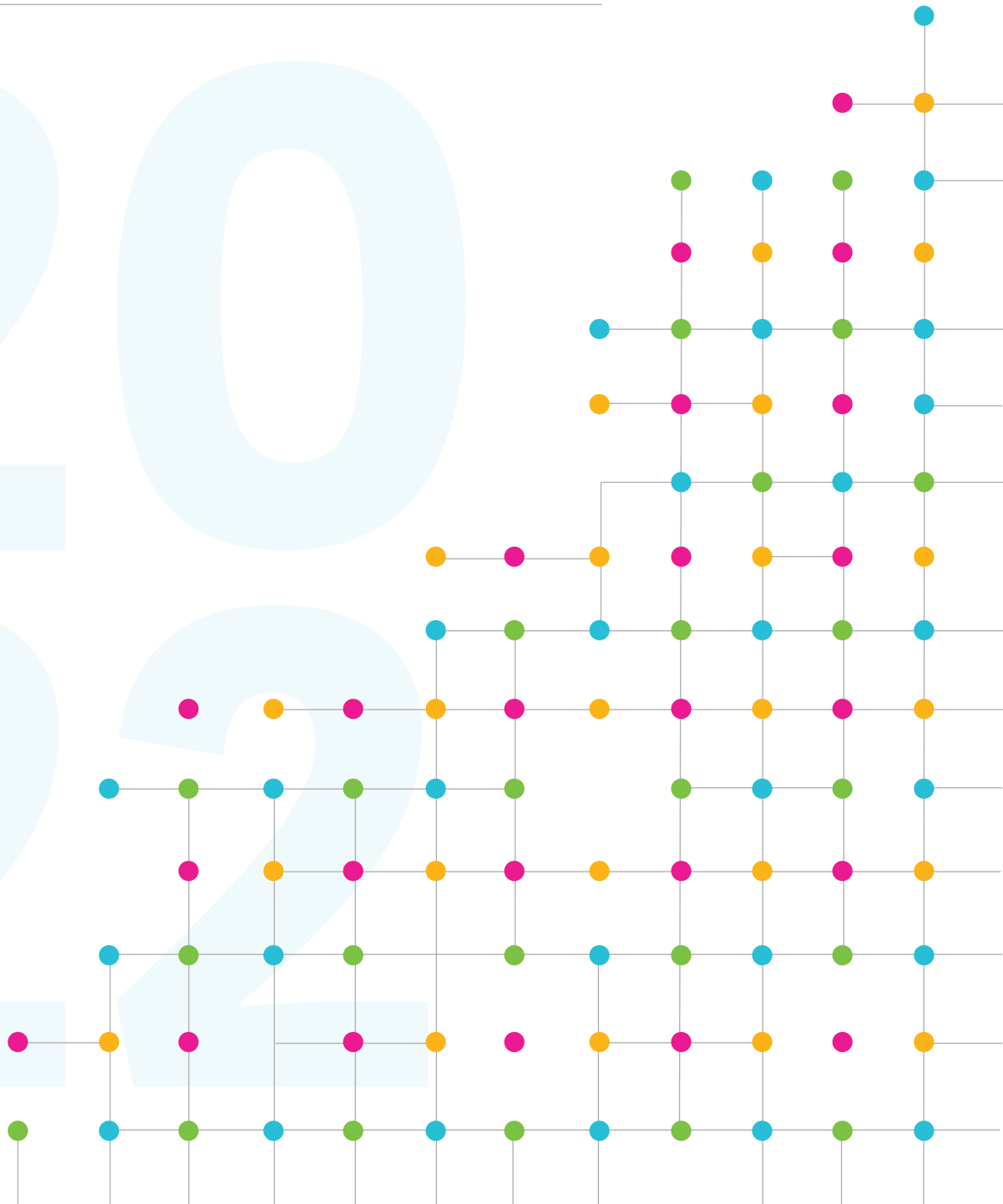




Chubb Arabia Cooperative Insurance Company

# Board of Directors Report for the year ended

2022



Ref No.	Topic
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1.6	Geographical analysis of the Company's revenues
1.7	Major variations in actual operating results and projections
2	Description of ownership
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## BOARD of Directors Report

### For the Financial year January 1, 2022 to December 31, 2022

The Board of Directors of Chubb Arabia Cooperative Insurance is pleased to present to the esteemed shareholders its Annual Report accompanied with the Audited Financial Statements and notes for the year ending on 31/12/2022. In addition, the important developments, financial results, future outlook, operational activities and disclosures according to regulations and rules Are presented as follows.

#### Company profile and description of types of its main activities:

Chubb Arabia Cooperative Insurance Company a Saudi Joint Stock Company registered on 21 July 2009 (corresponding to 28 Rajab 1430H) under commercial registration number 2051043431, issued in Al-Khobar, Kingdom of Saudi Arabia. The Company has been licensed to conduct general insurance business in the Kingdom of Saudi Arabia under the Cooperative principles, in accordance with Royal Decree number 60/M dated 11 October 2006 (corresponding to 18 Ramadan 1427H), pursuant to Council of Ministers resolution number 233 dated 9th October, 2006 (corresponding to 16 Ramadan 1427H).

**The Company provides the following general insurance products listed hereunder:**

Property	Engineering	Casualty	Motor	Financial Lines	Marine	Group Life & PA	Accident & Health
Property All Risks (ABI)	Contractors All Risk	Comprehensive Crime	Motor Insurance TPL	Trade Credit	Marine Cargo (Open)	Group Term Life	Travel
Property All Risks (LM7)	Erection All Risk	Comprehensive General Liability	Motor Insurance Comprehensive	Professional Liability Bankers Blanket Bond	Marine Cargo (Single Shipment)	Personal Accident	Business Travel
Property All Risks (standard)	Machinery Breakdown	Employers Liability		Civil Liability for Financial Institutions	Marine Land Transit (Open)		Hemayati Travel insurance
Fire Insurance	Contractors Plant & Equipment	Fidelity Guarantee		Directors & Officers Liability	Marine Land Transit (Open)		Visa Card Travel
Householders & House owners Comprehensive	Loss of Profits Following Machinery Breakdown	Money		Financial Services Industry Insurance	Marine Land Transit (Single Shipment)		AMEX Card insurance
Business Interruption	Deterioration of Stock	Workmen's Compensation		Professional Indemnity for Financial Institutions	Hull Insurance		
Plate Glass	Electronic Equipment and Data Processing	Event Cancellation		Electronic & Computer Crime	Truck men Cargo Liability		
Jewelers Block				Cyber Insurance			
Terrorism Political Violence							

**Following are the results of the operational segments, their effect on the volume of business and their contribution to the results of the Company, for the year ending 31/12/2022.**

**The split of business for the year 2022 is follows:**

- Property Insurance: 41.07%
- Engineering Insurance: 10.56%
- Motor Insurance: 18.66%
- Other lines of business : 29.72%

## Financial year ending 31/12/2022

	Property	Motor	Engineering	Others	Total
Gross Written Premium	124,705	56,656	32,056	90,259	303,677
Net Written Premium	5,925	55,795	6,151	34,870	120,742
Net Earned Premiums	4,584	54,236	5,744	33,536	98,100
Net incurred claims	(7,995)	(35,356)	(1,119)	(1,920)	(46,390)
Underwriting Expenses	(11,096)	(8,655)	(2,963)	(7,008)	(29,722)
Re-insurance commissions revenues	15,585	-	6,092	6,435	28,113
Other underwriting expenses	(801)	(5,306)	(211)	(759)	(7,077)
Net Underwriting Profit	1,078	10,224	7,755	31,043	50,101
General & Administrative Expenses					(49,948)
Provision for doubtful reserves					223
Special Commission Income					8,421
Other losses not realized from investments					(101)
Other Income					10,719
Net surplus of the Insurance operations					13,396

Following are the results of the operational segments, their effect on the volume of business and their contribution to the results of the Company, for the year ending 31/12/2021.

The split of business for the year 2021 is follows:

- Property Insurance: 41.87%
- Engineering Insurance: 9.90%
- Motor Insurance: 21.56%
- Other lines of business : 26.67%

## Financial year ending 31/12/2021

	Property	Motor	Engineering	Others	Total
Gross Written Premium	121,655	62,657	28,764	77,503	290,581
Net Written Premium	5,646	61,750	5,143	30,446	102,986
Net Earned Premiums	5,876	60,549	4,325	28,704	99,456
Net incurred claims	(2,600)	(44,866)	(1,888)	(3,412)	(52,767)
Underwriting Expenses	(5,282)	(8,404)	(1,321)	(5,263)	(20,270)
Re-insurance commissions revenues	14,647	298	5,015	6,154	25,818
Other underwriting expenses	(863)	(3,490)	(134)	(755)	(5,243)
Net Underwriting Profit	12,641	7,280	6,132	26,183	52,238
General & Administrative Expenses					(42,572)
Provision for doubtful reserves					789
Special Commission Income					5,792
Other losses not realized from investments					7
Other Income					928
Net surplus of the Insurance operations					15,316

## Company's Assets, Liabilities for the last five years

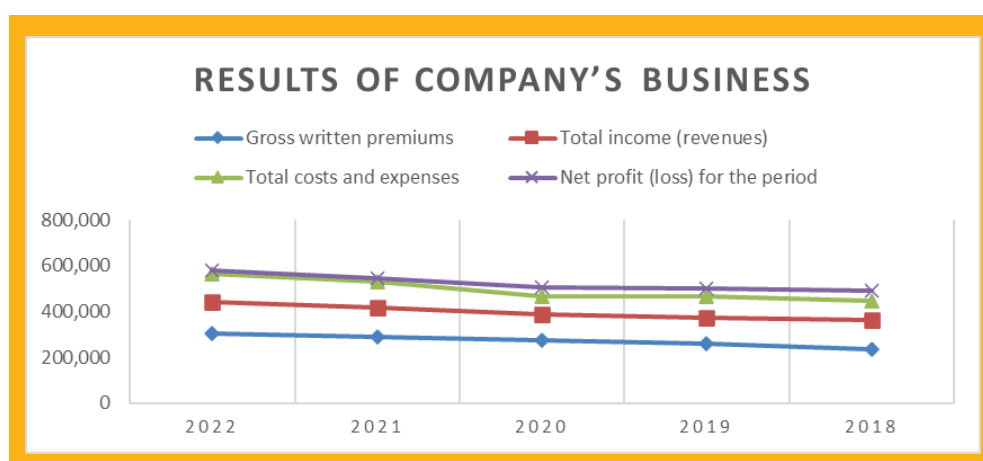
Description	2018	2019	2020	2021	2022
Insurance Operations Assets					
Investments and cash with banks	109,071	96,524	104,703	77,022	61,348
Net Receivables	71,743	102,145	134,981	151,583	143,765
Other assets	136,196	162,374	210,322	222,991	332,743
Total assets of insurance operations	317,010	361,043	424,672	451,596	537,585
Shareholders Assets					
Investments and cash with banks	196,605	239,647	259,012	270,341	277,166
Other Assets	76,891	78,973	76,199	87,280	79,597
Total Assets SH	273,497	318,620	335,211	357,621	356,763
Total Assets PH + SH	590,507	679,663	759,883	809,217	894,349
Reinsurance payables PH	37,892	64,807	86,038	85,044	93,623
Insurance liabilities					
Technical reserves	200,199	222,040	241,856	278,816	-
Other liabilities	37,306	39,432	54,057	59,862	359,767
Total liabilities of insurance operations	275,397	326,279	381,951	423,722	54,384
Shareholders Liabilities and Equity					
Shareholders' liabilities	22,041	30,970	25,230	25,630	22,013
Shareholders' equity	293,069	322,414	352,702	359,865	364,562
Total Shareholders' liabilities and equity	315,110	353,384	377,932	385,495	386,574
Total Liabilities	590,507	679,663	759,883	809,217	894,349

## Results

of company's business during the last five years:

000 SAR

Description	2018	2019	2020	2021	2022
Details of the results from the insurance operations and surplus					
Gross written premiums	233,973	258,223	274,663	290,582	303,677
Net earned insurance premiums	101,332	87,439	89,491	105,067	98,100
Re-insurance commission	21,258	22,967	22,967	28,818	28,113
Other insurance revenues	2,460	2,166	4,169	929	10,719
Investment and other revenues income	1,768	3,620	2,234	575	(1,567)
Total income (revenues)	126,818	115,440	118,861	132,389	135,365
Total paid liabilities	49,638	53,512	39,476	88,676	55,701
Total incurred liabilities	25,507	30,412	18,546	52,767	46,390
Costs of acquisition of insurance policies	18,248	14,970	24,498	20,270	29,722
Loss surplus insurance expenses	4,403	3,718	4,091	5,611	7,319
Other expenses	38,164	43,577	31,907	35,929	43,808
Total costs and expenses	86,322	92,677	79,043	114,577	127,239
Net surplus after shareholders shares	5,004	3,212	3,981	1,781	1,544
List of shareholders income					
Investment income and administration fees	233,973	258,223	274,663	290,582	303,677
Other income	101,332	87,439	89,491	105,067	98,100
Shareholders share of net surplus	21,258	22,215	22,967	28,818	28,113
General and administrative expenses	2,460	2,166	4,169	929	10,719
Net profit (loss) for the period	1,768	3,620	2,234	575	(1,567)



## Statement of cash flows for the last five years

Cash flow	2018	2019	2020	2021	2022
Details of cash flows for the insurance operations					
Net cash of what is used at operational activities	(14,005)	(6,524)	(7,874)	4,092	4,092
Net cash of what is used at investment activities	(29,030)	20,495	(27,391)	(1,468)	(1,468)
Net cash of what is used at financing activities	(1,937)	(15,968)	16,019	(17,155)	(17,155)
Net increase (decrease) in cash	(13,088)	(1,997)	(19,246)	(14,532)	(14,532)
Cash at the beginning of the year	37,267	39,264	58,510	73,042	73,042
Cash by the end of the year	24,179	37,267	39,264	58,511	58,511
Details of shareholders cash flows					
Net cash used for operational activities	11,704	7,500	35,541	25,242	25,242
Net cash used for investment activities	(157,803)	39,901	30,989	(62,603)	(62,603)
Net cash used for financing activities	1,937	4,846	(17,141)	16,033	16,033
Net increase (decrease) in cash	(148,036)	52,247	49,389	(21,327)	(21,327)
Cash at the beginning of the year	148,777	96,529	47,140	68,467	68,467
Cash at the end of the year	741	148,776	96,529	47,140	47,140

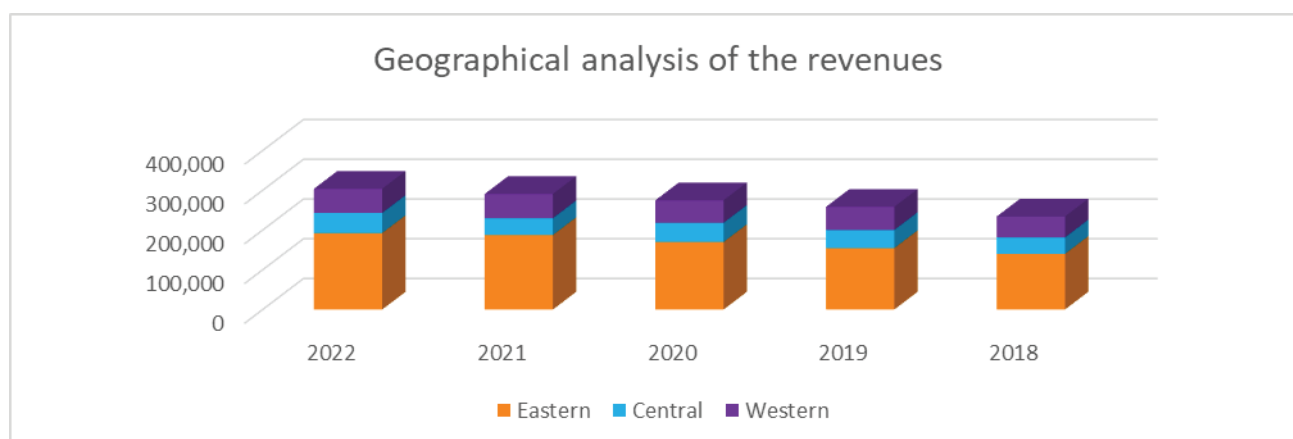
### Schedule of changes in Shareholders Equity as at 31/12/2022

Description	Share Capital	Statutory Reserve	Retained Earnings	Total
Balance at 1 January 2022	300,000	39,928	19,937	359,865
Net income for the year attributable to shareholders	-	-	4,697	4,697
Total comprehensive income for the year	-	-	-	-
Transfer to statutory reserve	-	939	(939)	-
Balance at 31 December 2022	300,000	40,867	23,695	364,562
	-	-	-	-
Balance at 1 January 2021	200,000	38,495	114,207	352,702
Net income for the year attributable to shareholders	-	-	7,162	7,162
Total comprehensive income for the year	-	-	-	-
Transfer to statutory reserve	100,000	-	(100,000)	-
Balance at 31 December 2021	-	1,432	(1,432)	-
	300,000	39,928	19,937	359,865

### Geographical analysis of the Company's revenues

The following table summarizes the total insurance premiums contributed in (thousands Riyals) based on their geographical distribution in the Kingdom and compared with the previous year, knowing that the company has no branch outside of the Kingdom.

Region	Gross Premium Underwritten 2018	Gross Premium Underwritten 2019	Gross Premium Underwritten 2020	Gross Premium Underwritten 2021	Gross Premium Underwritten 2022
Eastern	139,998	154,508	169,965	187,445	192,446
Central	41,292	45,572	48,206	42,183	50,465
Western	52,683	58,143	56,491	60,954	60,766
Total	233,973	258,223	274,663	290,582	303,677



### Major variance in actual operating results:

- Net profit before Zakat and income tax for the year 2022 amounted to SAR 40,804 million, compared to SAR 13,536 million for the year 2021, with a decrease of 12.44%.
- The reasons for the decrease in the net profit before Zakat & Tax are due to an increase in General and Administrative Expenses and an increase in Policy Acquisition Costs, a decrease in the Investment income for Policy holder, and Reversal of allowance for doubtful debts.
- Total shareholders' equity at 31/12/2022 SAR 364,562 thousand compared to SAR 359,864 thousand for the same period of last year with an increase of 1.31%.
- The total comprehensive income for the current period is SAR 6,242 thousand compared to SAR 8,944 thousand for the same period last year, a decrease of 30.21%.
- Certain of the amounts have been reclassified to conform to the presentation in the current year. These changes were made for better presentation of balances and transactions in the Annual financial statements of the Company. The Company asserts that there is no financial impact of these re-classifications on Net Results from Retained Earnings, and Equity.

### Description of ownership of any person holding shares eligible for voting (except members of board of directors, senior executives and their spouses and dependent children):

**Below are names of current owners of the Company, owning (5%) and more up to date of this report:**

- 1 Chubb INA International Holdings Company Limited 30%
- 2 El Khereiiji Investment Company 25%
- 3 International Company for Trade and Contracting Services 5%

**Board Members Mr. Abdulaziz Abdulkarim El Khereiiji and Mr. Mohamed Abdulkarim El Khereiiji, together own 30% of shares of Chubb Arabia Cooperative Insurance Company, through the following shareholder companies:**

- 1 El Khereiiji Investment Company, which owns 25%
- 2 International Company for Trade and Contracting Services 5%



## Description of important plans, decisions, prospects for the company's business and risks

The Board of Directors has approved the business plan for 2022 and accordingly, the business strategy is revisited and updated. The strategy and plan demonstrate a positive outlook for the company, which is aimed at expanding its competitive capabilities in order to grow sustainably.

Chubb Arabia continues to be one of the few companies in Saudi Arabia which have continued to maintain its A3 rating with a stable outlook from Moody's Investor Service, this demonstrates a strong level of strength and stability, which has been built through a focus on a disciplined underwriting philosophy, that will continue to be enriched going forward.

Chubb Arabia is committed to providing insurance solutions to selected brokers and direct customers and will strive to provide unmatched services, whilst maintaining its position as a reliable partner. The key objectives for next year continually strengthen the skill set of its people and expand the business where the Chubb brand can be leveraged alongside, keep a strong, fast-tracked focus on innovation, and operational efficiency, and increase Net Written Premiums. The emphasis is to lay the foundations for the sustained market presence of existing product lines, as well as the development of new and niche lines of the general insurance business in Saudi Arabia.

During the current year, the company has successfully implemented a new Information Technology infrastructure and is progressing with the completion of a new core system which will be implemented in 2023.

The breadth of the new IT structure will provide unprecedented access to information, allowing for greater operational efficiency, improved decision-making, and enhanced collaboration between departments. To further drive progress, Chubb Arabia is also working to deploy an automated distribution system to unlock the full potential of the Small and Medium Enterprise (SME) business segment – a major area of focus moving forward. By leveraging a versatile IT system, Chubb Arabia is working to advance future prospects and secure a long-term competitive edge.

Chubb Arabia views its employees as the greatest asset of the company. As such, significant resources continue to be deployed for employee training and development, with a focus on cultivating a strong culture and environment. From specialized training and employee recognition, employees are being enabled to reach their full potential and excel in their roles.

While the process of adapting to a changing landscape remains a challenge, the company is confident that its expertise, dedication, and innovation will ensure that it can navigate the road ahead and remain a significant player in the Saudi insurance market.

## Applied and not applied provisions of Corporate Governance Regulations and reasons:

**The Company acknowledges implementation of all articles of Corporate Governance Regulations for companies issued by the Saudi Central Bank and Corporate Governance Regulations of companies issued by Capital Market Authority, except what is stated below:**

Item Number	Item text	Reasons for non-application
39	<p>The Company shall pay adequate attention to the training and preparation of the Board members and the Executive Management, and shall develop the necessary programs required for the same, taking the following into account:</p> <ol style="list-style-type: none"> <li>1) preparing programs for the recently appointed Board members and Executive Management to familiarize them with the progress of the Company's business and activities, particularly the following: <ol style="list-style-type: none"> <li>a. the strategy and objectives of the Company;</li> <li>b. the financial and operational aspects of the Company's activities;</li> <li>c. the obligations of the Board members and their duties, responsibilities and rights;</li> <li>d. the duties and competencies of the committees of the Board.</li> </ol> </li> <li>2) developing the necessary mechanisms for Board members and the Executive Management to continuously enroll in training programmers and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.</li> </ol>	Guidance - partially applied to the executive management, as the company has set extensive programs to develop and qualify the executive competencies within the company, and a training program is developed for members of the Board of Directors when needed and work is underway to meet the requirements of the article
41	<p>The Assessment:</p> <ol style="list-style-type: none"> <li>a) The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</li> <li>b) The procedures of performance assessment shall be in writing and clearly stated and disclosed to the Board members and parties concerned with the assessment.</li> <li>c) The performance assessment shall entail an assessment of the skills and experiences of the Board, identification of the weaknesses and strengths of the Board and shall attempt to resolve such weaknesses using the available methods, such as nominating competent professional staff able to improve the performance of the Board. The performance assessment shall also entail the assessment of the mechanisms of the Board's activities in general.</li> <li>d) The individual assessment of the Board members shall take into account the extent of effective participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and its committees' meetings and dedicating adequate time thereof.</li> <li>e) The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.</li> <li>f) Non-Executive Directors shall carry out a periodic assessment of the performance of the chairman of the Board after getting the opinions of the Executive Directors, without the presence of the chairman of the Board in the discussion on this matter, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</li> </ol>	Guidance - The Board of Directors has relied on internal evaluation methods so far and there is no external body that carries out the evaluation. It is expected that a mechanism for evaluation will be developed by an external body to evaluate the Board every three years during the next year.
87	<p>Social Responsibility:</p> <p>The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.</p>	Guidance - work is underway on preparing the policy, as it is expected to be approved by the General Assembly during the next year
88	<p>Social Initiatives:</p> <p>The Board shall establish programmers and determine the necessary methods for proposing social initiatives by the Company, which include:</p> <ol style="list-style-type: none"> <li>1) establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities;</li> <li>2) disclosing the objectives of the Company's social responsibility to its employees and raising their awareness and knowledge of social responsibility;</li> <li>3) disclosing plans for achieving social responsibility in the periodical reports on the activities of the Company's; and</li> <li>4) establishing awareness programmers to the community to familiarize them with the Company's social responsibility.</li> </ol>	Guidance - despite the company carrying out some social activities in previous periods and on an ongoing basis, a program will be developed and approved by the Board of Directors consistent with the social responsibility policy that will be approved in the future.
95	<p>Formation of a Corporate Governance Committee:</p> <p>If the Board forms a corporate governance committee, it shall assign to it the competences stipulated in Article (94) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually.</p>	Guidance - The company does not currently see this as a necessity to form it

## Names of members of the Board of Directors, Members of the Committees and Executive administration, their present, previous positions, their qualifications and experience

### Members of the Board of Directors

#	Name	Current Position	Previous Position	Qualifications	Years of Experience
1	Engr. Nabil Yousef Jamil Jokhdar (Chairman)	Chairman of the Board of Directors at Chubb Arabia Insurance Company.	General Manager of Saudi Consolidated Engineering Company. General Manager of Dar Al Riyadh Branch Manager of ZFP.	University Degree in Civil Engineering from University of North Arizona	39
2	Mr. Stephen Brian Dixon (Vice Chairman)	Board Member at Chubb Arabia	Regional Managing Director, ACE MENA. General Manager, ACE American Insurance Company, Bahrain Br. UK Commercial P&C Manager, ACE UK. Continental Europe Casualty Manager, ACE European Group.	Associate of Chartered Insurance Institute, London	45
3	Mr. Abdulaziz Abdulkarim El Khereiiji (Managing Director)	Managing Director and Board Member at Chubb Arabia Board Member and Member of Audit Committee member at the Saudi Ceramic Co. Chairman of the Board of Directors of the Knowledge Enrichment Company	Chairman of the Board of Directors at Saudi Ceramic Co. CEO at Chubb Arabia General Manager of International Company for Trade & Contract Services. Director Bidaya Home Financing Director, Tayser	Bachelor's Degree in Administration Sciences, from King Fahd University for Petroleum and Minerals	22
4	Mr. Mohammed Abdulkarim El Khereiiji	Board Member at Chubb Arabia General Manager at El Khereiiji Group Board member of Dar Alyaum	Manager of Credit Facilities at Saudi Hollandi Bank, Saudi Arabia	Bachelor's Degree in information systems from California State University Long Beach	19
5	Mr. Serge Michel Osouf	Board Member at Chubb Arabia	Non-Executive Director, Chubb Insurance Pakistan Non-Executive Director, ACE/Chubb Insurance Company, Russia Vice Chairman and Director, Chubb European Group Turkey Branch Director President & Chief Operating Officer SCOR Group	Ecole Nationale d'Assurance, MMS CNAM – Economy CNAM – Mathematics, Chemistry	55
6	Mr. Giles Richard Ward	Board Member at Chubb Arabia	Regional President Chubb Eurasia & Africa Country President Australia & New Zealand, Chubb Regional Manager, MENA, ACE/Chubb Director of Distribution & Marketing AXA-Asia P&C President/CEO, AXA AFFIN Assurance Bhd Malaysia	BA Economics Degree from Manchester University ACII/Chartered Insurer	33
7	Mr. Christian Raymond Mounis	Board Member at Chubb Arabia Consultant, Reinsurance	President Europe, Life Operations, SCOR S.E. President Europe Operations, Transamerica Reinsurance Company Executive Vice President SCOR Life	ESSEC Business School, France The Wharton School Executive Education Program, University of Pennsylvania, USA	45
8	Mr. Wahdan Suleiman Al-Kadi	Board Member at Chubb Arabia Chief Commercial Officer in Ministry of Tourism.	Chairman of the Audit Committee of Chubb Arabia Insurance and Director of Business Development at Ras Al Salam Holding and a Strategic Advisor at the General Organization for Technical and Vocational Training.	Master's in business administration from King Fahd University of Petroleum and Minerals	21
9	Engr. Hisham Abdulrahman A. El Khereiiji	Board Member at Chubb Arabia CEO, Al-Khereiiji Company for Commerce & Contracting.	Deputy CEO, Al-Khereiiji Company for Commerce & Contracting, Section Manager Fast Moving Consumer Goods, Savola Retail Division (PANDA)	MS Engineering Management & Leadership BS Systems Engineering	19

## Members of Committee Outside the Board

#	Name	Current Position	Previous Position	Qualifications	Years of experience
1	Mr. Mr. Abdullah Khalaf Al Yousef	-Chairman of Audit Committee at CHUBB Arabia -Manager of Smart Guide Office for Financial and Administrative Consultations	Member of Nomination & Remuneration and Investment Committees at CHUBB Arabia	Bachelor's degree of MIS from King Fahd University for Petroleum and Minerals	20
2	Mr. Diya Maghrabi	-Member of Risk Committee at CHUBB Arabia -CEO of Alma Express Company	Member of Audit Committee at CHUBB Arabia	- Master's Degree in Industrial Engineering - Bachelor Degree in international Commerce from Rensselaer Polytechnic Institute, USA	19
3	Mr. Abduallah Bakhreba *	-Member of Audit Committee at CHUBB Arabia - CEO of State Street Company	-Head of Product Development at Ashmor Company -Chairman of the Board of Directors of Taza Company	-Bachelor of Information Systems Management -Master of Business Administration	42
4	Mr. Hassan Tariq	-Member of the Risk Committee at Chubb Arabia - Director of FRIB Saudi Arabia Ltd	Head of Internal Audit, Chubb Arabia Insurance Company - Senior Manager, Deloitte & Touch, Bakr Abu al-Khair - Director of Deloitte & Touch Bakr Abu al-Khair - Assistant Director of Deloitte & Touch Bakr Abu al-Khair - Supervisor of Deloitte & Touch Reviews, Bakr Abu Al Khair	Bachelor of Finance, Chartered Accountant	17
5	Mr. bader Alreziza**	-Member of Audit committee at Chubb Arabia	Chief Executive Officer and member of the Board of Directors of Al-Raziza Trading and Contracting Company, Member of the Board of Directors of Suleiman Al-Raziza Sons Investment Company, Vice Chairman of the Board of Directors of the Asharqia Chamber, Member of the Board of Directors of Zadek Culinary Arts Limited Company, Member of the Investment Committee of the Eastern Region Development Authority, Member of the Board Management and representative of the private sector at the Technical College in Dammam, Chairman of the Board of Directors of Eqal Al-Sharqiya, and a member of the Board of Trustees of the Oqal Group.	-Bachelor's degree in Information Systems Management at California State University - 2002  Master of Business Administration from California State University - 2005	21
6	Mr. Loay Fahad Dakheel	NCB Capital Senior Wealth Manager & Member of investment In Chubb Arabia	Associate Wealth Manager in NCB Capital & Manager Business Development in HSBC Saudi Arabia Ltd.	Bachelors Degree in Industrial Management (Marketing)	19

● \*Resigned on 31/12/2021 AD

● \*\* Joined on 01/01/2022 AD

## Executive Management

#	Name	Current Position	Previous Position	Qualifications	Years of experience
1	Mr. Abdulaziz Abdulkarim El Kherei	Managing Director	General Manager of International Company for Trading & Contracting Services.	Bachelor's Degree in Administration Sciences from King Fahd University for Petroleum and Minerals	23
2	Mr. Kamran Mazhar	Chief Executive Officer	Chief Operating Officer at Chubb / ACE Insurance Pakistan, Limited Operation Manager at CHUBB Arabia	Executive Master's in Business Administration (EMBA) Degree from HEC Paris- France and Bachelor's degree in Economics from the University of Texas at Austin USA Diploma CII	23
3	Mr. Emad Aldeen Alhateeb	Chief Financial Officer	Executive Member, board Member, Investment Committee Member and group Finance Director of Khalid Alturki & Sons Holding Company	Passed all parts of Uniform CPA Examinations Accounting from AICPA, California Board of Accountancy	12
4	Mr. Mohannad Badkook	Chief Operating Officer	Accountant at Ace Arabia Cooperative Insurance Company, KSA Risk Manager at Chubb Arabia	Bachelor's Degree in Accounts and Finance from Bentley University, USA.	8
5	Ms. Shahad Adel Alyousif*	Acting Compliance Manager	Board of Director Secretary, And legal affairs specialist at Ibrahim Muhammad Al-Mana and Brothers Company	Bachelor's degree in Law from Prince Muhammad Bin Fahd University and Certified Compliance Officer	5
6	Mr. Mowafag Abdulaziz Nawab	Human Resources Manager	Senior Supervisor of Human Resources, Wala Insurance. Senior supervisor of Human Resources at National Company for Petroleum Services.	University Degree in Business Administration.	16
7	Mr. Hussain Al Shaaban	Chief Marketing Officer	Manager Broker relations at Al Alamiya Insurance. Regional manager at Malath Company for Insurance.	Master Degree in of Human Resources Development from USA	22
8	Mr. Hamad AlHimeidi	General Claim Manager	Assistant Claims Manager Claims Handler at Chubb Arabia for Cooperative Insurance	Bachelor's degree in Business Administration from Prince Muhammad Bin Fahd University	5
9	Mr. Mohammed Alnajjar	Country Claims Manager Motor	Corporate Claims Manager	Bachelor degree in BA Associate Degree in Insurance	17
10	Mr. Yasser Alhabeeb	Internal Audit Manager	Acting Internal Audit Manager	Bachelor Degree in Finance and Accounting	7
11	Ms. Muneerah Alqahtani**	Risk Management Officer	Acting Risk Management Officer	Bachelor Degree in Insurance & Finance) Master's degree in MBA (Finance)	7
12	Mr. AbdulElah S. Hassanain	Cyber Security Manager,	Information security specialist Director of Cyber Security for Raya Finance	Bachelor's degree in Information Technology from Saudi Electronic University	24

#	Name	Current Position	Previous Position	Qualifications	Years of experience
13	Mr. Khalid Qatnan	Customer Care Manager	Motor Claim Manager at CHUBB Arabia	Bachelor's degree in Business Administration, majoring in Accounting, from Al-Imam Muhammad Ibn Saud University.	23
14	Mr. Thierry L Aidekon	Acting Head of Actuarial Function	Actuarial analyst Actuarial consultant Calorimetric actuarial	General Baccalaureate from the Academy of Creteil, France Diploma in Statistics from the Institute of Statistics in France - Master of Science and Technology, University of Paris VI, France	10
15	Mr. Ahmad Al Rebeh***	Acting Compliance Manager	Compliance Officer at Gulf Union Al Ahlia Cooperative Insurance Company Compliance Supervisor at Saudi Enayah Cooperative Insurance Company Compliance Supervisor at Chubb Arabia Cooperative Insurance	Bachelor's degree in Business Administration and Accounting from the Mount Saint Vincent University.	5
16	Hasan Alelaiwi****	Acting Risk Manager	Broker – Saudi Brokers Company Assistant Underwriter – Chubb Arabia Cooperative Company Underwriter – Chubb Arabia Cooperative Company Senior Underwriter – Chubb Arabia Cooperative Company	Bachelor's degree in Management information systems from King Fahd University of Petroleum and Minerals Master of Business Administration from King Fahd University of Petroleum and Minerals Master of Business Analytics from King Fahd University of Petroleum and Minerals	7
17	Mohammad Nassir Alessa	Reinsurance Manager	Reinsurance Officer - Walaa Cooperative Insurance Assistant of Reinsurance Manager - Walaa Cooperative Insurance Reinsurance Manager - Walaa Cooperative Insurance	Bachelor's degree in Banking and Finance Bangor University, United Kingdom	7
18	Tariq Salem Al Hazmi	IT Manager	Technical Support Technician - Ibn Sina Medical College Information Technology Specialist - Gulf Union Cooperative Insurance Company Information Technology Engineer - Petronash Co. Ltd Information Technology Manager - Abdul Latif Jameel Insurance Brokerage Company	Technical Support Diploma - College of Electronic Communications Bachelor's degree in Computer Engineering, University of Central Tennessee	12

● \*Resigned on 22/06/2022AD

● \*\*\* Appointed on 18/08/2022 AD

● \*\* Resigned on 30/05/2022AD

● \*\*\*\*\* Appointed On 04/10/2022AD

## Names

of companies inside or outside the Kingdom in which a member of the Board of Directors is a member of the Board of Directors:

#	Name of member	Legal Entity	Name of Company	Type of membership	Inside/ outside Kingdom	Nature of membership
1	Engr. Nabil Yousef Jokhdar	Non-listed	Saudi Industrial Resins Company	Independent	Inside kingdom	In his Personal capacity
2	Mr. Mohamed Abdulkarim El Khereiji	Listed Non-listed	Saudi Cement Company Arabian Company for manufacturing paper	Independent Non-executive	Inside kingdom Inside Kingdom	In his Personal capacity In his personal capacity.
3	Mr. Abdulaziz Abdulkarim El Khereiji	Listed Non-listed Non-listed	Saudi Ceramics Company Taysers Insurance Brokerage Company Bidaya Company for Financing Houses	Independent Independent Independent	Inside Kingdom Inside Kingdom Inside Kingdom	Representative of Al Khereiji Investment Company Representative of Al Khereiji Investment Company In his personal capacity.
4	Mr. Wahdan Suleiman Al-Kadi	Non-listed	Teraz Arabian Company	Independent	Inside Kingdom Outside	In his personal capacity.
5	Mr. Giles Richard Ward	Non-listed Non-listed Non-listed Non-listed Non-listed	Chubb Insurance Company - Russia Chubb Russia Investments Limited – UK Chubb Underwriting (DIFC) Limited - UAE Chubb Insurance Company Limited – Pakistan Chubb Insurance Company Limited - Egypt Chubb Insurance Limited - South Africa	Non-executive Non-Executive Non-Executive Non-executive Non-executive Non-executive	Outside Kingdom Outside Kingdom Outside Kingdom Outside Kingdom Outside Kingdom Outside Kingdom	Representing Chubb Group. Representing Chubb Group Representing Chubb Group Representing Chubb Group. Representing Chubb Group. Representing Chubb Group.
6	Mr. Serge Michel Osouf	Non-listed Non-listed	Arope Insurance Company, Lebanon Optimum Corporation	Non-executive Non-executive	Outside Kingdom Outside Kingdom	In his Personal capacity  Chubb Group. In his personal capacity
7	Mr. Stephen Brian Dixon	Non-listed Non-listed	Chubb Insurance Pakistan Ltd. Pakistan Chubb Egypt	Non-executive Non-executive	Outside Kingdom Outside Kingdom	Representing Chubb Group. Representing Chubb Group.
8	Mr. Christian Raymond Mounis	Non-listed	Societe Centrale de Reassurance (SCR), in Morocco	Independent	Outside Kingdom	In his personal capacity.



## Formation of the Board of Directors and Category of its Members

#	Name of the Member	Category of membership		
		Executive	Non-executive	Independent
1	Engr. Nabil Yousef Jokhdar	-	√	-
2	Mr. Stephen Brian Dixon	-	√	-
3	Mr. Abdulaziz Abdulkarim El Khereiji	√	-	-
4	Mr. Mohamed Abdulkarim El Khereiji	-	√	-
5	Mr. Serge Michel Osouf	-	√	-
6	Mr. Giles Richard Ward	-	√	-
7	Mr. Christian Raymond Mounis	-	-	√
8	Mr. Wahdan Suleiman Al-Kadi	-	-	√
9	Engr. Hisham Abdulrahman A. El-Khereiji	-	-	√

### Actions taken by the Board to inform its Members - especially Non-executives, of the shareholders' proposals and their remarks about the company and its performance:

The Company's Articles of Association ensure the basis of all shareholders rights in relation to their shares. The Company shall receive all proposals and notes of its shareholders by e-mail, telephone and through the General Assembly. The Board of Directors shall be notified of a summary of such proposals or notes, if any. The Board of Directors Terms of Reference stipulates that the board members are required to attend the General Assembly's meetings to hear and discuss the shareholders proposals, their remarks about the company and its performance. The company did not receive any comments or suggestions from its shareholders during 2022.



## Brief Description of Specializations and Assignments of the Committees:

### Executive Committee

Brief description of specialization of the committee

The Committee provides proposals to the Board of Directors on important issues such as strategic and work plans. The Board of Directors have delegated power to the Executive Committee to carry out its tasks in some cases.

#### Committee Members:

#	Name of the Member	Member of Board of Directors	Category
1	Mr. Serge Michel Osouf (Head of Committee)	Yes	Non-executive
2	Mr. Abdulaziz Abdulkarim El Khereiji	Yes	Executive
3	Mr. Stephen Brian Dixon	Yes	Non-executive
4	Mr. Mohammed Abdulkarim El Khereiji	Yes	Non-executive
5		Yes	Non-executive
6	Mr. Kamran Mazhar	No	Executive

Members of the committee met 7 times during the year of 2022 and the following statement shows date of meetings and attendance record:

#	Name of the Member	Nature of Membership	Number of Meeting						
			1 <sup>st</sup> Meeting 1/18/2022	2 <sup>nd</sup> Meeting 03/07/2022	3 <sup>rd</sup> Meeting 4/19/2022	4 <sup>th</sup> Meeting 05/31/2022	5 <sup>th</sup> Meeting 07/05/2022	6 <sup>th</sup> Meeting 08/30/2022	7 <sup>th</sup> Meeting 21/10/2022
1	Mr.Abdulaziz ElKhareji	Chairman	√	√	√	√	√	√	√
2	Mr.Serge Michel Osouf	Member	√	X	X	X	X	X	X
3	Mr.Stephen Brian Dixon	Member	√	√	√	√	√	√	√
4	Mr.Mohammed ElKhareji	Member	X	√	√	√	√	√	√
5	Mr. Giles Richard Ward	Member	√	√	√	√	√	√	√
6	Mr. Kamran Mazhar	Member	√	√	√	√	√	√	√

## Investment Committee: Brief description of specializations of committee

Investment committee carried out the tasks of controlling and review of investment policy, supervision of its implementation approval of investment activities and control of performance of investment funds.

## Members of the Committee

#	Name of member of board of directors	Member of the Board	Category
1	Mr. Mohamed Abdulkarim El Khereiji	Yes	Non-executive
2	Mr. Serge Michel Osouf	Yes	Non-executive
3	Mr. Giles Richard Ward	Yes	Non-executive
4	Mr. Loay Fahad Dakheel	No	Independent
5	Mr. Emad Aldeen AlKhateeb	No	Executive

Members of the committee met 4 times during the year of 2022 and the following statement shows date of meetings and attendance record:

#	Member's name	Nature of Membership	Number of meetings			
			1st Meeting 03/09/2022	2nd Meeting 06/01/2022	3rd Meeting 08/24/2022	4th Meeting 11/25/2022
1	Mr. Mohammed Abdulkarim El Khereiji	Chairman	✓	✓	✓	✓
2	Mr. Serge Michel Osouf	Member	✓	✓	✓	✓
3	Mr. Giles Richard Ward	Member	✓	✓	✓	✓
4	Mr. Loay Fahad Dkheel	Member	✓	✓	✓	✓
5	Mr. Emad Aldeen AlKhateeb	Member	✓	✓	✓	✓

## Audit Committee

### Brief description of specialization of the committee

Audit committee reviews the task to activate proposals for the Board of Directors with respect to supervision of the financial reports of the company, evaluation to the extent of sufficiency of internal and external audit operations, evaluation and control of internal audit administration processes and regulatory controls.

#	Name of member	Member of the Board	Category
1	Mr. Abdullah Khalaf Al Yousef	No	Independent
2	Engr. Hisham Abdulrahman A. El-Khereiji	Yes	Independent
3	Mr. Bader Alreziza*	No	Independent

\*Joined the committee on 01\01\2022 AD.

Members of the committee met 7 times during the year of 2022 and the following statement shows date of meetings and attendance record:

#	Member's Name	Nature of Membership	Number of Meetings						
			1st Meeting 31/01/2022	2nd Meeting 7\03\2022	3rd Meeting 22\05\2022	4th Meeting 25\09\2022	5th Meeting 29\11\2022	6th Meeting 30\11\2022	6th Meeting 21\12\2022
1	Mr. Abdullah Al Yousef	Chairman	✓	✓	✓	✓	✓	✓	✓
2	Engr. Hisham Abdulrahman A. El-Khereiji	Member	✓	✓	✓	✓	✓	✓	✓
3	Mr. Bader Alreziza	Member	✓	✓	✓	✓	✓	✓	✓

## 9.4 Nomination and Remuneration Committee

### Brief description of specializations of the committee

Nomination and Remuneration Committee are responsible for proposals of nomination for membership of Board of Directors and annual review of requirements of skills suitable for membership of Board of Directors. The Committee also reviews the structure of the Board of Directors and makes recommendations concerning the changes which could be made, as well as study the structuring of the company and supervising employment.

### Members of the committee

#	Name of member	Member of the Board	Category
1	Mr. Serge Michel Osouf	Yes	Non-executive
2	Mr. Wahdan Suleiman al-Kadi	Yes	Independent
3	Eng. Hisham Abdulrahman A. El-Khereiji	Yes	Independent

Members of the committee met 5 times during the year of 2022 and the following statement shows date of meetings and attendance record:

#	Member's Name	Nature of Membership	Number of meetings				
			1st Meeting 19/01/2022	2nd Meeting 28/04/2022	3rd Meeting 01/06/2022	4th Meeting 27/09/2022	5th Meeting 30/11/2022
1	Mr. Wahdan Suleiman al-Kadi	Chairman of the Committee	✓	✓	✓	✓	✓
2	Mr. Serge Michel Osouf	Member	✓	✓	✓	✓	✓
3	Mr. Hisham Abdulrahman El-Khereiji	Member	✓	✓	✓	✓	✓

## 9.5 Risk Management Committee

Brief description of specializations of the committee

The committee meets to review reports of the Risk Manager in order to advise and recommend relevant actions for the management of the company's risks. The Committee also sets a system of policies for the management of risks and strategies to be adopted by the Board of Directors.

### Members of the committee

#	Name of member	Member of the Board	Category
1	Mr. Christian Raymond Mounis	Yes	Independent
2	Mr. Hassan Tariq	No	Independent
3	Engr. Nabil Yousuf Jamil Jokhdar	Yes	Non-executive
4	Mr. Diya Maghrabi	No	Independent
5	Mr. Stephen Brian Dixon	Yes	Non-executive

Members of the committee met 4 times during the year 2022 and the following statement shows date of meetings and attendance record:

#	Member's name	Nature of membership	Number of meetings			
			1st Meeting 09/03/2022	2nd Meeting 01/06/2022	3rd Meeting 26/09/2022	4th Meeting 30/11/2022
1	Mr. Christian Raymond Mounis	Chairman of the Committee	✓	✓	✓	✓
2	Engr. Nabil Yousuf Jamil Jokhdar	Member	✓	✓	✓	✓
3	Mr. Stephen Brian Dixon	Member	✓	✓	✓	✓
4	Mr. Hassan Tariq	Member	✓	✓	✓	✓
5	Mr. Diya Maghrabi	Member	✓	✓	✓	✓

**The means by which the Board of Directors relied for evaluating their performance and the performance of the Members of Committees:**

The Board of Directors have established procedures for evaluating the work of the Members of the Board of Directors and Members of the Board Committees on an annual basis.

## Disclosure of remunerations of Members of the Board of Directors and Members of the Executive Administration committees

## Remunerations of Members of the Board of Directors

[illegible]

### Remuneration of Committee Members

Name of Member	Fixed Benefits	Sessions Attendance Allowance	Total
<b>Members of Audit Committee</b>			
Mr. Abdullah Al Yousef	75,000	30,000	105,000
Mr. Badr Alraziza	50,000	30,000	80,000
Engr. Hisham Abdulrahman El Khereiji	50,000	30,000	80,000
<b>Tota</b>	<b>175,000</b>	<b>90,000</b>	<b>265,000</b>
<b>Members of Nomination &amp; Remuneration Committee</b>			
Mr. Serge Osouf	25,000	25,000	50,000
Mr. Steve Dixon	25,000	25,000	50,000
Mr. Wahdan Suleiman Al Kadi	27,000	25,000	62,000
Engr. Hisham Abdulrahman El Khereiji	25,000	25,000	50,000
<b>Tota</b>	<b>112,000</b>	<b>100,000</b>	<b>212,000</b>
<b>Members of Risk Management Committee</b>			
Mr. Christian Raymond Mounis	37,000	20,000	57,000
Mr. Hassn Tariq	25,000	20,000	45,000
Engr. Nabil Yousef Jokhdar	25,000	20,000	45,000
Mr. Steve Dixon	25,000	20,000	45,000
Mr. Diya Maghrabi	25,000	20,000	45,000
<b>Tota</b>	<b>137,000</b>	<b>100,000</b>	<b>237,000</b>
<b>Members of Executive Committee</b>			
Mr. Giles Ward	50,000	40,000	90,000
Mr. Mohammed El Khereiji	50,000	40,000	90,000
Mr. Abdulaziz Elkhareiji	75,000	40,000	115,000
Mr. Steve Dixon	50,000	40,000	90,000
<b>Tota</b>	<b>225,000</b>	<b>160,000</b>	<b>385,000</b>
<b>Members of Investment Committee</b>			
Mr. Mohammed El Khereiji	37,000	20,000	57,000
Mr. Giles Richard Ward	25,000	20,000	45,000
Mr. Loay Fahad Dkheel	25,000	20,000	45,000
<b>Total</b>	<b>87,000</b>	<b>60,000</b>	<b>147,000</b>
<b>Members of Reinsurance Committee</b>			
Mr. Christian Raymond Mounis	37,000	20,000	57,000
Mr. Abdulaziz El Khereiji	25,000	20,000	45,000
Mr. Serge Osouf	25,000	20,000	45,000
Steve Dixon Mr.	25,000	20,000	45,000
<b>Total</b>	<b>112,000</b>	<b>80,000</b>	<b>192,000</b>

## Remunerations of Senior Executives

Top.5 Senior Executives	Fixed remunerations				Variable remunerations						End of service rewards	Total remuneration for executives in the	Grand Total
	Salaries	Allowances	In Kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Equity grants	Total			
Total	2,452,152	840,288	0	3,292,440	0	0	0	852,340	0	852,340	1,539,290	0	5,684,070

### Policy and criteria for setting the remunerations of the Members of Board of Directors and Executive Administration of the company

The minimum limit for the annual remuneration of the Chairman and Members of the Board of Directors is an amount of SAR 120,000 and the maximum limit is an amount of SAR. 500,000, which is paid in compensation for the Board membership and the work. These amounts are inclusive of any additional remuneration paid to eligible members of the Board Committees.

In the event of realization of profits by the company, a rate equivalent to 10% of the remaining net profit may be distributed to the Members of Board of Directors, after deduction of reserves determined by the general assembly pursuant to the provisions of Cooperative Insurance Companies and after distribution of profit to shareholders not less than 5% of paid capital, provided that the entitlement of this benefit shall be commensurate with number of sessions attended by a member, however, every assessment contrary to that shall be invalid.

Each Member of Board including the Chairman, shall be reimbursed value of actual expenses borne by them for attendance of meetings of the Board or the Committee emanating from Board of Directors, including expenses of travel and accommodation.

The maximum remuneration and financial benefits rewarded to Member of the Board shall not exceed an amount of SAR. 500,000.

The maximum limit for the allowances paid to Members for attending the Board and Committees sessions shall be 5,000 for each session, excluding travel and lodging expenses.

### Relationship between the rewards granted and policies of remunerations of members of Board of Directors.

Board of Directors rewards based on the implemented remuneration policy. The company confirms that there are no deviations from this policy.

## Penalties and constraints imposed on the company

The company received two violations during the year 2022 according to the following data:

Subject and reasons of the violation	Fiscal Year 2022			Fiscal Year 2021		
	No. of Executive Decisions	Total amount of Fines (In SAR)	Ways of remedying it and avoiding its occurrence in the future	No. of Executive Decisions	Total amount of Fines (In SAR)	Ways of remedying it and avoiding its occurrence in the future
Violating the instructions of Central Bank	2	40,000	The company has developed a corrective plan to address and implement all requirements and to ensure that they do not occur in the future	2	20,000	The company has developed a corrective plan to address and implement all requirements and to ensure that they do not occur in the future
Violation of the instructions of the Central Bank	0	0	-	-	-	-
Violating SAMA's instructions for protecting clients	-	-	-	-	-	-
Violating SAMA's instructions for conducting due diligence in combating money laundering and terrorist financing	-	-	-	-	-	-



## Result of annual review of efficiency of measures of internal controls at the company

### Internal control measures have been prepared on sound basis and their efficiency is being

- The Audit Committee of the Board of Directors submits its reports periodically and regularly, identifying areas of weakness and work on developing controls and measures to avoid reoccurrence in the future.
- Departments specializing in internal audit and compliance where annual plans are approved by the Audit Committee submit their reports to the Committee independently that include audit observations and recommended actions to address these comments.
- Revisions of some aspects of internal control are taken periodically by the External Auditors, as well as periodic and unplanned inspections by the Saudi Central Bank.

The Audit Committee has conducted a comprehensive assessment of the effectiveness of internal control procedures for 2020, review results have proven their adequacy.

The committee also conducted a number of reviews to measure the effectiveness of risk management, compliance and corporate governance, and the results confirmed that the procedures applied by the company are well-founded and implemented efficiently and effectively, The committee has reported some concerns issues to the Board of Directors with specific corrective action proposal for the management to implement.

Overall, the Company's Board of Directors found that internal controls are effective and fulfill the required role that ensures no misuses and acknowledges the non-existence of material observations that may affect the company's business.

### Audit Committee Recommendation on the need for appointment of an Internal Auditor at the Company:

**The Company has an internal audit department and therefore the audit committee does not need to recommend the appointment of an internal auditor.**

Recommendations of the Audit Committee, which have a conflict with the Board of Directors' decisions, or which the Board has refused to take regarding the appointment of the Company's auditor, his dismissal, the determination of his fees, the performance evaluation or the appointment of the internal auditor; and the reasons for not taking them.

**There was no contradiction between the recommendations of the Audit Committee and the Board's decisions regarding the appointment of the auditors of the Company as they were introduced and submitted to the shareholders to vote.**

### Details of the company's social contributions:

Chubb Arabia Cooperative Insurance Company has made support for community programs among the priorities and duties that seek to fulfill them and take care of everything that contributes to supporting activities and programs and sponsoring events and events of value and benefit to the individual and society.

**The following are some of the examples of Chubb Arabia's engagement on various sectors of the society:**

- Student training program, where the company provided training for university students who are about to graduate and summer school students in support of them and the community in order to qualify them within the insurance sector and pay a monthly bonus throughout the training period. The company strives to increase community programs in the coming years.

**The company strives to increase community programs in the coming years.**

**Statement of dates of general meetings of shareholders convened during 2022 and the names of Members of the Board of Directors who attended these meetings.**

#	Name of member	Attendance record	
		Meeting of 13th AGM 27/01/2022	Meeting of 14th AGM 31/05/2022
1	Engr. Nabil Yousef Jokhdar	✓	✓
2	Mr. Stephen Brian Dixon	✓	✓
3	Mr. Abdulaziz Abdulkarim El Khereiiji	✓	✓
4	Mr. Serge Michel Osouf	✓	✓
5	Mr. Mohamed Abdulkarim El Khereiiji	✓	✓
6	Mr. Giles Richard Ward	✓	✓
7	Mr. Wahdan Suleiman Al Kadi	✓	✓
8	Mr. Christian Raymond Mounis	✓	✓
9	Mr. Hisham Abdulrahman El Khereiiji	✓	✓

**Chubb Arabia Cooperative Insurance Co. announces the results of the 13th AGM held in the Company's Head Office in Khobar through video call on , 27/01/2022 Resolutions of the meeting are as follows:**

- 1. Voting on appointing (Mr. Bader Alreziza) as an Independent .1 Audit Committee member, starting from the date of the assembly until the end of the current committee's term of office on 25/07/2024 G., to succeed the former committee member (Mr. Abdullah Bakhareba) Independent Audit Committee member.
- B. Sixth Extraordinary General Assembly Meeting:

Chubb Arabia Cooperative Insurance Co. announces the results of the 6th EGM held in the Company's Head Office in Khobar through video call on, 31/05/2022 Resolutions of the meeting are as follows:

- 1- Voting on the Board of Directors' report for the fiscal year ending on 31/12/2021.
- 2- Voting on the auditor/s report on the Company's accounts for the fiscal year ending on 31/12/2021
- 3- Voting on the financial statements for the fiscal year ending on 31/12/2021
- 4- Voting on the business and contracts concluded between the company and the El-Khereiji Real Estate Company, which the members of the Board Mr. Mohammed bin Abdul Karim El-Khereiji and Mr. Abdul Aziz bin Abdul Karim El-Khereiji indirect interest in them as owners, which are the insurance contracts and renewal for the coming year, and the transactions for 2021 amounted to SR. (298,840) and there are no preferential conditions.
- 5- Voting on the business and contracts concluded between the company and the El-Khereiji Trading and Electronics company, which the members of the Board Mr. Mohammed bin Abdul Karim El-Khereiji and Mr. Abdul Aziz bin Abdul Karim El-Khereiji indirect interest in them as owners. Which are the insurance contracts and renewal for the coming year, and the transactions for 2021 amounted to SR. (48,716) and there are no preferential conditions.
- 6- Voting on the business and contracts concluded between the Company and the member companies of the Chubb Group of which Chubb INA International Holdings Ltd. is also a member; represented by three Board Members and they are Mr. Stephen Brian Dixon, Mr. Serge Michel Osouf and Mr. Giles Richard Ward, which consist of placed reinsurance transactions with total premiums SR. (45,701,571) that are to be renewed for a further year, and which contain no preferential conditions.

- **7-** Voting on the business and contracts concluded between the company and Al-Khereiji Trading and Electronics Company. Which the members of the Board Mr. Mohammed bin Abdul Karim Al-Khereiji and Mr. Abdul Aziz bin Abdul Karim Al-Khereiji indirect interest in them as owners. and its rental contracts for the company head office, and Riyadh branch buildings and renewal for the coming year, noting that transactions for 2021 amounted to SR. (1,463,631) and there are no preferential conditions.
- **8-** Voting on the business and contracts concluded between the company and the General Maintenance Center for cars owned by the International Company for Trade and Contracting Services, which the members of the Board Mr. Mohammed bin Abdul Karim El-Khereiji and Mr. Abdul Aziz bin Abdul Karim Al-Khereiji indirect interest in them as owners. Which is the provision of maintenance services for customer vehicles and renewal for the coming year, noting that transactions for 2021 amounted to SR. (3,175,471) and there are no preferential conditions.
- **9-** Voting on the business and contracts concluded between the company and RFIB Saudi Arabia for reinsurance brokerage where the El-Khereiji Investment Company owns a share in RFIB company, which the members of the Board of Directors Mr. Mohammed bin Abdul Karim El-Khereiji and Mr. Abdul Aziz bin Abdul Karim El-Khereiji indirect interest in them as owners, which consist of placed reinsurance transactions with total premiums SR. (6,869,410) which are to be renewed for a further year, and which contain no preferential conditions.
- **10-** Voting on the business and contracts concluded between the company and the El-Khereiji Construction company, which the members of the Board Mr. Mohammed bin Abdul Karim El-Khereiji and Mr. Abdul Aziz bin Abdul Karim El-Khereiji indirect interest in them as owners. Which are the insurance contracts and renewal for the coming year, and the transactions for 2021 amounted to SR. (4,279) and there are no preferential conditions.
- **11-** Vote for the appointment of auditors from among the candidates based on the recommendation of the Audit Committee to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2022 AD and the first quarter of the fiscal year 2023 AD and determine their fees.
- **12-** Voting on paying an amount of (SAR 3,016,137) as remuneration to the Board members for the fiscal year ending on 31/12/2020G.
- **13-** Voting on paying an amount of (SAR 3,016,137) as remuneration to the Board members for the fiscal year ending on 31/12/2020G.
- **14-** Vote on amending the work policy of the Audit Committee (TOR).

### The most important risks which are facing the company

**The risks faced by the Company and the way these risks are mitigated by management are summarized as below:**

#### Insurance and reinsurance risk management

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The principal risk that the Company faces under such contracts is the

occurrence of the insured events and the severity of reported claims. The Company's risk profile is improved by diversification of these risks of losses to a large portfolio of contracts as a diversified portfolio is less likely to be affected by an unexpected event in a single subset.

Underwriting and retention policies, procedures and limits and clear underwriting authorities precisely regulate who is authorized and accountable for concluding insurance and reinsurance contracts and at what conditions. Compliance with these guidelines is regularly checked and developments in the global, regional and local markets are closely observed, reacting where necessary with appropriate measures that are translated without delay into underwriting guidelines if required.

The primary risk control measure in respect of the insurance risk is the transfer of risks to third parties via reinsurance. The reinsurance business ceded is placed on a proportional and non-proportional basis with retention limits varying by lines of business. The placements of reinsurance contracts are diversified so that the Company is not dependent on a single reinsurer or a reinsurance contract.

Reinsurance is used to manage insurance risk. Although the Company has reinsurance arrangements, it does not, however, discharge the Company's liability as primary insurer and thus a credit risk exposure remains with respect to reinsurance ceded to the extent that any reinsurer may be unable to meet its obligations under such reinsurance arrangements. The Company minimizes such credit risk

### **Frequency and severity of claims**

The frequency and severity of claims can be affected by several factors. The Company underwrites mainly property, engineering, motor, casualty, and marine classes. These classes of insurance except for long tail engineering policies are generally regarded as annual insurance contracts where claims are normally intimated and settled within a short time span. This helps to mitigate insurance

#### **(i) Property**

Property insurance contracts, with the main peril being fire, accidental damage and other allied perils resulting therefrom, are underwritten either on a replacement value or an indemnity basis with

appropriate values for the interest insured. The cost of rebuilding or repairing the damaged properties and the time taken to reinstate the operations to its pre-loss position in the case of business

interruption are the main factors that influence the level of claims.

In respect of accumulation of the retentions under the property business, this is covered by proportional as well as non-proportional treaties.

#### **(ii) Engineering**

The engineering business includes long tail Erection All Risks ("EAR") and Contractor All Risk ("CAR") policies and annual policies for Machinery Break Down ("MBD"), Machinery All Risk, Electronic Data Processing, Deterioration of Stock and Business Interruption in conjunction with MBD. The long tail EAR/CAR policies cover various projects for the whole project period. Selection of the risks and proper underwriting are the criteria for this profitable line of business.

#### **(iii) Motor**

For motor insurance contracts, the main elements of risk are claims arising out of insured vehicles as well as damage to third parties' properties. Further, death claims compensation has been made in accordance with the laws as applicable in the Kingdom of Saudi Arabia.

This risk is covered by per occurrence excess of loss treaties that covers involvement of more than one vehicle in an accident.

#### **(iv) Casualty**

For casualty class of insurance loss of money, personal accident, workmen's compensation, travel, general third-party liability and professional indemnity are underwritten. The extent of loss or damage

is the main factor that influences the level of claims.

## **(v) Marine**

In marine insurance, the main risk elements are loss or damage to insured cargo and hull due to various mishaps resulting in total or partial loss claims. The extent of the loss or damage is the main factor that influences the level of claims.

Reinsurance arrangements have been made with reinsurers through proportional treaties as well as non-proportional treaties.

### **The risk is covered through a combination of proportional treaties and non-proportional treaties.**

#### **Concentration of insurance risk**

The Company, with the introduction of any one risk definition and strictly following it in the underwriting process, eliminates concentration of risks. Elimination of location limit under the marine proportional treaty and having a third excess of losses ("XOL") layer to protect accumulation on the net retention amply to take care of concentration. On the casualty side, concentration of risk is very minimal and XOL treaty takes care of it amply. The Company does not have any material claims where the amount and timing of payment is not resolved within one year of the statement of financial position date.

#### **Reinsurance risk**

Reinsurance is used to manage insurance risk. Although the Company has reinsurance arrangements, it does not, however, discharge the Company's liability as primary insurer and thus a credit risk exposure remains with respect to reinsurance ceded to the extent that any reinsurer may be unable to meet its obligations under such reinsurance arrangements. The Company minimizes such credit risk by entering reinsurance arrangements with reinsurers having good credit ratings, which are reviewed on a regular basis. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract. Reserve risks are controlled by constantly monitoring the provisions for insurance claims that have been submitted but not yet settled and by amending the provisions, if deemed necessary.

#### **Regulatory framework risk**

The operations of the Company are subject to local regulatory requirements in the Kingdom of Saudi Arabia. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions e.g. capital adequacy to minimize the risk of default and insolvency on the part of the insurance companies and to enable them to meet unforeseen liabilities as these arise.

#### **Credit risk**

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

**The following policies and procedures are in place to mitigate the Company's exposure to credit risk:**

- The Company only enters into insurance and reinsurance contracts with recognized credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Company's exposure to bad debts.
- The Company seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.
- The Company's investment portfolio is managed by the investment committee in accordance with the investment policy established by the investment committee.
- The Company, with respect to credit risk arising from other financial assets, is restricted to commercial banks having strong financial positions and credit ratings.
- There are no significant concentrations of credit risk within the Company.

**The table below shows the maximum exposure to credit risk components of the statement of financial position:**

In SAR	Insurance operations		Shareholders operations	
	2022	2021	2022	2021
Cash and cash equivalents	24,179,107	37,267,250	740,707	148,776,635
Investments held for trading	37,168,786	39,755,154	57,061,125	62,395,524
Investments available for sale	-	-	1,932,078	1,932,078
Premiums and insurance	143,764,682	151,583,164	-	-
Reinsurers' share of outstanding claims	118,827,786	48,128,358	-	-
Other assets	-	-	-	-
Total	323,940,361	276,733,926	59,733,910	213,104,237

### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise. A significant amount of fund is invested in time deposits, available for sale and held for trading investments.

### Liquidity profile

None of the financial liabilities on the statement of financial position are based on discounted cash flows and are all payable on a basis as set out above.

### Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did not undertake significant transactions in currencies other than Saudi Riyals and US Dollars, during the year. As the Saudi Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

### Commission rate risk

Commission rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market commission rates. Floating rate instruments expose the Company to cash flow commission risk, whereas fixed commission rate instruments expose the Company to fair value interest risk.

The Company is exposed to commission rate risk on certain of its time deposits, term deposits, investments held for trading and investments available for sale. The Company limits commission rate risk by monitoring changes in commission rates.

The following table demonstrates the sensitivity of statement of shareholders comprehensive income to reasonably possible changes in commission rates, with all other variables held constant.

### Market price risk

Market price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from commission rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company limits market risk by maintaining a diversified portfolio and by monitoring developments in equity market. The Company does not have significant market risk.

### Equity price risk

Equity price risk arises from changes in the fair values of equity investments. Equity price risk is managed by the investment department of the Company. The unquoted equity price risk exposure arises from the Company's investment portfolio.

### Capital management

Capital requirements are set and regulated by SAMA. These requirements are put in place to ensure enough solvency margins. Further objectives are set by the Company to maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value.

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares. In the opinion of the Board of Directors, the Company has fully complied with the externally imposed capital requirements during the reported financial period.



## Operational Risk

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

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

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Ethical and business standards; and Risk mitigation policies and procedures.

## Accounting Standards

### Application of international standards

The Company confirms that, the financial statements have been prepared in accordance with International Accounting Standards and will continue to apply these standards to all financial statements prepared for future financial periods.

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards and have not been prepared in accordance with generally accepted accounting standards in the Kingdom of Saudi Arabia. The Company asserts that there are no substantial differences or financial impact on the financial statements as a result of the Preparation of the financial statements in accordance with International Standards than that in Saudi Accounting Standards.

## Subsidiary Companies

**The Company does not own any subsidiary.**



### Shares details and debt tools issued to the subsidiary company

There are no subsidiary companies.

### Profit Distribution Policy

**The Company's policy to distribute profits does not violate the rules stipulated in the Cooperative Insurance Companies Control Law issued by the Saudi Arabian Monetary Agency and the rules stipulated in the Articles of Association of the Company, which were approved by the constituent Assembly of the Company. Article 44 of the Company's Articles of Association stipulates the policy of distributing shareholders' profits as follows:**

- (1) Hold the determined Zakat and income tax
- (2) Hold 20% of the net profit to form a statutory reserve. The Ordinary General Assembly may suspend this reserve when the above-mentioned reserve reaches up to total paid-up capital.
- (3) Based on the proposal of the Board of Directors, a percentage of the net annual profits shall be set aside for the formation of an additional reserve to be allocated for a specific purpose or purposes decided by the General Assembly.
- (4) Then distribution from the rest a first payment to the shareholders at least 5% of the paid-up capital.
- (5) The residual value shall then be distributed to the shareholders as a share of the profits or post it to the retained earnings account.
- (6) Under a resolution of the Board of Directors, may distribute periodic profits deducted from the annual profits limited in paragraph (4) of this Article in accordance with the rules governing this and issued by the competent authorities

Noting that the company did not distribute dividends in 2022 for 2021 based on the shareholders 'vote on the dividend distribution item in the General Assembly held on 2022\05\31

### Surplus proposed to be distributed to policy holders for the year 2022

The surplus realized from the insurance operations amounted to 15,444 thousand Saudi riyals, and according to the executive regulations of the cooperative insurance system, an amount of 13,900 thousand Saudi riyals, which represents 90% of the surplus of insurance operations, was transferred to the shareholders' account, to be added to the shareholders 'income list, while the remaining percentage is distributed 10 % Of the surplus, which amounts to 1,544 thousand Saudi riyals for policyholders.

### Description of ownership of major shareholders, members of boards of directors, senior executives and their spouse and minor children:

The Company acknowledges non-existence of persons (except members of board of directors, senior executives and their spouses and dependent children) informing the Company of any rights entitled under Article (45) of rules of registration and enrollment issued by Saudi Monetary Authority.

Each of the members, Mr. Stephen Brian Dixon, Mr. Serge Michel Osouf and Mr. Giles Ward represent Chubb INA International Holdings Limited which is founding shareholder with shareholding of 30% of the Company.

Description of any stake that belongs to members of board of directors, their spouses and dependent children of shares or instruments of debts of the company							
#	Name of stakeholder	At the beginning of the year		At the end of the year			
		Number of shares	Instruments of debt	Number of shares	Instruments of debts	Net of variation	Rate of variation
1	Nabil Yousef Jokhdar	972	0	972	0	0	0%
2	Stephen Brian Dixon	0	0	0	0	0	-
3	Abdulaziz Abdulkarim El Khereiji	7,500	0	7,500	0	0	0%
4	Mohamed Abdulkarim El Khereiji	0	0	0	0	0	-
5	Serge Michel Osouf	0	0	0	0	0	-
6	Giles Richard Ward	0	0	0	0	0	-
7	Christian Raymond Mounis	0	0	0	0	0	-
8	Wahdan Suleiman al-Kadi	0	0	0	0	0	-
9	Hisham Abdulrahman El-Khereiji	0	0	0	0	0	-

Other than as disclosed above, none of the Senior Executives, their spouses and dependent children directly or indirectly own any shares of the Company.

### Loans on the Company

The Company acknowledges non-existence of any loans on it whether payable on demand or otherwise.

### Description of instruments of debt, right of choice or document of subscription right and the like:

An amount of SR. 1,932, 078.00 has been invested in the share capital of Najm for Insurance Services Company (A Saudi Limited Liability Company).

**The Company acknowledges non-existence of any rights of transfer, subscription under instruments of debt convertible into shares, rights of choice or policies of subscription right or the like of the rights issued or granted by the Company.**

**The Company acknowledges non-existence of any redemption, purchase or cancellation by the Company of any instruments of debts subject to redemption.**

### Board of directors' meetings:

The Board of Directors of the Company had 5 meetings during 2022. The following table shows time of the meetings and actual attendance record of the members:

Members name	Number of meetings: 5				
	1st Meeting 01\19\2022	2nd Meeting 03\09\2022	3rd Meeting 06\01\2022	4th Meeting 09\27\2022	5th Meeting 11\30\2022
Engr. Nabil Yousef Jokhdar.	✓	✓	✓	✓	✓
Mr. Stephen Brian Dixon	✓	✓	✓	✓	✓
Mr. Abdulaziz Abdulkarim El Khereiji	✓	✓	✓	✓	✓
Mr. Serge Michel Osouf	✓	✓	✓	✓	✓
Mr. Mohamed Abdulkarim El Khereiji	✓	✓	✓	✓	✓
Mr. Giles Richard Ward	✓	✓	✓	✓	✓
Mr. Wahdan Suleiman al-Kadi	✓	✓	✓	✓	✓
Mr. Christian Raymond Mounis	✓	✓	✓	✓	✓
Eng.Hisham Abdulrahman El-Khereiji	✓	✓	✓	✓	✓

### Shareholders Report.

During the fiscal year ending 12/31/2022 AD, the company requested the shareholders records 5 times, and the following table shows the dates for requesting the shareholders' records and the reasons for the request:

#	Reason for the request	Date of report
1	General Assembly	26/01/2022
2	Other	20/03/2022
3	Company procedures	23/03/2022
4	Company procedures	23/03/2022
5	General Assembly	31/05/2022

## Transactions of the Company and related parties

**The Company issued different insurance policies for one year with a total amount of 335,564 SR. for companies whose ownership belongs directly or indirectly to related parties. The below schedule shows details of these policies.**

Name of Company	Related party	Type of its relationship with the Company	Type of Transaction	Term	Amount
Al Khereiji Trading & Electronics Company	Abdulaziz Abdulkarim El Khereiji	Members of the board	Insurance Contract	1 Year	28,249
	Mohamed Abdulkarim El Kheriji				
El Khereiji Commerce & Contracting Company	Hisham El Khereiji	Members of the board	Insurance Contract	1 Year	305,643
Al Khwarizmi Actuarial Services Company	Abdulaziz Abdulkarim El Kherji	Members of the board	Insurance Contract	1 Year	59,524
	Mohamed Abdulkarim El Kheriji				
El Khereiji Contracting Company	Abdulaziz Abdulkarim El Kherji	Members of the board	Insurance Contract	1 Year	252.155
	Mohamed Abdulkarim El Kheriji				
Elkhereiji' Real Estate Company	Abdulaziz Abdulkarim El Khereiji	Members of the board	Insurance Contract	1 Year	366,616
	Mohamed Abdulkarim El Kheriji				
Saudi Ceramic	Abdulaziz Abdulkarim El Khereiji	Members of the board	Insurance Contract	1 Year	433,808
	Mohamed Abdulkarim El Kheriji				
Knowledge Enrichment Co.	Abdulaziz Abdulkarim El Kherji	Members of the board	Insurance Contract	1 Year	40,600
	Mohamed Abdulkarim El Kheriji				
DINA ABDULKARIM ABDULAZIZ ELKHEREIJI (2 policies)	Abdulaziz Abdulkarim El Kherji	Members of the board	Insurance Contract	1 Year	8,633
	Mohamed Abdulkarim El Kheriji				
ABDULAZIZ ABDULKARIM A EL KHEREIJI (8 Policies)	Abdulaziz Abdulkarim El Khereiji	Members of the board	Insurance Contract	1 Year	23,858
	Mohamed Abdulkarim El Kheriji				
MOHAMMED ELKHEREIJI (5 Policies)	Abdulaziz Abdulkarim El Khereiji	Members of the board	Insurance Contract	1 Year	31,074
	Mohamed Abdulkarim El Kheriji				

Business and contracts of the company have or used to have an interest of a Board member or the Chief Executive Officer or Chief Financial Officer or any person related to any of them

Company's Name	Nature of work or contract	Amount of work or contract (Riyals)	Term of work or contract	Conditions of work or contract	Name of member/ senior executives or any person related to any of them
Chubb INA International Holdings Company Ltd	Reinsurance Transactions	45,701,571	One year	There is no condition or advantages	Stephen Brian Dixon
					Giles Richard Ward
					Serge Michel Osouf
Taysers Broker Company	Reinsurance Transactions	6,869,410	One year	There is no condition or advantages	Abdulaziz Abdulkarim El Khereiji
					Mohamed Abdulkarim El Khereiji
General Maintenance Center for Vehicles Establishment	Provision of maintenance services to insured vehicles of the clients	3,175,471	One year/ automatically renewed	There is no condition or advantages	Mohamed Abdulkarim El Khereiji
Al Khwarizmi Actuarial Services Company	A contract to provide actuarial services	15,200	One year	There is no condition or advantages	Abdulaziz Abdulkarim El Kherji
					Mohammad Abdulkarim El Kherji
Al-Khereiji Company for Trade and Electronics	Renting the company's buildings	1,463,631	One year	There are no preferential conditions or benefits.	Mohamed Abdulkarim El Khereiji
					Mohammed Abdul Karim El Khereiji

Value of statutory payments:

**We state below amounts of statutory payments during the physical year 2020**

Statement	Payment Amount	Amount due up to end of annual financial period and not settled	Brief Description	Statement of reasons
Zakat & Income	7,154,463	0	Regular governmental charges	Charges of Zakat and income under Zakat & Income Tax regulations.
General Organization of Social Security	3,438,115	0	Regular Governmental Charges	Social insurance for the employees under regulations of social insurance.
Costs of visas, passports and Labor Office Depts.	304,530	0	Regular Governmental Charges	Costs of governmental payments.
Saudi Central Bank	1,438,327	0	Charges of inspection and supervision costs	Charges of inspection and supervision under regulation of control of insurance companies.
Capital Markets Authority (Tadawul)	379,217	0	Service charges	Agreement of management of registry of shareholders
<b>Total Payments</b>	<b>12,714,652</b>			

Waiver by the members of Board of Directors or Senior Executives of any salary or compensation:  
There is no arrangement or agreement whereby a member of the board of directors or senior executives waives any salary or compensation.

Waiver of profits by any of the shareholders:  
There is no arrangement or agreement whereby shareholders waive any profits.

**35.** Investments or reserves in favor of employees of the Company:  
Compensation for end of service of the employees by the end of the fiscal year 2022 has reached an amount of SAR 11,782,945.

**36.** Acknowledgements:

The board of directors acknowledges the following:

1. Records of accounts have been prepared correctly.
2. Internal control systems were prepared on sound basis and implemented efficiently.
3. There are no concerns about the Company's ability to continue its business.

**37.** Reservations of external accountants on annual financial statements:

It was stated in the independent auditors' report on the annual financial statements that the financial statements show fairly, in all material respects, the financial position of the company as of December 31, 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (standards) International Financial Reporting Standards "(approved in the Kingdom of Saudi Arabia and other standards and other statements issued by the Saudi Organization for Certified Public Accountants (" SOCPA ")) (collectively referred to as" the International Financial Reporting Standards as approved in the Kingdom of Saudi Arabia).

**38.** The recommendation of the Board of Directors to change the auditor before the end of the designated period, indicating the reasons for recommending the change:

The Company acknowledges that there was no recommendation from the Board of Directors during the financial year ended 31/12/2022 regarding the change of the Auditor before the end of the period specified for it.

**39.** 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.

**40.** Conclusion:

The Board of Directors sincerely expresses appreciation to its valued business partners, and shareholders for their trust and confidence in supporting the company with its distinct development in the Saudi Arabian insurance market. The Board of directors also take this opportunity to acknowledge the dedication and hard work of its Senior Management, their teams and all employees who have enabled the Company in consistently delivering sustainable and profitable results.

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