

Board of Directors' Report for 2020

Introduction

The Board of Directors (BOD) of The Company for Cooperative Insurance (Tawuniya) is pleased to present the 34th annual report to our shareholders, comprising of the Company's most significant plans, decisions, operational activities, along with the most important achievements and financial results in addition to information about the BOD and its committees and disclosures according to the laws, regulations and other complementary information aiming to meet the needs of shareholders.

1. Covid-19 Crisis and Impact on Insurance Industry

In 2020, the novel Coronavirus disease (Covid-19) swept across the world, leaving more than 80 million infections and nearly 2 million deaths. The effects of this virus were not limited to the economies that sustained heavy losses, but they also extended to affect people's lives, health, jobs, education, social life and financial position. Insurance companies, like other economic sectors, were not immune to these effects. They faced many challenges related to exercising their activities, managing their operations, providing service to their customers, and facing cyber threats and risks and the ability of their information infrastructure to implement millions of transactions remotely with the same speed, accuracy, and security that they used to perform under normal circumstances.

The coronavirus pandemic has forced insurance companies to expand their use of digital transformation programs to sell insurance products, issue quotations, serve customers, facilitate claims management and medical approvals, demonstrate greater flexibility in renewing policies and provide credit facilities to customers to help them pay their premiums. Customers in various sectors have faced great difficulties in maintaining their income rates during the coronavirus crisis.

There were positive indicators in the performance of some insurance products such as medical and motor insurance that witnessed a remarkable decline in losses due to the decreased volume of incurred claims. On the other hand, other programs faced great difficulties such as travel insurance, visitor insurance and Hajj and Umrah insurance, which have completely stopped for long periods of the year, as well as insurance products provided to small and medium enterprises (SMEs), which were the most affected economic sector. At the same time, there was increasing importance of other insurance programs, such as protection and savings insurance, due to the increased risk of infection and death, as well as home insurance, because people transformed their houses into centers for managing their own work remotely, which required greater reliance on audio and video communication technologies to do work, hold meetings and organize events.

The coronavirus crisis also affected cash flows, which caused insurance companies to face a challenge related to liquidity management in light of the inability of many major customers to pay their premiums, as well as the decline in the performance of investment portfolios.

The regulatory authorities played a major role in managing the crisis, worked closely with insurance companies and provided the regulatory facilities that support insurance companies on the one hand and preserve the rights and safety of customers on the other hand.

Tawuniya has demonstrated outstanding capabilities in business management during the crisis and has proven its digital transformation strategy that it began three years ago to provide full support for remote operation management relying on a robust, advanced and secure information infrastructure. The human capital in the company and the great commitment that the employees demonstrated during the work-from-home period had the decisive role in successfully passing that stage and delivering the service to customers with the highest standard of usual quality, which was reflected in the overall financial results of the company during 2020.

During the coronavirus crisis, our clients realized the value of partnership with Tawuniya as a pioneering company in the Saudi insurance sector. They benefited from the various initiatives implemented by the company to help them overcome the crisis. Tawuniya has extended the motor insurance coverage for an additional period for free, extended the use of the Dawae service for a period of 6 months instead of 3 months, and established mobile clinics to check customers before the lockdown, and provide health care services remotely (telemedicine).

In addition, the company allowed work in a number of sales branches in several cities to serve customers during the lockdown, facilitate the sale of products and submitting claims electronically; equipped its call center to work around the clock; and implemented continuous customer awareness boosting programs and campaigns such as Be Smart Campaign, initiatives to support national efforts to combat the coronavirus, as well as initiatives to support and protect the company's employees and facilitate their work during the crisis.

2. Tawuniya... 35 Years of Leadership

In 2020, Tawuniya Insurance Company marked its 35th anniversary as the first licensed Saudi insurance company. It was established in Riyadh, Kingdom of Saudi Arabia, by Royal Decree No. M/5, and was registered as a Saudi joint stock company on 8th of Jumada al Awwal 1406 AH (corresponding to 18th January 1986 G) with Commercial Registration No. 1010061695.

On 1st of December 2004 G (corresponding to 18th of Shawwal 1425 AH), the Saudi Central Bank (previously known as Saudi Arabian Monetary Authority (SAMA)), as the principal authority responsible for the application and administration of the Insurance Law and its implementing regulations, granted the company a license to transact insurance activities in the Kingdom of Saudi Arabia.

The principal lines of business of Tawuniya include medical, motor, marine, fire, engineering, energy, aviation, Takaful and casualty insurance as well as many other types

of insurance out of more than 60 insurance classes. The issued and paid-up capital of the Company is 1,250 million Saudi riyals.

3. Important Decisions of the Company in 2020

- Elected and appointed BOD members for the current three-year tenure that began on 26/03/2020; appointed Board Member Mr. Abdulaziz bin Ibrahim Al-Nuwaier as Board Chairman; and formed the Board committees.
- Restructured the audit committee and defined its tasks, terms of reference, and members' remuneration for the current tenure that started on 03/05/2020.
- Launched "Tawuniya Vitality" program for the first time in the Kingdom, the Middle East and North Africa; to activate the shared value concept of medical insurance products and achieve the balance between individual's health and the cost of health care. It is expected to have a positive impact on boosting the quality of health services provided to clients, improving their quality of life and physical fitness, enhancing the company's brand and supporting financial performance.
- Enhanced the efforts of the Ministry of Health with an amount of SAR 22 million to support national efforts to combat the coronavirus and established 21 "Taakad" (make sure) centers for Covid-19 drive-through tests.
- Took appropriate precautionary measures to ensure the safety of Tawuniya employees from the repercussions of Covid-19.
- Designed completely new products in the motor insurance market to meet customers' needs and improve the level of services delivered to them.
- Launched a number of value-added services in medical and motor insurance, broadening the base of customers and achieving their satisfaction.
- Successfully launched the new Umrah Insurance Program, which would have a positive impact on the future of the Tawuniya business and the Saudi insurance sector.
- Developed new partnerships with a number of finance leasing service providers.
- Improved customers' experience with Tawuniya by conducting a number of opinion polls to identify areas of improvement in the services delivered. This has boosted the level of customer satisfaction to a higher rate than the global average of the financial sector.
- Improved the governance of project implementation to boost work efficiency and ensure speedy completion.
- Appointed PricewaterhouseCoopers, (PwC) and KPMG Al Fozan and Partners as the company's auditors for 2020.
- Amended the governance regulations; amended the remuneration and compensation policy for BOD and committees' members; amended some articles of the Company's Articles of Association; and approved these amendments by the General Assembly held on 3/5/2020 G.

4. Future Prospects for the Company's Business

Tawuniya expects to achieve a positive improvement in managing its business based on the following factors:

- Tawuniya continues to improve the quality of life, enhance and boost the insured awareness of risks by implementing several programs such as "Tawuniya Vitality" program and "Drive" program.
- Tawuniya closely examines the changes and developments in the markets caused by the effects of the coronavirus pandemic and the drop in oil prices and takes appropriate proactive measures.
- Tawuniya has won a number of important new contracts, supporting the long-term partnership.
- Tawuniya invests in future programs as a part of transformation to enhance technology platforms, processes, and people's capabilities.
- Tawuniya expands in the western region to increase its market share, especially in corporate and SMEs sectors, in line with state projects in the west of the Kingdom, and to achieve balance in Tawuniya portfolio and to be more profitability.
- Tawuniya invests in developing the capabilities of its employees and improving their skills which lead to increasing the company's customer centricity and boosting the company's performance excellence.
- Tawuniya updates its strategy and operating model to keep pace with the changes in the market.

Tawuniya is developing its strategy for the next five years and exploring opportunities for non-traditional expansion in the market due to the rapid changes, and the presence of instrumental internal and external factors that require attention by conducting a number of studies, research and careful analysis to seize the appropriate opportunities and face the expected challenges with effective solutions. There is no doubt that this will support the growth of Tawuniya business, strengthen its position in the market, and further support its digital transformation.

The company expects that the new strategy will contribute to improving the quality of profits, and meet the customers' needs by launching a package of innovative products and distinctive services, launching new ambitious initiatives in harmony with the future aspirations of Tawuniya. The Company is also implementing a clear and applicable work plan, enhancing the integration of employees, developing their capabilities, refining their skills, and supporting diversity and inclusion, thus creating an attractive work environment that stimulates productivity and competition and advancing our business and boosting our efficient performance.

5. The Company's Operating Activities during 2020

A. Medical and Takaful Insurance

The company launched its new and innovative program “Tawuniya Vitality”, for the first time in the KSA and the MENA in cooperation with our global partner, Vitality Group. This program is the first of its kind in activating the shared value of medical insurance. Individuals, corporates, and the society will benefit from the program, which will achieve balance between individual's health and the cost of health care.

The Tawuniya Vitality program works according to scientific foundations and proven practical experiments conducted in 25 markets around the world. The program has succeeded in enabling participants to change their behavior by adopting better health habits, which enhances job performance, improves the work environment in general and reduces annual absenteeism and hospital admission rates. It is reducing health care issuing unique periodic reports on the health of program members.

To enhance the company's analytics and fraud control capabilities in the medical insurance sector, Tawuniya signed an agreement with SAS, the leading analytics company. Under this partnership, SAS will provide a comprehensive system for controlling fraud cases in all health insurance programs that will lead to speed the claims settlement process. Through the use of advanced analytics, Tawuniya will be able to benefit from SAS predictive analytics to detect suspicious cases and behaviors and reduce the volume of fraudulent claims, especially in light of the growing fears of fraud and deception.

During 2020, the company launched a package of value-added health services for medical insurance clients under the “Taj” umbrella, which contributes to developing and facilitating the provision of medical services and will have a positive impact on boosting the level of customer service. These services included: chronic disease management program, pregnancy follow-up program, telemedicine, and many other services.

The company's medical insurance division succeeded in improving the quality of claim processes by boosting the percentage of electronic claims by 95% compared to the previous year. The medical team is working to achieve higher rates of electronic claims in the coming year. The company obtained regulatory approvals from the Saudi Central Bank for new products in the micro-Takaful and Takaful-related medical insurance and launched a program to qualify employees and boost the efficiency of medical underwriting management.

B. Motor Insurance

After signing an agreement with the "Vitality Group" to present the distinctive program "Tawuniya Drive" for the first time in the Kingdom, the motor insurance division has successfully completed the pilot launch of the program. The official launch is expected to take place during the first quarter of 2021. The program contributes to improving driving behavior, reducing vehicle accidents and rewarding rules-compliant drivers.

This will be reflected in the motor insurance business in Tawuniya, as it reduces the loss ratio, improves customer retention ratio, and attracts new motor insurance business by enhancing customer engagement and improving their personal experience. The Drive program will also evaluate drivers' abilities and behavioral patterns and allow the creation of other insurance products.

The motor insurance division directed its efforts during 2020 towards increasing the high value of individual and non-individual motor insurance customers and launched a unique loyalty program that includes value-added and distinctive services for motor insurance customers after the application of individual motor insurance customer segmentation program. The company also designed the (Motor Flex), program which allows customers of Motor Third Party Liability Insurance to choose any of 10 additional covers including fire, theft and other coverages specified in the program.

In 2020, the company also witnessed the development of motor insurance products and services, including introduction of a comprehensive insurance program for financial leasing cars for individuals, activating insurance using electronic cards for uninsured vehicles as of September 2020. The Company developed an electronic claim submission service and provided risk management service to non-individual customers as well as implementing a new methodology for pricing motor insurance programs for individuals. The company has also reviewed and improved the efficiency of insurance procedures, redefined and analyzed internal tasks and functions, and improved workforce skills.

C. Property and Casualty Insurance

Tawuniya continued to provide its support to property and casualty sector clients despite the challenges of Covid-19, as we hosted 4 risk management webinars to our clients, and the Saudi insurance market as well. These webinars covered different industries, such as the pharmaceutical, healthcare, construction and cement sectors. At the same time, Tawuniya extended the value-added services to a number of our customers. Those services include; review of firefighting system, thermographic images and process safety. In addition, the company provided travel insurance customers with a new smart travel delay service that allows them to be hosted in the VIP lounge in the event that the flight is delayed for more than an hour. To improve operational processes in the property and casualty sector, the online system for marine cargo insurance certificates was launched, and the table of retention for property and engineering insurances was revised, modified, and upgraded. The property and casualty sector succeeded in organizing a seminar for all brokers on the financial line insurance, developing a risk appetite matrix, launching new insurance products, the most important of which are flight delay compensation insurance, fire residential insurance, and GCC & domestic travel cover. The company is currently taking the necessary measures to develop other insurance programs.

In the year 2020, the company initiated a reinsurance consultancy project to review our current portfolio in order to maximize our profits. Tawuniya managed to renew the reinsurance program with better credit rating reinsurer despite the unprecedented times that impacted the reinsurance market capacity and appetite.

The company signed new Flight Delay Quota Share Treaty with AA- rated reinsurers.

D. Sales and Customer Segments

- **Corporate and Key Accounts Sales**

The corporate and key account sales division has carried out many activities that increase the value of Tawuniya's insurance programs and strengthen relationships with major clients. These activities included sharing a package of value-added services with customers, organizing 77 events for Tawuniya Health Zone program, and providing home service to screen for Coronavirus for about 400 key account employees and their families. The Vitality Tawuniya Program was launched for all corporate and key account clients. The Company has succeeded in renewing insurance contracts with major clients such as Saudi Airlines, and the general insurance contract for SABIC. The Company has attracted a number of new contracts, such as the medical insurance contract with Al-Rajhi Bank and its subsidiaries. These activities led to a 53% growth in sales of the Medical Insurance new business in the corporate and key accounts segment.

- **Small and Medium Enterprises (SMEs) Sales**

The SMEs sales division succeeded in increasing its business volume by 13% compared to 2019. This came after the division undertook the improvement of medical insurance products in line with the customers' needs and allowed all SME customers to benefit from the Tawuniya Vitality Program. SME division also created a dedicated operations team for intermediaries, as well as the development of the internal operations team, which contributed to shortening the time of issuing insurance quotations by 90% compared to 2019.

To boost the productivity and efficiency of sales operations, the SME sales division has taken several procedures and initiatives. These were aimed at giving agents higher powers to sell, enrolling all male & female marketers in training courses at Tawuniya Sales Academy, and developing proposal forms and quotations to make them clearer and easier for the customer and compliant with the rules and regulations. SME initiatives also include creation of a customer relations team and renewals for all sales channels in all regional offices, intensifying and activating field visits to clients, brokers and agents in order to develop and maintain the relationship with them, increase the selling opportunities and provide discounts on motor and medical insurance products.

The SME sale division has also taken several measures to improve the level of customer service. It has developed online sale services and value-added medical services, such as the "Dawaee" and telemedicine services. The motor comprehensive and third-party insurance application form has also been standardized, and the insurance application form was merged with the "Know Your Customer" form. The electronic payment for motor insurance customers was upgraded through SADAD, in addition to linking it to the "Thiqa" system for the purpose of facilitating information acquisition and matching. The networks of medical service providers were increased, and a specialized team was formed to take care of the complaints of SME customers.

- **Retail Sales and E-commerce**

The Retail sales and e-commerce sector interacted with the conditions of the COVID-19 pandemic, which imposed a total and partial lockdown and remote work. In response, the sector intensified sales operations through the online store, call center and insurance agents. In this context, the online store and insurance platforms for brokers have been developed by providing additional coverage on Retail insurance products, while enabling customers to pay for Retail insurance policies with Mada and American Express cards through the online store in addition to Visa and MasterCard payments. The company has signed an agreement with the "Egelha" platform and the "Wakeel" platform to be added to the existing platforms. To support customers under these exceptional circumstances, the company extended motor insurance policies for 16 days at the onset of the Corona crisis in March 2020 G, and also extended motor insurance policies for a period of two months from mid-May 2020, in compliance with the instructions of the Saudi Central Bank.

To boost the retail sales, the company implemented several initiatives and marketing campaigns. It created several new products and services, most notably the launch of a comprehensive insurance product for financially leased vehicles for individuals, linking successfully with more than 10 financing agencies, and launching an advertising campaign during the month of June. The campaign has had a positive impact on the sales performance of new vehicles. The company has made development to the motor third-party insurance product by adding insurance coverage packages, improving the quality of sales services delivered to customers. It has also launched Al-Fursan program in cooperation with Saudi Arabian Airlines to enable Tawuniya customers to obtain free additional miles. The promotion code has been activated through the online store, enabling branches and tele sales to send a payment link (which supports all types of cards) to the customers for issuing and renewing individual insurance policies. In addition, the company opened 4 new sales offices at the cities of Riyadh, Jeddah and Hail. It also developed a new mechanism to reduce money laundering and counter terrorism risks that may result from sales

services, in cooperation with the Compliance Department and in compliance with relevant laws and regulations.

E. Marketing and Communication

Under the slogan "Your Health... Your Game", Tawuniya carried out a successful marketing campaign in all media, using a variety of promotional materials, to launch the "Tawuniya Vitality Program" for the first time in the Kingdom and the Middle East. The Saudi community responded to that campaign very positively, as the campaign's launch video generated more than 12 million views at twitter. In the wake of that campaign, the company organized a series of events at the headquarters of key clients to introduce the program and encourage their employees to enroll and avail of Tawuniya Vitality health benefits.

In response to community efforts to confront the Covid-19, the company organized an awareness campaign on digital media channels and social media under the slogan "Be Smarter", in which the players of our partner, Al Hilal Saudi Club, participated. A large segment of citizens and residents responded to the campaign. In addition, the company implemented a set of media campaigns in synchronization with the launch of its initiatives to support national efforts to confront the Covid-19. These included donating an amount of SAR 22 million to support the efforts of the Ministry of Health, establishing 21 "Taakad" centers, launching "telemedicine" and "A doctor on the phone" services, and extending motor insurance coverage as well as other activities supporting the company's customers and the "Get Insured...Be Safe" campaign. Several virtual workshops were also organized for e-learning, self-development, and risk management in different economic sectors.

Internal communication played an active role during the Corona crisis. Health awareness campaigns were launched and employees were linked to each other during the work-from-home period. This was made by publishing many of announcements, circulars, tips, e-learning programs; organizing various interactive activities and competitions, self-development and healthy eating workshops, and activating the internal display system. In addition, an online bazaar for employees was successfully organized, a virtual meeting between the CEO and employees was held, and the annual celebration event was organized in the head office using giant screens distributed in all floors to comply with social distancing and to achieve the highest levels of turnout.

The company also launched a series of marketing campaigns to stimulate sales. The campaigns were related to several occasions, such as the National Day offer. The company also launched a 15% discount offer as part of its efforts to keep pace with the "Get Insured... Be Safe" campaign at the direction of the Saudi Central Bank. The company also organized several campaigns to promote the motor vehicle periodic inspection service and roadside assistance service, in addition to the End-of-Year Offers campaign for retail insurances. The company has also succeeded in activating its contract with Al Hilal Club through a number of marketing and awareness activities to

serve customers and society despite the circumstances of the sports stoppage and the non- attendance of fans during matches after the resumption of activity.

In order to enhance and improve the customer experience, the company implemented the 7B project, which aims to assess and map the current experience of various customer segments (individuals - SMEs - Corporate and key accounts). Based on this assessment, golden standard journeys for customers with Tawuniya was defined and gap analysis was conducted, coming up with service level agreements and key performance indicators to achieve those journeys.

The Research and Innovation Department conducted more than 20 research projects in 2020, to measure the satisfaction index for all business sectors and units, test concepts related to new product ideas, measure the effectiveness and outcomes of new campaigns, learn about consumer's journey, and examine the impact of the novel Coronavirus on the insurance industry and business sectors in general, exploring the general lifestyle habits in the Kingdom of Saudi Arabia and evaluate the medical service provided by Tawuniya to clients, as well as evaluating the "Tawuniya Vitality Program" with companies and with clients.

F. Customer Service

The customer service sector in Tawuniya played a vital role during the Coronavirus pandemic, and the call center agents succeeded in assuming a great responsibility to deliver service to customers around the clock after the Corona challenges imposed full reliance on communication channels and digital platforms. This sector had a distinguished role in supporting national efforts to overcome the Corona crisis and implementing the initiative to support the Ministry of Health's call center by operating 160 sources to answer calls for medical consultations and services provided by the Ministry of Health. In order to boost the level of quality of service offered to customers and to focus efforts and direct them towards meeting their expectations, the Voice of Customer initiative was launched in medical, motor and customer services, providing reports to highlight customer concerns and observations, and then ensuring faster service and better customer promise, while linking customer satisfaction with the evaluation of the performance of service officials whose skills have been enhanced by implementing a new customer service training program.

G. Human Capital Activities

As part of Tawuniya policy for developing human capital as one of the main enablers of the company's strategy, the human capital division implemented a comprehensive and advanced training program during 2020 attended by more than 1000 employees. The program included a number of training courses in administrative and technical fields with international and local bodies. Among the most prominent of these programs was the launch of a customer-centric program in cooperation with the world leader (IMD) to develop the company's leaders. Also, the underwriter qualification

program was launched to boost the professional level and the efficiency of employees who are working in the field of insurance underwriting. In addition, a contract was signed with (Skill Soft) to activate the e-learning platform and to provide various management and leadership programs. In addition, more than 150 IFCE exams were held by the company's employees, and a group of employees obtained professional certificates such as CPCU, CII Certificate in Insurance CII, CCO PMP, IFSAH.

With the recruitment of Saudi talents from various administrative levels, the company increased its Saudization rate to more than 84%. Aimed at empowering and nominating Saudi women for the highest leadership positions, Tawuniya policy succeeded in raising the percentage of female jobs in the company to 25%. In the recent years, there has been a significant growth in the rates of female employment in Tawuniya, as the percentage of female employment increased from 26% of the total new employees in 2015 to 53% in 2020.

This was helped by implementing a number of initiatives to support Saudization and employment, including, for example, cooperation with the Ministry of Communications and Information Technology to employ a group of fresh graduates, participating in the Virtual Employment Fair (Misk), and appointing about 120 doctors and employees to support the call center of the Ministry of Health (937) to respond to inquiries and provide medical consultation services during the Corona pandemic.

The company has implemented several internal initiatives to improve the work environment and boost the level of employee loyalty, including the application of flexible hours, the establishment of Tawuniya lounge & Tawuniya garden, and the initiative of (Casual Day) on Thursday. The company also organized internal events targeting employees' health, such as the seasonal influenza vaccination event.

The company has developed the operations and activities of the human capital division in order to achieve a higher level of service, develop the human capital system, issue a booklet that contains all the company's policies and procedures while updating the mechanism of employee housing loans, and updating the internal policies and regulations of the human capital division. The development was not limited to operations. It has been also extended to cover corporate development by restructuring the financial sector and the financial analysis and planning department, Vitality project, cyber security department and actuarial department. It also included developing Workload Analysis methodology to determine the time, effort and resources needed to implement the operations of each department, as well as developing Job Taxonomy that focuses on job classification.

Tawuniya received a distinguished appreciation from the Ministry of Human Resources and Social Development, which granted the company an alignment certificate {Mowaamah} confirming that the work environment in Tawuniya is supportive for people with disabilities.

H. Information Systems and Technology

Tawuniya strengthened its information infrastructure to be strong, advanced and safe. This has helped the company to overcome the challenges of the Corona crisis by providing full support to manage the company's operations remotely and help employees to work from home completely, while enabling them to work in the future either from office, home or anywhere using portable Tawuniya devices. Within this framework, the company expanded the IT infrastructure organizational structure, created IT security operations department, improved Internet service, and confirmed the readiness of disaster recovery data center systems.

The company has expanded implementation of digital transformation program projects in line with its strategic vision. It has developed and upgraded several information systems that included Hajj and Ummrah insurance, online claims submission, digital medical cards, checkout payment, SABB B2B Bank, P&C CMS 60, Al-Fursan program, loyalty discount, and telemedicine service, as well as mobile app user interface enhancements. In addition, the company has implemented several projects related to encryption of network data through the networks of service providers (WAN connections of Tawuniya).

Internally, the company implemented an identity and access management project allowing the automation process of provisioning, modifying, and deprovisioning of the employees profiles and accounts on the major systems: Human Resource Management System, Active Directory, Help Desk (ticketing system), and Outlook Email Exchange. In addition, the company has developed a number of systems to improve performance, especially during the Corona crisis, and to keep pace with business expansion. The development process included Citrix VDI & XenApp upgrades, backup system upgrade project, HQ Data Center Protection System, Privilege Access Management, multi-factor authentication system, virtual environment expansion, and web application firewall fine-tuning.

The company has also launched new systems such as the Vitality Membership Management, Vitality Drive Management, Motor Value-Added Services, Motor Leasing Product Sales, THIQA Project, Anti-Money Laundering, Basher Service, in addition to other vital systems.

I. Support Services and Enhancing Security and Safety

Maintaining the security and safety of employees during the Corona pandemic was one of the challenges that the company addressed with the highest level of responsibility. The company issued a protocol on how to deal with the pandemic, whereby it defined the most important guidelines to which the company's employees adhered in order to limit the spread of the disease. The company has implemented a set of precautionary measures that guarantee the safety of employees, most notably stopping the use of the fingerprint system, stopping international flights and limiting travel on domestic trips, stopping meetings in offices and being satisfied with calls, working remotely, stopping

employees traveling abroad from coming to the offices, creating an internal emergency telephone number, closing Tawuniya Lounge and Tawuniya Garden, establishing a Corona-dedicated internal examination center. In addition, the company increased the hygiene tools and sterilization devices, provided anti-virus tools in the company's facilities, and expanded in the application of flexible hours to reduce intensity after returning to work from offices.

In a different context, the entry and exit system for visitors and employees has been linked to all Tawuniya buildings around the Kingdom. The company has equipped and rehabilitated its buildings to serve customers and employees with special needs, and therefore it obtained a compatibility (Mowaamah) certificate from the Ministry of Human Resources and Social Development.

6. Details of the Company's Social Contributions

During 2020, Tawuniya's social responsibility activities focused on providing full support and assistance to governmental and national efforts to stop the spread of the Coronavirus, and to boost the level of health awareness to protect community groups from this pandemic, while ensuring the participation of employees in activities that contribute to helping the Saudi society overcome the pandemic. This direction confirms the company's vision and responsibility at that stage that required concerted efforts to help the country successfully overcome the pandemic.

In this context, Tawuniya implemented initiatives to support the efforts of the Ministry of Health, the most important of which is the contribution of SAR 22 million, which is the largest contribution made in the Saudi insurance sector. Tawuniya used this amount to implement several initiatives in coordination with the Ministry of Health, including designing and establishing 21 fixed and mobile drive thru centers "Taakad" to test for COVID-19 from vehicle in accordance with the international best practices and in line with the standards approved by the Ministry of Health. The volunteers from Tawuniya spent more than 5000 hours of work to establish these centers, which were distributed in the cities of Riyadh, Mecca, Medina, Abha, Dammam and Jeddah. These centers have provided COVID-19 tests with a capacity of 20,000 test per day, as each center contains 10-14 drive-thru lanes including lanes designated for people with special needs and the elderly. With the objective of providing the necessary guarantees to enable the drive thru examination "Taakad" centers to continue doing their mission at the maximum possible capacity, Tawuniya also provided comprehensive insurance coverage for these centers and their contents against all dangers, including fire and natural hazards, for a full year with a compensation limit of up to SAR 2.3 million per center.

Tawuniya also carried out another initiative to support the efforts of the Ministry of Health to fight the emerging COVID-19 as part of its national duty. In this context, 163 doctors and call center agents of the company participated with the Ministry of Health call center (937) to spread awareness of COVID-19 symptoms & preventive measures and respond to inquiries from all over the Kingdom. Under this initiative, a team of

volunteers from Tawuniya has completed more than 36,000 working hours and carried out 13 sterilization sessions at the Ministry of Health and distributed more than 10,000 bags of sterilization materials.

Tawuniya also interacted with World Health Days during 2020 and provided many activities and awareness messages to boost the health level of the community, such as Breast Cancer Month, World Diabetes Day, Prostate Cancer, Nutrition Day, Autism Day, in addition to other social participations, most notably the blood donation campaign organized by the company in cooperation with the King Faisal Specialist Hospital in Riyadh, in which a large number of male and female employees participated.

7. Distinctive Awards and Ratings Assigned to Tawuniya in 2020

- Outstanding Contribution to Social Impact- Saudi Arabia 2020 by CFI British Magazine.
- Best Health Insurance Brand – KSA 2020 by Global Brand Magazine (GBM)
- The General Insurance Company of the Year-2020 by Middle East Insurance Industry Awards
- Best CEO in the Insurance Sector – KSA 2020 by International Finance Magazine (IFM).
- Best Takaful Insurance Company – 2020 by Global Islamic Finance Awards (GIFA).
- Best Corporate Insurance Solutions Provider – KSA 2020 by International Business Magazine (IBM).
- Best Insurance Customer Service Company – Saudi Arabia 2020 by International Business Magazine (IBM).
- Best Auto Insurance Company – Saudi Arabia 2020 by Global Banking & Finance Review (GBFR)
- Most 20 Valuable Insurance Company in the Middle East - 2020 by Forbes Magazine.
- Top 30 Most Valuable Brand in Saudi Arabia and UAE 2020 by BrandZ.

8. Articles of the Corporate Governance Regulations Applied/ Not Applied and Reasons for Non-Implementation

Tawuniya has applied all articles of the Insurance Corporate Governance Regulation issued by the Saudi Central Bank and the Corporate Governance Regulations issued by the Capital Market Authority (CMA), except for the following articles:

No. of Article/Paragraph	Wording of Article / Paragraph	Extent of Application	Reasons for non-implementation	Notes
Article 78 –(a)	Internal Audit Report: a) The internal audit unit or department	N/A	Guiding article not binding	Now, the internal reports are reported on a

	<p>shall prepare and submit a written report on its activities at least quarterly to the Board and the Audit Committee. Such report shall include an assessment of the Company's internal control system and the final opinion and recommendations of the unit or department. The report shall also specify the procedures taken by each department for addressing the findings and recommendations from the previous audit, and any comments thereon, particularly failures to address such findings and recommendations on timely basis and the reasons for such failure.</p>			<p>quarterly basis to the Audit Committee and reported on an annual basis to the Board of Directors. If necessary, the Internal Audit Department will report to the Board on a quarterly basis.</p>
Article 41 – (e)	<p>The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a</p>	N/A	Guiding article not binding	<p>The evaluation is performed internally on annual basis.</p>

	competent third party every three years.			
Article 87	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.	N/A	Guiding article not binding	There is a corporate social responsibility policy duly approved by the Board of Directors.
Article 93 (4/B)	Five Senior Executives who have received the highest remuneration from the Company, provided that the chief executive officer and chief financial officer are among them.	Largely compliance	Mandatory	The company committed to disclose total remuneration of the senior executive management in accordance with the requirements of Article 93(4-b) of the Corporate Governance Rules. In order to protect the interests of the Company, its shareholders and its employees, and to avoid any damage

				that may result from the disclosure in details as per job titles and positions, hence description of remuneration is not presented pursuant to Appendix (1) Remuneration Schedule of Corporate Governance Rules related to Senior Executives and that is based on paragraph (B) article (60) of Rules on The offer of Securities and Continuing Obligations.
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9. Names of BOD Members, BOD Committees' Members, and Executive Management, Current and Previous Positions, Qualifications and Experiences:

A. Board Members:

Name	Current Position	Previous Position	Qualifications	Experience
Mr. Abdulaziz I. Al-Nuwaier	Chief Executive Officer - Tahakom	Vice President – Finance, Arabian	• Master of Accounting with two	Occupied several administrative

	Investment Company	Internet Services & Telecom Co. Ltd.	<p>subspecialties: Finance and Information Systems - Case Western Reserve University - United States of America</p> <ul style="list-style-type: none"> • Bachelor's degree in Accounting - King Saud University - Kingdom of Saudi Arabia • Many professional certificates in accounting, financial administration and auditing 	<p>positions in the field of finance. He is also the executive partner and CEO of National Advisory House. He also worked as a lecturer in the Accounting Section at King Saud University in Riyadh.</p>
Mr. Abdulaziz A. Al-Khamis	Vice Chairman, Saudi Investment Bank.	<ul style="list-style-type: none"> • Consultant - Raidah Investment Company. • Deputy Governor for Investment in the Public Pension Agency 	<ul style="list-style-type: none"> • BA of Economics - Northeastern University, Boston, USA • Many professional and specialized certificates. 	Occupied several positions in Saudi Central Bank for 21 years
Mr. Waleed A. Aleisa	BOD member of Jabal Omar Development Company,	CEO of Raza Company	<ul style="list-style-type: none"> • Master of Chemical Engineering - University of Arizona - USA 	Strategic planning, research and management of mega real estate projects

	BOD member of United Insurance Company – Bahrain		<ul style="list-style-type: none"> • Master of Computer Science - University of Washington, Santa Louis - USA • Bachelor of Chemical Engineering - King Saud University - KSA • Many specialized and professional certificates 	and real estate asset and property management.
Mr. Ihab M. Al-Dabagh	CEO of Ijmal Limited	General Manager of Corporate Banking Services at Saudi Hollandi Bank	<ul style="list-style-type: none"> • Bachelor of Marketing - King Fahd University of Petroleum and Minerals (KFUPM) –KSA • Many specialized professional certificates 	Occupied several administrative positions in the field of strategy, program management, and retail and corporate banking services
Mr. Hamood A. Al Tuwaijari	BOD member, The Company for Cooperative Insurance (Tawuniya)	Executive Vice President for legal affairs, auditing, finance and petrochemical – SABIC	<ul style="list-style-type: none"> • Master of Industrial Engineering - Georgia Institute of Technology - USA • Bachelor of Industrial Engineering - 	Occupied several administrative positions in the areas of financial management, petrochemicals , legal

			<p>University of Washington - USA</p> <ul style="list-style-type: none"> • Bachelor of Business Administration - University of Washington - USA 	administration and auditing
Mr. Ghassan A. Al-Malki	Director of the Department of Digital Excellence - General Organization for Social Insurance	Director of Business Development at the Computer Department - General Organization for Social Insurance	<ul style="list-style-type: none"> • Master of Computer Science - Computer Science, University of California - USA • Bachelor of Computer Science - Information Systems, King Saud University - KSA • Many specialized professional certificates 	Occupied several administrative positions in the field of information technology at the General Organization for Social Security
Mr. Jasser A. Al Jasser	General Manager of Corporate Excellence at the Public Pension Agency	General Manager of Planning, Studies and Research Department in the Public Pension Agency.	<ul style="list-style-type: none"> • Master of Actuarial Science, University of Nebraska - USA • Bachelor of Operations Research, King Saud University -KSA 	Occupied several positions in the fields of planning, development, studies, and actuarial studies at the Public Pension Agency

			<ul style="list-style-type: none"> Many specialized professional certificates 	
Mr. Abdulrahman M. AlOdan	BOD member, The Company for Cooperative Insurance (Tawuniya)	Executive Vice President of Information Technology at Riyadh Bank	<ul style="list-style-type: none"> Master of Computer Science - Florida Institute of Technology, Marlborough, USA Bachelor of Computer Science - Jacksonville University, USA Many specialized professional certificates 	Occupied several administrative positions in the field of information technology
Dr. Khaled A. Al-Ghunaim	<p>Chairman of the Board of Directors of Hawaz Communications and Information Technology Company</p> <p>Chairman of the Board of Directors of Mozn for Communications and Information Technologies Company</p>	Chairman of the Executive Board of Directors of Takamol Holding Company	<ul style="list-style-type: none"> PhD in Electrical and Computer Engineering- Carnegie Mellon - United States Master's in Electrical and Computer Engineering- Carnegie Mellon - United States Bachelor of Electrical and Computer Engineering- King Saud University 	<ul style="list-style-type: none"> Occupied several executive positions; CEO of Saudi Telecom Company CEO of Elm Company

			<ul style="list-style-type: none"> Many specialized professional certificates 	
*H.E. Mr. Soliman S. Al-Humayyd	BOD Chairman, The Company for Cooperative Insurance (Tawuniya)	Minister of Social Affairs	<ul style="list-style-type: none"> Master of Business Administration - Finance - University of North Colorado - USA Diploma in Business Administration - Mesa College - America Bachelor of Business Administration - Finance - University of North Colorado - America Many specialized professional certificates. 	Occupied several positions, including Governor of the General Organization for Social Insurance and Vice-Chairman of the International Social Insurance Organization.
*Mr. Abdullah M. Al-Fayez	BOD member, The Company for Cooperative Insurance (Tawuniya)	BOD member, the National Petrochemical Company (Petrochem)	<ul style="list-style-type: none"> Bachelor of Science in Mineral Engineering - University of Washington - Seattle (USA) Chase Bank, Manhattan Program in Credit and Banking - Chase Bank, 	Occupied the position of General Manager of the Saudi Public Transport Company (SAPTCO). He also participated in the board memberships of a number of

			<p>Manhattan - New York (US)</p> <ul style="list-style-type: none"> Many specialized professional certificates. 	national companies.
*Mr. Abdulaziz A. Al Zaid	BOD member, The Company for Cooperative Insurance (Tawuniya)	Assistant Governor for Investment at the General Organization for Social Insurance	<ul style="list-style-type: none"> Bachelor of Civil Engineering - University of Washington - Seattle (USA) Many professional and specialized certificates in the fields of governance, project management and financial evaluation. 	Occupied several leading positions in the General Organization for Social Insurance and he is a member of the board of directors and committees of a number of national companies and banks.
*Mr. Raed A. Al-Tamimi	BOD member, Al-Rajhi Bank. BOD member, Saudi Public Transport Company (SAPTCO). BOD member, National Gas and Industrialization Company (GASCO).	CEO, The Company for Cooperative Insurance (Tawuniya), and CEO of CARE Corporation.	<ul style="list-style-type: none"> Bachelor of Medical Sciences - University of Wales – Britain Professional Certificate in Health Insurance. Many professional and specialized certificates in insurance and management. 	Occupied several leading positions in The Company for Cooperative Insurance (Tawuniya).

*His membership expired at the end of the previous BOD's tenure on 25/03/2020.

B. BOD Committees' Members

• Executive Committee

Name	Current Position	Previous Position	Qualifications	Experience
Mr. Abdulaziz I. Al-Nuwaiser	Chief Executive Officer - Tahakom Investment Company	Vice President - Finance, Arabian Internet Services & Telecom Co. Ltd.	<ul style="list-style-type: none"> Master of Accounting with two subspecialties: Finance and Information Systems - Case Western Reserve University - United States of America Bachelor's degree in Accounting - King Saud University - Kingdom of Saudi Arabia Many professional certificates in accounting, financial administration and auditing 	Occupied several administrative positions in the field of finance. He is also the executive partner and CEO of National Advisory House. He also worked as a lecturer in the Accounting section at King Saud University in Riyadh.
Mr. Waleed A. Aleisa	BOD member of Jabal Omar Development Company, BOD member of United Insurance	CEO of Raza Company	<ul style="list-style-type: none"> Master of Chemical Engineering - University of Arizona - USA Master of Computer Science - 	Strategic planning, research and management of mega real estate projects and real estate asset and

	Company – Bahrain		<ul style="list-style-type: none"> University of Washington, Santa Louis - USA Bachelor of Chemical Engineering - King Saud University - KSA Many specialized and professional certificates 	property management.
Mr. Abdulrahman M. Al Odan	BOD member, The Company for Cooperative Insurance (Tawuniya)	Executive Vice President of Information Technology at Riyad Bank	<ul style="list-style-type: none"> Master of Computer Science - Florida Institute of Technology, Marlborough, USA Bachelor of Computer Science - Jacksonville University, USA <p>Many specialized professional certificates</p>	Occupied several administrative positions in the field of information technology
Mr. Abdulaziz H. Al Boug	CEO, The Company for Cooperative Insurance (Tawuniya)	Senior Vice President - Sales and Marketing, The Company for Cooperative Insurance (Tawuniya)	<ul style="list-style-type: none"> Excutive Master of Business Administration University of Hull, United Kingdom Bachelor of Science - College of 	Occupied several administrative positions in (Tawuniya) In addition to his responsibilities at Tawuniya, Al Boug is the Board Chairman of

			<p>Economics and Management - International Business Administration – King Abdulaziz university</p> <ul style="list-style-type: none"> • Certified Medical Underwriting Specialist – The Chartered Insurance Institute (CII) • Certified Health Insurance Associate (HIA) – The American Association of Health • Many specialized professional certificates 	<p>Teejan Al Khaleej for Insurance, the Board Chairman of Waseel Company and a board member of United Insurance Company (Bahrain). He is also a board member of CCHI, Board Chairman of the Health Insurance Sub-committee and a member of Executives Committee under SAMA sponsorship. Furthermore, Al Boug is a member of the Executive Committee, and the Nomination and Remuneration Committee at Tawuniya.</p>
*H.E. Mr. Soliman S. Al-Humayyd	BOD Chairman, The Company for Cooperative Insurance (Tawuniya)	Minister of Social Affairs	<ul style="list-style-type: none"> • Master of Business Administration - Finance - University of North Colorado - USA • Diploma in Business Administration 	<p>Occupied several positions, including Governor of the General Organization for Social Insurance and Vice-Chairman of the International Social Insurance Organization.</p>

			<ul style="list-style-type: none"> - Mesa College - America • Bachelor of Business Administration - Finance - University of North Colorado - America <p>Many specialized professional certificates.</p>	
* Mr. Raed A. Al-Tamimi	BOD member, Al-Rajhi Bank. BOD member, Saudi Public Transport Company (SAPTCO). BOD member, National Gas and Industrialization Company (GASCO).	CEO, The Company for Cooperative Insurance (Tawuniya), and CEO of CARE Corporation.	<ul style="list-style-type: none"> • Bachelor of Medical Sciences - University of Wales - Britain • Professional Certificate in Health Insurance. • Many professional and specialized certificates in insurance and management. 	Occupied several leading positions in The Company for Cooperative Insurance (Tawuniya).

*His membership expired by the end of the previous BOD's tenure on 25/03/2020

• Nomination and Remuneration Committee

Name	Current Position	Previous Position	Qualifications	Experience
Mr. Ihab M. Al-Dabagh	CEO of Ijmal Limited	General Manager of	<ul style="list-style-type: none"> • Bachelor of Marketing - 	Occupied several

		Corporate Banking Services at Saudi Hollandi Bank	<p>KFUPM – KSA</p> <ul style="list-style-type: none"> Many specialized professional certificates 	administrative positions in the field of strategy, program management, and retail and corporate banking services
Dr. Khaled A. Al-Ghunaim	<p>Chairman of the Board of Directors of Hawaz Communications and Information Technology Company</p> <p>Chairman of the Board of Directors of Mozn for Communications and Information Technologies Company</p>	Chairman of the Executive Board of Directors of Takamol Holding Company	<ul style="list-style-type: none"> PhD in Electrical and Computer Engineering- Carnegie Mellon - United States Master's in Electrical and Computer Engineering- Carnegie Mellon - United States Bachelor of Electrical and Computer Engineering- King Saud University Many specialized professional certificates 	<ul style="list-style-type: none"> Occupied several executive positions; CEO of Saudi Telecom Company CEO of Elm Company
Mr. Jasser A. Al Jasser	Director General of the Planning, Studies and Research Department at the Public Pension Agency	Senior Actuarial Affairs Specialist at the Public Pension Agency	<ul style="list-style-type: none"> Master of Actuarial Science Bachelor of Operations Research 	Occupied several positions in the fields of planning, development, studies, and actuarial studies

			<ul style="list-style-type: none"> Many specialized professional certificates 	at the Public Pension Agency
Mr. Abdulaziz H. Al Boug	CEO, The Company for Cooperative Insurance (Tawuniya)	Senior Vice President - Sales and Marketing, The Company for Cooperative Insurance (Tawuniya)	<ul style="list-style-type: none"> Executive Master of Business Administration University of Hull, United Kingdom Bachelor of Science - College of Economics and Management - International Business Administration – King Abdulaziz university Certified Medical Underwriting Specialist – The Chartered Insurance Institute (CII) Certified Health Insurance Associate (HIA) – The American Association of Health Many specialized professional certificates 	Occupied several administrative positions in (Tawuniya) In addition to his responsibilities at Tawuniya, Al Boug is the Board Chairman of Teejan Al Khaleej for Insurance, the Board Chairman of Waseel Company and a board member of United Insurance Company (Bahrain). He is also a board member of CCHI, Board Chairman of the Health Insurance Subcommittee and a member of Executives Committee under SAMA sponsorship. Furthermore, Al Boug is a member of the Executive

				Committee, and the Nomination and Remuneration Committee at Tawuniya.
Mr. Ghassan A. Al-Malki	Director of the Department of Digital Excellence - General Organization for Social Insurance	Director of Business Development at the Computer Department - General Organization for Social Insurance	<ul style="list-style-type: none"> Master of Computer Science - Computer Science, University of California - USA Bachelor of Computer Science - Information Systems, King Saud University - KSA <p>Many specialized professional certificates</p>	Occupied several administrative positions in the field of information technology at the General Organization for Social Security
*Mr. Abdulaziz A. Al Zaid	BOD member, The Company for Cooperative Insurance (Tawuniya)	Assistant Governor for Investment at the General Organization for Social Insurance	<ul style="list-style-type: none"> Bachelor of Civil Engineering - University of Washington - Seattle (USA) Many professional and specialized certificates in the fields of governance, project management 	Occupied several leading positions in the General Organization for Social Insurance and he is a member of the board of directors and committees of a number of national companies and banks.

			and financial evaluation.	
*Mr. Abdullah M. Al-Fayez	BOD member, The Company for Cooperative Insurance (Tawuniya)	BOD member, the National Petrochemical Company (Petrochem)	<ul style="list-style-type: none"> Bachelor of Science in Mineral Engineering - University of Washington - Seattle (USA) Chase Bank, Manhattan Program in Credit and Banking - Chase Bank, Manhattan - New York (US) Many specialized professional certificates. 	Occupied the position of General Manager of the Saudi Public Transport Company (SAPTCO). He also participated in the board memberships of a number of national companies.

*His membership expired by the end of the previous BOD's tenure on 25/03/2020

• **Investment Committee**

Name	Current Position	Previous Position	Qualifications	Experience
Mr. Abdulaziz A. Al-Khamis	Consultant - Raidah Investment Company. Vice Chairman, Saudi Investment Bank.	Deputy Governor for Investment in the Public Pension Agency	<ul style="list-style-type: none"> BA of Economics - Northeastern University, Boston, USA Many professional and specialized certificates. 	Occupied several positions in Saudi Central Bank for 21 years
Mr. Hamood A. Al-Tuwaijari	BOD member, The Company for Cooperative	Executive Vice President for legal affairs,	<ul style="list-style-type: none"> Master of Industrial Engineering - Georgia 	Occupied several administrative positions in the areas of financial

	Insurance (Tawuniya)	auditing, finance and petrochemical – SABIC	<p>Institute of Technology - USA</p> <ul style="list-style-type: none"> Bachelor of Industrial Engineering - University of Washington - USA <p>Bachelor of Business Administration - University of Washington - USA</p>	management, petrochemicals, legal administration and auditing
Mr. Ghassan A. Al Malki	Director of the Department of Digital Excellence - General Organization for Social Insurance	Director of Business Development at the Computer Department - General Organization for Social Insurance	<ul style="list-style-type: none"> Master of Computer Science - Computer Science Bachelor of Computer Science - Information Systems Many specialized professional certificates 	Occupied several administrative positions in the field of information technology at the General Organization for Social Security
Mr. Ihab M. Al-Dabagh	CEO of Ijmal Limited	General Manager of Corporate Banking Services at Saudi Hollandi Bank	<ul style="list-style-type: none"> Bachelor of Marketing - KFUPM – KSA Many specialized professional certificates 	Occupied several management positions in the field of strategy, program management, and retail and corporate banking services
*Mr. Abdulaziz A. Al Zaid	BOD member, The Company for Cooperative Insurance (Tawuniya)	Assistant Governor for Investment at the General Organization	<ul style="list-style-type: none"> Bachelor of Civil Engineering - University of Washington - Seattle (USA) 	Occupied several leading positions in the General Organization for Social Insurance and he is a member of the

		for Social Insurance	<ul style="list-style-type: none"> Many professional and specialized certificates in the fields of governance, project management and financial evaluation. 	board of directors and committees of a number of national companies and banks.
*Mr. Abdulaziz H. Al Boug	CEO, The Company for Cooperative Insurance (Tawuniya)	Senior Executive Vice President - Sales and Marketing, The Company for Cooperative Insurance (Tawuniya)	<ul style="list-style-type: none"> Master of Business Administration - University of Hull, Britain Bachelor of Science - College of Economics and Management - International Business Administration - King Abdulaziz University - KSA Many specialized professional certificates 	Occupied several administrative positions in The Company for Cooperative Insurance (Tawuniya)
*Mr. Fraser David Gregory	Chief Financial Officer (CFO), The Company for Cooperative Insurance (Tawuniya)	Executive Manager of Gregory Investment Group	<ul style="list-style-type: none"> Bachelor of Finance - South Bank University - Britain Many certificates and specialized professional training courses. 	Wide experience in finance management, insurance and strategy management.

*His membership expired by the end of the previous BOD's tenure on 25/03/2020

• Risk Management Committee

Name	Current Position	Previous Position	Qualifications	Experience
Mr. Waleed A. Aleisa	BOD member of Jabal Omar Development Company, BOD member of United Insurance Company – Bahrain	CEO of Raza Company	<ul style="list-style-type: none"> Master of Chemical Engineering - University of Arizona - USA Master of Computer Science - University of Washington, Santa Louis - USA Bachelor of Chemical Engineering - King Saud University - KSA <p>Many specialized and professional certificates</p>	Strategic planning, research and management of mega real estate projects and real estate asset and property management.
Mr. Jasser A. Al Jasser	General Manager of Corporate Excellence at the Public Pension Agency	General Manager of Planning, Studies and Research Department in the Public Pension Agency.	<ul style="list-style-type: none"> Master of Actuarial Science, University of Nebraska – USA Bachelor of Operations Research, King Saud University –KSA <p>Many specialized professional certificates</p>	Occupied several positions in the fields of planning, development, studies, and actuarial studies at the Public Pension Agency
Mr. Ghassan A. Al-Malki	Director of the Department of Digital Excellence -	Director of Business Development at the	<ul style="list-style-type: none"> Master of Computer Science - Computer 	Occupied several administrative positions in the

	General Organization for Social Insurance	Computer Department - General Organization for Social Insurance	<p>Science, University of California - USA</p> <ul style="list-style-type: none"> • Bachelor of Computer Science - Information Systems, King Saud University - KSA • Many specialized professional certificates 	field of information technology at the General Organization for Social Security
Mr. Abdulrahman M. AlOdan	BOD member, The Company for Cooperative Insurance (Tawuniya)	Executive Vice President of Information Technology at Riyadh Bank	<ul style="list-style-type: none"> • Master of Computer Science • Bachelor of Computer Science • Many specialized professional certificates 	Occupied several administrative positions in the field of information technology
*Mr. Raed A. Al Tamimi	BOD member, Al-Rajhi Bank. BOD member, Saudi Public Transport Company (SAPTCO). BOD member, National Gas and Industrialization Company (GASCO).	CEO, The Company for Cooperative Insurance (Tawuniya), and CEO of CARE Corporation.	<ul style="list-style-type: none"> • Bachelor of Medical Sciences - University of Wales – Britain • Professional Certificate in Health Insurance. • Many professional and specialized certificates in 	Occupied several leading positions in The Company for Cooperative Insurance (Tawuniya).

			insurance and management.	
*Mr. Abdulaziz H. Al Boug	CEO, The Company for Cooperative Insurance (Tawuniya)	Senior Executive Vice President - Sales and Marketing, The Company for Cooperative Insurance (Tawuniya)	<ul style="list-style-type: none"> • Master of Business Administration - University of Hull, Britain • Bachelor of Science - College of Economics and Management - International Business Administration - King Abdulaziz University - KSA • Many specialized professional certificates 	Occupied several administrative positions in The Company for Cooperative Insurance (Tawuniya)

*His membership expired by the end of the previous BOD's tenure on 25/03/2020

• **Audit Committee**

Name	Current Position	Past Position	Qualifications	Experience
Mr. Hamood A. Al Tuwaijari	BOD member, The Company for Cooperative Insurance (Tawuniya)	Executive Vice President for legal affairs, auditing, finance and petrochemical – SABIC	<ul style="list-style-type: none"> • Master of Industrial Engineering - Georgia Institute of Technology - USA • Bachelor of Industrial Engineering 	<ul style="list-style-type: none"> • Occupied several administrative positions in the areas of financial management, petrochemicals, legal and auditing

			<p>- University of Washington - USA</p> <p>Bachelor of Business Administration - University of Washington - USA</p>	
Mr. Khalid S. Al Ruwais	Member of the Audit Committee - The Company for Cooperative Insurance (Tawuniya)	Vice President for Finance and Acting Chief Executive Officer – Vice President for Phosphate-Maaden	<ul style="list-style-type: none"> • Bachelor of Accounting 	<ul style="list-style-type: none"> • BOD Chairman, Maaden Waad Al Shamal Phosphate Company • BOD Chairman, Maaden Phosphate Company • BOD Chairman, Maaden Aluminum Company
Mr. Khalid S. Al Sulaiman	<ul style="list-style-type: none"> • Member of the Audit Committee - The Company for Cooperative Insurance (Tawuniya), • Member of the Audit Committee 	Director of internal and external audit, National Commercial Bank	<ul style="list-style-type: none"> • American Fellowship of Certified Public Accountants (CPA) • Bachelor of Accounting 	<ul style="list-style-type: none"> • External auditor - Ernst & Young • Director of Audit Department - Arab National Bank • Director of Financial Reports Department - SABB Bank

	e of Al-Babtain Energy and Comm.			
Mr. Ihsan A. Makhdoom	Ihsan Bin Amanullah Makhdoom Office for Auditing	External Auditor-Deloitte & Touche	<ul style="list-style-type: none"> American Fellowship of Certified Public Accountants (CPA) Bachelor of Accounting 	Experience spanning several years in the field of accounting.
*Mr. Turki A. Al Luhaid	Partner in Al-Luhaid and Al-Yahya office	Chief Financial Officer - Al-Ayuni Investment and Contracting Company	<ul style="list-style-type: none"> Bachelor of Accounting Fellowship of the Saudi Organization for Certified Public Accountants (SOCPA) American Fellowship of Certified Public Accountants (CPA) 	<ul style="list-style-type: none"> Chief Financial Officer - Al-Ayuni Investment and Contracting Company Director of Auditing - Ernst & Young Credit Department at Riyadh Bank
*Mr. Mohammed F. Alnader	Executive Partner of United Accountants (Member of RSM Group)	Chief Financial Officer of Awqaf Sulaiman Al Rajhi Holding Company	<ul style="list-style-type: none"> Bachelor of Accounting Master of Business Administration and Finance American Fellowship of Certified Public 	<ul style="list-style-type: none"> Chief Financial Officer of Awqaf Sulaiman Al Rajhi Holding Company Director of Audit and Quality at Deloitte Assistant Director of PricewaterhouseCoopers Senior auditor at KPMG

			<p>Accountants (CPA)</p> <ul style="list-style-type: none"> Fellowship of the Saudi Organization for Certified Public Accountants (SOCPA) 	<ul style="list-style-type: none"> Auditor Assistant at Grant Thornton Co.
*Mr. Ayman bin Muqhim Almeqham	General Manager at Integra International Almeqham Chartered Accountants Office	Chief Financial Officer of AlRajhi Real Estate Investments .	<ul style="list-style-type: none"> Master of Accounting Bachelor of Accounting. Fellowship of the Saudi Organization for Certified Public Accountants (SOCPA) American Fellowship of Certified Public Accountants (CPA) 	<ul style="list-style-type: none"> Chief Financial Officer of Al Rajhi Real Estate Investments. Audit Director of Deloitte &Touche.
*Mr. Abdulaziz I. Al-Nuwaiser	CEO, Tahakom Investment Co.	Vice President – Finance, Arabian Internet Services & Telecom Co. Ltd.	<ul style="list-style-type: none"> Master of Accounting with two subspecialties: Finance and Information Systems Bachelor's degree in Accounting Many professional certificates in accounting, 	Executive Partner and CEO of the National Advisory House. He also worked as a lecturer in the Accounting section at King Saud University in Riyadh.

			financial administratio n and auditing	
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*His membership expired after the end of the BOD's tenure on 25/03/2020

C- Senior Executives

Name	Current Position	Previous Position	Qualifications	Experience
Mr. Abdulaziz H. Al Boug	CEO, The Company for Cooperative Insurance (Tawuniya)	Senior Vice President - Sales and Marketing, The Company for Cooperative Insurance (Tawuniya)	<ul style="list-style-type: none"> Excutive Master of Business Administration University of Hull, United Kingdom Bachelor of Science - College of Economics and Management - International Business Administration - King Abdulaziz university Certified Medical Underwriting Specialist - The Chartered Insurance Institute (CII) Certified Health Insurance Associate (HIA) - The American Association of Health Many specialized professional certificates 	Occupied several administrative positions in (Tawuniya) In addition to his responsibilities at Tawuniya, Al Boug is the Board Chairman of Teejan Al Khaleej for Insurance, the Board Chairman of Waseel Company and a board member of United Insurance Company (Bahrain). He is also a board member of CCHI, Board Chairman of the Health Insurance Sub-committee and a member of Executives Committee under SAMA sponsorship. Furthermore, Al Boug is a member of the Executive Committee, and the

				Nomination and Remuneration Committee at Tawuniya.
Rania Sami Al Turki (Joined Tawuniya on 24/02/2020)	Chief Operating Officer (COO)	Senior Vice President for Human Resources at Al Ahli Bank	<ul style="list-style-type: none"> • Master of Computer Science from George Washington University. • Bachelor of Computer Science from Indiana State University. • Participated in many specialized training courses. 	Occupied several administrative positions for human resources in Savola Group and Al Ahli Bank before joining Tawuniya in 2020. In addition to her current position, she holds the position of General Manager of Human Resources (in charge) at Tawuniya.
Mr. Fahad S. Al-Moammar	Senior Vice President (SVP)- Investment, The Company for Cooperative Insurance (Tawuniya)	Vice President- Investment, The Company for Cooperative Insurance (Tawuniya).	<ul style="list-style-type: none"> • Master's in Finance. • Bachelor's in Insurance and Real Estate. • Many professional and specialized certificates and training courses specialized in market risk management and risk management in banking services organized by Citibank and the Saudi Arabian Monetary Agency (SAMA). 	Long experience in investment management, and investment portfolios for banks and financial institutions.
Mr. Adel A. Al-Hamoudi	Senior Vice President (SVP) - Sales and Marketing,	Vice President- Key Accounts, Tawuniya	<ul style="list-style-type: none"> • Bachelor's in Mass Communication • IFCE certificate • Many professional and specialized 	Wide experience in insurance filed as he occupied a number of managerial positions in Tawuniya,

	The Company for Cooperative Insurance (Tawuniya)		certificates and training courses as well as a number of courses in advanced leadership.	particularly in the field of sales, key accounts management and is currently occupying the membership of many committees in Tawuniya.
Mr. Sultan S. Al-Khomashi	Senior Vice-President (SVP) – General Insurance, The Company for Cooperative Insurance (Tawuniya)	Senior Vice-President - Technical, Tawuniya	<ul style="list-style-type: none"> • Master and bachelor's degrees in Chemical Engineering. • Master's in Insurance and Risk Management • Advanced Diploma in Insurance (ACII). • Many professional and specialized certificates training courses. • Attended many scientific conferences organized by local, regional and international institutions. 	Occupied a number of managerial positions in Tawuniya, particularly in Property and Casualty Insurance Division and non-marine insurance claims. Presently he is occupying membership of many committees in Tawuniya and a number of other institutions, such as the membership of the Technical and Reinsurance Committee at the level of the Saudi insurance industry affiliated to the Saudi Central Bank.
Mr. Hisham F. Radwan	Senior Vice President (SVP) - Medical & Takaful, The Company for Cooperative	General Manager – Middle East & Africa, Aetna International Company	<ul style="list-style-type: none"> • Bachelor's in Accounting. • A number of technical and managerial courses, such as: Health Care Executive Program and 	Has wide experience in insurance, particularly Medical Insurance.

	Insurance (Tawuniya).		General Management Program	
Fraser David Gregory	Chief Financial Officer (CFO)	Executive Manager of Gregory Investment Group (LLC)	<ul style="list-style-type: none"> • Bachelor of Finance • Attended many specialized courses, including: Executive Advance Management Program and Fellowship of the Chartered Insurance Management Accountants. 	Wide experience in Finance management, insurance, and strategy management.
*Abdullah A. Al-Afraj (Resigned from Tawuniya on 20/02/2020)	Chief Operating Officer (COO), The Company for Cooperative Insurance (Tawuniya)	Vice President- Medical Insurance and Takaful, Tawuniya	<ul style="list-style-type: none"> • Bachelor's in Quantitative Methods • Many professional and specialized certificates and training courses. • Attended many scientific conferences organized by local, regional and international institutions. 	Occupied a number of managerial positions in Tawuniya, particularly in Medical Insurance and Takaful sector. He is currently the Chairman of a number of committees in The Company as well as a member of the Board of Directors of Waseel Application Services Provider.

10. Names of companies within or outside the Kingdom in which a BOD Director is a Member of its current and previous boards of directors or is a Director therein

Name of BOD Director	Names of the Companies in which the	Inside/ Outsid e KSA	Legal Entity (Listed/	Names of the Companies in which the	Inside/ Outsid e KSA	Legal Entity (Listed / Unlisted
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	BOD director is a member of its current Boards or a director therein	of Saudi Arabia (KSA)	Unlisted Joint Stock Company, LLC/)	BOD director was a member of its previous Boards or a director therein	of Saudi Arabia (KSA)	Joint Stock Company, LLC/)
Mr. Abdul Aziz I. Al-Nuwaier	BOD Chairman, the Cooperative Insurance Company (Tawuniya)	Inside KSA	Listed joint stock company	BOD chairman, Saudi Tourism Development Company. (2009 – 2011)	Inside KSA	Joint stock company
	BOD member, the House of National Consulting Company	Inside KSA	Limited Liability Company			
	BOD member, Al-Hamid and Al-Nimer Consulting Company	Inside KSA	Professional Company			
	BOD member, Entertainment Company for Development and Investment	Inside KSA	Unlisted joint stock company			
	BOD member, Tahakom Investment Company	Inside KSA	Unlisted joint stock company			
	BOD member, Maharah Human Resources Company	Inside KSA	Listed joint stock company			
	BOD member, the Saudi Railway Company	Inside KSA	Listed joint stock company			

Mr. Abdulaziz A. Alkhamis	BOD member, Tawuniya	Inside KSA	Listed joint stock company	BOD member, National Petrochemical Company (Petrochem) (2008-2016)	Inside KSA	Joint Stock Company
	BOD Member and Vice Chairman, Saudi Investment Bank	Inside KSA	Listed joint stock company	BOD member, Sahara International Petrochemicals Company (Sipchem) (2010-2016)	Inside KSA	Joint Stock Company
	BOD member United Insurance Company (Bahrain)	Outside KSA	Bahraini closed joint stock company	BOD member, Saudi Polymers Company (2010-2016)	Inside KSA	Limited Liability Company
	BOD member and Vice Chairman, Tabuk Cement Company	Inside KSA	Listed joint stock company			
Mr. Waleed A. Aleisa	BOD member, Tawuniya	Inside KSA	Listed joint stock company	BOD member, Riyadh Bank (2010-2016)	Inside KSA	Joint Stock Company
	BOD member, United Insurance Company (Bahrain)	Outside KSA	Bahraini closed joint stock company			
	BOD member, Jabal Omar Company	Inside KSA	Listed joint stock company			
Mr. Ehab M. Al Dabbagh	BOD member, Tawuniya	Inside KSA	Listed joint stock company	BOD member, Saudi Financial Support Services	Inside KSA	Unlisted joint stock company

				Company (2008-2014)		
Mr. Hamood A. Altuwaijri	BOD member, Tawuniya	Inside KSA	Listed joint stock company	BOD member, National Industrial Clusters Development Program-2018	Inside KSA	Governmental entity
	BOD member, Etihad Etisalat Company (Mobily)	Inside KSA	Joint Stock Company	BOD chairman, Al-Jubail Petrochemical Company (2008- 2012)	Inside KSA	Limited Liability Company
				BOD chairman, Saudi Yanbu Petrochemical Company (2008- 2012)	Inside KSA	Limited Liability Company
				BOD member, Tabuk Cement Company (2014- 2016)	Inside KSA	Joint Stock Company
				BOD member, Alinma Bank (2013- 2016)	Inside KSA	Joint Stock Company
				BOD member, SABIC Capital (2009-2012)	Outside KSA	Limited Liability Company
				BOD member, Aluminum Bahrain	Outside KSA	Joint Stock Company

				(ALBA) (2008-2012).		
Mr. Ghassan A. Al-Malki	BOD member, Tawuniya	Inside KSA	Listed joint stock company	None		
Mr. Jaser A. Aljaser	BOD member, Tawuniya	Inside KSA	Listed joint stock company	BOD member, Saudi Industries Development Company (2013-2017)	Inside KSA	Joint Stock Company
Mr. Abdulrahman M. Al Odan	BOD member, Tawuniya	Inside KSA	Listed joint stock company	None		
	Member of the Audit Committee - Outside the Board, National Commercial Bank	Inside KSA	Listed joint stock company			
	Member of the Audit Committee - Outside the Board, Capital Market Company (Tadawul)	Inside KSA	closed joint stock company			
Dr. Khaled A. Al-Ghanim	BOD member, Tawuniya	Inside KSA	Listed joint stock company	BOD member, National Water Company (2008-2016)	Inside KSA	Closed joint stock company
	BOD member, UNIFONIC Co.	Inside KSA	Limited Liability Company	BOD member, Etihad Etisalat (2015-2018)	Inside KSA	Joint Stock Company
	BOD member, Second Health	Inside KSA	Government	BOD member, Saline Water	Inside KSA	Government Corporation

	Cluster Company		Corporation	Conversion Corporation (2006 - 2012)		
	BOD member, Obeikan Investment Group	Inside KSA	Limited Liability Company	BOD member, King Abdulaziz City for Science and Technology (2016 - 2017)	Inside KSA	Government scientific Corporation
	BOD member, Bayan Credit Bureau	Inside KSA	Limited Liability Company	BOD member, Human Resources Development Fund (2013-2016)	Inside KSA	Government Corporation
	BOD member Takaful Charity Foundation (2013-2019)	Inside KSA		BOD member, Public Transport Authority (2015-2018)	Inside KSA	Government Corporation
	BOD member Takamol Holding Company (2013-2016)	Inside KSA	Government company	BOD member, Mawhiba	Inside KSA	Nonprofit organization
	BOD member Thiqah Business Services HQ (2012-2014)	Inside KSA	Government company			
	BOD member Tabadul company (2009-2013)	Inside KSA	Joint Stock Company			
	BOD member National Water company (2008-2016)	Inside KSA	Joint Stock Company			

* HE Mr. Soliman S. Al-Humayyd	BOD Chairman, United Insurance Company (Bahrain)	Outside KSA	Bahraini closed joint stock company.	BOD member, Mohammed Abdulaziz Al-Rajhi Holding Company. (2013-2015)	Inside KSA	Holding company
	BOD member, Al-Faisliah Holding Group	Inside KSA	Holding group	BOD member, Saudi Arabian Mining Company (Maaden). (2008-2013)	Inside KSA	Joint Stock Company
*Mr. Abdullah M. Al-Fayez	BOD member, United Insurance Company, (Bahrain).	Outside KSA	Bahraini closed joint stock company	BOD member, Raidah Investments Company (2007-2015).	Inside KSA	Joint Stock Company
				BOD member, National Petrochemical Company (Petrochem) (2012-2019)	Inside KSA	Joint Stock Company
*Mr. Abdulaziz A. Al Zaid	BOD member, Mohammed Abdulaziz Al-Rajhi and Sons Investment Company	Inside KSA	Closed joint stock company	BOD member, DAEM Real Estate Investment Company (2013-2017)	Inside KSA	Joint Stock Company
				BOD member, National Commercial Bank (1999-2018)	Inside KSA	Joint Stock Company

				BOD Member, SABIC (2012-2013)	Inside KSA	Joint Stock Company
				Chief of Managers Board, Granada Investment Center (2002-2013)	Inside KSA	Limited Liability Company
				BOD Member, National Company for Tourism (1989-1999)	Inside KSA	Joint Stock Company
				BOD Member, Al-Ahsa Medical Services Company (1996-1999)	Inside KSA	Joint Stock Company
				BOD member, NCB Capital (2013-2015)	Inside KSA	Joint Stock Company
				BOD member, Qassim Cement Company (2016-2019)	Inside KSA	Joint Stock Company
*Mr. Raed A. Al-Tamimi	BOD member, National Gas & Industrialization Company (GASCO)	Inside KSA	Joint Stock Company	BOD member, United Insurance Company – (Bahrain). (2014-2015)	Outside KSA	Bahraini closed joint stock company
	BOD member, Al-Rajhi Bank	Inside KSA	Joint Stock Company	BOD member, Cooperative Real Estate	Inside KSA	Limited Liability Company

				Investment Company. (2011-2013)		
	BOD member, Saudi Public Transport Company.	Inside KSA	Joint Stock Company	BOD member, Najm Insurance Services Company (2016-2019).	Inside KSA	Joint Stock Company
				BOD member, Waseel Application Services Provider (2007-2018).	Inside KSA	Joint Stock Company
				BOD member, CARE Company (2018-2019)	Inside KSA	Joint Stock Company

*His membership expired by the end of the previous board's tenure on 25/03/2020.

11. Formation of the Board of Directors and classification of its member as follows: Executive, Non-Executive, Independent

The following is the formation of the Board of Directors of the Tawuniya Insurance Company and the classification of members, noting that no member of the Board of Directors holds executive positions in the company

Member's Name and the entity such director represents	Membership Classification (Executive/ Non-Executive/ Independent)
** Mr. Abdul Aziz I. Al-Nuwaier	Independent
Mr. Abdulaziz A. Alkhamis	Non-executive
Mr. Waleed A. Aleisa	Non-executive
Mr. Ehab M. Al Dabbagh	Independent

Mr. Hamood A. Altuwaijri	Independent
Mr. Ghassan A. Al-Malki – General Organization for Social Insurance	Non-executive
Mr. Jaser A. Aljaser - Public Pension Agency	Non-executive
Mr. Abdulrahman M. Al Odan	Independent
** Dr. Khaled A. Al-Ghanim	Independent
*HE Mr. Soliman S. Al-Humayyd	Non-executive
*Mr. Abdullah M. Al-Fayez	Independent
*Mr. Abdulaziz A. Al Zaid	Non-executive
*Mr. Raed A. Al-Tamimi	Non-executive

*His membership expired by the end of the previous board's tenure on 25/03/2020.

** It is been classified as Independent member in SAMA letter

12. The Duties and Powers of the Board of Directors

With due regard to the prerogatives of the General Assembly, the Board of Directors shall have full powers in managing the Company to achieve its objectives. Within the limits of its powers, it shall have the right to authorize one or more members of the Board or other non-members to handle certain assignment(s) that is not inconsistent with relevant regulations. For example, but not limited to, the Board shall have power to represent the Company in its relations with third parties, governmental and private entities, before all competent courts, Grievances Lifting Board, labor offices, senior and primary committees for the settlement of labor disputes, commercial papers committee, all other judicial committees and arbitration organizations. Civil Rights Dept., police authorities, chambers of commerce and industry, all companies and establishments, banks, commercial houses and government financing institutions of various titles and terms of reference as well as other lenders. The Board shall have full powers for ratification, claiming, defending, pleading, filing suits, compromise, conciliation, acceptance and objecting of verdicts, arbitration, request the execution of verdicts, raising opposition, receiving proceeds of verdicts enforcement, discharge debtors from their obligations, engage in the bidding, buying, selling and mortgaging of real estate. In addition, the BOD chairman shall have full powers to enter into contracts, sign on behalf of the Company on all types of contracts, papers and documents, including for instance, but without limitation, the articles of incorporation of the companies in which the Company has shares, sign all their amendments, addendums and the decisions of amendment, sign the agreements and deeds before notary publics and official bodies, as well as signing loans, guarantees and warranties agreements and deeds for the sale and purchase of real estate, issuance of legal powers of attorney on behalf of the Company, buying, selling release and discharge, acceptance of release, handing over and take over, leasing, rental, receiving and

payment of rents and payables, the opening of accounts and credits, withdrawals from and deposits at the various banks, issuance of guarantees for banks, funds and government funding institutions and to sign all papers, bonds, checks, all commercial papers and documents as well as all banking transactions.

13. Number of the Board of Directors' meetings held during 2020, their dates, attendance record of each meeting, and the names of attendees

Name	1 st meeting 29/01/2020	2 nd Meeting 16/02/2020	3 rd meeting 29/03/2020	4 th meeting 04/05/2020	5 th meeting 25/08/2020	6 th meeting 16/11/2020	7 th meeting 15/12/2020
Mr. Abdul Aziz Al-Nuwaier	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Abdulaziz Alkhamis	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Waleed Aleisa	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Ghassan Al-Malki	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Jaser A. Aljaser	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Hamood A. Altuwaijri	Not a member	Not a member	Attended	Attended	Attended	Attended	Attended
Mr. Ehab M. Al Dabbagh	Not a member	Not a member	Attended	Attended	Attended	Attended	Attended
Mr. Abdulrahman Al Oudan	Not a member	Not a member	Attended	Attended	Attended	Attended	Attended
Dr. Khalid Al Ghanim	Not a member	Not a member	Attended	Attended	Attended	Attended	Attended
*HE Mr. Soliman Al-Humayyd	Attended	Attended					
*Mr. Abdullah M. Al-Fayez	Attended	Attended					
*Mr. Abdulaziz A. Al Zaid	Attended	Attended					

*Mr. Raed A. Al-Tamimi	Attended	Attended					
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*His membership expired by the end of the previous board's tenure on 25/03/2020.

14.Actions taken by the Board of Directors to apprise its members - especially non-executives - of the shareholders' proposals and their remarks about the company and its overall performance

In the event of receiving any proposals or remarks from shareholders, the Board of Directors shall apprise its members, specifically the Non- Executive – of such suggestions and remarks by using the following means:

- 1) Meetings of the Board of Directors.
- 2) Meetings of Board committees.
- 3) Meetings of the General Assembly.
- 4) Periodical meetings held by the Company with shareholders and investors.

15.A brief description of the committees' competencies and functions, along with the names of committees, their chairmen and members, number of meetings held, dates of such meetings, and attendances per each meeting:

A. Executive Committee

Chairman & Members	Membership Capacity	Classification
Mr. Abdul Aziz I. Al-Nuwaier	Chairman	Independent
Mr. Waleed A. Aleisa	Member	Non-executive
Mr. Abdulrahman M. Al Odan	Member	Independent
Abdulaziz H. Al Boug	Member/Tawuniya CEO	Not a BOD member
HE Mr. Soliman S. Al-Humayyd	Chairman up to 25/03/2020	Non-executive
Mr. Raed A. Al-Tamimi	Member up to 25/03/2020	Non-executive
Executive Committee Jurisdictions and Duties		
<ol style="list-style-type: none"> 1. Providing recommendations to the Board of Directors' (BOD) on strategic and operating plans, budgets, business plans and necessary actions required. 2. Making decisions about the issues delegated by the Board that are outside the scope of CEO's powers, including those issues related to capital expenditures and purchases within the limits delegated to the committee from the Board of Directors. 		

Attendance Record of Executive Committee Meetings in 2020						
Meeting Number and Date	Abdul Aziz Al-Nuwaier	Abdulrahman Al Oudan	Waleed Aleisa	Abdulaziz Al Boug	*Soliman Al-Humayyd	* Raed Al-Tamimi
1 st meeting: 13/02/2020	Non a member	Non a member	Attended	Attended	Attended	Attended
2 nd meeting: 03/05/2020	Attended	Attended	Attended	Attended	--	--
3 rd meeting: 20/08/2020	Attended	Attended	Attended	Attended	--	--
4 th meeting: 05/10/2020	Attended	Attended	Attended	Attended	--	--
5 th meeting: 15/11/2020	Attended	Attended	Attended	Attended	--	--
6 th meeting: 23/12/2020	Attended	Attended	Attended	Attended		
Total	5	5	5	5	1	1

*His membership expired by the end of the previous Board's tenure on 25/03/2020.

B. Remuneration and Nomination Committee

Chairman & Members	Membership Capacity	Classification
Mr. Ehab M. Al Dabbagh	Chairman	Independent
Dr. Khalid A. Al-Ghanim	Member	Independent
Mr. Jaser A. Aljaser	Member	Non-executive
Mr. Abdulaziz H. Al Boug	Member/Tawuniya CEO	Not a BOD member
Mr. Ghassan Al-Malki	Committee Member up to 25/03/2020	Non-executive
Mr. Abdulaziz A. Al Zaid	Committee Chairman up to 25/03/2020	Independent
Mr. Abdullah M. Al-Fayez	Committee Member up to 25/03/2020	Independent
Remuneration and Nomination Committee Jurisdictions and Duties		
<ol style="list-style-type: none"> 1. To recommend to the Board of Directors nomination for membership of the Board of Directors and its committees, in accordance with the regulatory requirements, policies and standards adopted. 2. The annual revision required for the needs of the suitable skills for membership of the Board of Directors and its committees and preparing a description to the capabilities and qualifications required for membership of the Board and its committees and determine the time that needs to be devoted by the member to the work of the Board and/or its committees. 3. Assess the structure and composition of the Board and its committees, determine their vulnerabilities on a regular basis and propose the necessary steps to address them. 		

4. Assess and monitor the independence of the members of the Board and its committees and making sure there are no conflicts of interests, including ensuing, on an annual basis, the independence of Board independent members.
5. **Set** clear policies for compensation and remuneration of the members of the Board of Directors and its committees and senior management.
6. Evaluate the performance of the members of the Board of Directors and its committees periodically.
7. Present recommendations with respect to the nomination and dismissal of the members of senior management.
8. Design the policy and procedures for succession to the CEO and members of senior management and monitoring the implementation of the succession plans and procedures.
9. Review the compensation plans of the members of senior management.
10. Supervise the induction program and training for members of the Board of Directors.
11. Submit recommendation to the Board on matters relating to nomination and remuneration.

Attendance Record of Remuneration and Nomination Committee Meetings in 2020

Meeting Number and Date	Ehab M. Al Dabbagh	Khalid Al Ghanim	Jaser A. Aljaser	Abdulaziz Al Boug	*Abdulaziz Al Zaid	*Abdullah Al-Fayez	**Ghassan Al-Malki
1 st meeting: 14/01/2020	Not a member	Not a member	Attended	Not a member	Attended	Attended	Attended
2 nd meeting: 06/05/2020	Attended	Attended	Attended	Attended	--	--	--
3 rd meeting: 19/10/2020	Attended	Attended	Attended	Attended	--	--	--
4 th meeting: 02/11/2020	Attended	Attended	Attended	Attended	--	--	--
5 th meeting: 12/11/2020	Attended	Attended	Attended	Attended	--	--	--
Total	4	4	5	4	1	1	1

*His membership expired by the end of the previous board's tenure on 25/03/2020.

C. Audit Committee

Chairman & Members	Membership Capacity	Classification
Mr. Hamood A. Altuwaijri	Member	Independent
Mr. Ihssan Amanullah Makhdam	Member	Not a BOD member
Mr. Khalid Salim Al Ruwais	Member	Not a BOD member

Mr. Khalid Sulaiman Al Sulaiman	Member	Not a BOD member
Mr. Turki Al Luhaid	Chairman up to 25/03/2020	Not a BOD member
Mr. Mohammed Farhan Al Nader	Member up to 25/03/2020	Not a BOD member
Mr. Abdul Aziz I. Al-Nuwaiser	Member up to 25/03/2020	Independent
Mr. Ayman Al Muqhim	Member up to 25/03/2020	Not a board member

Audit Committee Jurisdictions and Duties

1. Submit recommendations to Board of Directors (BOD) to approve the nomination or re-nomination of the external auditors, and this includes ensuring that the external auditors have expertise necessary to perform the audit of the Company's business professionally.
2. Appoint and dismiss the chief compliance officer after obtaining "No Objection" in writing from SAMA.
3. Recommends to the Board for the nomination and dismissal of the chief internal auditor after obtaining "No Objection" in writing from SAMA.
4. Ensure the independence of the external auditors from the Company, Board members and senior management.
5. Ensure the independence of the Internal Audit Department or the internal auditor in the performance of their duties and verify the absence of any restrictions on their acts or the presence of any matter of negative impact on their acts.
6. Ensure the independence of Compliance Department or chief compliance officer in the performance of their duties and verify the absence of any restrictions on their acts or the presence of any matter of negative impact on their acts.
7. Discuss the annual and quarterly interim financial statements with the external auditors and senior management of The Company before they are issued.
8. Examine and review the annual and interim financial statements and recommend to the Board thereon.
9. Study the internal and external auditors' plan.
10. Study, approve and follow-up the implementation of compliance plan.
11. Study the important accounting policies, their procedures and changes that may be carried out on them.
12. Prepare a report on the Committee's opinion on the adequacy of internal controls system in The Company and the other work the Committee has performed within the scope of its jurisdiction. This report must be presented in Head Office of The Company before (10) days from the date of the General Assembly.
13. Coordinate between the internal and external auditors.
14. Examine the reports of external auditors and make recommendations thereon to the Board of Directors.
15. Review the reports of the Internal Audit Department or internal auditor and make recommendations thereon to the Board of Directors.
16. Review the reports of the Compliance Department and make recommendations thereon to the Board of Directors.

17. Study the reports issued by the regulatory and supervisory authorities or official regulator and make recommendations thereon to the Board of Directors.
18. Assess the level of efficiency, effectiveness and objectivity of the work of external auditors, Internal Audit Department or internal auditor, the Compliance Department or chief compliance officer.
19. Study the observations of SAMA and the relevant supervisory and regulatory authorities on any legal violations or requests for corrective measures and make recommendations thereon to the Board of Directors.
20. Study the evaluation of the internal and external auditors on the internal control procedures.
21. Study the processes among the entities of the group and operations with related parties.
22. Study the actuary reports and make recommendations thereon to the Board.
23. Ensure the Company's compliance with implementation of the proposals and recommendations of the actuary when they are compulsory under the regulations and instructions issued by SAMA and the relevant supervisory and regulatory authorities.
24. Follow-up the reports issued by SAMA and the relevant supervisory and regulatory authorities concerned and make recommendations thereon to the Board.
25. Determine the monthly salary, stimulating bonus and other awards for the Internal Audit Department or internal auditor in accordance with the internal regulations of The Company, which are approved by the Board.
26. Determine the monthly salary, stimulating bonus and other awards for the Compliance Department or chief compliance officer in accordance with the internal regulations of The Company, which are approved by the Board.
27. Ensure the availability of a written regulation on the rules of professional ethics and conduct after its approval by the Board to ensure that The Company's business activities are transacted in a fair and ethical manner.
28. Follow-up the important lawsuits filed by or versus The Company with the manager of Compliance Department or chief compliance officer, and submit periodic reports on them to the Board.
29. Ensure the optimal use of information technology and the availability of necessary controls to get accurate, authentic and reliable information and data.

Attendance Record of Audit Committee Meetings in 2020

Meeting Number and Date	Mr. Hamoud Altuwaijri	Ihssan Amanullah	Khalid Al Ruwais	Khalid Al Sulaiman	*Mr. Abdul Aziz Al-Nuwaiser	*Turki Al Luhaid	*Mohammed Al Nader	*Ayman Al Muqhim
1 st meeting: 26/01/2020	Not a member	Not a member	Not a member	Not a member	Attended	Attended	Attended	Attended
2 nd meeting: 03/02/2020	Not a member	Not a member	Not a member	Not a member	Attended	Attended	Attended	Absent

3 rd meeting: 17/02/2020	Not a member	Not a member	Not a member	Not a member	Attended	Attended	Attended	Attended
4 th meeting: 03/03/2020	Not a member	Not a member	Not a member	Not a member	Attended	Attended	Attended	Attended
5 th meeting: 05/05/2020	Attended	Attended	Attended	Attended	--	--	--	--
6 th meeting: 21/05/2020	Attended	Attended	Attended	Attended	--	--	--	--
7 th meeting: 23/06/2020	Attended	Attended	Attended	Attended	--	--	--	--
8 th meeting: 12/08/2020	Attended	Attended	Attended	Attended	--	--	--	--
9 th meeting: 16/09/2020	Attended	Attended	Attended	Attended	--	--	--	--
10 th meeting: 29/10/2020	Attended	Attended	Attended	Attended	--	--	--	--
11 th meeting: 29/11/2020	Attended	Attended	Attended	Attended	--	--	--	--
12 th meeting: 15/12/2020	Attended	Attended	Attended	Attended	--	--	--	--
Total	8	8	8	8	4	4	4	3

*His membership expired by the end of the previous committee's tenure on 25/03/2020.

D. Investment Committee

Chairman & Members	Membership Capacity	Classification
Mr. Abdulaziz A. Alkhamis	Chairman	Non-executive
Mr. Hamood A. Altuwaijri	Member	Independent
Mr. Ghassan A. Al-Malki	Member	Non-executive
Mr. Ehab M. Al Dabbagh	Member	Independent
Mr. Abdulaziz A. Al Zaid	Member up to 25/03/2020	Independent
Mr. Abdulaziz H. Alboug	Tawuniya CEO Member up to 25/03/2020	Not a BOD member
Mr. Fraser Gregory	Tawuniya CFO Member up to 25/03/2020	Not a BOD member
Investment Committee Jurisdictions and Duties		
<ol style="list-style-type: none"> Review and approve the investment strategy and policies provided by the executive management. Supervise the implementation of the investment strategy and policies and ensure strict compliance with them. 		

3. Review and evaluate the investment proposals that require the approval of the Committee and make decisions about The Company's investments in the limits of powers granted by the Board of Directors.
4. Nominate the investment managers outside the Kingdom and evaluate their services, terminate their duties and determine their fees.
5. Define the investment limits inside and outside the Kingdom in accordance with the Investment Regulation issued by SAMA.
6. Supervise the observance of investment limits in each investment tool.
7. Review and evaluate The Company's existing investments through the periodic reports on the same.
8. Inform the Board on its works, findings or decisions taken.

Attendance Record of Investment Committee Meetings in 2020

Meeting Number and Date	Abdulaziz Alkhamis	Hamood Altuwaijri	Ghassan Al-Malki	Ehab Al Dabbagh	*Abdulaziz Al Zaid	**Abdulaziz Al Boug	**Fraser Gregory
1 st meeting: 12/02/2020	Attended	Not a member	Not a member	Not a member	Attended	Attended	Absent
2 nd meeting: 23/04/2020	Attended	Attended	Attended	Attended	--	--	--
3 rd meeting: 26/08/2020	Attended	Attended	Attended	Attended	--	--	--
4 th meeting: 13/10/2020	Attended	Attended	Attended	Attended	--	--	--
5 th meeting: 11/11/2020	Attended	Attended	Attended	Attended	--	--	--
Total	5	4	4	4	1	1	0

*His membership expired by the end of the previous board's tenure on 25/03/2020.

E. Risk Management Committee

Chairman & Members	Membership Capacity	Classification
Mr. Waleed A. Aleisa	Chairman	Non-executive
Mr. Jaser A. Aljaser	Member	Non-executive
Mr. Ghassan A. Al-Malki	Member	Non-executive
Mr. Abdulrahman M. Al Oudan	Member	Independent
Mr. Raed A. Al-Tamimi	Member up to 25/03/2020	Non-executive
Mr. Abdulaziz H. Alboug	Tawuniya CEO Member up to 25/03/2020	Not a BOD member
Risk Management Committee Jurisdictions and Duties		
1. Identify the risks The Company may be exposed to and maintain an acceptable level of risk appetite to The Company.		
2. Supervise the risk management systems and assessing their effectiveness.		

3. Design a comprehensive strategy for the management of The Company's risks, supervise the application of risk management, review and update such strategy periodically, taking into account the relevant internal and external changes.
4. Review the risk management policies.
5. Review and re-assess the level of risk appetite by The Company and the extent of its exposure to risks periodically.
6. Present detailed reports to the Board on the potential risks and make recommendations on how to manage them.
7. Provide advice to the Board of Directors about the issues pertaining to risk management.

Attendance Record of Risk Management Committee Meetings in 2020

Meeting Number and Date	Waleed Aleisa	Jaser A. Aljaser	Ghassan Al-Malki	Abdulrahman Al Oudan
1 st meeting: 24/08/202	Attended	Attended	Attended	Attended
2 nd meeting: 28/09/2020	Attended	Attended	Attended	Attended
3 rd meeting: 17/11/2020	Attended	Attended	Attended	Attended
4 th meeting: 21/12/2020	Attended	Attended	Attended	Attended
Total	4	4	4	4

16.The Means by Which the Board of Directors Relied on the Evaluation of its Performance and That of its Committees and Members:

The policy for assessing the performance of the Board members and committees has been adopted. The forms approved under this policy have been used as a means of evaluation.

17.Disclosure of Remuneration of Board Members and Executive Management as provided for in article (93) of the Corporate Governance Regulations:

Remuneration policy and method adopted to determine the remuneration of Board Members:

The Board of Directors proposes remuneration of the board members based on recommendation of the Nomination and Remuneration Committee and in accordance with the relevant laws, regulations and instructions and with any conditions approved by the General Assembly, and none of the proposed remuneration and compensation for Chairman and members of the Board may be approved without approval thereof by the

General Assembly. The company makes sure that all details of the proposed remuneration and compensations are published in writing, so that they are available to all shareholders prior to holding the general assembly in which the remuneration and compensation will be put to vote.

The remuneration of the board members shall be a certain amount, an attendance allowance for meetings, benefits in kind, or a certain percentage of the net profits, and it is permissible to combine two or more of these benefits. In all cases, total remuneration annually paid to the member of the Board of Directors shall not exceed (SR 500,000) Five Hundred Thousand Saudi Riyal (With the exception of the members of the audit committee), in accordance with the controls set by the Capital Market Authority. The Board of Directors shall determine the special remuneration of the Chairman of the Board for his work and responsibilities in this capacity, in addition to the remuneration paid to members of the Board that is mentioned above. However, the special remuneration of the Chairman is not subject to the maximum limit of the annual remuneration of the BOD members and if it exceeds the maximum limit, no objection should be obtained from SAMA prior to recommending this special remuneration to the Shareholders General Assembly for approval.

Like the company's employees, a member of the board of directors and/or a member of the subordinate committee is entitled to a medical insurance for himself and his dependent family members, except for those who enjoy this benefit through another entity with which such family member works or cooperates therewith, or its system requires him/her to be included by this coverage, in addition to the other insurance benefits, the company grants to its employees. The company also provides professional liability insurance coverage for the board members and/or subordinate committees.

The company indemnifies a member of the board of directors and/or subordinate committees for any government taxes or fees such as value-added tax arising from his membership in the company's board of directors. This compensation is not counted within the remunerations and compensations that fall under the upper limit mentioned in the above paragraph.

The company's extraordinary general assembly, held on 03/05/2020, approved the remuneration and compensation policy for board members and its subordinate committees. Accordingly, the Board of Directors proposed remuneration for board members based on recommendation of the Nomination and Remuneration Committee in addition to remuneration for Chairman of the Board of Directors for which the SAMA's NOC was obtained, in accordance with the relevant laws, regulations and instructions and with the conditions and standards approved by the General Assembly. **None** of the proposed remunerations and compensations for the chairman and members of the Board will be approved unless after obtaining approval of the General Assembly.

Remuneration policy and method adopted to determine the remuneration of Executive Management:

The Ordinary General Assembly of the Company, that was held on 18/04/2018 approved the remuneration and compensation policy for members of the Executive Management, which clarifies the mechanism adopted for determining and approving their remuneration in addition to the criteria adopted for determining remuneration and linking it to performance, disclosure and verification of their implementation.

The Company pays the basic salary and other allowances to the members of Executive Management depending on the structure of job grades, salary levels and the policies and internal regulations approved by the Board of Directors, and any additional benefits or privileges proposed by the CEO and then discussed with the Nomination and Remuneration Committee to recommend them to the Board of Directors for ratification and approval.

The members of the Executive Management may be granted an annual allowance in accordance with the performance standards approved in the Company and in line with the Human Resources Executive Regulations and the decisions of the Board of Directors. This allowance shall apply to the basic salary and its effective date shall be determined by a decision of the CEO. The Board of Directors may also, at its discretion, approve the allocation of a specific amount of money to be distributed to members of the Executive Management as an annual bonus. The distribution of this bonus is subject to a specific mechanism approved by the Board of Directors to ensure the entire fairness and equity.

The Relationship between the Remuneration Awarded and the Applicable Remuneration Policy:

In granting the remuneration to the Board members, The Company adopts the contents set forth in Article (19) of the Articles of Association of The Company and in accordance with the policy of remuneration to the Board members and committees as well as the Executive Management, which has been approved by the Company's General Assembly. It clarifies the mechanism for determining and approving remuneration for each of the BOD members and the executive management as mentioned above.

Remuneration of the Board Members

(SAR'000)

	Fixed Remunerations							Variable Remunerations					End of service gratuity	Grand total	Expenditure allowance
	Fixed amount	Remuneration for Board meetings	Committee meetings attended	In-kind benefits***	Amount for technical, administrative or	Remuneration of Chairman managing	Total	Share in profits	Periodic Remunerations*	Short-term Incentive Plans	Long-term Incentive Plans	Shares granted (value to be entered)	Total		

									(Committee Membership)	(BOD Membership)								
First: Independent Members																		
Abdul Aziz Al-Nuwaier	412.5	35	25	0	0	600	1,072.5	0	0	0	0	0	0	0	0	0	1,072.5	0
Abdulrahman Al Oudan	337.5	25	45	0	0	-	407.5	0	0	0	0	0	0	0	0	0	407.5	0
Hamood Altuwaijri	337.5	25	20	0	0	-	382.5	0	0	0	0	0	0	0	0	0	382.5	0
Ehab Al Dabbagh	337.5	25	40	0	0	-	402.5	0	0	0	0	0	0	0	0	0	402.5	0
Khalid Al Ghanim	337.5	25	20	0	0	-	382.5	0	0	0	0	0	0	0	0	0	382.5	0
Abdullah Al-Fayez	112.5	10	5	0	0	-	127.5	0	0	0	0	0	0	0			127.5	0
Abdulaziz A. Al Zaid	112.5	10	10	0	0	-	132.5	0	0	0	0	0	0	0			132.5	0
Raeed A. Al-Tamimi	112.5	10	5	0	0	-	127.5	0	0	0	0	0	0	0			127.5	0
Total	2,100	165	170	0	0	600	3,035	0	0	0	0	0	0	0	0	0	3,035	0
Second: Non-Executive Members																		
Abdulaziz Al-Khamis	450	35	25	0	0	0	500	0	0	0	0	0	0	0	0	0	500	0
Waleed Aleisa	450	35	50	0	0	0	500	0	0	0	0	0	0	0	0	0	500	0
Ghassan Al-Malki	450	35	45	0	0	0	500	0	0	0	0	0	0	0	0	0	500	0
Jaser A. Aljaser	450	35	45	0	0	0	500	0	0	0	0	0	0	0	0	0	500	0
Soliman Al-Humayyd	112.5	10	5	0	0	0	127.5	0	0	0	0	0	0	0	0	0	127.5	0
Total	1,912.5	150	170	0	0	0	2,212.5	0	0	0	0	0	0	0	0	0	2,212.5	0
Third: Executive Members																		
N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Grand Total	4,012.5	315	340	0	0	600	5,162.5	0	0	0	0	0	0	0	0	5,162.5	0
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Remunerations and Compensations of Senior Executives

(SR'000)

Description	Remuneration and compensations received by Five Senior Executives Including the CEO and CFO who received the highest remuneration and compensation
Salaries and compensation	7,279
Fixed Allowances	3,063
Variable Remunerations - Motivative Plans	1,556
Other compensation and components	819
Performance-linked Annual Remunerations	8,710
Total	21,427

* The company committed to disclose total remuneration of the senior executive management in accordance with the requirements of Article 93(4-b) of the Corporate Governance Rules. In order to protect the interests of the Company, its shareholders and its employees, and to avoid any damage that may result from the disclosure in details as per job titles and positions, hence description of remuneration is not presented pursuant to Appendix (1) Remuneration Schedule of Corporate Governance Rules related to Senior Executives and that is based on paragraph (B) article (60) of Rules on The offer of Securities and Continuing Obligations

Remuneration of the Board Committee members

(SAR'000)

	Fixed Remunerations*	Meeting Attending Allowance	Total

	(Excluding Meetings Attending Allowance)		
Executive Committee Members			
Mr. Abdul Aziz I. Al-Nuwaier	112.5	25	137.5
Mr. Waleed A. Aleisa	150	30	180
Mr. Abdulrahman M. Al Oudan	112.5	25	137.5
Mr. Abdulaziz H. Alboug	0	0	0
HE Mr. Soliman S. Al-Humayyd (His membership expired at the end of the previous board's tenure on 25/03/2020)	37.5	5	42.5
Mr. Raaed A. Al-Tamimi (His membership expired at the end of the previous board's tenure on 25/03/2020)	37.5	5	42.5
Total	450	90	540
Audit Committee Members			
Mr. Hamood A. Altuwaijri	0	24	24
Mr. Ihssan Amanullah Makhdam	100	24	124
Mr. Khalid Salim Al Ruwais	100	24	124
Mr. Khalid Sulaiman Al Sulaiman	100	24	124
Mr. Turki Al-Luhaid (His membership expired at the end of the previous board's tenure on 25/03/2020)	0	12	12
Mr. Mohammed Al Nader (His membership expired at the end of the previous board's tenure on 25/03/2020)	0	12	12
Mr. Ayman Al-Moqhem (His membership expired at the end of the previous board's tenure on 25/03/2020)	0	9	9
Mr. Abdul Aziz I. Al-Nuwaier	0	12	12

(His membership expired at the end of the previous board's tenure on 25/03/2020)			
Total	300	141	441
Remunerations and Nominations Committee Members			
Mr. Ehab M. Al Dabbagh	112.5	20	132.5
Dr. Khalid A. Al Ghunaim	112.5	20	132.5
Mr. Jaser A. Aljaser	150	25	175
Mr. Abdulaziz H. Alboug	0	0	0
Mr. Ghssan A. Al-Malki (His membership ended with the re-formation of the committee after the end of the board's tenure on 25/03/2020)	0	5	5
Mr. Abdulaziz A. Al Zaid (His membership expired at the end of the previous board's tenure on 25/03/2020)	37.5	5	42.5
Mr. Abdullah M. Al-Fayez (His membership expired at the end of the previous board's tenure on 25/03/2020)	37.5	5	42.5
Total	487.5	80	572.5
Risk Management Committee Members			
Mr. Waleed A. Aleisa	0	20	20
Mr. Jaser A. Aljaser	0	20	20
Mr. Ghassan A. Al-Malki	150	20	170
Mr. Abdulrahman M. Al Oudan	0	20	20
Mr. Raaed A. Al-Tamimi (His membership expired at the end of the previous board's tenure on 25/03/2020)	37.5	0	37.5
Mr. Abdulaziz H. Alboug (His membership ended with the re-formation of the committee after the end of the board's tenure on 25/03/2020)	0	0	0
Total	187.5	80	267.5
Investment Committee Members			
Mr. Abdulaziz A. Alkhamis	150	25	175

Mr. Hamood A. Altuwaijri	112.5	20	132.5
Mr. Ghassan A. Al-Malki	0	20	20
Mr. Ehab M. Al Dabbagh	0	20	20
Mr. Abdulaziz A. Al Zaid (His membership expired at the end of the previous board's tenure on 25/03/2020)	37.5	5	42.5
Mr. Abdulaziz H. Alboug (His membership ended with the re-formation of the committee after the end of the board's tenure on 25/03/2020)	0	0	0
Mr. Fraser Gregory (His membership ended with the re-formation of the committee after the end of the board's tenure on 25/03/2020)	0	0	0
Total	300	90	390

* Based on NRC recommendation to the board regarding the Annual Remuneration of the Board Committee members it will be SR 150,000 for his membership in (one or more) committees.

18. Any penalty, punishment, precautionary measures or reserve restriction imposed on The Company by CMA or any supervisory, regulatory or judicial body, indicating the reasons of the violation, inflicting party and the ways of remedying it and avoiding its occurrence in the future:

Subject and reasons of the violation	Fiscal Year 2019*			Fiscal Year 2020*		
	No. of Executive Decisions	Total amount of Fines (In SAR)	Ways of remedying it and avoiding its occurrence in the future	No. of Executive Decisions	Total amount of Fines (In SAR)	Ways of remedying it and avoiding its occurrence in the future
Violating SAMA's supervisory instructions	-	0	-	1	50,000	The company has developed a corrective plan to address and

						implement all requirements and to ensure avoiding its occurrence in the future.
Violating SAMA's instructions for protecting clients	-	0	-	-	0	-
Violating SAMA's instructions for conducting due diligence in combating money laundering and terrorist financing	1	150,000	The company has developed a corrective plan to address and implement all requirements related to the anti-money laundering regulation and to ensure avoiding its occurrence in the future.	-	0	-
Violating instructions of CMA and other regulatory authorities	-	0	-	-	0	-
The violation of the absence of a municipal	-	0	-	1	5,000	Taking action to issue the license and ensure that the

license for the HO building No. 2						requirements for licenses are completed for all buildings.
The violation of the non-existence of a civil defense license for Al-Mughrizat branch	-	0	-	1	3,000	Contracting with a specialized company to complete the requirements for issuing the license and ensure its renewal.
Violating the value-added tax regulation	-	0	-	1	10,000	Checking all invoices to ensure the accuracy of VAT value before sharing them with customers.

19. Results of the annual audit of the effectiveness of the internal control procedures of The Company, in addition to the opinion of the Audit Committee on the adequacy of internal control system in The Company

The Internal Audit Department of The Company has implemented the annual internal audit plan approved by the Audit Committee, and submitted the important audit observations report to Senior Management and the Audit Committee. The Board of Directors viewed the important observations submitted by the Audit Committee regarding the effectiveness of The Company's internal control procedures. The Board then directed the Executive Management to prepare an action plan to implement and address all observations presented.

With regard to the results of annual review of the effectiveness of the company's internal control procedures, the Audit Committee believes that the Company's internal control system needs to develop some of its components and improve the risk control tools applied by Tawuniya to cope with the size of the company's business and requirements.

The executive management of the company discussed the observations of the internal audit department and explained that a corrective plan has been prepared. The audit committee will follow up the implementation of the corrective plan during 2021.

20. Recommendation of the Audit Committee on the need to appoint a chief internal auditor in The Company

There is an independent internal audit department in the Company. A head of such department has been appointed during 2020. Some audit tasks have been assigned to an external auditor based on the risk assessment report issued during the year.

21. Recommendations of the Audit Committee, which have a conflict with the Board of Directors' decisions or which the Board has refused to adopt in respect of the nomination of The Company's external auditor, his dismissal, determination of his fees, evaluation of his performance or the appointment of the chief internal auditor and the reasons for not adopting them:

Not applicable.

22. A statement of the dates of the General Assembly meetings of shareholders held during 2020 and the names of the BOD members attended:

The Tawuniya General Assembly held two meetings during the year 2020. The following is the attendance record of the Board members for these two meetings:

Board Member's Name	Ordinary General Assembly Meeting Held on 25/03/2020	Extraordinary General Assembly Meeting Held on 03/05/2020
Mr. Abdul Aziz Al-Nuwaiser	Attended	Attended
Mr. Abdulaziz A. Al Khamis	Attended	Attended
Mr. Waleed A. Aleisa	Attended	Attended
Mr. Ghassan A. Al-Malki	Attended	Attended
Mr. Jaser A. Aljaser	Attended	Attended
Mr. Hamood A. Altuwaijri	Not a BOD member	Attended
Mr. Ehab M. Al Dabbagh	Not a BOD member	Attended
Mr. Abdulrahman Al Oudan	Not a BOD member	Attended
Dr. Khaled A. Al Ghunaim	Not a BOD member	Attended

* HE Mr. Soliman S. Al-Humayyd	Absent	
*Mr. Abdulaziz A. Al Zaid	Absent	-
*Mr. Abdullah M. Al-Fayez	Attended	-
*Mr. Raed A. Al-Tamimi	Attended	-

*His membership expired by the end of the previous Board's tenure on 25/03/2020.

23.A description of main lines of business of The Company and its subsidiaries' business.

A. Description of the main lines of business at Tawuniya

The company consists of business units, according to its products and services, and it has sectors for which reports are submitted as follows:

- **Medical Insurance sector:** It covers health insurance.
- **Medical- Umrah:** It covers health insurance for pilgrims and its profit is shared with other insurance companies.
- **Motor insurance sector:** It provides insurance plans for vehicles.
- **Property and Casualty insurance sector:** which includes coverage for property, engineering, marine, aviation, energy and general accidents insurance.
- **General Accident – Umrah:** It covers general accident insurance for pilgrims and its profit is shared with other insurance companies.
- **Outpost (Manafeth):** It is operating the compulsory third party liability insurance for foreign vehicles and its profit is shared with other insurance companies.
- **Protection and savings.**
- **Shareholders Sector:** It includes reports on the shareholders' operations of the company and the balances of the subsidiary "Tijan Al Khaleej".

The revenues generated by the shareholders are from investment income in addition to income from the operations of the subsidiary company, "Tijan Al Khaleej".

Operating expenses and other general expenses are allocated to this sector on the basis of appropriate allocation. The surplus or loss from the insurance operations is allocated basis on an appropriate allocation.

The following table shows the results of operating segments and their contribution to The Company's business for the fiscal year 2020:

Operating Segments	Medical	Medical - Umrah	Motor	Manafeth	Property & casualty	General Accident - Umrah	Protection & Savings	Total - Insurance operations	Total Shareholders' operations	Total
SAR'000										
REVENUES										
Gross premiums written										
- Retail	27,027	145,176	497,145	75,931	19,450	92,385		857,378		857,378
- Micro Enterprises	348,577	-	19,070	-	18,651	-	-	386,298		386,298
- Small Enterprises	244,336	-	11,812	-	24,146	-	186	280,480		280,480

- Medium Enterprises	287,308	-	27,678	-	30,237	-	926	346,149	346,149
- Corporates	5,662,745	-	44,993	-	1,453,399	-	30,326	7,191,463	7,191,463
	6,569,993	145,176	600,698	75,931	1,545,883	92,385	31,702	9,061,768	9,061,768
Reinsurance ceded - local	-	-	-	-	- 72,281	-	- 23,488	- 95,769	- 95,769
Reinsurance ceded - international	- 1,332	-	-	-	- 1,375,919	-	- 5,326	- 1,382,577	- 1,382,577
Excess of loss premiums	-	-	- 5,299	- 2,634	- 11,348	- 2,903	-	- 22,184	- 22,184
Fees income from takaful	-	-	-	-	-	-	6,667	6,667	6,667
Net premiums written	6,568,661	145,176	595,399	73,297	86,335	89,482	9,555	7,567,905	7,567,905
Changes in unearned premiums, net	- 551,772	- 22	16,678	8,439	988	- 14	183	- 525,520	- 525,520
Net premiums earned	6,016,889	145,154	612,077	81,736	87,323	89,468	9,738	7,042,385	7,042,385
Reinsurance commissions	1,303	-	-	-	115,423	-	-	116,726	116,726
Other underwriting income	1,362	-	4,051	-	1,476	-	-	6,889	6,889
TOTAL REVENUES	6,019,554	145,154	616,128	81,736	204,222	89,468	9,738	7,166,000	7,166,000
UNDERWRITING COSTS AND EXPENSES									
Gross claims paid and related expenses	5,452,457	54,824	311,972	18,489	1,063,816	2,432	30,450	6,934,440	6,934,440
Reinsurers' share of claims paid	- 55,939	-	- 4,352	-	- 1,038,634	-	- 28,456	- 1,127,381	- 1,127,381
Net claims paid and other benefits paid	5,396,518	54,824	307,620	18,489	25,182	2,432	1,994	5,807,059	5,807,059
Changes in outstanding claims, net	- 31,068	-	- 5,157	4,270	1,120	-	472	- 30,363	- 30,363
Changes in incurred but not reported claims reserve, net	- 299,209	277	- 5,345	- 6,569	- 27,950	31	471	- 338,294	- 338,294
Changes in premium deficiency reserves	34,707	-	-	-	14,898	-	- 34	49,571	49,571
Net claims and other benefits incurred	5,100,948	55,101	297,118	16,190	13,250	2,463	2,903	5,487,973	5,487,973
Changes in reserve for takaful activities	-	-	-	-	-	-	- 1,462	- 1,462	- 1,462
Policy acquisition costs	231,165	10,887	82,231	26,479	40,063	6,928	814	398,567	398,567
Other underwriting expenses	93,617	14,172	- 996	4,430	6,101	11,814	815	129,953	129,953
Insurance share distribution	-	57,751	-	22,072	-	62,712	-	142,535	142,535
TOTAL UNDERWRITING COSTS AND EXPENSES	5,425,730	137,911	378,353	69,171	59,414	83,917	3,070	6,157,566	6,157,566

NET UNDERWRITING INCOME	593,824	7,243	237,775	12,565	144,808	5,551	6,668	1,008,434		1,008,434
General and administrative expenses								- 622,165	- 5,997	-628,162
Allowance for doubtful debts								- 49,199	-	- 49,199
Dividend and realized gain on investments, net								157,487	51,305	208,792
Share of profit from investments in associates, net								- 108	15,152	15,044
Impairment of available for sale investments								-2,637	- 2,175	- 4,812
Other income								14,292	680	14,972
NET INCOME FOR THE YEAR BEFORE ZAKAT								506,104	58,965	565,069

B. Description of the Subsidiary Companies' Main Business Activities

Not applicable as defined by the Capital Market Authority for the subsidiaries.

24. Information on Risks Facing the Company (Whether Operational, Financing or Market Risks), and the Risk Management and Control Policy

24.1 The Risks Currently facing Tawuniya.

A. Insurance risk

The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. The principal risk the Company faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid being greater than originally estimated and subsequent development of long-term claims.

The variability of risks is improved by diversification of risk of loss to a large portfolio of insurance contracts as a more diversified portfolio is less likely to be affected across the board by change in any subset of the portfolio, as well as unexpected outcomes. The variability of risks is also improved by careful selection and implementation of underwriting strategy and guidelines as well as the use of reinsurance arrangements.

Significant portion of reinsurance business ceded is placed on treaty and facultative basis with retention limits varying by product lines. Amounts recoverable from reinsurers are estimated in a manner consistent with the assumptions used for ascertaining the underlying policy benefits and are presented in the statement of financial position as reinsurance assets.

Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance arrangements.

B. Reinsurance risk

In order to minimize financial exposure arising from large claims, the Company, in the ordinary course of business, enters into agreements with other parties for reinsurance purposes. To minimize its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers. Reinsurers are selected using the following parameters and guidelines set by the Company's Board of Directors and Reinsurance Committee. The criteria may be summarized as follows:

- Minimum acceptable credit rating by recognized rating agencies (e.g., S&P) that is not lower than BBB or equivalent.
- Reputation of particular reinsurance companies.
- Existing or past business relationship with the reinsurer.

Furthermore, the financial strength and managerial and technical expertise as well as historical performance of the reinsurers, wherever applicable, are thoroughly reviewed by the Company and agreed to pre-set requirements of the Company's Board of Directors and Reinsurance Committee before approving them for exchange of reinsurance business. Reinsurance ceded contracts do not relieve the Company from its obligations to policyholders and as a result the Company remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

C. Financial Market risk

Market risk is the risk that the value of the financial instrument may fluctuate due to changes in market commission rates or the market price of securities or the instrument, change in market sentiments, speculative activities, supply and demand for securities and liquidity in the market.

The Board of Directors of the Company ensure that the overall market risk exposure is maintained at prudent levels and is consistent with the available capital. While the Board gives a strategic direction and goals, risk management function related to market risk is mainly the responsibility of Investment Committee team. The team prepares forecasts showing the effects of various possible changes in market conditions related to risk exposures. This risk is being mitigated through the proper selection of securities. Company maintains diversified portfolio and performs regular monitoring of developments in related markets. In addition, the key factors that affect stock and sukuk market movements are monitored, including analysis of the operational and financial performance of investees.

Market risk comprises of three types of risk:

Currency Risk: Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Commission Rate Risk: The Company invests in securities and has deposits that are subject to commission rate risk. Commission rate risk to the Company is the risk of changes in commission rates reducing the overall return on its fixed commission rate bearing securities. The Commission rate risk is limited by monitoring changes in commission rates and by investing in floating rate instruments.

Other Price Risk: Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from commission rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company limits this nature of market risk by diversifying its invested portfolio and by actively monitoring the developments in markets.

D. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial instruments held by the Company, the maximum credit risk exposure to the Company is the carrying value as disclosed in the statement of financial position.

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. Approximately 99% of the Company's underwriting activities are carried out in Saudi Arabia. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

E. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet obligations and commitments associated with financial liabilities. The Company has a proper cash management system, where daily cash collections and payments are strictly monitored and reconciled on regular basis. The Company manages liquidity risk by maintaining maturities of financial assets and financial liabilities and investing in liquid financial assets. To manage the liquidity risk arising from financial liabilities mentioned above, the Company holds liquid assets comprising cash and cash equivalents and investment securities. These assets can be readily sold to meet liquidity requirements.

The assets with maturity less than one year are expected to realize as follows:

- Available for sale investments include investments in mutual funds and sukuk and are held for cash management purposes and expected to be matured/ settled within 12 months from the date of the financial position statement.
 - The accrued investment income is expected to be realized within one to three months from the date of the financial position statement.
 - Mudaraba / Murabaha deposits classified as 'cash and cash equivalents' are deposits with high credit rating financial institutions with maturity of less than three months from the date of deposit. Other mudaraba / murabaha deposits are expected to be matured within six months from the date of deposit.
 - Cash and bank balances are available on demand.
- Reinsurers share of outstanding claims majorly pertain to property and casualty segment and are generally realized within three to six months based on settlement of balances with reinsurers.

The liabilities with maturity less than one year are expected to settle as follows:

- Reinsurers' balances payable are settled on a quarterly basis as per terms of reinsurance agreements.
- Majority of gross outstanding claims are expected to settle within two months in accordance with statutory timelines for payment. Property and casualty policies due to the inherent nature are generally settled within one month from the date of receipt of Loss Adjuster's report.
- The claims payable, accrued expenses and other liabilities are expected to settle within a period of three months from the period end date.
- Surplus distribution payable is to be settled within six months of annual general meeting in which financial statements are approved.

F. Operational risk

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

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors. The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the settlement and monitoring of transactions;

- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Ethical and business standards; and
- Risk mitigation policies and procedures.

Senior Management ensures that the Company's staff has adequate training and experience and fosters effective communication related to operational risk management.

G. Competition in the market putting pressure on prices

Pricing is one of the vital factors for capturing the market along with customer centric services, and so also to retain the existing clients. The products need to be competitively priced by having effective operations and monitoring the loss ratios tightly.

H. Maintaining solvency & capital requirements

Not meeting these requirements may attract regulatory sanctions and may result in rating downgrade, which is not good for the Company.

I. Decline in the local economic environment

It is leading to delays in collecting dues.

J. Global economic conditions

Affecting company's Investment portfolio and hence impacting financial health.

K. Power of Suppliers

Insurance companies may be affected if the medical providers' network is dominated by few services providers (oligopoly).

L. Company's business portfolio skewed towards Medical line of business

In line with the Saudi insurance industry in general, medical insurance constitutes the largest share of the company's portfolio due to the application of compulsory health insurance regulations, which resulted in the portfolio's tendency to adopt this type of insurance. Therefore, the slight change in the share of medical insurance significantly affects the overall performance of the company.

M. Flexibility in Company's processes and systems

The infrastructure and the processes adopted need to cope up with the demands of the business growth and changing market practices, otherwise business may suffer.

N. Risk Accumulation

The Accumulation of risks at a location, region will expose the Company to high magnitude of losses in case of occurrence of loss events. Therefore, the Company monitors concentration of insurance risks primarily by class of insurance.

O. High staff turnover

Besides increasing the cost of recruitment and training, it will adversely affect the operational efficiency and in turn the customer service.

P. Leakage of sensitive information

Leakage of business sensitive information may put the Company in disadvantageous position and may expose the Company to reputational loss. Therefore, the company has established policies and procedures that define the specifications of sensitive information and the rules for dealing with it in a manner that guarantees its protection and not leakage.

Q. Frauds and Financial crimes

Frauds/Abuse in financial operations claims operations; sales etc. may strain the Company's bottom line. Therefore, the company has developed policies and systems that include a large number of indicators to identify, detect and address suspected fraud cases.

R. Breaching of Laws and Regulations

Failure to comply with the laws and regulations issued by the supervisory and regulatory authorities such as the CMA, SAMA, CCHI etc., may attract imposition of penalties, which in turn may affect reputation of the Company. Tawuniya is committed to update its internal policies and procedures, as well as implementing its transactions in accordance with the laws and regulations issued by such supervisory authorities.

S. Technology Obsolescence

Tawuniya is pursuing strategies that include IT legacy systems transformation and digitalization. Until the newly implemented systems are available, company may be exposed to technology obsolescence risk.

24.2 The risks that may be considered as potential risks faced by Tawuniya:

A) IFRS 17 Implementation

Tawuniya will need to interpret, understand and apply the new standard to its insurance contracts and reporting. The major change required will extend beyond finance and actuarial teams and its impacts will need to be communicated to a broad range of internal and external stakeholders.

B) Continuation of COVID-19

Driven economic slowdown and resulting impact on the various facets of the company strategy and business objectives.

C) Sustaining Customer Loyalty and Retention

Due to evolving customer preferences and/or demographic shifts in our existing customer base.

D) Services Outage due to Potential Attacks

The availability of systems and services may be at risk due cyberattacks, virus and malware attacks. The company is constantly developing effective security systems that repel these attacks and keep working and providing service.

E) Maintaining Operating Standards in Light of Business Expansion

When the business expands, it is a challenge to maintain the operating standards to differentiate in the market and to retain the clientele.

F) Geopolitical Situations Impacting the Company's Insurance Contracts and Investments

Geopolitical situations may affect the insurance contracts more particularly of P&C lines, reinsurance arrangements and the investments. Tawuniya closely monitors these conditions and develops appropriate hedging policies.

F) Changing Regulatory, Legal, and Behavioral Environment affecting the Company Performance

This may put the Company at the disadvantageous position due to additional costs required to incur to meet the requirements.

24.3 Evaluating the risks surrounding the company and how to deal with it

Tawuniya has well established Risk Management processes for:

- Ensuring operations within the Company's risk appetite by implementing Risk Appetite Framework.
- Regular monitoring of regulatory solvency position and capital position as per rating agency capital model.
- Updating the risk profiles of critical entities periodically and continuous monitoring of the profiles as a part of Control & Risk Self-Assessment.
- Monitoring of adequacy of technical reserves, underwriting practices etc.
- Devising required controls to mitigate the identified risks.
- Review of policies and procedures and aligning them with applicable legal, regulatory, and control provisions.

24.4 The Company Policy in Managing and Controlling Risks

- Tawuniya has well established Risk Management structure.

- Recognized the importance of Risk Management way back and embedded risk culture in its operations by implementing several risk management assessment programs/methodologies
- Has dedicated and independent Risk Management Function.
- Established a Board Risk Management Committee to enhance the effectiveness of Enterprise Risk Management.

24.5 The Most Important Risk Management Activities in Tawuniya in 2020

- Regular reporting to Risk Management Committee on status of various risks faced by the company as per the approved Risk Appetite statements, and other Risk Management tools including CRSA, Risk Registers etc.
- Periodic review and assessment with monitoring of Regulatory Solvency and Capital Adequacy of Tawuniya.
- Quarterly review and assessment of various Investments risks along with Risk Management observations/recommendations to the Investment Committee.
- Updating and enhancing the current Risk and Control Self-Assessment process, including full revision of seven business entities profiles.
- Maintaining regular updates to the Master Risk Register for the company by obtaining feedback from various business units and incorporating them into the register along with agreed action plans.
- Conducting the SAMA Risk Based Supervision (RBS) activity by submitting the reports as and when required after reviewing the submissions provided by the business units.
- Promoting Risk Management culture within the organization through various channels including Tawasol risk awareness messages and conducting workshops on risk awareness at various levels.

25. A Summary in a form of a Table or a Diagram to The Company's Assets, Liabilities and Results of its Business Operations for the Last Five Years 2016-2020:

A. Tawuniya Business Results for the Last Five Financial Years 2016 -2020

(SR million)

Description	2016	2017	2018	2019	2020
Gross Written Premiums (GWP)	8,055	8,407	7,641	8,376	9,062
Total revenues	7,001	7,432	7,188	7,010	7,166
Gross Claims Paid	5,328	6,690	7,820	6,975	6,934
Total underwriting costs and expenses	6,325	8,052	7,669	6,838	6,829

Operational procedures results	676	(590)	(455)	192	351
Surplus/deficit of insurance operations	767	(368)	(427)	343	506
Net Profit (Loss) before Zakat	801	(147)	(213)	402	514

B. Company's Assets and Liabilities in the last five years (2016-2020)

	December 31,2020	December 31,2019	December 31,2018	December 31, 2017	December 31, 2016
SAR'000					
ASSETS					
Statutory deposit	125,000	125,000	125.000	125.000	100,000
Accrued income on statutory deposit	2,774	2,513	2.254	1.997	1,711
Property and equipment, net	191,851	206,553	211,378	222,907	240,987
Intangible assets	7,708	3,971	3.633	7.653	-
Investment properties	62,138	63,427	64,716	66,005	67,280
Equity-accounted Investments	85,319	101,520	95.116	95.468	107,649
Available for sale investments	3,018,566	2,746,748	2.905.130	5.525.209	4,533,577
Mudaraba/ Murabaha deposits	3,134,932	3,539,376	2.239.125	82.035	-
Prepaid expenses and other assets	616,895	243,912	261.088	191.369	275,249
Deferred excess of loss premiums	12,723	7,714	8.775	11.293	12,972
Deferred policy acquisition costs	134,724	120,845	130.651	170.790	218,100
Reinsurers' share of gross outstanding claims	1,962,570	3,100,446	2.725.809	1.375.277	1,780,402
Reinsurers' share of incurred but not reported claims	289,784	327,724	191.837	391.207	338,352
Reinsurers' share of unearned premiums	683,698	715,959	544.839	591.125	553,813
Receivables, net	3,480,553	1,495,894	1.517.987	2.257.678	2,326,988
Accrued investment income	2,397	6,333	-	158.093	-
Cash and cash equivalents	445,794	1,306,550	1.600.240	1.397.203	2,401,149
TOTAL ASSETS	14,257,426	14,114,485	12.627.578	12.670.309	12,958,229
LIABILITIES					
Surplus distribution payable	84,893	34,283	-	-	76,651
Employees end of service benefits	134,990	129,480	133.276	119.242	98,677
Return payable on statutory deposit	2,774	2,513	2.254	1.997	1,711
Claims payable, accrued expenses and other liabilities	1,737,352	1,174,982	1,514,723	1,293,273	1,408,912
Short-term borrowings	401,998	-	-	-	-

Reserve for takaful activities	3,544	5,006	8.690	10.576	12,902
Gross outstanding claims	2,516,652	3,684,891	3.271.156	2.374.764	2,145,970
Incurred but not reported claims reserve	1,549,350	1,925,584	1.684.183	1.700.269	1,446,728
Premium deficiency reserve	52,401	2,830	7.272	137.248	-
Unearned commission income	37,538	43,3 23	39.299	53.661	54,439
Gross unearned premiums	4,319,378	3,826,119	3.820.293	4.405.244	4,390,229
Reinsurers' balances payable	254,559	523,820	94.720	207.922	178,959
Dividends payable	6,411	6,411	6.411	6.414	6,054
Accumulated surplus from insurance operations	-	-	-	-	-
Zakat payable	346,224	255,554	237.080	233.318	200,443
TOTAL LIABILITIES	11,448,064	11,614,796	10.819.357	10.543.928	10,021,675
EQUITY					
Share capital	1,250,000	1,250,000	1.250.000	1.250.000	1,000,000
Statutory reserve	1,144,183	1,065,517	1.000.000	1.000.000	1,000,000
Fair value reserve for investments	89,536	167,472	(198.724)	(166.244)	(62,153)
Remeasurement of defined benefit obligation	(20,261)	(14,540)	(12.226)	(5.879)	-
Retained earnings	345,904	31,240	(230.829)	48.504	998,707
TOTAL EQUITY	2,809,362	2,499,689	1.808.221	2.126.381	2,936,554
TOTAL LIABILITIES AND EQUITY	14,257,426	14,114,485	12.627.578	12.670.309	12,958,229
CONTINGENT LIABILITIES					

26. Geographical analysis of the total revenues of the company and its subsidiaries:

A. Geographical analysis of the company's total revenues in 2020

The Gross Written Premiums (GWP) increased in 2020 by 8.2%, after reaching SR 9,062 million compared to SR 8,376 million in 2019. The company's activities are carried out mainly in the Kingdom of Saudi Arabia, and the company obtained all insurance premiums from clients inside the Kingdom. The following is the geographical distribution of the gross written premiums in 2020 over the Kingdom's regions:

Geographical Region	Revenues (Gross Written Premiums) (SR Million)
---------------------	---

Central regional office and HO	5,510
Western Regional Office	2,290
Eastern Regional Office	1,207
Other regional offices	55
Total	9,062

B. Geographical analysis of the total revenues of subsidiaries in 2020

It does not apply as per the definition of the Capital Market Authority for subsidiaries.

27.A clarification of any material differences in the operating results compared to the results of the previous year or any expectations announced by the company:

(SR Million)

Description	2020	2019	Change value	Change %
Gross Written Premiums (GWP)	9,062	8,376	686	8 %
Net Earned Premiums (NEP)	7,568	6,712	856	13%
Total Written Revenues	7,166	7,010	156	2%
Gross Claims Paid & Expenses Incurred Related to Claims	6,934	6,975	-41	-1%
Net Incurred Claims	5,488	5,813	-325	-6%
Total underwriting costs and expenses	6,829	6,838	-9	0%
Surplus of insurance operations minus the revenues of policy holders' investments (operational procedures results)	351	192	159	83%
Net profit of policyholders' investments	155	150	5	3%
Surplus of insurance operations	506	343	163	48%
Shareholders' share of surplus/deficit	455	309	146	47%
Net Profit (loss) of Shareholders Capital Investment	64	102	-38	-37%
Net profit before zakat	514	402	112	28%
Profit per share after zakat (SR)	3.15	2.62		

28. Clarification of any difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants:

The financial statements are prepared in all material respects in accordance with ("International Accounting Standard No. 34") approved in the Kingdom of Saudi Arabia.

29. The name of each subsidiary company, its capital, the percentage of the company's ownership in it, its main activity, the state, the principal place of its operations, and the country of incorporation:

It does not apply as per the definition of the Capital Market Authority for subsidiaries.

30. Details of shares and debt instruments issued for each subsidiary

It does not apply as per the definition of the Capital Market Authority for subsidiaries.

31. A description of the company's policy for distributing dividends

The Board of Directors recommends to the General Assembly the proposed distributions, taking into account several factors, the most important of which are:

- Maintain an average of not less than 110% of the required solvency in accordance with the insurance practice rules.
- Maintain a credit rating of no less than (A).
- Maintain an acceptable level of liquidity to meet operational and expansionary requirements.

The profit distribution mechanism is determined in accordance with Articles (45) and (46) of the Article of Associations of the Company, whereby the distribution is made in accordance with the regulations issued by the Saudi Central Bank, and in accordance with the following rules:

- Distributing the net surplus realized from insurance operations at a rate of (10%) to the policyholders, either by direct distribution or by reducing their premiums for the following year, and the percentage of 90% is transferred to the shareholders' accounts.

Shareholders' profits consist of the return on investment of shareholders' funds in accordance with the rules set by the Board of Directors, and the shareholders' share of the net surplus as per the above. The rules for distributing profits to shareholders are determined as follows:

- (1) Zakat and assessed income tax shall be set aside.
- (2) Set aside (20%) of the net profits to form a statutory reserve, and the Ordinary General Assembly may stop this retainer when the total reserve reaches 100% of the paid-up capital.
- (3) The Ordinary General Assembly, when determining the share of shares in the net profits, may decide to create other reserves, to the extent that it serves the interest of the company or guarantees the distribution of fixed profits as possible to the shareholders.

- (4) The net annual profits of the Company that it determines, after deducting all general expenses and other costs, and creating the necessary reserves to face doubtful debts, investment losses and contingent liabilities that the Board of Directors deems necessary, shall be distributed in accordance with the provisions of the Law on the Supervision of Cooperative Insurance Companies and the provisions issued by the Saudi Arabian Monetary Authority. From the remainder of the profits after deducting the reserves determined according to the relevant regulations and zakat, a percentage of not less than 5% of the paid capital shall be allocated for distribution to the Shareholders as proposed by the Board of Directors and decided by the General Assembly, and if the remaining percentage of the profits owed to the Shareholders is not sufficient to pay this percentage, then Shareholders may demand to pay it in the following year or years, and the General Assembly may not decide to distribute a percentage of profits in excess of what was proposed by the Board of Directors.

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 distribution date. 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. The profits to be distributed to the shareholders are 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, The Board of Directors did not recommend the distribution of dividends for the year 2019, and if the Board recommended with a distribution of any profits for the year 2020, it will be announced immediately on the TADAWUL Saudi Stock Exchange.

32.A description of any interest in the voting-eligible shares category belonging to persons (other than members of the company's board of directors, senior executives and their relatives) who informed the company of those rights under Article (45) of the registration and listing rules, and any change in those rights during the fiscal year 2020.

There have been no changes in the ownership percentages of major shareholders who own 5% or more, requiring shareholders to inform the company or the Capital Market Authority of this.

33.A 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 that interest or those rights during the fiscal year 2020:

A. A description of any interest, contractual papers and subscription rights of the members of the company's board of directors and their relatives in the shares or debt instruments of the company

No.	Stakeholder's name	Start of the year		End of the year		Net change	Change %
		Number of shares	Debt instruments	Number of shares	Debt instruments		
1	Abdulaziz I. Al-Nuwaizer	250	-	250	-	0	0
2	Abdulaziz A. Alkhamis	1250	-	1250	-	0	0
3	Ghassan A. Al-Malki	0	-	0	-	0	0
4	Waleed A. Aleisa	111	-	111	-	0	0
5	Hamood A. Altuwaijri	1600	-	1600	-	0	0
6	Ihab M. Al Dabagh	0	-	0	-	0	0
7	Jasser A. Al Jasser	0	-	0	-	0	0
8	Abdulrahman M. Al Awdan	0	-	0	-	0	0
9	Khalid A. Al Ghunaim	1000	-	1000	-	0	0

* Includes ownership of family members.

B. A description of any interest, contractual papers and subscription rights of senior executives and their relatives in the shares or debt instruments of the company

No.	Stakeholder's name	Start of the year		End of the year		Net change	Change %
		Number of shares	Debt instruments	Number of shares	Debt instruments		
1	Abdulaziz Hassan Al-Boug	0	0	0	0	0	0%
2	Rania Sami Al Turki	0	0	0	0	0	0%
3	Fahad Saad AL Muamar	0	0	0	0	0	0%

4	Adel Abdullah Al Hamudi	0	0	0	0	0	0%
5	Sultan Saleh Al Khamshi	0	0	0	0	0	0%
6	Hisham Fayz Ali Radwan	0	0	0	0	0	0%
7	Fraser David Gregory	0	0	0	0	0	0%

C. A description of any interest, contractual papers and subscription rights of the members of the company's board of directors and their relatives in the shares or debt instruments of the subsidiary

It does not apply as per the definition of the Capital Market Authority for subsidiaries.

D. A description of any interest, contractual papers and subscription rights of senior executives and their relatives in the shares or debt instruments of the subsidiary

It does not apply as per the definition of the Capital Market Authority for subsidiaries.

34. Information relating to any loans to the Company (whether payable on demand or otherwise), disclosure of the total indebtedness of the Company and its subsidiaries, any amounts paid by The Company for the repayment of loans during year 2020, loan amount, shares of issuing entity, loan duration and remaining amount:

The Company decided to borrow an amount of SR 400 million under a short-term credit facility (six months) from a local bank (Riyadh Bank) commencing on September 9, 2020. The interest payable on this loan amounted to SR 1.9 million by the end of December 31, 2020. The loan term expires on February 17, 2021 (extendable).

35. A description of the classes and numbers of any convertible debt instruments, contractual securities, options, warrants or similar rights issued or granted by the Company during the fiscal year 2020, indicating any consideration received by The Company against this:

Tawuniya declares that there are no convertible debt instruments, contractual securities, options, warrants or similar rights issued or granted by the Company during 2020, and there is no consideration received by The Company against this.

36.A description of any conversion or subscription rights under any convertible debt instruments, contractual securities, options, warrants or similar rights issued or granted by the Company during 2020.

Tawuniya declares that there are no conversion or subscription rights under any convertible debt instruments, contractual securities, options, warrants or similar rights issued or granted by the Company during 2020.

37.A description of any redemption, purchase or cancellation by the Company of any redeemable debt instruments and the amount of such securities outstanding, distinguishing between the listed securities purchased by The Company and those purchased by its subsidiaries.

Tawuniya declares that it has not made no redemption, purchase, or cancellation by the Company of any redeemable debt instruments or the amount of such securities outstanding, whether bought by the Company or its subsidiaries during the fiscal year 2020.

38.Number of Requests recorded by the Company in the Shareholders Register, their Dates and Reasons

Number of Requests	Request Date	Request Reasons
1	9/1/2020	Corporate procedures
2	3/3/2020	Corporate procedures
3	3/3/2020	Corporate procedures
4	16/3/2020	General assembly
5	9/4/2020	General assembly
6	29/4/2020	General assembly
7	20/5/2020	General assembly
8	3/9/2020	Corporate procedures

39. Description of any transaction between the Company and related parties during 2020

Related Party	Relation with the Company	Contract Type	Contract Duration	Contract Value
The Public Pension Agency	Joint BOD membership for Mr. Jasser Al-Jasser	Insurance Policies	One year	24,744,275
	Joint BOD membership for Mr. Jasser Al-Jasser	Lease Contract	One year	763,077

The Cooperative Real Estate Investment Company (CREIC)	and Mr. Ghassan Al-Malki	Insurance Policies		596,667
The Saudi Investment Bank	Joint BOD membership for Mr. Abdulaziz Al-Khamis	Insurance Policies	One year	26,554,344
United Insurance Company (Bahrain)	Joint BOD membership for: - Mr. Abdulaziz Al-Khamis - Mr. Waleed Aleisa - Mr. Abdulaziz Al-Boug-CEO - Mr. Jasser Al-Jasser	Fees of Insurance policies	One year	1,006,504
		Insurance Claims Fees	One year	6,290,528
House of National Consulting Co.	Joint BOD membership for Mr. Abdulaziz Al-Nuwaier	Insurance Policies	One year	140,124
Development and Investment Entertainment Company	Joint BOD membership for Mr. Abdulaziz Al-Nuwaier	Insurance Policies	One year	432,185
Tahakom Group	Joint BOD membership for Mr. Abdulaziz Al-Nuwaier	Insurance Policies	One year	165,597,682
Alessa Industries Company	Joint BOD membership for Mr. Abdulaziz Al-Nuwaier	Insurance Policies	One year	273,484
Umm Al-Qura Cement Company	Joint BOD membership for Mr. Abdulaziz Al-Nuwaier	Insurance Policies	One year	759,028
Saudi Railway Company	Joint BOD membership for Mr. Abdulaziz Al-Nuwaier	Insurance Policies	One year	2,388,480
Fly Adeel	Joint BOD membership for Mr. Abdulaziz Al-Nuwaier	Insurance Policies	One year	5,556,277.87
General Organization for Social Insurance		Insurance Policies	One year	33,140,863

	Joint BOD membership for Mr. Ghassan Al-Malki	Service provision Contract		134,370
Jabal Omar Company	Joint BOD membership for Mr. Waleed Aleisa	Insurance Policies	One year	5,098,631
Raza Company (A subsidiary of Al Ra'idah Investments)	Joint BOD membership for: Mr. Waleed Aleisa	Insurance Policies	One year	3,021,106
		Lease Contract		125,014
Stock Market Company (Tadawul)	Joint BOD membership for: Mr. Abdulrahman Al-Odan	Insurance Policies	One year	17,170,107.09
		Service provision Contract		1,049,722.29
Hawas Company for Communication & IT	Joint BOD membership for Dr. Khalid Al-Ghunaim	Insurance Policies	One year	123,632.25
Mozon Technologies	Joint BOD membership for Dr. Khalid Al-Ghunaim	Insurance Policies	One year	556,955.59
Communications Solutions Co.	Joint BOD membership for Dr. Khalid Al-Ghunaim	Insurance Policies	One year	1,562,097.16
Waseel company	Joint BOD membership for Mr. Abdulaziz Al-Boug, Tawuniya CEO	Insurance Policies	One year	742,066
		Service provision Contract		3,982,931

40. Information related to any business or contracts to which the Company is a party, in which there is an interest of for a member of the Board of Directors of the Company, the BOD Chairman, the Chief Financial Officer or its senior executives or for any person related to any of them, including the names of the persons involved in such business or

contracts, the nature, terms and condition, duration and amount of such business or contracts. If there are no business or contracts, the Company shall submit a declaration in this regard.:

Transactions during the year from January 1, 2020 until December 31, 2020	The contracts amounts at the beginning of the transaction or upon renewal	The nature of the transaction	Name of the company / entity	Board of Directors Member
24,744,275	22,602,172.00	Insurance policies	Public pension agency	Mr. Jaser Aljaser
763,077	622,655.00	Rent contract	Cooperative real estate investment co	Mr. Jaser Aljaser
596,667	581,509.77	Insurance policies		Mr. Ghassan Almalki
26,554,344	20,314,958	Insurance policies	The saudi investment bank	Mr.Abdulaziz Alkhamis
1,006,504	There is no fixed amount of the contract, it depends according to the transactions These are insurance policy fees and claims fees	Insurance policies fees	United insurance company	Mr.Abdulaziz Alkhamis
6,290,528		Insurance claims fees		Mr.Waleed Aleisa Mr. Abdulaziz Alboug Mr. Jaser Aljaser
140,124	133,958.00	Insurance policies	National consulting house company	Mr.Abdulaziz Alnowaiser
432,185	1,953,619,50	Insurance policies	Saudi entertainment	Mr.Abdulaziz Alnowaiser

			ventures company	
165,597,682	114,258,029.00	Insurance policies	Tahakom	Mr.Abdulaziz Alnowaiser
273,484	247,610.00	Insurance policies	Alessa trading company	Mr.Abdulaziz Alnowaiser
759,028	507,042.00	Insurance policies	Umm al qura cement co	Mr.Abdulaziz Alnowaiser
2,388,480	68,307.00	Insurance policies	The saudi railway co	Mr.Abdulaziz Alnowaiser
5,556,277.87	5,182,366.44	Insurance policies	Saudi arabian airlines	Mr.Abdulaziz Alnowaiser
33,140,863	28,237,037	Insurance policies	General organization for social insurance	Mr. Ghassan Almalki
134,370	There is no fixed amount of the contract, it depends according to the transactions	Services contract		
5,098,631	7,458,321.00	Insurance policies	Jabal omar for dev co	Mr.Waleed Aleisa
5,021,106	2,662,173.71	Insurance policies	Raza company	
125,014	119,061.00	Rent contract	*Relation ended on 2020	
17,170,107.09	12,441,046.57	Insurance policies	Saudi stock exchange (tadawul)	Mr. Abdulrahman Alodan
1,049,722.29	There is no fixed amount of the contract, it depends according to the transactions	Services contract		
123,632.25	66,925.00	Insurance policies	Hawaz co for communication and info tech	*Dr. Khaled Alghoneim

556,955.59	245,057.00	Insurance policies	Mozn systems for telecommunication co	*Dr. Khaled Alghoneim
1,562,097.16	1,295,543.00	Insurance policies	Communication solutions co	*Dr. Khaled Alghoneim
742,066	638,741.00	Insurance policies	Waseel application .service prov	Mr. Abdulaziz Alboug
3,982,931	There is no fixed amount of the contract, it depends according to the transactions	Services contract		

41. A description of any arrangement or agreement, under which a member of the Board of Directors or a senior executive has waived any remuneration

Tawuniya declares that there are no arrangements or agreements, under which any member of the Board of Directors or a senior executive has waived any salary or remuneration.

42. A description of any arrangement or agreement, under which any shareholder has waived his rights to profits

Tawuniya declares that there is no arrangement or agreement, under which any shareholder has waived his rights to profits.

43. A description of any statutory payments paid and due for the payment of any Zakat, taxes, fees or other entitlements, which have not been paid until the end of the annual financial period, with a brief description to them and their reasons

(SR million)

	2020		
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Description	Paid	Due (unpaid) amounts up to the end of the fiscal year	Brief Description	Reasons
Zakat	30	346	Tawuniya's share of Zakat payable	Regulations of the General Authority of Zakat and Tax (GAZT)
Taxes	14	24	Withholding tax	Regulations of the General Authority of Zakat and Tax (GAZT)
Social insurances	39.4	4.1	GOSI subscriptions for the Company employees.	Regulations of the General Organization for Social Insurance (GOSI)
Visas and passport fees	0.73	0	Fees for the issuance of visas and passport services.	Regulations of the Ministry of Interior
Labor office fees	2.5	0	Fees for the issuance of Work Permits	Regulations of the Ministry of Labor
*Supervision fees	44	13	To the Saudi Central Bank (SAMA)	Cooperative Insurance Companies Control Law
*Supervision fees	37	46	The Council of Cooperative Health Insurance (CCHI)	The Cooperative Health Insurance Law

*Includes payments for the fourth quarter of 2019.

Status of Zakat Assessments:

The Company had filed Zakat returns with the General Authority of Zakat and Tax ("GAZT") for the years from 2014 to 2019.

The GAZT issued assessments for 2014 and 2015 to 2018 years, an objection was lodged subsequently. For 2014, GAZT rejected the objection, the same has been appealed again with the higher committee being GSTC and a hearing date is awaited. No further progress has been made following the objection filing with GAZT for 2015 to 2018 years. Furthermore,

GAZT has yet to commence its review and assessments for the year 2019. Management believes that appropriate and adequate provisions have been created and that the finalization of the above mentioned assessments is not expected to have a material impact on the consolidated financial statements for the year ended 2020.

VAT

VAT assessment raised by General Authority of Zakat and Tax "GAZT") for 2018 and 2019 financial years amounting to Saudi Riyals 306.58 million. The payments were made to GAZT to avoid penalties along with objection filed against the assessment. GAZT has rejected the objection and the Company has submitted appeal with General Secretariat of Tax Committees ("GSTC") in accordance with the provisions of the law. The Company's management strongly believes that there is a reasonable basis such that the assessment raised at GSTC will be in the Company's favour.

44. Investment and Reserve Plans Created Interest for Tawuniya Staff:

The Company has a savings plan under which a definite percentage of the employees' salary is periodically deducted, with Tawuniya investing this amount through one of the investment funds compliant with the rules of Islamic Shariah. The total number of subscribers at the end of 2020 reached 238 employees with a subscription amounting to SR 5,413,838. No housing loans were disbursed to employees in 2020.

45. Declarations:

- A. The Company for Cooperative Insurance (Tawuniya) states that the proper books of accounts and principles have been maintained.
- B. The system of internal control is sound in design and effectively implemented:
The Audit Committee, through the reports of internal auditors and external auditors, believes that the internal control system prepared by the company's management has been developed in 2020 based on the auditors' observations and recommendations. In 2021, the audit committee will follow up with the executive management to ensure the implementation of all corrective measures that will positively affect the integrity and effectiveness of the internal control system as a whole.
- C. Tawuniya states that there are no significant doubts concerning the Company's ability to continue as an ongoing concern.

46. If the auditor's report contains reservations on the annual financial statements, the report of the Board of Directors shall indicate those reservations, their reasons and any information related to them.

The independent auditors' report stated that the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with

International Financial Reporting Standards (“IFRSs”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Certified Public Accountants (“SOCPA”) (collectively referred to as “IFRS as endorsed in KSA”).

47. In the event of recommendation by the Board of Directors to change the auditor before the end of designated period, the report must contain this, indicating the reasons for recommending such change.

Tawuniya Insurance Company acknowledges that its Board of Directors did not issue any recommendation to change the auditor before the end of the period for which he was appointed.

48. Disclosure of treasury shares held by The Company and details of their use:

Number of treasury shares held by the company	Shares Value	Date of Retaining	Use
N/A	N/A	N/A	N/A

49. Deficit/ Surplus from Insurance Operations:

After the addition of investment income, the insurance operations realized a surplus of SR 506 million in 2020. As per the requirements of the Executive Regulations of the Law on Supervision of Cooperative Insurance Companies, 10% of the net surplus is distributed to policyholders with a value of SR 50.6 million, while 90% of the surplus is transferred to the shareholders' income statement with a value of SR 455 million, to be added to the comprehensive income statement.

50.A Description of Any Punishment, Penalty or Statutory Reserve or Restriction Imposed on Any of the Board Members by Any Judicial, Supervisory, or Regulatory Authority in Respect of The Company.

Tawuniya declares that there is no punishment, penalty, statutory reserve or restriction imposed on any of the board members by any judicial, supervisory, or regulatory authority in respect of The Company.

51. The Capital and Ownership of Company Shares

The authorized, issued and paid-up capital of the Company amounts to SR 1,250 million (One Billion and two hundred fifty million Saudi Riyals) and is divided into 125 million nominal shares of SR 10 each. The ownership of company shares reflected at the beginning and end of the year are as follows:

The entity	Number of Shares at the beginning of the year	Number of Shares at the end of the year	Change %	Shareholding
The Public Pension Agency	23,612,500	23,612,500	0%	18.9%
The General Organization for Social Insurance (GOSI)	22,350,000	22,350,000	0%	17.9%
Held by the Public	79,037,500	79,037,500	0%	63.2%
Total	125,000,000	125,000,000	00%	100%

52. External Auditors

The Extraordinary General Assembly of the Company held on 3/5/2020 passed resolution to appoint Price Waterhouse Coopers (PWC) and Al Fozan & Partners (KPMG), as joint external auditors of the Company accounts for the year 2020 to inspect and audit the 2020 financial statements of the second quarter, third quarter and the annual statements, as well as first quarter of 2021 based on the recommendation of the Audit Committee. The BOD did not make any recommendation to replace the chartered auditors during 2020.

Conclusion

The Board of Directors expresses its sincere gratitude and appreciation to our esteemed customers for the invaluable confidence. In addition, the Board expresses its deepest thanks and appreciation to all shareholders.

***** End**