

Annual Report
To the Board of Directors of Amana Cooperative Insurance
Company
For the year 2023

The Board of Directors of Amana Cooperative Insurance Company is pleased to present to its honorable shareholders its annual report, including the most important plans, decisions, operating activities, financial results and disclosures in accordance with the rules and regulations, and attached to it the audited financial statements and clarifications for the .financial year ending on 12/31/2023

We would like to point out that the report was prepared in accordance with the requirements of the Companies Regulations issued by the Ministry of Commerce and the Governance Regulations and Instructions issued by the .Capital Market Authority

The report presents detailed information about the company's activities, achievements, and business results during the year 2023

**Board Of Directors
Amana Cooperative Insurance Company**

First: About the company

Amana Cooperative Insurance Company (Amana) is a Saudi public joint stock company established pursuant to Council of Ministers Resolution No. 188 dated 06/08/1430 AH corresponding to 06/01/2009 and Royal Decree No. M/35 issued on 06/10/1430 AH corresponding to 06/03/2009. The judge approved the establishment of the company in accordance with the Companies Law issued by Royal Decree No. M/6, dated 03/22/1385 AH, and the Cooperative Insurance Companies Control System issued by Royal Decree No. M/32, dated 06/02/1424 AH, and its executive regulations issued pursuant to Ministerial Resolution No. 1/596. On 03/01/1425 AH, with a paid-up capital of 320 million Saudi riyals, 40% of the capital was offered for initial public subscription on 03/22/2010, and Amanah obtained a permit to practice general and health insurance activity from SAMA No. M.N./30/20107 .dated 07/24/1431 corresponding to 07/06/2010.

The company's capital was reduced to 140 million riyals pursuant to the decision of the extraordinary general assembly held on February 19, 2017. The company also increased its capital to 240 million riyals, pursuant to the decision of the extraordinary general assembly held on 01/28/2019. The company also reduced the company's capital to 130 million riyals in accordance with the decision of the extraordinary general assembly held on 05/23/2021. The company also increased its capital to 430 million riyals, pursuant to the decision of the extraordinary general assembly held on .05/29/2022

The company was established by a number of leading companies in the region, in addition to a group of major investors.

:A) Company activity

The company offers a wide range of insurance solutions designed to meet the special needs of our clients, both companies and individuals. Amana's portfolio provides various products covering health insurance, vehicle insurance, property insurance, marine insurance, engineering insurance, and various liability and accident insurances, and each type of these insurances falls under each type. Many specialized documents covering the activities of various business sectors such as industry, trade, and service sectors.

:b) Company vision

To be one of the best leading companies in the Kingdom in the field of providing cooperative insurance services by providing products compatible with customer requirements and providing them with the best services.

:C) Company message

Providing insurance products and services of the highest quality to its customers

In accordance with the latest approved international standards, providing them with confidence and added value, and establishing close and long-term relationships with .them throughout the Kingdom

:d) Company strategy

The company's strategy depends on growing its business steadily and sustainably over the long term through effective action plans to successfully manage the company's business by achieving its various objectives towards the targeted sectors to be able to provide an integrated set of insurance products and services that suit the needs and requirements of customers and provide security and protection for their businesses. Through effective risk

management and to achieve the highest risk management and protection of its customers, in addition to striving to obtain a high credit rating to ensure the highest levels of current and future financial solvency of the company.

The company's strategy also aims to develop a balanced insurance portfolio compatible with the provisions of Islamic Sharia of types of health and general insurance, serving the needs and requirements of the company's clients from various sectors and specializations through its regional departments in the central, western and eastern regions, in addition to strengthening its relationships with brokers and agents in the insurance market. Insurance.

**Company capital and free shares

The company's authorized capital is 430 million Saudi riyals, consisting of 43 million ordinary shares, each of which has a value of 10 Saudi riyals

Number/value	Statement
SR 430,000,000	Authorized capital
shares 43,000,000	Number of shares issued
-	Free stock
SR 430,000,000	paid Capital
SR 10	The nominal value of each share
SR 10	The value paid per share

*List of main owners:

Based on the rules for offering securities and continuing obligations, we show in the table below a description of any interest in the class of shares with the right to vote belonging to persons (except the Board of Directors and senior executives) who have an interest of (5%) or more and any change in that right during the year 2023 .

Percentage of change	Ownership at the end of 2023	Number of shares at the end of 2023	Ownership at the beginning of 2023	Number of shares at the beginning of 2023	the name
%0	%10,177	4,376,110	%10,177	1,772,975	Amana Gulf

t) Product development:

The company works to increase the volume of written insurance premiums through the constant development of its products through cooperation and coordination between the marketing and sales departments and the various technical departments, taking into account the requirements of the Saudi insurance market, its variables and the relevant regulatory laws, in order to meet the needs of customers, both individuals and institutions. In this regard, we would like to note that the Products Committee has been formed in order to develop the products in line with the requirements of the Insurance Authority (Insurance Product Controls issued in December 2020), which in turn will review and evaluate all products and develop them if necessary, as well as provide new products based on developments in Local market.

Second: A look at the market:

Future expectations:

The Saudi insurance sector is witnessing structural changes that are a reflection of regulatory, economic, investment and social factors that will raise the scale of the challenges that this sector will face in the next stage. The company has drawn up action plans for all departments with the aim of adapting to these changes, with great emphasis on the importance of qualified

Saudi human resources supported by steady investment. In the technological and information work environment.

Third: Company performance:

A) The most important developments

1- Updating the future strategic plan for Amana Company (this included an assessment of the current situation of Amana Cooperative Insurance Company in light of the Saudi insurance market data, and the challenges that the company may face in the future, determining the strategic option on which the company's strategic plan will be built, and drawing a strategic road map for the company, containing On the initiatives necessary to implement them, and develop a general vision for the company's administrative structure, to ensure the .achievement of strategic objectives.

2- Guided by actuarial standards to reduce loss rates and improve the level of profitability.

3- Implementing some procedures and means of control that allow claims and accidents to be processed in accordance with the requirements of supervisory and regulatory authorities, and ensuring the level of adequacy of reserves and financial allocations for those claims in a way that achieves the financial security of the company, while continuously improving the work mechanisms in managing compensation services to raise the level of service quality to suit customer needs.

4- Taking a series of development and organizational initiatives to support the company's strategic objectives and are compatible with the internally applicable procedures, including: (developing the company's organizational structure, preparing internal regulations and policies in a professional manner, preparing and developing job descriptions for all company jobs that include the most important tasks, responsibilities, requirements for administrative competence and practical experience.

5- Developing the infrastructure for information technology management and information security.

6- Successfully renewing the reinsurance program in all insurance products marketed by the company.

7- Developing employees' skills through training programs and courses, in addition to passing the insurance basics certification exam according to the requirements of the Insurance Authority

8- Increasing the percentage of Saudization in the company to 76% by the end of 2023.

9- Attracting highly qualified employees to leadership positions in regulatory departments whose qualifications and experience are consistent with the future requirements of the .company.

10- The year 2023 witnessed the company's return to profitability and a decrease in accumulated losses.

b) Sales:

In the fiscal year ending on 12/31/2023 AD (12 months), the company achieved sales with a total value of 173 million Saudi riyals. The company seeks to complete the sales infrastructure by providing its regional departments with the necessary human resources to support sales operations during the coming period, in addition to increasing Powers granted to regional departments to facilitate sales management and speed up customer procedures in order to provide better service.

The following is a summary showing the types of insurance and their percentages of total insurance premiums for the year 2023.

Percentage of total insurance premiums	Insurance type
%86.14	health insurance
%12.84	Cars Insurance
%1	General insurance



C) Technical aspects:

The company has renewed reinsurance agreements with local and international reinsurance companies that have full knowledge of the dynamism of the Saudi insurance market and hold the highest ratings by international institutions in this field, in order to achieve the highest levels of protection for its customers on the one hand, and manage and distribute the insurance risks resulting from underwriting operations. On the other hand, they also have extensive knowledge about the Saudi insurance market, and these agreements have enabled the company to conduct its business with great flexibility and greater accuracy in risk management.

d) Investments:

The company adopted a new investment strategy to diversify the investment portfolio and enhance the portfolio's performance, as the company invested directly in fixed income instruments and stocks, in addition to dealing with several banks to obtain a higher return on short-term deposits.

The company's investments in both insurance operations and shareholders' operations consist of the following:

1- Insurance operations: represented by an investment of 43.4 million Saudi riyals in Najm Insurance Services Company (a Saudi limited liability company), which practices the work of “inspection expert, loss estimator, and insurance claims settlement”.specialist.

:2- Shareholders’ operations: It consists of investments in the following

a. Investments in short-term Murabaha deposits in Saudi riyals amounting to 76.2 million Saudi riyals.

B. Investments in government and corporate bonds amounting to 17.5 million Saudi riyals.

C. Investments in local stocks amounting to 44.9 million Saudi riyals.

e) Financial indicators:

Below is a review of the most important financial indicators and details of the results for the :fiscal year ending 12/31/2023 (12 months)

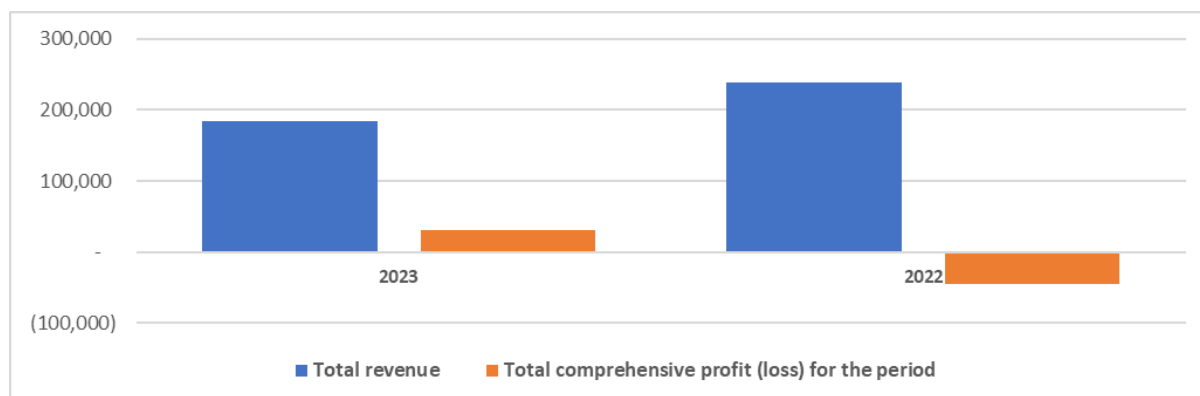
The Company has applied IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), in accordance with the standards adopted in the Kingdom of Saudi Arabia, as of January 1, 2023 and retrospectively, which led to a material change in the way the financial results of all... Periods starting from the first quarter of 2023 onwards, with similar periods from previous years being remeasured according to the new standards.

1- List of results of insurance operations:

	<i>The numbers are in thousands of Saudi riyals</i>	
	2023	2022
REVENUES		
Insurance Revenue	184,638	237,700
Insurance Service expenses	(160,767)	(267,935)
Insurance service result before reinsurance contracts held	23,871	(30,235)
Allocation of reinsurance premiums	(6,177)	(27,590)
Amounts (recoverable)/Payable from reinsurers for incurred claims	(149)	12,298
Net expense from reinsurance contracts held	(6,326)	(15,292)
Insurance service result	17,545	(45,527)
Finance expenses from insurance contracts issued	(1,681)	1,961
Net insurance and investment result	15,864	(43,566)
Other operating income	22,047	17,099
Other operating expenses	(10,404)	(15,953)
Total Income / (loss) for the year attributable to shareholders before zakat	27,507	(42,420)

2- List of shareholders' operations:

<i>The numbers are in thousands of Saudi riyals</i>		
	2023	2022
Total income/(loss) for the year attributable to the shareholders	27,507	(42,420)
Total expenses from shareholders' operations	(4,034)	(4,125)
Total income from shareholders' operations	7,246	1,812
Total comprehensive loss/(gain) for the period	30,719	(44,733)
Zakat and income tax	(5,280)	(3,450)
Net changes in fair value of investments measured at FVOCI – equity instruments	5,533	4,045
Re-measurement gain/ (loss) on defined benefit obligations	517	(1,499)
Total comprehensive income/ (loss) attributable to the shareholders	31,489	(45,637)
Basic and diluted earnings/ (loss) per share (SAR)	0.59	-1.70
<i>The numbers are in thousands of Saudi riyals</i>		
	2023	2022
Total liabilities and shareholders' equity	299,562	283,522
Total insurance operations liabilities	189,048	211,854
Total insurance assets	299,562	283,522
Total assets of insurance operations	189,048	211,854
<i>The numbers are in thousands of Saudi riyals</i>		
	2023	2022
Total revenue	184,638	237,700
Total comprehensive profit (loss) for the period	31,489	(45,637)



Statement of financial position:

The numbers are in thousands of Saudi riyals

	2023	2022	2021
Insurance Operation assets:			
Cash and cash equivalents	37,572	56,161	21,368
Insurance contract assets	30,420	18,533	17,707
Reinsurance contract assets	3,526	5,557	20,595
Investments designated as FVOCI	43,484	39,703	37,032
Other assets	74,046	91,900	155,248
Total assets of insurance operations	189,048	211,854	251,950
Shareholders' assets:			
Cash and cash equivalents	135,687	97,595	25,672
Short term deposit	76,216	-	10,000
Investments designated as FVOCI	1,423	104,320	13,259
Investments held at amortised cost	17,555	12,525	44,198
Statutory deposit	64,500	64,500	19,500
Other assets	4,181	4,582	3,374
Shareholders' total assets	299,562	283,522	116,003
TOTAL ASSETS	488,610	495,376	367,953
	2023	2022	2021
Insurance Operation liabilities:			
Insurance contract liabilities	122,658	134,353	178,158
Reinsurance contract liabilities	4,981	8,132	5,658
Other Liabilities	61,409	69,369	68,134
Total insurance operations liabilities	189,048	211,854	251,950
Liabilities and Shareholders' Equity:			
Shareholders liabilities	55,994	67,145	146,930
Shareholders' equity	243,568	216,377	(30,927)
Total liabilities and shareholders' equity	299,562	283,522	116,003
Total liabilities and shareholders' equity	488,610	495,376	367,953

3- Statement of changes in shareholders' equity:

The numbers are in thousands of Saudi riyals

	Share capital	Accumulated losses	Fair value reserve for FVOCI investments	Total Shareholders' Equity	Re-measurement of EOSB obligations	Total equity
2022						
Balance at January 1, 2022 (Audited)	130,000	(157,227)	2,594	(24,633)	(1,451)	(26,084)
Transition impact IFRS-17	-	(5,346)	-	(5,346)	-	(5,346)
Transition impact IFRS-9	-	(948)	35,109	34,161	-	34,161
Balance at January 1, 2022 (Restated)	130,000	(163,521)	37,703	4,182	(1,451)	2,731
Comprehensive income/ (loss) for the year:						
Net changes in fair value of investments measured at FVOCI – equity instruments	-	-	4,045	4,045	-	4,045
Sale of investments measured at fair value through OCI	-	2,928	(2,928)	-	-	-
Re-measurement gain/ (loss) on defined benefit obligations	-	-	-	-	(1,499)	(1,499)
Total loss for the year attributable to the shareholders	-	(48,183)	-	(48,183)	-	(48,183)
Total comprehensive income/ (loss) for the year attributable to shareholders	-	(45,255)	1,117	(44,138)	(1,499)	(45,637)
Increase in Share Capital	300,000	-	-	300,000	-	300,000
Transaction cost for Increase in Share Capital	-	(5,887)	-	(5,887)	-	(5,887)
Balance at December 31, 2022 (Restated)	430,000	(214,663)	38,820	254,157	(2,950)	251,207
2023						
Balance at January 1, 2023 (Restated)	430,000	(214,663)	38,820	254,157	(2,950)	251,207
Comprehensive income/ (loss) for the year:						
Net profit for the year attributable to the shareholders	-	25,439	-	25,439	-	25,439
Sale of investments measured at fair value through OCI	-	2,656	(2,656)	-	-	-
Net changes in fair value of investments measured at FVOCI – equity instruments	-	-	5,533	5,533	-	5,533
Re-measurement gain/ (loss) on defined benefit obligations	-	-	-	-	517	517
Total comprehensive income/ (loss) for the year attributable to shareholders	430,000	(186,568)	41,697	285,129	(2,433)	282,696
Balance at December 31, 2023	430,000	(186,568)	41,697	285,129	(2,433)	282,696

Sector information:

The company's products are divided into three main sectors: the medical sector, which provides health insurance coverage, the automobile insurance sector, which provides comprehensive insurance and vehicle liability insurance, and the property and casualty sector, which includes property and accident insurance, engineering, marine shipping, and general accident insurance. Below are the results of the sectors and their contribution to the results and volume of business. Company:

The numbers are in thousands of Saudi riyals

Operating segments	Motor	Medical	Property & Casualty	Unallocated	Insurance Operations	Shareholders' Operations	Total
Insurance Revenue	43,613	136,108	4,917	-	184,638	-	184,638
Insurance Service expenses	(36,752)	(121,046)	(2,969)	-	(160,767)	-	(160,767)
Insurance service result before reinsurance contracts held	6,861	15,062	1,948	-	23,871	-	23,871
Allocation of reinsurance premiums	(3,519)	(286)	(2,372)	-	(6,177)	-	(6,177)
Amounts recoverable from reinsurance	421	(342)	(228)	-	(149)	-	(149)
Insurance service result	(3,098)	(628)	(2,600)	-	(6,326)	-	(6,326)
Net investment income	-	-	-	-	-	7,334	7,334
Net credit impairment loss on financial assets	-	-	-	-	-	(88)	(88)
Investment return	-	-	-	-	-	7,246	7,246
Finance expenses from insurance contracts issued	(1,335)	(347)	1	-	(1,681)	-	(1,681)
Net insurance financial result	2,428	14,087	(651)	-	15,864	7,246	23,110
Other operating income	-	9,031	12,294	722	22,047	-	22,047
Other operating expenses	-	-	-	(10,404)	(10,404)	(4,034)	(14,438)
Total income for the year attributable to the shareholders before zakat	2,428	23,118	11,643	(9,682)	27,507	3,212	30,719
Provision for Zakat	-	-	-	-	-	(5,280)	(5,280)
Total income for the year attributable to the shareholders after zakat	2,428	23,118	11,643	(9,682)	27,507	(2,068)	25,439

Geographic distribution of gross written premiums:

Region	Amount	Percentage
Central	154,354	89%
Western	12,593	7%
Eastern	6,630	4%
Total	173,577	100%

Fourth: Current and expected future risks:

A) Policy for managing and monitoring the risks faced by the company

Amana Cooperative Insurance Company adopts the highest international standards and standards for risk management to protect the interests of the company and shareholders. The company conducts periodic and continuous reviews to identify and evaluate current and future risks and then adopts remedial plans to mitigate the effects of these risks on the company's objectives and strategy. The risks that Amana Cooperative Insurance Company may face are varied, categorized into:

1- Financial risks:

*Market risks: These are the risks that may result from a change in the general market situation or the risks that may result from a change in the general economic situation, which affects the company.

* Currency risks: This includes what may change the exchange rate and conversion between currencies, which may affect the company's investments and operations in different currencies.

*Interest rate risk: The company's investments and debts are affected by changes in interest rates.

*Liquidity risk: which is the company's inability to meet its short-term debts.

*Credit risk: The risks that arise from the inability of contracting parties with the company to pay receivables.

*Solvency risk: inability to meet capital requirements and violation of regulatory limits.

2- Strategic risks: to include risks of planning, implementation, reputation, resource and product management, and others.

*Operational risks: These include information technology risks, claims settlement, fraud risks, risks of the absence of an emergency plan, risks that may arise from incorrect employee behavior, and risks of procedures and operations.

*Insurance risks: include underwriting, pricing, reinsurance, disaster risks, and technical and regulatory reserve risks.

*Regulatory and legal risks: These include the risks of non-compliance with regulations and legislation, the risks of allegations and legal issues, and contract risks.

The company follows a risk management process to include all risks and departments.

The process consists of:

*Surveying and examining the general situation: Through it, the risk management ensures that the company's operations and procedures are consistent with the company's objectives by studying the internal and external situation of the company to identify areas of deficiency and work on them

*Identifying risks: The goal of identifying risks is to develop a comprehensive list of all risks that may pose a threat to the company's achievement of its goals. In cooperation with all departments, all risks that previously affected the company are identified to be studied according to the current situation, and all departments are also discussed regarding what may be new risks arising from current operations.

*Risk analysis: Each risk is carefully analyzed and studied, and the source of the risk and its effects on the company and its goals are determined based on the factors of probability and impact

*Treating and mitigating risks: The company responds to risks by accepting them,

avoiding them completely, mitigating their impact, or transferring them to another

party. Remedial plans are implemented for acceptable risks to mitigate their impact by .working in conjunction with the concerned department

*Monitoring risks and treatment plans: The effectiveness of implementing treatment plans is checked periodically and continuously. The risk management also ensures that all risks do not exceed the limits of the company's risk appetite, and management reports what may constitute exceeding the approved limits to members of the Board of Directors.

* Reporting and reporting: Risk management submits a periodic report to the Board of Directors on the risks and limits of vulnerability to ensure that the members of the Board of Directors remain generally informed of the company's situation and request their intervention in the event that any of the risks exceed the limits approved by the Board. The Risk Management also discusses all activities and procedures with the Risk Management Committee emanating from the Council before submitting them to the Council in this regard.

:b) Competition

Intense competition in prices remains one of the main features of the Saudi insurance market, despite the actuarial controls established by the Insurance Authority and obligating all insurance companies to work to implement them, especially in vehicle insurance and health insurance.

C) Investment returns under current economic conditions

The company's financial results depend in part on its investment performance, and the company's investment returns and thus its profitability may be negatively affected from time to time as a result of circumstances that affect the investment climate in general as a result of market fluctuations and current economic conditions that are beyond the company's control. Also, the company's activity depends to a large extent on the economic conditions in the Kingdom of Saudi Arabia as well as the economic conditions globally.

:D) Technology risks

The Company relies on its own information technology systems, and although the Company takes strict internal security and control measures, its information systems may be exposed to unauthorized access, computer viruses, human errors, natural disasters, fires, loss of power, or errors in Communication, sabotage or terrorist operations. The company has committed to implementing cyber security policies and procedures as stipulated in the relevant Insurance Authority circular.

e) Regulatory and legal risks:

The insurance operations carried out by the company are subject to supervision and control by the Insurance Authority through the Cooperative Insurance Control System and its executive regulations, as well as the executive regulations of the Cooperative Health Insurance Council with regard to the health insurance product. In general, the regulation and supervision of insurance specifically is directed to the interest of the insured and investors. Future legislation Regulatory changes may affect the insurance sector and may negatively affect the company's business, financial condition and results of operations.

:f) Issues

In the normal course of business, Amana Cooperative Insurance Company may face lawsuits against third parties, and third-party claims may also be filed against it, and these lawsuits may negatively affect the financial position of the company in the future.

:g) Risks related to reinsurers

Despite the improvement in the technical results of major reinsurance companies in industrialized countries, there may be a negative impact as a result of some political factors as well as the consequences of Covid-19, which has cast a shadow on many aspects of the economy in the world. The Arab world was not spared from these repercussions, which will contribute to the continued pressure on the terms of the designated reinsurance agreements.

Fifth: Disclosure according to the statutory regulations:

A) Corporate Governance Regulations:

The company's Board of Directors approved a governance regulation for the company on 02/12/1432 AH, corresponding to 01/16/2011, and it was approved by the General Assembly on 07/16/1435 AH, corresponding to 05/15/2014. The Board also approved an updated version of the regulation on 01/11/ 1438 AH, corresponding to 10/12/2016, and it was also approved by the General Assembly on 02/15/1438 AH, 11/15/2016 The Council also approved the third version on 04/10/2018 AD, and it was approved by the General Assembly on 05/03/2018 AD. The Council also approved the fourth version on 04/10/2022, and it was approved by the General Assembly on 11/03/2022 AD, and work is underway to update it as well. The regulations include all the provisions contained in the company's bylaws, the corporate governance regulations issued by the Capital Market Authority, as well as the regulations issued by the Insurance Authority and the companies' regulations issued by the Ministry of Commerce.

The Board of Directors was formed (the fifth session) and its duration is three years, starting from 08/11/2022 until 08/10/2025

after the General Assembly approved the selection of members at its meeting held on 01/13/1444 AH, corresponding to 08/11/2022

where the Board consists of 7 members as shown in the table below:

Inside/outside the Kingdom	Names of joint stock companies in which the board member is a member of their previous boards of directors or a director of them	Inside/outside the Kingdom	Names of joint stock companies in which the board member is a member of their current boards of directors or a director of them	Membership status	member name
Within the Kingdom	STC Advanced Solutions Arabsat Company Saudi Telecom Company	Within the Kingdom	Amana Cooperative Insurance Company	independent	Dr. Abdullah bin Othman Al-Mousa (Chairman) of Board of (Directors
Within the Kingdom	Relationship Manager - Corporate Banking - The Saudi Investment Bank Director - Islamic Banking - SABB Bank Regional Director - Corporate Banking - Bank Al Bilad CEO - Tadafa Management Consulting Office Vice President of Compliance and Quality Assurance - Building Development Company	Within the Kingdom	Amana Cooperative Insurance Company Member of the audit committees - Riyadh Bank Member of the Audit Committee - Savola Company Member of the Board of Directors - Evening Cups Company Vice Chairman of the Board of Directors, Chairman of the Executive Committee and Member of the Investment Committee - Amana Cooperative Insurance Company	independent	Mr. Tariq Abdullah Al-Qarawi (Deputy) Chairman of (the Board
Within the Kingdom	Al Habib Holding Company Al Saif Commercial Investment Company Saudi Telecom Company	Within the Kingdom	Amana Cooperative Insurance Company GlobeMed Saudi Arabia	Non-executive	Mr. Abdul Rahman bin Abdullah Al-Sukran (Member of) the Board of (Directors

	National Glass Industries Company				
Within the Kingdom	Care Shield Holding Company	Within the Kingdom	Amana Cooperative Insurance Company GlobeMed Saudi Arabia Al Saif Engineers and Contractors Company RDB Al Saif Company Limited National Energy Company	Non-executive	Mr. Naif bin Faisal Al-Sudairy Member of) the Board of (Directors
-	-	Within the Kingdom	Amana Cooperative Insurance Company King Faisal Specialist Hospital Company Allergotec Company	independent	Mr. Hassan Rumaih Al-Zahrani Member of) the Board of (Directors
Within the Kingdom	Arthur Andersen Company - Financial Consulting Gulf International Bank - Investment Banking Deutsche Bank - Investment Banking Volkswagen Group	Within the Kingdom	Amana Cooperative Insurance Company Maximum value of management consulting	independent	Mr. Bashar Talal Kayali Member of) the Board of (Directors
Outside the kingdom	PWC Company Booz Company Byblos Bank	Within the Kingdom	Amana Cooperative Insurance Company	executive	Mr. Rachid Salim Abi Nader Member of) the Board of (Directors

A summary of the members of the Board of Directors and committee members:

Of experience	Qualifications	previous jobs	Current jobs	the name
Practical experience - exceeding 30 years in establishing and managing businesses in the field of communications, information technology and the Internet, in addition to experience in the field of corporate restructuring and governance, and technical and strategic .consulting	Doctorate in - Computer Science Master of - Computer Engineering Bachelor's degree - in electrical engineering Executive education -	Supervisor of the - General Information Administration Head of the Internet - Services Unit (King Abdulaziz City for Science and Technology) President of Saudi - Net (STC) Vice President and - President of Saudi Data (STC) Head of the STC - Transformation Program Vice Chairman of - the Board of Directors, Chairman of the Executive Committee, and Chairman of the Nominations and Remuneration Committee - Amana Cooperative Insurance Company	Partner - Middle East - Digital Media Company (MEDM) Chairman of the - Board of Directors - Amana Cooperative Insurance Company	Dr. Abdullah bin Othman Al-Mousa Chairman of) Board of (Directors
Practical experience exceeding 27 years in various activities such as accounting, public administration and auditing	Bachelor of - Accounting Master of - Accounting Certified - Management .Accountant (CMA) Certified Financial .Manager (CFM)	Relationship Manager - Corporate Banking - The Saudi Investment Bank Director - Islamic Banking - SABB Bank Regional Director - Corporate Banking - Bank Al Bilad CEO - Tadafa Management Consulting Office Vice President of Compliance and Quality Assurance - Building Development Company	Member of the audit committees - Riyadh Bank Member of the Audit Committee - Savola Company Member of the Board of Directors - Evening Cups Company Vice Chairman of the - Board of Directors, Chairman of the Executive Committee and Member of the Investment Committee - Amana Cooperative Insurance Company	Mr. Tariq Abdullah Al-Qarawi Deputy) Chairman of the (Board Chairman of) the National (Committee Member of the) Investment (Committee
Practical experience - exceeding 29 years in various activities such as strategy, planning, investment and public administration	Bachelor of - Accounting Chartered - accountant from the American Institute Chartered - accountant from the Saudi Organization for Certified Public Accountants	Chief Executive - Officer of Al Habib Holding Company Vice President of - Finance at Al Saif Commercial Investment Company General Manager of - Strategic Planning and Performance, Saudi Telecom Company Group Financial - Director, National Company for National Industries (Glass) Chartered - Accountant, Aljarid & Partners Office (Deloitte & Deutsch)	Assistant Minister for - Strategy and Institutional Services - Ministry of Finance Member of the Board - of Directors, Chairman of the Risk Committee and Member of the Executive Committee - Amana Cooperative Insurance Company GlobeMed Saudi - Arabia	Mr. Abdul Rahman bin Abdullah Al-Sakran Member of the) Board of (Directors Chairman of) the Risk (Committee Member of the) Executive (Committee
Practical experience - exceeding 11 years in various banking and financial activities and public administration	master of - Business Administration	CEO of Volkswagen - Director of Global - Banking Services at SABB Bank	Member of the Board - of Directors, member of the Executive Committee, and member of the Nominations and	Mr. Naif bin Faisal Al-Sudairy

Of experience	Qualifications	previous jobs	Current jobs	the name
	Bachelor's degree - in Industrial Engineering		Remuneration Committee of Amana Cooperative Insurance Company Al-Saif Engineers and - Contractors Company RDB Al Saif - Company Limited National Energy - Company GlobeMed Saudi - Arabia Company	Member of the) Board of (Directors Member of the) Executive (Committee Member of the) Nominations and Remuneration (Committee
Practical experience - exceeding 27 years in accounting, auditing and corporate management	Bachelor of - Business Administration Fellowship of the - American Society of Certified Public Accountants	Advisor to the - Chairman of the Board of Directors of Volkswagen Group Gulf International - Bank Athar Andersen - Company - financial consulting Deutsche Bank - - Investment Banking The maximum value - of management consulting	Member of the Audit - Committee - Abdul Ghani Al-Ajou and Sons Holding Company for Trade Member of the Audit - and Risk Committee - Etihad Atheeb Telecommunications Company - -	Mr. Bashar Talal Kayali Member of the) Board of (Directors Chairman of) the Audit (Committee Member of the Risk Committee
Practical experience - exceeding 31 years in accounting, auditing and public administration	Master of Business - Administration (MBA) Bachelor's degree - in Accounting Diploma in General - Taxation System	Head of Financial - Affairs at Prince Sultan Humanitarian City Director of Internal - Audit at King Faisal Specialist Hospital Financial Controller - at the Board of Directors of King Faisal Specialist and Research Center	Member of the Audit - Committee at King Faisal Specialist Hospital Member of the Board - of Directors of Allergotec Company - -	Mr. Hassan Rumaih Al- Zahrani Chairman of) the Nominations and Remuneration (Committee Member of the) Audit (Committee
More than 40 years - in the field of legal accounting	Bachelor's degree - in Accounting from Ain Shams University, Egypt Diploma in - Business Administration from King Abdulaziz University Master's degree in - review from King Abdulaziz University Chartered - accountant from the Ministry of Commerce Fellowship from - the American Society of Certified Public Accountants Chartered - accountant from the Ministry of Economy - UAE A tamper detection - expert certified by the Board of Certified Tamper Detection Experts International - management accountant from the American Society of	Chartered - Accountant - Partner at Deloitte & Touche Chartered - Accountant - BKF Sadaqa Company, Chartered Accountants and Consultants Chartered - Accountant - Senior Partner at Ernst & Young Middle East (Saudi Arabia, UAE) Chartered - Accountant - Partner at Price Waterhouse The Ministry of - Public Works and Housing	Chartered - Accountant - WTS Sadaqa, Chartered Accountants and Consultants Member of the Audit - Committee - Amana Cooperative Insurance Company	Mr. Hossam El- Din Sadaqa Member of the) Audit (Committee

Of experience	Qualifications	previous jobs	Current jobs	the name
	Certified Public Accountants Provider of forensic - accounting and evaluation services from the American Society of Certified Public Accountants			
He has approximately 22 years of accumulated practical experience in several fields, including training, consulting, financial analysis, financial control, financial planning, and performance measurement. He also has practical experience in the field of public administration, insurance, and institutional development work for management	Postgraduate - Diploma in Digital Business Master of Business Administration (MBA) Diploma of the National Insurance Institute (Master)	PWC Company - Booz Company - Byblos Bank -	Member of the Board of Directors and Managing Director of Amana Cooperative Insurance Company	Rachid Salim Abi Nader Member of the) Executive (Committee Chairman of) the Investment (Committee Managing) (Director
He has nearly 20 years of accumulated practical experience in several fields, including training, consulting, financial analysis, financial control, financial planning, and performance measurement, of which he spent nearly ten years in the banking and insurance sector. He also has practical experience in the field of financial and accounting management and institutional development work for financial management, transformation systems, and financial policies and procedures	He holds a Bachelor's degree in Accounting from King Saud University in Riyadh with honors He holds a Master's degree in Accounting from Case Western Reserve University in Ohio He holds a Master of Business Administration from Case Western Reserve University in Ohio Member of the Saudi Management Society Member of the Saudi Economic Society	Chief Financial Officer at Saudi Enaya Insurance Company Director of Financial Planning and Performance at the National Commercial Bank He worked in several administrative positions at the National Commercial Bank in financial analysis and financial control in the individual sector of the bank He worked for years as a trainer at the Institute of Public Administration in Riyadh for private sector programs	General Supervisor of Financial Management (ways)	Salem Ghaly Al-Ruhaili Member of the) (Risk Committee
More than 18 years in the field of financial and accounting management and financial auditing	Master of Business Administration - E-Business Bachelor of Business Administration - Finance	Responsible for managing accounting and financial requirements Manage the requirements of financial regulatory authorities to ensure compliance with legal obligations Monitor and contribute to the organization's financial audit reviews Prepare financial statements, summaries, and other cost-benefit analyzes and financial management reports	Financial Director at Amana Cooperative Insurance Company	Hazem Zaid Odeh Member of the) Investment (Committee Chief Financial) (Officer

Of experience	Qualifications	previous jobs	Current jobs	the name
		Responsible for - financial analysis and risk assessment managing revenues and expenses to reflect .budget constraints Managing the daily - activities of the financial department		

B) The methods relied upon by the Board of Directors to evaluate its performance and the performance of its committees and members:

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

C) Remuneration of members of the Board of Directors, allowances, and committees emanating from it:

In accordance with the remuneration policy for members of the Board of Directors and its committees, the remuneration and allowances for members of the Board of Directors are as follows:

- 1- The maximum amount paid does not exceed the maximum specified in the Companies Law (the sum of the financial or in-kind rewards and benefits received by a member of the Board of Directors), which is 500,000 Saudi riyals
- 2- A member of the Board of Directors is entitled to receive an annual bonus provided that he attends at least two-thirds of the meetings held during the fiscal year.
- 3- The annual bonus amount is estimated based on the date of joining and departure (provided that the minimum attendance is achieved, which is two-thirds of the meetings held between the date of joining and departure during the period)
- 4- The remuneration for members of the Board of Directors is determined according to the fixed annual amount, without attendance fees, as the remuneration for the Chairman of the Board is 180,000 Saudi riyals and the remuneration for the Board Member is 120,000 Saudi Riyals
- 5- Each member of the Council, including the Chairman of the Council, shall be paid the value of the actual expenses they bear in order to attend Council meetings, including travel, accommodation and subsistence expenses
- 6- Each member of the Board of Directors, including the Chairman of the Board, is paid an allowance for attending Board sessions of 3,000 Saudi riyals for each session.
- 7- A member of the committees established by the Board of Directors is entitled to receive an annual bonus, provided that he attends at least two-thirds of the meetings held during the fiscal year
- 8- Remuneration for members of the Council's committees is determined according to a fixed annual amount, without attendance fees, and the reward for each committee member from outside the Council is 50,000 Saudi riyals annually
- 9- No committee member is entitled to a remuneration from the Board of Directors
- 10- Each member of the committees emanating from the Board of Directors, including the committee chairs, will be paid the value of the actual expenses they bear in order to attend committee meetings, including travel, accommodation and subsistence expenses
- 11- Each member of the committees emanating from the Board of Directors, including the committee chairs (whether they are from outside the Board or members of the Board of

Directors), is paid an allowance for attending committee sessions in the amount of 1,500 Saudi Riyals for each session

Accordingly, the remuneration of the members of the Board of Directors and its committees for the year 2023 for the fifth session is as follows

Total	Risk Committee			Investment Committee			Remuneration and Nominations Committee			Audit Committee			executive committee			Board of Directors			member name
	reward	Allowance	#	reward	Allowance	#	reward	Allowance	#	reward	Allowance	#	reward	Allowance	#	reward	Allowance	#	
195,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	180,000	15,000	5	Abdullah bin Othman Al-Mousa	
154,500	-	-	-	-	10,500	7	-	-	-	-	-	-	9,000	6	120,000	15,000	5	Tariq Abdullah Al-Qarawi	
150,000	-	6,000	4	-	-	-	-	-	-	-	-	-	9,000	6	120,000	15,000	5	Abdul Rahman bin Abdullah Al-Sakran	
159,000	-	-	-	-	-	-	-	15,000	10	-	-	-	9,000	6	120,000	15,000	5	Naif bin Faisal Al-Sudairi	
172,500	-	-	-	-	-	-	-	15,000	10	-	22,500	15	-	-	120,000	15,000	5	Hassan Rumaih Al-Zahrani	
163,500	-	6,000	4	-	-	-	-	-	-	-	22,500	15	-	-	120,000	15,000	5	Bashar Talal Kayali	
151,500	-	-	-	-	10,500	7	-	-	-	-	-	-	9,000	6	120,000	12,000	4	Rashid Salim Abi Nader	
69,500	-	-	-	-	-	-	-	-	-	50,000	19,500	13	-	-	-	-	-	Hossam El-Din Hashem Sadaqa	
63,500	-	-	-	-	-	-	50,000	13,500	9	-	-	-	-	-	-	-	-	Khaled Abdul Rahman Al-Khudairi	
56,000	50,000	6,000	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Salem Ghaly Al-Ruhaili	
59,000	-	-	-	50,000	9,000	6	-	-	-	-	-	-	-	-	-	-	-	Hazem Zaid Odeh	
1,394,000 SR	Total																		

The Council also held five meetings in its fifth session during the year 2023, and the following is the attendance record of its members

2023/12/21	2023/12/20	2023/09/20	2023/06/11	2023/02/08	Meeting date Name
Present	Present	Present	Present	Present	Abdullah Othman Al-Mousa
Present	Present	Present	Present	Present	Tariq Abdullah Al-Qarawi
Present	Present	Present	Present	Present	Abdul Rahman Abdullah Al-Sakran
Present	Present	Present	Present	Present	Naif Faisal Al-Sudairi
Present	Present	Present	Present	Present	Hassan Rumaih Al-Zahrani
Present	Present	Present	Present	Present	Bashar Talal Kayali
Did not attend	Present	Present	Present	Present	Rachid Salim Abi Nader

:D) The most important decisions taken by the Board of Directors during the year 2023

- *Approval of the annual financial statements for the year 2023.
- *Approval of the quarterly financial statements for the year 2023.
- *Appointing the managing director of the company.
- *Meeting with the appointed actuary to discuss the actuarial reports and give directions in light of them.
- *Updating the company's strategy and following it up.
- *Follow up on the performance of the committees emanating from the Board of Directors.

General Assembly meetings:

The company's Ordinary General Assembly held one meeting for the company's shareholders during the year 2023 AD on 04/12/1444 AH corresponding to 06/22/2023 AD, in the presence of the following members of the Board of Directors for the fifth session, through advanced technical means (visual/audio)

- 1- Dr. Abdullah bin Othman Al-Mousa (Chairman of the Board of Directors)
- 2- Mr. Tariq bin Abdullah Al-Qarawi (Deputy Chairman of the Board of Directors)
- 3- Mr. Abdul Rahman bin Abdullah Al-Sakran (Member of the Board of Directors)
- 4- Mr. Nayef bin Faisal Al-Sudairi (Member of the Board of Directors)
- 5- Mr. Hassan bin Rumaih Al-Zahrani (Member of the Board of Directors)
- 6- Mr. Bashar Talal Kayali (Member of the Board of Directors)
- 7- Mr. Rashid Salim Abi Nader (Member of the Board of Directors).

Meeting decisions:

- 1- To view and discussion of the Board of Directors' report for the financial year ending 12/31/2022
- 2- To view and discussion of the financial statements for the fiscal year ending on 12/31/2022
- 3- Approval of the company's auditors' report for the financial year ending on 12/31/2022
- 4- Approval to discharge the members of the Board of Directors from their liabilities for the fiscal year ending on 12/31/2022 AD
- 5- Approval of the appointment of the company's auditors based on the recommendation of the Audit Committee. This is to examine, review and audit the financial statements for the second, third, fourth and annual quarters of the fiscal year 2023 AD and the first quarter of 2024 AD, and determine their fees
- 6- Approval of disbursing an amount of 746,000.01 Saudi riyals as bonuses to members of the Board of Directors for the fourth session, which ends on 05/15/2022 AD
- 7- Approval to disburse an amount of 639,833.32 riyals as bonuses to members of the Board of Directors for the current fifth session of the fiscal year ending on 12/31/2022 AD
- 8- Approval of the works and contracts concluded between the company and Globe Med Saudi Arabia, in which the members of the Board of Directors, Mr. Nayef bin Faisal Al-Sudairi, Mr. Abdul Rahman bin Abdullah Al-Sakran, and Mr. Pierre-Michel Pharaon (his position has ended) participated, and they have an indirect interest in it, which is the claims management contract. The company provides medical care without conditions or special benefits, noting that the value of transactions for the previous year 2022 amounts to (5,677,000) Saudi riyals
- 9- Approval of the business and contracts concluded between the company and the Al-Saif Group of Companies, in which the members of the Board of Directors, Mr. Nayef bin Faisal Al-Sudairy and Mr. Abdul-Rahman bin Abdullah Al-Sakran, have an indirect interest in them, which are multiple annual insurance policies and paid claims without conditions or special benefits, noting that The value of transactions for the previous year 2022 is (677,000) Saudi riyals

f) A statement of any arrangements or agreement under which a member of the Board of Directors or a senior executive waived his remuneration nothing.

h) Statement of the company's requests for shareholder records

Reasons for request	The date of application	the number
Corporate procedures	2023/01/08	.1
Corporate procedures	م2023/04/10	.2
Corporate procedures	م2023/01/04	.3
Corporate procedures	م2023/05/11	.4
General Assemblies	م2023/06/22	.5
Corporate procedures	م2023/08/03	.6

i) Executive management of the company:

The company's executive management consists of a distinguished group of people with insurance qualifications and experience, who are as follows

Percentage of ownership in the company's shares	Position	Position
%0	Managing Director	Rachid Salim Abi Nader
%0	Financial manager	Hazem Zaid Odeh
%0	Head of Risk Management and Strategy	Majed Manahi Al-Khamsi
%0	Head of Human Resources and Support Services Department	Mufarreh Jarallah Al-Janafawi
%0	Head of Legal Department	Fahd Abdullah Al-Harbi
%0	Head of Compliance Department	Hadi Abdel Wahed Al Saif

About the executive management:

Name Current job title Job title	Name Current job title Job title	Name Current job title Job title	Name Current job title Job title	Name Current job title Job title
He has approximately 22 years of practical experience in several fields, including training, consulting, financial analysis, financial control, financial planning, and performance measurement. He also has practical experience in the field of public administration, insurance, and institutional development work for management.	- Postgraduate Diploma in Digital Business -	Managing Director (Acting)	Managing Director	Rachid Salim Abi Nader
Practical experience exceeding 19 years in the insurance sector, the financial sector and various activities.	- Master of Business Administration (MBA). -	Chief Financial Officer	Chief Financial Officer	Hazem Zaid Odeh
Practical experience exceeding 20 years in the insurance, risk, banking and investment sectors	- Diploma of the National Insurance Institute (Master) -	Head of Risk Management and Strategy	Head of Risk Management and Strategy	Majed Manahi Al-Khamsi
Practical experience exceeding 20 years in the insurance and energy sectors	- Master's Degree in Business Administration (E-Business) -	Head of Human Resources and Support Services Department	Head of Human Resources and Support Services Department	Mufarreh Jarallah Al-Janafawi
Practical experience exceeding 8 years in the insurance, finance and legal sectors	- Bachelor's degree in Business Finance	Head of Legal Department	Head of Legal Department	Fahd Abdullah Al-Harbi
Practical experience exceeding 17 years in the insurance and industrial sectors	- Master's degree in Risk Management from Glasgow Caledonian University - United Kingdom	Director of Compliance Department	Head of Compliance Department	Hadi Abdel Wahed Al Saif

:j) Remuneration and compensation for senior executives

Remuneration and compensation for the company's senior executives are determined according to the following criteria

1-Rewards and compensation must be consistent with the company's strategic objectives and a factor to motivate executive management to achieve those objectives and enhance the company's ability to grow and continue its business

2-The remuneration must be fair and proportionate to the specializations, work and responsibilities he performs, in addition to the goals set by the Board of Directors to be achieved during the financial year

3-Rewards are determined based on the level of the job, the tasks and responsibilities assigned to its occupant, academic qualifications, practical experience and skills, and level of performance

- 4-The value of the rewards is directly linked to the results of the annual performance evaluation according to the goals set for senior executives
- 5-The company took into account what prevails in the labor market in determining rewards, while avoiding what may arise from an unjustified increase in rewards and compensation.

The following table shows the details of the remuneration and compensation received by members of the Board of Directors and senior executives, meaning senior executives, including the Managing Director and the Financial Director

total summation	Total executive remuneration for the Board	End of service rewards	Variable rewards						Fixed rewards			Function
			Annual performance bonuses	Granted shares	Long-term incentive plans	Short motivational plans	earnings	Periodic bonuses	Committee secretarial bonus	Benefits in kind	Salaries and allowances	
1,351,500	151,500	-	300,000	-	-	-	-	-	-	-	900,000	Managing Director
684,992	59,000	-	-	-	-	-	-	-	-	-	625,992	Chief Financial Officer
713,000	-	-	-	-	-	-	-	-	30,000	-	683,000	Head of Risk Management and Strategy
425,404.23	-	-	-	-	-	-	-	-	8,712.23	-	416,692	Head of Human Resources and Support Department
392,501	-	-	-	-	-	-	-	-	45,000	-	347,501	Head of Legal Department
443,210	-	-	-	-	-	-	-	-	-	-	443,210	Head of Compliance Department
4,010,607.23	210,500	-	300,000	-	-	-	-	-	83,712.23	-	3,416,395	the total

*There are executive board members on the Board of Directors of Amana Cooperative Insurance Company

*Amana Company does not have any salaries, compensation, periodic bonuses, or incentive plans for non-executive or independent members of the Board of Directors, except for the allowance for attending meetings and the annual bonuses that were included in Paragraph (C) above, which relates to "Board Members' Remuneration and Allowances

*The annual performance bonus for the year 2023 was disbursed to the managing director as noted above, and the annual performance bonus was not disbursed to all Amana employees, including senior executives.

k) Transactions with related parties:

Some annual insurance contracts were concluded in which the company was a party and in which some members of the Board of Directors had an interest, and the company did not grant any special advantage to these contracts, which are as follows:

(Figures in thousands of Saudi Riyals)

Transaction amount during the year ending December 31, 2023	Nature of the transaction	Membership status	Chairman/Board Member of Amana Cooperative Insurance Company	Name of the relevant party
1,037	Insurance premiums	Non-executive member	Naif bin Faisal Al-Sudairi	Al Saif Group
2	Paid claims	Non-executive member		
6,165	Medical insurance claims management	Non-executive member	Abdul Rahman Al-Sakran	GlobeMed Saudi
		Non-executive member	Naif bin Faisal Al-Sudairi	
		Non-executive member		

Al Saif Group: As a member of the Board of Directors, Mr. Naif bin Faisal Al-Sudairi, has an indirect interest in it

Medical claims management contract with GlobeMed Saudi Arabia: in which the members of the Board of Directors, Mr. Naif bin Faisal Al-Sudairy and Mr.

Abdulrahman bin Abdullah Al-Sakran, have an indirect interest, as the total amount paid to GlobeMed Saudi Arabia in administrative fees during the year 2023 amounted to 6,165. (One thousand Saudi riyals) for the services they provided

Also, during the year 2023 AD, there are no contracts in which the company was a party or in which there was a fundamental interest other than what was listed above

1) Formation of Board of Directors committees:

First: Audit Committee:

The Audit Committee was formed in accordance with the Companies Law and the rules and provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority, the Audit Committees Regulations issued by the Insurance Authority, and the company's bylaws

The terms of reference and tasks of the Audit Committee include the following:

- *Recommending to the Board of Directors to approve the appointment of external auditors, including ensuring that the nominated external auditors have the necessary experience and independence to review the company's business
- *Review and discuss the annual and quarterly financial statements with the company's external auditors and senior management before recommending them to the Board of Directors for publication
- *Reviewing the reports of the Internal Audit Department and the Compliance Department and making recommendations thereon
- *Reviewing the observations of the relevant supervisory and regulatory authorities regarding any regulatory violations or required corrective measures and submitting recommendations thereon to the Board of Directors
- *Evaluating the level of efficiency, effectiveness and objectivity of the work of the external auditors, the internal audit department and the compliance department
- *Follow up on important lawsuits filed by or against the company with the Director of the Legal Department, and submit periodic reports regarding them to the Board of Directors
- *Ensuring the company's commitment to implementing the actuary's suggestions and recommendations when they are mandatory according to the regulations and instructions issued by the Insurance Authority and the relevant supervisory and regulatory authorities

The Audit Committee was formed for the current (fifth) session after the General Assembly approved the selection of its members at its meeting held on 04/12/1444 AH corresponding to 11/06/2022 AD. The committee includes

Adjective	the name	Adjective
Board Member (Independent)	Mr. Bashar Talal Kayali	Chairman of the Committee
Board Member (Independent)	Mr. Hassan Rumaih Al-Zahrani	member
Member from outside the council (independent)	Mr. Hossam El-Din Hashem Sadaqa	member

During the year 2023, the committee held fifteen meetings, and attendance was as follows:

Hassan Rumaih Al-Zahrani	Hassan Rumaih Al-Zahrani	Bashar Talal Kayali	the name Meeting date
Present	Present	Present	م2023/01/04
Present	Present	Present	م2023/02/13
Present	Present	Present	م2023/02/16
Present	Present	Present	م2023/03/19
Did not attend (due to special circumstances)	Present	Present	م2023/04/19
Present	Present	Present	م2023/05/29
Present	Present	Present	م2023/06/14
Present	Present	Present	م2023/06/20
Present	Present	Present	م2023/07/25
Present	Present	Present	م2023/08/01
Present	Present	Present	م2023/08/06
Present	Present	Present	م2023/09/04
Did not attend (due to special circumstances)	Present	Present	م2023/11/01
Present	Present	Present	م2023/11/22
Present	Present	Present	م2023/11/27

The most prominent decisions of the committee:

- *Recommending approval to appoint external auditors to examine, review and audit the financial statements for the second, third, fourth and annual quarters of the fiscal .year 2023 and the first quarter of the fiscal year 2024
- *Review and discuss the company's quarterly financial statements for the year 2023 and the company's annual financial statements for the year 2023 with the executive management and external auditors and recommend to the Board of Directors for their .approval
- .*Appointing a director of compliance management
- *Recommending that some of the tasks of the Internal Audit Department be assigned .to a specialized service provider for the fiscal year 2023
- *Study the comments received from the company's internal auditor and external auditors and follow up on their completion according to the timetable agreed upon .with the company's management
- *Review and follow up on reports received from the Compliance Department, review .the Insurance Authority's observations and appropriate corrective measures
- *The company's executive management was directed to issue a letter urging employees to quickly respond to comments that exceeded the time allowed in order to .address weaknesses in the internal control system
- *Follow up on important lawsuits filed by or against the company, and their reasons, to determine their current status and recommend what should be taken regarding them.

Second: Executive Committee:

The Executive Committee was formed during the fifth session of the Council by a decision of the Board of Directors on 01/17/1444 AH corresponding to 08/15/2022 and includes

Adjective	the name	Adjective
Independent board member	Tariq Abdullah Al-Qarawi	Chairman of the Committee
Non-executive board member	Abdul Rahman bin Abdullah Al-Sakran	member
Non-executive board member	Naif bin Faisal Al-Sudairi	member
Executive Board Member	Rashid Salim Abi Nader	member

The terms of reference, tasks and responsibilities of the Executive Committee include the following:

- *Follow up on the company's strategic and operational plans and objectives, update and review them from time to time, and ensure the implementation of the company's business plan.
- *Follow up on the implementation of the company's estimated budgets and provide recommendations regarding them
- *Follow up on the company's performance level to achieve the set goals
- *Providing executive management with direction and guidance towards the best practices for managing the company
- *Follow up and review all important issues related to cases brought before the judiciary, emergency cases, and claims that require to appear in the accounting statements
- *Selecting and assigning consulting bodies as it deems appropriate for the interest of the work
- *Any other responsibilities that the Council deems appropriate to assign to the committee

During the year 2023, the committee held six meetings, at which attendance was as follows:

Rashid Salim Abi Nader	Naif Faisal Al-Sudairi	Abdul Rahman bin Abdullah Al-Sakran	Tariq Abdullah Al-Qarawi	the name Meeting date
Present	Present	Present	Present	2023/02/06م
Present	Present	Present	Present	2023/06/06م
Present	Present	Present	Present	2023/09/17م
Present	Present	Present	Present	2023/11/27م
Present	Present	Present	Present	2023/12/06م
Present	Present	Present	Present	2023/12/27م

The most prominent decisions of the committee:

- *Recommending to the Board of Directors to approve the company's business plan
- *Follow up on the company's performance and compare it with the approved business plan for the previous year, 2022
- *Follow up on the company's monthly and quarterly reports
- *Follow up on existing technical projects in the company

*Recommending to the executive management the development of policies and work procedures for financial management and harmonization of human resources.

Third: Nominations and Remuneration Committee:

The Nominations and Remuneration Committee was formed during the fifth session of the Board by a decision of the Board of Directors on 01/17/1444 AH corresponding to :08/15/2022, and it includes

Adjective	the name	Adjective
Independent board member	Hassan Rumaih Al-Zahrani	Chairman of the Committee
Non-executive member	Nayef Faisal Al-Sudairi	member
A member from outside the council	Khaled Abdul Rahman Al-Khudairi	member

The terms of reference, tasks and responsibilities of the Nominations and Remuneration Committee include the following:

- *Review the structure of the Board of Directors and make recommendations on changes that .can be made
- *Prepare and develop a plan to identify, evaluate and enhance the competencies of board members, identify the weaknesses and strengths of the Board of Directors and propose to address them in accordance with the interest of the company
- *Preparing and developing a succession plan for members of the Board of Directors and .reviewing this plan on a regular basis
- *Issuing the necessary directives regarding candidates for CEO and Executive Vice President .positions at the company level
- *Develop clear policies for compensation and rewards for members of the Board of Directors and senior executives, taking into account when developing these policies the use of standards related to performance, and reviewing them in accordance with the controls .decided by the Board from time to time
- *Follow up on annual budget issues related to employment and supervise the implementation of the company's work policies in accordance with the work system and related regulations, .and employees' commitment to the rules of professional conduct
- |*Any other responsibilities that the Council deems appropriate to assign to the committee

During the year 2023, the committee held ten meetings, and attendance was as follows:

Khaled Al-Khudairi	Naif Faisal Al-Sudairi	Hassan Rumaih Al-Zahrani	the name Meeting date
Present	Present	Present	2023/02/07
Present	Present	Present	2023/03/23
Present	Present	Present	2023/04/13
Present	Present	Present	2023/04/18
Present	Present	Present	2023/06/13
Did not attend (due to special circumstances)	Present	Present	2023/06/21
Present	Present	Present	2023/06/25
Present	Present	Present	2023/09/14
Present	Present	Present	2023/10/23
Present	Present	Present	2023/12/17

The most prominent decisions of the committee:

- *Completing the performance evaluation of the work of the Board of Directors and its members and submitting it to the Board of Directors for approval
- *Review and approve the system and mechanism of the succession plan for leadership positions
- *Review the updated organizational structure
- *Review the replacement plan for non-Saudi employees
- *Appointing a secretary to the committee to succeed the previous secretary
- *Recommending the appointment of Managing Director/Rashid Abi Nader for a period of six months and his assignment for a period of six months

Fourth: Investment Committee:

The Investment Committee was formed during the fifth session of the Board by a decision of the Board of Directors on 01/17/1444 AH, corresponding to 08/15/2022, and it includes

Adjective	the name	Adjective
Executive Board Member	Rashid Salim Abi Nader	Chairman of the Committee
Independent board member	Tariq Abdullah Al-Qarawi	member
Executive member	Hazem Zaid Odeh	member

During the year 2023, the committee held seven meetings, and attendance was as follows:

Hazem Zaid Odeh	Tariq Abdullah Al-Qarawi	Rachid Salim Abi Nader	the name / Meeting date
Present	Present	Present	2023/09/18
I apologize	Present	Present	2023/10/22
Present	Present	Present	2023/11/28
Present	Present	Present	2023/11/29
Present	Present	Present	2023/11/29
Present	Present	Present	2023/12/11
Present	Present	Present	2023/12/18

The terms of reference, tasks and responsibilities of the Investment Committee include the following:

- . *Drawing up investment policy and supervising its implementation
- . *Approving investment activities and monitoring the performance of investment portfolios
- . *Review and re-evaluate the company's investment policy
- *Adherence to regulatory regulations and approved standards in asset distribution, classification and management of investment portfolios

The most prominent decisions of the committee:

- *Direct investment in Murabaha funds through private banks
- **Investing in the Credit Opportunities Fund "Avenue
- *Study investment offers submitted by local investment entities

:Fifth: Risk Committee

The Risk Committee was formed during the fifth session of the Board by a decision of the Board of Directors on 01/17/1444 AH, corresponding to 08/15/2022 AD, and it includes:

Adjective	the name	Adjective
Board Member (Non-Executive)	Abdul Rahman Abdullah Al-Sukran	Chairman of the Committee
Board Member (Independent)	Bashar Talal Kayali	member
Member from outside the Council (independent)	Salem bin Ghali Al Ruhaili	member

During the year 2023, the committee held four meetings, at which attendance was as follows:

Bashar Kayali	Salem Ghaly Al-Ruhaili	Abdul Rahman Abdullah Al-Sakran	the name / Meeting date
Present	Present	Present	2023/07/23
Present	Present	Present	2023/10/31
Present	Present	Present	2023/12/25
Present	Present	Present	2023/12/26

The terms of reference, tasks and responsibilities of the Risk Committee include the following:

- *Determine the risks to which the company may be exposed and maintain an acceptable level of risk for the company
- .*Supervising the company's risk management system and evaluating its effectiveness
- *Develop a comprehensive strategy for risk management, follow up on its implementation, review and update it based on the company's internal and external variables
- *Review risk management policies

The most prominent decisions of the committee:

- *Review the strategy and risk plan for the year 2023
- .*Key risk indicators, risk register and most important risks
- *Determine the company's ability to accept risks after discussion with the Board of Directors
- *Follow up on risks, supervise reducing their effectiveness, conduct an evaluation of them through the risk plan, and work to close them

:M) Activities of shares and debt instruments

The company's authorized, issued and fully paid capital amounts to 430 million Saudi riyals as of December 31, 2020 AD, and consists of 43 million shares with a nominal value of 10 Saudi riyals per share. There are no debt instruments issued by the company, nor any interest, option rights, or subscription rights belonging to it. For members of the Board of Directors and their family members in the company's shares. There are also no debt instruments convertible into shares, option rights, subscription rights memorandums, or similar rights issued or granted by the company during the fiscal year ending on that date. There are no transfer or subscription rights under debt instruments convertible into shares, option rights, or similar rights certificates issued or granted by the company during the period, and there is no redemption, purchase, or cancellation by the company of any debt instruments Refundable. There are also no arrangements or agreement under which any of the shareholders waived any rights to profits.

n) A description of any interest belonging to members of the Board of Directors, their spouses and minor children in the company's shares or debt instruments

The following table shows the ownership percentages of the members of the Board of Directors in its fifth session, their wives and their minor children in the company's shares during the year 2023

A description of any interest belonging to members of the Board of Directors, their spouses and minor children in the company's shares or debt instruments for the fifth session							
Net Change Percentage Change	Net Change Percentage Change	End of year		the beginning of the year		the name	N
		Debt instruments	Number of Shares	Debt instruments	Number of Shares		
%0	-	-	0.0031140	-	0.0031140	Abdullah bin Othman Al-Mousa	.1
%0	-	-	0.0109302	-	0.0109302	Abdul Rahman bin Abdullah Al-Sakran	.2

Q) A description of any interest belonging to senior executives, their spouses, and their minor children in the company's shares or debt instruments:

The senior executives, their spouses and minor children do not have any interest in the company's shares or debt instruments

:A) Zakat, regular payments, and debts

g) Zakat and income tax are calculated in accordance with the relevant regulations and instructions of the General Authority of Zakat and Income. Zakat obligations are borne by Saudi shareholders and their equivalents, and tax is borne by non-Saudi .shareholders

Q) Zakat is recovered according to the entitlement principle, where the Zakat allocation is calculated according to the Zakat base. Any differences between the allocation and the final assessment will be recorded when the final assessment is approved, at which point the allocation will be closed. The company has paid an amount of 500 thousand Saudi riyals during the year 2023 AD, and also approved the allocation of Zakat Department dues for the year 2023 AD in the amount of 5,280 thousand Saudi riyals, so that the accumulated allocation becomes on 31 /12/2023 An amount of 11,789 thousand Saudi riyals

Q) In return, the company paid an amount of 149 thousand Saudi riyals to the account of the reinsurance premium tax and consulting expenses outside the Kingdom of Saudi Arabia, in addition to forming an allocation for the year 2023 AD in the amount of 123 thousand Saudi riyals, so that the accumulated allocation on 12/31/2021 AD . .amounted to 1,950 thousand Saudi riyals for the same account

K) As for other statutory payments, an amount of 390 thousand Saudi riyals was paid to the Insurance Authority, as well as an amount of 129 thousand Saudi riyals to the General Organization for Social Insurance, and an amount of 492 thousand Saudi riyals was paid for the fees of the Cooperative Health Insurance Council, and the company does not have any loans or debts payable, and the following table shows All fees or taxes due to government agencies.

All figures are in thousands of Saudi Riyals

As of December 31, 2023 AD	The side
390	Insurance Authority
129	General Organization for Social Insurance
492	Cooperative Health Insurance Council

:F) External auditors

The General Assembly, held on 04/12/1444 AH, corresponding to 06/22/2023, approved the appointment of Al-Kharashi & Partners, Certified Accountants and Auditors, and the office

of Al-Sayyid Al-Ayouti & Partners, Certified Accountants and Auditors, as external auditors of the company's accounts for the year 2023 and the first quarter of the year 2024, and determined their fees

s) Accounting standards followed for financial statements:

The company's financial statements were prepared during the financial period from 01/01/2023 until 12/31/2023 in accordance with international financial reporting standards. The company confirms that there are no material differences or financial impact on the financial statements as a result of their preparation in accordance with international reporting standards compared to those issued by the Saudi Authority. For chartered accountants. The financial statements also present fairly, in all material respects, the company's financial position as of December 31, 2023, and the results of its operations and cash flows for the year ending on that date in accordance with international standards.

The company has applied International Financial Reporting Standard 17 (Insurance Contracts) and International Financial Reporting Standard 9 (Financial Instruments), in accordance with the standards adopted in the Kingdom of Saudi Arabia Effective January 1, 2023 and retroactively, which led to a fundamental change in the method of presenting financial results for all periods starting from the first quarter of 2023 onwards, with similar periods from previous years being remeasured in accordance with the new standards

T) Dividend distribution policy:

In the future, when profits are achieved, the appropriate decision must be taken regarding the distribution of profits to shareholders, in accordance with what is required by the company's bylaws in Articles 44 and 45, which stipulate the following:

- 1-Avoid zakat and prescribed income tax of the net profits are set aside to form a statutory reserve, and the Ordinary (%20) .2 General Assembly may stop this set aside when the reserve reaches (100%) of the paid-up capital.
- 3-The Ordinary General Assembly, based on the proposal of the Board of Directors, may reserve a percentage of the net profits and decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders

The shareholder is entitled to a share in the profits in accordance with the decision of the General Assembly issued in this regard. The decision indicates the due date and the date of distribution. Entitlement to the dividends is to the owners of shares registered in the shareholders' records at the end of the day specified for entitlement. The company informs the Capital Market Authority without delay of any decisions to distribute dividends or recommend the same. The profits to be distributed to shareholders shall be paid at the place and time determined by the Board of Directors, in accordance with the instructions issued by the competent authority, taking into account the prior written approval of the Insurance Authority

Q) Declarations:

- 1-There are no loans on it, whether they are repayable on demand or otherwise, and the company did not pay any amounts in repayment of loans during the financial period ending on 12/31/2023.

- 2- There are no debt instruments convertible into shares, nor are there any option rights, subscription rights memorandums, or similar rights issued or granted by the company during the financial period ending on 12/31/2023.
- 3- There are no conversion or subscription rights under debt instruments convertible into shares, option rights, rights certificates, or similar rights, or which the company issued or granted during the financial period ending on 12/31/2023
- 4- The company did not redeem, purchase or cancel any redeemable debt instruments, or any value of the remaining securities.
- 5- There is no contract to which the company is a party and in which there is or was a fundamental interest for a member of the Board of Directors, the General Manager, the Deputy General Manager for Financial Affairs, or any person related to any of them, except for what was mentioned previously
- 6- The account records have been prepared correctly
- 7- The internal control system was prepared on sound foundations and implemented effectively.
- 8- There is little doubt about its ability to continue its activity.

T) Important events during the year 2023:

- *On 12/28/2023, the company announced the termination of the non-binding memorandum of understanding and all negotiations related to the merger process with the United Cooperative Insurance Group (ACIG), based on the desire of both parties after conducting the necessary studies. This termination will not result in any significant financial impact
- *The company appointed Mr. Rashid Abi Nader as managing director of the company for a period of six months after receiving the no-objection from the Insurance Authority, starting from 12/06/2023 until 06/06/2024
- *The company launched the sale and marketing of the visitor insurance product provided to individual customers in the Kingdom of Saudi Arabia and approved it with the identification number (P-AMAN-2-I-23-033) after obtaining a no-objection from the Central Bank on 02/20/1445 AH corresponding to 09/05. /2023
- *Amana Cooperative Insurance Company announced on 09/03/2023 that it was agreed with the United Cooperative Insurance Group (ACIG) on 02/17/1445 AH corresponding to 09/02/2023 to extend this memorandum for an additional period of six months from its expiry date with the same previous terms and conditions
- *Amana Cooperative Insurance Company announced on 06/07/2023 the extension of Mr. Rashid Abi Nader's appointment as Managing Director of the company for a period of six months from 06/06/2023 until 06/12/2023
- *The company announced on 06/01/2023 that it had received the approval of the Central Bank of Saudi Arabia on 05/31/2023 to market and sell the comprehensive vehicle insurance product provided to individual customers and groups in the Kingdom of Saudi Arabia, and approved it with the identification number P-AMAN-1-B-23- 032
- *Amana Cooperative Insurance Company announced on 04/09/2023 that it owns a percentage of 3.45% of the shares in Najm Insurance Services Company, and it has been recognized so far at a cost value of 1.9 million Saudi riyals, while the company will now have to measure and recognize it at fair value. This amounts to 39.7 million Saudi riyals for the year ending December 31, 2022, in accordance with International Financial Reporting Standard No. 9 "Financial Instruments" as of January 1, 2023.

D) The results of the annual review of the effectiveness of internal control procedures and the audit committee's opinion on the adequacy of the company's internal control system:

The Internal Audit Department implemented the annual internal audit plan for the year 2022-2023 approved by the Audit Committee, which was implemented during the year 2022 until the middle of 2023, and also began implementing the audit plan for the year 2023, and audit reports were submitted to senior management and the Audit Committee. Accordingly, the executive management made an action plan to implement and address all observations contained in the internal audit reports. In turn, the Audit Committee reviewed these works and included them in its report to the Board of Directors to highlight aspects related to the effectiveness of the company's internal control procedures, in addition to including all of the external auditor's comments received regarding his evaluation of the internal control system. Regarding the results of the annual review of the effectiveness of the company's internal control procedures, the Audit Committee believes that the performance of the Audit Department during the year 2023 achieved the desired goals after assigning a large part of the management operations to a specialized service provider, and based on the reports issued by the Internal Audit Department, the Committee believes that the internal control system The company urgently needs to address the weaknesses and gaps in the internal control system and some of its components and develop the risk control tools applied by the company to keep pace with the size of the company's business and requirements.

j) Penalties imposed on the company:

During the year 2023, Amana Cooperative Insurance Company did not receive any financial penalties or fines from all regulatory and supervisory authorities.

l) What has been implemented from the Governance Regulations:

Amana Cooperative Insurance Company has implemented all the articles contained in the Corporate Governance Regulations issued by the Saudi Capital Market Authority.

Conclusion:

In conclusion, we extend our sincere thanks and appreciation for the efforts made by the entire company family and at all job levels during the year 2023 AD, and we hope to work to double the efforts to advance the company to the ranks of major companies in the Saudi insurance market.

والسلام عليكم ورحمة الله وبركاته

Board Of Directors Amana Cooperative Insurance Company