

Annual Report 2020



**Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud**



**His Royal Highness Crown
Prince Mohammed bin Salman bin Abdulaziz Al Saud**

“OUR
AMBITION
IS SKY
HIGH”



The year 2020 AD witnessed unprecedented challenges not only on company level, but the world as whole, and Salama Cooperative Insurance Company has remarkably succeeded in making its way towards renewed horizons, with the help of its employees, partners and the confidence of its investing partners.

Chairman of the Board of Directors
Eng. Ahmed Tariq Murad

Contents

- **First:** Saudi insurance market Overview.
- **Second:** Company's Significant Developments.
- **Third:** Corporate Governance.
- **Fourth:** Board of Directors and Committees.
- **Fifth:** Board Committees until the end of the Period on 24/07/2022.
- **Sixth:** Executive Management.
- **Seventh:** Companies (Inside or Outside the Kingdom) In Which a Member of the Company's Board Is a Member of Its Current and Previous Boards or Its Managers.
- **Eighth:** The Board of Directors and Classification of Its Members.
- **Ninth:** The Measures Taken by The Board of Directors to Inform Its Members about the Shareholders suggestions regarding Company Performance.
- **Tenth:** Statement of the Remuneration of the Board Members, its Committees .
- **Eleventh:** Remunerations Policy.
- **Twelfth:** Distribution of remuneration based on the approved remuneration policy without any material deviation.
- **Thirteenth:** Annual review of company internal control procedures effectiveness.
- **Fourteenth:** The Social Contributions of the Company.

- **Fifteenth:** The General Assemblies of the Shareholders Held During the Fiscal Year and The Names of the Members of the Board of Directors Attending These Assemblies.
- **Sixteenth:** Description of the Main Activities of the Company.
- **Seventeenth:** Company Plans and Significant Decisions.
- **Eighteenth:** Company Risks.
- **Nineteenth:** Company Assets and Liabilities.
- **Twentieth:** Geographical Analysis of the Total Revenues of the Company and its Subsidiaries.
- **Twenty First:** Material Differences in Operational Results.
- **Twenty Second:** Description of The Company's Policy in Distributing Dividends.
- **Twenty Third:** Board of Directors Meetings.
- **Twenty Fourth:** The Number of Company Requests for Shareholders Record, Dates and Reasons for Those Requests.
- **Twenty Fifth:** Contracts and Business Related Parties.
- **Twenty Sixth:** Statement of the Value of the Statutory and Due Payments.
- **Twenty Seventh:** Auditor's Opinion.
- **Twenty Eighth:** Conclusion.
- **Twenty Ninth:** Statements.

First:

Saudi insurance market Overview

The COVID-19 pandemic in 2020 has had a major impact on individuals, society and economy around the world. This impact affected most sectors in the Kingdom, including insurance sector, and despite the government's quick response to support the economy and urgent measures to revive this sector in particular; insurance sector in the Kingdom of Saudi Arabia recorded a slight growth at the end of third quarter of 2020 compared to the same period of 2019.

Market Size

It reached nearly 25.30 billion riyals by the end of third quarter of 2020, achieving a growth of 9.3% compared to the same period in 2019.

Claims

Decrease in net claims incurred, which decreased by 2.6%.

Investments

The investment income at the end of third quarter 2020 decreased by 7.19% compared to the same period in 2019.

It is expected that insurance companies will encounter a number of future challenges in the short term due to the implications of this crisis, but they will be exploring many new short and long term opportunities.

Company Profile

Salama Cooperative Insurance Company is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under the Commercial Registry No. 4030169661 on 6/5/1428 AH. The company was established based on Cabinet Resolution No. 223 dated 6/5/1428 AH and based on the Royal Decree No. M / 60 dated 18/9/1427 AH with a capital of 250 million riyals fully paid.

Company Activity

Salama Cooperative Insurance Company provides integrated insurance solutions in the field of cooperative insurance. As the number of insurance products provided by the company reached 31 products divided into two main activities: general insurance and health insurance. The company carries out all its activities in accordance with cooperative insurance laws and regulations applied in the Kingdom of Saudi Arabia.

Second:

Company's Significant Developments

The achievements that have been made by Salama Cooperative Insurance Company during 2020.

Many accomplishments have been achieved and the proceeding was according to the plans drawn and approved for the advancement of the company. Many projects have been completed, including the following:

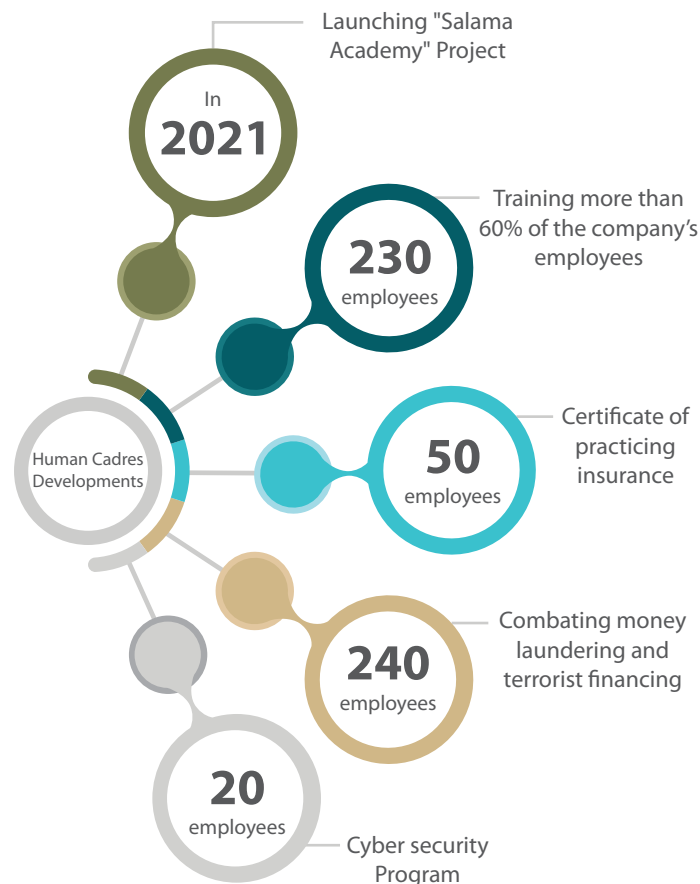
- Launching SAP system Project to enhance company internal systems.
- Launching Electronic Claims Project.
- Switching to electronic sales channels and legalizing branches specialized in providing insurance services to individuals.
- Launching Individual online Leasing insurance Project.
- Launching Motor Salvage electronic platform.
- Launching "Salama Academy" Project with the Knowledge City Institute to train the company's employees and raise their technical and employment skills.
- completing implementation of Security and Safety Systems Project "CCTV" to link monitoring systems for all branches into a central monitoring unit.

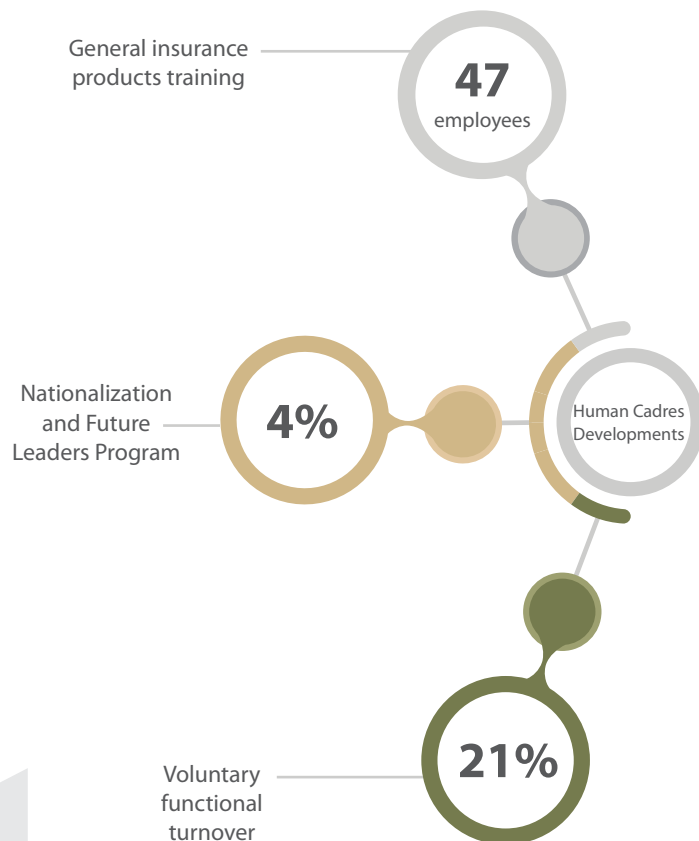


Among the most important developments in infrastructure and business are the following:

- Human Resource Department

In 2020, the world witnessed a qualitative leap in the design and operation of human resources systems by relying on technology despite the challenges that it witnessed on the Covid-19 pandemic, the most prominent of which was the launch of the global SAP system, which led to a focus on attracting and training National Competencies to enable them to carry out the replacement plan implemented by the company with the support of the Saudi Central Bank. This has contributed to our maintenance of the annual target for nationalization, as the company was classified within the platinum range and elite clients with the Ministry of Human Resources and Social Development for the same year. As a result of these developments, the company has begun preparing the "Salama Academy" project to be launched at the beginning of 2021 AD. It should be considered that the electronic training platforms have contributed to achieving the target in the percentage of training, as more than 60% of the company's employees (230 employees) have been trained in various fields. 50 employees have been qualified to successfully obtain a certificate of practicing insurance, and 240 employees were trained on combating money laundering and terrorist financing, in addition to developing a training program related to cyber security for 20 employees at the company level. The Human Resources Department, in coordination with the Operations Department, succeeded in launching the most important introductory program for general insurance products for 47 employees.





The company also continued to implement its own programs for human resources by launching the "Future Leaders" program to motivate and qualify young Saudi cadres to achieve the maximum possible benefit from their profession, so more than 4% of the company's employees were signed through this program in order to raise the percentage of Saudi competencies working for the company and invest all of this to effectively enhance nationalization plans, which contributed to exploring best practices in developing human cadres by creating an environment that allows the exchange of knowledge and experiences in the insurance sector.



The voluntary turnover rate has also been maintained below 21%, which reflects the efficiency and attractiveness of the work environment under the company's expense reduction plan. All of the above, along with other measures and policies taken by the company, have resulted in maintaining the level of overall performance.

- Marketing Department



In line with the Kingdom's digital trend in marketing and customer service, and in light of the circumstances that the company went through during 2020 to confront the COVID-19 pandemic, where the focus of Salama Cooperative Insurance Company was in marketing through electronic channels and social media.


During the year 2020, the Marketing Department worked on many marketing campaigns and promotional offers to customers, and awareness campaigns to increase awareness of the company's products and seek to support the goals of the Sales Department, whether sales of individuals and small groups or corporate sales.

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The Marketing Department has also launched many community initiatives, and has followed up on the awareness campaigns of government agencies, for example, the campaigns of the Ministry of Health to confront Covid-19) such as (Your awareness in your home) campaign, in addition to initiatives and campaigns related to the Traffic Department such as the campaign (Insure to be safe) and many other bodies and campaigns.



- Sales Department

The company's business in the sales sector during the year 2020 focused on selection and focus on the nature and quality of the business specified by the company, and the Sales Department went to support the diversity of insurance products offered by the company, which counted to 31 insurance products.



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• Regional Sales Departments : (Companies)

The company focused primarily on restructuring the corporate sales sector and attracting the most qualified cadres. The company has sought to develop its relationship with insurance brokers, which reflects improved sales through brokers. The company endeavoured to keep clients with good results and to make efforts to collect the instalments owed by customers in a timely manner.

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• Individual and Small Group Sales

The company's management decided to make a re-evaluation for all Point of Sales performance during 2019 and 2020, as the number of points of sales was reduced from 57 at the end of 2019 to 36 points of sales at the end of 2020. The remaining Point of Sales role and duties was to support small and medium corporate groups of clients and to diversify the sale in all insurance products to achieve high profitability compared to previous years. In 2021, the company's plans to develop and distribute points of sales to serve the company strategy and activate field marketing of the individuals and small groups products that cannot be marketed through electronic sales or that requires more effort in bringing customers of good profit rates.



• Electronic Sales

The company achieved a growth in electronic sales during the year 2020, which was achieved through the activation and diversification of electronic sales channels, as well as launching other insurance products such as comprehensive insurance for individual vehicles and health insurance for small and medium groups, and focus on targeting customers with good profit results for third-party insurance sales.

The company seeks to sell other insurance products and services that can be marketed through the company's direct electronic platforms and the brokers authorized to work in the electronic platforms as the insurance of Medical Malpractice, travel and other products.



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General Insurance Products

The operational plan was developed to increase productivity in general insurance products while maintaining appropriate profit rates, as Salama Cooperative Insurance Company carries out all its activities in accordance with the rules and regulations in force with cooperative insurance in the Kingdom of Saudi Arabia and authorized by the Saudi Central Bank.

Health Insurance Products

Work has been made to improve the performance of the health insurance portfolio for the year 2020 by developing plans to improve the rates of profitability from previous years, and it is worth noting that Salama Cooperative Insurance Company aims to provide medical and health care services with the highest standards of quality and professionalism, as it seeks in turn with the Medical GlobeMed Company to ensure the fulfilment of the services required for the target segments. Since the company has developed its product for small and medium groups (RAHA) to include more than one insurance category (A, B, C - 0222, C - 0333) to meet the requests of institutions as well as small and medium companies in line with the terms and conditions of the product.

- Operations Department

Underwriting

Salama Cooperative Insurance Company has high experience and competence in assessing insurance risks facing all segments of customers. The company provides coverage commensurate with the needs and requirements of individual and corporate customers based on what is stipulated in the cooperative insurance system in the Kingdom of Saudi Arabia. Among the approved plans are to work in limiting the high loss ratios via applying several procedures, including work systems in the subscription and claims Department in order to increase the data accuracy, which will assist the operation team in developing analytical models to review and analyse insurance portfolios performance and provide the concerned Department with the necessary recommendations in order to provide technical consultancy to clients.



Among the plans of the underwriting Department is to attract qualified Saudi cadres in the insurance sector and prepare them to contribute to the realization of the current and future strategic vision of the company and the vision of the Kingdom of Saudi Arabia 2030.

- Reinsurance Department

The company has renewed reinsurance agreements with a group of the best international reinsurance companies with high credit ratings, as shown in the table below, and the company has succeeded in raising its absorptive efficiency through the conclusion of several reinsurance agreements, enabling it to provide outstanding support and services to the underwriting Department and to respond immediately to the requirements of the local market.

REINSURERS	Credit Rating	
	S & P	A.M Best /Moodys'
Swiss Re , Zurich		A+
SCOR, Paris	AA-	
Hannover Re, Bahrain	A	
GIC, Dubai		A-
Saudi Re, Riyadh		A3
Partner Re, Paris		A-
Sirius, Sweden	A	
Singapore Re, Singapore		A-
Echo Re, Zurich	A-	
XL Re, Europe	A-	

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- Compliance Department

The compliance monitoring function is responsible for monitoring the company's compliance with all relevant laws, regulations and instructions issued by the Central Bank of Saudi Arabia or other relevant regulatory authorities, and for taking the necessary measures to improve the level of statutory compliance with the company. The fact that the company is linked in its business by virtue of its activity and by virtue of its legal status with a number of regulatory and supervisory authorities such as the Saudi Central Bank, the Cooperative Health Insurance Council, the Financial Market Authority and the Ministry of Commerce and Investment, this places on the Compliance Department the task of developing appropriate programs and plans to ensure the safety of all the work of the company's various departments. On the other hand, the Compliance Department examines the extent of the commitment of the company and its various departments in the implementation and enforcement of laws, systems and regulations, whether issued by the regulatory and supervisory authorities or the regulations, systems and internal policies of the company and thus monitors any violations or infringements of those laws and regulations.

- Internal Audit Department

It is an independent and objective oversight activity that provides assurance and advisory services with the aim of adding benefit to the company and improving its operations. This activity helps in achieving the company's goals by adopting a systematic, structured approach to evaluate and improve the effectiveness of governance processes, risk management, and compliance and control management. The internal audit Department also evaluates the efficiency and effectiveness of the established internal control systems and controls, identifies weaknesses, provides observations and recommendations about them to the audit committee and the senior management, and then follows up on their treatment until they are appropriately corrected, in addition to the continuous examination and follow-up of the company's various operations and activities to reduce errors and potential violations, deception, or any kind of fraud. This activity assists in evaluating the independent internal audit process and the financial and operating activities in order to assist the senior management in achieving its current and future goals. Whereas, the senior management in the company supports the internal audit function as an integral part of the internal control environment used to measure and evaluate the effectiveness and efficiency of the company's internal control systems.

- Governance Department

In 2020 AD, the Board of Directors of the Company was keen to apply the highest standards of governance through the establishment of the Corporate Governance Department in order to ensure an effective basis for the governance framework and to ensure the rights of shareholders and stakeholders and the rights of the insured to achieve better returns for the shareholders. The Corporate Governance Department also aims for disclosure and transparency of all matters of interest to all shareholders and those wishing to invest and the sustainability of the company/business. The corporate governance regulation is based on the regulations and laws issued by the Saudi Central Bank, the Capital Market Authority, and the Companies Law.

- Legal Affairs Department






The Legal Affairs Department follows up the progress of all legal procedures in the company, including reviewing contracts, providing legal advice, pleading in cases brought by others against the company or from the company against others and directing them, and it tries hard to find just and appropriate solutions for each case. The Legal Affairs Department also handles committee issues by providing the response and reaching settlements or conciliation to avoid any procedures or penalties imposed on the company. Recently, the Collection Department has been included in the Legal Affairs Department for collecting amounts for the company, and the Legal Affairs Department supports all departments from a legal standpoint.

- Anti Money Laundering and Terrorism Financing Department

The Money Laundering and Terrorism Financing Department was established to protect the company from persons and companies that carry out money laundering operations, to ensure the integrity of the company's clients and not to be involved in money laundering operations or to persons carrying out terrorist financing operations, and to protect the company from any statutory or legal penalties that may entail in this jurisdiction by providing Consulting the senior management of the company and providing awareness lectures to all company employees.

- Investments

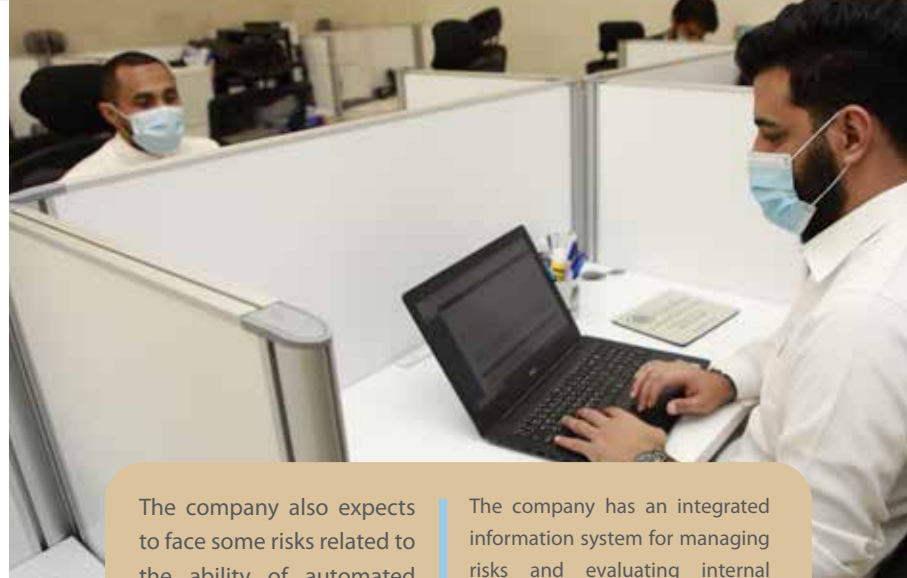
Salama owns shares in one company, and other investments are expected to show the financial impacts of these investments in the coming years, which are:

- 
The company owns 3.85% of the capital of Najm Company for Insurance Services, whose capital is 50 million riyals
 Other than that, there is no subsidiary of Salama Cooperative Insurance Company inside or outside the Kingdom
- 
4.9 Million Riyals The company invested in Islamic sukuk with a number of local companies and banks
- 
65 Million Riyals The company has invested in the sukuk of the Kingdom of Saudi Arabia
- 
56.2 Million Riyals The market value of the company's investments in local shares (Shariah approved) in 31/12/2020
- 
19.3 Million Riyals deposits and Islamic investment funds with local banks and financial institutions

Salama Cooperative Insurance Company confirms that there are no loans on the company and there are no sums paid by the company in repayment of loans during the year.

- Risks & Expected Future Dangers Management

Due to the nature of the insurance and investment activity of the company, it is naturally exposed to several types of risks, the most important of which are corporate governance risks, insurance risks, reinsurance risks and market risks represented by fluctuation in the value of financial instruments as a result of market price volatility and intense competition, credit risk, liquidity risks and third parties, the most recent of which are information security risks (Cyber risks) and money laundering and terrorist financing risks through insurance. Salama expects to face several future risks, the most important of which is the intensity of competition from insurance companies, which may sometimes lead to intense price competition, and maintaining standard operations criteria in light of the great expansion of business, and the change in the nature of the risks to which the company's portfolio is exposed as a result of the application of compulsory medical and vehicle insurance systems, which led to the tendency of the portfolio towards these two types of insurance.



The company also expects to face some risks related to the ability of automated operating systems to keep pace with the great growth in business through the new challenge in the (SAP) system, in addition to the accumulation of risks, lack of vital information, the risk of fraud and financial crimes as well as the risks of competitors not adhering to the regulations issued by the supervisory authorities.

The company has an integrated information system for managing risks and evaluating internal control systems, as this system enables the definition, measurement and re-measurement periodically and continuously for the risks associated with each department of the company, every activity and every operational process, and in return, the internal controls specified for those risks and their efficiency and effectiveness. The company has held many workshops for its employees in different departments to introduce them and train them to benefit from this system.



The maximum benefit from the system has been activated, as the risk department is currently making sure that all risks related to the achievement of the company's objectives and the risks associated with the various operations and activities have been identified and measured in an acceptable and sufficient manner by the executive management and that they are re-evaluated periodically and continuously. In addition, all operational risks in the company have been classified according to the "Basel" classification, and all risk indicators related to them are defined in order to control and activate internal control in an effective manner.

The company's ability to withstand risk appetite statements has also been approved by the Board of Directors and senior management to preserve the rights of shareholders, while monitoring their implementation, in addition to applying the risk-based internal audit principle.

It is worth noting and according to the instructions of the Saudi Central Bank to implement and apply the integrated framework for information security (cyber security), Salama has formed a committee to oversee the tasks of the concerned department and the action plan has been approved and the appropriate people have been appointed to reduce the occurrence of any risks related to this regard through continuous awareness and proper monitoring.

**In line with the National
Transformation Plan
2020 and Vision 2030**

The company started internal and external awareness campaigns to build a culture of risks and insurance awareness.

Third

Corporate Governance

The Board of Directors Opening Statement

**Praise be to Allah, Alone, and Peace and Blessings
of Allah be upon Prophet Muhammad after whom
there is no other prophet.**

**Dears, Salama Cooperative
Insurance Company Shareholders**

Peace and Allah's mercy and blessings be upon you

The Board of Directors of the company provides you with the annual report for the financial year ending on 31/12/2020 AD, including the most important developments, financial results, operating activities, disclosures, and attached to it the audited financial statements, notes, and the report of the external auditors, in accordance with the provisions of the company's articles of association and in accordance with the rules and regulations.

We expect the Saudi insurance market to regain its balance in the year 2021 AD and create good opportunities for the growth of insurance companies during the next stage. The next real investment for the company will be in improving work procedures and completing the SAP Project as well as the new electronic system for operational processes, developing its competencies and investing in talented employees, all of which will ensure with the help of Allah Almighty, to obtain a good share of the Saudi insurance market.

We thank you, dear Shareholders, for your confidence, and we thank our partners in success in the Saudi market for their support. We also thank the members of the board committees, the management team, and all employees for their dedication, and we promise our valued clients more achievements.

May God grant us success.

Fourth:

Board of Directors and Committees

The current members of the Board of Directors as of 25/07/2019 AD

Luay Hamza Basrawi

Did Not Complete The Period

Current Positions: Member of the Board of Directors of KSB Corporation

Previous Positions: Executive General Manager, Hafel Transport Corporation, from 2009/07/01 AD to 2012/10/30 AD
Executive General Manager - Al Madinah and Al Arabiya Transport Companies from the date of 2007/07/01 AD to 2009/06/30 AD

Executive General Manager - Fakhry Group Company from the date of 2000/01/01 AD to 2006/06/30 AD

Qualifications: Bachelor of Arts - King Abdul Aziz University in 1987 1986 AD

Experiences: Executive General Manager, Hafel Transport Corporation, from 2009/07/01 AD to 2012/10/30 AD
Executive General Manager - Al Madinah and Al Arabiya Transport Companies from the date of 2007/07/01 AD to 2009/06/30 AD

Executive General Manager - Fakhry Group Company from the date of 2000/01/01 AD to 2006/06/30 AD.

Hussein Hasan Bayari

Did Not Complete The Period

Current Positions: : Chairman of the Board of Directors of Al-Firdous Group of Companies

Member of the Board of Directors for Raysan Arabia Company
Member of the Board of Directors of Al-Ruwais Company

Previous Positions: Project Manager for Abdul Latif Jameel Real Estate Consultants Ltd. from 1993/02/25 AD to 1996/10/26 AD

Qualifications: Bachelor of Civil Planning Engineering - Environmental Designs - King Fahd University of Petroleum and Minerals in 1985

Experiences: Director of Projects for Abdul Latif Jameel Real Estate Consultants Ltd. from 1993/02/25 AD to 1996/10/26 AD
Chairman of the Board of Directors of Al-Firdous Group of Companies since 1996 and is still working

Member of the Board of Directors of Salama Cooperative Insurance Company from 2010 and is still working

Member of the Board of Directors for Raysan Arabia Company since 2011 and is still working

Member of the Board of Directors of Al-Ruwais Company from 2009 and still working.

Moraia Saad Habash

Did Not Complete The Period

Current Positions: Faculty member at King Khalid University

Previous Positions: Vice Dean of the College of Administrative and Financial Sciences for Academic Affairs at King Khalid University from 2012/11 AD to 2013/9 AD

Partial Lecturer at the College of Business Administration, University of Durham, United Kingdom, from 2007/10 AD to 2010/6 AD

Auditor Assistant (Partial) - Farooki & Co. Ltd. Chartered Accountants Leeds - United Kingdom from 2005/6 AD to 2006/9 AD

Qualifications: Ph.D. in Accounting and Finance - University of Durham in 2010
MA in Accounting and Finance - University of Birmingham in 2006

Bachelor of Accounting - King Khalid University - Saudi Arabia in 2003 AD

Experiences: Vice Dean of the College of Administrative and Financial Sciences for Academic Affairs at King Khalid University from 2012/11 AD to 2013/9 AD

Partial Lecturer at the College of Business Administration, University of Durham, United Kingdom, from 2007/10 AD to 2010/6 AD

Auditor Assistant (Partial) - Farooki & Co. Ltd. Chartered Accountants Leeds - United Kingdom from 2005/6 AD to 2006/9 AD.

Ahmed Ali Al-Shtifi

Did Not Complete The Period

Current Positions: Assistant General Manager of Islamic Banking - Secretary of the Authority at Banque Saudi Fransi from 2013/6 to date

Previous Positions: Director of Islamic Banking Tawafuq - Banque Saudi Fransi from 2008 AD until 2013 AD. -Promotion
Director of Administration Affairs - Secretariat at Banque Saudi Fransi from 2002 until 2008. - Promotion

Qualifications: Bachelor of Administrative Sciences - King Saud University - 1987/1986 AD

Experiences: Member of the Board of Directors of Salama Cooperative Insurance Company

Assistant General Manager of Islamic Banking - Secretary of the Authority at Banque Saudi Fransi from 2013/6 to date

Director of Islamic Banking Tawafuq - Saudi Fransi Bank from 2008 until 2013. -Promotion

Director of Administration Affairs - Secretariat at Banque Saudi Fransi from 2002 until 2008. - Promotion.

Wael Saad Al-Rashed

Did Not Complete The Period

Current Positions: Member of the Board of Directors of Al-Sorayai Group

Previous Positions: CEO of Al-Sorayai Group

Vice President of the Etihad Wire Mesh Company

MADAF Co. CEO

CEO of Abdullah Al-Ameed Company
Qualifications: Bachelor of Computer - Saudi Arabia 1992

Bachelor of Sharia and Law - Saudi Arabia 1999 AD

Master of Business Administration - United Kingdom 2002

PhD in Business Administration - United Kingdom - 2013

Experiences: Member of the Board of Directors - Al Sorayai Group 2018 until now

CEO - Al Sorayai Group - 2017 to 2018

Member of the Board of Directors - Aldrees Company (ALITCO) 2017 until now

Member of the Board of Directors - Saudi Bio Acids Company - 2014 to 2018
Vice President - Etihad Wire Mesh Company - 2015 to 2017

CEO - MADAF Co. - 2011 AD to 2016 AD

CEO - Abdullah Al-Ameed Company from 2003 to 2011.



Ahmed Tariq Murad

Independent member

Current Positions: Chairman of the Board of Directors of Salama Cooperative Insurance Company

Vice Chairman of the Saudi United Fertilizer Company

Member audit committee in Anaam International Holding Group

Previous Positions: Vice Chairman - United Fertilizer Company of Saudi Arabia - 2010 until now

Vice President of Investment - Nesma Holding Company 2010-2008

Head of Product Development and Research - Al-Khabeer Capital - 2008-2006

Senior Manager of Corporate Finance - Shamil Bahrain Bank - 2006 - 2000

Qualifications: Bachelor's in Civil Engineering - Worcester Polytechnic Institute - Massachusetts, USA - 1984

Master of Business Administration - University of San Francisco, California, United States of America, in 1988

Experiences: Vice Chairman - Saudi United Fertilizer Company - 2010 until now

Vice President of Investment - Nesma Holding Company from 2008 to 2010

Head of Product Development and Research, Al-Khabeer Capital Company - 2006G to 2008G

Senior Manager of Corporate Finance - Shamil Bank of Bahrain - from 2000 to 2006.



Omar Nasser Makhresh

Independent member

Current Positions: Vice-Chairman of the Board of Directors of Salama Cooperative Insurance Company

Founder and CEO - Makhresh Office for Financial and Administrative Consultations

Previous Positions: Vice Chairman of the Board of Directors, Member of the Executive Committee, Chairman of the Nominations and Remuneration Committee, Member of the Investment Committee of the United Cooperative Insurance Company

Regional Director for the Western Region of Rasmala Saudi Investment Company

Senior Manager, Corporate Banking Services, Saudi Hollandi Bank

Qualifications: Bachelor's degree in Management, Boston University, USA, 1981

CME Banking Institute General Certificate for dealing in securities 2009

Certificate of Conformity, Compliance, Anti-Money Laundering and Terrorism Financing CME Banking Institute 2009

Experiences: Vice Chairman of the Board of Directors, Member of the Executive Committee, Chairman of the Nominations and Remuneration Committee, Member of the Investment Committee of the United Cooperative Insurance Company 2020/04 - 2017/12

Regional Director for the Western Region - Rasmala Company - for Saudi Investment. 2010-2008

Senior Manager - Corporate Banking Services - The Saudi Hollandi Bank 2008 - 1997

Founder and CEO - Makhresh Office for Financial and Administrative Consultations 2010 to date



Raed Abdul Malik Al Qasim

Independent member

Current Positions: : Member of the Board of Directors of Salama Cooperative Insurance Company

Previous Positions: General Manager of the Professional Group Company for the Insurance Agency

General Director of the Raed Abdul Malik Yahya Al Qasim Foundation

Concession holder for the Tawuniya Cooperative Insurance Company - Marketer

Qualifications: Bachelor of Science, King Saud University - Kingdom of Saudi Arabia

Insurance Institute of Banking, Kingdom of Saudi Arabia 2012

Experiences: General Manager of the Insurance Agency Professional Group Company. 2018-2012

General Director of the Raed Abdul Malik Yahya Al Qasim Foundation - 2005 2012

Concession granted to the Cooperative Insurance Company for Cooperative Insurance - Market 2004-2003.



Akram Omar Gad

Independent member

Current Positions: Member of the Board of Directors of Salama Cooperative Insurance Company

Previous Positions: Regional Director for the Western Region of Walaa Insurance Company
General Manager - Medad Al-Thiqqa Insurance Agency

Qualifications: Bachelor of Arts and Humanities, Public Relations and Advertising, King Abdulaziz University 1992

Certificate of insurance professionalism, insurance of the British Institute - Jeddah 1996

Diploma in Insurance Professionalism Insurance Bahrain Institute of Banking, Jeddah, 2005

Experiences: Regional Director for the Western Region of Walaa Insurance Company 2009 - 2007

General Manager - Medad Al-Thiqqa Insurance Agency 2019 - 2010.



Khaled Jaber Al-Zaidi

Independent member

Current Positions: Independent Board Member of Salama Cooperative Insurance Company
Freelance financial analyst and financial coach

Previous Positions: Accountant, Islamic Arab Insurance Company

Head of Accounts Department and Acting Financial Manager - Islamic Arab Insurance Company

Senior International Stock Broker - Riyad Bank
Senior Local Stock Broker - Riyad Bank
Senior Financial Analyst - Alkhabeer Capital Company

Financial Advisor - Communications and Information Technology Commission

Qualifications: Master of Engineering Management 2002 Florida Institute of Technology

Bachelor of Accounting, King Abdulaziz University, 1994

Experiences: Accountant of the Islamic Arab Insurance Company 1997-1994

Head of Accounts Department and Acting Financial Manager - Islamic Arab Insurance Company 1998-1997

Senior International Stock Broker - Riyad Bank 2006-2004

Senior Local Stock Broker - Riyad Bank 2007-2006

Senior Financial Analyst - Alkhabeer Capital Company - 2013-2009

Financial Advisor - Communications and Information Technology Commission 2019-2018

Freelance Financial Analyst and Financial Coach 2014 to date



Mazen Ibrahim Abdul Salam

Independent member

Current Positions: - Member of the Board of Directors of SALAMA Cooperative Insurance Company

Dr. Samir Muhammad Ali Abbas Hospital
Head of Support Services Sector and Director of Compliance and Legal Affairs Department
General Manager of Badr Modern Company for Operation and Maintenance (a hospital-owned company)

Partner and founder of the Arab Hudhud Company for Information Technology

Previous Positions: - Director of Strategic Management and Institutional Excellence, Al-Murjan Holding Company NOV2014 – OCT 2016

Director of Financial Operations, Bagedo Hospital and Dr. Irfan March-2014 October 2014
Director of the Western Region, Sanad Company for Cooperative Insurance March -2013 March 2014

Director of Risk Management, Director of Marketing, Director of Quality Assurance, Secretary of the Board of Directors of Salama Cooperative Insurance Company August -2006 March 2013

Division Manager for United Panda Company Feb -2004 Aug 2006

Qualifications: Bachelor of Systems Engineering - King Fahd University of Petroleum and Minerals - 2004

Experiences: Comptroller General and Secretary of the Board of Directors Dr. Samir Abbas Hospital - 2016 until now

Director of Strategic Planning and Institutional Excellence from 2014 to 2016.



Mustafa Ghazi Kheriba

Did Not Complete The Period

Current Positions: SHUAA Capital (UAE) Executive Vice President, Head of Asset Management and Investment Solutions Division

Abu Dhabi Financial Group (UAE), Executive Vice President, Head of Asset Management Division

Cayman Islands ADCM Director (LT)

UK Director of Spadille Ltd

UK Director North Care Ltd.

Cayman Islands Director AD POWER LTD

Cayman Islands Director Qannas investment ltd

Cayman Islands Director SPE Qannas B Ltd

Cayman Islands, Director, Palace real estate partners Gp

Cayman Islands Manager, Palace Preferred Partners GP

Cayman Islands Director SPE Qannas C.

Montenegro (Director) integrated EE Holding

Cayman Islands, director of integrated Eastern European fund

Cayman Islands Director of EE F&B Holding Ltd.

Gulf Finance Company Vice Chairman of Reem Finance (United Arab Emirates) Member of the Board of Directors of the Islamic Arab Insurance Company Salama Managing Director

Abu Dhabi Financial Market Director, Goldilocks investment company limited

Khaleeji Commercial Bank (Bahrain), a member of the Board of Directors

Salama Managing Director

Abu Dhabi Financial Market Director, Goldilocks investment company limited

Khaleeji Commercial Bank (Bahrain), a member of the Board of Directors

Mustafa Ghazi Kheriba

Gulf Finance House (Bahrain) Board Member

Gulf Finance Closed Joint Stock Company (Saudi Arabia) Board Member

Director of Etihad Reit (ic) limited Abu Dhabi Global Market

Director of ADCorp Ltd (Abu Dhabi Global Market)

Previous Positions: Member of the Board of Directors of Salama Cooperative Insurance Company

Vice President of Operations, Brainnox investment group

The Global Investment Board, Vice President, Integrated Operations Capital (United Arab Emirates), Board Member SHUAA Capital United Arab Emirates Board Member

Gulf Navigation Holding (United Arab Emirates) Member of the Board of Directors

Salama Cooperative Insurance Company, member of the Board of Directors

Qualifications: Bachelor of Arts (Economics and Business Communication) University of Tornado Canada 1996

Master of Business Administration (Corporate Strategy Chair category) 2009

Experiences: Vice President of Operations 2011-2009, Brainnox investment group Global Investment Board Vice President of Operations 2009-2005

Integrated Capital (United Arab Emirates) Board Member 2016-2015

SHUAA Capital (United Arab Emirates) Member of the Board of Directors 2019-2018

Gulf Navigation Holding (United Arab Emirates) Member of the Board of Directors January 2019 - April 2019

Salama Cooperative Insurance Company

Member of the Board of Directors October 2020 - December 2020

SHUAA Capital (UAE) Executive Vice President, Head of Asset Management and Investment Solutions Division to date

Abu Dhabi Financial Group (UAE), Executive Vice President, Head of Asset Management Division to date

Cayman Islands ADCM Director (LT)

UK Director of Spadille Ltd

UK Director North Care Ltd.

Cayman Islands Director AD POWER LTD

Cayman Islands director Qannas investment Ltd

Cayman Islands Director SPE Qannas B Ltd

Cayman Islands, Director, Palace real estate partners Gp

Cayman Islands Manager, Palace Preferred Partners GP

Cayman Islands Director SPE Qannas C.

Montenegro (Director) integrated EE Holding

Cayman Islands, director of integrated Eastern European fund

Cayman Islands Director of EE F&B Holding Ltd.

Director of Gulf Finance Company, Vice-Chairman of the Board of Directors to date

Reem Finance (United Arab Emirates) a member of the Board of Directors to date

Islamic Arab Insurance Company Salama, Managing Director. To date

Abu Dhabi Financial Market. Director to date

Khaleeji Commercial Bank (Bahrain) is a member of the Board of Directors, Goldilocks investment company limited

Gulf Finance House (Bahrain), a member of the Board of Directors to date

Gulf Finance is a closed joint stock company (Saudi Arabia), a member of the Board of Directors to date Director of Etihad Reit (ic) limited Abu Dhabi Global Market to date

Director of ADCorp Ltd (Abu Dhabi Global Market) to date.

Fifth:

Board Committees until the end of the Period on 24/07/2022



Executive Committee



Review Committee



Nomination and Remuneration Committee



Investment Committee



Risk Committee



Executive Committee

Name	Membership Nature	No. of Meetings (1) Meeting
		First Meeting 29/11/2020 AD
Ahmed Tariq Murad	Committee Chairman Independent Member	✓
Raed Abdul Malik Al Qasim	Independent Member	✓
Mazen Ibrahim Abdul Salam	Independent Member	✓

A brief description of the jurisdiction of the Executive Committee:

- Subject to any instructions laid down by the Saudi Central Bank or set by the Board of Directors, the Executive Committee exercises all the powers determined by the Saudi Central Bank or the Board, and the Executive Committee shall cooperate with the CEO and the Managing Director.
- The Committee exercises all the powers granted to it to carry out its duty towards the meetings of the Board of Directors, and its members have the right to view the confidential information of the company.
- Formulating, reviewing, communicating and managing the company's strategy in relation to the interests of shareholders, customers, employees and other stakeholders.
- The Committee discusses and takes decisions on urgent issues that need urgent decision-making.
- The responsibilities of the Committee include making decisions regarding the day to day business of the company.
- Approval of the amendments to the budget clauses and the final approval of the capital expenditures items according to the Committee's powers stipulated in the table of powers.

- Approval of the company's business policies and procedures.
- Monitoring the performance of the CEO and senior management and making recommendations in this regard.
- The Committee performs the tasks listed below related to the company's strategy:
 - Reviewing the company's strategic planning procedures and processes in cooperation with the CEO.
 - Ensuring the completion of strategic plans that achieve the company's goals.
 - Reviewing the CEO's recommendations regarding the distribution of the company's resources aimed at achieving alignment between the company's strategic plans and its long-term operational goals.
 - Reviewing the strategic plans and operational goals of the company and its subsidiaries periodically (if any) to ensure that they are consistent with the company's goals.
 - Monitoring the implementation of the policies and procedures of the Board of Directors.
- The committee prepares recommendations for the Board of Directors regarding the company's operational priorities and the strategies to be followed.
- The company carries out the tasks listed below related to the financial planning of the company:
 - Preparing and reviewing annual and long-term financial goals and strategies and submitting the necessary recommendations to the Board of Directors.
 - Reviewing the financial aspects of the company, in cooperation with the company's executive management and the audit committee.
 - Preparing and reviewing profit distribution policies, how to implement them, and submitting recommendations regarding them to the Board of Directors.
 - Reviewing the actual capital expenditures periodically to match them with the budgets approved by the Board of Directors.
- The Committee submits a periodic report once every six (6) months at least on its work to the board of directors.
- Informing the board of directors in the event of any conflict of interest situation or arising as a result of the decisions that the Committee takes.
- Preparing an annual review and evaluation of the activities of the committee and its members.



Risk Committee

Name	Membership Nature	(2) Meetings	
		First Meeting 29/11/2020 AD	Second Meeting 30/12/2020 AD
Mazen Ibrahim Abdul Salam	Committee Chairman Independent Member	✓	✓
Omar Nasser Makharsh	Independent Member	✓	✓
Mustafa Ghazi Kheriba	Non-executive Member	✓	Resignation

A brief description of the jurisdiction of the Risk Committee:

- ▶ Determining the risks that the company may be exposed to, and maintaining an acceptable level of risks related to the company.
- ▶ Supervising risk management systems and evaluating their effectiveness.
- ▶ Verifying the feasibility of the company's continuation and successful continuation of its activity, along with identifying the risks that threaten its continuation during the next twelve months.
- ▶ Developing a comprehensive risk management strategy for the company, supervising its implementation, reviewing and updating it periodically, taking into account the relevant internal and external variables.
- ▶ Reviewing risk management policies.
- ▶ Reviewing and reassessing the company's level of risk appetite, and its exposure to risks, on a regular basis.

- ▶ Submitting detailed reports to the Board of Directors on potential risks and giving recommendations on ways to manage them.
- ▶ Providing advice to the Board of Directors on what is related to risk management.
- ▶ Ensuring the availability of adequate resources and systems to manage risks.
- ▶ Reviewing the organizational structure of risk management and making recommendations regarding it before approval by the Board of Directors.
- ▶ Verifying the independence of the risk management personnel from the activities that may result in exposing the company to risks.
- ▶ Verifying that the risk management personnel understand the risks surrounding the company, and working to increase awareness of the risk culture.
- ▶ Reviewing the issues raised by the Review Committee that may affect the risk management in the company.
- ▶ The committee submits its reports to the Board of Directors on the results of its work in accordance with the controls and mechanisms contained in the Risk Management Charter, and the minutes of the meetings of the Risk Management Committee must be presented to the Board of Directors for information and knowledge.
- ▶ When needed, the Committee has the right to seek external consulting services in order to perform its duties, at the expense of the company, after obtaining the approval of the Board of Directors.



Review Committee

Name	Membership Nature	No. of Meetings (1) Meeting
		First Meeting 28/01/2020 AD
Moraia Saad Habash	Committee Chairman Independent Member	✓
Salem Ali Al-Qahtani	Independent Member	✓
Alaa Abdullah Al-Hashem	Independent Member	✓
Khaled Jaber Al-Zaidi	Committee Chairman Independent Member	He was not a member
Raed Fahad Al-Rusais	From outside the board	He was not a member
Walid Muhammad Mari	From outside the board	He was not a member

A brief description of the jurisdiction of the Review Committee:

- Recommending to the Board of Directors to approve the appointment or reappointment of external auditors. This includes ensuring that the nominated external auditors have the necessary experience to audit the business of insurance and reinsurance companies.
- Appointing and dismissing the Compliance Department Manager or the compliance officer after obtaining the no-objection letter from the Saudi Central Bank in writing.
- Appointing and dismissing the Internal Audit Department Manager and the internal auditor after obtaining a written no objection from the Saudi Central Bank in writing.

- Ensuring the independence of the external auditors from the company, board of directors and senior management in the company.
- Ensuring the independence of Internal Audit Department or the internal auditor in performing their duties and verifying that there is no restriction on their work or the existence of anything that could negatively affect their work.
- Ensuring the independence of the Compliance Department or the Compliance Officer in performing their duties and verifying that there is no restriction on their work or the existence of anything that could negatively affect their work.
- Discussing the initial annual and quarterly financial statements with the external auditors and company senior management before releasing it.
- Studying and reviewing the initial annual and quarterly financial statements and provide the appropriate recommendations to the Board of Directors.
- Studying and reviewing the internal and external auditor plans.
- Studying the Compliance plan, approving it, and following up on its implementation.
- Studying the main accounting policies and procedures and the changes that may occur to them.
- Coordinating between the internal and external auditors.
- Studying external auditors reports and provide appropriate recommendations to the Board of Directors.
- Reviewing the reports of the Internal Audit Department or the internal auditor and submitting recommendations regarding them to the board of directors.
- Studying reports, managing the statutory oversight or the regular auditor, and making recommendations regarding them to the Board of Directors.



Investment Committee

- Evaluating the level of efficiency, effectiveness and objectivity of the work of the external auditors, the Internal Audit Department or the internal auditor, the Compliance Department or the compliance officer.
- Studying the observations of the Saudi Central Bank and the relevant supervisory and regulatory authorities regarding any regulatory violations or requesting corrective measures and submitting recommendations regarding them to the Board of Directors.
- Studying the operations between group entities and operations with related parties.
- Evaluating internal and external auditors of internal control procedures.
- Studying the reports of the actuary and making recommendations regarding them to the Board of Directors.
- Ensuring that the company is committed to implementing the proposals and recommendations of the actuary when it is mandatory in accordance with the regulations and instructions issued by the Saudi Central Bank and the relevant supervisory and regulatory authorities.
- Following up the reports issued by the Saudi Central Bank and the relevant supervisory and regulatory authorities and submitting recommendations regarding them to the Board of Directors.
- Determining the monthly salary, incentive bonus, and other remuneration for the Internal Audit Department or the external auditor in line with the company's internal regulations approved by the Board of Directors.
- Determining the value of the monthly salary, incentive bonus and other remuneration for the Compliance Department or the compliance officer in line with the internal regulations of the company approved by the Board of Directors.
- Ensuring that a written regulation related to professional conduct is available after being approved by the Board of Directors to ensure that the company's activities are carried out in a fair and ethical manner.
- Following up on the important lawsuits brought by or against the company with the Compliance Department or the Compliance Officer, and submitting periodic reports on them to the Board of Directors.
- Ensuring the optimal use of information technology and the availability of necessary controls to obtain accurate and reliable information and data.

Name	Membership Nature	No. of Meetings (1) Meeting
		First Meeting 23/11/2020 AD
Ahmed Tariq Murad	Committee Chairman Independent Member	✓
Khaled Jaber Al-Zaidi	Independent Member	✓
Akram Omar Gad	Independent Member	✓

A brief description of the jurisdiction of the Investment Committee:

- Subject to any instructions laid down by the Saudi Central Bank or set by the Board of Directors, the Investment Committee exercises all the powers delegated by the Board of Directors, and the Committee cooperates with the CEO and the Managing Director in the matter of investment decisions.
- The Committee exercises all the powers granted to it to carry out its duty towards its shareholders and the corporate strategy.
- The Committee is responsible for preparing the investment policy for the company, and it must present this policy to the Saudi Central Bank and obtain its approval on the investment policy.
- Preparing and formulating the investment policy for the company, following up on its implementation, and approving it annually by the Board of Directors. This policy shall not be amended except after obtaining the approval of the Board of Directors on any amendment to it.

- Overseeing the implementation of investment policy and the operations of the company's investment portfolios within the stable operational frameworks of strategy and risks.
Reviewing policies, objectives and special investment plans and making recommendations thereon.
- Taking the necessary steps to inform the employees directly and indirectly concerned with the investment activities and ensuring that they understand it.
- Strategic allocation of assets to major investment classes.
- Reviewing the performance of each asset class.
Setting limits for the distribution of assets according to geographical areas, financial markets, related sectors, securities, as well as currencies.
- Defining and identifying illiquid assets and setting restrictions on investing in them.
- The Committee monitors the performance of the investment company's portfolios on an on-going basis and submits reports on a quarterly basis.
- Following and monitoring investment risks periodically.
- The responsibilities of the committee include making decisions related to investment within the delegation of authority granted by the Board of Directors.
- Comprehensive reviewing, on an annual basis, of the adequacy of the general investment policy in light of the company's activities, the general tolerance for risks, the requirements of long-term risk return and the solvency position.
- Reviewing the due diligence reports prepared by external asset managers or any third party that provides investment-related services.

- Conducting a comprehensive evaluation of investment service providers, asset management, and external parties related to investment on an annual basis to ensure the stability of the conditions on the basis of which this entity was appointed and the absence of any fundamental change that may lead to the company's review regarding dealing with that entity.
- Recommending the appointment of investment or asset managers or a portfolio manager licensed by the Capital Market Authority or any other regulatory body or entity if the investments are outside the Kingdom.
- Managing the relationship between the company and the officially appointed asset managers.
- Ensuring that the company's investments are in compliance with the investment regulations issued by the Saudi Central Bank.
- Monitoring the performance of the CEO and senior management regarding the company's investments and make recommendations in this regard.
- The committee submits a quarterly periodic report on its activities to the Board of Directors and on the performance of investment portfolios to the Board of Directors.
- Informing the Board of Directors in the event that any conflict of interest situation arises as a result of the decisions taken by the committee.
- Preparing an annual review and evaluation of the activities of the committee and its members.



Nomination and Remuneration Committee

Name	Membership Nature	(2) Meetings	
		First Meeting 29/11/2020 AD	Second Meeting 30/12/2020 AD
Raed Abdul Malik Al Qasim	Committee Chairman Independent Member	✓	✓
Akram Omar Gad	Independent Member	✓	✓
Omar Nasser Makharsh	Non-executive Member	✓	Resignation

A brief description of the jurisdiction of the Nomination and Remuneration Committee:

- Suggesting clear policies and criteria for the Board of Directors and senior executive management.
- Recommending to Board of Directors the nomination for Board of Directors membership and its committees in accordance with the legal requirements, policies and approved standards.
- Establishing job descriptions for executive members, non-executive members, independent members and senior executives.
- Annual review of the required needs of appropriate skills for Board of Directors membership and its committees, preparing descriptions of capabilities and qualifications required to fill positions of higher executive management and Board membership and its committees, determining the time that the member shall allocate to the work of the Board or Board Committees, assessing the structure and composition of the Board and its committees, determining its weaknesses periodically and proposing the necessary actions.

- Evaluating and monitoring the independence of Board of Directors members and its committees and ensure that there is no conflict of interest, including ensuring on an annual basis the independence of independent members.
- Establishing clear compensation and remuneration policies for members of the Board of Directors, its committees and members of the senior management, and submitting them to the Board of Directors for approval by the General Assembly, taking into account in this policy the following standards related to performance, disclosing them, and verifying their implementation.
- Reviewing the remuneration policy periodically and evaluating its effectiveness in achieving the objectives sought from it.
- Clarifying the relationship between the bonuses granted and the applicable remuneration policy, and indicating any material deviation from this policy.
- Supervising the periodic evaluation of the performance of the members of the Board and its committees.
- Recommendation regarding appointment and dismissal of senior management members.
- Setting up special procedures in case the position of a member of the board of directors or a senior executive becomes vacant.
- Proposing succession policy and procedures for the CEO and senior members of senior management and monitoring the implementation of succession plans and procedures for them.
- Reviewing compensation plans for members of senior management.
- Supervising the induction program and periodic training for members of the Board of Directors.
- Recommending to the Board on matters related to the nominations and remuneration of members of the Board of Directors and the committees emanating from it and the senior executives of the company in accordance with the approved policy.

Sixth:

Executive Management



Omar Mohammed Al-Ajlani

CEO of Salama Cooperative Insurance Company

Previous Positions

- ♦ Chief Planning - Salama Company
- ♦ Branches Network Manager - Al Rajhi Takaful
- ♦ Personal Lines Manager - Al Ahlia Insurance
- ♦ Operations Manager - Malath Insurance

Qualifications

- ♦ Bachelor of Chemical Engineering, King Abdulaziz University, Jeddah, 2003
- ♦ Diploma in Professional Insurance, Bahrain Institute for Banking and Financial Studies - Bahrain

Experiences

- ♦ Chief Executive Officer - Salama Company from 01/12/2016 - Present
- ♦ Acting CEO from 01/05/2016 to 30/11/2016 - Salama Company
- ♦ Chief Planning - Salama Company from 11/05/2014 to 30/04/2016
- ♦ Branches Network Manager from 6/10/2012 to 05/05/2014 - Al-Rajhi Takaful
- ♦ Personal Lines Manager from 13/08/2011 to 03/10/2012 - Al-Ahlia Insurance
- ♦ Partners Relations Manager from 01/03/2011 to 01/08/2011 - Malath Insurance
- ♦ Operations Manager from 01/02/2010 to 28/02/2011 - Malath Insurance
- ♦ Motor Underwriting Officer 26/05/2007 - 31/01/2010 - Malath Insurance
- ♦ Motor Claims Officer 2004-2007 - Tawuniya Insurance



Ammar Ahmed Hamza Ghurab

Head of Operations at Salama Cooperative Insurance Company

Previous Positions

- ♦ Head of Motor Insurance - Salama Cooperative Insurance Company
- ♦ Motor Claims Manager at Salama Cooperative Insurance Company

Qualifications

- ♦ Bachelor of Business Administration, King Abdulaziz University, 1998
- ♦ Insurance diploma from the Bahrain Institute for Banking and Financial Studies in 2011

Experiences

- ♦ Chief Operation Officer from 2017 till date
- ♦ Head of Motor Insurance from 2011 till 2017 Salama Cooperative Insurance Company
- ♦ Motor Claims Manager from 2003 to 2011 Salama Cooperative Insurance Company

Mohammed Nasser Abdul Aziz Al-Wahbi

Head of Customer Care at Salama Cooperative Insurance Company

Previous Positions

- ♦ Director of the Personnel Sales Branch at Al-Rajhi Company for Cooperative Insurance
- ♦ Director of the Saudi Investment Bank branch
- ♦ Customer service at The Saudi Investment Bank
- ♦ Head of Patient Affairs Support Services Department
- ♦ Supervisor of the admission office at Dallah Hospital

Qualifications

- ♦ Bachelor's degree in Business Administration from King Faisal University
- ♦ High School
- ♦ BIC Principles of Investment Certificate
- ♦ IFCE Insurance Fundamentals Certificate

Experiences

- ♦ Director of Personnel Sales at Al-Rajhi Company for Cooperative Insurance from 2014 to 2016
- ♦ Director of the Saudi Investment Bank branch from 2010 to 2016
- ♦ Customer service at The Saudi Investment Bank from 2004 to 2006
- ♦ Head of the Patient Support Services Department from 2002 to 2004
- ♦ Supervisor of the Admission Office at Dallah Hospital from 2001 to 2002
- ♦ Program Coordinator at the Ministry of Islamic Affairs from 1998 to 2001





Raed Issa Kurdi

Acting Head of Human Resources at Salama Cooperative Insurance Company

Previous Positions

- ♦ Vice President of Human Resources at Salama Company
- ♦ Deputy Director of Human Resources and Administration Affairs at Salama Company
- ♦ Assistant Director of Human Resources and Administrative Affairs at Salama Company
- ♦ Senior Supervisor of Human Resources and Administration Affairs at Salama Company
- ♦ Director of Administration Affairs and Personnel at Al-Issa Holding Autostar Group
- ♦ Human Resources and Administration Specialist at Bin Laden Group
- ♦ Administrator in Overseas Hotels Investment Company

Qualifications

- ♦ King Abdulaziz University, Department of Business Administration - Human Resources
- ♦ Human Resources Diploma
- ♦ CIPD Certificate

Experiences

- ♦ Vice President of Human Resources at Salama Company 01/02/2018 - 04/10/2020
- ♦ Deputy Director of Human Resources and Administration Affairs at Salama Company - 01/01/2016 - 30/01/2018
- ♦ Assistant Director of Human Resources and Administrative Affairs at Salama Company - 01/02/2015 - 30/12/2015
- ♦ Senior Supervisor of Human Resources and Administration Affairs at Salama Company - 06/01/2014 - 30/01/2015
- ♦ Director of Administration and Personnel Affairs for Personnel at Al-Issa Holding Group - Autostar - 11/11/2012- 30/05/2014
- ♦ Human Resources and Administration Specialist at Bin Laden Group - 01/01/2011 - 10/11/2012
- ♦ Administrator in Overseas Hotels Investment Company - 01/01/2005 - 30/12/2010



Mohammed Abdullah Ahmed Badress

Director of Internal Audit at Salama Cooperative Insurance Company

Previous Positions

- ♦ Director of Internal Audit at the Saudi Credit House
- ♦ Head of audit, Ernst & Young
- ♦ Auditor in Ernst & Young

Qualifications

- ♦ Master of Accounting from Oklahoma City University, USA
- ♦ Bachelor's degree in Accounting from King Abdulaziz University
- ♦ Certificate of practicing a profession from the Ministry of Commerce and Investment

Experiences

- ♦ Director of Internal Audit at Saudi Credit House from 2016-4 to 2018-2
- ♦ Head of Audit at Ernst & Young, from 2010-11 to 2016-03
- ♦ Auditor in Ernst & Young from 6-2005 to 5-2

Khaled Mohammed Bajunaid

Acting Chief Financial Officer of Salama Cooperative Insurance Company until 2020/09/30

Previous Positions

- ♦ -Executive Vice President for Financial Operations and Custody at Alawwal Capital
- ♦ -Financial Controller of the Saudi Economic and Development Company SEDCO
- ♦ Assistant General Manager for Administrative and Financial Affairs for Real Estate Projects Management and Development Company
- ♦ Head of accounts for the Saudi Research and Publishing Company
- ♦ Senior advisor to the financial advisory house

Qualifications

- ♦ Bachelor of Accounting from King Abdulaziz University in 1993
- ♦ CME1 Certificate from the Capital Market Authority in 2011

Experiences

- ♦ Executive Vice President of Financial Operations and Custody at Alawwal Capital from 2010 to 2019
- ♦ Financial Controller of the Saudi Economic and Development Company (SEDCO) from 2007 to 2008
- ♦ Assistant General Manager for Administrative and Financial Affairs for Real Estate Projects Management and Development Company from 2001 to 2006
- ♦ Head of accounts for the Saudi Research and Publishing Company
- ♦ Senior Advisor to the Financial Consulting House from 1994 to 1999

Hassan Ahmed Mohammed Shabeli

Director of Compliance and Legal Affairs Department at Salama Cooperative Insurance Company until 2020/23/06

Previous Positions

- ♦ Director of Compliance and Legal Affairs at Salama Cooperative Insurance Company
- ♦ Director of Compliance and Legal Affairs Department at Tokyo Marine Cooperative Insurance Company
- ♦ Director of Compliance and Legal Affairs Department at IAIC Islamic Arab Insurance Company
- ♦ Trained lawyer in the office of lawyer Abdullah Al-Asmari Advocates and Arbitration

Qualifications

- ♦ LL.M from University of Waikato Hamilton New Zealand 2009
- ♦ Bachelor of Law from King Abdulaziz University in Jeddah in 2004
- ♦ Certificate of Fundamentals of Insurance from the Institute of Banking 2011
- ♦ Diploma in legal advisor approved by the Arab Council for Administrative Development 2015
- ♦ He holds a previous license from the Ministry of Justice to practice the legal profession

Experiences

- ♦ Director of Compliance and Legal Affairs at Salama Cooperative Insurance Company from 2013 to 2020
- ♦ Director of Compliance and Legal Affairs Department at Tokyo Marine Cooperative Insurance from 2012 to 2013
- ♦ Director of Compliance and Legal Affairs at the Islamic Arab Insurance Company (IAIC) from 2010 to 2012
- ♦ Trained lawyer in the office of lawyer Abdullah Al-Asmari Advocates and Arbitration from 2004 to 2007

Shaker Faisal Mustafa Al-Khanani

Risk Manager at Salama Cooperative Insurance Company until 2020/07/30

Previous Positions

- ♦ Director of Risk Management Salama Cooperative Insurance Company
- ♦ Director of Compliance and Risk at Al-Mustaqilla Insurance Brokerage Company

Qualifications

- ♦ MSc Financial Services Management University of Salford UK Manchester 2018
- ♦ Bachelor's degree in Marketing from the College of Business Administration, University of Science and Technology Dhahban, Jeddah, in 2013

Experiences

- ♦ Director of Risk Management Salama Cooperative Insurance Company from 2014 to 2020
- ♦ Director of Compliance and Risk at Al-Mustaqilla Insurance Brokerage Company from 2011 to 2014

Abdullah Faisal Al-Bayari

Head of Cyber security at Salama Cooperative Insurance Company until 2020/12/31

Previous Positions

- ♦ Analyst in the Department of Cyber security - King Abdulaziz University
- ♦ Head of Cyber security - Salama Cooperative Insurance Company

Qualifications

- ♦ Bachelor's degree in Administrative Information Systems
- ♦ University of Business and Technology
- ♦ Master's degree in Cyber security - George Washington University

Experiences

- ♦ Head of Cyber security - Salama Cooperative Insurance Company from 2018 to 2020
- ♦ Analyst in the Department of Cyber security - King Abdulaziz University from 2011 to 2014
- ♦ Bachelor's degree in Administrative Information Systems - University of Business and Technology
- ♦ Master's degree in Cyber security - George Washington University

Seventh:

Companies (Inside or Outside the Kingdom) In Which a Member of the Company's Board Is a Member of Its Current and Previous Boards or Its Managers

Members of the Board of Directors since 7/25/2019

Current membership in the boards of other companies	Inside / outside the kingdom	Legal entity	Previous membership in the boards of other companies or managers	Inside / outside the kingdom	Legal entity
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Loai Hamza Basrawi did not complete the period

CEO of Umrah Company	Inside the kingdom	Closed joint stock company	<ul style="list-style-type: none"> - General Executive Manager of Hafel Corporation for Transportation since 2009/7/1 to 2012/1/30. - General Executive Manager of Al-Madina and Al-Arabia Companies for Transportation since 2007/7/1 to 2009/6/30. - General Executive Manager of Fakhry Group Company since 2000/1/1 to 2006/6/30. 	Inside the kingdom	Closed joint stock company
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Hussain Hassan Ali Bayari did not complete the period

<ul style="list-style-type: none"> - Chairman of the Board of Directors for Al-Firdous Group of Companies. - Member of the Board of Directors of Risan Arabia Company - Member of the Board of Directors of Al-Ruwais Company 	Inside the kingdom	Closed joint stock company	<ul style="list-style-type: none"> - Projects Manager for Abdul Latif Jameel Real Estate Consultants Ltd. since 1993/2/25 to 1996/10/26 - Deputy General Manager of Al-Sharif Group for Trade and Contracting since 1991/05 to 1993/01 	Inside the kingdom	Closed joint stock company
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Moraia Saad Habash did not complete the period

Faculty member	Inside the kingdom	Governmental entity	<ul style="list-style-type: none"> - Dean of Student Affairs of King Khalid University. - Chairman of the Student Fund Board of Directors at King Khalid University. 	Inside the kingdom	Governmental entity
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Ahmed Ali Al-Shetifi did not complete the period

None	None	None	<ul style="list-style-type: none"> - Director of Islamic Banking at Banque Saudi Fransi since 2002 to 2008. - Director of Administrative Affairs at the Banque Saudi Fransi since 2008 to 2002. - Director of Public Relations - Peace Aviation since 1990 to 1992. 	Inside the kingdom	General Joint-stock company
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Wael Saad Al-Rashed did not complete the period

<ul style="list-style-type: none"> - Member of the Board of Directors for Al-Sorayai Group - Member of the Board of Directors of Aldrees Company - ALITCO - Member of the Board of Directors of the Saudi Bio-Acids Company - Vice President of Wire Factories Federation - CEO of Al-Mudaf Company. - CEO of Abdullah Al-Ameed Company 	Inside the kingdom	General Joint-stock company	<ul style="list-style-type: none"> - Member of the Board of Directors for Al-Sorayai Group - Member of the Board of Directors of Aldrees Company - ALITCO - Member of the Board of Directors of the Saudi Bio-Acids Company - Vice President of Wire Factories Federation - CEO of Al-Mudaf Company. - CEO of Abdullah Al-Ameed Company 	Inside the kingdom	Closed joint stock company
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Ahmed Tariq Murad

<ul style="list-style-type: none"> - Chairman of the Board of Directors of SALAMA Cooperative Insurance Company - Vice Chairman of the Board of Directors of the Saudi United Fertilizers Company - Member audit committee in Anaam International Holding Group 	Inside the kingdom	<ul style="list-style-type: none"> - Open joint stock company. - Limited liability company 	<ul style="list-style-type: none"> - Vice President of Investment for Nesma Holding Company - Head of Product Development and Research for Al-Khabeer Capital - Senior Manager Corporate Finance for the Bahrain Shamil Bank 	<ul style="list-style-type: none"> - Inside the kingdom - Inside the kingdom - Inside the kingdom 	<ul style="list-style-type: none"> - Limited liability company
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Mazen Ibrahim Abdel Salamz

- Member of the Board of Directors of SALAMA Cooperative Insurance Company
- Dr. Samir Muhammad Ali Abbas Hospital Head of Support Services Sector and Director of Compliance and Legal Affairs Department
General Manager of Badr Modern Company for Operation and Maintenance (a hospital-owned company)
- Partner and founder of the Arab Hudhud Company for Information Technology

Inside the kingdom

- Open joint stock company.
- Closed joint stock company.

- Limited liability company

- Director of Strategic Management and Institutional Excellence, Al-Murjan Holding Company NOV 2014 - OCT 2016
- Director of Financial Operations, Bagedo Hospital and Dr. Irfan March-2014/October 2014
- Director of the Western Region, Sanad Company for Cooperative Insurance March-2013 March 2014
- Director of Risk Management, Director of Marketing, Director of Quality Assurance, Secretary of the Board of Directors of Salama Cooperative Insurance Company August-2006 March 2013
- Division Manager for United Panda Company Feb-2004 Aug 2006

Inside the kingdom

Closed joint stock company

Raed Al Qasim

- Member of the Board of Directors of SALAMA Cooperative Insurance Company

Inside the kingdom

- Open joint stock company

- General Manager of the Professional Group Company for the Insurance Agency
- General Director of the Raed Abdul Malik Yahya Al Qasim Foundation
- A Concession granted to the Tawuniya Insurance Company

Inside the kingdom

-(Professional Group) Limited liability company
-(Raed Abdulmalik) Individual Establishment

Akram Omar Gad

- Member of the Board of Directors of SALAMA Cooperative Insurance Company

Inside the kingdom

- Open joint stock company.

- Regional Director of the Western Region for WALAA Insurance Company
- General Manager of MEDAD AL-THIQA Insurance Agency

Inside the kingdom

-(WALAA) is Open joint stock company
-(MEDAD) is Limited liability company

Khaled Jaber Al-Zaidi

- Member of the Board of Directors of SALAMA Cooperative Insurance Company

Inside the kingdom

- Open joint stock company.

Head of Accounts Department and Acting Financial Manager - Islamic Arab Insurance Company 1997-1998

Inside the kingdom

Open joint stock company

Omar Nasser Makhharsh

- Vice Chairman of the Board of Directors of SALAMA Insurance Company

- Founder and CEO of MAKHARASH Office for Financial and Administrative Consultations

Inside the kingdom

- Closed joint stock company
- Individual Establishment

- Vice Chairman of the Board of Directors - Member of the Executive Committee - Chairman of the Nomination and Remuneration Committee - Member of the Investment Committee of the United Insurance Company - 2020 2017.
- Regional Director of the Western Region for RASMALA Saudi Investment Company 2008-2010.
- Senior Manager Corporate Banking Services - Saudi Hollandi Bank 1997-2008

Inside the Kingdom, a contribution with Gulf capital

- United Cooperative Insurance, Saudi Hollandi Bank is an Open joint stock company

Mustafa Ghazi Khriba

- SHUAA Capital (UAE) Executive Vice President, Head of the Department of Asset Management and Investment Solutions.
- Abu Dhabi Financial Group (UAE), Executive Vice President, Head of Asset Management Department
- Cayman Islands Director (ACDM (LT)
- Director of the United Kingdom Spadille Ltd
- Director UK North Care Ltd.
- Cayman Islands Director AD POWER LTD
- Cayman Islands director Qannas investment Ltd
- Cayman Islands Director SPE Qannas B Ltd
- Cayman Islands palace real estate partners GP

- Cayman Islands Palace Preferred Partners GP
- Cayman Islands Director Director SPE Qannas C.
- Director of integrated EE Holding Islands (Montenegro)
- Cayman Islands director, integrated Eastern European fund
- Director of the Cayman Islands EE F&B Holding Ltd.
- Vice Chairman of the Gulf Finance Company
- Member of the Board of Directors for Reem Finance (UAE)
- Managing Director of the Islamic Arab Insurance Company SALAMA
- Goldilocks investment company limited
- Director of Abu Dhabi Financial Market
- Member of the Board of Directors of Khaleej Commercial Bank (Bahrain)
- Member of the Board of Directors of the Gulf Finance House (Bahrain)
- Member of the Board of Directors of Gulf Finance, a closed joint stock company (Saudi Arabia). Member of the Board of Directors
- Director of Etihad Reit (ic) limited Abu Dhabi Global Market
- Director of ADCorp Ltd (Abu Dhabi Global Market)

- Vice President of Operations, Brainnox investment group
- Vice President of Operations, Global Investment Board
- Member of the Board of Directors of Integrated Capital (United Arab Emirates)
- Member of the Board of Directors of SHUAA Capital (United Arab Emirates)
- Member of the Board of Directors of Gulf Navigation Holding (United Arab Emirates)
- Member of the Board of Directors of Salama Cooperative Insurance Company

Eighth

The Board of Directors and Classification of Its Members

The Composition of the current Board of Directors since 2019\7\25

Members Names	Classification
Hussein Hassan Ali Bayari - He did not complete the period	Non-executive
Mustafa Ghazi Khriba - He did not complete the period	Non-executive
Loai Hamza Basrawi - He did not complete the period	Independent
Moraia Saad Habash - He did not complete the period	Independent
Ahmed Ali Al-Shetifi - He did not complete the period	Independent
Wael Saad Al-Rashed - He did not complete the period	Independent
Ahmed Tariq Murad	Independent
Mazen Ibrahim Abdel Salam	Independent
Raed Abdul Malik Al Qasim	Independent
Akram Omar Gad	Independent
Khaled Jaber Al-Zaidi	Independent
Omar Nasser Makharsh	Independent

Ninth

1- The Measures Taken by The Board of Directors to Inform Its Members of Shareholders' Proposals and Observations About the Company and Its Performance

A request by a major shareholder to dismiss a board member, and the request has been denied due to the resignation of the member, noted that the members of the board are notified through the board meetings.

2- Penalties Imposed On the Company by The Authority or Any Supervisory Authority.

Suspending the trading of the company's shares for a period of one session on 2020/8/26 due to the company's inability to publish its preliminary financial results for the period ending in 2020/6/30 on the Saudi Stock Exchange website (TADAWUL) at the specified time due to the delay in obtaining regulatory approvals.

3- Ownership of Major Shareholders and Board Members.

Major shareholders

Arab Islamic Insurance Company (SALAMA Emirates) Ownership %12.

Board Members.	Ownership Percentage
Ahmed Tariq Murad	0,0004
Omar Nasser Makharsh	0,000096
Mazen Ibrahim Abdel Salam	0,004

Tenth

Statement of the Remuneration of the Board Members and it's Committees.

Audit Committee Members	Fixed Remuneration (Except Meetings Allowances)	Meetings Allowances
Moraia Saad Al-Habbash <small>He did not complete the period</small>	0	1,500
Salem Ali Al-Qahtani <small>He did not complete the period</small>	0	1,500
Alaa Abd al-Hashem <small>He did not complete the period</small>	0	1,500
Khaled Jaber Al-Zaidi	0	0
Raed Fahad Al-Rusais	0	0
Walid Muhammad Marii	0	0
Total	0	4,500

Investment Committee Members

Investment Committee Members	Fixed Remuneration (Except Meetings Allowances)	Meetings Allowances
Ahmed Tariq Murad	0	1,500
Khaled Jaber Al-Zaidi	0	1,500
Akram Omar Gad	0	1,500
Total	0	4,500

Nominations and Remuneration Committee Members

Raed Abdul Malik Al Qasim	0	3,000
Akram Omar Gad	0	3,000
Omar Nasser Makharsh	0	3,000
Total	0	9,000

Risk Committee Members

Mazen Ibrahim Abdel Salam	0	3,000
Omar Nasser Makharsh	0	3,000
Mustafa Ghazi Khriba <small>He did not complete the period</small>	0	1,500
Total	0	7,500

The Executive Committee

Ahmed Tariq Murad	0	1,500
Raed Abdul Malik Al Qasim	0	1,500
Mazen Ibrahim Abdel Salam	0	1,500
Total	0	4,500

Independent Board Members

	Certain amount	Meetings Allowances	Total meetings allowances	Fixed Remuneration			Total				Long-term incentive plans	Granted Shares (value is entered)	Variable Remuneration			
				Benefits in kind	Statement of what board members received as workers or administrators, or received for technical or administrative work or consultations.	Remuneration of the Chairman of the Board, the Managing Director, or if he is a member		profits percentage	Periodic remuneration	Short-term incentive plans			Total	Severance package	total summation	expenses allowances
Loai Hamza Basrawi He did not complete the period	-	3,000	-	-	-	-	3,000	-	-	-	-	-	-	-	-	-
Moraia Saad Habash He did not complete the period	-	-	1,500	-	-	-	1,500	-	-	-	-	-	-	-	-	3,000
Ahmed Ali Al-Shtifi He did not complete the period	-	3,000	-	-	-	-	3,000	-	-	-	-	-	-	-	-	-
Wael Al-Rashed He did not complete the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ahmed Tariq Murad	-	18,000	3,000	20,993	-	-	41,993	-	-	-	-	-	-	-	-	-
Mazen Ibrahim Abdel Salam	-	18,000	4,500	17,677	-	-	40,177	-	-	-	-	-	-	-	-	-
Omar Nasser Makharsh	-	9,000	6,000	6,618.94	-	-	21,618.94	-	-	-	-	-	-	-	-	-
Akram Omar Gad	-	15,000	4,500	13,228.44	-	-	32,728.44	-	-	-	-	-	-	-	-	-
Khaled Jaber Al-Zaidi	-	9,000	1,500	10,007.63	-	-	20,507.63	-	-	-	-	-	-	-	-	-
Raed Abdul Malik Al Qasim	-	15,000	4,500	16,582.15	-	-	36,082.15	-	-	-	-	-	-	-	-	9,000
Total	-	90,000	25,500	85,107.16	-	-	200,607.16	-	-	-	-	-	-	-	-	12,000

Non-executive board members

Mustafa Ghazi Khriba He did not complete the period	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500	6,000	-
Hussein Hassan Ali Bayari	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500	9,000	-

				Fixed Remuneration							Variable Remuneration		
Name	Salaries	Allowances	Total meetings allowances	Benefits in kind	Total	Profits	Periodic remuneration	Short-term incentive plans	Long-term incentive plans	Granted Shares (value is entered)	Total	Severance Package	Total Summation
Omar Al-Ajlani	1,020,000	274,200	1,294,200								446,679	-	446,679
Ammar Ghorab	348,000	106,200	454,200								710,423	-	710,423
Muhammad Al-Wahbi	324,000	100,200	424,200								72,762	-	72,762
Raed Kurdi	300,000	94,200	394,200								134,229	-	134,229
Khaled Bajunaïd	372,000	112,200	484,200								-	-	-
Total	2,364,000	687,000	3,051,000								1,364,093	-	1,364,093

Eleventh

Remunerations Policy

The Nomination and Remuneration Committee is charge of the remunerations as follows:

- 1- Establishing a clear policy for compensations, remunerations, and incentives for the board members, executives, and best use of the efforts of board members and CEO to achieve the company's strategic objectives, also adopting assessment tools to assess their performance against the goals set by the Board of Directors.
- 2- Setting standards for the remuneration of the board chairman and members that guarantee the best performance without affecting the independence of the members.
- 3- Setting standards for the remuneration of the CEO and heads of departments and units in the company, and standards for long-term incentives to link the interests of managers and the company's shareholders.
- 4- Reviewing annual fixed salaries and variable allowances on an annual basis for all company employees.
- 5- Constant review of the suitability of the company's remuneration standards against the company's performance, financial position, and basic trends in the labour market
- 6- Ensuring that the company's incentive policy does not lead to unjustifiable risks.
- 7- Following up on the implementation of the decisions taken by the General Assembly of shareholders and related to issues of the remuneration of board members and senior executives of the company and statement policy of the remuneration in the annual report of the Board of Directors.

Twelfth

Distribution of remuneration based on the approved remuneration policy without any material deviation.

Thirteenth:

Annual review of the effectiveness of the company's internal control procedures.

As soon as the Board of Directors completed, The Board addressed the Saudi Central Bank in order to obtain the approval of the candidates for the Audit Committee Composition in accordance with Letter No. 2020\7 dated 2020\10\18, and they were appointed at the fifth meeting of the board for the fiscal year 2020, and subsequently the Board issued its decision No. 2020/23 dated 2020\11\30 on the appointment of the members of the Audit Committee, and then the Committee was approved by the General Assembly held on 2020\12\28.

The Board keeps ensuring the role of control departments by searching for the best competencies to fill, the Nominations and Remuneration Committee, the Audit Committee and the Executive Management conducted many personal interviews during the last period with candidates to fill vacant positions in the control departments.

The Board also updated the organizational structure of the company, taking into account the effectiveness of control procedures by separating some departments from each other in order to raise the efficiency of the control departments.

The Board of Directors adopted a decision approving the company's corporate governance regulation, where an entire chapter of the Company's oversight functions has been added to the regulation, to ensure highlighting the important role of the company's control departments and assessing the policies and procedures related to the implementation of the provisions of the relevant regulations.

Fourteenth:

The Social Contributions of the Company.

The company is paying attention to its social role since 2012, when the eleventh chapter of its approved implementing regulations was devoted to social services. Nowadays, the company seeks to develop its social services in order to keep pace with the enormous changes in society at all levels,, as the executive regulations are now being updated, which includes improvements to the social contributions provided by the company.

The company also works to highlight its active role in in this track and spares no effort in targeted community initiatives and programs.



Fifteenth:

The General Assemblies of the Shareholders Held During the Fiscal Year and The Names of the Members of the Board of Directors Attending These Assemblies :

Attendance Record

The General Assembly meeting on 2020\6\16

Loai Hamza Basrawi

Attended

Ahmed Al-Shetifi

Attended

Ahmed Tariq Murad

Attended

Mazen Abdel Salam

Attended

Hossein Bayary

**Apologize for
not attending**

The General Assembly meeting on 2020\10\12

Ahmed Tariq Murad

Attended

Mazen Ibrahim Abdel Salam

Attended

Akram Omar Gad

Attended

Raed Abdul Malik Al Qasim

Attended

Ahmed Tariq Murad

Attended

The General Assembly meeting on 2020\12\28

Ahmed Tariq Murad

Attended

Omar Nasser Makhharsh

Attended

Mazen Ibrahim Abdel Salam

Attended

Akram Omar Gad

Attended

Raed Abdul Malik Al Qasim

Attended

Khaled Jaber Al-Zaidi

Attended

Sixteenth

Description of the Main Activities of the Company

Activity	Activity revenues	Ratio
Activity (1) Vehicle insurance	313,894,587	71,6%
Activity (2) Medical insurance	89,361,781	20,90%
Activity (3) other insurances	24,366,972	5,70%
Total	427,623,340	100%



Seventeenth:

Company Plans and Significant Decisions

The company faced difficulties - like other companies in the insurance sector - in 2020 due to the economic crisis associated with the Corona pandemic, which led directly to a decrease in sales also the company's results. Highlights of the company's decisions, structural changes, and future expectations:

Significant Company Decisions

- Reduction of administrative and general expenses.
- Create new channels for electronic sales.
- Focus on sales of general insurance products.
- Reduce company sales of high-loss activities and focus on better-profit sales.

Organizational structure Changes

- Changes in the company's administrative structure.
- Introduce the actuarial services department and its reference for the CEO.
- Introduce the governance department.

Company Future Expectations

- Complete the transformation of the company's internal systems to the new SAP system.
- Expanding and increasing the volume of electronic sales.
- Raise the insurance sales of lease financing vehicles.
- Increase diversity of the company's portfolios by introducing new high-profit insurance products.
- Increase in the company's share of general insurance products.
- Developing an employee training and talent attraction program.

Induction Programme

An induction program was carried out on 2020\12\16 for the Board members at the main branch of SALAMA Cooperative Insurance Company, through an introductory tour accompanied by the CEO of the company and the Head of Human Resources, to get acquainted with the company's departments and directors of the executive management. Workshops and Sessions of Board Members

Workshops and Sessions of Board Members

Governance and its implementation mechanisms on 2020\11\5. Cybersecurity workshop on governance, compliance and risk management 2020\12\21.

Eighteenth:

Company Risks

Risk Category	Description	Applicability	Risks Exposure
Product development and evaluation	The risk related to changes in one of the existing products to meet client's needs, and to make the product more marketable in a competitive environment. These changes may affect the coverage of the product and its requirements causing this risk.	Applicable	There is an exposure to risk in this category due to the fact that safety is involved in developing new insurance products and also settling for existing products. They are evaluated through the Insurance Products Committee, an internal committee of the Risk Committee.
Insurance Risk	The risk associated with assessing and accepting the risk of insurance.	Applicable	However, SALAMA complies with the instructions provided by the regulators, and will conduct assessments of the insurance needs required of clients, as well as acceptance tests to determine any potential subsequent risks. Exposure to risks can include the following: - SALAMA does not provide adequate insurance documents. - Attempts to launder money by clients with suspicious or criminal backgrounds
Claims Settlement Risk	The risk associated with paying claims to policyholders based on policy coverage.	Applicable	SALAMA Company handles the preparation of claims that will be responsible for evaluation and acceptance. However, claims management will act as a first line of defence to protect the company from any risks associated with clients' claims

Price Risk	The risk resulting from the process by which the company attempts to determine the appropriate premium price.	Applicable	Hence the company ensures that competitive risk is provided. Risk exposure in this category includes the following: - Offering high prices compared to other types of insurance. - The ability of the insurance to offer reduced rates due to internal efficiency.
Liquidity Risk	The risk related to the inability to liquidate assets quickly enough without sacrificing part of the assets' value. The risk of liquidity is more likely to occur when the assets are acquired in excess of the limit and long-term versus the capabilities of the insurance company.	Applicable	- Assets with a high percentage of revenue. - The obsolescence of receivables. - Accumulation of accounts payable and liabilities - Increase bad debt - The lack of an emergency financing plan.
Interest Rate Risk	The risk that the value of an investment changes due to a change in the interest rate.	Limited	- Limited investment portfolio. - Economic fluctuations. - Market and country stability.
Corporate Governance Risk	The risk related to the rules that dictate how rights and responsibilities are shared between the different shareholders of the company, the directors, the main administrators, and other financial shareholders.	Applicable	- Unclear roles of senior management and personnel. - Violation of the code of conduct - Failure to implement and establish the committees imposed by the Saudi Central Bank - Failure to apply the regulations imposed and stipulated by the legislature.
Currency Exchange Risk	The risk related to changing the value of the investment due to changes in currency exchange rates, and then impact on export and import activities, as well as international investments.	Limited	- Limited investment portfolio - Economic fluctuations - International and domestic stability - Maintaining reserves from volatile currencies.

Re-Insurance Risk	The risk associated with a portion of the risk transfer to another company.	Applicable	<ul style="list-style-type: none"> - The reinsurer becomes unstable during the term of the agreement - Optional insurance is not part of the agreement surplus - A failure to introduce optional reinsurance into the reinsurance market - Optional reinsurance cannot be placed on the market - Premium payment guarantee - Loss of advice to the reinsurer within the agreement - Dealing with reinsurers who do not comply with SAMA regulations
Country Risk	The risk related to changes in the business environment of a country, and then the impact on the profitability of the business carried out within it.	Applicable	<ul style="list-style-type: none"> - Macroeconomic mismanagement when the authorities follow inappropriate monetary and fiscal policies, which may lead to inflation, high interest rates, recession, etc. - Cyclical changes and instability. - War or political turmoil. - Labour disruptions that may lead to higher costs or work stoppages.
Reputation Risk	The risk associated with negative public opinion in the company. This affects the institution's ability to form relationships, provide services, or continue existing service relationships, and then expose the company to financial loss or a decline in its client base that affects profits and capital.	Applicable	<ul style="list-style-type: none"> - Loss of the group's reputation - Poor reputation of the insurance company that the company has a large portfolio - Linking suspicious activities, whether by an employee, customer, or insurance service provider - Customer complaints about poor service and negative comments posted in the market

Operational Risk	It is the financial loss resulting from inappropriate or failed internal processes or systems or from external events. The risk may arise from the policies, procedures and systems of a client or insurance company. Risk may also result from our external systems.	Applicable	<ul style="list-style-type: none"> - Lack of documented policies and procedures - Lack of separation of duties - Power matrices unclear - The absence of a document on the strategic direction. - Inefficient outsourcing. - The risk of business continuity due to fire, failure, or systems. - Internal fraud. - Poor project management, insurance brokerage, and claimant activities operations - Money laundering attempts.
IT Risk	Information technology risk is the risk that the technology used by the company to operate its basic operations such as sales, insurance and claims management.	Applicable	<ul style="list-style-type: none"> - No backup copies. - Lack of a disaster and emergency recovery plan - The security level of the network and viruses - Unclear authorities. - Incorrect choice of software.
HR Risk	It is the risk that occurs due to the human resource cycle during selection, employee management and dismissal.	Applicable	<ul style="list-style-type: none"> - Limited experience - Unethical behaviour - Rotating employees, especially leadership positions - Lack of succession planning - Inflated labour cost - Conflict of interest

Information Security Risk Cyber risks	It is any risk that causes a defect or damage to the organization's reputation from data breaches and the security of its information	Applicable	<ul style="list-style-type: none"> - This insurance policy is not enforced on all SALAMA employees. - Lack of a timely prevention, detection and recovery plan for cyber-attacks. - The discrepancy between cybersecurity expenditures and how appropriate and correct tools and services are used - Ransomware attacks and others. - Unauthorized access to systems and uses.
Other Risks	Other risks not listed above.	Applicable	Each case is assessed on a case-by-case basis, as are the Third-Party risks, Epidemiological risks

Money Laundering and Terrorist Financing Operations	The risks that affect the company and its reputation from its misuse of money laundering or terrorist financing operations.	Applicable	<p>Legal risk</p> <ul style="list-style-type: none"> - Filing legal cases against the insurance company - Legal accountability by regulatory authorities - criminal responsibility - Financial fines - This is because KYC principles are not applied - Likewise, the insurance company failed to implement customer due diligence <p>Reputation risk</p> <ul style="list-style-type: none"> - It is the possibility of negative publicity (bad reputation) about the company and its business, whether it is correct or not, and this will lead to a loss of confidence of large segments of dealers towards the insurance company. <p>Operational risk</p> <ul style="list-style-type: none"> - It is the direct and indirect loss resulting from weak internal control procedures. <p>Most of the operating risks relate to a KYC policy or a weak compliance and internal control program.</p> <p>Concentrations risk</p> <p>It is the company's failure to know all the clients' transactions and policies with the company's various branches and sectors.</p>
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Nineteenth:

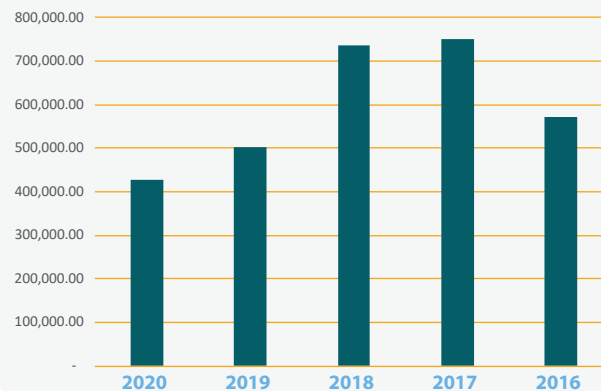
The Company's Assets and Liabilities

The following is a review of the company's main financial indicators from 2020\1\1 until 12) 2020\12\31 months), as stipulated in the articles of association of the company.

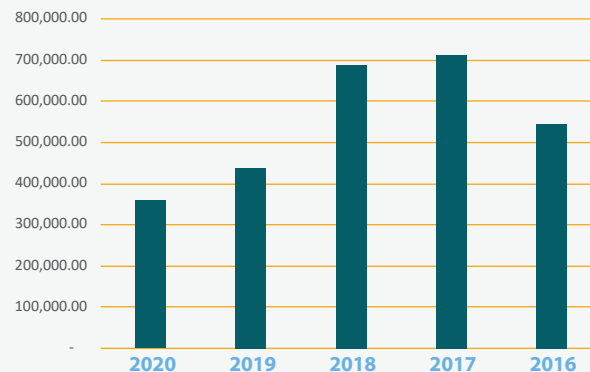
- The net profit for a period is 3,7 thousand riyals and the earnings per share is 0.15 riyals.
- The company achieved gross written premium of 427,623 thousand riyals.
- The net claims incurred during the period amounted to 280,401 thousand riyals.

- Comparison of business results or the company's assets and liabilities in a graph:

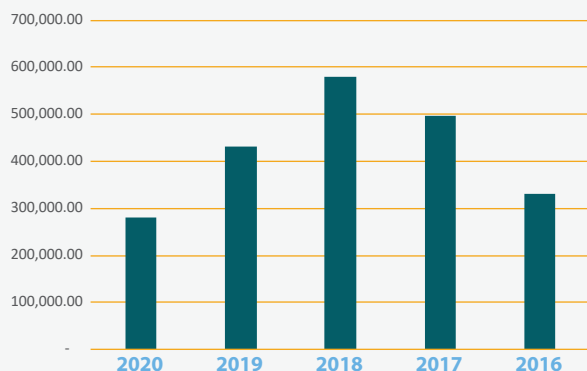
Gross written premiums (GWP)



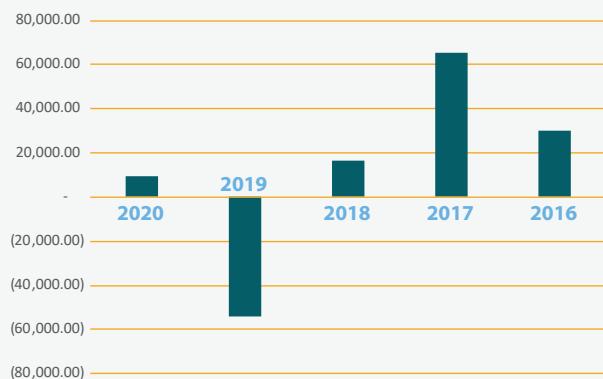
Net written premiums (NWP)



Net claims incurred



Net profit - loss



- Comparison of the Agenda in Table

Numbers are in thousands of riyals

Statement	2020	2019	2018	2017	2016
Gross written premiums (GWP)	427,623	503,504	734,982	750,691	571,353
Net written premiums (NWP)	359,964	437,864	687,344	712,826	543,098
Net claims incurred	280,401	431,516	578,781	497,888	329,961
Surplus (deficit) from insurance operations	74,185	26,692	14,392	69,285	29,770
Net profit - loss	9,702	-54,115	16,343	65,492	30,350

-Comparison of Assets and Liabilities in Table

Numbers are in thousands of riyals

Statement	2020	2019	2018	2017	2016
Insurance operations Assets					
Cash and equivalents	309,231	329,572	395,539	419,848	363,265
Receivables, net	40,896	86,207	155,444	128,299	99,618
Other assets	152,647	108,366	96,957	54,361	45,732
Total assets of insurance operations	502,774	524,145	647,940	602,508	508,615

Shareholders' Assets

Cash and equivalents	167,207	177,062	211,657	232,556	160,899
Other assets	41,352	41,014	27,779	40,165	47,976
Total shareholders' assets	208,559	218,012	239,436	272,721	208,875
Total assets	711,333	742,221	887,376	875,229	717,490

- Comparison of Assets and Liabilities in Table

Numbers are in thousands of riyals

Statement	2020	2019	2018	2017	2016
Liabilities of insurance operations					
Receivables from reinsurers	7,037	7,811	6,547	9,902	6,449
Technical reserves	374,592	418,659	511,354	508,910	433,127
Other liabilities	102,682	85,396	83,238	70,599	62,868
Total liabilities of insurance operations	470,237	511,966	601,139	589,411	502,444
Surplus from insurance operations	15,148	14,535	14,535	13,097	6,171
Total insurance liabilities and surplus	485,385	526,501	615,674	602,508	508,615

Shareholders' liabilities and equity

Shareholders' liabilities	34,799	28,549	22,447	20,353	15,699
Shareholders' equity	206,297	202,596	262,711	252,368	193,176
Total shareholders' liabilities and equity	241,096	231,055	285,158	272,721	208,875
Gross liabilities and shareholders' equity	726,481	757,556	900,832	875,229	717,490

Twentieth:

Geographical Analysis of the Total Revenues of the Company and its Subsidiaries

		Statement	
Statement	Western	Central	
Written premiums	33,182	53,560	
Statement	Eastern	Other	Total
Written premiums	312,276	28,604	427,623

Twenty First:

Material Differences in Operational Results

- List of insurance operations results

Numbers are in thousands of riyals

Statement	2020	2019	Percentage change
Revenues			
Total written premiums	427,623	503,504	-15,07%
Less: Reinsurance premiums and excess loss insurance	-67,659	-65,640	3,08%
Net written premiums	359,964	437,864	-17,79%
Changes in unearned premiums	12,787	66,134	-80,67%
Net earned premiums	372,751	503,998	-26,04%
Net commission reinsurance	6,966	5,953	17,02
Other subscription revenues	5,680	2,216	156,32%
Investment income	9,884	2,233	205,72%
Other income	3,220	1,601	101,12%
Total revenue	398,501	517,001	-22,92%
Costs and Expenses			
Total claims paid	347,288	501,320	-30,73%
Less: the share of reinsurers	-35,133	-31,848	10,31%
Net claims paid	312,154	469,472	-33,51%

Changes in outstanding claims	-31,752	-37,956	16,35%
Net claims incurred	280,401	431,516	% -35,02
Reserve for insurance premium deficit and other technical reserves	-12,944	4,583	% -382,44
Costs of acquiring deferred documents and other operating expenses	43,756	49,376	-11,38%
General and administrative expenses and provision for doubtful debts	81,156	94,789	-14,38%
Total costs and expenses	392,369	580,264	-32,38%
Surplus from insurance operations	6,133	63,263	-90,31%
Shareholders' share of surplus insurance operations	-5,519	-63,263	-91,28%
Insurance policyholders' share of the surplus	613	-	100,00%
Surplus accumulated at the end of the year	3,702	-60,115	-106,16%

- List of shareholders' operations

Numbers are in thousands of riyals

Statement	2020	2019	Percentage change
Shareholders' share of surplus insurance operations	6,133	-63,263	90,31%
Investment income	5,997	10,086	-40,54%
General and administrative expenses	1,814	938 -	-93,39%
Net profit / loss for the year	9,702	-54,115	82,07%
Profit per share in riyals	0,15 SAR	-2,40 SAR	100,15%

Twenty Second:

Description of The Company's Policy in Distributing Dividends

Article (44) of the articles of association of the company states the following:

The dividends are distributed to the shareholders as follows:

- 1- Avoiding Zakat and assessed income tax.
- 2- Set aside (20%) of the net profits to form a statutory reserve, and the general assembly may regular discontinuation of this reserve when the said reserve reaches the total paid-up capital.
- 3- The Regular General Assembly based on a proposal of the Board of Directors to avoid a percentage of the net annual profits to form an additional reserve and allocate it to a specific purpose or purposes decided by the General Assembly.
- 4- From the remainder, a first payment of no less than (5%) of the capital shall be distributed to the shareholders paid up.
- 5- The remainder is then distributed to the shareholders as a share in the profits or transferred to an account retained earnings.
- 6- By a decision of the Board of Directors, it is permissible to distribute periodic profits to be deducted from the annual profits specified in paragraph 4 above, in accordance with the rules regulating this and issued by the competent authorities.

As the company has not amortized the capital losses (as was explained in the financial results above), no profits will be distributed for this period. In the future, when achieving profits, the company will ensure to distribute profits to shareholders from its net profits after deducting the legal zakat and the approval of the competent authorities and the general assembly based on the recommendation of the company's board of directors.

Twenty Third:

Board of Directors Meetings

Number of Meetings							Total
Name	1st 2020\6\20	2nd 2020\7\2	3rd 2020\8\20	4th 2020\10\23	5th 2020\11\30	6th 2020\12\31	6
Loai Hamza Basrawi	Attended	Not a member	Not a member	Not a member	Not a member	Not a member	1
Moraia Saad Habash	Resigned	Resigned	Resigned	Resigned	Resigned	Resigned	0
Hussein Hassan Bayari	Attended	Not a member	Not a member	Not a member	Not a member	Not a member	1
Ahmed Ali Al-Shtifi	Attended	Not a member	Not a member	Not a member	Not a member	Not a member	1
Mazen Ibrahim Abdel Salam	Attended	Attended	Attended	Attended	Attended	Attended	6
Wael Saad Al-Rashed	Resigned	Resigned	Resigned	Resigned	Resigned	Resigned	0
Ahmed Tariq Murad	Attended	Attended	Attended	Attended	Attended	Attended	6
Khaled Jaber Al-Zaidi	Not a member	Not a member	Not a member	Attended	Attended	Attended	3
Raed Abdul Malik Al Qasim	Not a member	Attended	Attended	Attended	Attended	Attended	5
Akram Omar Gad	Not a member	Attended	Attended	Attended	Attended	Attended	5
Omar Nasser Makharsh	Not a member	Not a member	Not a member	Attended	Attended	Attended	3
Mustafa Ghazi Khriba	Not a member	Not a member	Not a member	Attended	Attended	Resigned	2

Twenty Fourth:

The Number of Company Requests for Shareholders Record, Dates and Reasons for Those Requests

Requests Number	Request Date	Reasons
(1)	2020/01/09	Company's procedures
(2)	2020/02/17	Company's procedures
(3)	2020/04/01	Other
(4)	2020/04/14	Company's procedures
(5)	2020/04/23	Other
(6)	2020/04/30	Other
(7)	2020/05/07	Other
(8)	2020/05/21	Other
(9)	2020/06/04	General Assembly
(10)	2020/06/10	Other
(11)	2020/06/11	Other
(12)	2020/06/15	General Assembly

(13)	2020/06/16	General Assembly
(14)	2020/06/17	Other
(15)	2020/07/08	Other
(16)	2020/07/22	Other
(17)	2020/07/29	Other
(18)	2020/09/08	Other
(19)	2020/08/13	Other
(20)	2020/08/20	Other
(21)	2020/08/27	Other
(22)	2020/08/31	Other
(23)	2020/09/19	Other
(24)	2020/09/30	Other
(25)	2020/10/06	Other
(26)	2020/10/11	Other
(27)	2020/10/12	General Assembly
(28)	2020/12/20	Other
(29)	2020/12/28	General Assembly

Twenty Fifth:

Contracts and Business Related Parties

There are no related parties in 2020

Twenty Sixth:

Statement of the Value of the Statutory and Due Payments

	2020		Numbers are in thousands of riyals	
البيان	Repaid	Due until the end of the annual fiscal period and has not been paid	Brief Description	Reasons
Zakat	0	6,000	Provision for the year 2020	Mandatory
Tax	1,553	124	Taxes on reinsurance transfers	Mandatory
Public Institution for Social Security	2,902	0	Pay subscriptions	Mandatory
SAMA's supervision costs	2,292	445	Pay fees	Mandatory
Costs of health insurance supervision	917	252	Pay fees	Mandatory
Costs of visas, passports, labour office fees, and other government expenses	1,060	0	Pay fees	Mandatory
Financial market (TADAWUL) service fees	378	0	0	
Company fines	896	0	0	

Statement of The Value of The Company's Fines

Entity	Reason of fine	Amount	Treatment Methods
Saudi Central Bank	Failure to adhere to the announced precautionary and preventive measures	20,000	Commitment to precautionary measures and preventive measures
Saudi Central Bank	Delayed payment of a motor claim	5,000	Payment will be made on time
Saudi Central Bank	Not obtaining a no-objection on the initial statements for 2nd Quarter of 2019 and the annual statements for the year 2019 during the specified period and other violations of insurance control.	30,000	The commitment to obtain approval for the financial statements will be made at the specified time.
Saudi Central Bank	Not obtaining a no-objection on the initial statements for 2nd Quarter of 3 & 2020rd Quarter of 2020 during the specified period and other violations of insurance control.	360,000	The commitment to obtain approval for the financial statements will be made at the specified time.
Ministry of Human Resources	Dismissing of employees due to the Corona pandemic	80,000	Laws and regulations will be adhered to
Capital Market Authority	Delayed announcement of financial statements of 2nd Quarter of 2020	20,000	The will be committed announcement at the specified time
Saudi Central Bank	Delayed payment of supervision fees for 4th Quarter of 2020	16,314.38	Payments will be made on time
		531,314.38	

The company would like to clarify that the total fines are for the year 2019 (3,561.37)

Twenty Seventh:

Auditor's Opinion

The company has a balance of 15.1 million within other receivables as on December 2020 ,31. This balance represents differences in the system's mechanism for processing and automatically settling outstanding amounts, the absence of details of these transactions and the difficulty of identifying or tracking them due to the difficulties related to the implementation of the information transformation of the new accounting system SAP.

The Executive Management has escalated the matter to the management of SAP Company to follow up and end these differences and the outstanding amounts, up to the end of the second quarter of the current year.

Twenty Eighth:

Conclusion

Tribute

The Board of Directors expresses its thanks and appreciation to the clients of the company for their valuable trust, it is also pleased to extend his sincere thanks and gratitude to all Shareholders whose shares have become instrumental in confirming the company's leadership of the Saudi Insurance Market.

Board also extends its thanks and gratitude to the Saudi Central Bank, the Saudi Financial Market Authority, the Health Insurance Board and the Ministry of Commerce for their continued support for the development of the insurance sector in the kingdom. Also, much appreciation to the Management of the Company and its Employees for their dedicated efforts during the year.

Twenty Ninth:

Statements

1. The Account records have been properly prepared.
2. The internal control system is well-built and is being implemented effectively in the best possible way.
3. There is no doubt about the ability of SALAMA Company to continue its activity.
4. No loans on the company.
5. The Company acknowledges the implementation of all provisions contained in the Corporate Governance Regulations.



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