



Board of Directors Report

For the Financial year 2020



The Board of Directors ("BOD") of Buruj Cooperative Insurance Company is pleased to present to the honorable shareholders its annual report for the financial year extending from 01/01/2020 to 31/12/2020, comprising of the audited financial statements by external auditors Al-Bassam & Co. and El Sayed El Ayouty & Co. with the accompanying notes for the aforementioned period.

This report includes a presentation of the company's activities and operations during its financial position and the factors affecting its business' activities. This report is issued according to the corporate governance regulations of the Capital Market Authority and the Saudi Central Bank and in accordance with the Companies' Law and the regulatory controls and procedures issued to implement Companies' Law for listed joint stock companies.

1- Introduction about the company

1-1 Buruj Cooperative Insurance Company ("the company") is a Saudi joint stock company established by Royal Decree No. {M / 72} dated 28/10/1429H (corresponding to 29/10/2008), pursuant to Council of Ministries resolution No. {313} dated 27/10/1429H (corresponding to 28/10/2008). The company is registered in the kingdom of Saudi Arabia under commercial registration number (1010280606) on 10/02/1431 H (corresponding to 26/01/2010) and its head office registered address is: Prince Abdulaziz bin Musaed bin Jalawi Street (Al-Dabab) in Riyadh. The company is licensed by the Saudi Central Bank to practice insurance business under license No. {TMN / 28/20105} dated 15/06/1431H (corresponding to 29/05/2010). The company practices its activities in accordance with the Cooperative Insurance Companies Control Law, its implementing regulations and other rules and regulations promulgated in the Kingdom.

The company operates in the Kingdom of Saudi Arabia through the following branches licensed by the relevant authorities, in addition to a wide series of points of sales directly affiliated with the company and its exclusive agents and distributed over most regions of the Kingdom:

<u>The Head office</u>	<u>Jeddah Branch</u>	<u>Khobar Branch</u>
Canary Center	World Economy Tower	Al Diwan Center
Prince Abdul Aziz bin Musaed bin Jalawi Street	King Abdullah bin Abdul Aziz Road	Aldahran Street
Sulaymaniyah - Riyadh	Jeddah	Khobar
P.O. Box 51855 Riyadh 11553	P.O. Box 742 Jeddah 21421	P.O. Box 1961, Khobar 31952
<u>Motor Claims Service Center</u>		
Swan Trade Centre		
Prince Sultan bin Abdulaziz Street		
Sulaimaniya- Riyadh		
P.O. Box 40997 Riyadh 11511		

2- The main activities and products of the company

2-1 Products and services

The company has been licensed to transact practice the following main insurance activities: (1) General insurance (2) Medical insurance. Knowing that the company has yet obtained final approvals from the Saudi Central Bank for a number of its insurance products, which are as follows:

2-1-1 Motor Insurance

- A. Motor comprehensive insurance
- B. Insurance (according to the "Unified Compulsory Motor Insurance Policy)

2-1-2 Marine and Land Transport Insurance

- A. Marine cargo insurance - one shipment
- B. Marine cargo insurance - open cover
- C. Land Transport Insurance - open cover

2-1-3 Property Insurances

- D. Property insurance (against fires or lightning)
- E. Property all risks
- F. Accidental damage insurance

2-1-4 Engineering insurances

- A- Contractors' all risks insurance
- B- Erection all risks insurance
- C- Contractors' equipment and machinery insurance
- D- Machinery insurance
- E- Electronic equipment insurance
- F- Deterioration of stock in cold storage insurance
- G- Machinery Breakdown Loss of Profit Insurance
- H- Boiler and pressure vessels insurance

2-1-5 General Accident Insurances

- A- Public liability insurance
- B- Fidelity guarantee insurance
- C- Money insurance
- D- Personal accident insurance
- E- Workmen's compensation insurance
- F- Medical Malpractice(individual)
- G- Travel insurance
- H- Various vehicle guarantees insurances (6 products)
- I- Professional indemnity insurance for architects and civil engineers (project cover)
- J- Professional indemnity insurance for architects and engineers (annual cover)
- K- Professional indemnity insurance (various professions)

2-1-6 Group Term Life

2-1-7 Medical insurance

- A- Cooperative medical insurance policy.
- B- Domestic workers.
- C- Tourist health insurance policy.
- D- Premium residence policy.

2-2 Analysis of the company's total revenues of operating segments

During the year 2020 € , the motor and medical health insurance premiums accounted for 61% and 19% respectively of the gross written premiums (GWP) while other insurance premiums accounted for 20% of the gross written premiums. The following table shows the gross written premiums during the last five years:

Description	2020	2019	2018	2017	2016
Gross premiums	SAR	SAR	SAR	SAR	SAR
Motor insurance	123,983,203	148,058,847	190,943,386	276,899,240	238,501,613
Medical insurance	38,725,358	100,170,594	87,886,625	190,284,636	147,366,420
Marine insurance	6,875,885	7,753,071	7,696,116	8,820,217	8,677,028
Property Insurance	12,804,857	19,836,652	13,914,448	14,268,803	16,203,134
Others	19,862,623	29,721,775	19,557,407	21,235,855	26,817,532
Total	202,251,926	305,540,939	319,997,982	511,508,751	437,565,727

The following are the underwriting results for the company's operating segments for the year 2020:

Description	Motor	Medical	Property	Marine	Other
Gross written premiums	123,983,203	38,725,358	12,804,857	6,875,885	19,862,623
Net premiums written	121,565,950	35,333,209	1,275,017	909,050	5,094,702
Net premiums earned	133,548,626	47,280,175	1,048,975	1,113,387	6,721,142
Other underwriting income	1,647,816	2,253,000	3,167,814	3,093,344	4,470,048
Net claims incurred	(70,657,407)	(40,032,900)	342,533	(234,813)	260,356
Underwriting costs	(5,657,327)	(4,977,897)	(919,579)	(496,034)	(1,042,367)
Other underwriting expenses	(10,031,958)	(5,909,152)	71,320	(73,276)	(669,752)
Underwriting surplus / (deficit)	48,849,750	(1,386,774)	3,711,063	3,402,608	9,739,427

2-3 Geographical analysis to the total revenues of the company and its subsidiaries

The company does not own any subsidiary companies in the Kingdom of Saudi Arabia nor any branches or subsidiary companies outside the territory of the Kingdom of Saudi Arabia as of 31/12/2020 therefore there is no geographical analysis applicable to subsidiaries. The following table shows the geographical analysis of the company's revenues in the Kingdom of Saudi Arabia for the last five years:

Description	2020	2019	2018	2017	2016
Gross written premiums	SAR	SAR	SAR	SAR	SAR
Western region	66,369,996	104,284,632	121,514,332	162,425,176	142,468,524
Central region	70,878,611	140,769,554	120,223,749	222,866,199	178,924,910
Northern region	25,532,069	25,336,891	44,927,096	63,440,225	53,460,702
Eastern region	27,028,675	25,190,192	21,377,462	27,662,277	36,860,451
Southern region	12,442,575	9,959,670	11,955,343	35,114,874	25,851,140
Total	202,251,926	305,540,939	319,997,982	511,508,751	437,565,727

2-3-1 The Company has a 40% stake in the Gulf Warranties Company for Insurance Services - Limited Liability, the capital of which is three million Saudi riyals, and this investment is considered as an investment in an associate and not affiliated because the company does not exercise any control over the financial and operating policies of the associate. The value of this investment increased in the year 2020 to 700,618 Saudi riyals, i.e. an amount of 398,607 Saudi riyals compared to the previous year, and it represents Buruj's share from the profits of the Gulf Warranties Company, according to the associate's (unaudited) accounts as on 12/31/2020.

3- Important developments and future prospects

3-1- The most important developments during the year 2020 €

- The company's announcement on 22/03/2020 not to distribute dividend to shareholders—for the financial year 2020.
- The company's announcement on 09/04/2020 that the gross written premiums could be affected due to the precautionary measures taken by the competent authorities to limit the spread of Corona virus (COVID-19).
- The company's announcement. on 05/07/2020, for an amendment to the position of Vice Chairman of the Board of Directors; whereby Mr. Ahmed Mohammed AlMarzouki (Independent Member) became Vice chairman instead of Mr. Khaled Saoud Al Hassan (Executive Member) who shall remain in the position of Managing Director of the Board of Directors.
- Ordinary General Assembly meeting on 06/09/2020 and approving the Board of Directors report, the financial statements and the external auditors 'report for the financial year 2019 and the rest of the items as mentioned in the company's announcement on 06/10/2020.

- The company's announcement on 08/11/2020 for the renewal of the annual qualification of the company at the General Secretariat of the Cooperative Health Insurance Council for a period of three years starting from August 17, 2020.
- The company's announcement on 08/27/2020 for the prevention of the CEO and the CFO from exercising their duties and the cancelation of the no-objection to the appointment of both the Chairman of the Audit Committee and the Chairman of the Nominations and Remuneration Committee.
- The company's announcement, on 09/06/2020 for the appointment of Mr. Abdulrahman bin Khalid Al-Sultan as a member of the Audit Committee.
- The company's announcement, on 11/03/2020 for the resignation of the member of the Audit Committee, Mr. Ibrahim bin Muhammad Al-Alwan.
- The company's announcement on 11/18/2020 that according to the press release published on 11/17/2020, Moody's Investors Services Agency confirmed the company's financial insurance strength (IFSR) classification in the Baa2 category with changing its future outlook for the company from stable to under review towards Reduction. The review of the rating towards the reduction reflects the governance risks and the decrease in the company's activities and profits. Despite the decrease in the gross written premiums, which led to a decrease in the previous profitability of the company, Moody's confirmed that the level of capital, technical insurance reserves and the liquidity reserve of the company remain strong and sufficient to accommodate the decrease in Profitability for a few months. It also indicated that the company's board of directors has been active in a positive manner to ensure that the company continues to operate Ordinarily in the area of customer service and claims.
- The company's announcement on 12/10/2020 for assigning Mr. Khaled Saoud Al-Hassan to the position of General Manager of the company for a period of three months starting from 04-25-1442 H, corresponding to 12-10-2020.
- The company's announcement on 12/22/2020 of appointments in the audit committee.

3-2-2-3 Future expectations for the company's business and insurance sector

- Continuing the policy of horizontal expansion to reach the largest possible number of customers and meet their insurance needs and focus on insurance products for individuals of all kinds.
- Focusing on sales operations through the company's website.
- Developing and licensing multiple new products targeting individuals within accident and general liability insurances and extended warranty insurances for electronic equipment in order to ensure the best possible service for our customers.
- Improving and developing information technology systems within the company by building new applications and additional automated reports that help the company in taking appropriate decisions.

- The comprehensive report of Buruj was issued by Moody's on November 23, 2020, and the following is a summary of the most important points and indicators, as well as the risk management assessment of classification trends over the next year (according to these indicators):
 1. IFS Former Financial Strength Rating: Baa2 with Stable Outlook.
 2. New Financial Strength Rating (IFS): Baa2, with the rating status changed to "Under review towards / reduction".

The review of the rating toward / reduction reflects the governance risks and the reduction in revenues during the nine months of 2020. Despite the decrease in the gross written premiums which led to a decrease in the previous profitability of the Buruj Moody's also confirmed that Buruj's capital, technical insurance reserves and liquidity are strong and sufficient to absorb such lower profitability for a few months and positively the Board of Directors played an effective role in ensuring the continuity of the company's business in an ordinary manner, especially in the areas of customer service and receiving claims.

Given the review of the rating toward the reduction there is a limited upward pressure on the rating. Moody's can stabilize the rating at the current level if it determines that the measures taken by management were sufficient to restore the company's business profile and profitability in the next six months.

Points of Strength (Factors Affecting Rating):

- Assets quality
- Capital preservation as evidenced by the feature of the gross premiums rate for equity and also compliance with the regulatory solvency requirements.
- Prudent technical reserve levels and reserve management.
- Maintaining liquidity with sufficient liquid assets.

4- Risk management

Risk management at Buruj Cooperative Insurance Company is one of the main pillars on which it relies in identifying, measuring and limiting exposure to the significant risks that the company faces or may face. Buruj always strives to foster a strong risk management culture, backed by an independent and effective governance structure. Due to the importance of this role in Buruj, the risk management received adequate support and periodic follow-up from the company's board of directors and its risk management committee; as well as the company's executive management.

Risk management structure:

A precise organizational structure has been established within the company to identify, assess, and monitor and control risks.

Board of Directors:

The Board of Directors is the highest authority responsible for governance risks as it provides direction and approves strategies and policies to achieve the company's objectives.

Executive Management:

The executive management is responsible for the day-to-day operations in order to achieve the strategic objectives within a policy predetermined by the company regarding risk acceptance.

Risk Management Committee:

The main objective of the Risk Management Committee (emanating from the Board of Directors) Buruj is to assist the Board of Directors in carrying out its tasks related to risk management while setting up appropriate internal control procedures to ensure compliance with the laws, regulations and strategies relating to risk management, and directly supervise risk management and its operations in a way that ensures its independence, achieving the company's objectives and goals, and protecting the interests of its shareholders in an efficient and effective way.

4- Risk Management:

The company is exposed to the risks that the companies in the insurance sector are vulnerable to. Among the most prominent of which are but not limited to:

4-1- Financial risks

- Market risk: Market risk refers to the risk of loss that the company is exposed to as a result of market price fluctuations.
- Currency exchange rate risk: It is the risk associated with a change in the value of an investment due to changes in currency exchange rates.
- Interest rate risk: It is the risk that the value of an investment will change due to a change in the interest rate.
- Liquidity risk: It is the risk associated with the inability to fulfill its short-term obligations and liabilities
- Credit risk: It is the risk associated with the inability of the other party to fulfill its obligations towards the company.
- Solvency risk: It is the risk of the company's inability to fulfill its maturing obligations at full value, even after disposing of its assets.
- Strategic risks: The risks associated to future plans and strategies; and includes planning risks, products' development and reputation risks.
- Operational risks: the risk of loss resulting from failure of internal procedures and operations, people, information technology, or from an external event. It also includes claims settlement risks and business continuity risks.
- Insurance risks: includes technical and systemic reserves risks, underwriting, pricing, reinsurance and disaster risks.
- Non-compliance risks: These are the risks arising from violations of laws, rules and regulations.

5- Summary of the company's financial information

The summarized financial statements below must be read together with the audited financial statements, including the accompanying notes for the last five financial years ending on December 31 for the years 2016, 2017, 2018, 2019 and 2020.

5-1 Accounting standards used

The financial statements have been prepared in accordance with International Financial Reporting Standards ("Standards") (IFRS) since the incorporation of the company. The basis for preparing the financial statements and significant accounting policies are explained in more detail in the notes to the financial statements.

5-2 Statement of Financial position, statement of income and statement of cash flows:

Statement of Financial position (SAR)					
	2020	2019	2018	2017	2016
Assets of insurance operations					
Investments and cash with banks	413,777,484	451,852,934	488,603,621	569,245,838	460,051,728
Accounts receivable, net	36,267,297	49,101,466	37,828,171	39,876,887	38,215,596
Other assets	90,730,098	112,907,767	121,390,437	146,685,360	148,901,245
Total assets of insurance operations	540,774,879	613,862,167	647,822,229	755,808,085	647,168,569
Shareholders' assets					
Investments and cash with banks	260,064,578	266,065,332	288,077,229	253,520,632	205,500,951
Legal deposit	31,838,010	31,206,937	25,837,567	25,527,829	25,399,070
Other assets	187,268,538	176,821,396	172,765,503	146,671,766	108,365,056
Total shareholders' assets	479,171,126	474,093,665	486,680,299	425,720,227	339,265,077
Total assets	1,019,946,005	1,087,955,832	1,134,502,528	1,181,528,312	986,433,646
Liabilities of insurance operations					
Accounts and reinsurance balance payable	39,437,101	43,576,379	30,090,471	33,134,204	17,198,491
Technical reserves	283,241,280	358,375,016	409,494,831	530,220,950	25,399,070
Other liabilities	218,096,498	211,910,772	208,236,927	192,452,931	145,261,520
Total liabilities of insurance operations	540,774,879	613,862,167	647,822,229	755,808,085	647,168,569

Shareholders' liabilities and Equity					
Shareholders' liabilities	34,652,299	35,934,261	33,135,583	28,743,711	24,199,610
Shareholders' equity	444,518,827	438,159,404	453,544,716	396,976,516	315,065,467
Total shareholders' liabilities and equity	479,171,126	474,093,665	486,680,299	425,720,227	339,265,077
Total liabilities	1,019,946,005	1,087,955,832	1,134,502,528	1,181,528,312	986,433,646
Income (SAR)					
	2020	2019	2018	2017	2016
Income statement of insurance operations					
Gross written premiums	202,251,926	305,540,939	319,997,982	511,508,751	437,565,727
Net premiums earned	189,712,305	270,061,081	342,456,534	462,219,445	398,756,596
Reinsurance commissions earned and other underwriting income	14,632,022	11,161,084	15,314,362	25,732,502	21,533,205
Investments and other income	13,058,505	19,415,415	12,134,303	8,087,064	1,356,851
Total revenues	217,402,832	300,637,580	369,905,199	496,039,011	421,646,652
Gross claims paid	(157,559,748)	(232,332,313)	(240,048,036)	(251,324,368)	(201,766,880)
Net claims incurred	(110,332,231)	(192,869,227)	(184,996,246)	(274,513,942)	(209,402,336)
Policy acquisition costs	(13,093,204)	(22,265,047)	(29,999,421)	(44,144,575)	(37,782,860)
Other expenses	(76,838,773)	(80,823,526)	(81,642,580)	(75,160,819)	(74,136,884)
Total costs and expenses	(200,254,208)	(295,957,800)	(296,638,247)	(393,819,336)	(321,322,080)
Net surplus after shareholder's share	1,714,863	467,978	7,326,695	10,221,967	10,032,457

Shareholders' income statement					
Investment and other income	5,186,169	14,649,539	9,175,099	8,308,780	3,556,755
Shareholders' share of net surplus	15,433,762	4,211,802	65,940,257	91,997,708	90,292,115
General and administrative expenses	(3,555,179)	(3,675,710)	(2,698,504)	(2,558,049)	(2,879,542)
Net income before zakat	17,064,752	15,185,631	72,416,852	97,748,439	90,969,328
Main financial indicators					
Retention rate	81.2 %	80.9 %	85.8 %	90.7 %	88.7 %
Loss rate, net	58.2 %	71.4 %	54.0 %	59.4 %	52.5 %
Expense rate, net	39.5 %	33.1 %	26.2 %	18.9 %	22.1 %
Combined rate	97.7 %	104.5 %	80.2 %	78.3 %	74.6 %
Statement of Cash flows (SAR)					
	2020	2019	2018	2017	2016
Statement of Cash flows of insurance operations					
Net cash (used in) / generated from operating activities	(33,464,796)	(43,114,130)	(38,733,379)	167,123,517	135,285,092
Net cash generated from / (used in) investing activities	55,269,489	(33,039,087)	26,103,468	(128,099,532)	(59,700,920)
Net cash (used in) / generated from financing activities	(6,031,137)	5,552,428	(40,271,229)	(54,443,927)	(17,511,780)
Cash and cash equivalents at the end of the year	86,742,417	70,968,861	141,569,650	194,470,790	209,890,732

cash flows of shareholders' operations					
Net cash used in operating activities	(5,887,055)	(5,060,607)	(1,081,192)	(719,661)	(2,273,161)
Net cash (used in)/ generated from /investing activities	(7,860,597)	7,358,818	(1,630,668)	(100,339,155)	26,647,574
Net cash generated from/ (used in) / financing activities	4,405,291	(29,771,443)	40,271,229	41,943,927	17,511,780
Cash and cash equivalents at the end of the year	45,149,516	54,491,877	81,965,109	44,405,740	103,520,629
Main financial indicators					
The proportion of acceptable assets to total assets	84.6 %	88.1 %	91.6 %	93.7 %	92.9 %
Realized Solvency Margin Ratio	286 %	304.9 %	361.4 %	331.2 %	256.7 %

5-3 The material differences in the operating results during the year, the net profit after Zakat amounted to 5,737,126 riyals compared to 4,332,428 riyals for the previous year, with an increase of 32.42%

- During the year, the earning per share after zakat amounted to 0.19 riyals compared to 0.14 riyals for the previous year.
- During the year, the total comprehensive income for insurance operations amounted to 2,811,753 Saudi riyals compared to 939,170 riyals for the previous year, an increase of 199.4%. The total comprehensive income for shareholders' operations during the current year amounted to 6,714,280 riyals, compared to 14,614,688 riyals for the previous year, a decrease of 54.1%.
- During the year, the net underwriting surplus amounted to 64,316,075 riyals compared to 42,610,269 riyals for the previous year, an increase of 50.9%.
- During the year, the surplus of insurance operations minus the investment income of policyholders (operating results only) amounted to 6,615,468 riyals-compared to a deficit of (12,109,439) riyals for the previous year.
- During the year, the net investment income attributable to policyholders amounted to 10,533,157 riyals compared to 16,789,219 riyals for the previous year with a decrease of 37.26%.
- During the year, the net investment income attributable to shareholders' funds amounted to 5,186,169 riyals compared to 14,649,539 riyals for the previous year, a decrease of 64.6%.
- During the year, total shareholders' equity amounted 444,518,827 riyals compared to 438,159,404 riyals for the previous year, with an increase of 1.45%.

- The increase in profits during the current year compared to the previous year is due to the decrease in net claims incurred by 42.8% as a result of the decrease in net claims paid and the change in net reserve for outstanding claims combined by 46.5%. In addition to the decrease in the change in the reserve for incurred but not reported claims by 66.8%. This is despite a decrease in the total underwriting revenues by 27.3%.

5-4 A statement of the value of the paid and due regular payments

The following table shows a statement of the value of the paid and due regular payments by the company for the year 2020 that have not yet been paid until the date of publishing this report:

Description	Paid	Unpaid	Reasons
General Authority for Zakat and Income (Zakat)	13,206,496	11,327,625	It will be paid upon submission of the Zakat assessment
General Authority for Zakat and Income (withholding tax)	1,451,348	-	-
General Authority for Zakat and Income (value added tax)	17,799,217	-	-
The Public Institution for Social Security	3,875,258	-	-
Saudi Central Bank (supervision and inspection costs)	1,152,003	-	-
Council of Cooperative Health Insurance (fee for supervising insurance companies)	421,597	-	-
Costs of visas, passports and labor office fees	694,937	-	-

6- Company's policy in distributing dividends

Article forty-six of the articles of association of the company states the following:

- A. The shareholder is entitled to his share in the profits in accordance with the decision of the general assembly issued in this regard, and the decision specifies 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 that, and the profits to be distributed to shareholders shall be paid at the place and time 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.
- B. The company may distribute interim dividends to its shareholders on a semi-annual basis after fulfilling the following requirements:
 1. The Ordinary General Assembly authorizes the Board to distribute interim dividends according to a resolution to be renewed annually.
 2. The company should be in good standing with stable profitability.

3. It has reasonable liquidity and can reasonably expect the level of its profits.
4. Availability of sufficient distributable profits according to the latest audited financial statements to cover the profits proposed to be distributed after deducting what was distributed and capitalized from those profits after the date of these financial statements.

The company, according to Article 45 of the Articles of Association, before determining the amount of dividend distribution, must:

- 1- Avoid Zakat and Income Tax
- 2- Avoid 20% of the net profits to a statutory reserve, and the Ordinary General Assembly may stop this deduction whenever the total reserve reaches (100%) of the paid capital.
- 3- Ordinary General Assembly may decide to create other reserves when determining the percentages of shares in the net profits, to the extent that it serves the interest of the company or ensures that fixed profits are distributed as much as possible to the shareholders.

The method used to distribute cash dividends is through transferring to the investment accounts of shareholders given that during the year, the company's board of directors did not recommend the distribution of any cash dividends for the year 2019.

7- Major shareholders and shareholders' general assemblies

7-1- Major Shareholders

The table below shows the names of the major shareholders and the percentage of shares with the company for each one of them as of 12/31/2020:

	Name of the shareholder	Nationality	Number of shares owned	Ownership percentage
1	Gulf Insurance Group	Kuwait	8,550,000	28.50 %
2	Yasser Youssef Mohammed Naghi	Saudi	3,450,000	11.50 %
3	Gulf Medical Company Ltd.	Saudi	1,500,000	5.00 %
4	United Yusef Mohammed Abdul Wahhab Naghi Company	Saudi	1,500,000	5.00 %
5	Cigala trading Est for its owner Yasser Youssef Mohamed Naghi	Saudi	900,000	3.00 %

7-2 Changes in ownership percentages of major shareholders

There are no changes in the ownership percentages of major shareholders who own 5% or more during the year 2020.

7-3 General Assemblies of Shareholders

The table below shows the dates of the General Assemblies of Shareholders' meetings held during the year 2020 with the names of the members of the board of directors who attended these assemblies:

	Name	Attendance Record
		Ordinary General Assembly meeting 06/09/2020
1	Yasser Youssef Mohammed Naghi	Attended
2	Khalid Saoud Abdul Aziz Al-Hassan	Attended
3	Raafat Attiah Al-Salamoni	Attended
4	Ziad Bassam Mohammed Al-Bassam	Attended
5	Adel Abdullah Al-Sumum	Attended
6	Ahmed Mohammed AL Marzouki	Attended
7	Zain Al-Abdeen Abdullah Barry	Attended

The most prominent decisions of the Assembly:

- 1- Voting on the Board of Directors' report for the financial year ending on 31/12/2019.
- 2- Approved on the auditors' report for the financial year ending 12/31/2019.
- 3- Approved on the company's financial statements as on 31/12/2019.
- 4- Approved to absolve the members of the Board of Directors from for the year ending 12/31/2019.
- 5- Voting to appoint the company's external auditors from among the candidates and determine their fees, based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the second, third; and fourth quarters and annual financial statements of the financial year 2020 G and the financial statements for the first quarter of the-financial year 2021 G
- 6- Approved on the business and contracts that will be concluded between the company, Sagala Commercial Corporation, Al-Zawaq Food Factory (A branch of-Sagala) and the stakeholder member Mr. Yasser Youssef Naghi, Chairman of the Board of Directors, "Direct Interest", and these are insurance policies for duration of one year and in accordance with the approved company's policies without special conditions nor benefits, during the year 2019, these transactions amounted to 6,863,840 Saudi riyals without preferential terms.
- 7- Approved on the business and contracts that will be concluded between the company, Youssef Mohamed Abdeul Wahab Naghi united Company and the stakeholder member, Mr. Yasser Youssef Naghi, Chairman of the Board of Directors, "Indirect Interest", and these are insurance policies for duration of one year and in accordance with the approved company's policies without special conditions nor benefits. During the year 2019, these transactions amounted 4,281,232 Saudi riyals, without preferential terms.
- 8- Approved on the business and contracts that will be concluded between the company, Al-Mamoun Overseas Insurance Brokers Ltd. and the stakeholder member Mr. Yasser Youssef Naghi, Chairman of the Board of Directors, "Indirect Interest" and these are insurance brokerage contract in accordance with the company's approved form used for all insurance brokers that the company deals with-and the

commission rate varies according to the type of the insurance policy. During the year 2019, these transactions amounted to 3,377,938 Saudi riyals without preferential terms.

- 9- Approved on the business and contracts that will be concluded between the company, Arab Catering Company for Food and the stakeholder member Mr. Yasser Youssef Naghi, Chairman of the Board of Directors, "Indirect Interest", and these are insurance policies for duration of one year and in accordance with the approved company's policies without special conditions nor benefits, During the year 2019, these transactions amounted to 578,519 Saudi riyals without preferential terms.
- 10- Approved on the business and contracts that will be concluded between the company, Hafel Corporation for the transport of pilgrims and the stakeholder member, Mr. Yasser Youssef Naghi, Chairman of the Board of Directors, "indirect interest", and these are insurance policies for duration of one year and in accordance with the approved company's policies without special conditions nor benefits, During the year 2019, these transactions- amounted to 15,543,324 Saudi riyals without preferential terms.
- 11- Approved on the business and contracts that will be concluded between the company and the Andalus Company for the transport of pilgrims and the member with interest, Mr. Yasser Youssef Naghi, Chairman of the Board of Directors, "indirect interest", which are insurance documents according to the approved company documents without special conditions or benefits, and their duration is one year, as transactions reached during the year 2019 G. 261,597 Saudi riyals without preferential terms.
- 12- Approved on the business and contracts that will be concluded between the company and the Rahal National Services Company Ltd. and the stakeholder member Mr. Yasser Youssef Naghi, Chairman of the Board of Directors, "Indirect Interest", which are insurance documents according to the approved company documents without special conditions or benefits, and their duration is one year, as the transactions reached during the year 2019 28,448 Saudi riyals without preferential terms.
- 13- Approved on the business and contracts that will be concluded between the company and the Saudi Dairy and Food Company and the stakeholder member Mr. Ahmed Mohammad Marzouki, an "indirect interest", which are insurance documents according to the company's approved documents without special conditions or benefits, and their duration is one year, as transactions during the year 2019 amounted to 11,115,370 riyals. Saudi without preferential terms.
- 14- Approved on the business and contracts that will be concluded between the company and the Gulf Insurance and Reinsurance Company and the stakeholder members Mr. Khaled Saoud Al-Hassan and Mr. Raafat Attiah Al-Salamoni "indirect interest", which are re-insurance transactions without conditions or special benefits and for a one-year period, as transactions during the year 2019 amounted to 1,972,566 Saudi riyals without preferential terms.
- 15- Approved on disbursing the annual remuneration of the members of the Board of Directors, with a total amount of 900,000 riyals, for their services for the year 2019.
- 16- Approved on disbursing the annual remuneration for committee members, with a total amount of 627,000 riyals, for their services for the year 2019.
- 17- Approved on the Board of Directors' recommendation not to distribute cash dividends for the year 2019.

7-4 The number of company's requests for shareholder register

The table below shows the number and dates of the company's requests for the shareholders' register and their reasons

Number of requests	Request date	The date of the property file	Reasons for the request
1	13/05/2020	09/06/2020	General Assembly
2	22/12/2020	31/12/2019	Company's procedures
3	22/12/2020	30/06/2020	Company's procedures
4	22/12/2020	30/09/2020	Company's procedures

8- Board of Directors

1-8 Formation of the Board of Directors, classification and qualifications of its members:

The Board of Directors consists of seven (7) members and the following tables show the classification of the members of the Board of Directors and the names of the joint-stock companies in which a member of the company's Board of Directors is a member of their Board of Directors:

	Name	Position	Membership classification	Qualifications
1	Yasser Youssef Mohammed Naghi	Chairman	Non-executive	BA in Economics and Business Administration from King Abdulaziz University, Jeddah in 1984
2	Ahmed Mohammed Hamed Marzouki	Vice Chairman	independent	BA in Business Administration from Cairo University, Egypt in 1978 Master of Business Administration from California State University, USA in 1983
3	Khaled Saoud Abdul Aziz Al-Hassan	Managing Director	executive	BA in Political Science and Economics from Kuwait University, Kuwait in 1976
4	Rafat Attiah Al- Salamoni	Member	Non-executive	Bachelor of Accounting from Alexandria University, Egypt in 1971
5	Ziad Bassam Mohammed Al- Bassam	Member	Non-executive	Bachelor of Business Administration from King Abdulaziz University, Jeddah in 1987 Attended multiple courses in the administrative and financial fields.
6	Adel Abdullah Al- Sumum	Member	independent	Bachelor of Accounting from King Abdulaziz University, Jeddah in 1984 Diploma in Commercial Arbitration from the International Arbitration Commission, Egypt in 2019
7	Zain Al-Abdeen Abdullah Barry	Member	independent	BA in Economics and Political Science from King Saud University, Riyadh in 1971 PhD in Economics from the University of Colorado, USA, in 1980

8-2 Names of companies inside or outside the Kingdom in which a member of the company's board of directors is a member of their current and previous boards of directors or is a director therein

	Name	Names of companies in which a member of the company's board of directors is a member of their current boards of directors or is a director therein	Inside the Kingdom / Outside the Kingdom	Legal form	Names of companies in which a member of the company's board of directors was a member of their previous boards of directors or is a director therein	Inside the Kingdom / Outside the Kingdom	Legal form
1	Yasser Youssef Naghi	1. Gulf Medical Company 2. Arabian Food Supply Company 3. Youssef Mohamed Naghi Company 4. Beet Al- Qout Company 5. Cigala Trading Est	Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom	Limited liability Limited liability Limited liability Unlisted joint stock company indivial company	1. Saudi Industrial Development Company (SADC)	Inside the Kingdom	Listed joint stock company
2	Khaled Saoud Al-Hassan	1. Gulf Insurance Group (Kuwait) 2. Reinsurance (GIG Kuwait) 3. Takaful International Company. 4. Arab Orient Insurance (GIG Jordan) 5. Bahrain Kuwait Insurance Company (GIG Bahrain) 6. The Arab Egyptian Insurance Company (GE Gameser) 6. The Arab Reinsurance Company	Outside Outside Outside Outside Outside Outside	Listed joint stock company Unlisted joint stock company Listed joint stock company Listed joint stock company Unlisted joint stock company	1. Kuwait Reinsurance Company (Kuwait)	Outside the Kingdom	Listed joint stock company

3	Raafat Attiah Al-Salamoni	<p>1. Gulf Insurance Group (Kuwait) and Reinsurance (GIG Kuwait)</p> <p>2. Fajer Insurance Group and Reinsurance (Beirut)</p> <p>3. The Egyptian Life Takaful Insurance Company (Egypt)</p>	<p>Outside</p> <p>Outside</p>	<p>Unlisted joint stock company</p> <p>Unlisted joint stock company</p>	<p>1. Gulf Insurance and Reinsurance Company (Kuwait)</p> <p>2. Fajer Insurance Group and Reinsurance (Beirut)</p> <p>3. The Egyptian Company for Takaful Insurance Mumtalakat (Egypt)</p>	<p>Outside</p> <p>Outside</p>	<p>Unlisted joint stock company</p> <p>Unlisted joint stock company</p>
4	Ziad Bassam Al-Bassam	<p>1. Makkah Construction and Development Company</p> <p>2. Jarham Development Company</p> <p>3. Makeen Saudi Company</p> <p>4. Msharkah Financial Company.</p> <p>5. Zahrtat Albortkal Company.</p>	<p>Inside</p> <p>Inside</p> <p>Inside</p> <p>Inside</p> <p>Inside</p>	<p>Listed joint stock company</p> <p>Unlisted joint stock company</p> <p>Unlisted joint stock company</p> <p>Unlisted joint stock company</p>	<p>1. Jabal Omar Company</p> <p>2. Al Balad Al-Ameen Company.</p> <p>3. Rawaa Real Estate Company.</p>	<p>Inside</p> <p>Inside</p> <p>Inside</p>	<p>Listed joint stock company</p>
5	Adel Abdullah Al-Sumum	Rhett Expert Fund	Inside	Unlisted joint stock company			
6	Zain Al-Abdeen Abdullah Barry						
7	Ahmed Mohammed Marzouki	1. The Saudi Dairy and Food Products Company - SADAFCO	Inside	Unlisted joint stock company			

8-3 Description of any interest, contractual securities and subscription rights of the company's board members, senior executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries, and any change in such interest or rights during the last financial year

8-3-1 The following table shows a description of any interest, contractual securities, and subscription rights in shares or debt instruments of the company belonging to the members of the Board of Directors and their relatives, including the guarantee shares that the system requires the members of the Board of Directors to own:

The name of the person who has the ownership or the direct and indirect interest	Beginning of the year		End of the year		Net change	Percentage change
	Number of Shares	Debt instruments	Number of Shares	Debt instruments		
Yasser Youssef Naghi	7,350,000	0	7,350,000	0	0	0 %
Khaled Saoud Al-Hassan	2307	0	2307	0	0	
Rafat Attiah Al-Salamoni	1000	0	1000	0	0	0 %
Ziad Bassam Al-Bassam	2,307	0	2,307	0	0	0 %
Adel Abdullah Al-Sumum	0	0	0	0	x	0 %
Zain Al-Abdeen Barry	0	0	0	0		0 %
Ahmed Mohammed Al-Marzouki	0	0	0	0	x	0 %

8-3-2 There is no interest, contractual securities, and underwriting rights of the members of the board of directors and their relatives in the shares or debt instruments of the subsidiary company.

8-3-3 There is no interest, contractual securities and underwriting rights of senior executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries.

8-4 Executive Management

The following table shows the names, positions and qualifications of each of the members of the company's executive management as of the end of the year 2020:

	Name	Current position	Previous positions	Qualifications and experiences
1	Samer King	Chief Executive Officer The last working	<ul style="list-style-type: none"> Assistant Regional Manager at the Arabian Insurance Company in Saudi Arabia from 1995 to 1999 Director of the Kuwait branch at the Arabian Insurance 	Bachelor of Business Administration from the University of California - Northridge in the United States of America in 1991, with more than 20 years of experience in all areas of insurance in America, Lebanon, Kuwait

		day was 26/08/2020	Company from 1999 to 2003 • General Manager of the Saudi Pearl Guarantee Company in Saudi Arabia from 2004 to 2010	and Saudi Arabia
2	Samer Ahmed Saad	Chief Financial Officer The last working day was 26/08/2020	<ul style="list-style-type: none"> • Assistant Financial Manager at the Saudi Pearl Guarantee Company in Saudi Arabia from 2006 to 2010 • Deputy Financial Director at Buruj Cooperative Insurance Company from 1/7/2010 to 1/30/2011 	<p>Bachelor of Business Administration (major in Accounting and Finance) from the Lebanese University in Beirut, Lebanon in 2003.</p> <p>Certified Management Accountant (CMA) certificate from the Management Accountants Association (IMA) in the United States of America in 2008, and more than 12 years of experience in finance, accounting and insurance in Lebanon and Saudi Arabia</p>
3	Sayed Riad Radawi	Technical Director	<ul style="list-style-type: none"> • Technical Affairs Director at Allied Cooperative Insurance Group (ACIG) from 2003 to 2007 • Technical Affairs Director at the Saudi Pearl Guarantee Company from 2007 to 2010 • At work in the current position since 1/7/2010 	<p>Bachelor of Science from Punjab University in Pakistan in 1972.</p> <p>Fellowship of Associateship of the Chartered Insurance Institute (ACII) in Britain in 2004, and more than 25 years of experience in insurance in Pakistan and Saudi Arabia.</p>
4	Khaled Muhammad Abu Shaar	Senior IT Manager	<ul style="list-style-type: none"> • Director of Information Technology at Amanat Al Khaleej Insurance Company in Saudi Arabia from 2005 to 2011 • Director of Information Technology at Amana Cooperative Insurance Company in Saudi Arabia from 2011 ٢ to 2012 ٢ • At work in the current 	<p>Bachelor's degree in Civil Engineering from the University of Technology in Baghdad, Iraq in 1985, with more than 30 years of experience in information technology and insurance</p>

			position since 12/2/2013-€	
5	Vacant	Human Resources Manager		

8-5 A description of any transaction between the company and a related party and information related to any business or contracts in which the company is a party, and in which or in which there is an interest for a member of the company's board of directors or for its senior executives or for any person related to any of them, including the names of those involved in business or contracts, and the nature of these works or contracts, their terms, duration and amount

8-5-1 The following table shows during the year 2020 the business or contracts in which the company was a party and there is or was an interest in one of the members of the board of directors or any person related to any of them:

The name of the member or any person related to any of them	Contract party	Nature of contract	Duration	Total value of the contract (SAR)	Nature of the interest with the party to the contract
Yasser Youssef Naghi	Cigala Trading Est and Al Zouk Food Factory (Cigala's Branch	Insurance contracts	1 Year	134,193	Organization's owner
Yasser Youssef Naghi	United Youssef Mohamed Abdel Wahab Naghi Company	Insurance contracts	1 Year	3,518,993	Ownership of a percentage of shares
Yasser Youssef Naghi	Al-Mamoun Overseas Insurance Brokerage Company	Insurance brokerage contract	1 Year	2,203,945	Relationship of kinship with its partners
Yasser Youssef Naghi	Rahal National Services Company Ltd.	Insurance contracts	1 Year	28,448	Relationship of kinship with its partners
Yasser Youssef Naghi	Hafel for transportation of pilgrims	Insurance contracts	1 Year	15,992,295	Relationship of kinship with its partners
Yasser Youssef Naghi	Al-Andalus Co for	Insurance	1 Year	12,825	Relationship of kinship with its partners

	transportation of pilgrims	contracts			
Ahmed Mohammed Marzouki	Saudi Dairy & Foodstuff Company - SADAFCO	Insurance contracts	1 Year	11,324,647	Member of the board of directors of the same company
Khaled Saoud Al-Hassan / Rafat Attiah Al-Salamoni	Gulf Insurance and Reinsurance Company	Reinsurance contracts	1 Year	1,984,216	A company owned by the main shareholder of Gulf Insurance Group, represented by the board membership through them

The company acknowledges that all contracts have been issued or renewed in the course of Ordinary business on the basis of mutual consent and these are insurance policies according to the approved company policies without conditions or special benefits, and they will be presented to the shareholders for approval and authorization for a coming year in the next general assembly in the event that it continues to contract with The company, knowing that similar works were approved for the year 2020 and licensed for another year in the Ordinary General Assembly held on 06/09/2020.

8-5-2 During the year 2020 there were no businesses nor contracts in which the company was a party and in which there was an interest for senior executives or any person related to any of them.

8-5-3 There are no transactions between the company and related parties, with the exception of what is mentioned in Clause No. 8-5-1.

8-6 Board meetings

During the year 2020, the Board of Directors held ten meetings, attendance was as follow:

Names of the Board of Directors members	06/05/2020 (1)	14/07/2020 (2)	14/07/2020 (3) Without	27/08/2020 (4)	06/09/2020 (5)	18/10/2020 (6)	31/10/2020 (7)	05/11/2020 (8)	19/11/2020 (9)	13/12/2020 (10)	Attendance %
Yasser Youssef Naghi	√	√	√	√	√	√	√	√	√	√	100%
Khaled Saoud Al-Hassan	√	√	-	√	√	√	√	√	√	√	100%
Rafat Attiah Al-Salamoni	√	√	√	√	√	√	√	√	√	√	100%
Ziad Bassam Al-Bassam	√	√	√	√	√	√	√	√	√	√	100%
Adel Abdullah Al-Sumum	√	√	√	√	√	√	√	√	√	√	100%
Zabain Al-Abidein Abdullah Baerriy	√	√	√	√	√	√	√	√	√	√	100%
Ahmed Mohamed Hamed Marzouki	√	√	√	√	√	√	√	√	√	√	100%

√ = Attended X = did not attend

The most prominent decisions of the Board of Directors during the year 2020:

1. Restructuring the committees emanating from the Board of Directors.
2. Following up on the company's business and issues the necessary decisions therein.
3. Approving a consulting company to undertake the work of reformulating the company's bylaws and regulations.
4. Appointment of administrative competencies in senior management.

9- Board committees

In accordance with the Corporate Governance Regulations issued by the Capital Market Authority and the Saudi Central Bank, the Board of Directors constituted six committees to help it perform its duties effectively, which are the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, the Investment Committee, the Risk Management Committee and the Corporate Governance Committee.

The following paragraphs provide a brief description of the competencies of the aforementioned board committees, with their names, heads, members and the number of their meetings.

9-1 Executive Committee

The Board of Directors constituted an Executive Committee consisting of three members. The main duties and responsibilities of the Executive Committee are as follows:

- Setting the overall strategy, the main objectives of the company, and work plans, and overseeing their implementation.
- Reviewing the company's budget and financial plans prepared by the executive management before submitting them to the board of directors and recommending to the board of directors for approval.
- Preparing and reviewing the investment policy and ensuring its compliance with the provisions and conditions of the rules and regulations in force, in addition to their compliance with the written policy that has been established, making final decisions regarding investments and their disposal, and monitoring the performance of the company's investments.
- Reviewing the internal policies and regulatory provisions prepared by the executive management before submitting them to the Board of Directors and recommending to the Board of Directors for approval.
- Study and examine all matters referred to the committee regarding executive management and take appropriate recommendations in their regard.

The Executive Committee for the current period consists of:

Name	Position	Membership in the Board of Directors
Yasser Youssef Mohammed Naghi	Chairman of the Executive Committee	Chairman of the Board - Non-Executive
Khaled Saoud Abdul Aziz Al-Hassan	Committee member	Board Member – Executive
Samer King	Former member of the committee	Outside the board of directors

Ahmed Mohammed Hamed Marzouki	Committee member	Board Member - Independent
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According to the decision of the Saudi Central Bank dated: 08/26/2020 G to dismiss the CEO from performing his duties in the company, the Board of Directors decided to appoint Mr. Ahmed Mohammad Hamed Marzouki to the committee on: 15/09/2020 G after the company obtained a no-objection from the Saudi Central Bank.

During the financial year 2020, the Executive Committee held five meetings and the attendance was as follows:

Name of the committee member	First meeting 06/05/2020	Second meeting 14/07/2020	Third meeting 31/08/2020	Fourth meeting 08/09/2020
Yasser Youssef Naghi	√	√	√	√
Khaled Saoud Al-Hassan	√	√	√	√
Samer King	√	√		
Ahmed Mohammed Hamed Marzouki				

√ = Attended X = did not attend

The most prominent decisions of the committee during the year 2020 G:

1. Setting the comprehensive strategy and main objectives of the company for the year 2020 G.
2. Reviewing the company's budget and financial plans prepared by the executive management for the year 2020 G.
3. Discuss the legal matters related to the company.

9-2 Audit Committee

The General Assembly approved the formation of the three-member Audit Committee. The audit committee works in accordance with the provisions of the statutory laws and regulations in force and based on the rules governing the work of the committee. The Audit Committee is responsible for monitoring the company's business and ensuring the integrity and effectiveness of the reports, financial statements and internal control systems. The duties of the committee include but not limited to the following:

- Examining the interim and annual financial statements of the company, including verifying the accounting estimates for the significant matters that are contained in the financial reports, the important and unfamiliar issues and the accounting policies followed; and providing an opinion and recommendation to the Board of thereon.
- Examining and reviewing the company's internal and financial control systems and risk management systems examining the internal audit and compliance reports and following up the implementation of the corrective actions in respect of the remarks made in such reports
- Monitoring and overseeing the performance of the internal audit, the compliance and the anti-money laundering and counterterrorism financing departments of the company in order to verify their effectiveness in carrying out the activities and duties assigned to them by the board of directors.
- Recommending to the Board of Directors the appointment of internal audit and compliance managers and suggesting his remunerations.

- Recommending to the Board of Directors to the nomination and dismissal of the external auditors, determination of their fees, assessment of their performance, and verification of their independence and the effectiveness of their work.
- Reviewing the external auditors' plan and their work, responding to their queries, examining their reports and comments on the financial statements, and following up the procedures taken in connection therewith
- Coordinating between internal and external auditors
- Verifying the company's compliance with the instructions of the supervisory authorities by reviewing the findings of these reports reviewing the contracts and the proposed related parties' transactions and reporting to the board any issues in connection with what it deems necessary to take action on and providing recommendations as to the steps that should be taken
- Reviewing the actuary reports and making recommendations thereon for the board.

The audit committee for the current period consists of:

Name	Position	Membership in the Board of Directors
Adel Abdullah Al-Sumum	Ex-Chairman of the Audit Committee	Board's member - Independent
Ibrahim Muhammad Al-Alwan	Ex-member of the committee	From outside the board of directors
Ihab Muhammad Al-Dabbagh	Ex-member of the committee	From outside the board of directors
Abdulrahman Khaled Al-Sultan	Current-Chairman of the Audit Committee	From outside the board of directors
Dr. Zain Al-Abdeen Abdullah Barry	Current member of the committee	Board's member - Independent
Mishaal Abdul Mohsen Al-Suleiman	Current member of the committee	From outside the board of directors

It's worth mentioning that Mr. Ibrahim Muhammad Al-Dabbagh submitted his resignation from the membership of the Audit Committee on 01/12/2019, and on 14/07/2020, the Board of Directors decided to appoint Mr. Abdulrahman Khaled Al-Sultan to replace Mr. Ibrahim Al-Dabbagh on 26/08/2020 the decision has been issued by Saudi Central Bank to withdraw the Non objection to appoint the Chairman of the Committee, Mr. Adel Abdullah Al-Sumum, and on the date: 10/27/2020 G, Mr. Ibrahim Alwan submitted his resignation from the membership of the Audit Committee, and on the date of 12/03/2020 AD, the Board of Directors decided to appoint Dr. Zain Al-Abdeen Abdullah Baerriy and Mr. Mishaal Abdul-Mohsen Al-Suleiman. These appointments will be presented to the general assembly for approval.

Below you will find a summary of the CVs of the members of the Audit Committee from outside the Board of Directors:

	Name	Current position	Previous positions & experiences	Qualifications
1	Ibrahim Muhammad Al-Alwan	Chief Executive Officer - Watheeq Financial Services Company, since 2018 to date	<ul style="list-style-type: none"> • CEO of KASB Financial Group from February 2007 to December 2014 • CEO of the First Real Estate Development Company from December 2014 to December 2017 	<ul style="list-style-type: none"> • Bachelor of Accounting from King Saud University in Riyadh -1997 • Certificate of Credit Analysis and Evaluation Programs from Chase Manhattan Bank, USA, 2000
2	Ibrahim Muhammad Al-Dabbagh	CEO - Ajmal Company Ltd., since 2014	<ul style="list-style-type: none"> • General Manager of Individuals' Services at Al-a-wal Bank from March 2008 to August 2010 • General Manager of Strategy and Programs at Al-awwal Bank from September 2010 to March 2012 • General Manager of Corporate Services at Al-awwal Bank from September 2012 to June 2014 	Bachelor of Marketing from King Fahad University of Petroleum and Minerals in 2001
3	Abdulrahman Khalid Al-Sultan	Head of Internal Audit - General Authority for Statistics, since 2018 until now Secretary of the Audit and Risk	<ul style="list-style-type: none"> • An employee in the internal control departments of the Saudi Hollandi Bank from 1999 to 2003. • An employee in the financial control and internal audit departments of the General Organization for Social Insurance from 2003 to 2018. 	<p>Bachelor of Accounting from King Saud University in Riyadh in 1999</p> <p>Master in Applied Finance from Newcastle University, Australia, 2009</p>

		Committee - General Authority for Statistics	<p>Financial controller Supervisor at the Social Insurance Hospital in 2003</p> <ul style="list-style-type: none"> • Member of the Audit Committee of the Arabia Insurance Cooperative Company in 2016 	
4	Meishaal Abdul Mohsen Al-Suleiman	Chief Executive Officer - Jewar Al Ihsan Holding Company, since 2017 to date	<ul style="list-style-type: none"> • Various banking experiences from the Saudi American Bank and Saudi Hollandi Bank from 1999-to 2005 • Member of the boards of directors of several companies from 2005 to 2018 • Partner in White Tail Consulting Services in Dubai from 2013 to 2020 	<p>Bachelor in Accounting from the University of Notre Dame de Namur, California</p> <p>Various professional degrees in the fields of finance, banking and fraud control from different universities, institutes and colleges in America and Britain</p>

During the year 2020, the Audit Committee held two meetings to follow up and implement the tasks entrusted to it, and the attendance record was according to the following:

Name of the committee member	First meeting 05/03/2020	Second meeting 17/05/2020
Adel Abdullah Al-Sumum	√	√
Ibrahim Muhammad Al-Alwan	√	√

√ = Attended X = did not attend

The most prominent decisions of the committee during the year 2020:

The Audit Committee held two meetings during the year 2020, and the meetings included the most important works within its scope of work, which were as follows:

- Discussing the company's quarterly financial statements and recommending the Board of Directors to approve them after reviewing and discussing them with the executive management and the external auditors.
- Discussing the company's annual financial statements and recommending the Board of Directors to approve them after reviewing and discussing them with the executive management and the external auditors and submitting them to the General Assembly for approval.

- Approving the internal audit plan for the year 2020, after discussing it and following up on its implementation according to the specified timetable.
- Studing the notes received by the company's internal and external auditors and following up on their implementation according to the timeframe agreed upon with the company's management.
- Following up on the Compliance and the Anti-Money Laundering Departments to ensure the company's compliance with the rules and regulations issued by the Saudi Central Bank and other regulatory authorities.

9-3 Remuneration and Nomination Committee:

The Board of Directors established the Remuneration and Nomination Committee, which consists of three members. The Remuneration and Nominations Committee works in accordance with the provisions of the legal rules and regulations in force and based on the rules governing the work of the committee. The duties and responsibilities of the Nomination and Remuneration Committee, but not limited to, are as follows:

- Submit a recommendation to the Board of Directors to run for membership in the Board in accordance with the approved policies and standards.
- Reviewing the structure of the board of directors and making recommendations regarding the changes that can be made, identifying weaknesses and strengths in the board of directors and proposing remedies in accordance with the company's interest.
- Ensure, annually, that the independent members are independent and that there is no conflict of interest in the event that the member is a member of the board of directors of another company.
- Establishing clear policies regarding compensation and bonuses for the Board of Directors and senior executives.

The Remuneration and Nominations Committee for the current session consists of:

Name	Position	Membership in the Board of Directors
Ziad Bassam Al-Bassam	Former Chairman of the Committee	Board Member - Non-Executive
Ahmed Mohammed Hamed Marzouki	Former member of the committee / currently head/ Chairman of the committee	Board Member – Independent
Muhammad Mustafa bin Siddiq	Former member of the committee	Secretary of the Board of Directors
Adel Abdullah Al-Sumum	Committee member	Board Member – Independent
Osama Omar Fakh	Committee member	From outside the board of directors

According to on the decision of the Saudi Central Bank on 08/26/2020 G to withdraw the NOC to appoint the Chairman of the Committee Mr. Ziad Bassam Al-Bassam, the Board of Directors decided to appoint Mr. Ahmed Mohammad Hamed Marzouki as Chairman of the Committee and appoint Mr. Osama Omar Fakh to replace Mr.

Muhammad Mustafa bin Siddiq And the appointment of Mr. Adel Abdullah Al-Samoum as a member of the committee, on 09/15/2020 G, after the company obtained a no-objection from the Saudi Central Bank.

Below you will find an overview of the CV of a member of the Nomination and Remuneration Committee from outside the Board of Directors:

	Name	Current position	Previous positions & experiences	Qualifications
1	Osama bin Omar Fakh	Executive Director of Omar Fakh Development and Investment Company	Vice President of Human Resources and Institutional Affairs for Rabigh Refining and Petrochemical Company	BA in Mathematics from the University of Butland in the United States of America in 1982

9-3 Nomination and Remuneration Committee (continued)

During the financial year (12) meetings were held by the Nomination and Remuneration Committee and the attendance record was according to the following:

Names of the Committee member	Meetings											
	28/01/2020 (1)	17/02/2020	10/06/2020	15/08/2020 (4)	23/08/2020	25/08/2020 (6)	08/10/2020	11/10/2020	27/10/2020	03/11/2020	17/11/2020 (11)	15/12/2020 (12)
Ziad Bassam Al-Bassam	√	√	√	√	√	√						
Ahmed Marzouki	√	√	√	√	√	√	√	√	√	√	√	√
Mohammed bin Siddiq	√	√	√	√	√	√						
Osama bin Omar Fakh							√	√	√	√	√	√
Adel Abdullah Al-Sumum							√	√	√	√	√	√

√ = Attended X = did not attend

The most prominent decisions of the committee during the year 2020 G:

- Recommending the appointment of senior executives in the company.
- Recommending the appointment of a member of the Audit Committee and a member of the Governance Committee.
- Evaluating and assessing the Board of Directors and ensuring their independence.
- Evaluating and assessing of committees emanating from the Board of Directors.

9-4 Investment Committee

The objectives, terms of reference and duties of the Investment Committee consist of, for example, but not limited to:

- Setting the investment policy for the company and ensuring its compliance with the provisions and conditions of the rules and regulations in force, and supervising their implementation.
- Reviewing the investment policy periodically and issuing new recommendations in line with market conditions.
- Approval of attracting and disposing of investments and making decisions regarding investments.
- Monitoring the performance of the company's investments, determining the investment objectives, and developing the necessary plans for that.

The Investment Committee for the current session consists of:

Name	Position	Membership in the Board of Directors
Khaled Saoud Al-Hassan	Chairman of the Investment Committee	Board Member – Executive
Ziad Bassam Al-Bassam	Committee member	Board Member - Non-Executive
Adel Ali Al Sayed	Committee member	From outside the board of directors
Samer Ahmed Saad	Former Committee Member	From outside the board of directors

According to the decision of the Saudi Central Bank dated: 08/26/2020 G to dismiss the financial director from performing his work duties in the company, the Board of Directors decided to satisfy the members present in the committee on: 09/15/2020 G after the company obtained a no objection from the Saudi Central Bank.

Below you will find an overview of the CV of a member of the Investment Committee from outside the Board of Directors:

	Name	Current position	Previous positions & experiences	Qualifications
1	Adel Ali Al Sayed	Board Member - Ali Hassan Al-Sayed & Sons Company	<ul style="list-style-type: none"> • Executive Director in the United Gulf Investment Corporation (Bahrain) from March 2006 to May 2013. • Executive Director and Board Member at Kingdom Holding Company from January 2014 to April 2017 • Member of the Board of Directors of Buruj Cooperative Insurance Company from January 2010 to March 2019. 	PhD in Financial Management from George Washington University, Washington - USA in 1993 G, MA in Engineering Management from the Royal Institute of Engineering, Milwaukee - United States of America in 1989 G, and BA in Civil Engineering from King Fahd University of Petroleum and Minerals, Dhahran in 1982

9-4 Investment Committee (continued)

During the financial year 2020 G, the Investment Committee held four meetings and the attendance record was according to the following:

Name of the committee member	First meeting 30/09/2020	Second meeting 19/07/2020	Third meeting 16/09/2016	Fourth meeting 15/11/2020
Khaled Saoud Al-Hassan	√	√	√	√
Ziad Bassam Al-Bassam	√	√	√	√
Adel Ali Al Sayed	√	√	√	√
Samer Ahmed Saad	√	√		

√ = Attended X = did not attend

The most prominent decisions of the committee during the year 2020 G:

1. Setting the investment policy for the company.
2. Approval of the investment report and operations for the year 2020 G.
3. Approval of attracting some investments.

9-5- Risk Committee

According to the Corporate Governance Regulations issued by the Capital Market Authority and the Saudi Central Bank, the Board of Directors has constituted a risk management committee whose duties include, for example, but not limited to:

- Determine and identify the risks that the company may be exposed to and maintain an acceptable level of risk for the company.
- Supervise the company's risk management system and evaluate its effectiveness.
- Develop a comprehensive risk management strategy and following up on its implementation, reviewing and updating it based on the internal and external variables of the company.
- Review risk management policies.
- Periodically reassess the company's ability to withstand risks and its exposure to them
- Submit detailed reports to the Board of Directors on exposure to risks and suggested steps to manage these risks
- Submit recommendations to the Board on issues related to risk management.

The Risk Management Committee for the current period consists of:

Name	Position	Membership in the Board of Directors
Rafat Attiah Al-Salamoni	Chairman of the Risk Management Committee	Board Member - Non-Executive
Ahmed Jalal Rajab	Committee member	From outside the board of directors
Moawad Hassanein al-Habashi	Former Committee Member	From outside the board of directors
Ziad Bassam Al-Bassam	Currently member of the committee	Board Member - Non-Executive

The Board of Directors decided to reformulate the Risk Committee and appoint Mr. Ziad Bassam Al-Bassam in place of Mr. Moawad Hassanein Al-Habashi on 09/15/2020 G after the company obtained a no-objection from the Saudi Central Bank

Below you will find an overview of the CV of a member of the Risk Committee from outside the Board of Directors:

	Name	Current position	Previous positions & experiences	Qualifications
1	Ahmed Jalal Rajab	Risk Manager for Gulf Insurance Group in Kuwait from 2011 to date	Actuarial - Allianz Insurance Egypt from 2007 to 2011	Bachelor of Science in Actuarial Sciences from Cairo University, Egypt in 2007 International Certified Evaluation Specialist from the International Association of Certified Evaluation Specialists - Middle East, 2014

Name of the committee member	First meeting 26/02/2020	Second meeting 16/08/2020	Third meeting 11/10/2020	Fourth meeting 24/11/2020	Fifth meeting 09/12/2020
Rafat Attiah Al-Salamoni	√	√	√	√	√
Ahmed Jalal Rajab	√	√	√	√	√
Moawad Hassan Al Habashi	√	√			
Ziad Al-Bassam			√	√	√

√ = Attended X = did not attend

The most prominent decisions of the committee during the year 2020 G:

1. Reviewing the risk management policies, in addition to reviewing the department's framework, forms and reports related to it, and the methods of work followed, with identifying some aspects that need development.
2. Follow up on the reports submitted by the Risk Management Department related to deficiencies in the controls and the action plans put in place to reduce their risk.
3. Following up on the high risks facing the company at the internal level, on top of which are the operational risks, including the risks of a shortage of human resources in some of the company's sensitive departments.
4. The committee, in cooperation with the concerned departments, developed a new budget for the company, defined its strategic objectives for the next three years, and submitted it to the Board of Directors for study and approval.
5. Study and examine the notes issued by the Saudi Central Bank to the company and follow up the implementation of the action plans to close it.
6. Reviewing risk indicators that include all types of risks, in line with the statutory requirements and the company's strategy, and the appropriate limits for these indicators.
7. Updating the risk appetite framework policy in line with the indicators approved by the Board of Directors.
8. Creating and implementing an emergency plan to confront the Covid-19 pandemic, and forming a crisis management committee.
9. Signing with a consulting firm to implement the business continuity project.

9-6- Governance Committee

The Board of Directors has constituted and created a Governance Committee to follow up on any issues and updates related to the governance applications issued by each of the Capital Market Authority and the Saudi Central Bank and the Corporate Governance Manual and verify the company's compliance with these rules, review and update them in accordance with the statutory requirements and best practices in addition to keeping the members of the Board of Directors always inconstituted of the developments in This field and its duties include, but are not limited to:

1. Supervising the application of the company's corporate governance manual, evaluating its effectiveness and identifying any deficiencies in it.
2. Making recommendations to the Board of Directors and the Executive Management on issues related to governance.
3. Preparing an annual report for the Board of Directors on the committee's accomplished work and recommendations regarding weaknesses or deficiencies, if any.
4. Sharing the developments in the field of corporate governance and best practices with the Board of Directors

The Governance Committee consists of:

Name	Position	Membership in the Board of Directors
Zain Al-Abdeen Abdullah Barry	Former Chairman of the Committee	Board Member – Independent
Raafat Attiah Al-Salamoëni	Former member of the committee / currently Chairman of the committee	Board Member - Non-Executive
Samer King	Former member of the committee	From outside the board of directors
Adel Abdullah Al-Sumum	Committee member	Board Member – Independent
Maree Saad Habbash	Committee member	From outside the board of directors

According to the decision of the Saudi Central Bank on 08/26/2020 G to dismiss the CEO from performing his duties in the company, the Board of Directors decided to appoint Professor / Rafat Attiah Al-Salamoni as Chairman of the Committee and appoint Mr. Adel Abdullah Al-Samoum instead of Mr. Zain Al-Abdeen Abdullah Barry and appoint Mr. Maree Saad Habbash, in place of Mr. Samer King, on 11/08/2020, after the company obtained a no-objection from the Saudi Central Bank.

Below you will find an overview of the CV of a member of the Governance Committee from outside the Board of Directors:

	Name	Current position	Previous positions & experiences	Qualifications
1	Maree Saad Habbash	Chairman of the Board of the Saudi Governance Association at the Ministry of Education. Director of the Center for Corporate Governance at King Khalid University in Abha.	<ul style="list-style-type: none"> • Dean of Student Affairs and Head of the Accounting Department at King Khalid University • Auditor Assistant at Faruki & Co. • Accountant in the telecommunications company 	<p>PhD in Financial Accounting from the University of Durham in Britain</p> <p>MA in Accounting and Finance from the University of Birmingham, UK</p> <p>Bachelor's degree in Accounting from King Khalid University</p>

9-6- Governance Committee (continued)

During the financial year 2020, the Governance Committee held two meetings and the attendance record was according to the following:

Name of the committee member	First meeting 30/09/2020	Second meeting 19/07/2020
Zain Al-Abdeen Abdullah Barry	√	
Rafat Attiah Al-Salamoni	√	√
Samer King	√	
Adel Abdullah Al-Sumum		√
Maree Saad Habbash		√

√ = Attended X = did not attend

The most prominent decisions of the committee during the year 2020 G:

1. Follow up the implementation of governance, develop its implementation procedures, and develop the necessary solutions to address the gaps in the company.

The means used by the Board of Directors in evaluating its performance and the performance of its committees and members

The Board of Directors was committed to evaluating and assessing the effectiveness of its members, as well as its committees, as the Nomination and Remuneration Committee took into account when designing evaluation models the size of the members' participation and their effectiveness and the impact of their participation on the work of the Board and its subordinate committees.

10- Remuneration for members of the Board of Directors, committees and executive management

10-1 Board members' remuneration

According to Article Nineteen of the Company's Articles of Association and the policies and procedures' manual for remuneration of board and committee members:

The independent members	Adel Abdullah Al-Sumum	Zain Al-Abdeen Abdullah -Bary	Ahmed Mohammed Marzouki
Fixed remuneration			
Remuneration for board meetings attended	30,000 SAR	30,000 SAR	30,000 SAR
Committee meetings attended	13,500 SAR	1,500 SAR	18,000 SAR
In-kind benefits	None	None	None
Amount for technical, administrative or consulting works	None	None	None
Remuneration of chairman, managing director or board of directors' secretary, if he is a member	None	None	None
Total	43,500 SAR	31,500 SAR	48,000 SAR
Variable remuneration			
Share in profits	None	None	None

• periodic remuneration	120,000 SAR	120,000 SAR	120,000 SAR
• Short-term incentive plans	None	None	None
• Long-term incentive plans	None	None	None
• Shares granted	None	None	None
Total	120,000 SAR	120,000 SAR	120,000 SAR
End of service award	None	None	None
total	163,500 SAR	151,500 SAR	168,000 SAR
Expense allowance	5,500 SAR	None	None

10-2 Non-executive members remuneration

Non-executive members	Yasser Naghi	Ziad Al-Bassam	Raafat Al-Salamoni
Fixed remuneration			
Remuneration for board meetings attended	30.000 SAR	30.000 SAR	30.000 SAR
Committee meetings attended	6000 SAR	19500 SAR	10500 SAR
In-kind benefits	None	None	None
Amount for technical, administrative or consulting works	None	None	None
Remuneration of chairman, managing director or board of directors' secretary, if he is a member	180000 SAR	None	None
Total	36,000 SAR	48,500 SAR	40,500 SAR
Variable remuneration			
Share in profits	None	None	None
• periodic remuneration	None	120,000 SAR	120,000 SAR
• Short-term incentive plans	None	None	None
• Long-term incentive plans	None	None	None
• Shares granted	None	None	None
Total	-	120,000 SAR	120,000 SAR
End of service award	None	None	None
total	216,000 SAR	169,500 SAR	160,500 SAR
Expense allowance		None	None

10-3 Executive member remuneration

Non-executive members	Khaled Al-Hassan
Fixed remuneration	
Remuneration for board meetings attended	27,000 SAR
Committee meetings attended	12,000 SAR

In-kind benefits	None
Amount for technical, administrative or consulting works	240,000 SAR
Remuneration of chairman, managing director or board of directors' secretary, if he is a member	120,000 SAR
Total	390,000 SAR
Variable remuneration	
Share in profits	None
• periodic remuneration	None
• Short-term incentive plans	None
• Long-term incentive plans	None
• Shares granted	None
Total	-
End of service award	None
total	399,000
Expense allowance	

10-2 Senior Executive Remuneration

Name	Fixed remuneration (rewards)				Variable remuneration (rewards)							Indemnity End of service award	Total remuneration for the board executives	Total sum
	Salaries	Allowances	In-kind	Total	Periodic profits	Short-term incentive	Long-term incentive	Granted	Total					
Samer Fayed King	1,106,750	276,688	Car from the company	1,383,438	285,000	None	None	None	None	285,000	131,940	None	1,800,378	
Samer Ahmed Saad	493,000	176,750	None	669,750	112,000	None	None	None	None	112,000	170,320	None	952,070	
Khaled Abu Shaar	371,200	129,920	None	501,120	64,000	None	None	None	None	64,000	43,318	None	608,438	
Munther Al-Ghanim	387,440	135,604	None	523,044	33,400	None	None	None	None	33,400	22,606	None	579,050	
Sayed Riad Radawi	265,315	97,686	None	363,001	23,500	None	None	None	None	23,500	32,164	None	418,665	
Total	2,623,706	816,648		3,440,353	517,900					517,900	400,349	None	4,358,602	

10-3 Remuneration of committee members

The remuneration of the committee members was calculated in proportion to the number of days during the year as follows:

#	Committees	Effective date of the reconstitution of the committees	The period in which the remuneration of the members of the committees were calculated after formation	The period in which the fees remuneration of the members of the committees were calculated before reconstitution
1	Members of the Audit Committee*	21/12/2020	From 21/12/2020 to 31/12/2020	From 01/01/2020 to 26/08/2020
2	Members of the Remuneration and Nomination Committee	04/10/2020	From 04/10/2020 to 31/12/2020	From 01/01/2020 to 26/08/2020
3	Members of the Risk Committee	04/10/2020	From 04/10/2020 to 31/12/2020	From 01/01/2020 to 03/10/2020
4	Members of the Investment Committee	04/10/2020	From 04/10/2020 to 31/12/2020	From 01/01/2020 to 03/10/2020
5	Members of the Governance Committee	21/12/2020	From 21/12/2020 to 31/12/2020	From 01/01/2020 to 20/12/2020
6	Members of Executive Committee	04/10/2020	From 04/10/2020 to 31/12/2020	From 01/01/2020 to 03/10/2020

* No fees recognized for the members of the audit committee after reconstitution as no meeting took place.

The table below shows the remuneration of the members of the committees for the current session of the board that is decided to be paid for the year 2020 after the approval of the next General Assembly, and the attendance allowances for the members of the committees for the current session, for the committee meetings for the financial year 2020 G:

Reconstituted Committees	Fixed remuneration (excluding the meetings attending allowance)	Meetings attending allowance	Total
Members of Audit Committee:			
1- Abdul Rahman Khalid al-Sultan	None	None	None
2- Zain Al-Abdeen Abdullah Berri Barry	None	None	None
3- Mieshaal Abdul-Mohsen Al-	None	None	None

Suleiman			
Total	None	None	None
Members of the Remuneration and Nomination Committee:			
1- Adel Abdullah Al-Sumum	7,258 SAR	9,000 SAR	16,258 SAR
2- Ahmed Mohammad Marzouki	7,258 SAR	9,000 SAR	16,258 SAR
3- Osama bin Omar Fakhri	7,258 SAR	9,000 SAR	16,258 SAR
Total	21,774 SAR	27,000 SAR	48,774 SAR
Members of the Risk Committee			
1- Rafat Al-Salamoni	7,258 SAR	4,500 SAR	11,758 SAR
2- Ahmed Jalal Rajab	7,258 SAR	4,500 SAR	11,758 SAR
3- Ziad Bassam Al-Bassam	7,258 SAR	4,500 SAR	11,758 SAR
Total	21,774 SAR	13,500 SAR	35,274 SAR
Members of the Investment Committee			
1- Khaled Saoud Al-Hassan	11,250 SAR	1,500 SAR	12,750 SAR
2- Ziad Bassam Al-Bassam	11,250 SAR	1,500 SAR	12,750 SAR
3- Adel Ali Al-Sayed	11,250 SAR	1,500 SAR	12,750 SAR
Total	33,750 SAR	4,500 SAR	38,250 SAR
Members of the Governance Committee			
1- Raafat Attiah Al-Salamoni	806 SAR	1,500 SAR	2,306 SAR
2- Adel Abdullah Al-Sumum	806 SAR	1,500 SAR	2,306 SAR
3- Mary Saad Habbash	806 SAR	1,500 SAR	2,306 SAR
Total	2,418 SAR	4,500 SAR	6,918 SAR
Members of Executive Committee			
1- Yasser Youssef Naghi	7,258 SAR	None	7,258 SAR
2- Khaled Saoud Al-Hassan	7,258 SAR	None	7,258 SAR
3- Ahmed Mohammed Marzouki	None	None	None
Total	14,516 SAR	None	14,516 SAR

Committees before Reconstitution	Fixed remuneration (rewards) (except for the allowance for attending sessions)	Allowance for attending council sessions	Total
Members of Audit Committee:			
1- Adel Abdullah Al-Sumum	39,194 SAR	3,000 SAR	42,194 SAR

2 - Ibrahim Al-Alwan	39,194 SAR	3,000 SAR	42,194 SAR
Total	78,388 SAR	6,000 SAR	84,388 SAR
Members of the Remuneration and Nomination Committee			
1- Ziad Bassam Muhammad Al-Bassam	19,597 SAR	9,000 SAR	28,597 SAR
2- Ahmed Mohammad Marzouki	19,597 SAR	9,000 SAR	28,597 SAR
3- Muhammad Mustafa bin Siddiq	19,597 SAR	9,000 SAR	28,597 SAR
Total	58,791 SAR	27,000 SAR	85,791 SAR
Members of Risk Committee:			
1- Rafat Al-Salamoni	22,742 SAR	3,000 SAR	25,742 SAR
2- Ahmed Rajab	22,742 SAR	3,000 SAR	25,742 SAR
3- Moawad Hassan Al Habashi	22,742 SAR	3,000 SAR	25,742 SAR
Total	68,226 SAR	9,000 SAR	77,226 SAR
Members of the Investment Committee			
1- Khaled Saoud Al-Hassan	33,750 SAR	4,500 SAR	38,250 SAR
2- Ziad Bassam Al-Bassam	33,750 SAR	4,500 SAR	38,250 SAR
3- Adel Ali Al-Sayed	33,750 SAR	4,500 SAR	38,250 SAR
4- Samer Ahmed Saad	29,395 SAR	3,000 SAR	32,395 SAR
Total	130,645 SAR	16,500 SAR	147,145 SAR
Members of the Governance Committee			
1- Zain Al-Abdeen Abdullah Barry	29,194 SAR	1,500 SAR	30,694 SAR
2- Rafat Attiah Al-Salamoni	29,194 SAR	1,500 SAR	30,694 SAR
3- Samer King	19,596 SAR	1,500 SAR	21,096 SAR
Total	77,984 SAR	4,500 SAR	82,484 SAR
Members of Executive Committee			
1- Yasser Youssef Naghi	22,742 SAR	6,000 SAR	28,742 SAR
2- Khaled Saoud Al-Hassan	22,742 SAR	6,000 SAR	28,742 SAR
3- Samer King	19,596 SAR	3,000 SAR	22,596 SAR
Total	65,080 SAR	15,000 SAR	80,080 SAR

10-4: There is no plans or agreement under which a member of the Board of Directors or a senior executive in the company waived any remuneration.

10-5: There is no fundamental deviation between the remuneration granted and what is specified and stated in Article 19 of the Company's Articles of Association and the policies and procedures' manual for members of the Board of Directors and committees.

11- The company's capital, shares and debt instruments

11-1 The authorized and issued capital of the company is 300,000,000 (three hundred million) Saudi riyals as of 12/31/2020, divided into 30,000,000 (thirty million) shares of equal value, each of which is worth ten Saudi riyals.

11-2: During the financial fiscal year 2020 €:

11-2-1: The Company did not borrow during the year 2020 € and therefore the company declares that there are no loans on it.

11-2-2: During the financial year 2020 €, the company did not issue nor grant any convertible debt instruments, any contractual securities, warrants-or similar rights.

11-2-3: During the financial year 2020 G, the company did not issue nor grant any transfer or subscription rights under convertible debt instruments, contractual securities, warrants or similar rights.

11-2-4: There is no redemption, purchase or cancellation by the company of any redeemable debt instruments or the amount of such securities outstanding
11-2-5: There are no shares and debt instruments issued by a subsidiary company, as the company does not own any subsidiary companies.

11-2-6: There are no other investments or reserves created for the benefit of the company's employees.

11-2-7: There was no interest in the class of voting shares belonging to persons (other than the company's board of directors, senior executives and their relatives) notified the company of such rights under Article forty-five of the registration and listing rules; and any change in those rights during the recent financial year

Details of the company's community contributions

- The company's contribution of an amount of 500,000 riyals on 04/19/2020 to support the Health Endowment Fund in support of government efforts and the Ministry of Health in combating Corona virus.
- The company's contribution of 25,000 on 06/21/2020 to support the Disabled Children's Association in return for participating in the Children's Drawings and Creativity Program.

12 - Legal Statements and Additional Information

12-1 The Board of Directors declares that the accounting records have been prepared in the correct manner.

12-2 The Board of Directors declares that the internal control system has been prepared on a sound basis and has been effectively implemented.

12-3 The Board of Directors declares that there are no doubts regarding the ability of the company to continue its activities.

12-4 The Board of Directors declares that during the financial year 2020, there was no contract in which the company, a member of its board of directors, its CEO and CFO has waived any material interest with the exception of what was mentioned in the paragraph (8-4) from the report of the Board of Directors.

12-5 The Audit Committee submitted its recommendation regarding the appointment of external auditors from among the candidates for the financial year 2020 to the General Assembly meeting after presenting it to the Board of Directors. Messrs PKF Al-Bassam and Al-Sayyed Al-Ayyouty & Co. were appointed as external auditors for the financial year 2020 and the first quarter of the year 2021. The Board of Directors has not issued any recommendation to change the external auditor before the end of the designated period

12-6: The external auditors' report did not include any reservations about the annual financial statements for the year 2020.

12-7: There is no arrangement or agreement under which a shareholder of the company waived rights in profits.

12-8: During the financial year 2020, there was no penalty, sanction or reserve restriction imposed on the company by the Capital Market Authority or any judicial authority.

As for the fines of the supervisory or regulatory authorities, they are as follows:

Punishment / penalty / precautionary action / precautionary entry	Reasons for the violation	Party of imposing the violation	Ways to treat it and avoid repetition
120,000 SAR	A fine for delay in submitting the pricing adequacy report for the first half of 2019, a fine for not submitting motor the pricing report for the year 2019 and a fine for not submitting the underwriting manual for the year 2019.	Saudi Central Bank	The fine was paid, and a corrective plan was developed to address the causes of the fine
20,000 SAR	A fine for non-compliance with the precautionary	Saudi Central Bank	The fine was paid, and stricter procedures were

	measures to combat the spread of the Covid-19		put in place to comply
420,000 SAR	Concerning the violation of the provisions of the Anti-Money Laundering Law and the Cooperative Insurance Companies Control Law	Saudi Central Bank	The fine was paid, and a corrective plan was developed to address the causes of the fine

12-9: During the financial year 2020, the Board of Directors did not receive any suggestions and notes from shareholders regarding the company and its performance, and therefore it did not take any measures in this regard to inform its members about it - especially non-executives.

12:10: The Company does not have treasury shares held

13- Results of the annual review of the effectiveness of the company's internal control procedures

13-1 The annual work plans are prepared by the internal control departments and are discussed and approved by the audit committee, which directly supervises all audit and internal control work, including the annual review of the effectiveness of the company's internal control system procedures, as the committee considered that the internal control system in the company needs continuous development and follow-up to improve its efficiency and effectiveness and the continuous updating of the company's policies and procedures to conform with the nature of the company's activity and business and to be in line with developments, and accordingly the committee recommended the preparation of a corrective plan that will review it and follow up its implementation during the year 2021 G.

13-2 During the year 2020 G, there was no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors.

14- Articles of the Corporate Governance Regulations

The company has applied all articles of the insurance corporate governance regulation issued by the Capital Market Authority with the exception of the articles listed below:

No. of article/paragraph	Wording of the article / paragraph	Reasons for non-implementation
Article Fifty-Four / Paragraph (A)	An audit committee shall be formed by a resolution of the Company's Ordinary General Assembly, and the members of the audit committee shall be from the shareholders or others, provided that at least one of its members is an Independent Director and that no Executive Director is among its members. The number of the members of the audit committee shall not be less than three or more than five, provided that one of its member is specialised in finance and accounting.	At the end of the year 2019, the number of committee members was two, due to the resignation of Mr. Al-Dabbagh on 11/12/2019 and the Board of Directors decided to appoint Mr. Abdulrahman Khaled Al-Sultan to replace him On 08/26/2020, the decision has been issued by the Saudi Central Bank to withdraw the NOC to appoint the Chairman of the Committee, Mr. Adel Abdullah Al-Sumum, and on 10/27/2020 ;Mr. Ibrahim Alwan submitted his resignation from the membership of the Audit Committee On 12/03/2020, the Board of Directors decided to appoint Dr. Zain Al-Abdeen Barry and Mr. Mishaal Abdul-Mohsen Al-Suleiman. to complete the legal quorum with Mr. Abdulrahman Al-Sultan, Chairman of the Committee.
Article Fifty-Four / Paragraph (A)	The Chairman of the Audit Committee shall be an independent member.	Guidance Article
Article 85 /	The Company shall establish programmes for developing and encouraging the participation and performance of the Company's employees. The programmes shall particularly include the following:	

<p>Paragraph 2 and 3 (Employee incentives)</p>	<p>2) establishing a scheme for granting Company shares or a percentage of the Company profits and pension programmes for employees, and setting up an independent fund for such programme; and 3) establishing social organisations for the benefit of the Company's employees.</p>	<p>Guidance Article</p>
<p>Article Eighty-seven (Social responsibility)</p>	<p>The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.</p>	<p>Guidance Article</p>
<p>Article Eighty-eight (Social Work Initiatives)</p>	<p>The Board shall establish programmes and determine the necessary methods for proposing social initiatives by the Company, which include: 1) establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities; 2) disclosing the objectives of the Company's social responsibility to its employees and raising their awareness and knowledge of social responsibility; 3) disclosing plans for achieving social responsibility in the periodical reports on the activities of the Company's; and 4) establishing awareness programmes to the community to familiarise them with the Company's social responsibility.</p>	<p>Guidance Article</p>

15 - Conclusion

The Board of Directors expresses its sincere gratitude and appreciation to the customers of the company and all the honorable shareholders for their invaluable confidence. In addition, the Board is pleased to send its sincere thanks and appreciation to the management of the company and its employees for their sincere efforts during the year.

Thank you
Board of Directors