted to SAMA to extend the approval previously given to the Company to effect a capital increase. The Company obtained SAMA's consent to a six-month extension ending on 09/07/2022 of the previously given approval. On 04/07/1443H (06/02/2022), the Company submitted a capital increase approval application file to CMA.
- After CMA's approval had been obtained, an EGM was called. However, before it was convened, the previously appointed Underwriter (Alinma Investment) withdrew without any legal justification. As a result, the EGM which was scheduled for 02/08/2022 was postponed.
- On 13/03/1444H (09/10/2022), the Company announced that an agreement dated 06 Oct 2022 was signed with Al Rajhi Capital to manage the subscription and underwrite the offering for the Company's SAR 265M rights issue capital increase.
- Due to the Company's unwillingness to renew the financial advisory agreement with Alinma Investment, the Company announced on 22/03/1444H (18/10/2022) the appointment

of Al Rajhi Capital as a financial advisor to manage the subscription to the rights issue instead of Alinma Investment.

- After all the required legal approvals had been secured, on 02/04/1444H (27/10/2022), the Company's shareholders were invited to an EGM scheduled for 20/11/2022 to increase the capital.
- The Company obtained the approval of the Company's shareholders regarding the agenda item for the capital increase, as well as the items related to amending the Company Bylaws, at the EGM of 26/04/1444H (20/11/2022).
- On 14/05/1444H (08/12/2022), the results of the rights trading, subscription to the new shares and details of the sale of unsubscribed shares were announced. They were as follows:
 - 17,132,251 out of the new 26,500,000 shares offered were subscribed, that is, a 64.65% coverage percentage.
 - On 24/05/1444H (18/12/2022), the Company announced the results of the rump offering and allocation of rights shares. The summary of that announcement was as follows:
 - The coverage at the end of the rump offering period amounted to 100% and it was as follows:
 - The number of shares subscribed to by institutional investors during the rump offering period was 8,650,000 shares (92.33%).
 - The number of rights shares underwritten by the Underwriter (Al Rajhi Capital) was 717,749 shares (7.67%).
 - Average selling price of the shares sold: SAR 10.
 - Net compensation amount for rights holders and fractional shares: SAR 0.

Renewal of the insurance license:

On 06/05/1444H (30/11/2022), the Company got SAMA's approval to renew its license to carry on insurance business in Saudi Arabia for three (3) years from 11/06/1444H to 10/06/1447H in the following areas: general insurance (GI), health insurance (HI), protection & savings (P&S).

Approval of the Company to provide GI services by Al Hokair Group of Companies:

On 09/02/2022, the Company was engaged by Al Hokair Group to provide GI services for one (1) calendar year, effective from 15/02/2022, for an estimated value of SAR 25M.

Approval of the Company to provide comprehensive motor and GI insurance services by Aljomaih Group of Companies:

On 28/02/2022, the Company was engaged by Aljomaih Group to provide comprehensive auto and GI services for one (1) calendar year, effective from 01/03/2022, for an estimated value of SAR 45M.

Obtaining a no-objection from SAMA for a number of products offered for groups:

In 2022, the Company obtained a no-objection from SAMA for a number of products, namely:

- Professional liability insurance (accountants & auditors).
- Motor trade insurance product for vehicle maintenance workshop owners (internal & external risk).

Renewal of the Company's annual qualification with the Council of Health Insurance (CHI):

On 16/09/1443H (17/04/2022), the Company received a notice of one-year CHI qualification renewal from 09 May 2022 to 08 May 2023.

The Company received a report of a fire at the Arabian Centres Company's Mall of Dhahran:

On 14/10/1443H (15/05/2022), the Company announced that on 13/05/2022 it had received a report of a fire incident at the Arabian Centres Company's Mall of Dhahran, Dhahran. Immediately after receiving the report, the Company appointed a SAMA-licensed loss adjuster to assess the damage resulting from the fire. It is to be noted that the losses resulting from that fire are more than 99.5% reinsured by reinsurers as duly required, and therefore there will be no material financial impact on the Company's financial results.

Staff development and training:

In 2022, the Company's management provided training courses and qualified its Saudi personnel to ensure that they would perfectly carry out their functions and serve the Company's customers.

Reinsurance agreements:

In 2022, the Company renewed and signed reinsurance agreements with leading local and global reinsurers with international ratings ranging between A and A+.

Insurance brokerage agreements:

Willing to reach the largest base of customers of all kinds, in 2022, the Company renewed and signed agreements with insurance brokers approved by SAMA, as well as an insurance agent to exclusively market and sell the Company's insurance products.

Approval of the Company's strategy:

In 2022, the Board reviewed and updated the Company's business plan and strategy in line with economic and regulatory developments.

Ordinary General Meeting (OGM):

The first OGM was held on 28/11/1443H (27/06/2022) via modern means of communication. Its results were as follows:

1. Approval of the Company auditors' report for the fiscal year ended 31/12/2021.
2. Approval of the financial statements for fiscal year ended 31/12/2021.
3. Approval of the Board of Directors' report for the fiscal year ended 31/12/2021.
4. Approval of a release of the members of the Board from liability for their performance during the fiscal year ended 31/12/2021.
5. Approval of the appointment and determination of the remuneration of Company auditors from among candidates upon the recommendation of the Audit Committee in order to examine, review and audit the Q2, Q3 and annual financial statements for the fiscal year 2022 and Q1 financial statements for the fiscal year 2023, namely: Al Azem, Al Sudairy, Al Shaikh & Partners - Certified Accountants and Auditors, and Al Kharashi & Co. - Certified Accountants and Auditors.

6. Approval of the business and contracts between the Company and Abdel Hadi Abdullah Al-Qahtani Co., in which Board member Mr. Abdulaziz bin Abdel Hadi Al-Qahtani has an indirect interest; these are multiple insurance policies conforming to the Company's approved policies without any preferential advantages; it is to be noted that the value of transactions in 2021 was SAR 5,179,901.
7. Approval of an amendment to the Company's Corporate Governance Regulations.
8. Approval of the delegation to the Board of Directors of the authorization power of the Ordinary General Assembly (OGA) referred to in paragraph (1) of Article (71) of the Companies Law for one (1) year from the date of the

OGA's approval or until the end of the current term of the Board of Directors, whichever is earlier, as stipulated in the conditions set out in CMA's Regulatory Rules and Procedures Issued pursuant to the Companies Law for Listed Joint Stock Companies.

Opening of nominations for membership of the Board of Directors:

On 20/04/1444H (14/11/2022), the Company opened nominations for membership of the Board of Directors for the next three (3) calendar years' term starting on 27/02/2022.

3. Future plans and expectations

The Company believes that the insurance industry in Saudi Arabia will witness further growth in line with the development of the Saudi economy under the kingdom vision of 2030. In order to overcome such challenges foreseen in the short and medium term as intense competition, high operating costs and the scarcity of technical personnel, the Company will continue to implement its plans to increase competitiveness and market share by focusing on the following:

- Introducing insurance products that keep up with customer needs, especially SMEs.
- Focusing on improving customer service to increase retention and attract new customers.
- Continue to develop information systems for sales, electronic services and statistical reports.

- Making the necessary amendments to reinsurance agreements and strengthening relations with reinsurers.
- Promoting a culture of governance and compliance and staffing the concerned departments with the necessary personnel.
- Attracting and training qualified national personnel to ensure the success and growth of the Company.

It is worth noting that the Company's Board of Directors is fully aware of the opportunities and challenges, and accordingly effects or causes to be effected such adjustments as may be necessary to keep pace with new developments in order to ensure that the Company will continue in the fashion prescribed by the Board-approved strategy.

4. Risks that The Company may face and its assessment and addressing methods

The Company adopts policies for managing, measuring and controlling risks that are subject to the implementing regulations of the Cooperative Insurance Companies Control Law and the Risk Management Regulation so that these policies are evaluated and updated periodically. Given the nature of the Company activity, it is exposed to regular risks. Internal Audit and Risk Management Departments review and evaluates all risks that arise from The Company's activities and business, examine the results of all evaluation processes with senior management, the audit committee, and the risk committee, and submit a report of the results in accordance with the regulatory standards and requirements in addition to the methods of addressing and recommending them to the Board of Directors. A summary of the risks to which The Company is exposed, include without limitation the following:

a. Insurance risk

It represents the risks related to the excess of the actual claims payable to the contracting parties in respect of the insured events over the book value of the insurance liabilities. This could take place because of recurring claims, or if the claims amounts and actual benefits paid, or subsequent developments in long-term claims differ from expectations. The Company's objectives are to ensure that sufficient resources are available to cover these liabilities. The risks arising from insurance contracts are mainly concentrated in Saudi Arabia.

Frequency and amounts of claims

The frequency and amounts of claims may be affected by many factors. The Company mainly covers underwriting Motor and medical insurance contracts. These operations are considered short-term insurance contracts because, in general, claims are reported and paid within one year of the occurrence of the insured accident. In turn, this would reduce insurance risk.

Motor Insurance

For Motor insurance, the main risks are the claims for death and body injury and the replacement or repair of motors. The Company issues comprehensive insurance policies only to the owner/ driver who is over 18 years old. Mainly, most motor contracts relate to individuals. The Company also adopts risk management procedures for monitoring the cost of

claims. The Company has reinsurance coverage to limit losses related to any individual claim, exceeds SAR 2,000,000.

Medical Insurance

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across the industry sectors and geography to ensure that pricing takes account of current health conditions, regular view of actual claims experience and product pricing, as well as detailed claims handling procedures. The Company further enforces a policy of actively managing and promptly pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company, the company has reinsurance coverage to limit losses related to any individual claim at the level of the insured member in the insurance policy up to SR 100,000.

b. Reinsurance risk

Similar to other insurance companies, The Company, in the course of its normal business cycle, reinsures with third parties to reduce the potential financial losses that may arise from large insurance claims. These arrangements ensure greater diversification in business, allow the management to monitor potential losses that may arise from large risks, and provide additional growth capabilities. A significant portion of reinsurance takes place under reinsurance agreements, discretionary reinsurance contracts, and excess of loss reinsurance.

To reduce its exposure to the risks of large losses arising from the bankruptcy of reinsurance companies, The Company assesses the financial position of reinsurance companies, and monitors the concentration of credit risk resulting in geographical areas and activities and economic characteristics similar to reinsurance companies.

The assigned reinsurance agreements do not relieve The Company of its obligations towards policyholders. Accordingly, The Company remains liable towards policyholders for its share of the reinsured under settlement claims to the extent that the reinsurer has not fulfilled its obligations under the reinsurance agreements.

c. Risks related to regulatory requirements

The Company's operations are subject to the requirements of local regulations in Saudi Arabia. These regulations not only require obtaining approvals and monitor activities, but also impose some restrictions such as capital adequacy to reduce the risks of deficit and bankruptcy by insurance companies and to enable them to pay their unforeseen liabilities when they arise.

d. Credit risk

Credit risk is the inability of one party to meet its obligations with respect to a financial instrument, which results in the other party incurring a financial loss. For all classes of financial assets acquired by The Company, The Company's maximum credit risk represents the carrying value disclosed in the statement of financial position.

Below is a statement of the policies and procedures established to reduce the credit risk to which The Company is exposed:

- The Company enters into insurance and reinsurance contracts only with recognized and reputable parties. The Company's policy is that all customers it wishes to deal with are subject to credit verification and examination. In addition, receivable amounts under insurance and reinsurance contracts are monitored on an ongoing basis to reduce the Company's exposure to bad debts.
- The Company limits the risks related to agents and brokers by setting credit limits for each agent and broker, and monitoring the outstanding receivables.
- Cash, cash equivalents, time deposits and statutory deposits are deposited with local banks approved by the Management. Accordingly, as a precondition, the banks with which they deposit cash, cash equivalents, time deposits and statutory deposits must be rated as having an acceptable level, in terms of security, that confirms soundness of their financial position.
- The Company's investments in funds and investment portfolios are managed by the manager responsible for the investment in accordance with the investment policy approved by the Investment Committee.
- With regard to the credit risk arising from other financial assets, The Company deals only with commercial banks with strong financial position and good credit reputation.
- There are no significant concentrations of credit risk within the Company.

e. Commission rate risk

Commission rate risk arises from the fluctuation in the value or future cash flows of a financial instrument as a result of changes in commission rates prevailing in the market. Float commission financial instruments expose The Company to commission rate risk arising from cash flows, while fixed commission financial instruments expose The Company to commission risk arising from fair value.

The Company is exposed to commission rate risk on some of its investments. The Company limits commission rate risk by monitoring changes in commission rates in the currencies in which the investments are denominated.

f. Operational risk

Operational risk is the direct or indirect loss risk resulting from a wide range of causes associated with the processes, technology and infrastructure that support The Company's operations, whether internally within the Company or externally to the Company's service providers and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and the generally accepted standards of investment management behavior. Operational risk arises from all activities of the Company.

The Company's objective is to manage operational risk to achieve a balance between reducing financial losses and damage to its reputation in achieving its investment objective of generating returns for investors. The primary responsibility for developing and implementing controls over operational risk rests with the Board of Directors. This responsibility includes the elements of control in below areas:

- requirements for appropriate separation of duties between different jobs, roles and responsibilities;
- requirements for settlement and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of the operational risks taking place,
- adequacy of controls and procedures to address the identified risks;
- ethical and business standards and,
- risk mitigation policies and procedures.

g. Risks related to the Cooperative Insurance Companies Control Law and its Implementing Regulations

Insurance companies conduct their business in accordance with the Cooperative Insurance Companies Control Law and its implementing regulations in force in Saudi Arabia. The law defines the insurance companies' framework with regard to business lines, capital and surplus requirements, the volume of insurance claims, the scale and types of investments, technical standards, settlement arrangements, adequacy of reserves, and others. Accordingly, any changes, amendments or new policies in the insurance laws could adversely affect The Company's business, financial position and operational results.

The business of insurance companies is regulated and monitored through the Saudi Central Bank, which has full authority to take the necessary measures to regulate the sector, including issuing or amending business permits approvals, approving the offering of insurance products and their types, imposing fines, penalties and others. In the event that The Company fails to comply with the Cooperative Insurance Companies Control Law and its implementing regulations, it will be subject to fines or penalties, which will negatively and materially affect its business results, financial performance or sustainability.

5. Evaluation of Company Strategy and its Financial Position

In 2022, the Company succeeded in achieving many of its strategic goals despite the difficulties that the insurance industry faced. Depending on sound underwriting principles, the management was able to increase production to SAR 733M compared to the previous year's production of SAR 422M, an increase of 74%. The net profit before zakat and tax amounted to SAR 12.8M, compared to SAR 580K for the previous year. Focusing on SME products which are characterized by moderate loss, fostering electronic sales outlets and providing our human resources with the elements of success undoubtedly had the greatest impact on increasing written premiums and generating additional profits.

In terms of strengthening the Company's solvency and long-term competitiveness, a subscription process for a rights issue was completed after obtaining the approval of the General Assembly and

regulators, and the Company's capital thus became SAR 530M. Such capital increase will enhance the Company's ability to invest in IT and marketing infrastructure systems and attract qualified technical personnel that enable the Company to position itself competitively in the Saudi insurance market. Moreover, this enhanced capital will enable the Company to increase production steadily with a financial solvency that is in alignment with SAMA's regulations.

In 2022, the Company applied all pilot implementation phases related to the transition to IFRS 17 and IFRS 9 as required by SAMA. The management, under the direction of the Board of Directors, provided the necessary technical and human resources for a successful transition plan.

6. Table indicating Company's assets and liabilities, and its business results for last five years 2018-2022

Statement of financial position	2018	2019	2020	2021	2022
Assets of Insurance operations	Thousand Saudi Riyals				
Cash and cash equivalents	55,465	24,006	33,351	26,224	34,387
Time deposits	10,000	10,000	20,350	20,400	135,750
Investments	26,105	29,855	32,653	31,903	32,451
Premiums and reinsurance balances receivable, net	113,178	110,463	141,114	150,977	233,299
Reinsurers' share of unearned premiums	51,490	55,863	42,905	47,877	39,551
Reinsurers' share of outstanding claims	41,491	37,152	33,978	70,587	744,868
Reinsurers' share of claims incurred but not reported	8,160	14,504	9,379	8,346	7,624
Deferred policy acquisition costs	8,391	7,236	11,018	11,122	24,055
Prepaid expenses and other assets	12,297	15,791	17,591	21,806	27,214
Due from related parties	83	83	93	83	83
Property and equipment, net	6,547	6,713	6,599	7,418	10,153
Right-of-use assets		6,734	5,372	3,215	1,297
Due from shareholders' operations	75,413	101,987	41,910	23,213	17,484
Total assets of insurance operations	408,620	420,387	396,311	423,171	1,308,217
Assets of shareholders' operations					
Cash and cash equivalents	35,255	42,587	115,976	59,119	44,732
Time deposits	156,576	119,158	43,414	37,061	38,339
Prepaid expenses and other assets	1,479	1,187	723	2,397	3,180
Return on investment of statutory deposit	2,790	3,859	4,290	4,494	5,381
Investments	99,109	120,143	71,500	109,129	121,979
Statutory deposit	40,000	40,000	40,000	40,000	40,000
Total assets of shareholders' operations	335,209	326,934	275,904	252,200	253,611
Total assets	743,830	747,320	672,215	675,371	1,561,828

	2018	2019	2020	2021	2022
Liabilities of Insurance operations					
Accounts payable	49,149	22,230	23,684	17,106	36,379
Reinsurance balances payable	21,464	36,390	29,424	31,008	20,490
Accrued expenses, and other liabilities	22,175	28,147	26,555	22,759	36,946
Unearned reinsurance commission	4,637	3,623	3,278	3,461	7,912
Gross unearned premiums	149,402	148,602	140,803	168,094	339,638
Outstanding claims	82,739	83,704	80,887	104,492	782,395
Claims incurred but not reported	55,826	64,488	59,982	52,970	68,074
Employees' end of service benefits	10,616	10,845	10,428	10,479	11,564
Due to related parties	313	41	0	199	0
Lease liability		6,253	4,911	2,742	1,236
Premium deficiency reserve and other reserves	10,799	15,159	15,630	8,965	1,601
Total liabilities of insurance operations	407,119	419,480	395,581	422,276	1,306,235
Cumulative surplus					
Accumulated surplus payable	1,939	1,939	2,253	1,439	2,494
Actuarial loss on defined benefit plan	(438)	(1,033)	(1,523)	(544)	(513)
Total liabilities and surplus of insurance operations	408,620	420,387	396,311	423,171	1,308,217
Shareholders' Equity and Liabilities					
Shareholders' liabilities					
Accrued expenses and other liabilities	538	544	1,656	1,201	1,337
Return on investment of statutory deposits	2,790	3,859	4,290	4,494	5,381
Zakat and income tax payable	5,714	4,636	6,282	7,653	7,216
Due to insurance operations	75,413	101,987	41,910	23,213	17,484
Total liabilities of shareholders' operations of insurance operations	84,455	111,026	54,138	36,561	31,418
Shareholders' equity					
Equity capital	265,000	265,000	265,000	265,000	265,000
Accumulated loss	(7,922)	(50,236)	(43,979)	(49,496)	(41,219)
Investment of available-for-sale revaluation reserve	(6,324)	1,143	745	136	(1,589)
Total shareholders' equity	250,754	215,907	221,766	215,639	222,193
Total liabilities and shareholders' equity	335,209	326,934	275,904	252,200	253,611
Total liabilities and accrued surplus of insurance operations and liabilities and shareholders' equity	743,830	747,320	672,215	675,371	1,561,828

Statement Of Income – Insurance operations	2018	2019	2020	2021	2022
Thousand Saudi Riyals					
Gross premiums written	350,787	332,418	346,432	422,323	733,193
Less: Reinsurance premiums ceded	(102,895)	(110,234)	(96,309)	(126,344)	(120,839)
Excess of loss premiums	(9,063)	(4,803)	(4,320)	(4,901)	(6,278)
NET PREMIUMS WRITTEN	238,830	217,381	245,802	291,077	606,076
Change in unearned premiums, net	(6,745)	5,173	(5,159)	(22,319)	(179,870)
NET PREMIUMS EARNED	232,085	222,554	240,643	268,758	426,206
Gross claims paid	(217,984)	(248,706)	(228,106)	(278,099)	(356,287)
Reinsurers share of claims paid	69,249	84,835	70,620	42,255	61,226
Changes in outstanding claims, net	7,811	(7,622)	(977)	18,982	(19,447)
Net claims incurred	(140,924)	(171,493)	(158,463)	(216,862)	(314,508)
Changes in premium deficiency reserve and other technical reserves	(7,043)	(4,360)	(471)	6,665	7,364
Policy acquisition costs	(24,568)	(17,622)	(20,813)	(32,841)	(41,485)
Reinsurance commission earned	25,123	16,370	11,433	27,818	23,401
Other revenue	0	0	0	3,607	7,180
Other underwriting expenses			(6,672)	0	0
NET UNDERWRITING INCOME	84,672	45,450	65,658	57,145	108,158
General and administrative expenses	(84,571)	(88,639)	(58,711)	(62,185)	(100,321)
Net Profit (Loss) of Investments	1,671	1,446	1,197	1,311	2,719
Total surplus / (deficit) for the year	1,773	(41,742)	8,144	(3,729)	10,556
Loss for the year attributed to the shareholders	(1,595)	41,742	(7,329)	3,729	(9,500)

Statement Of Income – Shareholders’ operations	2018	2019	2020	2021	2022
Thousand Saudi Riyals					
Income (Loss) for the year attributed to the shareholders	1,595	(41,742)	7,329	(3,729)	9,500
Gain on sale of available for sale investments	(1,251)	1,249	2,016	2,675	1,502
Commission income and Dividend income	6,641	7,513	4,820	3,207	4,069
Impairment loss on available for sale investment	(2,000)	(2,898)	0	0	(1,100)
General and administrative expenses	(1,567)	(1,883)	(1,908)	(1,622)	(1,194)
Net income / (loss) for the year (before zakat and income tax)	3,419	(37,762)	12,257	530	12,778

(6-a) Below are the results of the operating sectors for the financial year ending on 31/12/2022:

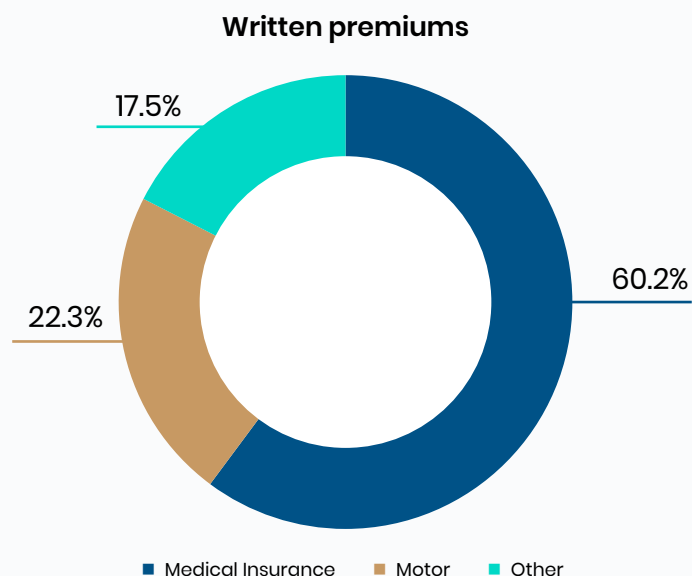
For the year ended on 31 December 2022	In thousands of Saudi Riyals for the fiscal year ended on 31 December 2022			
Insurance results	Medical insurance	Motor	Other	Total
Gross premiums written	441,208	163,810	128,176	733,193
Less: Reinsurance premiums ceded	(2,068)	0	(118,771)	(120,839)
Excess of loss premiums	(2,600)	(1,306)	(2,373)	(6,278)
NET PREMIUMS WRITTEN	436,540	162,504	7,032	606,076
Change in unearned premiums, net	(177,674)	(2,674)	477	(179,870)
NET PREMIUMS EARNED	258,866	159,830	7,509	426,206
Gross claims paid	(170,488)	(145,282)	(40,517)	(356,287)
Reinsurers share of claims paid	23,618	600	37,008	61,226
Changes in outstanding claims, net	(21,896)	4,288	(1,839)	(19,447)
Net claims incurred	(168,767)	(140,394)	(5,348)	(314,508)
Changes in premium deficiency reserve and other technical reserves	(875)	5,872	2,368	7,364
Policy acquisition costs	(15,632)	(13,538)	(12,315)	(41,485)
Reinsurance commission earned	0	0	23,401	23,401
Other underwriting expenses	2,140	387	4,654	7,180
NET UNDERWRITING INCOME	75,732	12,157	20,269	108,158
General and administrative expenses				(100,321)
Net Profit (Loss) of Investments				2,719
Total surplus / (deficit) for the year				10,556

(6-b) Financial Highlights:

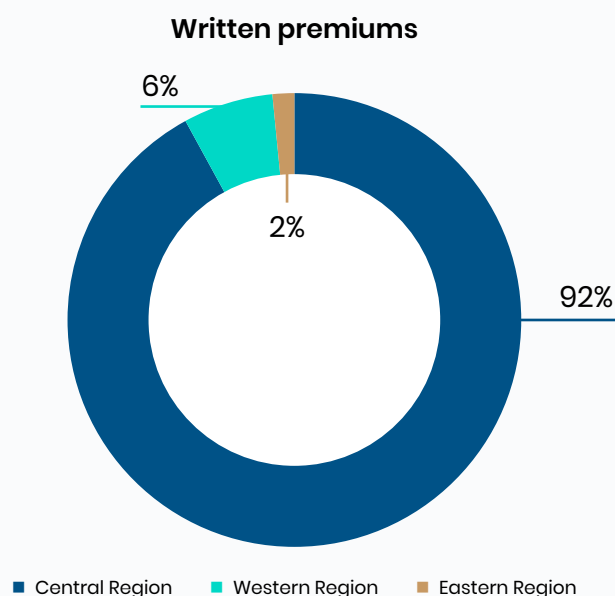
Below is an analytical review of the results for 2022:

1. Net profit before Zakat and Income Tax for 2022 is SAR 12,778 thousand compared to net profit before Zakat and Income Tax of SAR 530 thousand for 2021. The reason behind the increase in net profit during the current year compared to the previous year is attributed to the increase in net premiums earned despite the increase in net claims incurred and general and administrative expenses.
2. Net profit after Zakat and Income Tax for 2022 is SAR 8,277 thousand compared to net loss after Zakat and Income Tax of SAR 5,517 thousand for 2021.
3. Profit per Share for 2022 is SAR 0.31 compared to loss per Share SAR 0.21 for 2021 noting that earning/loss per share calculated after Zakat and Income Tax.
4. Insurance operations profit Policy Holders Investments Revenues (Operations Results) for the year 2022 is SAR 7,837 thousand compared to a deficit of SAR 5,039 for 2021.
5. Gross Written Premiums for 2022 has reached SAR 733,193 thousand compared to SAR 422,323 thousand for 2021. Representing an increase of 74%. Net Written Premiums for 2022 has reached SAR 606,076 thousand compared to SAR 291,077 thousand for 2021. Representing an increase of by 108%
6. Net Earned Premiums for 2022 has reached SAR 426,206 thousand compared to SAR 268,758 thousand for 2021, an increase of 59%.
7. Net Incurred Claims reached for 2022 is SAR 314,508 thousand compared to SAR 216,862 thousand for 2021. Representing an increase of 45%.
8. Net Profit of Policy Holders Investment for 2022 is SAR 2,719 thousand compared to 1,311 thousand for 2021 representing an increase by 107%. Net Profit of Shareholders Capital Investment is SAR 4,471 thousand compared to 5,882 thousand for 2021 representing a decrease of 24%.
9. Shareholders' equity (no minority interest) stands at SR 222.2 million compared to SR 215.6 million for 2021 representing an increase of 3%.
10. Accumulated losses as of the end of the year stand at SR 41.2 million representing 15.6% from the capital.

(6-c) Below is the total distribution of written premiums as per lines of business:



(6-d) Below is the geographical analysis of the total written premiums as per the Kingdom regions, given that The Company does not have any revenues from subsidiaries Outside Saudi Arabia:



(6-e) Accounting Standards

The financial statements have been prepared in accordance with IFRS approved in Saudi Arabia, and other standards and publications approved by SOCPA, the Companies Law and The Company's articles of association.

In accordance with the requirements of insurance regulations in Saudi Arabia, The Company must maintain separate accounts for each of the insurance operations and shareholders' operations and the financial statements are presented accordingly. Assets, liabilities, as well as income and expenses for each activity are recorded in the accounts for that activity. The basis for allocating expenses related to joint operations is determined and approved by The Company's management and the Board of Directors.

The financial statements are prepared on a going concern basis and on the historical cost basis, except for available-for-sale investments, which are measured at fair value and end of service benefits are measured at current value. The statement of

financial position is not displayed using the current/non-current classification. However, the following balances are generally classified in current: cash and cash equivalents, insurance premiums receivable, reinsurance receivables, investments, deferred underwriting costs, prepaid expenses and other assets, accounts payable, reinsurance balances receivables, outstanding claims, accrued expenses and other liabilities, provision for zakat, taxes, distribution of the surplus due and unearned insurance premiums, reimbursed share of unearned premiums, and deferred underwriting costs, unearned commission income. On the other hand, the following balances are generally classified as non-current: end of service indemnities, statutory deposit, returns on statutory deposit, commission income payable to the Saudi Central Bank, claims incurred but not reported, the net property and equipment.

The company presents the statement of financial position in order of liquidity.

7. Subsidiaries

There are no subsidiaries for AICC, and therefore no details of the shares and debt instruments issued for each subsidiary.

8. Investments or reserves established for the benefit of the Company's employees

There are no investments or reserves established for the benefit of the Company's employees, except for the end of service benefits (EOSB).

9. Contracts and transactions with related parties in 2022

The Company confirms that there are no commercial contracts for Board members or companies in which they have a direct or indirect interest, with the exception of the following insurance policies, and that these policies were priced on purely commercial bases and without preferential prices, conditions or services than the rest of the Company's customers and according to the usual procedures, and there are no cases of potential conflict of interest, as follows:

Description of related parties for 2022			
Company/Party	Nature of contract	Term of the contract	Amount in SAR
Arabian Catering & Trading Co. – ASTRA Group	Insurance policies	One Year	108,855
Abdel Hadi Abdullah Al Qahtani & Sons Co	Insurance policies	One Year	5,468,854
Mr. Abdulaziz bin Abdulhadi Al Qahtani	Insurance policies	One Year	229,143
Mr. Abdulaziz bin Saleh Al Omair	Insurance policies	One Year	128,461
wasl investment company	Insurance policies	One Year	384,181
Dr. Abdulrahman Al Angari	Insurance policies	One Year	37,386
Mr. Ghassan Ibrahim Akeel	Insurance policies	One Year	6,747
Total			6,363,627

The following balances arose from transactions with related parties as on 31 December 2022

Company/Party	Amount in SAR	Nature of Balance
Board members and the companies they represent	1,194,014	Debit
Arabia Insurance Company (AIC) – Shareholder	0	
Jordan Insurance Company (JIC) – Shareholder	83,346	Debit
Reinsurance liability payable by Jordan Insurance Company (JIC) – Shareholder	546,767	Debit

Transactions with related parties resulted insurance claims amounting to SAR 862,874 for the members of the board of directors and the companies they represent, and expenses paid by Arabia Insurance Company – Lebanon (shareholder) on behalf of the Company amounting of SAR 299,670, and expenses paid by the Company on behalf of Arabia Insurance Company – Lebanon (shareholder) amounting of SAR 2,750.

10. Existence of businesses or contracts in which The Company is a party and in which the CEO or the CFO or any person related to any thereof has an interest

The Company acknowledges that there are no businesses or contracts in which The Company is a party and in which the CEO or the CFO or any person related to any thereof has an interest, with the exception of individual insurance policies, with a one-year period, for the general manager, Mr. Ziyad Alrubaish, and the CFO, Mr. Adel Albayed, given that these documents were issued within the Company's usual business.

11. The Board of Directors and its Committees

First: The Board of Directors:

The Company's Board of Directors consists of seven members, including the Chairman. The Board members were appointed by the Ordinary General Assembly meeting held on 03/07/1441 AH, corresponding to 27/02/2020, for a period of three Gregorian years starting from 27/02/2020 until 26/02/2023, and The Company followed the cumulative voting method in electing members.

Having obtained the Saudi Central Bank's approval, the Board decided on Thursday 25/11/1441 AH corresponding to 16/07/2020 to appoint Mr. Abdulaziz bin Abdulhadi Al Jadhi Al-Qahtani (non-executive) as Chairman of the Board, and to appoint Dr. Abdulrahman bin Muhammad Al Angari (independent) as Vice Chairman of the Board. On Thursday, 25/11/1441 AH corresponding to 16/07/2020, the Board decided to form the sub-committees, which are as follows: The Executive Committee, the Nominations and Remunerations Committee, the Investment Committee & the Risk Management

Committee.

The Board of Directors exercises its duties and responsibilities in accordance with The Company's articles of association and the rules and regulations issued by all the supervisory authorities in the Kingdom, including the Companies Law, the Cooperative Insurance Companies Control Law and its implementing Regulations, the Corporate Governance Regulations issued by the Capital Market Authority, the Insurance Companies Governance Regulations and The Company's internal regulations. The Board of Directors prepares and reviews the policies and procedures manuals that will ensure The Company's compliance with the laws and regulations issued by all the supervisory authorities regulating The Company's business, and The Company is working on training employees to apply these guides.

a. Formation of the Board of Directors and classification of its members during the fiscal financial year ending on 31 December 2022:

SN	Member Name	position	Membership rating	Representing:
1	Abdulaziz Abdulhadi Al Judee Al Qahtani	Chairman of the Board	Non-Executive	-
2	Abdulrahman bin Muhammad Al Angari	Vice Chairman	Independent	-
3	Abdulaziz bin Saleh Al Omair	Board member	Independent	-
4	Muhammad bin Ibrahim Al Mangour	Board member	Independent	-
5	Ghassan Ibrahim Akeel	Board member	Non-Executive	Arab Supply & Trading Company (ASTRA) – Saudi Arabia
6	Othman (Mohammed Ali) Othman Bdeir	Board member	Non-Executive	Jordan Insurance Company (JIC) PLC (Jordan)
7	Munir Boutros Ibrahim Muasher	Board member	Non-Executive	Arabia Insurance Company (AIC) S.A.L (Holding Company) (Lebanon)

b. Names of the Board members, their current and previous positions, qualifications and experience:

SN	Name	Membership in committees	Current Positions	Previous Positions	Qualifications	Experiences
1	Abdulaziz Abdulhadi Al Judee Al Qahtani	Nominations and Remunerations Committee & Investment Committee	<ul style="list-style-type: none"> - AICC Chairman and member of the Nomination and Remuneration Committee. - Chairman and Board member of the following companies: <ul style="list-style-type: none"> - Abdul Hadi Abdullah Al Qahtani & Sons Holding Company - Abdul Hadi Al Qahtani & Partners Maritime And Oil Field Services Co. - and Abdul Hadi Abdullah Al Qahtani & Sons for Beverage Industry Co. - Al Maha Trading & Contracting Co. - Gulf Salt Industry Company Ltd - Al Qahtani Fisk Company. - Gulf Business Network Group (GBN). 	Board member of Arbah Capital Co.	Bachelor's degree in Business Administration from University of Portland, Oregon, USA	Experience in the fields of marine and petroleum services, electrical and communications works, food industries, contracting, environmental services, mining and financial services
2	Muhammad bin Ibrahim Al Mangour	Risk Management Committee & Investment Committee	<ul style="list-style-type: none"> - AICC Board member. - Member of AICC Risk Management Committee & Investment Committee (Investment) - Vice President Investment Portfolios – Saudi Company for Agricultural Investment and Livestock Production – SALIC - Member of the Venture Investment Committee – Minerva Foods 	<ul style="list-style-type: none"> - Commercial Director at Saudi Arabian Parsons Limited (SAPL) - Investment Manager at Malaz Capital Co. - Senior Manager at Saudi Hollandi Capital Co. - Manager at National Housing Company (NHC) - Assistant Director at Saudi Hollandi Bank, 	<ul style="list-style-type: none"> - Bachelor's degree in Financial Management from Prince Sultan University (PSU). - Certified Public Accountant (CPA) Certificate in the USA 	Experience in banking, investment, financial sector and financial markets.

SN	Name	Membership in committees	Current Positions	Previous Positions	Qualifications	Experiences
3	Abdulaziz bin Saleh Al Omair	Executive Committee & Nomination and Remuneration Committee.	<ul style="list-style-type: none"> - AICC Board member, Chairman of the Nomination and Remuneration Committee, and Member of the Executive Committee. - CEO, Wasl Commercial Investment Co. - Board member of McCain Capital. - Board member, Member of the Executive Committee & the Risk Committee of Bidaya Home Finance (BHF). - Board member of the Creative Box Co. - Board member of Food Concepts Company. 	<ul style="list-style-type: none"> - Regional Head of Central and Eastern Region - Marketing for Institutions and Major Clients at Al Rajhi Capital. - Vice Chairman - Private Equity Funds at Al Rajhi Capital. - Investor Relations Officer at Arcapita Bank, Bahrain 	Bachelor's degree in Business Administration from Webster University, Geneva, Switzerland	Experience in banking and financial services.
4	Abdulrahman bin Muhammad Al Angari	Audit Committee & Nomination and Remuneration Committee	<ul style="list-style-type: none"> - Vice Chairman, and Chairman of the Audit Committee - Executive Director - Ounass Contracting and Technical Consultations 	<p>Chairman of the Public Transport Development Committee in Makkah Region</p> <p>Member of the Makkah Region Council, representing the Ministry of Transport and Logistics Services (MOTLS)</p> <p>Member of the Central Committee for Business Development, Ministry of Communications and Information Technology (MCIT).</p> <p>Vice Chairman of the Highways Privatization Committee in the Kingdom in cooperation with the World Bank.</p> <p>Chairman of the Railway Network Development Committee in the Kingdom in cooperation with the World Bank.</p> <p>Advisor to the Board of Directors of the Saudi Railways Organization (SRO)</p> <p>Adviser to the Saudi Minister of Transport and Logistic Services.</p> <p>CEO of Ounass</p>	<p>PhD in Urban Design and Urban Planning - University of Edinburgh - United Kingdom.</p> <p>Master's in Urban Design - University of New South Wales - Sydney - Australia.</p> <p>Bachelor of Architecture - King Saud University</p>	Experience in the fields of engineering, planning and transportation.

SN	Name	Membership in committees	Current Positions	Previous Positions	Qualifications	Experiences
5	Ghassan Ibrahim Fares Akeel	Risk Management Committee & Investment Committee	<ul style="list-style-type: none"> - AICC Board member and Chairman the Risk Management Committee & the Investment Committee. - Board member of Banque du Amman Cairo Bank - CEO of Arab Supply & Trading Company (ASTRA). - Board member of Astra Industrial Group (AIG). - Board member of the National Aviation Ground Support Co Ltd (NAGS) 	<ul style="list-style-type: none"> - Director of Audit and Financial Consulting at Arthur Andersen & Co. - CFO of Arab Supply & Trading Company (ASTRA). - Executive Vice Chairman of Arab Supply & Trading Company (ASTRA). 	<ul style="list-style-type: none"> - Master's degree in Business Administration from Thunderbird University in Arizona, USA. - Bachelor's degree in Accounting from the University of Jordan in Amman, Jordan - Certified Public Accountant (CPA) Certificate in the USA 	Experience in the fields of financial services, banking, industry, trade and investment
6	Othman (Mohammed Ali) Othman Bdeir	Executive Committee & Risk Management Committee.	<ul style="list-style-type: none"> - AICC Board member and member of the Executive Committee & Risk Management Committee. - Chairman of the Board of Jordan Insurance Company (JIC). - Member of the Investments Committee in Jordan Insurance Company (JIC). - Board member of the Al-Motrabetah Investment Company (P.S.C) - Jordan. - Board member of Asia Insurance Company, Kurdistan, Iraq - Board member of Jordanian Electric Power Company limited (JEPCO). 	Board member of the National Oil & Electricity Production from Oil Shale Company PLC, Jordan	<ul style="list-style-type: none"> - Bachelor's degree in Business Administration from University of Tennessee, USA. - Bachelor's degree in Civil Engineering from University of Tennessee, USA 	Experience in the fields of insurance, industry, mining, investment, electricity, brokerage and investment.
7	Mounir Boutros Muasher	Executive Committee & Nomination and Remuneration Committee.	<ul style="list-style-type: none"> - AICC Board member and Chairman of the Executive Committee & member of the Nominations and Remunerations Committee. - Senior Vice Chairman - Director of Insurance Business Department at Arab Bank PLC - Jordan. - AICC Board member (Jordan). - Board member and Chairman of the Audit Committee of Arabia Falcon Insurance Company (AFIC) - Oman. - Board member and Chairman of the Audit Committee of the Jordan National Shipping Lines Co. Ltd. (JNSL) - Jordan. 	<ul style="list-style-type: none"> - Chairman of the Board of Al-Nisr Al-Arabi Insurance Company - Jordan. - Board member of Arabia Insurance Company (AIC), Lebanon. - CEO of Arabia Insurance Company (AIC), Lebanon. - Chairman of the Board and Chairman of the Audit Committee at Arabia Insurance Company (AIC) - Jordan. 	<ul style="list-style-type: none"> - Bachelor's degree in Accounting from Al-Ahliyya Amman University (AAU), Jordan - Diploma in insurance from the Chartered Insurance Institute (CII), London, UK. 	Experience in the fields of insurance and management.

c. Names of companies inside or outside Saudi Arabia in which a Company's Board member is a member of its current and previous Board of Directors or one of its directors:

SN	Member Name	Names of companies in which a Board member is a member of their current boards of directors or one of their directors	Inside Saudi Arabia/ Outside Saudi Arabia	Legal entity (listed JSC/ unlisted JSC/ LLC ...)	Names of companies in which a Board member is a member of their previous boards of directors or one of their directors	Inside Saudi Arabia/ Outside Saudi Arabia	Legal entity (listed JSC/ unlisted JSC/ LLC ...)
1	Abdulaziz Abdulhadi Al Judee Al Qahtani	AICC. Abdul Hadi Abdullah Al Qahtani & Sons Holding Company Abdul Hadi Al Qahtani & Partners Maritime And Oil Field Services Co. Abdul Hadi Abdullah Al Qahtani & Sons for Beverage Industry Co Al Maha Trading & Contracting Co. Gulf Salt Industry Company Ltd. Al Qahtani Fisk Company. Gulf Business Network Group (GBN).	Inside Saudi Arabia	listed JSC unlisted JSC. LLC LLC unlisted JSC LLC LLC	Arbah Capital Co.	Inside Saudi Arabia	unlisted JSC.
2	Muhammad bin Ibrahim Al Mangour	AICC The Saudi Company for Agricultural Investment and Livestock Production – SALIC Minerva Foods Company	Inside Saudi Arabia Outside Saudi Arabia	listed JSC unlisted owned by the Public Investment Fund	Commercial Director at Saudi Arabian Parsons Limited (SAPL) Investment Manager at Malaz Capital Co. Senior Manager at Saudi Hollandi Capital Co. Manager at National Housing Company (NHC) Assistant Director at Saudi Hollandi Bank,	Inside Saudi Arabia	unlisted listed JSC
3	Abdulaziz bin Saleh Al Omair.	AICC Wasl Commercial Investment Co. McCain Capital Corporation. Bidaya Home Finance (BHF). Food Concepts Company. Creative Box Co.	Inside Saudi Arabia	listed JSC LLC unlisted JSC unlisted JSC LLC LLC			

SN	Member Name	Names of companies in which a Board member is a member of their current boards of directors or one of their directors	Inside Saudi Arabia/ Outside Saudi Arabia	Legal entity (listed JSC/ unlisted JSC/ LLC ...)	Names of companies in which a Board member is a member of their previous boards of directors or one of their directors	Inside Saudi Arabia/ Outside Saudi Arabia	Legal entity (listed JSC/ unlisted JSC/ LLC ...)
4	Abdulrahman bin Muhammad Al Angari	AICC Ounass Contracting and Technical Consultations Est	Inside Saudi Arabia	listed JSC LLC			
5	Ghassan Ibrahim Fares Akeel	Astra Industrial Group (AIG) VTEL Holdings Ltd. AICC National Aviation Ground Support Co Ltd (NAGS) Cairo Amman Bank (CAB) Al Tanmiya for Steel Industries Co. Odicia capital Astra Food	Inside Saudi Arabia Outside Saudi Arabia Inside Saudi Arabia Inside Saudi Arabia Outside Saudi Arabia Outside Saudi Arabia Outside Saudi Arabia Inside Saudi Arabia	Listed JSC LLC listed JSC LLC listed JSC LLC LLC closed JSC	Director of Audit and Financial Consulting at Arthur Andersen & Co. CFO of Arab Supply & Trading Company (ASTRA). Executive Vice Chairman of Arab Supply & Trading Company (ASTRA).	Outside Saudi Arabia Inside Saudi Arabia Inside Saudi Arabia	Partnership LLC LLC
6	Othman (Mohammed Ali) Othman Bdeir	AICC Jordan Insurance Company (JIC) Jordanian Electric Power Company limited (JEPCO) AL-Motrabetah Investment Company (P.S.C) Asia Insurance Company	Inside Saudi Arabia Outside Saudi Arabia. Outside Saudi Arabia Outside Saudi Arabia Outside Saudi Arabia	listed JSC Public JSC Public JSC Private JSC JSC	The National Company for the Production of Oil and Electric Power from Oil Shale	Outside Saudi Arabia.	listed JSC
7	Mounir Boutros Muasher	AICC Arab Jordan Insurance Company (JIC) Arabia Falcon Insurance Company (AFIC) - Oman Jordan National Shipping Lines Co. Ltd. (JNSL) Jordan Group for Shipping Agencies (JGSA)	Inside Saudi Arabia Outside Saudi Arabia Outside Saudi Arabia Outside Saudi Arabia Outside Saudi Arabia	listed JSC Public JSC Public JSC Public JSC LLC	Al Nisr Al Arabi Insurance Company - Jordan. Arabia Insurance Company (AIC) - Lebanon	Outside Saudi Arabia.	Public JSC

d. Number and record of attendance at Board of Directors meetings for the financial year ending on 31/12/2022:

SN	Member Name	First meeting 10/02/2022	Second meeting 09/05/2022	Third meeting 02/08/2022	Fourth meeting 06/09/2022	Fifth meeting 09/11/2022
1	Abdulaziz Abdulhadi Al Judee Al Qahtani	Attended	Attended	Attended	Attended	Attended
2	Abdulrahman bin Muhammad Al Angari	Attended	Attended	Attended	Attended	Attended
3	Abdulaziz bin Saleh Al Omair	Attended	Attended	Attended	Attended	Attended
4	Muhammad bin Ibrahim Al Mangour	Attended	Attended	Attended	Attended	Attended
5	Ghassan Ibrahim Akeel	Attended	Attended	Attended	Attended	Attended
6	Othman (Mohammed Ali) Othman Bdeir	Attended	Attended	Attended	Attended	Attended
7	Munir Boutros Ibrahim Muasher	Attended	Attended	Attended	Attended	Attended

e. A penalty, precautionary restriction, or amercement imposed upon any Board member from any judicial, supervisory or regulatory authority related to the Company.

There is no penalty, precautionary restriction, or amercement imposed on any of the Board members from any judicial, supervisory or regulatory authority related to the Company.

Second: Board of Directors Committees:

In implementation of the provisions of the Companies Law, the Corporate Governance Regulations issued by the Capital Market Authority, the Insurance Companies Governance Regulations and The Company's articles of association, Board of Directors committees were formed from Board members and non-Board members and their work regulations were approved to assist The Company's Board of Directors in managing The Company effectively and efficiently.

1. Current and previous positions, qualifications and experience of non-Board of Directors committee members

SN	Name	Current positions	Previous positions	Qualifications	Experiences
1	Abdullah M. Bin Moammar	<ul style="list-style-type: none"> Member of the AICC Audit Committee Executive Director - Corporate Finance Thiqah Business Services Co. 	<ul style="list-style-type: none"> General Manager of Investment and Governance at Saudi Aircraft Adjustment and Maintenance Company (GDC Middle East) Director General of the Financial Department at Saudi Aircraft Adjustment and Maintenance Company (GDC Middle East) CFO at Saudi Technology and Security Comprehensive Control Co. Ltd. (Tahakom) Credit Analyst at the Saudi Industrial Development Fund (SIDF) 	<ul style="list-style-type: none"> Master's degree in Business Administration, New York University - USA - Bachelor's degree in Business Administration - Financial Management from King Saud University 	Experience in the fields of finance, investment and governance.
2	Meshary bin Salman Al Suhaim	<ul style="list-style-type: none"> Member of the audit committee at AICC. Owner of Suhaim Chartered Accountant Office 	<ul style="list-style-type: none"> Director of Financial Control at Alinma Investment Company Accountant at Ernst & Young. Accountant at Dar Alarkan Real Estate Development Co. (DAAR) 	<ul style="list-style-type: none"> Bachelor's degree in Accounting from King Saud University. Master of Science in Management from the USA 	Experience in the fields of accounting, finance and auditing.

2. Current and previous positions, qualifications and experience of Board of Directors committee members:

The CVs of committee members from within the Board of Directors, including their current and previous positions, qualifications and experiences, as mentioned on Section NO. (II) subsection (B).

a. Audit Committee:

(a-1) The Audit Committee was formed, and its tasks, work regulations and members' remuneration were approved for the new Board session, which started on 27/02/2020 for a three- Gregorian-year period at the Ordinary General Assembly meeting held on 09-09-1438 AH corresponding to 20-08-2020.

In 2017, the Ordinary General Assembly meeting approved the Audit Committee's work regulation in implementation of the provisions of the updated corporate governance regulation. The tasks of the audit committee are in accordance with the provisions of the Companies Law, the Corporate Governance Regulations and the Regulations for Audit Committees in Insurance Companies issued by the Saudi Central Bank in addition to the internal corporate governance regulation and the Audit Committee's work regulations, including for example, without limitation the following:

- Supervising the Company's internal audit department to verify its effectiveness in carrying out the work and tasks assigned thereto by the Board of Directors.
- Examining the internal control system and developing a written report on its opinion and recommendations in this regard.
- Examining internal audit reports and following up on the implementation of corrective

actions for the observations contained therein.

- Recommending to the Board of Directors the appointment of external auditors, their dismissal, and their remuneration, and ensuring their independence, when recommending appointment.
- Following up on the work of external auditors, and approving any work outside the scope of the audit work they are assigned to do while they are performing the audit work.
- Examining the audit plan with the external auditors, and expressing its comments thereon.
- Examining the external auditors notes on the financial statements and following up on what has been done in their regard.
- Examining the preliminary and annual financial statements before submitting the same to the Board of Directors and expressing an opinion and recommendation in this regard.
- Examining the accounting policies used and expressing an opinion and recommendation to the Board of Directors in this regard.

(a-2) Names of the Audit Committee members:

SN	Member Name	Position	Member's capacity in the Board of Directors
1	Abdulrahman bin Muhammad Al Angari	Chairman of Committee	Chairman of Committee
2	Meshary bin Salman Al Suhaim	Committee member	Non-Board member
3	Abdulah M. Bin Moammar	Committee member	Non-Board member

(a-3) Number and record of attendance of audit committee meetings during 2022:

SN	Member Name	First meeting 08/03/2022	Second meeting 12/05/2022	Third meeting 19/05/2022	Fourth meeting 31/05/2022	Fifth meeting 16/08/2022	Sixth meeting 30/10/2022	Seventh meeting 15/11/2022
1	Abdulrahman Al Angari	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2	Meshari Al Suhaim	Attended	Attended	Attended	Attended	Attended	Attended	Attended
3	Abdulah Bin Moammar	Attended	Attended	Attended	Attended	Attended	Attended	Attended

b. Nominations and Remunerations Committee:

(b-1) The Nominations and Remunerations Committee was formed as per a decision of the Board of Directors after obtaining no objection from the Saudi Central Bank. The tasks of the Nominations Committee are as stipulated in the relevant laws, regulations and instructions and the work regulations of the Nominations and Remunerations Committee, including, without limitation, the following:

- Recommending the Board of Directors, to nominate Board members, in accordance with the approved policies and standards, taking into consideration not to nominate any person previously convicted of a crime that violates honor and trust.
- Annual review of the required needs of the appropriate skills for Board membership, and preparing a description of the capabilities and qualifications required for Board membership, including

determining the time that a member must devote to work with Board of Directors.

- Reviewing the Board of Directors structure, and making recommendations regarding changes that can be made.
- Determining the weaknesses and strengths of the Board of Directors, and suggesting the same to be addressed in line with The Company's interest.
- Ensuring, on an annual basis, that independent members are really independent, and that there is no conflict of interest if a member is a Board member of another company.
- Establishing and reviewing clear compensation and remuneration policies for Board members and senior executives, and taking into consideration, when setting these policies, the use of performance-related standards.
- Recommending the Board of Directors on matters related to nominations and remuneration.

(b-2) Names of Nominations and Remunerations Committee members:

SN	Member Name	Position	Member's capacity in the Board of Directors
1	Abdulaziz bin Saleh Al Omair	Chairman of Committee	Independent
2	Abdulrahman bin Muhammad Al Angari	Committee member	Independent
3	Abdulaziz bin Abdulhadi Al Qahtani	Committee member	non-executive
4	Mounir Boutros Muasher	Committee member	non-executive

(b-3) The number and record of attendance at Nomination and Remuneration Committee meetings during 2022:

SN	Member Name	First meeting 21/06/2022	Second meeting 08/11/2022	Third meeting 28/12/2022
1	Abdulaziz bin Saleh Al Omair	Attended	Attended	Attended
2	Abdulaziz bin Abdulhadi Al Qahtani	Attended	Attended	Attended
3	Abdulrahman bin Muhammad Al Angari	Attended	Attended	Attended
4	Mounir Boutros Muasher	Attended	Attended	Attended

(b-3) The number and record of attendance at Nomination and Remuneration Committee meetings during 2022:

SN	Member Name	First meeting 21/06/2022	Second meeting 08/11/2022	Third meeting 28/12/2022
1	Abdulaziz bin Saleh Al Omair	Attended	Attended	Attended
2	Abdulaziz bin Abdulhadi Al Qahtani	Attended	Attended	Attended
3	Abdulrahman bin Muhammad Al Angari	Attended	Attended	Attended
4	Mounir Boutros Muasher	Attended	Attended	Attended

c. Executive Committee:

- (c-1) The Executive Committee was formed as per a decision of the Board of Directors, taking into consideration any instructions set by the Saudi Central Bank or the Board of Directors or the relevant rules, regulations and instructions, the Executive Committee shall exercise all the powers decided by the Saudi Central Bank or the Board of Directors. The Executive Committee shall cooperate with the Managing Director or the Director General within the limits of the powers assigned thereto. The Executive Committee makes recommendations to the Board of Directors on various topics such as strategic plans and action plans. The Board of Directors delegates the Executive Committee to carry out its duties in some cases.

(c-2) Names of the Executive Committee members:

SN	Member Name	position	Member's capacity in the Board of Directors
1	Mounir Boutros Muasher	Chairman of Committee	non-executive
2	Othman Muhammad Ali Bdeir	Committee member	non-executive
3	Abdulaziz Saleh Al Omair	Committee member	Independent

(c-3) Number and record of attendance at Executive Committee meetings during 2022:

SN	Member Name	First meeting 09/02/2022	Second meeting 09/05/2022	Third meeting 27/06/2022	Fourth meeting 06/09/2022	Fifth meeting 08/11/2022	Sixth meeting 19/12/2022
1	Mounir Boutros Muasher	Attended	Attended	Attended	Attended	Attended	Attended
2	Abdulaziz Saleh Al Omair	Attended	Attended	Attended	Attended	Attended	Attended
3	Othman Muhammad Ali Bdeir	Attended	Attended	Attended	Attended	Attended	Attended

d. Investment Committee:

(d-1) Tasks of Investment Committee are summarized in developing strategic plans for company's investments and ensuring their compliance with the provisions of the bylaws and regulations issued by the supervisory authorities, including investment regulations issued by the Saudi Central Bank, formulating and preparing the investment, reviewing its performance and implementing it on an annual basis. Investment Committee also monitors performance of the Company's investments, determining the investment objectives, and setting the necessary plans for investment.

(d-2) Names of the Investment Committee members:

SN	Member Name	Position	Member's capacity in the Board of Directors
1	Ghassan Ibrahim Akeel	Chairman of Committee	Non-executive
2	Abdulaziz bin Abdulhadi Al Qahtani	Committee member	Non-executive
3	Muhammad bin Ibrahim Al Mangour	Committee member	Independent

(d-3) Number and record of attendance at Investment Committee meetings during 2022:

SN	Member Name	First meeting 06/02/2022	Second meeting 08/05/2022	Third meeting 07/08/2022	Fourth meeting 06/11/2022
1	Ghassan Ibrahim Akeel	Attended	Attended	Attended	Attended
2	Abdulaziz bin Abdulhadi Al Qahtani	Attended	Attended	Attended	Attended
3	Muhammad bin Ibrahim Al Mangour	Attended	Attended	Attended	Attended

e. Risk Management Committee

(e-1) The tasks of the Risk Committee are summarized in assisting the Board of Directors and senior management in the process of identifying, limiting and monitoring the risks that The Company is exposed to continuously, and maintaining an acceptable level of risk for The Company. In addition to working on designing a comprehensive risk management strategy and following up on its implementation, reviewing and updating it based on the variables. The Company also supervises the risk management system, evaluates its effectiveness, and makes recommendations to the Board of Directors on issues related to risk management.

(e-2) Names of the Risk Management Committee Members:

SN	Member Name	position	Member's capacity in the Board of Directors
1	Ghassan Ibrahim Akeel	Committee member	non-executive
2	Othman Muhammad Ali Bdeir	Committee member	non-executive
3	Muhammad bin Ibrahim Al Mangour	Committee member	independent

(e-3) The number and record of attendance at the meetings of the Risk Management Committee during 2022:

SN	Member Name	First meeting 06/02/2022	Second meeting 08/05/2022	Third meeting 07/08/2022	Fourth meeting 06/11/2022
1	Ghassan Ibrahim Akeel	Attended	Attended	Attended	Attended
2	Othman Muhammad Ali Bdeir	Attended	Attended	Attended	Attended
3	Muhammad bin Ibrahim Al Mangour	Attended	Attended	Attended	Attended

12. Names of the executive management members, their current and previous positions, qualifications and experience

SN	Name	Current Job	previous positions	Qualifications	Experiences
1	Ziyad bin Muhammad Al Rubaish	- General Manager at AICC	<ul style="list-style-type: none"> - Deputy General Manager of AICC - Director of Compliance Department at AICC. - Director of Legal and Shareholder Affairs at AICC. - Legal advisor and Head of the Insurance Team at the Saudi Industrial Development Fund (SIDF) - Lawyer and legal advisor. 	<ul style="list-style-type: none"> - Higher Diploma in Commercial Law and Insurance Law from Swansea University, UK. - LLB from the University of Jordan - Higher Law Diploma from Bournemouth Business School International (BBSI), UK. - Certificates specializing in insurance 	Experience in the fields of commercial law, industry, insurance and finance
2	Adel bin Saleh Al Faraj	Director of Human Resources and Administrative Affairs.	Human Resources Director – Saudi Chemical Company.	<ul style="list-style-type: none"> - Bachelor's degree from King Saud University - International professional certificates specialized in the field of human resources. 	Practical and professional experience in all roles and tasks of human resources management in the field of insurance, petrochemical industries, and health services.
3	Adel Basheer AlBayedh	Chief Financial Officer	<ul style="list-style-type: none"> - Chief Accountant – Arabia Insurance Cooperative Company - Reporting & Financial Analyst – Arabia Insurance Cooperative Company 	<ul style="list-style-type: none"> - Master's degree in Business Administration (MBA) from the Saudi Electronic University in association with Colorado State University. - Bachelor of Science in Accounting from Imam Mohammed bin Saud University. - Certificate in Leadership program on Organizational Leadership from Harvard business school. - Certified Financial Modeling & Valuation Analyst, Corporate Finance Institute (CFI). 	Experience in the fields of finance, accounting, insurance and investment.
4	Saud Bin Ahmed Al Mandae	Technical Department Director	<ul style="list-style-type: none"> - Director of Motor Claims and General Insurance – Central Region, Director of Service Providers Department, and Director of Compliance and Quality at Tawuniya Insurance Company. - Claims Manager (General, Auto and Health Insurance) at Allianz Saudi Fransi Co. – Director of Claims Department (General, Auto and Health Insurance) at Al Alamiya Cooperative Insurance Company 	<ul style="list-style-type: none"> - Diploma in Insurance from the Chartered Insurance Institute, London, UK. - Diploma in Claims Handling Process from the Chartered Insurance Institute (CII), London, UK. - Bachelor's degree in Agricultural Sciences from King Saud University. 	Experience in the insurance field

13. A description of any interest, contractual securities and subscription rights belonging to members of the Board of Directors, senior executives and their relatives in the shares or debt instruments of the Company or any of its subsidiaries, and any change in that interest or those rights during the Financial year 2022:

(13-a) Board Members and their Relatives:

SN	Stakeholder Name	Beginning of year		End of year		Net variation	Variation ratio
		Shares	Debt instruments	Shares	Debt instruments		
1	Abdulaziz bin Abdulhadi Al Qahtani	29150	None	616684	None	587534	2,015.55%
	Wife and minor sons	None	None	None	None	None	None
2	Muhammad bin Ibrahim Al Mangour	None	None	None	None	None	None
	Wife and minor sons	None	None	None	None	None	None
3	Abdulaziz bin Saleh Al Omair	662	None	662	None	None	None
	Wife and minor sons	None	None	None	None	None	None
4	Abdulrahman bin Muhammad Al Angari	1000	None	1000	None	None	None
	Wife and minor sons	None	None	None	None	None	None
5	Ghassan Ibrahim Akeel	4000	None	8000	None	4000	100%
	Wife and minor sons	None	None	None	None	None	None
6	Othman Muhammad Ali Bdeir	None	None	None	None	None	None
	Wife and minor sons	None	None	None	None	None	None
7	Mounir Boutros Muasher	None	None	None	None	None	None
	Wife and minor sons	None	None	None	None	None	None

(13-b) Senior Executives and their Relatives

SN	Stakeholder Name	Beginning of year		End of year		Net variation	Variation ratio
		Shares	Debt instruments	Shares	Debt instruments		
1	Ziyad bin Muhammad Al Rubaish	None	None	None	None	None	None
	Wife and minor sons	None	None	None	None	None	None
2	Adel bin Saleh Al Faraj	None	None	None	None	None	None
	Wife and minor sons	None	None	None	None	None	None
3	Adel Basheer AlBayedh	None	None	None	None	None	None
	Wife and minor sons	None	None	None	None	None	None
4	Saud bin Ahmed Al Manae	None	None	None	None	None	None
	Wife and minor sons	None	None	None	None	None	None

14. Remuneration of Board members and Executives

(14-a) Remuneration Policy:

The approved Company's internal governance regulation included Remuneration Policy for Board members, members of committees and executive management

Objectives and Foundations of the Policy:

1. Motivating to lead the company successfully in a positive manner for the company and its shareholders.
2. Achieving long-term growth in line with the company's strategy and achieving its objectives.
3. Ensuring that there is transparency and fairness in remuneration.
4. Contributing to attracting qualified cadres to the BOD, sub-committees and senior management, and employees of all grades.
5. Taking into consideration the best practices in determining the remunerations.
6. The BOD shall ensure that the level and structure of remuneration and compensation are fair and consistent with the objectives of the company, and that it does not cause a COI that shall adversely affect the company and its shareholders and achieve the interests of the insured and the shareholders.

First: Remuneration of Board Members:

1. The remuneration of the BOD members shall be in accordance with the provisions of the company's AOA and the relevant laws and regulations, provided that the BOD adopts the policy of remuneration and compensation for the BOD members, the sub-committees and the executives in accordance with the legal requirements, and in line with the company's strategy and achieving its objectives.
2. The remuneration of the BOD members shall be a certain amount, attendance allowance for sessions, in-kind benefits, or a certain percentage of the net profits, and two or more of these benefits may be combined.
3. In the event the company achieves profits, a percentage equivalent to (10%) of the rest of the net profit may be distributed after deducting the reserves decided by the General Assembly in application of the provisions of the Cooperative Insurance Companies Control Law, the Companies Law and this Law, and after distributing a profit to shareholders of no less than (5%) from the paid-up capital of the company, provided that the entitlement to this

bonus is proportional to the number of sessions attended by the member, and any assessment to the contrary is void.

4. In all cases; the sum of what a BOD member receives in terms of financial or in-kind remunerations and benefits shall not exceed five hundred thousand Saudi riyals annually (with exception of members of the Audit Committee), in accordance with the regulations set by the Capital Market Authority.
5. The report of the BOD to the Ordinary General Assembly shall contain a comprehensive statement of all the bonuses, expenses allowances and other benefits received by the BOD members during the financial year. In addition, it shall also contain a statement of what the BOD members received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy. Furthermore, it shall include a statement of the number of BOD sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.
6. A BOD member may not receive commissions or remunerations for the works that they contribute to concluding for the benefit of the company, and no portion of his remuneration or compensation may be linked directly to the company's business volume (insurance premiums).
7. The remuneration may be suspended or refunded if it appears that it was decided based on inaccurate information provided by a BOD member.
8. The recommendation to the BOD about the remuneration of the BOD members shall be through the Nomination and Remuneration Committee and submit them to the General Assembly for approval.
9. A BOD member shall not be entitled to any remuneration in the event that he does not attend less than two-thirds of the meetings during the year or if he is absent for three consecutive sessions.
10. The remuneration of a BOD member is calculated according to the following criteria:
 - a. Performance and effectiveness.
 - b. Duties and Responsibilities.
 - c. Membership and chairmanship of the sub-committees,
 - d. The date of joining and the date of expiry of membership.
 - e. Active attendance at meetings.
 - f. Number of meetings attendance
 - g. Attending the meetings of the general assemblies of shareholders.

Second: Remuneration of Members of Board Committees:

1. The remuneration of the members of the Audit Committee shall be in accordance with the resolution issued by the General Assembly when it is formed.
2. A committee member from within or outside the BOD shall be entitled to a flat remuneration due to his membership in the committees of the Board of Directors provided that it is within the limits stipulated in the company's AOA and other relevant laws and regulations.
3. It is not permissible for a member of any of the committees of the Board of Directors to receive commissions or remunerations in exchange for the works that they contribute to concluding for the benefit of the company, and no part of his remunerations or compensation may be linked directly to the company's business volume (insurance premiums).
4. The remuneration may be suspended or refunded if it appears that it was decided based on inaccurate information provided by a member of the committee emanating from the BOD.
5. The committee member's remuneration shall be calculated from within the BOD or outside the BOD according to the following criteria:
 - a. Performance and effectiveness.
 - b. Duties and Responsibilities.
 - c. Membership and chairmanship of the sub-committees.
 - d. The date of joining and the date of expiry of membership.
 - e. Active attendance at meetings.
 - f. Number of meetings attendance

Third: Executive Management Remunerations:

1. Components of wages and remunerations:

a. Fixed Components:

Basic wage: The basic wage for the executive management shall be determined according to the company's wage scale provided that in determining the wage, scientific and professional qualifications, practical experience, the nature of the job, the tasks and responsibilities assigned thereto, and in accordance with the prevailing wages in the market, in addition to other allowances according to the company's internal policy, such as housing and transportation allowances.

b. Variable Components:

Performance-Based Remuneration; shall include performance remuneration that is given discretionarily to motivate senior executives or executive management, and based on the performance of the company in general and the performance of the individual manager provided that the following criteria shall be observed:

1. Achieving the target profit.
2. Executing the assigned projects and works as required.
3. Meeting all regulatory requirements.
4. Reducing expenses in proportion to the volume of production.
5. Extraordinary achievements during the fiscal year.

2. Controls for the Disbursement of Executive Management Remuneration:

1. Performance-based remuneration shall be determined according to the evaluation prepared by the Nomination and Remuneration Committee and based on the basic salary and not on the total income or a percentage of operating profits.
2. It shall not be permissible for a member of the senior management (with exception of sales managers) to receive commissions or remunerations for the work that they contribute to make on behalf of the company, and it is not permissible to link any part of their remunerations and compensation (with exception of sales managers) to the company's business volume (insurance premiums) directly.
3. The BOD shall be recommended the executive management remuneration through the Nomination and Remuneration Committee.
4. It is permissible to stop the payment of the remuneration or to recover it if it is found that it was decided on basis of misinformation provided by the member of the executive management.

There's no major deviation from applying this policy.

(14-b) Remunerations and compensations paid to Board members and five of senior executive members, including CEO and CFO during the financial year 2022:

First: Board of Directors: (SAR)

	Fixed Bonuses						Variable Bonuses					End of Service Benefits	Grand Total	Expense allowance	
	specific amount	Allowance for attending board meetings	Allowance for attending committee sessions	Allowance in kind	Benefits for technical, administrative and consulting works	Total	Proportion from profits	Periodic bonuses	Short-term incentive plans	Long-term incentive plans	Total				
First: the independent members															
Muhammad bin Ibrahim Al Mangour	-	12,000	9,000	-	-	21,000	-	-	-	-	-	-	21,000	-	
Abdulaziz bin Saleh Al Omair	-	12,000	9,000	-	-	21,000	-	-	-	-	-	-	21,000	-	
Abdulrahman Muhammad Al Angari	-	12,000	12,000	-	-	24,000	-	-	-	-	-	-	24,000	-	
Total	-	36,000	30,000	-	-	66,000	-	-	-	-	-	-	66,000	-	
Second: Non-executive members															
Abdulaziz bin Abdulhadi Al Qahtani	-	12,000	7,500	-	-	19,500	-	-	-	-	-	-	19,500	-	
Othman Muhammad Ali Bdeir	-	12,000	10,500	-	-	22,500	-	-	-	-	-	-	22,500	-	
Mounir Boutros Muasher	-	12,000	9,000	-	-	21,000	-	-	-	-	-	-	21,000	-	
Ghassan Ibrahim Akeel	-	12,000	9,000	-	-	21,000	-	-	-	-	-	-	21,000	-	
Total	-	48,000	36,000	-	-	84,000	-	-	-	-	-	-	84,000	-	
total sum	-	84,000	66,000	-	-	150,000	-	-	-	-	-	-	150,000	-	

- The above amounts constitute what has been paid or what is due to be paid for 2022
- Allocated provision for Board of Directors attendance allowances and for Board members' remuneration rewards for 2022 amounts to SAR 1,169,914

Second: Committee members: (SAR)

Committee Member Remuneration			
Committee	Fixed remuneration (except for the allowance for attending sessions)	Allowance for attending sessions	Total
Audit Committee Members			
Abdullah bin Moammar	60,000.00	0.00	60,000.00
Meshari Al Suhaim	60,000.00	0.00	60,000.00
Abdulrahman bin Muhammad Al Angari	60,000.00	9,000	69,000.00
Total	180,000.00	9,000	189,000.00
Nomination and Remuneration Committee Members			
Abdulaziz bin Abdulhadi Al Qahtani	0.00	3,000.00	3,000.00
Abdulrahman bin Muhammad Al Angari	0.00	3,000.00	3,000.00
Abdulaziz bin Saleh Al Omair	0.00	3,000.00	3,000.00
Mounir Boutros Muasher	0.00	3,000.00	3,000.00
Total	0.00	12,000.00	12,000.00
Risk Committee Members			
Muhammad bin Ibrahim Al Mangour	0.00	4,500.00	4,500.00
Othman Muhammad Ali Bdeir	0.00	4,500.00	4,500.00
Ghassan Ibrahim Akeel	0.00	4,500.00	4,500.00
Total	0.00	13,500.00	13,500.00
Executive Committee Members			
Abd Al Aziz bin Saleh Omeir	0.00	6,000.00	6,000.00
Othman Muhammad Ali Bdeir	0.00	6,000.00	6,000.00
Mounir Boutros Muasher	0.00	6,000.00	6,000.00
Total	0.00	18,000.00	18,000.00
Investment Committee Members			
Abdulaziz bin Abdulhadi Al Qahtani	0.00	4,500.00	4,500.00
Muhammad bin Ibrahim Al Mangour	0.00	4,500.00	4,500.00
Ghassan Ibrahim Akeel	0.00	4,500.00	4,500.00
Total	0.00	13,500.00	13,500.00
Gross Total	180,000.00	66,000.00	246,000.00

The above amounts constitute what has been paid or what is due to be paid.

Third: Five senior executives, including the CEO and CFO (SAR):

Year Ended December 31, 2022	Senior executives, including the General Manager and Chief Financial Officer in Saudi Riyals
Salaries	3,452,180.36
Allowances	1,237,199.64
Annual Bonuses	-
Due End of Service indemnity	160,050.63
Total:	4,849,430.63

Fourth: There are no arrangements or agreements whereby a Board member or a senior executive waived any salary or bonus or compensation.

15. The means adopted by the Board of Directors in evaluating its performance and the performance of its committees and members:

The Nomination and Remuneration Committee evaluates the Board members and committees on an annual basis. This is done through the following indicators:

- Independence and impartiality.
- A clear balance in avoiding conflicts of interest.
- Permanent preparation for meetings before the sessions, asking inquiries and requesting additional information to complete and clarify topics, and consult with the relevant authorities, from The Company's concerned seniors.
- Asking questions, inquiring about information, requesting clarifications, and actively participating in the Board of Directors's sessions.
- Active participation in the committee appointed by the Board of Directors.
- Presenting constructive proposals for the development of the Company's activities.
- Foresight knowledge of the future, explaining ideas and eliciting results for proposals.

16. Statutory payments for 2022:

Statement	Provision	Paid
Saudi Stock Exchange (TADAWUL)	-	429,445
The costs of supervision and control, the Saudi Central Bank	-	3,214,356
Fees of Council of Cooperative Health Insurance (CCHI)	1,110,528	3,528,013
Zakat and income tax	7,215,968	4,936,921
Withholding tax	5,543,042	186,367
Total	13,869,538	12,295,102

17. Financial fines imposed on The Company during 2022

First: the Saudi Central Bank's executive decisions and the fines imposed on The Company for the years 2021 and 2022:

Violation Subject	2021		2022	
	Number of executive decisions	The total amount of fines in Saudi Riyals	Number of executive decisions	The total amount of fines in Saudi Riyals
Violation of the Saudi Central Bank's supervisory instructions	4	210,000	1	60,000
Total	4	210,000	1	60,000

Second: Fines of other regulatory authorities:

Council of Health Insurance (CHI)

Violation Subject	Total fine in SAR
On 13/05/1444 H (07/12/2022), the Council of Health Insurance (CHI) imposed a fine on the company due to the delay in paying health service providers dues for previous years.	282,100

The Company is Complying with the rules, regulations, and instructions issued by the supervisory authorities. The Company also has control departments that monitor The Company and issue reports on any observations or violations of the rules, regulations and instructions, as well as suggest corrective and preventive measures in coordination with the concerned departments. The Company takes corrective and necessary measures to try to avoid occurrence of violation in the future.

18. External Auditors

- The Company's Ordinary General Assembly meeting 28/11/1443H (27/06/2022) approved the appointment of the Company auditors from among the candidates to examine, review and audit the financial statements for the second, third, and annual financial statements for the fiscal year 2022 and the first quarter of the financial year 2023 and determine their fees. They are as follows: Al Azem, Al Sudairy, Al Shaikh & Partners - Certified Accountants and Auditors, and Al Kharashi & Co. - Certified Accountants and Auditors.
- The Board of Directors did not issue any recommendation to change the auditor prior to the period for which they were appointed. Just as there is no recommendation from the Audit Committee, there is a conflict between it and the Board of Directors's decisions or the Board of Directors's refusal to take them regarding the appointment of the Company's auditor, determining their fees, or evaluating their performance.

19. Risk Management

The Company has developed policies and procedures guide for risk management that includes the work of all technical and non-technical departments in accordance with the provisions of laws, regulations and circulars issued by the supervisory authorities. The Company works to implement the provisions of this guide, review it annually and update it when needed. The risk management function carries out its work and activities in compliance with the the Saudi Central Bank-Promulgated Risk Management Regulations and any other control or supervisory requirements.

Also, the Board of Directors's Risk Management Committee, in addition to risk management, works to follow up on the implementation of risk management policies and procedures and to study potential risks that may arise from The Company's business or from the insurance and investment market situation to find out ways to contain those risks through the policies and procedures adopted in the Company.

20. Internal Audit Department and the Statutory Compliance Department

The Company's Internal Audit Department evaluates the effectiveness and efficiency of internal controls, policies and procedures while maintaining professional independence. Its tasks include the preparation of comprehensive reports that are necessary for the results of its audit and compliance, as well as its discussion with the audit committee and concerned directors. In addition to providing proposals and recommendations to be implemented to address and close the comments.

Moreover, the Compliance Officer monitors The Company's compliance and ensure that The Company implements the laws and regulations promulgated by all regulatory authorities, and submits its reports regarding the results of its audit to the Audit Committee and take the necessary actions to promote The Company's compliance level.

21. Results of annual review for Internal Control procedures' effectiveness

The Company has developed the internal control procedures, by the Audit Committee, the Internal Audit Department and the Compliance Department, the regulations, policies and work guidelines for all technical departments and branches. Furthermore, The Company constantly evaluates the effectiveness of implementing such procedures and examines the basic risks within the Company based upon procedures and policies as per the applicable laws and regulations.

The Audit Committee also monitored the performance of the Internal Audit Department, including its tasks, and the implementation of its plan approved by the Audit Committee for the year 2022. The Committee also continuously monitored the work of the Internal Audit Department, which in turn prepared its periodic reports, recommendations and proposals to be applied on the work of the Company's various departments and submitted the same to the concerned departments and the Audit Committee and made recommendations in this regard to the Board of Directors. The Audit Committee supervised the Compliance Department performance, reviewed all reports issued thereby, provided guidance in their regard, and monitored its work on an ongoing basis.

The Audit Committee held seven meetings during the year 2021 to discuss and review the Internal Audit Department and the Compliance Department reports, and to discuss the financial statements with the external auditor, company management and other topics in accordance with the regulatory requirements. The annual review of the effectiveness of the internal control procedures resulted in the fact that the Company's internal control system is appropriate and implemented efficiently and effectively, and the management monitors it periodically and takes corrective actions proposed by the internal control departments, and the internal control system is updated whenever necessary. The Audit Committee believes that the internal control procedures carried out by The Company through the various departments and committees are constantly improving in order to operate efficiently and effectively, given that it cannot provide an absolute confirmation.

Just as the internal control procedures did not result in violations or fundamental problems that might affect the Company's work or should be noted, and no financial defect was detected during the year 2022.

22. Capital, Shares, Debt Instruments and Shareholders' Equity

(23-a) The Company's capital upon incorporation amounted to two hundred million Saudi riyals (SAR 200,000,000/-) divided into twenty million (20,000,000) ordinary shares with a nominal value of ten Saudi riyals (SAR 10/-) per share, which is totally paid. The founding shareholders subscribed by twelve million (12,000,000) shares (60%) of the Company's total shares, and they paid its full value. The remaining shares amounting to (8,000,000), eight million shares, i.e. (40%) were offered for public subscription that was made in the period from 15/10/1428 AH (Corresponding to 27/10/2007) to 22/10/1428 AH (corresponding to 03/11/2007) at a subscription price of ten Saudi riyals (SAR 10/-) per share. The shares were listed in the Saudi Stock Exchange (Tadawul) on 26/01/1429 AH (Corresponding to 04/02/2008).

The Company's capital was increased on 15/07/1436 AH (04/05/2015) by (SAR 200,000,000), two hundred million Saudi Riyals, which represents (20,000,000), twenty million shares by offering rights issue shares. As the company's capital has become (SAR 400,000,000), four hundred million Saudi Riyals, divided into (40,000,000), forty million normal shares, with a nominal value of ten Saudi Riyals (SAR 10) per share.

The Company's capital has been reduced to two hundred and sixty-five million Saudi riyals (SAR 265,000,000), divided into twenty-six million five hundred thousand (26,500,000) ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) per share that were paid in full, after obtaining the required statutory approvals as well as the approval of the Extraordinary General Assembly meeting held on 28/10/1437 AH corresponding to 08/02/2016.

On 16/04/1440H (23/12/2018), the Board recommended a capital increase by issuing rights shares to increase the Company's capital from two hundred sixty-five million (265,000,000) Saudi riyals to five hundred thirty million (530,000,000) Saudi riyals, an increase of 100%.

On 26/04/1444H (20/11/2022), an EGM was held in which the Company obtained the approval of the Company's shareholders of the Board's recommendation to increase the capital from two hundred sixty-five million (265,000,000) Saudi riyals to five hundred thirty million (530,000,000) Saudi riyals, an increase of 100%.

(22-b) Below are the names of the major shareholders whose shares are 5% or more in the Company's shares:

Name	Ownership	
	Beginning of year	End of year
Arabia Insurance Company (AIC) S.A.L (Holding Company) (Lebanon)	19.2%	19.2%
Jordan Insurance Company (JIC) PLC (Jordan)	9.19 %	9.19%
Arab Supply & Trading Company (ASTRA) – Saudi Arabia	5%	6.22%

(22-c) The provisions relating to the rights of shareholders contained in the Corporate Governance Regulations issued by the Capital Market Authority's Board have been complied with in relation to the general rights of shareholders and to facilitate the exercise of their rights and their access to information in addition to the rights related to the general assembly meeting.

(22-d) With regard to the rights of shareholders in dividends and the dividend policy, Article 46 of the company's articles of association stipulates the following: "The shareholder is entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard. The decision shows the due date and the date of distribution. Eligibility for dividends shall be for shareholders registered in the shareholders' records at the end of the day specified for maturity. The company informs the Capital Market Authority without delay of any decisions to distribute profits or recommend it, and the profits to be distributed to shareholders shall be paid at the place and dates determined by the Board of Directors, in accordance with the instructions issued by the competent authority, subject to the prior written approval of the Saudi Central Bank."

The company follows the cooperative insurance companies' control law and the applicable regulations, and the profits from investing the shareholders' funds are in accordance with the rules set by the Board of Directors.

The Company shall:

1. Set aside the prescribed zakat and income tax.
2. Set aside (20%) of the net profits to form a statutory reserve, and the Ordinary General Assembly meeting may stop this setting-aside when the total reserve reaches (100%) of the paid-up capital.
3. Ordinary General Assembly meeting, when determining the amount of profits per share, may decide to create other reserves, to the extent that it serves the interest of the company or guarantees the distribution of fixed profits as possible to the shareholders.

(22-e) There is no decision to distribute profits for the financial year 2022 due to the existence of a balance of accumulated losses

(22-f) There are no arrangements or agreements under which one of the company's shareholders has waived any rights to profits.

(22-g) The company has not been notified of any interest in the class of voting shares belonging to persons other than members of the company's board of directors, senior executives and their relatives.

(22-h) There are no convertible debt instruments, any contractual securities, subscription right notes, or similar rights issued or granted by the company during the financial year 2022.

(22-i) There are no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company.

(22-j) There is no refund, purchase or cancellation by the Company of any recoverable debt instruments.

(22-k) There are no treasury shares held by the company.

23. Actions taken by the Board of Directors to inform its members, especially non-executives, of the shareholders' proposals and comments regarding the company and its performance

Within the company's organizational structure, there is a shareholder affairs section that is concerned with receiving the proposals, observations and inquiries of the shareholders by phone or other means of communication shown on the financial market website, TADAWUL, and the company website, and the board is notified about it, and shareholder proposals and observations are received through the company general assembly meetings and presented to the nearest meeting for the board (if any).

24. A statement of the dates of the general assemblies of shareholders held during the year 2022 and the names of the Board members attending these assemblies

SN	Member Name	Ordinary General Assembly meeting held on 28/11/1443 AH corresponding to 27/06/2022	Extraordinary General Assembly meeting held on 27/04/1444 AH corresponding to 20/11/2022
1	Abdulaziz Abdulhadi Al Judee Al Qahtani	apologized for attending the meeting	apologized for attending the meeting
2	Muhammad bin Ibrahim Al Mangour	Attended	Attended
3	Abdulaziz bin Saleh Al Omair	Attended	Attended
4	Abdulrahman bin Muhammad Al Angari	Attended	Attended
5	Ghassan Ibrahim Akeel	Attended	Attended
6	Othman (Mohammed Ali) Othman Bdeir	apologized for attending the meeting	Attended
7	Munir Boutros Ibrahim Muasher	Attended	Attended

25. The number of the Company's requests for shareholders' records during 2022, the dates of those requests and their reasons

Request Date	Request Reason	Request Date	Request Reason
11/01/2022	Shareholder information update	18/07/2022	Shareholder information update
13/01/2022	Shareholder information update	21/07/2022	Shareholder information update
08/02/2022	Shareholder information update	31/07/2022	Shareholder information update
17/02/2022	Shareholder information update	30/08/2022	Shareholder information update
07/03/2022	Shareholder information update	29/09/2022	Shareholder information update
26/04/2022	Shareholder information update	31/10/2022	Shareholder information update
16/05/2022	Shareholder information update	17/11/2022	Shareholder information update
22/05/2022	Shareholder information update	20/11/2022	Extraordinary General Assembly meeting
26/05/2022	Shareholder information update	24/11/2022	Shareholder information update
06/06/2022	Shareholder information update	04/12/2022	Shareholder information update
09/06/2022	Shareholder information update	20/12/2022	Shareholder information update
23/06/2022	Ordinary General Assembly meeting	27/12/2022	Shareholder information update

26. Corporate Governance Regulations

The Board of Directors confirms that adherence to corporate governance is a key component of the Company's success which requires the application of a clearly defined transparency and disclosure framework for the benefit of the shareholders. The Company believes that governance is one of the most important frameworks that guarantee effective leadership, management and business control policies and systems for the Company.

The Company currently has in place internal governance regulations and it also complies with the provisions of the Corporate Governance Regulations issued by the Board of the Capital Market Authority and the Insurance Corporate Governance Regulations issued by SAMA.

In 2017, the General Assembly approved the Audit Committee Charter, Nomination and Remuneration Committee Charter and updated Board Membership Policies, Criteria and Procedures pursuant to the provisions of CMA's Corporate Governance Regulations.

Moreover, an OGM dated 28/11/1443H (27/06/2022) approved an amendment to the Company's internal governance regulations. The Company also has in place internal regulations governing the functioning thereof which the Board of Directors reviews annually and updates whenever required.

In view of the issuance of the new Companies Law which came into force as of 19/01/2023, the Company will review its internal governance regulations and policies, propose amendments to provisions and articles affected by the entry into force of the Companies Law and present the same to the General Assembly.

The provisions of the Insurance Companies Governance Regulations, the Company's Internal Governance Regulations, and the provisions of the Corporate Governance Regulations issued by the Capital Market Authority have been implemented with the exception of the following:

Article No>	Provision of article/section	Reasons for non-compliance
14/H	Evaluation: The Board of Directors makes the necessary arrangements to obtain an evaluation of its performance by a competent third party every three years.	The evaluation is performed internally.
93	Five senior executives who received the highest rewards from the Company, including the CEO and the CFO	The Company shall disclose salaries and bonuses in aggregate.
95	Formation of the Corporate Governance Committee (Guiding Article) In the event that the Board of Directors forms a committee specialized in corporate governance, it must delegate thereto the powers established in accordance with Article 94 of these bylaw, and this committee must follow up on any issues regarding governance applications, and provide Board of Directors, at least annually, with the reports and recommendations reached.	The Board of Directors reviews any issues related to the governance applications, and the Internal Audit and Compliance Department provides Audit Committee with its observations on the implementation of the company's governance, which in turn submits them to the Board of Directors.

27. Acknowledgments:

The company acknowledges that:

- Account records were prepared in a correct manner.
- Internal control system was prepared on a sound basis and was effectively implemented.
- There is no doubt regarding the ability of the company to continue its activity.
- The company does not have any loans.
- The absence of businesses or contracts in which the company was a party, and which has a substantial interest for the CEO, the financial manager, or any person related to any of them, with the exception mentioned in Paragraph No. (10) of this report.
- There are no qualifications from the external auditors' in their report on annual financial statements.
- There is no business that competes with the company or any of its activities practiced or being in practice by any member of the Board of Directors.

In conclusion, the Board of Directors takes this opportunity to extend sincere thanks and appreciation to the esteemed customers, shareholders and to all employees of the AICC for their support to the company. The Board of Directors also thanks the Saudi Central Bank, the Capital Market Authority, the Council of Health Insurance and the Ministry of Commerce for their continuous support and for everything that would develop insurance sector in Saudi Arabia.

END OF REPORT

Board of Directors

