



Annual Board Report 2022

Financial Year Ending 31/12/2022

The Mediterranean and Gulf Cooperative
Insurance and Reinsurance Company
(MEDGULF)



HRH Crown Prince Mohamad bin
Salman bin Abdulaziz Al-Saud

HRH King Salman bin
Abdulaziz Al-Saud

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Chairman's Word

I am pleased to present the Board of Directors' annual report for the year 2022, which contains information about the company's operations and performance.

Last year, was a challenging year for MEDGULF in a lot of aspects as we maneuver with the aftermath of the COVID 19, the changing market conditions and the transition towards the new strategy.

The Company continued to play a vital role in both the Health and Motor sectors as the company's overall gross written premiums increased by 28% reaching around SAR 2.9 billion. The Health segment, the largest contributor, increased by around 21% reaching SAR1.8 billion driven by the Small and Medium size Enterprises in which we look to cement our presence further. While we expected an increase of the price of the services to meet our policy holders' claims, we are staggered with the high frequency and the claims inflation. As a result, the company recorded a high loss ratio and the need to keep prudent level of provisions led to the significant underperformance for the year. Having said that, the company has continued to function with high reliability as the obligations to its policy holders' and providers were thoroughly satisfied.

On the 3-year strategy front, we do expect to make some changes subsequent to the first phase application of the strategy and the recent underperformance. We are undergoing a rationalized spending and moves that work on modernizing and upgrading the company's technology, infrastructure and human resources.

For the Health insurance, the upgrade to a new core system is underway which would put the foundation to the digitalized setup. The system will speed up the automation and enhance the overall value chain and customer experience.

On the Motor insurance side, the first phase of the automation of the price engine has been implemented successfully with an optimization and adjustments are underway to improve the overall guidance and the speed to the underwriting activities. The underwriting as well as the claims management would get upgraded with a substantial improvement in system capabilities and resources.



The sales strategy is being reviewed and adapted to reflect the dynamic market conditions and MEDGULF's core competencies.

The solvency issue puts a challenge on the growth of business and the execution of the strategy. The Board and the management are reviewing the best options for the solvency improvements and the developments would be announced accordingly.

The Board of Directors and Management believe that the insurance industry driven by KSA vision 2030 is very attractive in the long run and the commitment to build a competing and value-added player is still very strong. The last few years has been volatile and the risks associated with the dynamics in the market have been challenging. However, the company has been able to keep its market share with the current and the planned built up of capabilities are being utilized to exploit the market opportunities and hence, the value creation for our valued stakeholders.

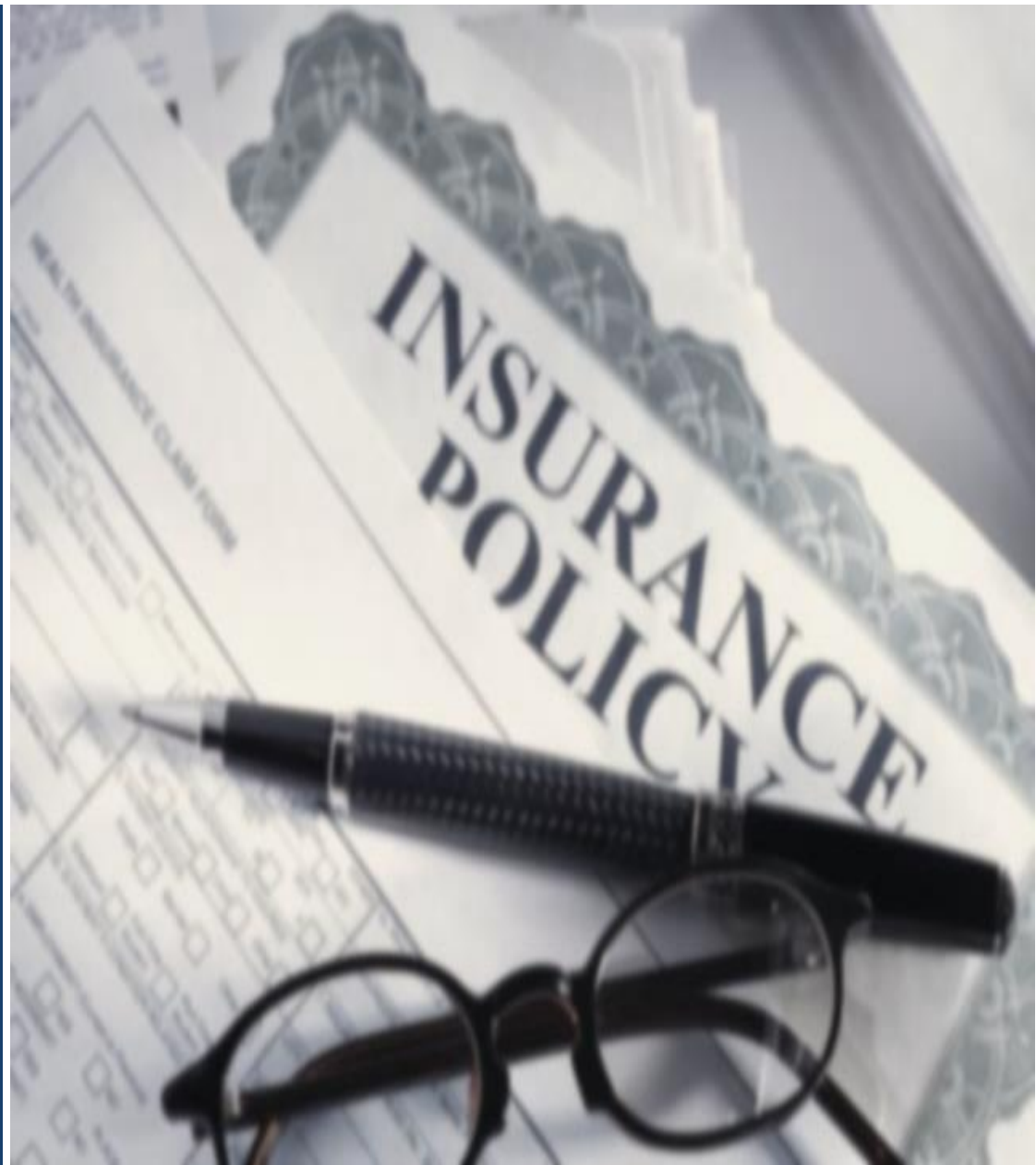
Lastly, The Company, its Board of Directors and its Executive Management would like to express their deep appreciation and gratitude to the Custodian of the Two Holy Mosques and the Crown Prince for the great governmental support and help to improve the insurance sector in the Kingdom of Saudi Arabia. Great appreciation also is extended to the regulatory and supervisory institutions namely, the Central Bank and the Council of Cooperative Health Insurance, who provide their guidance and support continuously.

Thanks are due as well to the Company's shareholders and our valued clients for the continued trust in MEDGULF, and we look forward to providing the best in the next financial year.

Rakan Abu Nayan

Chairman of the Board

Introduction & Company Overview

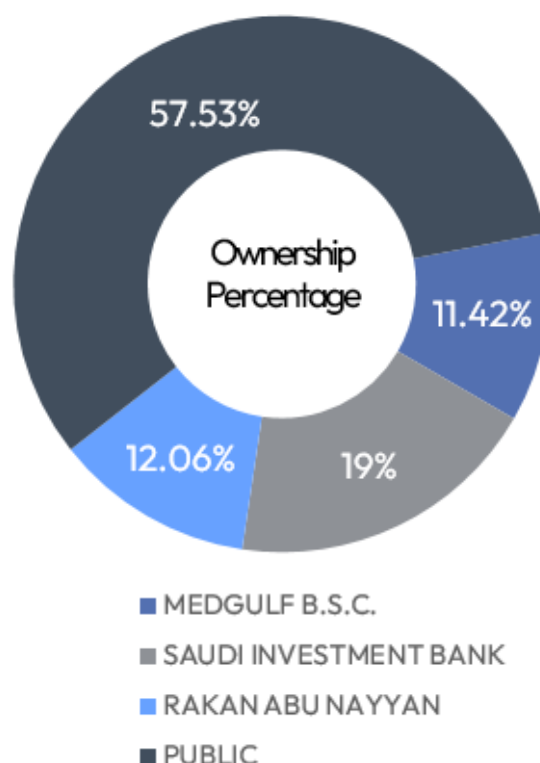


1.1 About the Company

The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (MEDGULF) is a Saudi joint stock company registered in KSA under Commercial Registry No. 1010231925, established under the Council of Ministers' resolution No. 233 dated 16/9/1427H corresponding to 9/10/2006G, and leading to issuance of the Royal Decree No. 60/M regarding the establishment on 18/9/1427H corresponding to 11/10/2006G.

MedGulf is one of the largest and oldest insurance companies in the Kingdom of Saudi Arabia, It began its operation in 1995 under an agency contract, and was established independently by Royal Decree No. M / 60 dated 18/9/1427 H corresponding to 11/10/2006 AD, and with Commercial Register No. 1010231925 dated 08/04/1428 H corresponding to 26/4/2007.

The Saudi Arabian Monetary Agency (SAMA) issued the Company's license No. (3/3/1979) dated 29/08/1428H to practice insurance activities in the following line of business: General insurance, Health insurance and protection and savings insurance.



3 Offices
Riyadh, Jeddah, & Al Khobar



Licensed & registered by
Saudi Central Bank



+800 Employees
80% Saudization



Paid Up Capital
SAR 1,050,000,000

1.2 MedGulf's Main Activities

The Company exercises its activity in accordance with the Cooperative Insurance Companies Control Law, its Executive Regulation, and other laws and instructions applicable in KSA under the Saudi Arabian Monetary Agency (SAMA) supervision. All the company's products listed below have obtained final approval from SAMA.

The Company provides wide coverage of various insurance products, which are divided into three major lines of business:



Health Insurance



Motor Insurance



General Insurance

Health Insurance

The health insurance products cover members for their medical costs in accordance with the Council of Health Insurance (CHI) regulations.

Group Health Insurance: We offer a wide range of products designed to meet the large, medium and small enterprises (SME) medical needs. Such products address the health benefits according to the Council of Health Insurance's coverage with an extensive coverage of providers across the Kingdom. The Group Health Insurance is characterized by the direct and quick settlement of the medical costs and expenditures, insurance e-card for each member, electronic connectivity for approvals, value added services to improve service



accessibility, and on-ground availability around-the-clock to serve our members.

Motor Insurance

The Motor Insurance covers the losses resulted from road traffic accidents such as bodily injuries or death, and it covers physical damage by repairing of damaged vehicles, for example. The company provides several products in relation to motor insurance such as Motor Comprehensive Insurance and Motor Third Party Liability Insurance.

Motor Third Party Liability Insurance (TPL):

Third Party Liability is a mandatory insurance coverage, as per regulatory laws in Saudi Arabia. It protects the insured when involved in an accident by paying on insured's behalf the amount of damages the insured or his/her driver is legally responsible of, terms and conditions apply. It covers third party liability up to SAR 10 million for third party death, bodily injury and third party property damage.

Motor Comprehensive Insurance: Cover is against accidents, fire, theft and natural perils. Covers own damage up to the vehicle value, and third party liability up to SAR 10 million for third party death, bodily injury and third party property damage. Also, we have Auto Lease Insurance specially designed for vehicles financially leased to individuals. We offer optional covers that include:

- Roadside assistance
- Hire car facility
- Dealer repair
- Personal accident benefits
- Geographical extensions, etc.

We have an advanced Fast Track Policy Issuance Portal for Motor SMEs (Small and Medium Enterprises). Using this Portal, our sales team can generate fast quotes and issue policies for fleet of up to 100 vehicles. By this, our SME customers can get quotes and issue policies on the spot within minutes, saving their precious time.

Moreover we also have Commercial Fleet Insurance for Corporate customers, our Motor Fleet Insurance Policies are designed for businesses with 5 or more vehicles to insure multiple vehicles under a single insurance policy. We have unique Motor Insurance solutions for fleets of varying sizes. Policies can be tailor made to suit specific requirements of the business.

Covers loss or damage to commercial vehicles associated with the business in case of an accident or due to perils like fire, explosion, lightning and natural calamities. Third Party liability too is covered under the policy. Policies are customizable with add-on covers.

Protection & Saving

Protection and Savings Insurance: This Insurance provides protection for employees in large and small companies and enterprises in various sectors, as it provides the insured or his family with a better future through access to several benefits such as compensation in case of a natural death or death due to accident or illness, compensation in case of permanent total or partial disablement resulted from accident or illness according to standard injuries table, weekly financial compensation, up to 104 weeks, i.e. two years, in case of temporary total disablement resulted from accident, and compensation in case of death or disablement resulted from indirect risks of war.

General Insurance

The Company provides other insurance covers that include sophisticated risks existing in the engineering, industrial, and aviation sectors, as well as property-related and medical risks.

Travel Insurance: This product is tailored to meet the needs of customers willing to obtain an insurance policy to submit it to the embassies. It

provides the customer with options to choose the extent of coverage with various prices according to the travel destination and the coverage term (number of days). The insurance covers expenses resulting from medical emergencies across most of the world around-the-clock, and provides the insured with compensation for the damage due to cancellation or delay in the take-off schedule or loss of baggage or other benefits.

Property Insurance: This insurance provides insurance protection for owned or leased property and its contents from risks or damages due to accident, natural disaster, or thefts, and covers the following: (1) Houses and its contents; (2) Stores' contents and goods; (3) Building, factories, industrial facilities, and workshops. The property insurance includes fire and theft insurance, and all risks such as (fire, theft, lightning, water leakage, floods, earthquake, and other risks).

Engineering insurance: This insurance provides insurance protection for project equipment, erection all risks, electronic devices, contractors' all risks, and machinery breakdown.

Contractors' all risks (CAR) insurance: This insurance covers construction projects during their implementation until delivery to their owners. This coverage may be extended to include subsequent maintenance work after the termination of the implementation period. The

projects that may be covered by insurance are for example the construction of all types of residential, administrative and recreational buildings, and other buildings such as hospitals hotels, and factories. The insurance protection covers physical losses resulting from fire, robbery, theft, explosion, incorrect implementation, and earthquake. It as well covers third party liability for all bodily and physical damages to third party due to implementation and construction of building and others.

Machinery Breakdown Insurance: This insurance covers equipment and machinery during their operation, rest periods, dismantling to be cleaned, or close examination, as well as in case of re-installation. These machines such as production equipment and machines in factories (power generators) and cold rooms' machines such as (refrigerators). Insurance protection covers physical losses resulting from faulty material, faulty operation, intentional damage by third party, electrical fault, and others.

Deterioration of stock insurance: The Deterioration of stock insurance policy shall be considered complementary to the Machinery Breakdown policy and may not be issued unless there is a valid Machinery Breakdown policy issued by the same company. The insurance protection covers loss or damage that may affect stored goods in the cold rooms and

refrigerators due to refrigeration machines breakdown. These goods are for example fruits, meat, fish, dairy, and dairy products.

Contractors' Equipment Insurance: This insurance covers the contractor's machinery and equipment during their operation, rest periods, or dismantling to be cleaned, or a close examination, as well as in case of re-installation at work sites. This equipment is for example excavators, cement mixers, cranes, and others. Insurance protection covers losses resulting from fire, robbery, coup, earthquakes, and others. Can also be extended to cover the risk of transport and mobility outside the work site.

Erection All Risks (EAR) Insurance: This insurance covers construction projects during their implementation until delivery to their owners. It covers the same scope covered by Contractors' All Risk Insurance. Also this coverage may be extended to include periods of trials, tests and maintenance. Projects that could be covered are for example all types of machinery and equipment erection. The insurance protection covers risks resulting from fire, explosion, floods, storms, electrical hazards, and others. It either covers the third party liability for bodily and physical damages to third party due to erection, construction, and implementation of these projects.

Electronic Device Insurance: This insurance covers electronic devices such as electronic

medical devices (radiology, magnetic resonance, and radiation devices), radar, receiver and transmitter devices relating to television stations, satellite stations, and others. Insurance protection covers unexpected losses or damages that affect electronic equipment due to fire, lightning, explosion, and others.

Aviation and Air Transport Insurance: This insurance covers damages regarding aircraft structure during the flight or while parking at the airport, third party liability regarding damages to passengers while on board, the liability regarding air cargo due to an accident during loading, carriage, and unloading from/ to the aircraft, and third party liability and third party liability towards airport operators and others.

Money Insurance: This insurance covers all kinds of money such as banknotes, bank bonds, checks, mail orders, cash bonds or cash payment orders. Insurance coverage includes protection of funds from theft or damage, whether in a court safe or while being transferred from one place to another.

Comprehensive Bank Insurance: This insurance targets banks and other financial institutions that provide financial services, including coverage of the Bank's property against theft, losses directly resulting from acts involving breach of trust from bank's employee, bank's money during the transfer process, losses or damages to the bank's physical property,

including furniture, equipment, safes, automatic teller machines, and others.

Fidelity Insurance: This type of insurance covers financial losses to employer's funds (insured) as a result of incident or embezzlement committed by the employee (insured) while performing his duties or as a result of reasons related to the employees who occupy a position that requires a degree of responsibility and confidence such as (financial managers, money changers, accountants, debt collection agents, sales representatives, warehouseman). The beneficiaries from this policy are entrepreneurs, corporate office owners, and factories owners. The insurance coverage includes any losses of cash or goods in kind incurred by the subscriber due to acts and conduct resulting from theft, embezzlement, forgery, fraudulent waste, manipulation of papers and documents that caused by insured employee or employees while performing their job duties

Personal Accidents Insurance: This type of insurance provides compensation in the event of an unexpected accident where the insured is compensated in the event of bodily injury resulting from unforeseen emergency and violent external means, compensation to the insured person or his family in the event of death, partial or total disability, weekly compensation and medical expenses as agreed and according to the injury schedule.

Professional Liability Insurance: This insurance protects all professionals such as physicians, engineers or lawyers, etc. against loss sustained by third party as a consequence of wrongful practices Insurance protection includes the amounts in which the insured becomes legally liable to pay, such as damages affected third party with regard to errors or omission of insured while performing his duties and within the limits of compensation permitted.

Product Liability Insurance: This type of insurance provides compensation to the insured against any sums for which he may be legally liable if the use of a particular product manufactured or marketed by the insured has caused accidental bodily injury (including death, illness, or burdens) to any person due to workmanship defects. The policy can be extended to include (product recovery insurance) which provides compensation for expenses incurred in connection with product recall expenses related to products manufactured or distributed by the insured or his agents as a result of any decision taken by the insured during the insurance period. It may also cause the insured to incur legal liability if the use of any particular product causes accidental bodily injury (including death, illness or fatigue) to any person.

Workers' Compensation and Employer Liability Insurance: This type of insurance provides comprehensive insurance coverage for

all the statutory requirements of employers, and the company bears all costs and expenses paid in accordance with the Saudi labor law, and indemnification for death (permanent total or partial disability and temporary disability of workers while they are in service).

Marine Cargo Insurance: This type of insurance provides different kinds of coverages, including trip insurance that covers a shipment of goods on a single trip from one place to another. The Land transit insurance covers the losses occurring to the goods during transport by road owing to an accident covered by the insurance, and the open cover policy provides the insured coverage for all cargo within the scope of the contract. Carrier Liability Insurance includes protection for the carrier against loss or damage to the goods in his custody and under his responsibility.

Marine Hull Insurance: This Insurance provides insurance coverage and protection against the risks to which the ship may be exposed to while on cruises between ports or during stop at the port and also during the construction or building process in a shipyard. The insurance covers marine risk, which is a risk arising from navigation or linked to the sea. It also covers the dangers of the sea, such as ship sinking, stranding and maritime collision due to bad weather conditions such as fire, explosion, and piracy, etc.

Reinsurance Activity

Reinsurance is a process in which a reinsurer agrees to cover a portion of the risks insured or originally accepted by insurance company (the insurer). It is a necessary requirement to stabilize the results of the company's subscribed business and reduce volatility and therefore serve as an effective tool for growth and risk management.

The company works with a number of world's leading reinsurers with a credit rating matching or higher than those recommended by regulators. Through strong relationship with reinsurers, the company can safely undertake its own risks and provide extensive coverage to its customers at any time. Credit ratings indicate the strength of the reinsurance company's financial position and its efficiency in covering claims, in addition to the quality and strength of its reinsurance programs, as the company works to assign insurance risks during its normal business cycle with several reinsurance companies rated no less than BBB by S&P or rating B + by AM Best, as set forth in the chapter 3 of the reinsurance regulation issued by Saudi Central Bank. If the company wishes to deal with non-accredited reinsurers by Saudi Central Bank, it shall obtain written consent from Saudi Central Bank. It is important to note that assigned reinsurance agreements did not release company from its obligations towards insured.



Regulatory Environment



1.3 Spreading Awareness

Global Mental Health Day



World Diabetes Day



Breast Cancer



November



World Pneumonia Day



1.4 MedGulf's Social Contributions

We intend for MEDGULF to be an active member in the social responsibility approach and support all humanitarian, social and environmental programs as one of its leading roles towards society, the most prominent of which are:

1. Occupational safety and health: Based on the company's deep belief in the principle of occupational safety and health, and in line with MEDGULF policy, the company implemented all standards, requirements and procedures in all the company's sites to ensure the safety of employees and auditors. For this purpose, the company adopted intensive and effective training programs related to occupational safety and health. For the purpose of consolidating a culture of health and safety among all employees, which will undoubtedly reflected on the practices and behavior on personal level in the work place and the public behavior in society. Among these training programs are training on first aid and evacuation and conditions for using equipment in proper work practices. In addition, the Health and Safety Committee of fifty-five employees from all departments, conducts regular safety inspections in all company facilities.

2. The training: The company worked on encouraging Saudi youth and developing their skills and to apply the principle of equality opportunities, therefore it provided women's opportunity to work and effectively contribute to the productive process along with young people by enrolling them into practical training programs in various technical and administrative training programs for refining and developing their skills to work within the company. During the year 2022, MEDGULF trained more than 69 trainees within the cooperative training program



and Tamheer in various departments of the company.

3. Blood donation initiative: In cooperation with King Fahd Medical City, a blood donation campaign was launched for MEDGULF employees (166 donor-83,000 ml)

4. Women's empowerment: As the Kingdom enters a new era for women's empowerment, MEDGULF works to continue creating opportunities for growth and progress for women, thus contributing to making change; and rooting the diversity culture and programs in all the company's work track, and integrating it into all life professional stages, from recruitment to leadership.

5. "Tamena Tetmman" Campaign: One of our priorities is to implement programs and initiatives

which focus on the health and safety of employees, including the allocation of a health bus for two days, in cooperation with the Health Education Department to conduct a free and comprehensive examination and health and sports education for employees.

6. “Because you are the safety, be safe”

Campaign: As a part of the company’s efforts is to support social responsibility and health awareness programs, MEDGULF, in cooperation with the Zahra Association, organized this initiative, coinciding with the Breast Cancer Awareness Month, aiming to increase the interest and awareness of early detection.

7. Honoring maintenance and cleaning workers:

This initiative is intended to honor the cleaning and maintenance workers for their silent efforts in maintaining the cleanliness of the work environment. As part of the CSR’s budget, monetary rewards were released to these workers as a thank you with the intention to bring joy and happiness to their souls.

8. Educational workshop on the concept of recycling and environmental awareness: As part of MEDGULF commitment towards its employees and the local community as well as the environment around, MEDGULF, in cooperation with the Saudi Investment and Recycling Company (SRC), organized a workshop on recycling and the circular economy, in which more than 30 employees participated, workshop objectives were:

1. Clarification the concept of circular economy
2. Types of waste
3. Importance of recycling

9. Afforestation of the work environment: Aims to increase afforestation within working places to achieve a positive impact on employees and

environmental, aesthetic and health benefits.

10. International Day of Older Persons

(Barakatna): In cooperation with the Diwaniyah Foundation and honored by His Royal Highness Prince Faisal bin Sultan Al Saud, Medgulf is proud to be the golden sponsor of Barakatna initiative, with the objective to raise the community’s awareness of the importance of our elderly, achieve communication between the community and them, and also emphasize on their rights and care.

11. CatWalk2022 initiative: Medgulf proud to participate in this initiative which aimed at spreading awareness of the interdependence of collective well-being with the creatures around us, as well as encouraging community members to practice walking for a distance of up to 7 kilometers which support the Kingdom vision 2030 of sustainability and quality of life.



2.1 Company's Strategic View

MedGulf's Strategic Ambitions

...be a credible competitor in the Saudi insurance market, with an underwriting market share above 15%
...earn margins that are among the highest in the industry
...be an innovator, deeply embedded in the health ecosystem
...be differentiated by business model, people model and value proposition



**MedGulf will
achieve this
by...**

- 1 Creating scale by becoming an infrastructure provider to the health & motor ecosystem
- 2 Creating a differentiated value proposition to clients, insured members, and other stakeholders
- 3 Establishing state-of-the-art technical capabilities
- 4 Establishing a customer segment-centered sales model and an embedded product-channel service proposition
- 5 Moving to a layered operating model that is significantly different from competitors
- 6 Moving to a new people model separating factory from professional services

Board of Directors, Board Committees, & Senior Executive Management



3.1 Board of Directors Formation, classification of its members, their qualifications & experiences



Mr. Rakan Abu Nayan

Chairman

(Board Session: 08-05-2022 to 07-05-2025)

Non - Executive

Current Positions

- Chief Investment Officer - Abunayan Holding
- Chairman of the Board - Alistithmar for Financial Securities and Brokerage Company
- Chairman of the Board – MedGulf

Names of companies inside/outside KSA for which a BOD member is a member of their current BOD and/or Management

- BOD member of Abdullah Abunayyan Trading Corporation (ATC)
- BOD member of Abunayyan Electric Corporation
- BOD member – First Mills Company
- Venture Trading Company
- BOD member of Industrial Instrumentation & Control Systems Ltd
- BOD member of Jubar International Contracting Co
- BOD member of Cityscape planning Company
- BOD member of Middle East for Agriculture Company
- BOD member of Electronic and Electrical Industries Corporation
- BOD member of Arabian Qudra Company (AQC)
- BOD member of Saudi Meters Company Ltd

- Board member of Kima Oil Industrial Company (KIMA)

Names of companies inside/outside KSA for which a BOD member is a member of their previous BOD and/or Management

- BOD member of Saudi Tumpane Co. Ltd
- BOD member of Ehata Financial Company
- Executive Committee Member - International Vision Investment Co.
- BOD member of American Express (Saudi)

Qualifications

- Bachelor's degree in accounting, King Saud University, KSA, 2001
- Master's degree of Financial Management from University of Illinois at Urbana - Champaign, 2005
- American Legal Accountancy Fellowship from California Board of Accountancy

Experiences

- Saudi Central Bank/ Economic Researcher (2001 – 2003)
- Finance and economy lecturer at King Fahd University of Petroleum and Minerals (2003 - 2007)
- Corporate financing manage at MEFIC Capital (2007 - 2010)



Eng. Raad Ghaith Al Barakati

Board Vice-Chairman

(Membership expired as of 08/05/2022)

Independent

Current Positions

- Vice chairman of strategic partnerships and business development - the Saudi Center for International Strategic Partnerships (SCISP)

Names of companies inside/outside KSA for which a BOD member is a member of their current BOD and/or Management

- Vice chairman of strategic partnerships and business development - the Saudi Center for International Strategic Partnerships (SCISP)

Names of companies inside/outside KSA for which a BOD member is a member of their previous BOD and/or Management

- CEO of Tlol Constructions Company, a Saudi limited liability company
- BOD member and Chairman of Credit and Risk Committee and Investment Committee for Financial Investment, a Saudi closed joint stock company

Qualifications

- Bachelor's degree in industrial system engineering Year 1997, from King Saud University-Kingdom of Saudi Arabia.

Experiences

- The Banque Saudi Fransi (2005 to 2010).
- Tlol Constructions (2010 to 2015).
- The Saudi Investment Bank-Regional Head of the middle region-corporate banking at SAIB (2015 - Dec 2018).
- General Manager Assistant-Financial structure department, Corporate banking – SAIB (Jan 2019 - Nov 2019)



Mr. Yousef Hamad Al-Yousfi

Board Vice-Chairman

(Board Session: 08-05-2022 to 07-05-2025)

Independent

Current Positions

- CEO in JOA Financial Company

Names of companies inside/outside KSA for which a BOD member is a member of their current BOD and/or Management

- BOD member of Saudi Post Corporation since January 2020
- BOD member of Post Corporation (SPL) since 2020
- BOD member of Saudi Airlines Catering Company, since 2018 and a Chairman of the Nominations and Remuneration Committee.
- BOD member of Saudi Fransi Capital Co. since 2017, and a member of the following committees:
 - a. Nomination and Remuneration Committee Chairman
 - b. Risk Committee Member
- Investment Committee member of Saudi Venture Capital Company (SVC) since 2019
- Partner of Future Generation Investment Company since 2015
- Investment Manager of Sada Holding Company since 2013
- Founder and BOD Chairman at JOA Energy Company since 2013
- MedGulf Remuneration Committee Chairman,
- MedGulf Governance Committee Member,
- MedGulf Investment Committee Member

Names of companies inside/outside KSA for which a BOD member is a member of their previous BOD and/or Management

- BOD member of Leejam Sports Company, from 2017 to 2018G and (Chairman) of the Nominations and Remuneration Committee

Qualifications

- MBA in business administration, year of 2010, from Harvard University - USA.
- Bachelor's degree in electric engineering, year of 2003, from University of Colorado - USA.

Experiences

- Founder and BOD Chairman at JOA Energy Company since 2013G
- Energy sector analyzer at Passport Capital, LLC (2011 - 2012).
- Consultant at King Abdullah Petroleum Studies and Research Center (KAPSARC), non-profit institution (2010 - 2011).
- Joint official at private equity department, Jadwa Investment (May 2009 - August 2009).
- During 2008, consultant at BOOZ & CO, known recently as (&Strategy).
- Petroleum engineer at Schlumberger Limited, (2004-2005).
- Communication engineer at Saudi Aramco in the oil and gas sector (2004-2005).



Dr. Ahmed Abdullah Bin Ahmed

Board Member

(Board Session: 08-05-2022 to 07-05-2025)

Independent

Current Positions

- Board member of Saudi Authority for Professional Doctors (Saudi Commission of Health Specialist).
- Palliative Care Medicine Fellowship Program Manager-King Abdulaziz Medical City
- Palliative Care Medicine Consultant-King Abdulaziz Medical City

Names of companies inside/outside KSA for which a BOD member is a member of their current BOD and/or Management

- Medgulf – BoD member

Names of companies inside/outside KSA for which a BOD member is a member of their previous BOD and/or Management

-

Qualifications

- Palliative care medicine specialized fellowship from the Saudi Commission of Health Specialist in 2004.
- Family medicine Arab fellowship from the Arab National Council in 2011.
- Family medicine Saudi fellowship from the Saudi Commission of Health Specialist in 2010.
- Bachelor's degree medicine and surgery from King Saud University in 2004.

Experiences

- Member of professional council for doctors at the Saudi Commission of Health Specialist in 2017.
- Consultant and director of Palliative Care Medicine Fellowship Program at King Abdulaziz Medical City in 2016.
- Joint consultant at King Abdulaziz Medical City in 2014.
- Consultant physician of family medicine at King Abdulaziz Medical City in 2010



Mr. Mohamed Saad Bin Dawood

Board Member

(Membership expired as of 08/05/2022)

Independent

Current Positions

- Mohammed bin Saad bin Dawood office for Financial and Administrative Consultations (August 2018 to date).

Names of companies inside/outside KSA for which a BOD member is a member of their current BOD and/or Management

- Investment Committee Chairman - Abdullatif Alissa Group Holding
- Investment Committee Member - Real Estate Development Fund, Ministry of Housing
- Executive Committee Member - Dar Al Tamleek Company
- Audit Committee Chairman - Mohammed Abdulaziz Al-Rajhi & Sons Investment Co.
- BOD Chairman - Manafea Investment Company
- BOD Chairman - Alpha Finance Company
- Executive Committee Member - Saudi Chemical Company Ltd.
- Executive Committee Member - Saudi Real Estate Company
- Executive Committee Member – Fiber Glass Oasis Company
- BOD Chairman - Aqalat Limited
- Risk Committee Member - Saudi Ground Services
- Governance Committee Member - Thiqah Business Services

Names of companies inside/outside KSA for which a BOD member is a member of their previous BOD and/or Management

- Industrial Committee Member - Riyadh Chamber
- BOD Member – Al Arabi Investment Company
- BOD Member - SABB Takaful Company
- BOD Member - Saudi Home Loans Company (SHL)
- BOD Member – Al Arabi Heavy Equipment Company
- BOD Member - Al Jazirah Home Appliances Co. Ltd
- BOD Member - Falcon Plastic Products Company
- Audit Committee Member – Al Rajhi Steel Industries Ltd Co.

Qualifications

- Bachelor's degree in accounting, 1996 - King Saud University.

Experiences

- Mohammed bin Saad bin Abdulaziz bin Dawood office for Financial and Administrative Consultations
- Managing Director, Manafea Investment Co.
- CEO, Mohammed Abdulaziz Al-Rajhi & Sons Investment Co.
- General Manager, Corporate Banking Services – The Saudi British Bank (SABB)
- Deputy General Manager, Corporate Banking Services – Arab National Bank
- Director, Commercial Banking Services in the Central Region – SABB
- Senior Corporate Relationship Manager, ANB
- Corporate Relationship Manager, SABB



Mr. Mohamed Omar Al-Oayidi

Board Member

(Membership expired as of 08/05/2022)

Independent

Current Positions

- Aloyaidi Certified Public Accountants

Names of companies inside/outside KSA for which a BOD member is a member of their current BOD and/or Management

- Audit Committee Member of Saudi Real Estate Refinance Company
- Audit Committee Member of Batec Logistics Company (Audit Committee Member)
- Imam Muhammad bin Saud Islamic University (Accounting Advisory Department Council Member)
- Al-Ahly REIT Fund (Independent BOD Member)
- Saudi Organization for Certified Public Accountants in KSA (Auditing Standards Committee Member)

Names of companies inside/outside KSA for which a BOD member is a member of their previous BOD and/or Management

- Independent BOD Member and Audit Committee Chairman of Jazan Energy and Development Company from 2017 to 2018G
- Audit Committee Member of Al Sagr Insurance Company

- Saudi Organization for Certified Public Accountants in KSA (Member team of updating auditing standards to international standards)

Qualifications

- Bachelor's degree in Accounting, year of 2005, from King Saud University.
- MBA in Business Administration from Oklahoma City University- USA.
- Certified Public Accountants by the Saudi Organization for Certified Public Accountants (SOCPA).
- CPA - New Hampshire Board of Accountancy, USA
- Certified economic establishment valuer by the Saudi Authority for accredited Valuers.

Experiences

- Ernst & Young (2005 to 2009)
- World Bank (2009 to 2010)
- Capital Market Authority (2010 to 2015)
- KPMG Al Fozan & Partners (2015 to 2016)
- Imam Muhammad Ibn Saud Islamic University (2016 to 2017)



Mr. Suliman Abdulaziz Al-Obaid

Board Member

(Membership expired as of 06/02/2022)

Non - Executive

Current Positions

- Chief Operating Officer at Samba Financial Group

Names of companies inside/outside KSA for which a BOD member is a member of their current BOD and/or Management

- Chief Admin Officer – Saudi National Bank

Names of companies inside/outside KSA for which a BOD member is a member of their previous BOD and/or Management

- BOD member of American Express (Saudi) from 2013 to 2020
- General Manager of Information Technology and Common Services Group at Saudi Investment Bank from 2011 to 2019

Qualifications

- Bachelor's degree in computer information system, in year 1997 from King Saud University, Kingdom of Saudi Arabia.

Experiences

- General Manager, Information Technology and Common Services group at The Saudi Investment Bank (2011 – 2019)
- General Manager at Al Rajhi Bank (2007 – 2011)
- General Manager of Information Technology and Common Services group at Al Rajhi Bank (2005 – 2007)
- Manager of information technology at Al Rajhi Bank (2004 – 2005)
- Senior Director in Al Rajhi Bank (2000 – 2004), and Financial Analyst (1997 – 2000)



Ms. Monirah Saleh Al-Swaydani

Board Member

(Membership started on 08/05/2022)

Non – Executive

Current Positions

- General Manager Corporate Governance & Board Secretary at Saudi Investment Bank
- Assistance GM – Risk Control at Saudi Investment Bank

Names of companies inside/outside KSA for which a BOD member is a member of their current BOD and/or Management

- Medgulf – BoD member
- Saudi Investment Bank - Member of the Enterprise Risk Management Committee
- Saudi Investment Bank - Member of the Expected Credit Loss Committee
- Saudi Investment Bank - Member of the Credit Committee

Names of companies inside/outside KSA for which a BOD member is a member of their previous BOD and/or Management

- Member of the FATCA Committee – Banque Saudi Fransi
- Senior Manager - Credit Administration at Saudi Investment Bank
- Assistant Group General Manager - Real Estate Financing/Agency at Banque Saudi Fransi
- Deputy Department Head - Credit Administration and Control at Banque Saudi Fransi

Qualifications

- Bachelor's degree in English literature, King Saud University, 2005.

Experiences

- Led various positions in Banking mainly in Risk Control, Real Estate Finance/Agency, & Credit Administration & Control



Mr. Abdulrahman Mohammed Al Rawaf

Board Member

(Membership started on 08/05/2022)

Non – Executive

Current Positions

- BoD Member - Saudi Investment Bank
- BOD Member – Qassim Cement
- BOD Member – MedGulf

Names of companies inside/outside KSA for which a BOD member is a member of their current BOD and/or Management

- BoD Member - Saudi Investment Bank
- BOD Member – Qassim Cement
- BOD Member – MedGulf

Names of companies inside/outside KSA for which a BOD member is a member of their previous BOD and/or Management

- BOD Member – Falcom Holding
- BOD Member - Jabal Omar Development Company
- BOD Member – Saudi Advanced Industries Company
- BOD Member - Sipchem

- BOD Member – SAMBA
- BOD Member – Bank AlJazira

Qualifications

- Bachelor of Business Administration, Arkansas State University, America, 1993.
- Master's Degree in Public Administration, University of Southern California, America, 1995.

Experiences

- Hassana Investment Company General Manager Deposit and Bond Management
- Hassana Assistant credit manager.
- Hassana Investment Company General Director of International Markets.
- General Organization for Social Insurance Director of Portfolio Investment Management.
- BOD Member - Saudi Investment Bank.
- Nominations and remunerations committee member – Saudi Investment Bank



Mr. Abdulmajed Abdulaziz Al Meshaal

Board Member

(Membership started on 08/05/2022)

Independent

Current Positions

- Managing Director, Murbiha Holding Company

Names of companies inside/outside KSA for which a BOD member is a member of their current BOD and/or Management

- Medgulf – BoD member
- Noor Capital – BOD member
- Jazal – BOD member
- Murbiha – BOD member

Names of companies inside/outside KSA for which a BOD member is a member of their previous BOD and/or Management

- Modern Food Company - Member of the Board of Directors

Qualifications

- Bachelor of Computer Science, University of Missouri, America, 2005.
- Management, Queen Mary University, London, 2017

Experiences

- BOD Member – Noor Capital
- BOD Member - Jazal Investment Company
- Investments Analysis- Al Mashal Investment Group
- Systems Developer – Saudi Investment Bank



Mr. Andrew Paul Rear

Board Member

(Membership started on 08/05/2022)

Independent

Current Positions

- General Manager – Insurtech Advice Ltd.
- Chairman of the board of directors - Buckle Inc.
- General Manager – Primary Group Ltd.
- Chairman of the board of directors – Ticker Ltd.
- Chairman of the board of directors - Finsac Ltd.

Names of companies inside/outside KSA for which a BOD member is a member of their current BOD and/or Management

- Medgulf – BoD member
- Buckle INC – Chairman of the board.
- Ticker LTD – Chairman of the board.

- FINSAC LTD – Chairman of the Board

Names of companies inside/outside KSA for which a BOD member is a member of their previous BOD and/or Management

- Chief Executive Officer – Munich Re
- Chief Executive Officer – Digital Partners

Qualifications

- Bachelor of Mathematics, University of Cambridge, 1992.
- Master of Mathematics, University of Cambridge, 1997

Experiences

- Chief Executive Officer – Munich Re
- Chief Executive Officer – Digital Partners

3.2 Duties & Power of the Board of Directors

- Adopt and oversee the implementation of the company's trends, strategic plans, and main objectives, including the development of the company's overall strategy and main business plans, identification of the optimal capital structure and financial objectives of the company, supervision of the company's main capital expenditures, and the periodic review and approval of the company's organizational and functional structures.
- Develop policies and procedures that ensure the Company's respect to laws and regulations, its obligation to disclose material information to shareholders, creditors and stakeholders.
- Develop a company governance law that does not conflict with the regulation provisions issued by the Capital Market Authority and the regulation issued by the Saudi Central Bank, in addition to supervise it, observe its effectiveness and amend it, if required.
- Follow an obvious and transparent policy regarding share dividend distribution in a manner that achieves stakeholders and the company interests meanwhile.
- Develop a written policy that regulates the relationship with Stakeholders to protect them and reserve their rights.
- Develop and oversee laws and controls for internal control, supervising them as well.
- Supervise, approve, review and update all written policies and main procedures at the company regularly.
- Adopt the committee recommendation regarding the appointment of CEOs at the main centers and ensure that the company has a proper policy to replace a suitable alternative person to be qualified to work and have the required skill.
- Supervise the senior management and monitor company performance against the performance goals set by the Board.



Name of the Board Member	Notes	Position	Membership Classification		
			Independent	Executive	Non-executive
Mr. Rakan Abdullah Abunayyan	-	Chairman			✓
Eng. Raad Ghaith Al Barakati	Membership expired as of 08/05/2022	Board Vice-Chairman	✓		
Mr. Yousef Hamad Al-Yousfi	Appointed as Board Vice- Chairman on 16/05/2022	Board Vice-Chairman	✓		
Mr. Mohammed Saad bin Dawood	Membership expired as of 08/05/2022	Member	✓		
Mr. Mohammed Omar Aloyaidi	Membership expired as of 08/05/2022	Member	✓		
Mr. Suliman Alobaid	Membership expired as of 06/02/2022	Member			✓
Ms. Monirah Saleh Al-Swaydani	Membership started on 08/05/2022	Member			✓
Mr. Abdulrahman Mohammed Al-Rawaf	Membership started on 08/05/2022	Member			✓
Dr. Ahmed Abdullah Bin Ahmed	-	Member	✓		
Mr. Abdulmajed Abdulaziz Al-Meshaal	Membership started on 08/05/2022	Member	✓		
Mr. Andrew Paul Rear	Membership started on 08/05/2022	Member	✓		

3.3 Procedure applied by the Board to inform its members of any shareholder's suggestions & remarks on the Company and its performance

Through the General Assembly, MedGulf receives and considers shareholder proposals and suggestions. The proposals and suggestions are also recorded in the minutes of the General Assembly meeting. In order for the Board to review shareholder proposals and suggestions, MedGulf also offers an email address (investorsrelations@medgulf.com.sa) for that purpose, which is made public on the Company's page on the Tadawul website.

3.4 The means by which the Company evaluates the BOD performance and that of its committees and members

BOD/Committee member shall be evaluated periodically to ensure that he/she complies with the standards & requirements defined in the specified procedures for BoD membership and ensure that he/she also abides by all laws, regulations, & instructions issued by the Saudi Central Bank (SAMA) and the Capital Market Authority (CMA).

The Nomination & Remuneration Committee shall evaluate the BOD members and the entire Board periodically (minimum once a year) by complying with the evaluation's confidentiality. The evaluation process shall be through a periodic evaluation for each BOD member and the emanating committees, whereas the Nomination & Remuneration Committee members evaluate the BOD members and its committees. While the Chairman & other BOD members evaluate the Nomination & Remuneration Committee members who are part of the board of directors.

The Nomination & Remuneration Committee applied the evaluation policy, as defined the highest standards for evaluating each member separately, and adopted updated forms to evaluate the BOD members and the emanating committees and the Board function as a whole.

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

The Company's Ordinary General Assembly, held on 25/03/2019G, approved the remuneration and compensation policy for BOD members, emanating committees and executive management, which is consistent with Article 19 of the company's Articles of Association:

A: Board of Directors: Under Article 6 of the Company's remuneration policy, the maximum total remuneration shall not exceed SAR 500K for the chairman and BOD members for their BOD membership and their participation in its duties, including remuneration in case that the member participates in the emanating committees as follows:

1. BOD Chairman, SAR 260K annually.
2. BOD Vice - Chairman, SAR 230K annually.
3. BOD members, SAR 200K annually.
4. BOD Meetings attendance allowance, SAR 3K per meeting, provided that the number of meetings shall not exceed 10 meetings a year and shall not include accommodation and travel costs.
5. As part of the additional benefits, the BOD member and his family are provided with health insurance for the occupational risks they may face.
6. Travel & Accommodation Costs: Remuneration in accordance with the company's travel rules policy.
7. The annual remuneration value shall be divided into four (4) quarters, each quarter represents three months, and shall be paid to the BOD members on a quarterly basis.
8. Under Article five of the company's remuneration policy, which stipulates that if the remuneration from the company's dividends, it shall not exceed (10%) of the company's net profits after deducting of reserves and distributing dividends to shareholders by at least 5% of the paid-in capital to the company, provided that this remuneration shall be in consistent with the number of meetings attended by the concerned BOD member.

Relationship between the paid Remuneration and applicable Remuneration Policy

Applicable Remuneration Policy which approved by General Assembly on 25/03/2019G was applied when they paid remuneration to BOD and Committee members, and there are no substantial irregularities. Whereas the total remuneration paid to each member of BOD and Committee did not exceed the SAR 500K annually, as stipulated in Article (19) of the Company's Articles of Association.

3.6 Board Meetings & Attendance Record

During 2021, the Board held seven (7) meetings. The following table details Board meetings held and the respected attendance.

Name of the Board Member	Meetings Attendance						
	16/01	23/03	31/03	16/05	29/06	06/10	19/12
Mr. Rakan Abunayyan	Y	Y	Y	Y	Y	Y	Y
Eng. Raad Al Barakati	Y	Y	Y	N/A	N/A	N/A	N/A
Dr. Ahmed bin Ahmed	Y	Y	Y	Y	Y	Y	Y
Mr. Suliman Al-Obaid	N	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Yousef Al Yousfi	Y	Y	Y	Y	Y	Y	Y
Mr. Mohammed Aloyaidi	Y	Y	Y	N/A	N/A	N/A	N/A
Mr. Mohammed bin Dawood	Y	Y	Y	N/A	N/A	N/A	N/A
Ms. Munira Al-Suwidani	N/A	N/A	N/A	Y	Y	Y	Y
Mr. Abdulrahman Al-Rawaf	N/A	N/A	N/A	Y	Y	Y	Y
Mr. Abdulmajid Al-Mashaal	N/A	N/A	N/A	Y	N	Y	Y
Mr. Andrew Rear	N/A	N/A	N/A	N	Y	Y	Y

Y: Attended; N: No Attendance; N/A: Not Applicable due to membership expiry or non-commencement yet

3.7 Board Members Remuneration

Fixed Remunerations						
Specific amount	Allowance for attending Board meetings	Total allowance for attending Board Committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the Chairman, Managing Director or Secretary	Total

Non - Executive Members

Rakan Abunayyan	253,753	21,000	Details in Section 4.3	0	0	0	274,753
Suliman Alobaid	19,726	0		0	0	0	19,726
Munira Al-Suwidani	130,411	12,000		0	0	0	142,411
Abdulrahman Al-Rawaf	130,411	12,000		0	0	0	142,411

Independent Members

Mohammed Aloyaidi	69,589	9,000	Details in Section 4.3	0	0	0	78,589
Raad Al Barakati	80,027	9,000		0	0	0	89,027
Mohammed bin Dawood	69,589	9,000		0	0	0	78,589
Yousef Al Yousfi	216,439	21,000		0	0	0	237,439
Ahmed bin Ahmed	200,000	21,000		0	0	0	221,000
Abdulmajid Al-Mashaal	130,411	9,000		0	0	0	139,411
Andrew Rear	130,411	9,000		0	0	0	139,411

Total	1,430,767	132,000	0	0	0	0	1,562,767
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	Variable Remunerations						End-of-service award	Aggregate amount	Expenses allowance
	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
Non - Executive Members									
Rakan Abunayyan	0	0	0	0	0	0	0	0	0
Suliman Alobaid	0	0	0	0	0	0	0	0	0
Munira Al-Suwidani	0	0	0	0	0	0	0	0	0
Abdulrahman Al-Rawaf	0	0	0	0	0	0	0	0	0
Independent Members									
Mohammed Aloyaidi	0	0	0	0	0	0	0	0	0
Raad Al Barakati	0	0	0	0	0	0	0	0	0
Mohammed bin Dawood	0	0	0	0	0	0	0	0	0
Yousef Al Yousfi	0	0	0	0	0	0	0	0	0
Ahmed bin Ahmed	0	0	0	0	0	0	0	0	0
Abdulmajid Al-Mashaal	0	0	0	0	0	0	0	0	0
Andrew Rear	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0

4.1 List of Board Committees & Duties



The Board of Directors has formed six committees to help it perform its duties effectively, which are the Executive Committee, Investment Committee, Audit Committee, Risk Committee, Governance Committee, & the Nomination and Remuneration Committee,

The Board of Directors follows up on the committees' work periodically to verify they are carrying out the tasks assigned to them. The Committees also inform the Board of Directors periodically and with absolute transparency of what they do or reach from the results or take decisions.

However, despite the formation of these committees, the final responsibility for the Company remains with the board of directors.

The following paragraphs will provide a brief description of the competencies of the aforementioned board committees, with the names of these committees, their chairmen, members and the number of their meetings held in year 2022.

I. Executive Committee

The objectives of the Executive Committee are as follows:

- Periodic review of the Executive Committee's work regulations, assessing its adequacy, and issuing recommendations for its amendment to the Board of Directors.
- Set the overall strategy and the main objectives of the company and overseeing its implementation (Mission, Vision and Objectives).
- Periodic review and approval of organizational and functional structures in the company
- Review the company's budget and financial plans prepared by the executive management before submitting & recommending to the board of directors for approval.
- Study all matters referred to the committee regarding executive management and take appropriate recommendations in their regard.
- Conduct regular contacts and meetings with the executive management to follow up on its work.
- Maintain effective working relationships between the Company's Board of Directors and executive management.

Name of the Committee Member	Notes	Position	Membership Classification		
			Independent	Executive	Non-executive
Eng. Raad Al Barakati	Membership expired as of 08/05/2022	Chairman	✓		
Mr. Rakan Abunayyan	-	Member			✓
Mr. Suliman Al-Obaid	Membership expired as of 06/02/2022	Member			✓
Mr. Abdulmajed Al-Meshaal	Membership started on 16/05/2022	Member	✓		
Mr. Andrew Rear	Membership started on 21/09/2022	Member	✓		
Mr. Muhanad Al-Rashid	Membership started on 16/05/2022	Member	✓		

Name of the Committee Member	Meetings Attendance			
	08/08/2022	28/09/2022	01/12/2022	15/12/2022
Eng. Raad Al Barakati	N/A	N/A	N/A	N/A
Mr. Rakan Abunayyan	Y	Y	Y	Y
Mr. Suliman Al-Obaid	N/A	N/A	N/A	N/A
Mr. Abdulmajed Al-Meshaal	Y	Y	N	N

Mr. Andrew Rear	N/A	Y	Y	Y
Mr. Muhanad Al-Rashid	N	Y	Y	Y

Y: Attended; N: No Attendance; N/A: Not Applicable due to membership expiry or non-commencement yet

II. Investment Committee

The objectives of the investment committee are as follows:

- Developing strategic plans for the company's investments and ensuring their compliance with the provisions and conditions of the regulations and systems in force, in addition to their conformity with the written policy that has been developed and duly approved by the Board of Directors.
- Supervising the implementation of the investment policy.
- Review the investment policy and guidelines periodically and issue new recommendations in line with market conditions.
- Giving written approval in cases that necessitate non-compliance with some conditions of the investment policy, and raising the issue, if necessary, to the Board of Directors.
- Approval of attractive investments and / or disposing of them.
- Approving the appointment of all asset managers to manage or advise on the company's assets.
- Review the report issued by the risk management department regarding the investment portfolio in order to ensure compliance with the approved policies and guidelines.
- Making final decisions regarding investments based on the recommendations of the Treasury Department.
- Monitor the performance of the company's investments, define the objectives and strategy of the investment, and set the necessary implementation plans for that.

Name of the Committee Member	Notes	Position	Membership Classification		
			Independent	Executive	Non-executive
Mr. Mohammed bin Dawood	Membership expired as of 08/05/2022	Chairman	✓		
Mr. Abdulmajid Al-Mashaal	Appointed as Chairman on 16/05/2022	Chairman	✓		
Mr. Rakan Abunayyan	Membership expired as of 08/05/2022	Member			✓
Mr. Yousef Al Yousfi	-	Member	✓		
Mr. Abdulrahman Al-Rawaf	Membership started on 16/05/2022	Member			✓

Name of the Committee Member	Meetings Attendance			
	24/02/2022	31/07/2022	11/09/2022	11/12/2022
Mr. Mohammed bin Dawood	Y	N/A	N/A	N/A
Mr. Abdulmajid Al-Mashaal	N/A	Y	Y	Y
Mr. Rakan Abunayyan	Y	N/A	N/A	N/A
Mr. Yousef Al Yousfi	Y	Y	Y	Y
Mr. Abdulrahman Al-Rawaf	N/A	Y	Y	Y

Y: Attended; N: No Attendance; N/A: Not Applicable due to membership expiry or non-commencement yet

III. Audit Committee

The objectives of the audit committee are as follows:

- Assisting the Board of Directors in fulfilling its responsibilities, and in particular assisting in verifying the adequacy of the internal control system and its effective implementation.
- Study the annual and interim financial statements before they are approved by the Board of Directors and published.
- Study the accounting policies adopted by the company before adopting them and any change in these policies.
- Verifying the adequacy of the design of the supervisory activities in the company, the efficiency of the supervisory apparatus and the internal audit.
- Supervising the investigation processes related to fraud, errors or fraud that occur in the company, or any other matters that the committee deems important to investigate.
- Study the reports and notes provided by the company's external auditor and external supervisory bodies such as the Central Bank of Saudi Arabia, the Zakat and Income Authority, the Ministry of Commerce and Investment, the Capital Market Authority, and other relevant authorities, in order to verify that appropriate measures have been taken to address the matters included in these reports and notes.
- Nominating the company's external auditors according to specific selection procedures in the committee's work rules.
- Verifying the professionalism and independence of the internal auditors, studying the internal audit work plan in the company, the scope of the examination and the reports issued by it, submitting any proposals that would confirm the independence of the internal auditors, and raising the efficiency of their work at a reasonable cost.
- Approving and implementing the company's system of regulatory control, supervising its business, submitting its recommendations to the Board of Directors and other statutory bodies, and ensuring the independence of the Compliance Department.

Name of the Committee Member	Notes	Position	Membership Classification		
			Independent	Executive	Non-executive
Mr. Mohammed Al Oyaidi	Membership expired as of 05/07/2022	Chairman	✓		
Mr. Mohammed Al Ghamdi	Appointed as Chairman on 19/09/2022	Chairman	✓		
Mr. Abdulaziz Al Babbain	Membership expired as of 08/05/2022	Member	✓		
Mr. Abdulaziz Al Hashemi	-	Member	✓		
Dr. Ahmed Bin Ahmed	Appointed as a member on 15/06/2022	Member	✓		
Mr. Mohammed Al- Jafari	Appointed as a member on 08/05/2022	Member	✓		

Name of the Committee Member	Meetings Attendance									
	12/01	31/01	03/03	18/05	08/06	24/07	16/08	04/09	30/10	15/12
Mr. Mohammed Al Oyaidi	Y	Y	Y	Y	Y	N/A	N/A	N/A	N/A	N/A
Mr. Mohammed Al Ghamdi	N/A	N/A	N/A	Y	N	Y	Y	Y	Y	Y
Mr. Abdulaziz Al Babbain	Y	Y	Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Abdulaziz Al Hashemi	Y	Y	Y	Y	Y	Y	Y	N	Y	Y
Dr. Ahmed Bin Ahmed	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y
Mr. Mohammed Al- Jafari	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y

Y: Attended; N: No Attendance; N/A: Not Applicable due to membership expiry or non-commencement yet

IV. Governance Committee

The objectives and functions of the Governance Committee include the following:

- Verify the company's compliance with the corporate governance rules and policies applicable in the Kingdom of Saudi Arabia in accordance with the company's internal regulations approved by the Board of Directors.
- Reviewing and updating the company's corporate governance rules and policies in accordance with the changes in the statutory requirements and best practices.
- Reviewing and developing the rules of professional conduct that represent the company's values, and other internal policies and procedures in order to fulfill the company's requirements related to governance in accordance with best practices.

- Considering the issues referred to the committee by the Board of Directors, and making recommendations regarding them.

Name of the Committee Member	Notes	Position	Membership Classification		
			Independent	Executive	Non-executive
Mr. Ahmed Bin Ahmed	Membership expired as of 08/05/2022	Chairman	✓		
Mr. Zaid Al Moufarah	Membership expired as of 08/05/2022	Member	✓		
Mr. Yousef Al Yousfi	Membership expired as of 08/05/2022-	Member	✓		

With the current session's Board of Directors and committees, the Governance Committee's mission and responsibility have been transferred to the Risk Committee.

V. Risk Committee

The objectives and functions of the Risk Committee include the following:

- Establish and approval of risk appetite and setting the risk culture of MEDGULF.
- Approve and oversight MEDGULF Risk management frameworks and its infrastructure.
- Oversight over the Policy and SOP management framework including reviewing regular reports from Risk Management on the review cycles.
- Oversight investment risk management including capital adequacy and liquidity management.
- Monitor the implementation of defined risk management strategies and policies and reviewing and updating them based on relevant internal and external changing factors.
- Ensure Company's exposure to risk is at an acceptable level, & its risk exposure does not exceed such level.
- Ensure the effectiveness of Company's business continuity.
- Ensure that the Company's senior management continuously identify the risks that threaten the Company's existence and effectively identifies the risk exposures of the Company on regular basis.
- Oversee the Company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company.
- Regularly reassess the Company's ability to accept such risks.
- Advise the Board on issues related to risk management. The Chairperson should disclose all material facts to BOD in each meeting of BOD. The next minutes of BRC meeting should contain reference to this discussion.
- Review any issues raised by Audit Committee, other Board Committees, and the Board itself, that may affect the Company's risk management activities.
- Ensure the Company's senior management is responsible for the Company's risk management processes and

their effectiveness and give priority to discussions and actions dealing with risk management issues.

- Re-evaluate the Company's tolerance for, and exposure to risk on a regular basis (e.g., through stress testing exercises).

Name of the Committee Member	Notes	Position	Membership Classification		
			Independent	Executive	Non-executive
Mr. Suliman Al-Obaid	Membership expired as of 06/02/2022	Chairman			✓
Ms. Munira Al-Suwidani	Appointed as Chairman on 16/05/2022	Chairman			✓
Mr. Mohammed Al Oyaidi	Membership expired as of 08/05/2022	Member	✓		
Mr. Abdulaziz Al Zammam	-	Member	✓		
Mr. Faisal Al Jasser	Membership started on 16/05/2022	Member	✓		

Name of the Committee Member	Meetings Attendance			
	20/07	26/09	30/11	25/12
Mr. Suliman Al-Obaid	N/A	N/A	N/A	N/A
Ms. Munira Al-Suwidani	Y	Y	Y	Y
Mr. Mohammed Al Oyaidi	N/A	N/A	N/A	N/A
Mr. Abdulaziz Al Zammam	Y	Y	Y	Y
Mr. Faisal Al Jasser	Y	Y	Y	Y

Y: Attended; N: No Attendance; N/A: Not Applicable due to membership expiry or non-commencement yet

VI. Nomination & Remuneration Committee

The objectives and functions of the Nomination and Remuneration Committee include the following:

- Ensure that the Board of Directors maintains appropriate structure, size and skills to support the strategic goals and values of the company.
- Drawing up the remuneration policy and supervising it for the members of the Board of Directors and the executive management to motivate and keep them within the company.
- Supervising appointment procedures for leadership positions (including electoral processes) and succession plans.
- Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving the desired goals, as

well as providing the necessary recommendations regarding remuneration policies and the framework for all company employees.

- Provide the necessary recommendations to the Board of Directors regarding the appointment of members of the Board and its committees in accordance with the regulatory requirements, policies and approved standards.
- Reviewing the appropriate skills requirements for membership of the Board of Directors and its committees, and preparing a comprehensive description of all capabilities and qualifications required for that membership, as well as determining the time that the member should allocate to the work of the Board of Directors and / or the committee, and this is done on an annual basis.
- Periodically assess the structure and composition of the Board and its committees, identify weaknesses, and recommend corrective measures to be taken to address them, as necessary.
- Evaluating the independence of board and committee members and ensuring that there is no conflict of interest, including ensuring on an annual basis the independence of independent board and committee members.
- Establishing clear compensation and remuneration policies for board members, committees, and senior management members and presenting those policies to the board (the committee must make sure that these compensation are related to performance and ensure their application within the company).
- Evaluate the performance of board members and committees on a regular basis.
- Submit the necessary recommendations to the Board regarding the appointment and dismissal of members of higher management.
- Establish succession policies and procedures for the CEO and senior members of senior management and monitor the implementation of succession plans and processes for them.
- Periodically review compensation plans for members of senior management.
- Provide the necessary recommendations to the Board of Directors on matters related to the nominations and remuneration of board members, committees and senior executives, in accordance with the approved policies.

Name of the Committee Member	Notes	Position	Membership Classification		
			Independent	Executive	Non-executive
Mr. Yousef Al Yousfi	-	Chairman	✓		
Mr. Rakan Abu Nayan	Membership expired as of 08/05/2022	Member			✓
Mr. Ahmed Bin Ahmed	-	Member	✓		
Mr. Abdulrahman Al Rawaf	Membership started on 16/05/2022	Member			✓
Mr. Rob Hendrix	Membership started on 16/05/2022	Member	✓		

Name of the Committee Member	Meetings Attendance							
	27/01	06/02	23/02	22/06	31/07	24/08	06/10	08/12
Mr. Yousef Al Yousfi	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Rakan Abu Nayan	Y	Y	Y	N/A	N/A	N/A	N/A	N/A
Mr. Ahmed Bin Ahmed	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Abdulrahman Al Rawaf	N/A	N/A	N/A	Y	Y	Y	Y	Y
Mr. Rob Hendrix	N/A	N/A	N/A	N	Y	Y	Y	Y

Y: Attended; N: No Attendance; N/A: Not Applicable due to membership expiry or non-commencement yet

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

The Company's Ordinary General Assembly, held on 25/03/2019G, approved the remuneration and compensation policy for BOD members, emanating committees and executive management, which is consistent with Article 19 of the company's Articles of Association:

BOD Committee: Under Article 6 of the company's remuneration policy, the maximum total remuneration shall not exceed SAR 500K for the chairman and BOD members for their BOD membership and their participation in its duties, including remuneration in case that the member participates in the emanating committees as follows:

1. Committee chairman, SAR 100K annually.
2. Committee members. SAR 90K annually.
3. Committee Meetings attendance allowance, SAR 2K provided that the number of meeting shall not exceed 10 meetings a year and shall not include accommodation and travel costs.
4. As a part of benefits in kind, provides the Committee member and his family with the health insurance for the occupational risks they may face.
5. Travel and Accommodation Costs: Remuneration in accordance with the company's travel rules policy.
6. The annual remuneration value shall be divided into four (4) quarters, each quarter represents three months, and shall be paid to the BOD members on a quarterly basis.

Relationship between the paid Remuneration and applicable Remuneration Policy

Applicable Remuneration Policy which approved by General Assembly on 25/03/2019G was applied when they paid remuneration to BOD and Committee members, and there are no substantial irregularities. Whereas the total remuneration paid to each member of BOD and Committee did not exceed the SAR 500K annually, as stipulated in Article (19) of the Company's Articles of Association.

4.3 Board Committees Members' Remuneration

Name of the Committee Member	Fixed Remuneration (except for the allowance for attending Board meetings)	Allowance for attending Board Committee meetings	Total
Executive Committee			
Eng. Raad Al Barakati	24,658	0	24,658
Mr. Rakan Abunayyan	71,507	8,000	79,507
Mr. Suliman Al-Obaid	8,877	0	8,877
Mr. Abdulmajed Al-Meshaal	52,000	4,000	56,000
Mr. Andrew Rear	27,945	6,000	33,945
Mr. Muhanad Al-Rashid	49,315	6,000	55,315
Total	234,302	24,000	258,302
Investment Committee			
Mr. Mohammed bin Dawood	24,658	2,000	26,658
Mr. Abdulmajid Al-Mashaal	54,795	6,000	60,795
Mr. Rakan Abunayyan	22,192	2,000	24,192
Mr. Yousef Al Yousfi	71,507	8,000	79,507
Mr. Abdulrahman Al-Rawaf	49,315	6,000	55,315
Total	222,467	24,000	246,467
Governance Committee			
Mr. Ahmed Bin Ahmed	24,658	0	24,658
Mr. Zaid Al Moufarah	22,192	0	22,192
Mr. Yousef Al Yousfi	22,192	0	22,192
Total	69,042	0	69,042

Name of the Committee Member	Fixed Remuneration (except for the allowance for attending Board meetings)	Allowance for attending Board Committee meetings	Total
Audit Committee			
Mr. Mohammed Al Oyaidi	39,782	10,000	49,782
Mr. Mohammed Al Ghamdi	61,534	12,000	73,534
Mr. Abdulaziz Al Babbain	22,192	6,000	28,192
Mr. Abdulaziz Al Hashemi	80,877	18,000	98,877
Dr. Ahmed Bin Ahmed	45,370	10,000	55,370
Mr. Mohammed Al- Jafari	58,685	14,000	72,685
Total	308,440	70,000	378,440
Risk Management Committee			
Mr. Suliman Al-Obaid	9,863	0	9,863
Ms. Munira Al-Suwidani	54,795	8,000	62,795
Mr. Mohammed Al Oyaidi	22,192	0	22,192
Mr. Abdulaziz Al Zammam	71,507	8,000	79,507
Mr. Faisal Al Jasser	49,315	8,000	57,315
Total	207,672	24,000	231,672
Nomination & Remuneration Committee			
Mr. Yousef Al Yousfi	79,452	16,000	95,452
Mr. Rakan Abu Nayan	22,192	6,000	28,192
Mr. Ahmed Bin Ahmed	71,507	16,000	87,507
Mr. Abdulrahman Al Rawaf	49,315	10,000	59,315
Mr. Rob Hendrix	49,315	8,000	57,315
Total	271,781	56,000	327,781

5.1 The Company's Senior Executives, their qualifications & experiences



Dr. Goetz Kuras
Chief Executive Officer

Hiring Date: 01/03/2021

Qualifications

- M.Phil., Mathematics, Physics, University of Graz, Austria, 1995
- MA, Applied Mathematics and Physics, Florida State University, Tallahassee, Florida, US, 1996
- Ph.D. in Theoretical Physics, University of Cambridge, Cambridge, England, UK, 2001

Experiences

- Oliver Wyman: London, Moscow, and Dubai offices 2006
- Senior Partner, Head of Insurance MENA, Dubai, UAE 2016-2021



Mr. Umar Al Mahmoud
Deputy CEO & Chief Operation Officer

Hiring Date: 24/06/2018

Qualifications

- Bachelor Degree in information systems from King Fahd University of Petroleum and Minerals

Experiences

- Head of System Development Tawuniya 2011-2014
- VP Assistance Medical & Takaful Tawuniya 2014-2016
- Board Member in Waseel and Head of Audit Committee 2019



Mr. Georgi Markov

Chief Financial Officer

Hiring Date: 01/10/2022

Qualifications

- Bachelor – European Studies (Economy and Law Profiles) from Sofia University “St. Kliment Ohridski”.
- Master in Economics / Bank Management from International Banking Institute / New Bulgarian University (Sofia, Bulgaria).
- Master Of Business Administration from Vienna University for Business and Economics (WU Wien, Austria) / Carlson School of Management (Minneapolis, USA).

Experiences

- Managing director, two oceans strategy advisors eood.
- Vice – Chairman of The Supervisory Board, Euroins Georgia – Tbilisi, Georgia.
- Chairman of the supervisory board, eti (erv) Ukraine
- Deputy CEO, euroins insurance group ad.
- Director – head of tax, legal and accounting practice in n. Macedonia, price water house coopers (pwc) n. Macedonia.



Mr. Omar Al Ammary

Chief Human Resources & Administration Affairs Officer

Hiring Date: 15/05/2022

Qualifications

- BBA (Marketing), Al-Yamamah University 2009.
- Mini MBA – Institute Affiliated With AUB
- Corporate Governance: Maximize Your Effectiveness in the Boardroom from Wharton Executive Education – University of Pennsylvania.
- Digital transformation Strategy from Yale University.
- Mastering Design Thinking from MIT.
- Leading with an Improv Mindset from Stanford University.
- Sustainable Business Strategy from Harvard Business School

Experiences

- 2021 – 2022 General Manager, Shared Services - Group), Sunbulah Group.
- 2019 – 2020 Chief HR Transformation Advisor, Multiple Government, and Private Entities.
- April 2019- November 2019 Vice President – Human Resources (Corporate), El Seif Group (Mohammed Musaed ElSeif and Sons Group – MMES&S).
- 2010 – 2019 Human Resources Director, Al Jomaih Bottling Plants (Cont.).



Mr. Usama Al Hamoud

Chief Information Technology Officer

Hiring Date: 04/11/2018

Qualifications

- Bachelor Degree in Information Systems

Experiences

- Manage and maintain IT services including Network, Systems, Data Center, Email, Storage, Backup/Archiving, Disaster Recovery, Service Desk and End User Support.
- Handle annual technology budget in excess of US\$ 10 MN.
- Analyze the business growth, the current IT infrastructure status and the IT development plans to identify the requirements and provide recommendations to build and maintain a scalable and agile IT infrastructure able to deliver the required capacity and performance targets in a cost effective and timely manner.



Mr. Mohammed Bin Salma

Chief Commercial Officer

Hiring Date: 02/10/2022

Qualifications

- BASc / College of Applied Medical Sciences, Health Rehabilitation Sciences 2003
- MAS, Knowledge & Information Technologies, University College, University of Denver, USA 2008
- MBA, Marketing, Daniels College of Business, University of Denver, USA 2009

Experiences

- Head of Central Region, AXA Cooperative Insurance
- Asset Performance Management Manager, General Electric Healthcare
- Asset & Dose Management Manager, EGM, General Electric Healthcare
- Education and Dose Management Commercial Product Leader, General Electric Healthcare



Mr. Sohail Hayyan

Chief Investment Officer

Hiring Date: 14/06/2020

Qualifications

- Executive MBA, American University in Dubai
- Post graduate diploma in Organizational leadership, Said Business School, University of Oxford
- Bachelor's Degree in Finance, King Fahd University of Petroleum and Minerals.
- CFA
- CAIA
- CMT

Experiences

- Senior Financial Analyst at SAAD Group 2005-2007
- Head of Asset Management at Alistithmar Capital 2007 – 2018
- Head of Asset Management at FALCOM Financial Services 2018 – 2019



Mr. Norman Uhde

Transformation General Manager

Hiring Date: 16/12/2021

Qualifications

- University of Cooperative Education Of Saxony Leipzig, Germany
Bachelor of Arts (Diplom Betriebswirt FH) 2000 – 2003
- Executive MBA at INSEAD, 2021

Experiences

- ALLIANZ RUSSIA/ ALLIANZ LIFE: Chief Sales Officer, Member of Board 2009-2017
- PAO CK ROSGOSSTRAKH: Director and Deputy Head of Regional Sales and Business Development 2018-2019
- Industry Consultancy (While Undertaking MBA) 2020



Mr. Mishal Al Rasheed
Client Care General Manager
 Hiring Date: 08/03/2015

Qualifications

- LOMA Canada in 2014: Fellow, Life Management Institute (FLMI)
- EC-Montreal in 2013: English- language Diploma
- Banking Institute in 2011: Insurance Foundation Certificate Exam (IFCE)
- American University in London (2009): Bachelor of Business Administration
- University of Technology (2006): Computer Technology Diploma

Experiences

- Takaful Sales Advisor at Al-Rajhi Takaful (2006-2008)
- Financial Planning Officer in SABB Bank (2008-2009)
- Unit Manager at Allianz Saudi Fransi (2011-2009)
- Assistant Branch Manager at Allianz Saudi Fransi (2011)
- Senior Manager at Allianz Saudi Fransi (2011-2012)
- Central Regional Retail Manager at MEDGULF (2015)
- 2015-2017: Retail sales operations Manager at MEDGULF
- 2017-2019: The Head of sale points and Agents at MEDGULF



Mr. Amro Tawfiq
Risk Management General Manager/Acting Compliance General Manager
 Hiring Date: 01/06/2022

Qualifications

- B.Sc. in Quantitative Methods, Administrative Sciences College, King Saud University, 2006

Experiences

- 2019 – 2022 VP – Head of Operational Risk and Organizational Resilience, SNB Capital.
- 2016 – 2019 Senior Business Risk and Control Manager, Saudi Arabian British Bank (SABB).
- 2014 – 2016 Retail Risk Policy Manager and Business Risk Control Manager, Saudi Arabian British Bank (SABB).
- 2012 – 2014 Risk Department Manager, Saudi Home Loans (SHL).



Mr. Waqar Afzal

Actuarial Director

Hiring Date: 01/09/2021

Qualifications

- BA Furman Christian College 2002

Experiences

- Arch Insurance International: Sr. Actuarial Analyst, Risk Management 2015-2018.
- Arch Insurance International: Risk & Capital Actuary, Risk Management 2018-2020.
- Arch Insurance International: Head of Capital, Actuarial 2020 – 2021.

5.2 Remuneration policy and method adopted to determine the remuneration of Senior Executives

According to the company's remuneration policy, the company shall pay the senior executives a basic salary monthly and allowances, as necessary, and in accordance with the company's internal regulations. As well as an annual bonus based on the annual and performance evaluation for the individual at the BOD discretion.

5.3 Top Five Executives Senior Executive Remuneration (including CEO and CFO)

Fixed Remunerations	In Thousands SAR
Salaries & Compensation	6,197
Allowances	2,623
In-kind benefits	CEO (Goetz Kuras) - Vehicle
Total	8,820
Variable Remunerations	
Periodic remunerations	0
Profits	0
Short-term incentive plans	0
Long-term incentive plans	0
Granted salaries	0
Total	0
End-of-service award	86
Total remunerations for board executives	0
Aggregate amount	8,906

Financial Review



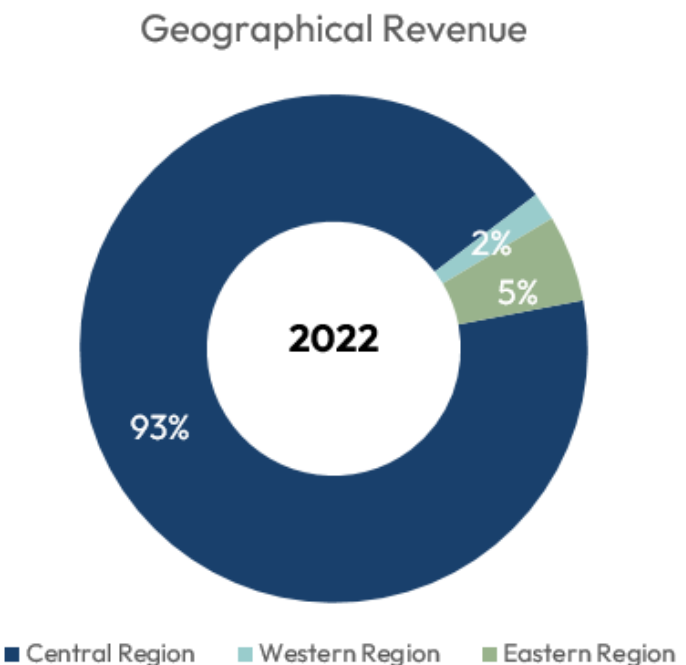
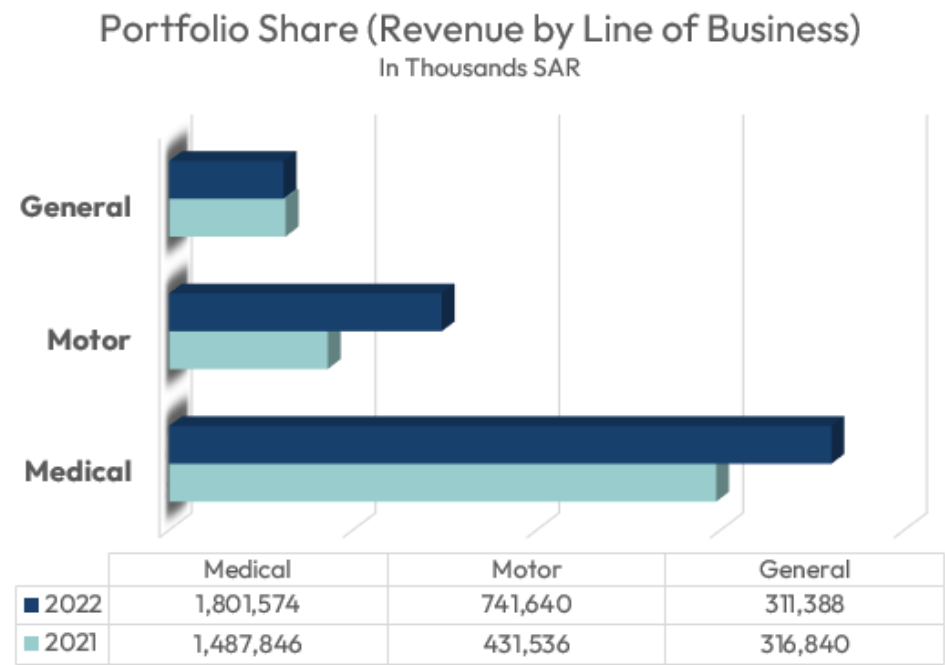
6.1 Approved Accounting Standards

The Consolidated Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncement issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") (referred to as "IFRS as endorsed in KSA"), and in accordance with the Companies Law in the Kingdom of Saudi Arabia and the Company's Articles of Association.

6.2 Statutory payments paid and due for the payment in year 2022

Description	2022 (in SAR 000's)		Brief Description	Reasons
	Paid	Outstanding		
Zakat	-	4,534	Zakat Provision	Regulation of the General Authority of Zakat & Tax
Taxes	177,728	16,202	Tax Provision	Regulation of the General Authority of Zakat & Tax
GOSI	16,285	1,380	Social Insurance	General Organization for Social Insurance
Saudi Central Bank Fees	13,408	3,547	Supervision Fees	-
CCHI Fees	16,905	5,011	Supervision Fees	-

6.3 Analysis of the Company’s Revenue



The Company’s revenue grew by 28% in 2022 versus 2021. Out of the total revenue in 2022 amounting to SAR ~2.9B, Medical line of business contributed 63%, followed by Motor line of business contributing 26% and General line of business by 11%.

Regional distribution in the above pie graph illustrates 93% of the total 2022 Company’s revenue existed in the Central Region.

6.4 Summary of Financial Position for the last 5 years (2018-2022)

In Thousands SAR	2022	2021	2020	2019	2018
Policy Holders Assets:					
Investments and Cash in bank	322,775	238,503	361,935	267,861	737,246
Receivables-net	644,748	838,577	842,898	572,215	681,078
Other assets	2,360,651	1,979,291	1,837,093	1,911,472	1,332,950
Total Policy Holders Assets	3,328,174	3,056,371	3,041,926	2,751,548	2,751,274
Shareholders' Assets:					
Investments and Cash in banks	877,017	1,033,417	656,224	512,193	469,206
Other assets	(173,201)	35,493	150,319	237,146	266,392
Total shareholder assets:	703,816	1,068,910	806,543	749,339	735,598
Total Assets	4,031,990	4,125,281	3,848,469	3,500,887	3,486,872
Policy Holders Liabilities:					
Reinsurers' balance payable :	175,060	155,259	165,531	107,488	50,410
Technical reserves	2,767,230	2,266,610	2,414,418	2,269,831	2,269,989
Other liabilities	385,884	634,502	461,977	374,229	430,875
Total Policy Holders Liabilities	3,328,174	3,056,371	3,041,926	2,751,548	2,751,274
Shareholders Liabilities & Equity:					
Shareholder Liabilities	40,160	45,493	41,843	38,206	49,511
Shareholders' Equity	663,656	1,023,417	764,700	711,133	686,087
Total Shareholder Equity and Liabilities	703,816	1,068,910	806,543	749,339	735,598
Total Liabilities	4,031,990	4,125,281	3,848,469	3,500,887	3,486,872

6.5 Business Results for the Last Five Financial Years (2018 -2022)

In Thousands SAR	2022	2021	2020	2019	2018
Statement of Insurance Operations & Surplus Results					
GWP	2,854,602	2,236,222	2,534,501	2,421,277	2,069,473
Net Premiums Earned	2,124,772	1,566,396	1,477,042	1,996,495	1,790,687
Reinsurance commission	5,383	127,333	180,469	98,912	54,027
Other insurance revenues	0	0	0	0	0
Investment and other revenues	101,926	6,201	16,581	37,519	20,053
Total revenues	2,232,081	1,699,930	1,674,092	2,132,926	1,864,767
Total paid claims	(2,161,603)	(2,150,490)	(1,752,744)	(1,989,336)	(2,060,113)
Net incurred claims	(2,161,413)	(1,357,668)	(1,114,282)	(1,684,772)	(1,584,948)
Policy acquisition costs	(180,178)	(96,525)	(100,135)	(117,785)	(123,776)
Loss/Surplus Insurance Expenses	0	0	0	0	0
Other Expenses	(274,509)	(424,386)	(426,442)	(320,414)	(369,502)
Total Costs & Expenses	(2,616,100)	(1,878,579)	(1,640,859)	(2,122,971)	(2,078,226)
Insurance Operations Surplus / Deficit	(384,019)	(178,649)	33,233	9,955	(213,459)
Statement of Shareholders' Income					
Shareholders' Share of Net Surplus/Deficit	(384,019)	(178,649)	29,910	8,960	(213,459)
Investment Revenues & Management Fees	63,798	47,779	30,262	17,705	15,039
Other Revenues	0	0	0	0	0
General & Administrative Expenses	(3,726)	(4,718)	(5,268)	(7,489)	(6,107)
Net Profit/(Loss) Before Zakat & Tax	(323,947)	(135,588)	54,904	19,176	(204,527)

6.6 Material differences in the operational results compared to the previous year's results or expectations announced by the Company

- The decrease in net profit is largely due to the underwriting performance of the Motor Line of Business and some of the Large Accounts on the Medical Line of Business.
- The overall loss ratio has increased by 14% with the one on Medical Line of Business witnessing an increase by 10% and the one on Motor by approximately 27%.
- Increased frequency in both Medical and Motor Lines was observed in FY 2022, which along with the competitive price driven aggregator market on Motor was the major reason affecting the profitability.
- The Company has a Solvency Recovery Plan approved by its Board of Directors and it is expected that the solvency levels will be restored by year end 2023.

6.7 Reclassification of Comparative Figures

Certain items, previously presented as General and Administrative expenses have been reclassified for representation purposes, based on the substance and nature of those items, as Acquisition Costs. They include part of the fees for NAJM, ELM, SAMA, & Aggregators' Commissions. This has been disclosed in the Financial Statements.

Transactions with Related Parties



Related parties represent major shareholders, board members, and key management personnel of MedGulf Saudi and companies of which they are principal owners and any other entities controlled, jointly controlled, or significantly influenced by them.

7.1 Mechanism for approving transactions of related party

All transactions of BOD members, related parties and CEO have been reviewed and approved by BOD in accordance with the mandate granted to the Board by the General Assembly in accordance with the relevant controls and procedures, noting that the relevant party has been prohibited from voting on such item.

7.2 Transactions & Balances between the Company and Related Parties

Related parties	Nature of transaction	Amount of transactions during the year income/(expense)		Balance receivable / (payable) as at	
		2022	2021	2022	2021
		SAR'000			
Due from / to related parties					
Medgulf BSC - Head office account (major shareholder)	Balance due from	-	-	2,453	2,453
	Allowance for doubtful debts	2,390	-	-	(2,390)
	Net Balance due from	-	-	2,453	63
Medivisa KSA (affiliate)	Balance due from / (due to)	-	-	1,931	1,931
Al-Waseel for Electronic Transportation (Associate)	Claims management fee	8,337	5,309		
	Balance due from / (due to)	-	-	(1,259)	(2,048)
Total due from related parties				4,384	1,994
Total due to related parties				(1,259)	(2,048)

Other related parties transactions and balances – due from / (due to)

The Saudi Investment Bank, (Founding shareholder)	Current account and time deposits	-	1,888	165	2,061
	Statutory deposit	-	1,204	186,970	147,830
	Gross written premiums	5,033	6,937	-	-
	Premiums (refundable)	-	-	-	-
	Claims incurred	220	81	-	-
	Outstanding claims	1,511	23,142	-	-
	Balance due from / (due to)	-	-	187,135	149,891
	Claims incurred / adjustment	-	-	-	-
Medivisa KSA (affiliate)	Medical Claim Jordan / Balance	-	-	-	-
	Medical claim Lebanon / balance	-	(654)	(654)	(654)
	Medical claim Egypt / balance	-	(81)	(81)	(81)
Al Istithmar Capital (subsidiary of SIB- founding shareholder)	Discretionary portfolio arrangement	-	-	-	-
	Current account	-	-	2,542	2,542
	Premiums refundable	8	-	-	-
Abunayyan Trading Co (under common directorship)	Gross written premiums	2	(281)	-	-
	Premiums receivable-net	-	-	-	(111)
	Allowance for doubtful debts	-	-	-	-
	Net balance (due to) / due from	-	-	-	(111)
	Claims incurred	661	-	-	-

KSB Pumps Arabia (under common directorship)	Gross written premiums	-	(1)	-	-
	Premiums receivable-net	-	-	-	(9)
	Allowance for doubtful debts	-	-	-	-
	Net balance (due to) / due from	-	-	-	(9)
	Claims incurred	94	-	-	-
Toray Membrane Middle East (under common directorship)	Gross written premiums	-	162	-	-
	Premiums receivable	-	-	-	-
	Allowance for doubtful debts	-	-	-	-
	Net balance (due to) / due from	-	-	-	-
	Claims incurred	48	-	-	-
Medgulf BSC (major shareholder)	Reinsurance recovery	-	-	5,203	5,203
	Allowance for doubtful debts	-	-	(3,902)	(3,902)
	Net balance (due to) / due from	-	-	1,301	1,301
Industrial Instrumentation and Control System (under common directorship)	Gross written premiums	-	(11)	-	-
	Premiums receivable-net	-	-	-	(11)
	Allowance for doubtful debts	-	-	-	-
	Net balance (due to) / due from	-	-	-	(11)
	Claims incurred	35	-	-	-
Addison Bradley Overseas / Addison Bradley & Co. (affiliate)	Balance receivable at year end	-	-	3,856	3,856
	Allowance for doubtful debts	-	-	(3,856)	(3,856)
	Net balance (due to) / due from	-	-	-	-

Citiscap (under common directorship)	Gross written premiums	-	(131)	-	-
	Premiums receivable-net	-	-	-	(95)
	Allowance for doubtful debts	-	-	-	-
	Net balance (due to) / due from	-	-	-	(95)
	Claims incurred	96		-	-

Middle East Agriculture (Under common directorship)	Gross written premiums	-	(23)	-	-
	Premiums receivable-net	-	-	-	(7)
	Allowance for doubtful debts	-	-	-	-
	Net balance (due to) / due from	-	-	-	(7)
	Claims incurred	52		-	-

Electronic and Electric Industry (Under common directorship)	Gross written premiums	-	21	-	-
	Premiums receivable	-	-	-	5
	Allowance for doubtful debts			-	(1)
	Net balance (due to) / due from			-	4
	Claims incurred	11		-	-

Addison Bradley International / Medgulf Lebanon (affiliate)	Reinsurance recovery	-	-	-	-
	Balance receivable at year end	-	-	59,498	59,498
	Allowance for doubtful debts	-	-	(59,498)	(59,498)
	Net balance (due to) / due from	-	-	-	-

Arabian Qudra (Under common directorship)	Gross written premiums	-	(48)	-	-
	Premiums receivable-net	-	-	-	(8)
	Allowance for doubtful debts	-	-	-	-
	Net balance (due to) / due from	-	-	-	(8)
	Claims incurred	17		-	-

Saudi Fransi Capital (under common directorship)	Investment portfolio	-	(423,600)	-	-
Tumpane Jubar (under common directorship)	Gross written premiums	-	(42)	-	-
	Premiums receivable-net	-	-	-	(54)
	Allowance for doubtful debts	-	-	-	-
	Net balance (due to) / due from	-	-	-	(54)
	Claims incurred	33		-	-
Addison Bradley Arabia- KSA (affiliate)	Payment received during the period	-	-	-	-
	Reinsurance recoveries	-	(191)	-	-
	Balance (due to) / due from	-	-	15,623	15,623
	Allowance for doubtful debts	-	-	(11,718)	(11,718)
	Net balance (due to) / due from	-	-	3,905	3,905
Alakaria (under common directorship)	Gross written premiums	27	1	-	-
	Premiums receivable	-	-	-	-
	Allowance for doubtful debts	-	-	-	-
	Net balance (due to) / due from	-	-	-	-
	Claims incurred	(4)	4	-	-
Al Issa Group (under common directorship)	Gross written premiums	(197)	71,559	-	-
	Premiums receivable	-	-	1,304	29,290
	Allowance for doubtful debts	-	-	(876)	(1,168)
	Net balance (due to) / due from	-	-	428	28,122
	Claims incurred	(11,168)	46,556	-	-

Vision International Investment Co. (under common directorship)	Gross written premiums	-	12	-	-
	Premiums receivable	-	-	-	-
	Allowance for doubtful debts	-	-	-	-
	Net balance (due to) / due from	-	-	-	-
	Claims incurred	100	-	-	-

Aloyaidi Certified Public Accountants (under common directorship)	Gross written premiums	-	73	-	-
	Premiums receivable	-	-	-	-
	Allowance for doubtful debts	-	-	-	-
	Net balance (due to) / due from	-	-	-	-
	Claims incurred	6	17	-	-

Addison Bradley Arabia Holding LLC (UAE) (affiliate)	Balance due from	-	-	1,472	1,472
	Allowance for doubtful debts	-	-	(1,472)	(1,472)
	Net balance (due to) / due from	-	-	-	-

Saudi Meter Co. (under common directorship)	Gross written premiums	-	(1)	-	-
	Premiums receivable	-	-	-	3
	Claims incurred	5	-	-	-
	Allowance for doubtful debts	-	-	-	-
	Net balance (due to) / due from	-	-	-	3

Saudi Tumpane Co.(under common directorship)	Gross written premiums	98	(152)	-	-
	Premiums receivable	-	-	-	(116)
	Claims incurred	109	-	-	-
	Allowance for doubtful debts	-	-	-	-
	Net balance (due to) / due from	-	-	-	(116)

The Company's Shares Ownership, & its Subsidiaries



8.1 The Capital of the Company

The authorized, issued and paid-up capital of the Company is SAR 1,050 million at 31 December 2022, consisting of 105 million shares of SAR 10 each.

8.2 Description of the shares ownership and debt instruments

The below table shows a depiction of any interest, contractual securities and underwriting rights that shall revert to the Board members, senior executives and their relatives in shares or instruments of debt or any of its subsidiaries and any change in that interest or these rights through the fiscal year 2022, while noting that the Company did not issue nor grant any instruments of debt:

	Total shares at 01.Jan.2022	Total shares at 31.Dec.2022	Change	
			in # of Shares	%
Mr. Rakan Abdullah Abunayyan	2,167,407	12,657,856	10,490,449	484%
Eng. Raad Ghaith Al Barakati	0	0	0	0%
Mr. Yousef Hamad Al-Yousfi	0	0	0	0%
Mr. Mohammed Saad bin Dawood	0	0	0	0%
Mr. Mohammed Omar Aloyaidi	0	0	0	0%
Mr. Suliman Al-Obaid	0	0	0	0%
Ms. Monirah Saleh Al-Swaydani	0	0	0	0%
Mr. Abdulrahman Mohammed Al-Rawaf	100	100	0	0%
Dr. Ahmed Abdullah Bin Ahmed	6,562	6,562	0	0%
Mr. Abdulmajed Abdulaziz Al-Meshaal	0	0	0	0%
Mr. Andrew Paul Rear	0	0	0	0%

Senior Executives, their spouses, and minor children have no interests, options, and subscription rights in the shares or debt instruments of the Company.

8.3 Details of Affiliate Company

Subsidiary/Associate Name	Capital	Company's Ownership Percentage	Main Scope of Business	Country of Operation	Country of Incorporation
Waseel Application Service Provider Limited (Associate Company)	SAR 24,000,000	25	Providing internet-based connectivity, information services, and B2B e-commerce capabilities for the healthcare insurance market	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

8.4 Description of the Company's Profit Distribution Policy

Profit distribution policy identifies the Company's policy on distributing profits generated by business processes, in accordance with the Company's By-Laws, & by implementing applicable laws and regulations in the KSA:

- Set aside the Zakat and income tax.
- Set aside (20%) of the net profits to form a statutory reserve, Ordinary General Assembly may cease such deduction when the said reserve reaches the total paid-up capital.
- Shareholders are entitled to receive their share of profits in accordance with the General Assembly resolution on this regard. General Assembly's decision identifies the due date and date of distribution. Only the shareholder listed in the shareholders record can receive profits on the due date.

8.5 Details of shares and debt instruments issued for each subsidiary

There are no shares or debt instruments issued to the subsidiaries.

8.6 Details of treasury shares held by The Company

There are no treasury shares owned by the Company.

8.7 General Assembly Meeting Dates

Name of the Board Member	Ordinary General Assembly Held on 08/05/2022
Mr. Rakan Abu Nayyan	✓
Eng. Raad Al Barakati	✓
Mr. Mohammed Al-Oyaidi	✓
Mr. Mohammed bin Dawood	✓
Mr. Youssef Al Yousfi	✓
Dr. Ahmed bin Ahmed	✓

8.8 Declarations Relating to Debt Instruments, Options, Warrants and Rights

The Company confirms the below declarations:

- It has not issued, nor granted, any convertible debt instruments, options, warrants or similar rights during the financial year and accordingly has not received any consideration for the same.
- It has not converted, nor issued, nor granted, any subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights during the financial year.
- It has not redeemed, purchased or cancelled any redeemable debt instruments during the financial year.

8.9 Tadawul Shareholder Database Requests

Request Date	Request Purpose
1. October - 10 - 2022	Others
2. October - 10 - 2022	Others
3. October - 10 - 2022	General Assembly
4. October - 10 - 2022	Others
5. May – 06 - 2022	Corporate Actions
6. May – 06 - 2022	Corporate Actions
7. May – 06 - 2022	General Assembly

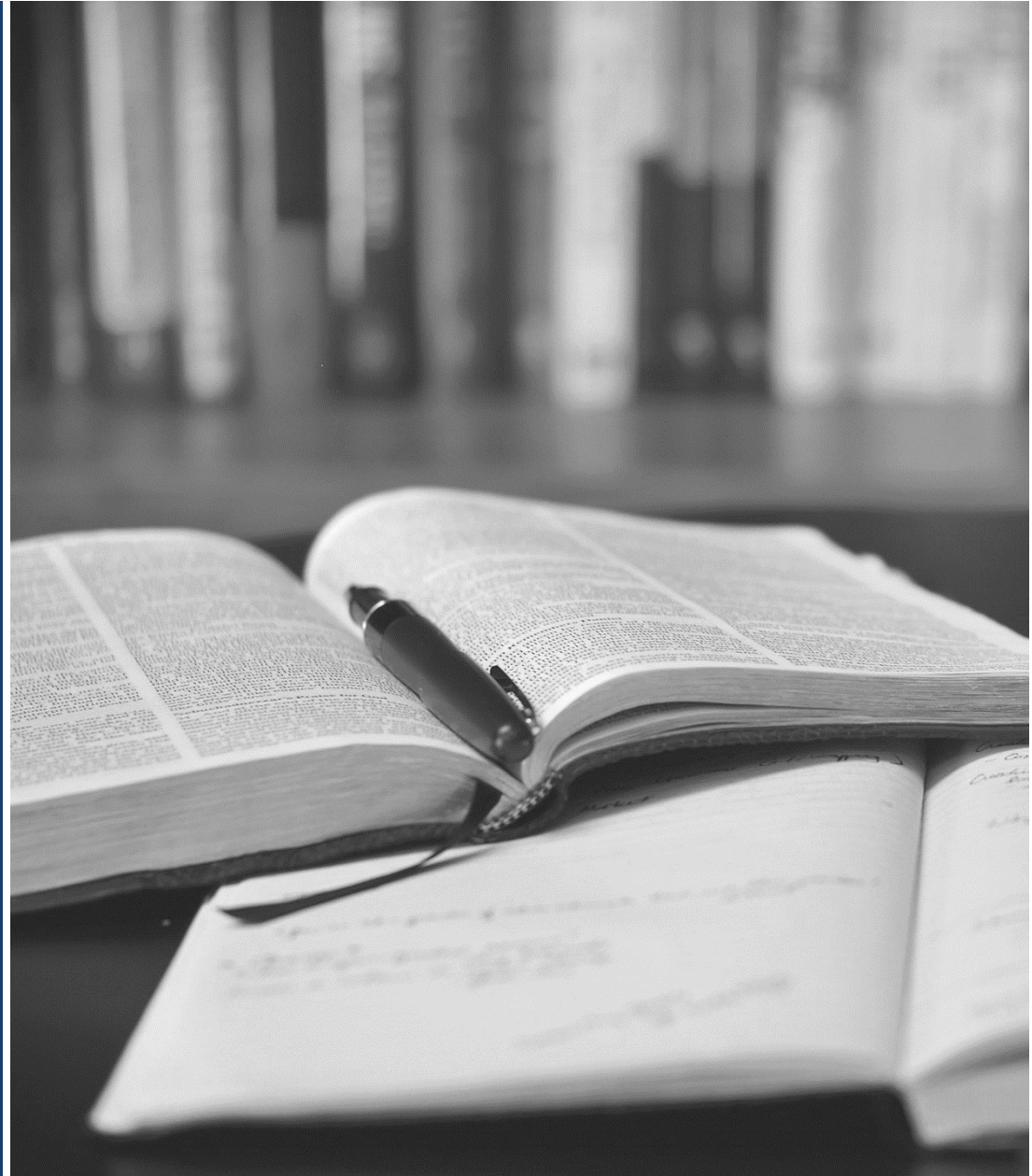
8.10 Information relating to any competing business with the Company or any of its activities that any member of the Board is engaging in or was engaging in such competing businesses

The Company declares there are no competing businesses for the company or for any of the branches of the activity is engaged in and it is practiced or was practiced by any member of the Board of Directors.

8.11 Declarations Relating to Equity Instruments with voting rights

There is no interest in class of voting shares belonging to persons (except BOD members, senior executives and their relatives) who informed the Company of those rights under Article 85 of the Rules on the Offer of Securities and Continuing Obligations and any change in those rights during the fiscal year 2022.

Evaluation of the Company's Internal Control System & Recommendations of the Audit Committee



9.1 The Company's external auditors for year 2022

The appointed external auditors of the Company are Crowe Horwath (Al Azem, Al Sudairy, Al Shaikh & Partners) and Al Kharashi & Co., to audit the Company's quarterly financial statements and the annual financial statements for the fiscal year 2022.

9.2 Internal Control System and Effectiveness, in addition to the Audit Committee's opinion on the adequacy of the Company's internal control system

The Internal Audit Department is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations. It assists the Company in accomplishing its objectives by bringing a systematic and disciplined approach of evaluating and improving the effectiveness of the Company's risk management, control, and governance processes. Therefore, the Internal Audit activities are conducted and managed in accordance with the Institute of Internal Auditors' Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice Framework of Internal Auditing.

During 2022, the Internal Audit Department could not carry out the internal audits' activities as per the approved 2022 Internal Audit plan by the Board Audit Committee, due to inactive Internal Audit Department subsequent to change management and Internal Audit staff turnover. However, after the recent hiring of the new Internal Audit

General Manager, the 2022 Internal Audit plan will be revised per the current risk assessment universe whereby the new Internal Audit plan will be executed in 2023.

Audit Committees' Opinion:

During 2022, the company has experienced challenges comprising of resignations of leadership including the positions of the General Manager of Internal Audit Department. Therefore, the Audit Committee recommended the Board of Directors the appointment of General Manager of Internal Audit Department on December 15th, 2022, whereby the newly hired General Manager has been instructed to reassess the 2022 Internal Audit Plan based on the current risk assessment in which shall be implemented thereof in 2023.

Based on the conducted Audit Committee meetings in 2022, the Committee has summarized the Company's internal control system as follows:

- Enhancement and advancement of Company's corporate governance by implementing the required governing documents including Policies and Procedures.
- Enhancement and advancement of IT and Cybersecurity operations which requires implementation of optimal solutions to have accurate and reliable data.
- Accelerating the implementation of IFRS-17 Accounting Standard.
- Recruitment of leadership positions and maintaining succession planning which requires effective talent acquisition process.

9.3 Recommendation of the Audit Committee on the need to appoint a Chief Internal Auditor in the Company

The Audit Committee proposed to the Board of Directors that Mr. Raed Ya 'qub Mushtaq be appointed as General Manager of Internal Audit on December 15th, 2022.

Mr. Rayed Mushtaq's Profile:

Qualifications:

- Bachelor of Science in Accounting and Information System, Al Faisal University.
- Master of Business Administration – Finance, Niagara University, New York - USA, (Beta Alpha Psi International Finance and Accounting Honor).
- Master of Accountancy, Saint Mary University of Minnesota, Minneapolis – USA.
- Certified Governance, Risk & Compliance Professional (OCEG)
- Certified Governance, Risk & Compliance Auditor (OCEG)
- Certified Fraud Examiner (ACFE)

Experiences:

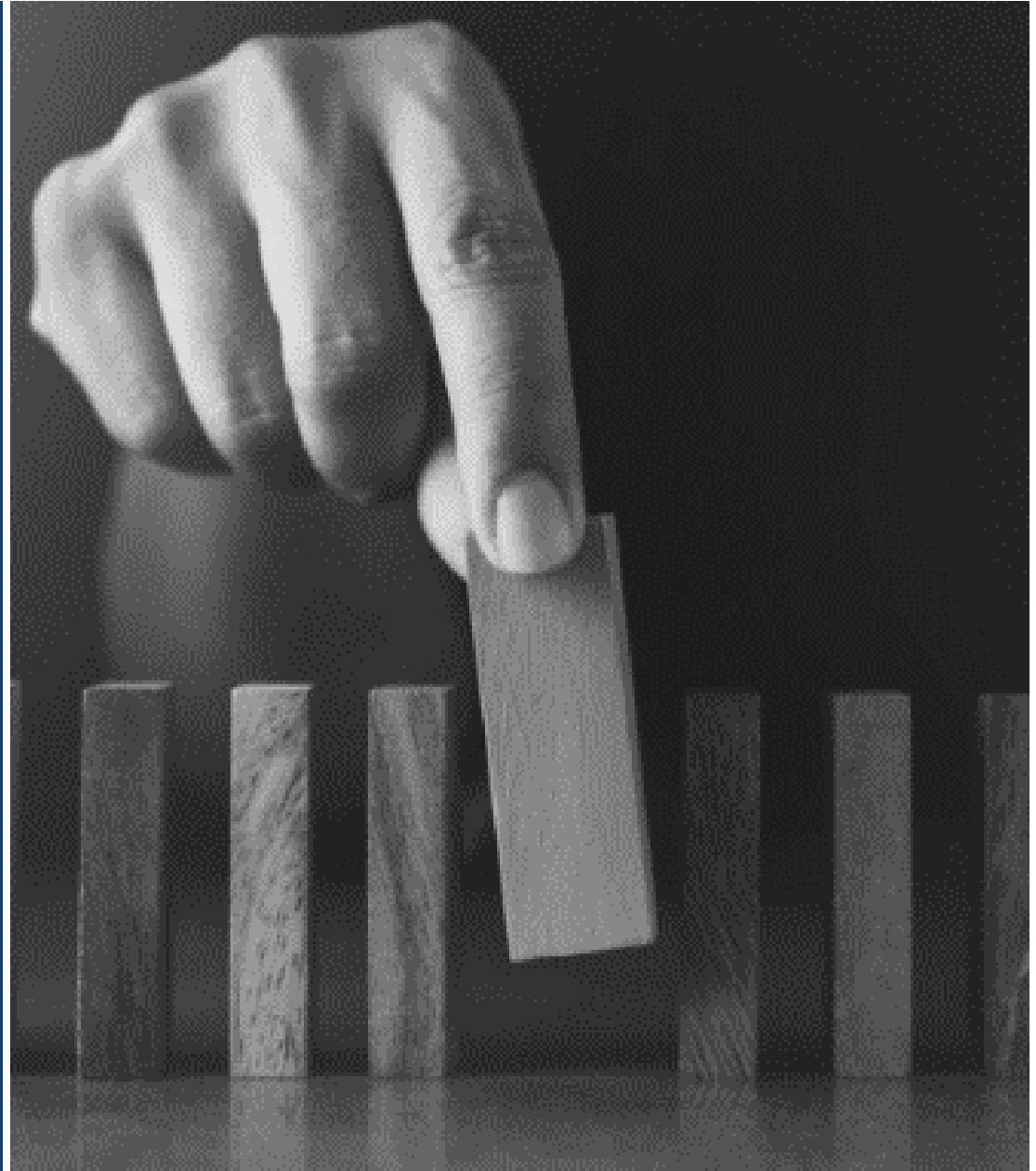
- 2022 – 2023 Director Audit Planning & Support, at Etihad Etisalat (Mobily).

- 2018 – 2022 Associate General Auditor, Head of Functional Services, at International Maritime Industries.
- 2015 – 2018 Risk Consulting, Supervisor, KPMG.

9.4 The Audit Committee recommendation with conflict with Board resolution or those which the Board disregards relating to the appointment, dismissal, assessment or determining the remuneration of an external auditor, as well as justifications for those recommendations and reasons for disregarding them

During 2022 there were no conflict between the Audit Committee recommendation and the Board.

Governance & Risk Management



10.1 The current and potential risks facing the Company

I. Human Resources Risks

The insurance market needs qualified personnel familiar with insurance activity, which increases demand and exposes the company to risk of moving its qualified personnel, especially in light of resettlement requirements. However, the company continues to train and qualify current and future employees in a variety of ways to suit various management levels. Despite losing some human resources to competing parties, this decision is in the country's best interest. All company divisions and administrative levels will continue to build Saudi national competencies.

II. Market and Competition risks

The insurance business is highly competitive, which may affect the company's activity and future opportunities and lead to price competition. With intense competition from other insurance companies, the company has taken a series of proactive actions based on offering competitive prices, based on statistical and actuary basis, ensuring the safety and success of technical capabilities for underwriting insurance policies, and effective preventive programs to grow and achieve its objectives.

III. Information Technology Risks

Although the firm takes security steps, its information technology systems may be vulnerable to unauthorized access, computer viruses, human errors, natural disasters, fires, energy loss, communication errors,

sabotage, or terrorist operations. If there is a major breakdown or recurrent failure, revenues may suffer and huge costs may be incurred, which may impact financial results or capital expenditures. The company faces technical risks from system obsolescence and the difficulty of developing them to stay up with modern technology. Thus, it is transitioning to an advanced technical system that serves all company units and is integrated. Technology and information security have improved at the firm. The company also backs up all data daily, weekly, and monthly, develops a plan to continue business from a different location, and develops everything related to preparing, recovering, and continuing work and disaster recovery, and tests periodically.

IV. Insurance Risks

Insurance risks involve contracting parties' claims for insured events exceeding the book value of insurance obligations. The Company's main goals are to ensure adequate resources to meet these obligations:

• Health Insurance

The Company's health insurance plan diversifies risk type and insured benefits. The diversity of sectors and geographical areas ensures that prices consider current health conditions, the usual review of actual claims and the product's price, according to the actuary's pricing schedules, as well as detailed claim follow-up procedures. The firm also takes claims seriously and actively to cover unforeseen future risks.

• Motor Insurance

Motor insurance risks include loss, injury, and repair. The company only issued comprehensive insurance policies to owners or drivers over 18

years old and adhered to the actuary's pricing schedule to reduce such risks. Most vehicle insurance contracts are with people.

• Duplication and Amounts of Claims

Numerous variables can affect claim duplication and quantities, and these operations are considered short-term insurance contracts. Typically, claims payments are reported within a year of an insured incident, which reduces insurance risk.

• Sensitivity analysis

The company considers that the amounts of outstanding claims according to the insurance contracts at the end of the year are adequate; however, these amounts are uncertain and may differ from the amounts reported in the financial statements. The insurance claim quantities are subject to multiple assumptions. As the insurance claims provision is influenced by the aforementioned fundamental assumptions, it is impossible to determine the sensitivity of certain variables, such as legislative changes or evaluation process uncertainty.

V. Reinsurance Risks

Like other insurance firms, it reinsures with third parties during its normal business cycle to reduce financial losses from large insurance claims. These arrangements ensure company variety, allow management to control potential losses from huge risks, and provide additional growth capabilities to reduce its exposure to huge losses from reinsurer bankruptcy. Insurance firms' financial health and international rankings are important to the company. The company is obligated to policyholders with its share of outstanding reinsured claims to the extent that the

reinsurance company did not fulfill its obligations under the assigned reinsurance agreements.

VI. Risks of investment Returns

The company's financial results partially depend on how well its investments perform. The company's returns on investments and, by extension, its profitability may be adversely affected from time to time by things that affect specific investments and, more generally, by changes in the market and the economy that are out of the company's control. A lot of what the company does also rests on how the economy is doing in Saudi Arabia and around the world.

VII. Credit Risks

Credit risk is the inability of one party to meet its obligations, resulting in a financial loss to the other party, for all categories of financial assets acquired by the Company, with the company's maximum credit risk corresponding to the book value disclosed in the financial position list. The company implements a number of policies and procedures to mitigate the credit risk to which it is exposed, such as the following:

- » All customers with whom the business intends to conduct business are subject to credit checks and analysis. In addition, the company monitors the quantities due under insurance and reinsurance contracts on an ongoing basis to reduce its exposure to bad debt risks.
- » The Company will reduce the risks associated with agents and brokers by establishing credit limits for each agent and broker and closely monitoring overdue receivables.

» The company attaches great importance to the adherence to the credit policy and the collection of these amounts due to the company.

» The company's investment portfolio is managed by the investment officer in accordance with the investment policy adopted by the Investment Committee.

» The company enters into reinsurance contracts only with internationally recognized and ranked entities.

» With regard to credit risk arising from other financial assets, the company deals only with commercial banks with a strong financial position and good credit reputation.

» The company ensures that there are no credit risk with any party

VII. Regulatory and Legal Risks

The Saudi Central Bank (SAMA) oversees the company's insurance products and operations through the cooperative insurance control law and regulation and the Council of Cooperative Health Insurance (CCHI) executive regulation for health insurance products. Insurance sector structure and supervision generally favor insured and investors. Insurance sector laws and regulation may harm the company's business, finances, and operations. Thus, these risks relate to the company's commitment to all legislation, regulations, and laws issued by regulatory and official authorities, considering the multiplicity of relevant regulatory and supervisory bodies, the speed of regulation and legislation development, and the extent of their applicability in the insurance market that may affect insurance companies in the event of non-compliance with changes in

regulations and laws. These regulations require approvals, control, and capital adequacy requirements to lower insurers' risk of deficit and bankruptcy and allow them to meet their obligations. A specialized department monitors the company's compliance with laws and regulations and implements processes to comply with all present and future laws and regulations.

VIII. Liquidity Risks

Liquidity risks are financial obligations that a company cannot fulfill in a timely manner without incurring negative consequences. Periodically, the company monitors its liquidity requirements. In addition, it assures sufficient liquidity to meet obligations as they arise. In addition, the company evaluates its capital requirements to maintain the financial solvency rate mandated by regulatory authorities.

IX. Foreign Currency Risks

Risks associated with the fluctuating value of a financial instrument due to variations in the foreign exchange rate constitute currency risks. Due to the fact that the majority of the company's transactions are conducted in Saudi Riyals (SAR), the management believes there is a low risk of significant loss due to changes in the foreign exchange rate. Therefore, the corporation does not provide coverage for foreign currency risks.

X. Risks of Private Commission Rates

Private commission rate risks result from discrepancies in the value or future cash flows of a financial instrument as a consequence of market-wide changes in private commission rates. Private commission rates pose a threat to the company's investments in cash, quasi-cash, and term

deposits. Monitoring changes in private commission rates for currencies in which the company's investments are registered reduces such risks.

XI. Capital Management Risks

Saudi Central Bank defines and regulates capital requirements. In order to maintain balanced capital ratios and increase shareholder interest, the company establishes additional objectives. The company manages its capital requirements by evaluating the difference between the announced and required levels of capital. All settlements shall be based on the current capital levels, in accordance with changes in market conditions and risk characteristics of the company's activities, as well as the maintenance or modification of capital structure. Since the previous year, no changes were made to capital management operations, policies, or objectives.

XII. Operational Risks

Operational risks are the risk of loss caused by control or system failure, such as human error or theft. These hazards could result in financial losses, reputational damage, regulatory and legal consequences. The company manages operational risks through the implementation of appropriate controls, separation of duties, internal monitoring, and risk management. Given the expansion of the project, it is also intent on maintaining operational standards.

XIII. Business Continuity Risks

The company is committed to maintaining work continuity and preventing the risks most likely to disrupt it. In accordance with risk management regulation requirements issued by the Saudi Central Bank, the company began developing an emergency plan for all divisions, outlining the

procedures and steps to be taken to ensure the correct progression of key activities.

XIV. Underwriting Risks

Such risks are reflected in the company's pricing risks and geographical and qualitative concentration of underwritten risks. Accordingly, it developed precautionary measures, including a pricing strategy informed by actuarial data. This strategy is periodically reviewed and revised in accordance with the rapid evolution of applicable laws. The Company also began establishing an underwriting strategy across its divisions, reflecting its underwriting policy and technical vision.

XV. Fraud, Corruption, Financial Crimes Risks

The Saudi Central Bank's anti-fraud regulations identify fraud as one of the challenges facing financial institutions. It hinders performance, dissipates money and limited resources, and harms the facility, its reputation, and its ability to compete. Accordingly, the company has taken a keen interest in this matter; as a result, it has strengthened internal control procedures through periodic reviews and is endeavoring to comply with the Saudi Central Bank's Anti-fraud regulation.

10.2 Application of the articles of Corporate Governance Regulations

In line with what was stipulated in the Corporate Governance Regulations issued by the Capital Market Authority, which requires MedGulf to state what has been implemented of the provisions of the Corporate Governance Regulation and what has not been implemented, along with an explanation of the reasons for non-implementation in the report of its Board of Directors, the company's board of directors is pleased to note that MedGulf applies all the provisions mentioned in the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the provisions listed below:

Article/Paragraph No.	The Text of the Article / Paragraph	Reason/s for Not Applying
43 Paragraph No. (2)	<p>The Board shall develop an explicit and written policy to deal with actual and potential conflicts of interest situations which may affect the performance of Board members, the Executive Management or any other employees of the Company when dealing with the Company or other Stakeholders. This policy shall include the following in particular:</p> <p>2- providing examples of conflicts of interest situations that are relevant to the nature of the Company's activity.</p>	<p>A revised conflict of interest policy was approved by the Board of Directors on 01/10/2018; however, it did not include examples of conflict of interest cases; this will be added to the company's conflict of interest policy.</p>

10.3 Penalties and Punishments Imposed on the Company

Any punishment, penalty, precautionary procedure or preventive measure imposed on the Company during year 2022 by the Authority or any other supervisory, regulatory or judiciary authority is listed below:

Subject of the violation	Previous fiscal year		Current fiscal year	
	No. of executive decisions	Total amount of fines in SAR	No. of executive decisions	Total amount of fines in SAR
Violation of the institution's supervisory and control instructions	6	675,000	4	489,772.58
Violating the institution's instructions for protecting clients	-	0	-	0
Violating SAMA's instructions for conducting due diligence in combating money laundering and terrorist financing	-	0	-	0
Violating of CHI's instructions	-	0	1	1,370,800

10.4 Information relating to any loans to the Company

The Company confirms that it has no borrowings or loans outstanding at the end of the current twelve-month period related to year 2022.

10.5 Declarations Relating to Waiver of Salary, Compensation and Rights to Dividends

MedGulf declares there are no arrangements or agreements, under which any member of the Board of Directors or a senior executive has waived any salary or remuneration, and also declares there is no arrangement or agreement, under which any shareholder has waived his rights to dividends.

10.6 A description of any punishment, penalty or statutory reserve or restriction imposed on any of the Board Members by any Judicial, Supervisory, or Regulatory Authority in respect of the Company

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

10.7 Maintenance of Proper Records and Books of Account

As stipulated by Saudi Arabian insurance regulations, the Company confirms proper books of account have been maintained and that it maintains separate accounts for each of its insurance operations and shareholder operations, within its accounting records, and can confirm that it has maintained proper accounting records during the financial year with no inconsistency with the standards approved by the Saudi Organizations for Certified Public Accountant.

10.8 Continuation as a Going Concern

The Company is yet to meet its solvency margin requirement. The management performed an assessment of its going concern assumption under different scenarios. Based on the underlying projections under such scenarios, the management believes the Company will be able to continue the business & meet its obligations as & when they fall due over the next 12 months. As a result, the financial statements have been prepared on a going concern basis. Management's assessment is based on number of estimates & assumptions including significant underwriting and pricing measures, improved recoveries from major policyholders, reinsurers & related parties and other cost saving measures. In March 2023, prior to the publishing of year- end financial statements, the Company's Board of Directors approved a Solvency Recovery plan which foresees the re-establishing of the statutory solvency coverage above 100% until the end of the year through a series of re-capitalization measures.

Conclusion

Lastly, The Company, its Board of Directors and its Executive Management would like to express their deep appreciation and gratitude to the Custodian of the Two Holy Mosques and the Crown Prince for the great governmental support and help to improve the insurance sector in the Kingdom of Saudi Arabia. Great appreciation also is extended to the regulatory and supervisory institutions namely, the Central Bank and the Council of Cooperative Health Insurance, who provide their guidance and support continuously.

Thanks are due as well to the Company's shareholders and our valued clients for the continued trust in MedGulf, and we look forward to providing the best in the next fiscal year.



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