



Board of Directors Report

For the financial year ended 31 December 2023

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❖ Chairman's Message

Shareholders of Saudi Enaya Cooperative Insurance Company

Greetings,

On my own behalf and on behalf of the members of the Board of Directors of Saudi Enaya Cooperative Insurance Company, I present to you the Board of Directors' report for the year ended on 31/12/2023, including a brief explanation of the company's activities, its operations and performance level, and the audited financial statements for the fiscal year ending on 31/12/2023. This also includes information about the company's Board of Directors and its committees and their responsibilities, disclosures by the Board members, and a summary of the most significant strategic decisions made during the year 2023, as well as a brief overview of the most important developments and achievements. The report also covers the risks related to the company and how they are managed, its operational systems as stipulated by relevant regulations such as the Saudi Companies Law and the Corporate Governance Regulations issued by the Capital Market Authority, and the extent of the company's compliance with regulations issued by the regulatory authorities. Additionally, we include some information that we would like to share with you.

In conclusion, I extend my deepest thanks to our shareholders and employees for their diligent and effective efforts in improving the company's performance. Gratitude is also extended to our esteemed customers who have placed their trust in Saudi Enaya. We look forward to more successes and achievements in the coming years.

❖ CEO's Message

The year 2023, thankfully, was positive for the company, reflected in its financial and investment operations, sales, underwriting, and debt collection, leading to profitability—a first in the company's history in 2023. The management focused on enhancing regulatory compliance, improving the effectiveness of internal control within the company, and reviewing operations outsourced to third parties concerning claims, networks, and medical approvals, aiming to enhance work quality and electronic integration for immediate access to financial and operational reports.

Furthermore, the company diversified its products by adding medical coverage for tourists and strengthened its relationship with shareholders. It continued to collect debts and overdue amounts and succeeded in legal cases against defaulting clients.

Strategically, the company's efforts throughout the year were significantly focused on the proposed merger project and obtaining regulatory approvals. However, the extraordinary general assembly deemed the merger's rejection the best option for the company's continuity. Consequently, an alternative plan was activated to comply with the minimum capital requirements for insurance companies according to the new amendments to the insurance companies' supervision system issued by the Insurance Authority, which stipulates a minimum capital of 300 million Riyals for insurance companies. Accordingly, the company appointed a financial advisor with underwriting commitment to increase capital, as this was the only option to comply with the regulation and ensure the company's continuity and strategic plan achievement.

❖ Main activities

Saudi Enaya Cooperative Insurance Company is a Saudi public joint-stock company listed on the Saudi Stock Market on 05/04/1433H corresponding to 27/02/2012 and registered in the Kingdom of Saudi Arabia under commercial registration number 4030223528 with a registration date of 27/03/1433H, corresponding to 19/02/2012.

The company operates according to the Cooperative Insurance Companies Control Law, its executive regulations, and the applicable laws and regulations in the Kingdom of Saudi Arabia, engaging in cooperative health insurance activities and related businesses to achieve its objectives, whether in insurance or in investing its funds.

According to the company's articles of association and its establishment contract, the first fiscal year of the company starts from the date of the ministerial decision announcing the company's establishment, number (98/Q), dated 16/03/1433H corresponding to 08/02/2012, and ends on December 31st of the following year. The financial statements for the past year, covering a 12-month period starting from 08/06/1444H corresponding to 01/01/2023, and ending on 18/06/1445H corresponding to 31/12/2023.

Percentage	Insurance Revenue (SAR '000)	Activity
100%	250,880	health insurance

❖ Approval from the Insurance Authority to Grant a License for the Company's Operations

On the date of 27/09/1442H (corresponding to 09/05/2021), the company obtained a renewal of its activity license for three years, ending on 24/10/1445H (corresponding to 03/05/2024). Additionally, the company received a license to open a branch in Riyadh, according to the Insurance Authority's letter number 341000103587, dated 23 Sha'ban 1434H (corresponding to 07/02/2013).

❖ Approval from the Council of Health Insurance for the Company's Qualification

On 24/10/1444H (corresponding to 14/05/2023), the company received a renewal of its qualification from the Council of Health Insurance for a period of one year, ending on 15/01/1446H (corresponding to 21/07/2024). Additionally, on 21/07/2023, the company was granted an annual renewal of qualification from the Council of Health Insurance, which will expire on 21/07/2024.

❖ Commencement of Operations

The company began its operations and the sale of health insurance products starting from January 1, 2013, which is considered the actual start of the company's operations and departments. The company has made significant efforts to ensure the success of its executive departments by implementing the systems and regulations of regulatory bodies, including the Insurance Authority, the Council of Health Insurance, and the Capital Market Authority, throughout the year 2023.

❖ Key plans and decisions during the period

- Appointing Wasatah Capital as the financial advisor and coverage underwriter to increase the company's capital to SAR 380,000,000.

- Rejection of the merger offer from United Cooperative Insurance Company for the purpose of merging with United Cooperative Insurance Company.
- Obtaining approval from the Capital Market Authority to hold an extraordinary general meeting to vote on the merger of the Company with United Cooperative Insurance Company.
- Obtaining a non-objection from the Capital Market Authority for the merger.
- Obtaining a non-objection from the Insurance Authority for the merger.
- Signing a binding merger agreement with United Cooperative Insurance Company.
- Obtaining a non-objection from the Competition Authority for the merger.
- Appointing Wasatah Capital as the financial advisor for the proposed merger process between the company and United Cooperative Insurance Company.
- Signing a memorandum of understanding with United Cooperative Insurance Company to study the feasibility of the merger between the two companies.

❖ Outlook and risks

Outlook:

The company anticipates continuing to implement its strategic plans for the next five years, which will clearly enhance its financial solvency, increase its market share, and strengthen its financial position through expanding its insurance products by diversifying distribution channels.

Risks:

The major risk for the company is to comply with the new minimum capital requirement for insurance companies, which is SAR 300 million. Consequently, the board has recommended increasing the capital to comply with regulations and ensure the continuity of the company's strategy and expansion plans. The process of increasing capital and calling for an extraordinary general meeting will be pursued.

Regarding operational and administrative risks, the increase in employee resignations and the presence of several vacancies, along with difficulties in hiring, are considered risks. Candidates often find it challenging to join a company that will be merged with another, leading to changes in benefits and workplace location. This situation is similar for resigning employees who have received better job offers from more stable companies not undergoing merger discussions.

Annual Risk Management Report (2023):

The risk management department is an independent internal regulatory execution entity, monitoring external and internal risk factors and coordinating continuously with other departments to create a culture of risk awareness, support, and monitor the policies of accepted and approved risks to identify acceptable risks for the company. The company has worked on developing and proposing an enhanced risk management framework suitable for the company's risk culture, providing a high-level overview of the company's approach to risk management. The risk management department continuously works on identifying and assessing risks and controls.

In 2023, the risk management efforts focused on strategic risks, corporate governance, and customer claims, successfully managing and strengthening weaknesses in both areas. Additionally, we continued to enhance our risk management practices and governance in response to the company's growth. We based our approach on incorporating all aspects of our risk management framework, including:

- Developing and enhancing our internal policies and procedures.
- Continually developing risk reports, especially regarding risk susceptibility.
- Enhancing the company's risk management culture through training and awareness.

In 2023, the risk management continued to update the business continuity policy, remote work, addressing observations made by the Insurance Authority, enhancing risk management activities, and complying with regulations and instructions. The specific risk categories identified in the risk management strategy being monitored include:

- Underwriting risks.
- Operational risk.
- IT and cybersecurity risks.
- Market risk.
- Pricing risk.
- Claims risk.
- Strategic Risks
- Reputation risk.

❖ Statement of Financial Position as at 31 December 2023

	2019	2020	2021	2022	2023
	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
Total assets of insurance operations	175,791	177,481	269,026	172,421	133,092
Total assets of shareholders operations	262,585	237,730	216,800	311,097	304,606
Less: Inter operation Balances	(93,217)	(99,230)	(139,901)	(122,775)	(97,898)
Total Assets	345,159	315,981	345,925	360,743	339,800

	2019	2020	2021	2022	2023
	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
Total liabilities of insurance operations	175,791	177,481	269,026	172,421	133,092
Total liabilities of shareholders Operations	113,445	117,003	158,045	143,142	116,429
Less: Inter operation Balances	(93,217)	(99,230)	(139,901)	(122,775)	(97,898)
Total Shareholders' Equity	149,140	120,727	58,755	167,955	188,177
Total Liabilities and Equity	345,159	315,981	345,925	360,743	339,800

The above figures are detailed in the tables below.

Assets of insurance operations	2019	2020	2021	2022	2023
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
	IFRS 4			IFRS 17	
Cash and Cash Equivalent	14,590	13,641	49,959	23,074	8,523
Premium receivable, net*	44,859	49,116	58,486	-	-
Due from shareholders' operations	93,217	99,230	139,901	122,775	97,898
Receivables from reinsurers	2,995	191	-	-	-
Reinsurers' share of unearned premiums	1,128	119	-	-	-
Deferred Acquisition Cost*	2,851	3,230	6,926	-	-
Prepayments and other assets	12,653	5,956	10,653	23,196	24,740
Intangible assets	1,106	1,082	899	794	792
Property and Equipment	2,392	2,173	1,523	1,467	798
Right to use assets, net	-	2,743	679	1,115	341
Total assets of insurance operations	175,791	177,481	269,026	172,421	133,092

Shareholders' Assets	2019	2020	2021	2022	2023
	000' Saudi Riyal	000' Saudi Riyal	000' Saudi Riyal	000' Saudi Riyal	000' Saudi Riyal
Cash and Cash Equivalent	62,785	101,585	109,193	133,668	14,811
Short Murabaha Deposits	76,036	40,068	77,908	135,353	248,264
Investments	72,950	68,376	1,668	1,133	1,554
Prepayments and other assets	2,322	824	986	2,278	3,556
Accrued Commission on statutory deposits	3,492	4,377	4,545	5,012	1,921
Statutory deposits	45,000	22,500	22,500	34,500	34,500
Total Assets of Shareholders' Operations	262,585	237,730	216,800	311,097	304,606

Liabilities of insurance operations	2019	2020	2120	2022	2023
	000' Saudi Riyal	000' Saudi Riyal	000' Saudi Riyal	000' Saudi Riyal	000' Saudi Riyal
Insurance Contract Liabilities*	-	-	-	160,522	124,788
Unearned premiums*	75,920	67,504	108,727	-	-
Outstanding claims and other technical reserves*	58,719	67,152	97,469	-	-
End of service Benefits	5,934	4,970	5,787	5,172	5,228
Accrued expenses and other liabilities	34,994	34,629	53,860	3,844	496
Lease liabilities	-	2,218	2,250	776	-
Remeasurement reserves for employee end of service benefits	224	1,008	933	2,107	2,580
Total liabilities of insurance operations	175,791	177,481	269,026	172,421	133,092

*Item reclassified in 2022 and 2023 due to the implementation of IFRS 17.

Shareholders' Liabilities	2019	2020	2120	2022	2023
	000' Saudi Riyal	000' Saudi Riyal	000' Saudi Riyal	000' Saudi Riyal	000' Saudi Riyal
Accrued expenses and other liabilities	1,238	1,396	349	659	1,692
Zakat and Income Tax Payable	15,498	12,000	13,250	14,696	14,918
Due to Insurance Operations	93,217	99,230	139,901	122,775	97,898
Accrued Commission on statutory deposits	3,492	4,377	4,545	5,012	1,921
Total Shareholder liabilities	113,445	117,003	158,045	143,142	116,429

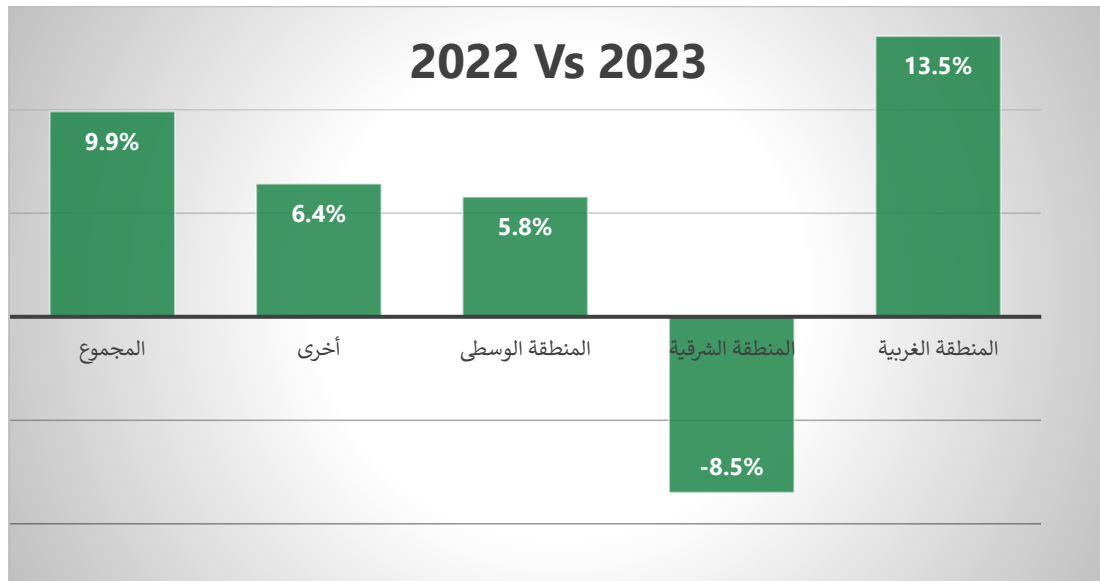
Shareholders' Equity	2019	2020	2120	2022	2023
	000' SAR	000' SAR	000' SAR	000' SAR	000' SAR
Capital	300,000	150,000	150,000	230,000	230,000
Accumulated losses	(150,860)	(29,273)	(91,245)	(62,045)	(41,823)
Total Shareholders' Equity	149,140	120,727	58,755	167,955	188,177

Total Share Holders Equity and Liabilities	262,585	237,730	216,800	311,097	304,606
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Revenue and profits	2019	2020	2120	2022	2023
	000' Saudi Riyal	000' Saudi Riyal	000' Saudi Riyal	000' Saudi Riyal	000' Saudi Riyal
Insurance Revenue	98,446	174,290	177,279	226,930	250,880
Insurance Services Expenses	(143,422)	(157,429)	(199,025)	(233,781)	(236,195)
Net results of insurance results	(44,976)	16,861	(21,746)	(6,851)	14,685
Total Income/(Loss) Inclusive for the year	(106,702)	(27,629)	(61,972)	(5,181)	20,695

❖ Geographical analysis of total written premiums as of the end of 31 December 2023

Year	Geographical analysis of the company's total revenues for the year Ended 31 December 2023				
	Total	Other	Central Region	Eastern Province	Western Region
2022	227,474	8,450	64,865	11,974	142,185
2023	250,026	8,993	68,627	10,957	161,449



❖ Summary of the results of the insurance business and shareholders

Summary of comparative results	31-Dec-22	31-Dec-23	Variables (+) or (-)	%
	000' Saudi Riyal	000' Saudi Riyal		
Insurance Income	226,930	250,880	23,950	10.60%
Insurance Services Expenses	-233,781	-236,195	-2,414	1.00%

Interest income from financial assets not denominated at fair value through profit or loss	5,193	14,427	9,234	177.80%
Net profit on investments classified at fair value through profit or loss	131	421	290	221.40%
Net credit risk / (reversed) on financial assets	-348	766	1,114	- 320.10%
Other operating expenses	7,299	5,010	-2,289	-31.40%
Other revenues	-10,333	-14,625	-4,292	41.50%
Income / (loss) attributable to shareholders before zakat and income tax	-4,909	20,684	25,593	- 521.30%
Zakat and Income Tax	-1,446	-462	984	-68.00%
Net Income / (Loss) attributable to shareholders after zakat Income	-6,355	20,222	26,577	-418.2- %
Weighted average number of outstanding ordinary shares (in thousands of shares)	13,642	23,000	9,358	68.60%
Basic and diluted profit / (loss) per share for the year (SAR per share)	-0.47	0.88	1.35	- 287.20%

❖ Accounting Standards

The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia, and other standards and releases approved by the Saudi Organization for Certified Public Accountants (collectively referred to as "IFRS adopted in the Kingdom of Saudi Arabia"). The company has adopted International Financial Reporting Standard (IFRS) 17 "Insurance Contracts" and International Financial Reporting Standard (IFRS) 9 "Financial Instruments" as adopted in the Kingdom of Saudi Arabia. The changes resulting from these policies on important accounting policies have been detailed in Notes 3 and 4.

❖ Saudi Enaya subsidiaries

The company does not own any subsidiary inside or outside the Kingdom.

❖ Details of shares and debt instruments issued for each Saudi Enaya subsidiary.

The company does not own any subsidiaries inside or outside the Kingdom, and therefore there are no shares and debt instruments issued by any subsidiary of the company.

❖ Company Dividend Policy

Article 45 of the company's articles of association states the calculation and distribution of profits to shareholders as follows:

- Allocating Zakat and the prescribed income tax.
- Allocating 20% of the net profits to form a statutory reserve, and the ordinary general assembly may stop this allocation once the reserve reaches a total of 100% of the paid-up capital.

- The ordinary general assembly, when determining the share of the profits for the shares, may decide to form other reserves to the extent that it serves the company's interest or ensures as stable a dividend distribution as possible to shareholders.
- The company's annual net profits, as determined after deducting all general expenses, other costs, and creating reserves necessary to face doubtful debts, investment losses, and contingent liabilities that the board deems necessary in accordance with the regulations of the Cooperative Insurance Companies Monitoring Law and the provisions issued by the Insurance Authority, will be distributed. Of the remaining profits after deducting the prescribed reserves and Zakat, a percentage of not less than 5% of the paid-up capital will be allocated for distribution to shareholders as proposed by the board and approved by the general assembly. If the remaining profit share due to shareholders is not sufficient to pay this percentage, shareholders may not claim it in the following year or years, nor may the general assembly decide to distribute a percentage of the profits beyond what the board proposed.

❖ A description of any interest in the voting class of shares belonging to persons (other than members of the Company's Board of Directors, senior executives and their relatives) of which the Company has been informed.

There is no interest in the voting class of shares belonging to any of the persons.

❖ A description of any interest, contractual securities and subscription rights attributable to the members of the Board of Directors, senior executives and their relatives in the shares or debt instruments of the Company or any of its subsidiaries and any change in such interest or rights during the financial year

The table below shows the interest held by the members of the Board of Directors, senior executives and their relatives in the Company's shares, including the Board membership guarantee shares, noting that the Company has not issued or granted any debt instruments.

A description of any interest of the directors and senior executives in the shares or debt instruments of the company or any of its subsidiaries

Percentage change	Net change	End of year		Start of the year		Name
		Debt Instruments	Number of shares	Debt Instruments	Number of shares	
%	Number of shares					
0	0	0	83	0	83	Faisal Faruq Tamer
0	0	0	153,331	0	153,331	Dana Khaled Juffali
0	0	0	500,000	0	500,000	Munich Re Company
0	0	0	0	0	0	Khaled Abed Qama
0	0	0	728,237	0	728,237	Khaled Ahmed Juffali Company
0	0	0	0	0	0	Amr Mohammed Khashoggi

0	0	0	0	0	0	Hamad Almahyas Al Ali
0	0	0	999,999	0	999,999	National Health Insurance Company (Daman)
0	0	0	0	0	0	Sultan Abdulrauf
0	0	0	0	0	0	Abdullah Mohsen Al , Nimri
0	0	0	0	0	0	Mohammed Abdullah Aldar

❖ Information about loans owed by the company.

The Company did not borrow during the period and there are no loans on it and acknowledges this.

❖ A description of the categories and numbers of any debt instruments convertible into shares or any contractual securities or rights memoranda issued or granted by Saudi Enaya

The Company has not issued or granted any debt instruments convertible into shares, contractual securities, rights memoranda or similar rights during the period.

❖ A description of any conversion or subscription rights under debt instruments convertible into shares, contractual securities or rights memoranda issued or granted by Saudi Enaya

The Company has not issued or granted any conversion or subscription rights under debt instruments convertible into shares, contractual securities, right issues or similar rights.

❖ A description of any redemption, purchase or cancellation from the Company of any redeemable debt instruments

The Company has not recovered, purchased, cancelled, issued or granted any redeemable debt instruments.

❖ Number of General Assembly Meetings and Attendance Record

Number of meetings (2) meetings during the year 2023		
Ordinary General Assembly Meeting (Second Meeting) 10/05/2023	Extraordinary General Assembly Meeting (First Meeting) 05/12/2023	Name
✓	X	Faisal Faruq Tamer
✓	X	Dana Khaled Juffali
✓	✓	Amr Mohammed Khashoggi
✓	X	Mohammed Abdullah Aldar
X	X	Abdullah Mohsen Al , Nimri
✓	✓	Khaled Abed Qamah
X	X	Hamad Almahyas

❖ Number of Board Meetings and Attendance Record

Number of meetings (4) meetings during the year 2023				Nature of the member	Name
Fourth meeting 28/12/2023	Third meeting 10/12/2023	Second Meeting 28/05/2023	First Meeting 14/02/2023		
✓	✓	✓	✓	Amr Khashoggi	1
✓	✓	✓	✓	Faisal Tamer	2
✓	✓	✓	✓	Dana Juffali	3
✓	✓	✓	✓	Khaled Qamah	4
✓	X	✓	✓	Hamad Almahyas	5
✓	✓	✓	✓	Muhammad Aldar	6
X	X	✓	✓	Abdullah Al-Nimri	7

❖ The number of the Company's requests for the register of shareholders and the dates and reasons for such requests.

Reasons for the request	Order Date	Number of company requests for shareholder register
Company Procedures	02/01/2023	1
Company Procedures	03/01/2023	2
Company Procedures	04/01/2023	3
Company Procedures	05/01/2023	4
Company Procedures	09/01/2023	5
Company Procedures	22/05/2023	6
Company Procedures	21/08/2023	7
Company Procedures	18/10/2023	8
Company Procedures	20/10/2023	9
Company Procedures	06/11/2023	10
Company Procedures	05/12/2023	11

❖ Insurance contracts with related companies with members of the Board

(Members with direct or indirect interests are: Dana Khaled Juffali. Below is the list of policies written during 2023 that relate to Dana Khaled Juffali)

Document Number	Total Premiums	Policy Expiry Date	Effective date of the document	Members with direct or indirect interests	Document Name
43126	1,133,355.52	03/05/4202	03/05/3202	Dana Juffali	Khalid Ahmed Al , Juffali Company
43128	74,015.58	03/05/4202	03/05/3202	Dana Juffali	Khalid Juffali Industrial Company Ltd.
43083	120,085.32	03/05/4202	03/05/3202	Dana Juffali	Khalid Juffali Construction Company Ltd.
43130	116,570.13	03/05/4202	03/05/3202	Dana Juffali	Khalid Juffali Construction Company Ltd.
43127	36,207.93	01/06/4202	01/06/3202	Dana Juffali	Lonsdale & Associates Insurance Brokers
43569	278,132.30	31/05/2023	05/06/2023	Dana Juffali	Lonsdale & Associates Insurance Brokers Riyadh Branch
43129	146,604.94	03/05/4202	03/05/3202	Dana Juffali	Saudi Arabian Cypros Company

❖ Other contracts with related companies with board members

- An amount of SAR 345,000 – three hundred forty-five thousand was paid to SBM Ltd for the purchase of electronic services, licenses, and other services (members with direct or indirect interests are: Al Dana Khalid Al Juffali)
- Commissions payable to Lonsdale, which provides insurance services (insurance broker), have been adjusted against premiums due from insurance policies written in previous periods amounting to SAR 362,200 – three hundred sixty-two thousand and two hundred Saudi Riyals in 2023 (members with direct or indirect interests are: Al Dana Khalid Al Juffali).

❖ Waiver of any salary or compensation by a member of the Board of Directors or any senior executive

No member of the Board of Directors or any senior executive has waived any salary or compensation.

❖ Waiver of any rights to profits to a shareholder

No agreement or arrangement has been entered into providing for the assignor of any rights or profits by the shareholders.

❖ The means relied upon by the Board of Directors to evaluate its performance, the performance of its committees, members and the external party that carried out the evaluation and its relationship with the company.

The performance evaluation form for the Board of Directors and the committees evaluation form were developed and updated by the Remuneration and Nomination Committee, where the evaluation was carried out internally through a self-evaluation that ensures accuracy and avoiding errors in the questionnaire, as well as the results of the performance and outputs of each member for himself and another evaluation of the performance of other members, provided that the members of the Board of Directors are evaluated by an external party every three years.

❖ Statutory Payments

Description	Balance due until 31 December 2023	Payments during 2023	Statement
	000' Saudi Riyal	000' Saudi Riyal	
During the year 2023, some payments were made to the Zakat, Tax and Customs Authority for previous years, and there is a due balance related to the Zakat and Income Tax declaration for the year 2023.	462	240	Zakat, Tax and Customs Authority
The supervision and control costs of the Central Bank for the fourth quarter of 2023 were paid during 2024.	219	1,301	Supervision and Control Costs, (Insurance Authority)
Return on the statutory deposit for the past periods and up to 31/12/2022	-	5,012	Return on statutory deposit for the past periods until 2022 (Insurance Authority)
December 2023 social insurance dues were paid in January 2024.	175	2,212	General Organization for Social Insurance
The costs of supervision and control of the Council of Health Insurance due for the fourth quarter of 2023 were paid during the first quarter of 2024.	438	2,603	Supervision fees (Council of Health Insurance)
All annual registration costs in the Saudi market were paid in 2023 and there is no amount due at the end of 2023.	-	418	Saudi Exchange Company
Full residency renewal fees and exit and return fees have been paid.	-	318	Employment Office Fees
	1,294	12,104	Total

❖ Investments and reserves created for the benefit of employees.

No funds have been established or any investments allocated for the benefit of employees in the company. The company has taken the reserve for end-of-service indemnity in accordance with international accounting standards.

❖ Company Declarations

- Correct accounting records
- Properly established and effectively implemented internal control system.
- There are no doubts about the ability of the issuer to continue its activities.

❖ Chartered Accountants Report

Chartered accountants' report show that the Company's financial statements represent the Company's financial position as at 31 December 2023 and all results of operations and liquidity until the end of the year. And that these reports were prepared in accordance with the international standards for financial reporting adopted in the Kingdom of Saudi Arabia and other versions approved by the Saudi Organization for Certified Public Accountants (SOCPA), and assurances on the effectiveness of the company's internal control and submitting the observations that were monitored to the audit committee to reflect the current situation and evaluate the internal control in the company To be submitted to the Board of Directors, the external auditor's report also included an assessment of the company's internal control.

❖ Replacement of chartered accountants

The shareholders of the company have selected Al-Azm, Al-Sudairy, Al-Sheikh & Partners (Crowe) and Ms. Al-Ayouti & Co. (Moore International) as external auditors.

❖ Details of treasury shares held by the company and details of the uses of these shares

There are no treasury shares held by the company.

What has been applied from the Corporate Governance Regulations, what has not been applied and the reasons for that:

The Company shall apply the provisions of the Corporate Governance Regulations issued by the Capital Market Authority with the exception of the following articles:

Details and reasons	Partially applied	Not applied	Fully Applied	Text of the article/paragraph	Article Number
Guidance material		✓		The Board of Directors shall arrange for a third-party appraisal of its performance every three years.	41/H
Guidance material		✓		Motivate employees: The Company shall develop and stimulate the participation and performance of the Company's employees, including, in particular, the following: 2. Programs to grant employees shares in the company or a share of the profits it achieves and retirement programs, and the establishment of an independent	85

fund to spend on these programs.

Guidance material

✓

Social Responsibility: 87
The Ordinary General Assembly shall, upon the proposal of the Board of Directors, establish a policy that ensures a balance between its objectives that society aspires to achieve for the purpose of developing the social and economic conditions of society.

Guidance material

✓

Social Work Initiative: 88
The Board of Directors shall establish programs and determine the means to introduce the Company's initiatives in the field of social work, including:

1. Develop measurement indicators linking the company's performance to its initiatives in social work and compare it with other companies with similar activity.
2. Disclosing the social responsibility objectives adopted by the company to its employees, raising their awareness and educating them about them.
3. Disclosure of plans to achieve social responsibility in periodic reports related to the company's activities.
4. Develop awareness programs for the community to introduce the company's social responsibility.

❖ The composition of the Board of Directors, the classification of its members and the names of the joint stock companies in which the member of the Board of Directors is a member

A. Members of the Board of Directors

Experiences	Qualifications	Previous Positions	Current Positions	Membership status in the Board and/or membership of committees emanating from it	Name
39 years old	<ul style="list-style-type: none"> MBA, Yale University, USA Bachelor of Business Administration Menlo College, USA 	<ul style="list-style-type: none"> Omar Qasim Al , Esayi Company United Sugar Company Al Tawfiq Company for Plastic Bags and Textiles National Biscuit and Sweets Company Omar Qasim Alesayi Marketing Company AlAhli Takaful Company National Gypsum Company Public Joint Stock Company Member of the Board of Directors of Saudi Enaya Cooperative Insurance Company until 07/03/2023 	<ul style="list-style-type: none"> Saudi Enaya Cooperative Insurance Company: Member of the Board of Directors. AMKEST Group Global Gypsum Company Ltd . 3G National Food Industries Company United Warehousing Company Eastern Food Industries Co. Ltd. (Nigeria) Middle East Healthcare Company Qaderoon Company for Business Owners and Disability Ltd. 	<ul style="list-style-type: none"> Chairman – Independent Member of the Executive Committee 	<ul style="list-style-type: none"> Amr Mohamed Khaled Khashoggi
28 years	<ul style="list-style-type: none"> Master of Business Administration Bachelor of Business Administration 	<ul style="list-style-type: none"> Saudi Japanese Arabian Company: Executive Director Chairman of Saudi Enaya Cooperative Insurance Company until 07/03/2023 Member of the Nomination and Remuneration Committee, Enaya Company Member of the Investment Committee, Enaya Company 	<ul style="list-style-type: none"> Enaya Cooperative Insurance Company: Board Member Farouk & Mamoun Tamer & Partners Company Board Member Saudi Japanese Arabian Company: Chairman of the Board of Directors. Arabio Pharmaceutical Products Co. Ltd.: Member of the Board of Directors. Tamer Group Companies: Member of the Board of Directors. Sukoon International Company: Member of the Board of Directors. United Gulf Healthcare Company: Chairman of the Board of Directors. Italian Meals Company: Member of the Board of Directors. Luxury Elegance Company: Board Member 	<ul style="list-style-type: none"> Non-Executive - Vice Chairman Chairman of the Executive Committee 	<ul style="list-style-type: none"> Faisal Faruq Tamer
8 Years	<ul style="list-style-type: none"> Master of Business Administration Bachelor of Administrative Sciences – International Business Administration 	<ul style="list-style-type: none"> Siemens LTD : Project Manager & Learning and Development Manager Vice President of Saudi Enaya Cooperative Insurance Company 07/03/2023 Member of the Executive Committee of Saudi Enaya Insurance Company 	<ul style="list-style-type: none"> Saudi Enaya Cooperative Insurance Company, member of the Board of Directors. Khalid Ahmed Juffali Holding Company: Head of Business Development 	<ul style="list-style-type: none"> Board Member – Non-Executive Member of the Nomination and Remuneration Committee Chairman of the Risk Committee since 25/10/2023 	<ul style="list-style-type: none"> Dana Khaled Ahmed Juffali

26 years	<ul style="list-style-type: none"> Bachelor of Forensic Science Master on DNA Profiling 	<ul style="list-style-type: none"> National Health Insurance Company – Daman – Chief Operating Officer. National Health Insurance Company – Daman – Chief Commercial Officer MedNet GCC : Regional Managing Director Ministry of Justice – Forensic Medicine Specialist UAE National Biosecurity Committee – The UAE Cabinet-General Secretary 	<ul style="list-style-type: none"> Saudi Enaya Cooperative Insurance Company: Board Member. Health Daman Company (Daman): Chief Executive Officer . Daman Healthcare Solutions, GmBH,Munich Independent Health Information Technology Services – Member of the Board Emirates Insurance Association – Chairman of the Technical Sub-Committee to Support Emiratisation Emirates Insurance Association – Chairman of the Higher Technical Committee and Chairman of the Technical Sub-Committee for Life and Health Insurance. Emirates Insurance Association – Vice Chairman 	<ul style="list-style-type: none"> Board Member – Non-Executive Member of the Executive Committee Member of the Nomination and Remuneration Committee 	Hamad Abdullah Almahyas
18 years	<ul style="list-style-type: none"> Master of Business Administration from King Fahd University of Petroleum and Minerals – Saudi Arabia Bachelor of Marketing from King Fahd University of Petroleum and Minerals - Saudi Arabia 	<ul style="list-style-type: none"> Ministry of Housing. Ministry of Labor and Social Development. Palm Lead by Example Foundation. Abram Business Holding Company. Emirates NBD Capital. Deutsche Bank. Al Rajhi Bank. 	<ul style="list-style-type: none"> Financial Advisor 	<ul style="list-style-type: none"> Board Member - Independent Member of the Investment Committee Chairman of the Nomination and Remuneration Committee 	Abdullah Mohsen Al , Nimri
15 years	<ul style="list-style-type: none"> Bachelor of Medicine and Surgery from the Kingdom of Bahrain 	<ul style="list-style-type: none"> Hussein Al Ali Hospital. Al-Mashari Hospital. Care Medical Company. Willis Saudi Company. Sarak Gas Company (Aramco/Shell International). AXA Cooperative Insurance Company. General Organization for Social Insurance. 	<ul style="list-style-type: none"> MANAGING DIRECTOR OF ACCUMENT 	<ul style="list-style-type: none"> Board Member – Independent Chairman of the Investment Committee Member of the Risk Committee 	Mohammed Abdullah Aldar
35 years	<ul style="list-style-type: none"> US CPA Holder Active US CPA licenses in the states of Illinois and Virginia 		<ul style="list-style-type: none"> Member in board and the Technical committee of accounting and auditing organization for Islamic financial institutions Member of the Audit Committee Saudi Enaya Cooperative Insurance Company 	<ul style="list-style-type: none"> Audit Committee Member – Independent Non-Board Member 	Ali Al , Azhari
28 years	<ul style="list-style-type: none"> Bachelor of Business Administration from King Abdulaziz University 	<ul style="list-style-type: none"> SEDCO Capital – Managing Director and Investment Committee Member Saudi British Bank - Head of Corporate Finance & Business Development in the Western Region Member of the Risk and Credit Committee in Gharbia Business Skills Supply Company – Member & Chairman Anfal Capital Investment Company - Board Member SEDCO Holding – Member of the Executive Committee Central Laundry Company - Board Member 	<ul style="list-style-type: none"> Saudi Enaya Cooperative Insurance Company: Board Member Meethaq Holding Company - CEO Elaf Group – Board Member Modern Sit-in Shopping Company Ltd. – Board Member Al-Manara Integrated Group Company – Board Member & Director of the Administrative Committee Darat Arabia Real Estate Development Company Ltd. – Member of the Board of Directors Sukoon International Holding Company – Board Member 	<ul style="list-style-type: none"> Board Member – Independent Member Chairman of the Audit Committee Member of the Nomination and Remuneration Committee 	Khaled Abed Qama

		<ul style="list-style-type: none"> Al-Manara Integrated Group Company – Board Member & Director of the Administrative Committee 	<ul style="list-style-type: none"> Rasekhat Al Mutemayah Real Estate Investment Company - Board Member 		
29 years	<ul style="list-style-type: none"> Bachelor of Accounting from King Abdulaziz University 	<ul style="list-style-type: none"> Arabian Wind Company for Livestock and Feed – CEO Aseer Printing & Publishing Company - Al Watan Newspaper - Deputy General Manager Abdul Khaliq Saeed Group – Vice Chairman Al Salam International Hospital - Deputy General Manager / Chief Financial Officer National Commercial Bank - Financial Controller - Corporate Finance & Fixed Assets Manager Winnie Merry & Partners – Accountant – External Auditor 	<ul style="list-style-type: none"> Saudi Enaya Cooperative Insurance Company – Member of the Audit Committee. Trio Professional Company for Urban Development – CEO 	<ul style="list-style-type: none"> Audit Committee Member – Independent from outside the Board Independent Risk Committee Member from outside the Board 	Kinana Bin Muzahim Alsharif
25 years	<ul style="list-style-type: none"> Master in Accounting and Financial Information System 	<ul style="list-style-type: none"> Chief Investment Officer - Saudi Research and Marketing Group Head of Corporate Private Equity - SEDCO Holding Head of Corporate Finance - SEDCO Investment Company Head of Assets - SEDCO Investment Company Assistant General Manager - Saudi American Bank Senior Corporate Banker - National Commercial Bank 	<ul style="list-style-type: none"> Chief Executive Officer of Saudi Enaya Insurance Company 	<ul style="list-style-type: none"> Member of the Executive Committee – Executive Member of the Investment Committee – Executive 	Sultan Abdulrauf

B. Executive Management

Experiences	Qualifications	Previous Positions	Current Positions	Post	Name
25 years	Master in Accounting and Financial Information System	<ul style="list-style-type: none"> Chief Investment Officer Head of Corporate Private Investment Head of Corporate Finance Head of Assets Assistant General Manager Senior Corporate Banker 	CEO	CEO	Sultan Abdulrauf
51 years	bachelor Of Accounting ACCA,	<ul style="list-style-type: none"> Financial Controller Assistant Manager Senior Accountant Associate Financial Auditor 	Chief Financial Officer-in-Charge	Chief Financial Officer-in-Charge	Abdullah Puri
6 Years	Bachelor of Accounting	<ul style="list-style-type: none"> Senior Internal Auditor Internal Auditor Customer Service Officer 	Acting Director of Internal Audit	Acting Director of Internal Audit	Omar Iskandarani
17 years	-Mini Masters in Business Administration, Finance and Accounting Management -Bachelor of Accounting	<ul style="list-style-type: none"> Customer Service Officer Operations Assistant Manager Audit & Compliance Manager Chief Operating Officer Head of Compliance Head of Internal Audit Head of Internal Audit & Compliance 	Director of Governance Support	Director of Governance Support	Mazen Shahawi
8 Years	Bachelor of Psychology	<ul style="list-style-type: none"> Acting Human Resources Manager HR Business Partner Assistant HR Manager Human Resources Officer Claims Officer 	HR Manager	HR Manager	Wejdan Bakhriba
6 Years	Doctor of Business Administration	<ul style="list-style-type: none"> Acting Director of Cyber Security Acting Director of Cyber Security Project Manager Associate Project Manager 	Cyber Security Manager	Cyber Security Manager	Ryan Nozha
5 Years	Bachelor of Actuary	<ul style="list-style-type: none"> Actuary Assistant Senior Actuary Analyst Actuarial Analyst Actuarial assistant Trainee of Actuary Models 	Internal Actuary	Internal Actuary	Amir Al-Khalaf
14 years	High school	<ul style="list-style-type: none"> Account Manager Relationship Manager Customer Care Officer 	Customer Care Manager	Customer Care Manager	Rabie Rashwan
20 years	Bachelor of Communications	<ul style="list-style-type: none"> Head of Business & SME Regional Director - Western Region Operations Manager Subscription Manager for the Western Region Subscription Officer 	Commercial Manager	Commercial Manager	Sami Almalki
26 years	Master of Business Administration	<ul style="list-style-type: none"> Technical Services Manager Managing Director Project Manager General Manager manager CEO 	Acting Lead Manager	Acting Bookrunner	Thomas Wren
17 years	Master of Business Administration	<ul style="list-style-type: none"> Advisor to the Director General Director of Information Technology Department IT Manager Technical Support Supervisor Technical Support Engineer 	Acting IT Manager	Acting IT Manager	Khaled Alharbi

❖ Board Committees: (Audit Committee, Nomination and Remuneration Committee, Executive Committee, Investment Committee, Risk Committee)

A. Audit Committee:

Terms of reference and functions of the Committee

Recommending to the Board of Directors the approval of the appointment and reappointment of external auditors and ensuring the independence of the external auditors from the Company, members of the Board of Directors and senior management, Reviewing and discussing the annual and quarterly financial statements Preliminary drafts and recommending them to the Board of Directors before their issuance, Reviewing important accounting policies, procedures and changes that may occur thereto and preparing recommendations to the Board of Directors regarding the appropriateness of the accounting policies applied to the nature of the Company, and evaluating the financial reports issued by the Company Review Approving the internal audit management plan and its work team, studying and approving the compliance management plan and following up on its implementation, 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.

Review and study the actuary's reports and submit recommendations thereon to the Board of Directors, Study the observations of the Insurance Authority and the relevant supervisory and regulatory authorities regarding any regulatory violations or request corrective measures and submit recommendations thereon to the Board of Directors, Review the final annual financial statements and submit recommendations to the Board of Directors for review and approval to take action and issue the necessary decisions thereon, follow up the management's response to the observations made by the internal and external auditors, and conduct an annual review of the performance of the chartered accountant

Number of meetings (6) meetings during the year 2023						Nature of the member	Name
Sixth meeting	Fifth meeting	Fourth meeting	Third meeting	Second meeting	First meeting		
✓	✓	✓	✓	✓	✓	Chairman of the Committee	Khaled Abed Qama
✓	✓	✓	✓	✓	✓	member	Ali Al , Azhari
✓	✓	✓	✓	✓	✓	member	Kinana Alsharif

Remuneration of Audit Committee Members

Total	Allowance for attending sessions	Fixed bonuses monitored for the year 2023	Name
165,300	15,300	150,000	Khaled Qamah
140,000	20,000	120,000	Kenana Al , Sharif
140,000	20,000	120,000	Ali Al , Azhar
445,000	55,300	390,000	Total

B. Nomination and Remuneration Committee

Terms of reference and functions of the Committee

Annual review of the required skills needs appropriate to board membership, prepare a description of the capabilities and qualifications required for board membership, including determining the time that a member needs to devote to the work of the board, reviewing the structure of the board of directors, making recommendations regarding changes that can be made, identifying weaknesses and strengths of the board, proposing to address them in accordance with the company's interest, setting criteria for determining the independence of a board member, and ensuring that there is no conflict of interest if the member He is a member of the board of directors of another company, setting a policy for remuneration and incentives for the members of the board of directors and senior executives of the company, organizing the efforts of each member of the board of directors and senior executives in implementing the strategic objectives of the company, and evaluating the nomination and remuneration committee for their personal performance against the goals set by the board of directors.

Third meeting	Number of meetings (3) meetings during the year 2023		Nature of the member	Name
	Second meeting	First meeting		
✓	✓	✓	Chairman of the Committee	Abdullah Al-Nimri
X	✓	✓	member	Hamad Al Mahyas
✓	✓	✓	member	Khaled Qamah
✓	✓	✓	member	Dana Juffali

Remuneration of Nomination and Remuneration Committee Members		Name
Total	Allowance for attending sessions	
6,000	1,500	Abdullah Al-Nimri
4,500	1,500	Hamad Almahyas
6,000	1,500	Khaled Abed Qamah
6,000	1,500	Dana Juffali
22,500	6,000	Total

E. Executive Committee

Terms of reference and functions of the Committee

Studying the financial performance of the company, approving the budgets, estimated financial statements, and the subsequent capital and investment expenses, the annual and quarterly work plan, in addition to submitting recommendations to the Board of Directors, carrying out any work based on the authorization of the company's board of directors, providing assistance to the chairman of the board, studying projects related to participation in other companies, establishing new companies and projects, acquiring other companies, providing recommendations to the board of directors, discussing and taking decisions related to emergency topics that need To take an urgent decision and ensure the development and preparation of strategic plans that achieve the company's objectives, prepare and review annual and long-term financial goals and strategies, provide the necessary recommendations to the Board of Directors, and review and prepare the necessary recommendations to the Board of Directors regarding the company's business and the extent of its impact on the future of the company to achieve the desired goals to improve the quality of services

Number of meetings (6) meetings during the year 2023					Nature of the member	Name	
Fifth meeting	Fourth meeting	Third meeting	Second meeting	First meeting			
✓	✓	✓	✓	✓	Chairman of the Executive Committee	Faisal Tamer	1
✓	✓	✓	✓	✓	Member of the Executive Committee	Amr Khashoggi	2
✓	✓	✓	✓	✓	Member of the Executive Committee	Sultan Abdulrauf	3
X	X	✓	✓	✓	Member of the Executive Committee	Hamad Almahyas	4

Remuneration of Executive Committee members		Name
Total	Allowance for attending sessions	
7,500	1,500	Faisal Faruq Tamer
7,500	1,500	Amr Khashoggi
12,500	2,500	Sultan Abdulrauf
4,500	1,500	Hamad Abdullah Almahyas
32,000	7,000	Total

H. Investment Committee:

Terms of reference and functions of the Committee

The Investment Committee shall supervise the investment activities of the Company, ensure professional and appropriate management of the Company's needs, requirements and obligations, and its full compliance with the prevailing systems, assist in controlling and rationalizing the degree of risks, determine the Company's investment policies, make recommendations thereon to the Board of Directors for approval, and supervise the implementation of the Company's investment policies.

Number of meetings (2) meetings during the year 2023		Nature of the member	Name	
Second Meeting	First Meeting			
✓	✓	Chairman of the Investment Committee	Muhammad Aldar	1
✓	✓	Member of the Investment Committee	Sultan Abdulrauf	2
✓	X	Member of the Investment Committee	Abdullah Al-Nimri	3

Remuneration of Investment Committee Members		Name
Total	Allowance for attending sessions	
3,000	1,500	Muhammad Aldar
5,000	2,500	Sultan Abdulrauf
1500	1,500	Abdullah Al-Nimri
9,500	5,500	Total

Z. Risk Committee:

Terms of reference and functions of the Committee

The main objective of the Risk Committee is to assist the Board of Directors in identifying risks that may put the Company at risk, maintaining acceptable risk statements for the Company, overseeing and evaluating the effectiveness of the risk management system, defining a comprehensive strategy for managing the Company's risks, and reviewing risk management policies.

Number of meetings (2) meetings during the year 2023		Nature of the member	Name	
Second Meeting	First Meeting			
✓	✓	Chairman of the Risk Committee	Dana Juffali	1
✓	✓	Member of the Risk Committee	Kenana Al , Sharif	2
✓	✓	Member of the Risk Committee	Muhammad Aldar	3

Remuneration of Risk Committee Members		Name
Total	Allowance for attending sessions	
3,000	1,500	Dana Juffali
5,000	2,500	Kinana Al Ghalib Al Sharif
3,000	1,500	Muhammad Aldar
11,000	5,500	Total

❖ Benefits and remuneration of Board members, committees, and senior executives

Remuneration policy and how to determine it:

In determining the remuneration of the members of the Board, committees and executive management, the Board of Directors approved the company's policy on the remuneration of members of the Board of Directors, committees and executive management, approved by the General Assembly of Shareholders on 14/12/2020, and this policy included the following rules and standards in granting remuneration:

Article Four: Rules and Criteria for Awarding Remuneration

- I- **General Rules and Standards:** Without prejudice to the provisions of the Companies Law, the Capital Market Law and their Implementing Regulations and the Company's Articles of Association, the following rules and standards shall be taken into account when determining the remuneration of the members of the Board of Directors, committees and executive management:
- 1) The remuneration should be based on the recommendation of the Nomination and Remuneration Committee.
 - 2) Focus on enhancing effective risk management and achieving the safety and stability of the company's financial position
 - 3) Linking rewards and compensation to performance
 - 4) It must be ensured that the level and structure of remuneration and compensation:
 - just
 - Compatible with the company's objectives and strategy
 - Encourages prudential practices and does not take high risks to achieve short-term returns and is consistent with the Board's approved corporate risk management policy.
 - Remuneration should be provided for the purpose of urging the members of the Board of Directors and executive management to make the company successful and grow in the long term, such as linking the variable part of the remuneration to long-term performance.
 - Remuneration should be determined based on the level of the job, the tasks and responsibilities assigned to the incumbent, educational qualifications, work experience, skills, and level of performance.
 - Considering the practices of other companies in determining remuneration, while avoiding the resulting unjustified rise in remuneration and compensation.
 - To aim to attract, retain and motivate professional competencies, while not exaggerating them.
 - Does not cause any conflict of interest that would negatively affect the company's performance.
 - Aims to achieve the interests of the insured and shareholders and the company's long-term strategic objectives.
 - 5) A member of the Board of Directors or senior management (except for sales managers) may not receive commissions or remuneration for the work they contribute to the conclusion of for the Company. No part of the remuneration and compensation of a member of the Board of Directors or senior management (except for sales managers) may be directly linked to the company's turnover (insurance premiums).
 - 6) Remuneration shall be prepared in coordination with the Nomination Committee upon new appointments.
 - 7) If it is found that the remuneration has been decided based on inaccurate information provided by a member of the Board of Directors or any of the committees or executive management, its

disbursement will be stopped or legal measures will be taken towards its recovery if it is disbursed in order to prevent the exploitation of the employment situation to obtain undue remuneration.

II- Remuneration of Board Members and Committees:

- 1) The remuneration of the members of the Board of Directors - for their membership in the Board or committees - shall be a certain amount, attendance allowance for meetings, in-kind benefits or a certain percentage of net profits, and two or more of these benefits may be combined, based on the recommendation of the Company's Nomination and Remuneration Committee.
- 2) The remuneration of independent directors shall not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company.
- 3) Members of the Board or the committees (whether the member is from inside or outside the Board) may be granted an annual remuneration, based on the recommendation of the Company's Nomination and Remuneration Committee.
- 4) Remuneration and allowances are paid quarterly after approval by the Committee Secretariat.
- 5) Allowances for attending meetings of the Board of Directors and the committees shall be determined as follows:

Category	Allowance
Board meeting allowance	3,000 SAR / SR
Attendance allowance of committees emanating from the Board of Directors (for Board members)	1,500 SAR / SR
Attendance allowance for committees emanating from the Board of Directors (for non-Board members)	2,500 SAR / SR

- 6) The remuneration of the members of the Board of Directors and members of the committees shall be determined as follows:

Category	Annual remuneration
Chairman Remuneration	180,000 SAR / SR
Remuneration of Board Members	140,000 SAR / SR
Remuneration of Audit Committee Members	120,000 SAR / SR
Remuneration of the Chairman of the Audit Committee	150,000 SAR/SR
Remuneration of members of the Risk Committee and the Independent Nomination and Remuneration Committee (from outside the Board)	60,000 SAR/SR

Each member of the Board and the committees (members of the Board or from outside), including the Chairman of the Board, shall be paid the actual expenses they incur to attend the meetings of the Board or the committees emanating from the Board of Directors, including travel, accommodation and subsistence expenses.

- 1) A member of the Board of Directors may receive remuneration for his membership in the Audit Committee formed by the General Assembly, or for any additional executive, technical, administrative or advisory work or positions - under a professional license - assigned to him by the Company, in addition to the remuneration he receives as a member of the Board of Directors and in the committees formed by the Board of Directors, in accordance with the Companies Law and the Company's Articles of Association.
- 2) Remuneration may be granted to members of the Board of Directors and committees in the form of shares, after fulfilling all the statutory controls prescribed in this regard, in which case the entered value of the shares shall be the market value at maturity date.

- 3) The remuneration of the members of the Board of Directors and the committees may be of varying amounts to reflect the extent of the member's experience, terms of reference, tasks entrusted to him, his independence, and the number of sessions attended by other considerations.
- 4) If the General Assembly decides to terminate the membership of any member of the Board of Directors who is absent due to his failure to attend three consecutive meetings of the Board without a legitimate excuse, such member shall not be entitled to any remuneration for the period following the last meeting he attended, and he shall return all the remuneration paid to him for that period.
- 5) If the Audit Committee or the Capital Market Authority finds that the remuneration disbursed to any of the members of the Board of Directors is based on incorrect and misleading information presented to the General Assembly or included in the annual report of the Board of Directors, he shall return them to the Company, and the Company shall have the right to demand their refund.
- 6) Members must provide us with a copy of the bank account signed by them.

III- Senior Executive Rewards:

1. The Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, determines the types of remuneration granted to senior executives of the Company, such as fixed bonuses or performance-related remunerations.
2. Senior executives are given annual bonuses based on performance appraisal, in addition to compensation and fixed bonuses according to their employment contracts.
3. Remuneration may be granted to senior executives in the form of shares, after fulfilling all the statutory controls prescribed in this regard, in which case the input value of the shares shall be the market value at maturity.
4. The performance evaluation of senior executives is mainly based on their professional performance during the year and the extent of their professional interaction in achieving the company's strategic goals.

IV- Relationship between bonuses awarded and remuneration policy:

The remuneration granted to the members of the Board of Directors and the Executive Management during the year 2023 AD were as shown below, in line with the remuneration policy approved by the Association on 29/04/1442H corresponding to 14/12/2020G as follows.

Difference between payable and payable	Payment	Amount due as per the bonus policy	Member Name
0	180,000	180,000	Amr Khashoggi
0	140,000	140,000	Faisal Faruq Tamer
0	140,000	140,000	Dana Khaled Juffali
0	140,000	140,000	Khaled Abed Qamah
0	150,000	150,000	Khaled Abed Qamah
0	140,000	140,000	Hamad Almahyas
0	140,000	140,000	Muhammad Aldar
0	140,000	140,000	Abdullah Al-Nimri
0	120,000	120,000	Ali Al , Azhari
0	120,000	120,000	Kinana Al Ghalib Al Sharif
0	60,000	60,000	Kinana Al Ghalib Al Sharif
0	60,000	60,000	Sultan Abdulrauf

0	60,000	60,000	Sultan Abdulrauf
0	1,590,000	1,590,000	Total

I- Remuneration of Board Members

Expense allowance	Total	End of Service Benefits	Variable Rewards						Fixed Bonuses							
			Total	Granted shares (value entered)	Long-term incentive plans	Short-term incentive plans	Periodic bonuses	Profit Rate	Total	Remuneration of the Chairman of the Board, Managing Director or Secretary if he is a member	A statement of what the members of the Board received in their capacity as workers	In-kind advantages	Total allowance for attending meetings of the committees	Allowance for attending Board meetings		A certain amount
First: Independent Members																
0	211,500	0	0	0	0	0	0	0	211,500	180,000	0	0	7,500	21,000	180,000	Amr Khashoggi
0	179,300	0	0	0	0	0	0	0	179,300	140,000	0	0	15,300	25,500	140,000	Khaled Qamah
0	167,000	0	0	0	0	0	0	0	167,000	140,000	0	0	3,000	18,000	140,000	Muhammad Aldar
0	168,500	0	0	0	0	0	0	0	168,500	140,000	0	0	7,500	10,500	140,000	Abdullah Al-Nimri
Second: Non-Executive Members																
0	168,800	0	0	0	0	0	0	0	168,800	140,000	0	0	4,800	21,000	140,000	Faisal Tamer
0	173,000	0	0	0	0	0	0	0	173,000	140,000	0	0	9,000	16,500	140,000	Dana Juffali
0	170,000	0	0	0	0	0	0	0	170,000	140,000	0	0	9,000	18,000	140,000	Hamad Almahyas

II- Remuneration of Committee Members

Total	Allowance for attending sessions	Fixed Bonuses Monitored for FY 2023	Name	M
175,500	25,500	150,000	Khaled Qamah	1
135,000	15,000	120,000	Ali Al , Azhari	2
135,000	15,000	120,000	Kenana Al , Sharif	3
65,000	5,000	60,000	Kenana Al , Sharif	4
75,000	15,000	60,000	Sultan Abdulrauf	5
65,000	5,000	60,000	Sultan Abdulrauf	6
650,500	80,500	570,000	Total	

III- Total Senior Executive Bonuses

Total	Total remuneration of executives for the Board, if any	End of Service Benefits	Variable Rewards						Fixed Bonuses			Post	
			Total	Granted shares (value attached)	Short-term incentive plans	Short-term incentive plans	Earnings	Periodic bonuses	Total	In-kind advantages	Allowances		Salaries
4,519,905	0	0	0	0	0	0	0	0	4,519,905	518,400	1,086,346	2,915,159	Total

❖ Statutory penalties

FY 2022		FY 2023		Subject of the violation
Total amount of fines in Saudi Riyals	Number of executive decisions	Total amount of fines in Saudi Riyals	Number of executive decisions	
120,000	2	-	-	Violation of the instructions of the Insurance Supervisory and Supervisory Authority

-	-	132,500	1	Council of Health Insurance
0	-	-	-	Violation of the Insurance Authority's instructions for customer protection
0	-	-	-	Violating the instructions of the Insurance Authority regarding the exercise of due diligence in combating money laundering and terrorist financing

Details of the 2023 sanctions:

Ways to treat them and avoid their occurrence in the future	The signatory of the violation	Reasons for the violation	Penalties/Penalties/Precautionary Measure/Reserve Entry
The company has complied with the observations received from the Council of Health Insurance and will complete its plan for total compliance with the specified deadlines	Council of Health Insurance	Failure of the company to pay the claims within the specified time	Saudi Enaya Company received a letter from the Council of Health Insurance imposing a fine on Enaya Company of 132,500 SAR

❖ The results of the annual review of the effectiveness of internal control procedures in addition to the opinion of the Audit Committee on the adequacy of the internal control system in the company

The company assigned some internal audit tasks to Al-Sabti Company, in addition to the tasks carried out by the company's internal audit management team, managed the necessary reports and submitted them with recommendations to the audit committee. It also followed up on the observations that had previously been monitored and worked to close them. The Committee believes that the effectiveness of control and the adequacy of the current control system in the company meets the requirements and the company's current vision.

❖ Audit Committee recommendations that conflict with Board decisions

There are no recommendations from the Audit Committee that have a conflict between them and the decisions of the Board of Directors during the year 2023

❖ Actions taken by the Board of Directors to inform its members of shareholders' suggestions and observations:

There is no action to date.

❖ Details of the company's social contributions:

Saudi Enaya did not participate in any event during 2023.

Internal control system and its effectiveness

There are multiple levels to confirm the effectiveness of the control procedures carried out by the Internal Control Department through continuous examination of the application of annual work plans that are implemented under the supervision of the Audit Committee to continuously improve the level of internal control. The Audit Committee confirms the effectiveness of the company's internal control system based on the review of the company's external auditor and the reports and observations that he discussed with the members of the committee, which led to the issuance of confirmation from the committee that the company must close the observations that have been monitored and processed and ensure that they are not repeated and report to them.

❖ Maintenance of accounting records

In line with the requirements of safety and control regulations in the Kingdom of Saudi Arabia. The Company acknowledges that it has maintained separate accounting records for insurance and shareholder operations and recognizes the importance of maintaining correct accounting records for the financial year.

❖ Continuation of operations

The company emphasizes its ability to continue its operations without any obstacles.

❖ The end

On behalf of the members of the Board of Directors, I extend my thanks and appreciation to all the shareholders of Saudi Enaya Cooperative Insurance Company for their contribution to the continuation of the company's health insurance business, and they are also pleased to thank the company's management and employees for their efforts to make the company a success during the year 2023. The members of the Board of Directors also extend their thanks to all the company's customers for giving them confidence and their keenness to develop and continue the relationship with the services and products provided by the company. They are confident that these achievements will give the company a strong impetus for 2024 to achieve the strategic goal and achieve more successes.

Thank you and appreciate your support and accept my greetings

Khaled Abed Qamah

Chairman of the Board of Directors