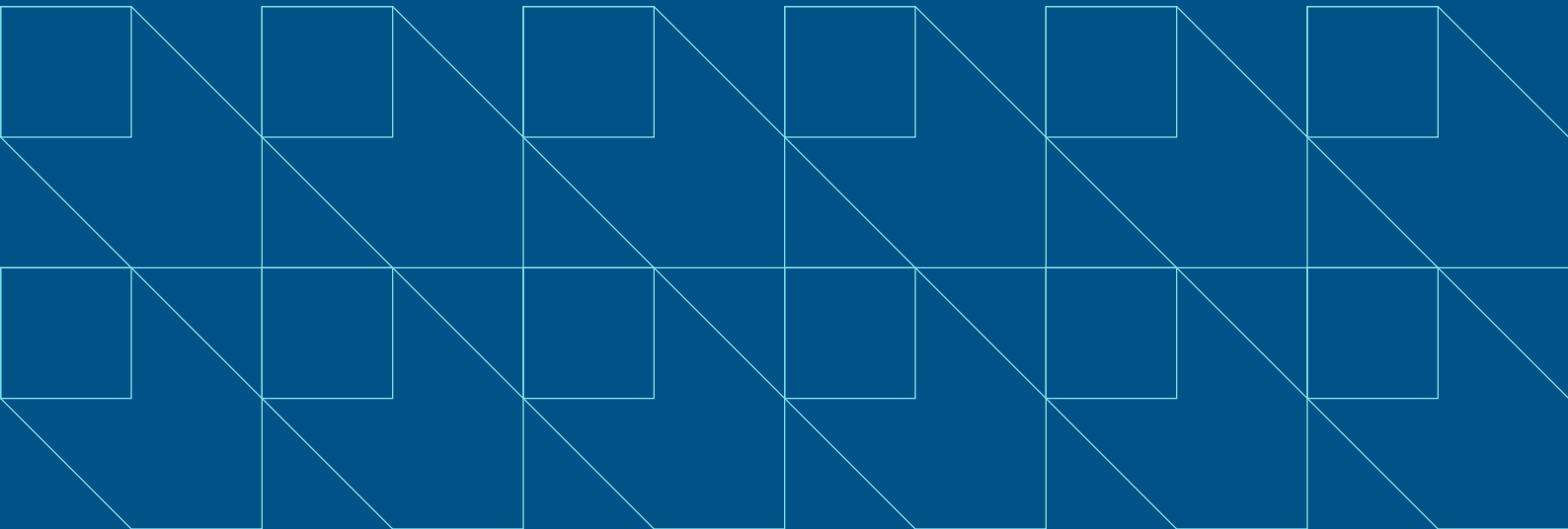


# 20 ANNUAL 23 REPORT



العربية  
arabia  
شركة التأمين العربية التعاونية



**Dear AICC Shareholders,**

**Greetings,**

The Board of Directors of AICC (the “Company”) is pleased to present to you the following report on The Company’s business results, achievements, plans, important decisions, and disclosures in accordance with the rules of registration and listing, the Corporate Governance Regulations and the Insurance Companies Governance Regulations, wherewith attached the report of the external auditors and the audited financial statements for the financial year ending on 31/12/2023.

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## 1. Company's Business

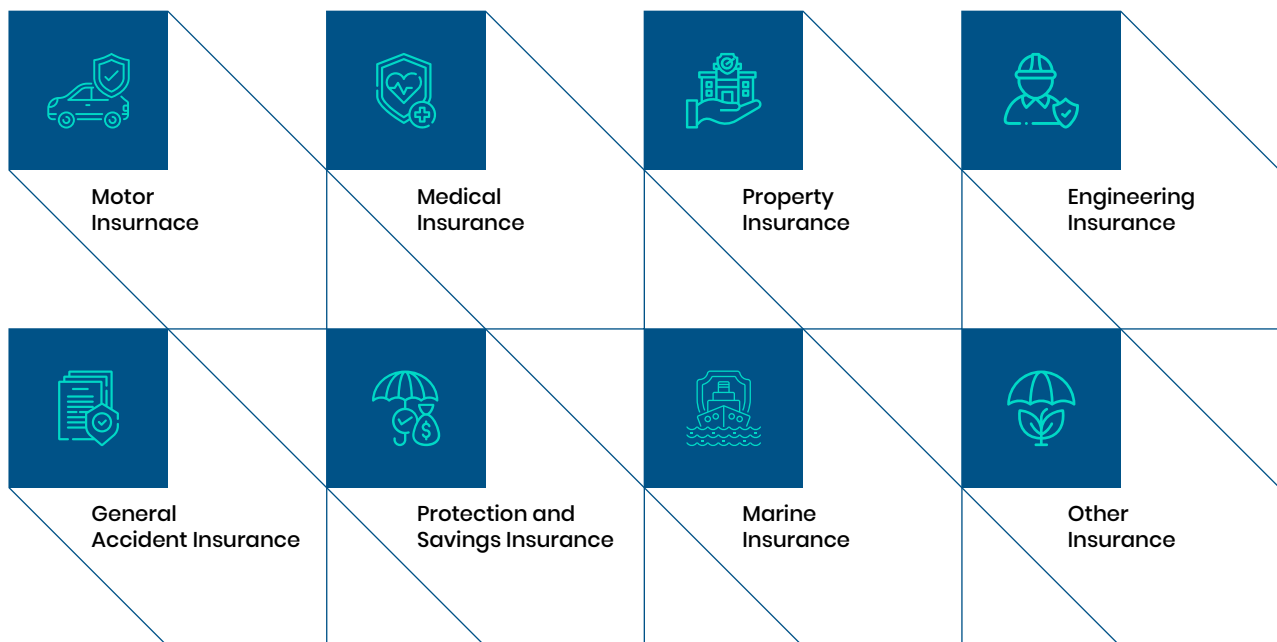
Arabia Insurance Cooperative Company (AICC) is a Saudi public joint stock company established as per Royal Decree No. (M/23) dated 15/03/1428H (corresponding to 03/04/2007) and Cabinet Resolution No. (93) dated 14/03/1428 AH (corresponding to 02/04/2007). It operates under Commercial Registration No. 1010243302 issued in Riyadh on 18/01/1429 AH (corresponding to 27/01/2008).

The Company obtained the Insurance Authority's permit No. TMN/15/20086, dated 14/06/1429 AH (corresponding to 18/06/2008) to engage in insurance and reinsurance business in accordance with the provisions of the Cooperative Insurance Companies Control Law and its executive regulations. The license to practice the business was renewed for a period of three years starting on 11/06/1444H and ending on 10/06/1447H. The Regulator's approval was obtained to amend the business at The Company's request so that it is limited to the practice of insurance business, according to letter No. 351000076885 dated 14/06/1435H corresponding to 14/04/2014. The

Company's objectives are to engage in cooperative insurance and related activities in Saudi Arabia. Its main business includes all categories of general insurance, medical insurance, protection, and savings.

In accordance with Article 3 of the Company's articles of association, which states that The Company's purpose is: "To practice cooperative insurance business in the class of general insurance, health insurance and protection & savings insurance. The Company may carry out all business activities necessary to realize its objectives and shall transact such activities in conformity with the provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations and the laws and regulations in force in the Kingdom of Saudi Arabia, subject to obtaining necessary licenses from the competent authorities, if any.."

### Summary of insurance products:



## Company Branches:

The Company operates through the head office and its licensed branches, which are spread in different regions of Saudi Arabia and are as follows:

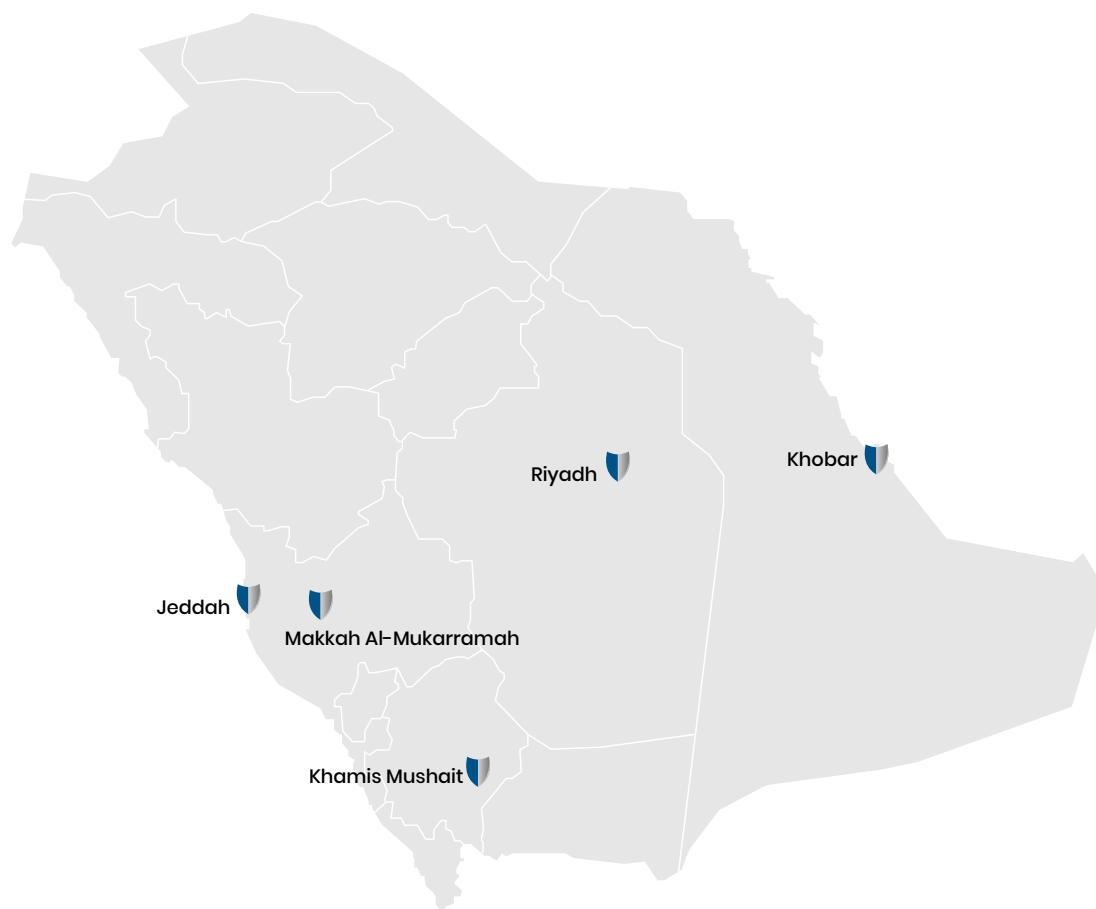
Head Office: Riyadh – Al Wurud District – King Abdulaziz Road, Bin Tami Center.

Tel: 011-2153360

Fax: 011-2153197

PO Box 286555 Riyadh 11323

Website: www.aicc.com.sa



### a) Central Region:

Riyadh City Branch – King Abdulaziz Road, Bin Tami Center.

### b) Western Region:

1) Jeddah: Tahlia Street, Al Salam Building.

2) Makkah Al-Mukarramah: Al-Rusaifa, Ring Road III, Al Salwa Tower, next to Civil Defense.

### c) Southern Region:

Khamis Mushait – King Fahd Road, Al Tasheel Building

### d) Eastern Region:

Khobar: – Custodian of the Two Holy Mosques Road – Prince Hammoud Street – Diwan Al-Jazirah Building

**The Company also has several points of sale (POSS) spread throughout Saudi Arabia**

## 2. Significant Developments and Decisions in 2023

The financial year 2023 marked the fourteenth year since the company commenced its operations. Below are the most significant Resolutions, developments, and actions taken during the financial year 2023:

### Election of a New Board of Directors:

The Ordinary General Assembly Meeting convened on 06/04/2023 AD, with the following outcomes listed on the agenda:

Approval of the election of Board members for the upcoming term, commencing from the date of the Ordinary General Assembly Meeting on 06/04/2023 AD, for a duration of three years, ending on 05/04/2026. The elected members are:

1. Mr. Abdulaziz bin Abdulhadi bin Abdullah Al Jadha'i Al Qahtani
2. Mr. Abdulaziz bin Saleh Al Omair
3. Mr. Munir Boutros Muasher
4. Mr. Ghassan Ibrahim Fares Aqeel
5. Mr. Hatem bin Ali Bargash
6. Mr. Abdullah Saeed bin Saeed
7. Mr. Othman Mohamed Ali Bdeir

### Company was Approved by Al Hokair Group for General Insurance Services:

On 14/02/2023 AD, the company was approved by Al Hokair Group (Cenomi Centers, Cenomi Retail, and its subsidiaries and sister companies) to provide general insurance services for a duration of one Gregorian year, effective from 15/02/2023 AD, with an estimated value of SAR 62Mn.

### Renewal of General Insurance and Vehicle Insurance Policies for Al Jomaih Group:

On 28/02/2023 AD, the general insurance and vehicle insurance policies were renewed for Al Jomaih Group for a duration of one Gregorian year, effective from 01/03/2023 AD, with an estimated value of SAR 50Mn.

### Increase in Company's Net Assets based on the Valuation of its Investment in Najm Insurance Services (Najm):

On 09/04/2023 AD, the company announced a significant development impacting its net assets positively due to an increase in the investment

value held in Najm Insurance Services (Najm). The company owns a 3.45% stake in Najm Insurance Services, initially recognized at cost amounting to SAR 1.9Mn. However, the company is now required to measure and recognize it at fair value, amounting to SAR 39.7Mn for the year ending 31st December 2022 AD, based on the independent valuation conducted by Najm, in accordance with IFRS 9 "Financial Instruments," effective from 1st January 2023 AD.

### Obtaining a No-Objection from the Insurance Authority for a number of Products Submitted to Groups:

In the year 2023 AD, the company obtained a no-objection from the Insurance Authority (IA) for a number of products, as follows:

- Professional Liability Insurance for Auditors of Entities Supervised by the Capital Market Authority (CMA).
- Comprehensive Vehicle Insurance - Individuals.
- Comprehensive Vehicle Insurance - Groups.
- Domestic Workers Contract Insurance - Individuals.
- Domestic Workers Contract Insurance for Human Resources and Recruitment Companies - Group Clients.
- Commercial Vehicle Risk Insurance for Group Clients.

### Company Rehabilitation with the Council of Health Insurance:

On 4th Ramadan 1444 AH, corresponding to 26th March 2023 AD, the company received approval from the Council of Health Insurance for its rehabilitation request for a period of 3 years, effective from 09th May 2023 AD.

### Employee Development and Training:

During the year 2023 AD, the company's management provided training courses and development programs for its Saudi workforce to ensure efficient operations and excellent customer service.

### Reinsurance Agreements:

Throughout the year 2023 AD, the company renewed and signed reinsurance agreements with leading global and local reinsurers, rated between A+ and A internationally.



### Insurance Brokerage Agreements:

During the year 2023 AD, the company signed and renewed agreements with IA-approved insurance brokerage firms, aiming to expand its customer base across all categories.

### Ordinary General Assembly Meetings:

The Ordinary General Assembly Meeting (First Meeting) was held on 25/10/1444 AH, corresponding to 15/05/2023 AD. The outcomes were as follows:

1. Review and discussion of the financial statements for the fiscal year ending on 31/12/2022 AD.
2. Approval of the company's auditors' report for the fiscal year ending on 31/12/2022 after discussion.
3. Review and discussion of the Board of Directors' report for the fiscal year ending on 31/12/2022 AD.
4. Approval of the exoneration of the Board of Directors for the fiscal year ending on 31/12/2022 AD.
5. Approval of the amendment to the company's governance regulations.
6. Approval of the amendment to the Audit Committee's terms of reference.
7. Approval of delegating the authority of the Ordinary General Assembly Meeting to the Board of Directors with the license contained in Article 27(1) of the Companies Law, for a period of one year from the date of the General Assembly's approval or until the end of the delegated Board's term, whichever is earlier, subject to the conditions stipulated in the executive regulations of the Companies Law applicable to listed joint-stock companies.

**The General Assembly Meeting (First Meeting) was held on 12/12/1444 AH, corresponding to 09/07/2023 AD, conducted via modern technological means. The outcomes were as follows:**

1. Approval of the appointment of the company's auditors from among the nominees based on the recommendation of the Audit Committee, to examine, review, and audit the financial statements for the second and third quarters, as well as the annual financial statements for the fiscal year 2023 AD, and the first quarter of the fiscal year 2024. Their fees were determined as follows:

- Abdullah Mohammed Al Azem, Salman Bandar Al Sudairi, and Musab Abdulrahman Al AISheikh - Al Azem, Al Sudairi, Al Al Sheikh & Partners for Professional Consultancy.
  - Suleiman Abdullah Al Kharashi (Al Kharashi & Partners Chartered Accountants and Auditors).
2. Approval to disburse an amount of (SAR 900,000/-) as a bonus to the Board members for the fiscal year ending on 31/12/2021 AD.
  3. Approval to disburse an amount of (SAR 900,000/-) as a bonus to the Board members for the fiscal year ending on 31/12/2022 AD.

### Appointment of Chairman, Vice Chairman, and Formation of Subsidiary Committees for the term beginning on 06/04/2023 AD for a duration of three Gregorian years ending on 05/04/2026 AD, following receipt of a no-objection from the Insurance Authority:

- **On 11/06/2023 AD, a Board resolution was issued appointing the Chairman and Vice Chairman of the Board as follows:**
  1. Mr. Abdulaziz bin Abdulhadi Al Qahtani (Non-Executive) - Chairman of the Board.
  2. Mr. Abdulaziz bin Saleh Al Omair (Non-Executive) - Vice Chairman of the Board.
- **On 31/05/2023 AD, the Audit Committee was formed as follows:**
  1. Mr. Abdullah bin Saeed bin Saeed (Board Member - Independent) - Committee Chairman.
  2. Mr. Abdul-Ilah bin Mohammed bin Muammar (External to the Board) - Committee Member.
  3. Mr. Mishari bin Salman Al-Suhaim (External to the Board) - Committee Member.
  4. Mr. Saleh bin Abdullah Al Quraishi (External to the Board) - Committee Member.
- **On 25/10/2023 AD, the Executive Committee, Risk Committee, and Investment Committee were formed as follows:**
  - (A) Executive Committee:
    1. Mr. Munir Boutros Muasher (Committee Chairman).
    2. Mr. Abdulaziz bin Saleh Al Omair (Committee Member).

3. Mr. Othman Mohamed Ali Bdeir (Committee Member).

(B) Risk Committee:

1. Mr. Ghassan Ibrahim Fares Aqeel (Committee Chairman).
2. Mr. Othman Mohamed Ali Bdeir (Committee Member).
3. Mr. Hatem bin Ali Bargash (Committee Member).

(C) Investment Committee:

1. Mr. Ghassan Ibrahim Fares Aqeel (Committee Chairman).
2. Mr. Hatem bin Ali Bargash (Committee Member).
3. Mr. Adel bin Bashir Al Bayed (Committee Member).

- **12/12/2023 AD, the Nomination and Remuneration Committee was formed as follows:**

1. Ms. Nadine Hassan Al Habbal (Independent) - Committee Chairman.
2. Mr. Abdulaziz Saleh Al Omair (Non-Executive) - Committee Member.
3. Mr. Munir Boutros Muasher (Non-Executive) - Committee Member.
4. Mr. Abdullah Saeed bin Saeed (Independent) - Committee Member.

**Resignation of the Chairman of the Board and Appointment of a Replacement Chairman and Alternate Member to Fill the Vacancy:**

1. On 16/04/1445 AH, corresponding to 31/10/2023 AD, the resignation of Mr. Abdulaziz bin Abdulhadi Al Jadha'i Al Qahtani from the membership and chairmanship of the company's Board of Directors for the current term was accepted, effective from 31/10/2023 AD. The resignation was due to his professional commitments with several companies and investments inside and outside the Kingdom.
2. On 30/11/2023 AD, a Board resolution was issued approving the appointment of the Chairman and Vice Chairman of the Board for the term of the Board of Directors effective from 06/04/2023 AD for a duration of three Gregorian years ending on 05/04/2026 AD, as follows:
  - Mr. Abdulaziz bin Saleh Al Omair (Non-Executive) - Chairman of the Board.
  - Mr. Munir Boutros Muasher (Non-Executive) - Vice Chairman of the Board.
3. Also, on 30/11/2023 AD, a Board resolution was issued by circulation to appoint Ms. Nadine El-Habbal as a Board member to fill the vacant position on the Board, effective immediately and until the end of the current term of the Board, provided that such appointment is presented to the Ordinary General Assembly Meeting for approval at its first meeting.

### 3. Future plans and expectations

The growth in business volume and profits witnessed by the insurance sector in the Kingdom of Saudi Arabia during the year 2023 aligns with the development of the Saudi economy in accordance with Vision 2030. While facing several challenges, including intense competition in insurance prices and operating costs, the Arabia Insurance Cooperative Company aims to maintain its position among the leading companies in the insurance field. The company remains committed to implementing its plans aimed at increasing competitiveness and profits, focusing on the following:

1. Introducing insurance products that meet the needs of customers, especially small and medium-sized enterprises (SMEs).
2. Continuing to develop sales and electronic service information systems.

3. Enhancing the culture of governance and compliance and providing the necessary personnel to relevant departments.
4. Recruiting and training qualified national personnel to ensure the company's success and growth.

The company's Board of Directors is fully aware of the opportunities and challenges. Therefore, it directs the necessary adjustments to keep pace with developments and ensure the company's continuity in line with the strategy approved by it.

## 4. Risks that The Company may face and its assessment and addressing methods

The Company adopts policies for managing, measuring and controlling risks that are subject to the implementing regulations of the Cooperative Insurance Companies Control Law and the Risk Management Regulation so that these policies are evaluated and updated periodically. Given the nature of the Company activity, it is exposed to regular risks. Internal Audit and Risk Management Departments review and evaluates all risks that arise from The Company's activities and business, examine the results of all evaluation processes with senior management, the audit committee, and the risk committee, and submit a report of the results in accordance with the regulatory standards and requirements in addition to the methods of addressing and recommending them to the Board of Directors. A summary of the risks to which The Company is exposed, include without limitation the following:

### a. Insurance risk

Insurance risk is the risk that actual claims payable to contract holders in respect of insured events exceed the carrying amount of insurance liabilities. This could occur because the frequency or amounts of claims severity, actual benefits paid and subsequent development of long term claims are different than expected. Therefore the objective of the Company is to ensure that sufficient resources are available to cover these liabilities. The insurance risk arising from insurance contracts is mainly concentrated in the Kingdom of Saudi Arabia.

### Frequency and amounts of claims

The frequency and amounts of claims can be affected by several factors. The Company underwrites mainly motor and medical risks. These are regarded as short-term insurance contracts as claims are normally advised and settled within one year of the insured event taking place. This helps to mitigate insurance risk.

### Motor

For motor contracts, the main risks are claims for death and bodily injury and the replacement or repair of vehicles. The Company only grants comprehensive policies for owner/drivers over 18 years of age. Substantially all of the motor contracts relate to private individuals. The Company also has risk management procedures to control cost of claims. The Company has reinsurance cover to limit the losses for any individual claim to SR 2,000,000.

### Medical Insurance

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across the industry sectors and geography to ensure that pricing takes account of current health conditions, regular view of actual claims experience and product pricing, as well as detailed claims handling procedures. The Company further enforces a policy of actively managing and promptly pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company.

### b. Reinsurance risk

In line with other insurance companies, the Company, in the normal course of business, enters into agreements with other parties for reinsurance purposes in order to minimize financial exposure arising from large claims. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under treaty, facultative and excess of loss reinsurance contracts.

To minimize its exposure to significant losses from reinsurance companies' insolvencies, the Company evaluates the financial condition of reinsurance companies and monitors the concentrations of credit risk arising from similar geographic regions, activities and economic characteristics of reinsurance companies.

### c. Regulatory framework risk

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

### d. Credit risk

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

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

- The Company only enters into insurance and reinsurance contracts with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Company's exposure to bad debts.
- The Company seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.
- Cash and cash equivalents, time deposits and the statutory deposit are maintained with local banks approved by the management. Accordingly, and as prerequisite, the bank with which cash and cash equivalents, time affirming to the financial position strength.
- The Company's investment in funds and portfolios are managed by the investment officer in accordance with the investment policy established by the investment committee.
- With regard to credit risks resulting from other financial assets, the company deals only with commercial banks with a strong financial position and good credit reputation.
- There are no significant concentrations of credit risks within the company.

#### e. Commission rate risk

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

The Company is exposed to special commission rate risk on some of its investments. The Company limits commission rate risk by monitoring changes in commission rates in the currencies in which its investments are denominated.

#### f. Operational risk

Operational risk is the risk of direct or indirect loss resulting from a wide range of reasons related to operations, technology and infrastructure that support the Company's internal and external operations with the Company's service providers and from external factors other than credit, market risk and liquidity such as those arising from legal requirements Regulatory and generally accepted standards for the conduct of investment management. Operational risk arises from all of the Company's activities.

The objective of the company is to manage operational risk in order to balance the reduction of financial losses and damage to its reputation in achieving its investment objective of generating returns for investors. The primary responsibility for the development and implementation of operational risk controls rests with the Board of Directors. This responsibility includes controls and control in the following areas:

- Requirements for the appropriate separation of duties between different functions, roles and responsibilities;
- Settlement and monitoring requirements;
- Compliance with regulatory requirements and other legal requirements;
- Documentation of controls and procedures;
- Requirements for periodic assessment of operational risks facing, and adequacy of controls and procedures to address identified risks;
- Ethical standards and business standards; and risk mitigation policies and procedures.

the offering of insurance products and their types, imposing fines, penalties and others. In the event that The Company fails to comply with the Cooperative Insurance Companies Control Law and its implementing regulations, it will be subject to fines or penalties, which will negatively and materially affect its business results, financial performance or sustainability.

## 5. Evaluation of Company Strategy and its Financial Position

During the year 2023 AD, the company achieved its highest net profit since its inception, amounting to Approx. SAR 60.5Mn after zakat and income tax. Such achievement represents one of the most important strategic objectives pursued by the Board of Directors. Additionally, the company surpassed the threshold of SAR 900Mn in subscribed insurance premiums for the first time since its inception, and its total equity reached Approx. SAR 560Mn by the end of 2023 AD. Furthermore, the company achieved increases in technical profit margins and net investment income.

The company is investing in infrastructure, including information and marketing systems, and recruiting qualified technical personnel to competitively position itself in the Saudi insurance market. Moreover, the enhanced capital base will enable the company to consistently increase production

with financial adequacy compliant with regulatory requirements.

Additionally, the company will study innovative insurance products, utilize technology, and employ unconventional sales channels while maintaining strict underwriting quality standards and cost improvement. This will rely on the development and training of human capital, which is a key cornerstone in achieving this strategy, particularly in technical fields, as well as recruiting and retaining qualified Saudi talents to be the key to success

## 6. Table indicating Company's assets and liabilities, and its business results for last five years 2019–2023

Statement of financial position	2022	2023
<b>Assets of Insurance operations</b>	<b>Thousand Saudi Riyals</b>	
Cash and cash equivalents	34,387	54,235
Insurance contract assets	8,922	23,655
Reinsurance contract assets	797,325	844,690
Prepaid expenses and other assets	71,893	81,486
Term deposits	135,680	172,435
Investments	32,432	15,760
Due from shareholders'	34,056	5,736
Right-of-use assets	1,297	5,717
Property and equipment, net	10,153	11,423
<b>Total assets of insurance operations</b>	<b>1,126,145</b>	<b>1,215,137</b>
<b>Assets of shareholders' operations</b>		
Cash and cash equivalents	44,732	3,484
Prepaid expenses and other assets	3,315	8,228
Term deposits	38,309	354,173
Statutory deposit	40,000	53,000
Accrued income on statutory deposit	5,380	8,447
Investments	159,705	163,192
<b>Total assets of shareholders' operations</b>	<b>291,441</b>	<b>590,525</b>
<b>Total assets</b>	<b>1,417,587</b>	<b>1,805,661</b>

<b>Liabilities of Insurance operations</b>		
Insurance contract liabilities	1,065,924	1,118,895
Reinsurance contract liabilities	5,232	4,397
Accrued expenses and other liabilities	42,702	73,950
Lease liability	1,236	5,143
Provision for end-of-service benefits	11,564	15,384
<b>Total liabilities of insurance operations</b>	<b>1,126,658</b>	<b>1,217,769</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Shareholders' Liabilities</b>		
Accrued Income on statutory deposit	5,380	8,448
Accrued expenses and other liabilities	1,473	2,191
Provision for zakat and income tax	7,216	11,601
Due to insurance operations	34,056	5,736
<b>Total Shareholders' Liabilities</b>	<b>48,125</b>	<b>27,976</b>
<b>Shareholders' Equity</b>		
Share capital	265,000	530,000
Fair value reserve for investments	36,192	44,871
Actuarial loss on defined benefit plan	(513)	(2,633)
Accumulated losses	(57,875)	(12,322)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>242,804</b>	<b>559,916</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,417,587</b>	<b>1,805,661</b>

**Table indicating Company's assets and liabilities, and its business results for last five years 2019–2023 (Continued).**

The financial statements for the years ended 31 December 2021, 31 December 2020 and 31 December 2019 are below, as they have been prepared in accordance with the requirements of IFRS 4 and IFRS 39, as issued at the end of each financial period.

Statement of Financial Position	2019	2020	2021
<b>Assets of Insurance operations</b>	<b>Thousand Saudi Riyals</b>		
Cash and cash equivalents	24,006	33,351	26,224
Time deposits	10,000	20,350	20,400
Investments	29,855	32,653	31,903
Premiums and reinsurance balances receivable, net	110,463	141,114	150,977
Reinsurers' share of unearned premiums	55,863	42,905	47,877
Reinsurers' share of outstanding claims	37,152	33,978	70,587
Reinsurers' share of claims incurred but not reported	14,504	9,379	8,346
Deferred policy acquisition costs	7,236	11,018	11,122
Prepaid expenses and other assets	15,791	17,591	21,806
Due from related parties	83	93	83
Property and equipment, net	6,713	6,599	7,418
Right-of-use assets	6,734	5,372	3,215
Due from shareholders' operations	101,987	41,910	23,213
<b>Total assets of insurance operations</b>	<b>420,387</b>	<b>396,311</b>	<b>423,171</b>
<b>Assets of shareholders' operations</b>			
Cash and cash equivalents	42,587	115,976	59,119
Time deposits	119,158	43,414	37,061
Prepaid expenses and other assets	1,187	723	2,397
Return on investment of statutory deposit	3,859	4,290	4,494
Investments	120,143	71,500	109,129
Statutory deposit	40,000	40,000	40,000
<b>Total assets of shareholders' operations</b>	<b>326,934</b>	<b>275,904</b>	<b>252,200</b>
<b>Total assets</b>	<b>747,320</b>	<b>672,215</b>	<b>675,371</b>



<b>Liabilities of Insurance operations</b>			
Accounts payable	22,230	23,684	17,106
Reinsurance balances payable	36,390	29,424	31,008
Accrued expenses, and other liabilities	28,147	26,555	22,759
Unearned reinsurance commission	3,623	3,278	3,461
Gross unearned premiums	148,602	140,803	168,094
Outstanding claims	83,704	80,887	104,492
Claims incurred but not reported	64,488	59,982	52,970
Employees' end of service benefits	10,845	10,428	10,479
Due to related parties	41	0	199
Lease liability	6,253	4,911	2,742
Premium deficiency reserve and other reserves	15,159	15,630	8,965
<b>Total liabilities of insurance operations</b>	<b>419,480</b>	<b>395,581</b>	<b>422,276</b>
<b>Cumulative surplus</b>			
Accumulated surplus payable	1,939	2,253	1,439
Actuarial loss on defined benefit plan	(1,033)	(1,523)	(544)
<b>Total liabilities and surplus of insurance operations</b>	<b>420,387</b>	<b>396,311</b>	<b>423,171</b>
<b>Shareholders' Equity and Liabilities</b>			
<b>Shareholders' liabilities</b>			
Accrued expenses and other liabilities	544	1,656	1,201
Return on investment of statutory deposits	3,859	4,290	4,494
Zakat and income tax payable	4,636	6,282	7,653
Due to insurance operations	101,987	41,910	23,213
<b>Total liabilities of shareholders' operations of insurance operations</b>	<b>111,026</b>	<b>54,138</b>	<b>36,561</b>
Equity capital	265,000	265,000	265,000
Accumulated loss	(50,236)	(43,979)	(49,496)
Investment of available-for-sale revaluation reserve	1,143	745	136
<b>Total shareholders' equity</b>	<b>215,907</b>	<b>221,766</b>	<b>215,639</b>
<b>Total liabilities and shareholders' equity</b>	<b>326,934</b>	<b>275,904</b>	<b>252,200</b>
<b>Total liabilities and accrued surplus of insurance operations and liabilities and shareholders' equity</b>	<b>747,320</b>	<b>672,215</b>	<b>675,371</b>

The financial statements for the years ending 31 December 2023 and 31 December 2022 below have been prepared in accordance with the requirements of IFRS 17 and IFRS 9.

Statement Of Income	2022	2023
Thousand Saudi Riyals		
<b>REVENUES</b>		
Insurance revenue	560,651	838,947
Insurance service expenses	(1,116,858)	(621,372)
<b>Insurance service result before reinsurance contracts held</b>	<b>(556,207)</b>	<b>217,575</b>
Allocation of reinsurance premiums	(111,559)	(138,885)
Amounts (reversed) recoverable from reinsurance	690,941	(2,169)
<b>Net income (expenses) from reinsurance contracts held</b>	<b>579,382</b>	<b>(141,054)</b>
<b>Insurance service result</b>	<b>23,174</b>	<b>76,521</b>
Income from investment and deposits	6,787	30,657
Expected credit losses	(109)	(128)
<b>Net investment income</b>	<b>6,679</b>	<b>30,529</b>
Net finance expenses from insurance contracts issued	(21,903)	(35,106)
Net finance income from reinsurance contracts held	19,242	28,525
<b>Net insurance finance expenses</b>	<b>(2,661)</b>	<b>(6,581)</b>
<b>Net insurance and investment result</b>	<b>27,192</b>	<b>100,469</b>
Other income	6,858	17,531
Other operating expenses (non-attributable)	(22,294)	(41,708)
<b>Gross income for the year</b>	<b>11,756</b>	<b>76,292</b>
Provision for zakat & income tax	(4,500)	(10,000)
<b>Gross income for the year after zakat &amp; income tax</b>	<b>7,256</b>	<b>66,292</b>
<b>Net income attributable to insurance operations</b>	<b>(1,056)</b>	<b>(5,829)</b>
<b>Net income attributable to shareholders</b>	<b>6,200</b>	<b>60,462</b>

The financial statements for the years ended 31 December 2021, 31 December 2020 and 31 December 2019 are below, as they have been prepared in accordance with the requirements of IFRS 4 and IFRS 39, as issued at the end of each financial period.

Statement Of Income – Insurance operations	2019	2020	2021
	Thousand Saudi Riyals		
Gross premiums written	332,418	346,432	422,323
Less: Reinsurance premiums ceded	(110,234)	(96,309)	(126,344)
Excess of loss premiums	(4,803)	(4,320)	(4,901)
<b>NET PREMIUMS WRITTEN</b>	<b>217,381</b>	<b>245,802</b>	<b>291,077</b>
Change in unearned premiums, net	5,173	(5,159)	(22,319)
<b>NET PREMIUMS EARNED</b>	<b>222,554</b>	<b>240,643</b>	<b>268,758</b>
Gross claims paid	(248,706)	(228,106)	(278,099)
Reinsurers share of claims paid	84,835	70,620	42,255
Changes in outstanding claims, net	(7,622)	(977)	18,982
<b>Net claims incurred</b>	<b>(171,493)</b>	<b>(158,463)</b>	<b>(216,862)</b>
Changes in premium deficiency reserve and other technical reserves	(4,360)	(471)	6,665
Policy acquisition costs	(17,622)	(20,813)	(32,841)
Reinsurance commission earned	16,370	11,433	27,818
Other revenue			3,607
<b>NET UNDERWRITING INCOME</b>	<b>45,450</b>	<b>65,658</b>	<b>57,145</b>
General and administrative expenses	(88,639)	(58,711)	(62,185)
Net Profit (Loss) of Investments	1,446	1,197	1,311
<b>Total surplus / (deficit) for the year</b>	<b>(41,742)</b>	<b>8,144</b>	<b>(3,729)</b>
<b>Loss for the year attributed to the shareholders</b>	<b>41,742</b>	<b>(7,329)</b>	<b>3,729</b>

(6-a) Below are the results of the operating sectors for the financial year ending on 31/12/2023:

In Saudi riyals for the year ending December 31, 2023				
	Medical insurance	Motor	Other	Total
<b>REVENUES</b>				
Insurance revenue	506,728	161,399	170,820	838,947
Insurance service expenses	(393,261)	(195,492)	(32,620)	(621,372)
<b>Insurance service result before reinsurance contracts held</b>	<b>113,467</b>	<b>(34,093)</b>	<b>138,201</b>	<b>217,575</b>
Allocation of reinsurance premiums	(6,499)	(2,142)	(130,244)	(138,885)
Amounts recoverable from reinsurance	2,332	3	(4,503)	(2,169)
<b>Net profit/(expenses) from reinsurance contracts held</b>	<b>(4,168)</b>	<b>(2,139)</b>	<b>(134,747)</b>	<b>(141,054)</b>
<b>Insurance service result</b>	<b>109,299</b>	<b>(36,232)</b>	<b>3,454</b>	<b>76,521</b>
Income from investment and deposits				30,657
Expected credit loss				(128)
<b>Net investment income</b>				<b>30,529</b>
Net finance expenses from insurance contracts issued	(3,586)	(2,593)	(28,926)	(35,106)
Net finance income from reinsurance contracts held	55	-	28,470	28,525
<b>Insurance finance result</b>	<b>(3,531)</b>	<b>(2,593)</b>	<b>(457)</b>	<b>(6,581)</b>
<b>Net insurance and investment result</b>	<b>105,768</b>	<b>(38,825)</b>	<b>2,997</b>	<b>100,469</b>
Other income				17,531
Other operating expenses (non-attributable)				(41,708)
<b>Gross income for the period</b>				<b>76,292</b>
Provision for zakat and income tax				(10,000)
<b>Gross income for the period after zakat and income tax</b>				<b>66,292</b>
Net income attributable to insurance operations				(5,829)
<b>Net Income attributable to shareholders</b>				<b>60,462</b>

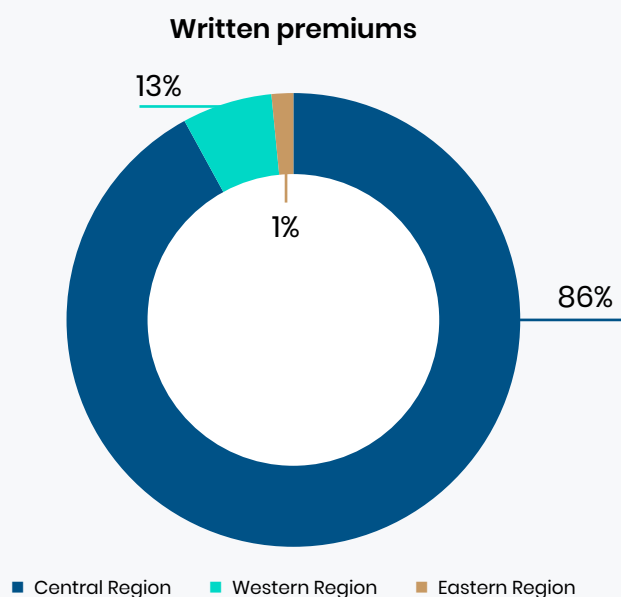
## (6-b) Financial Highlights:

Below is an analytical review of the results for 2023:

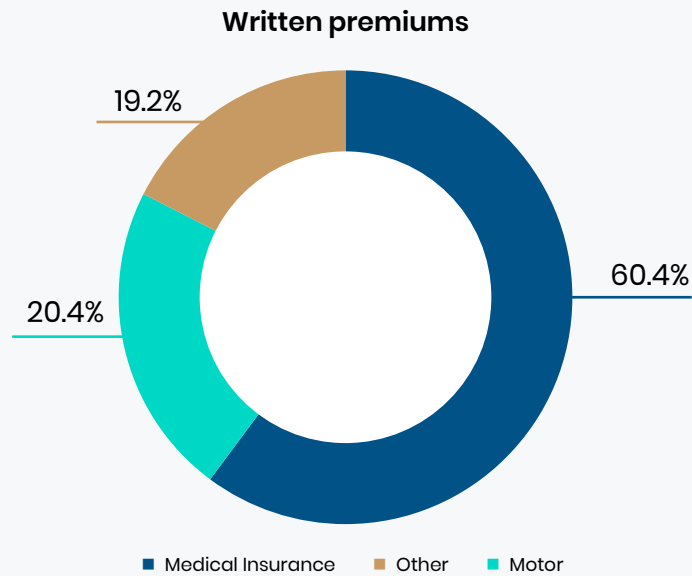
The following is an analytical review of the results for the year 2023

1. Insurance revenues during the year amounted to 838,947 thousand Saudi Riyals, compared to 560,561 thousand Saudi Riyals for the previous year, an increase of 49.6%. The reason for the increase in insurance revenues during the current year compared to the previous year is mainly due to the increase in revenues from the medical insurance sector by approximately 229 million Saudi Riyals.
2. Net profit after zakat and income tax during the current year amounted to 60,462 thousand Saudi Riyals, compared to 6,200 thousand Saudi Riyals for the previous year. The reason for the increase in net profit after zakat during the current year compared to the previous year is mainly due to the increase in net insurance services results by approximately 53 million Saudi Riyals, driven by an increase in revenues from the medical insurance sector in addition to an increase in net investment income and other income.
3. Earnings per share during the year amounted to 1.14 Saudi Riyals, compared to 0.21 Saudi Riyals for the previous year, noting that earnings per share were calculated after zakat and income tax.
4. Net profits from insurance results during the year amounted to 76,521 thousand Saudi Riyals, compared to 23,174 thousand Saudi Riyals for the previous year, an increase of 230.2%.
5. Net investment income during the year amounted to 30,657 thousand Saudi Riyals, compared to 6,787 thousand Saudi Riyals for the previous year, an increase of 351.7%.
6. Net insurance financing expenses during the year amounted to 6,581 thousand Saudi Riyals, compared to 2,661 thousand Saudi Riyals for the previous year, an increase of 147.31%.
7. Total shareholders' equity (no minority rights) during the current year amounted to 559,916 thousand Saudi Riyals, compared to 242,804 thousand Saudi Riyals for the previous year, an increase of 130.6%.
8. The accumulated losses at the end of the current year amounted to 12,322 thousand Saudi Riyals, representing 2.3% of the capital.
9. The Company has applied IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), in accordance with standards adopted in the Kingdom of Saudi Arabia, as of January 1, 2023 and retrospectively, which has led to a radical change in the presentation of financial results for all periods. Starting from the first quarter of 2023 and remeasuring similar periods from previous years according to the new standards.

(6-c) Below is the geographical analysis of the total written premiums as per the Kingdom regions, given that The Company does not have any revenues from subsidiaries Outside Saudi Arabia:



(6-d) Below is the total distribution of written premiums as per lines of business:



### (6-e) Accounting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncement that are endorsed by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (“IFRS as endorsed by SOCPA”).

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for “Insurance Operations” and “Shareholders’ Operations” and presents the financial statements accordingly. Revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of revenues and expenses from joint operations is determined and approved by the management and the Board of Directors.

The financial statements are prepared on the going concern basis and on the historical cost basis, except for certain investments that are measured at fair value and end of service benefits are measured at

present value. The financial position is not displayed using the current / non-current classification.

Effective January 1, 2023, the Company adopted IFRS 17 – Insurance Contracts, and IFRS 9 – Financial Instruments. The adoption of IFRS 17 and IFRS 9 had a significant impact on the accounting of insurance and reinsurance contracts, and the accounting of financial instruments, respectively.

In preparing the Company-level financial statements in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders’ operations. Inter-operation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders’ operations are uniform for transactions and events in similar circumstances.

## 7. Subsidiaries

There are no subsidiaries for AICC, and therefore no details of the shares and debt instruments issued for each subsidiary

## 8. Investments or reserves established for the benefit of the Company's employees

There are no investments or reserves established for the benefit of the Company's employees, except for the end of service benefits (EOSB).

## 9. Contracts and transactions with related parties in 2023

The Company confirms that there are no commercial contracts for Board members or companies in which they have a direct or indirect interest, with the exception of the following insurance policies, and that these policies were priced on purely commercial bases and without preferential prices, conditions or services than the rest of the Company's customers and according to the usual procedures, and there are no cases of potential conflict of interest, as follows:

Description of related parties for 2022			
Company/Party	Nature of contract	Term of the contract	Amount in SAR
Abdulahdi Hadi Abdullah Al Qahtani & Sons Co	Insurance policies	One Year	5,509,766
Mr. Abdulaziz bin Abdulhadi Al Qahtani	Insurance policies	One Year	274,656
Mr. Abdulaziz bin Saleh Al Omair	Insurance policies	One Year	612,375
Mr. Ghassan Ibrahim Akeel	Insurance policies	One Year	1,248
<b>Total</b>			<b>6,395,550</b>

The following balances arose from transactions with related parties as on 31 December 2023

Company/Party	Amount in SAR	Nature of Balance
Board members and the companies they represent	1,133,982	Debit
Arabia Insurance Company (AIC) - Shareholder	208,750	
Jordan Insurance Company (JIC) - Shareholder	83,346	Debit
Reinsurance liability payable by Jordan Insurance Company (JIC) - Shareholder	546,767	Debit

Transactions with related parties resulted insurance claims amounting to SAR 1,426,366 for the members of the board of directors and the companies they represent, and expenses paid by Arabia Insurance Company - Lebanon (shareholder) on behalf of the Company amounting of SAR 706,448, and expenses paid by the Company on behalf of Arabia Insurance Company - Lebanon (shareholder) amounting of SAR 208,750.

## 10. Existence of businesses or contracts in which The Company is a party and in which the CEO or the CFO or any person related to any thereof has an interest

The Company acknowledges that there are no businesses or contracts in which The Company is a party and in which the CEO or the CFO or any person related to any thereof has an interest, with the exception of individual insurance policies, with a one-year period, for the general manager, Mr. Ziyad Alrubaish, and the CFO, Mr. Adel Albayed, given that these documents were issued within the Company's usual business.

## 11. The Board of Directors and its Committees

### First: The Board of Directors:

The Board of Directors of the Company consists of seven members, including the Chairman of the Board of Directors. The Board members have been appointed by the Ordinary General Assembly and the Company has followed the method of cumulative voting in the election of members.

On 26/02/2023, the session of the Board of Directors, which began on 27/02/2020, ended for a period of three Gregorian years. The Board of Directors exercised its functions in accordance with the provisions of the Companies Law and its executive regulations until the election of the new Board of Directors, which began its session as from the date of the ordinary general assembly meeting on 06/04/2023.

The Board of Directors exercises its functions and responsibilities in accordance with the Company's Articles of Association and the laws and regulations issued by all regulatory authorities in the Kingdom,

including the Companies Law, the Cooperative Insurance Companies Control Law and its Executive Regulations, the Corporate Governance Regulations issued by the Capital Market Authority, the Insurance Companies Governance Regulations and the Company's internal regulations. The Board of Directors also prepares and reviews policy and procedures manuals that will ensure the Company's compliance with the laws and regulations issued by all regulatory authorities regulating the work of the Company. The Company trains employees to apply these manuals

#### a. Composition of the Board of Directors and classification of its members during the fiscal year ended 31 December 2023:

##### First: The session started on 27/02/2020 and ended on 26/02/2023

SN	Member Name	Job Title	Membership Classification
1	Abdulaziz bin Abdulhadi Al-Jadha'i Al-Qahtani	Chairman of Board of Directors	Non-executive
2	Abdulrahman bin Muhammad Al-Anqari	Vice-Chairman of the Board of Directors	Independent
3	Abdulaziz bin Saleh Al-Omair	Board Member	Independent
4	Muhammad bin Ibrahim Al-Manqur	Board Member	Independent
5	Ghassan Ibrahim Aqeel	Board Member	Non-executive
6	Othman (Muhammad Ali) Othman Badir	Board Member	Non-executive
7	Mounir Boutros Ibrahim Muasher	Board Member	Non-executive



**Second: The session started on 04/06/2023 AD and ends on 04/05/2026 AD**

SN	Member Name	Job Title	Membership Classification
1	Abdulaziz bin Abdulhadi Al-Jadha'i Al-Qahtani*	Chairman of Board of Directors	Non-executive
2	Abdulaziz bin Saleh Al-Omair*	Vice-Chairman of the Board of Directors	Non-executive
3	Abdullah Saeed bin Saeed	Board Member	Independent.
4	Mounir Boutros Muasher *	Board Member	Non-executive
5	Ghassan Ibrahim Aqeel	Board Member	Non-executive
6	Othman (Muhammad Ali) Othman Badir	Board Member	Non-executive
7	Hatem Ali Bargash	Board Member	Independent.
8	Nadine Hassan El-Habbal*	Board Member	Independent.

\*On 31/10/2023, the resignation of Mr. Abdulaziz bin Abdulhadi Al-Jadha'i Al-Qahtani from the membership and chairmanship of the Board of Directors of the Company for the current session was accepted.

\*On 30/11/2023, the Board of Directors issued a decision by circulation, including the appointment of Mr. Abdulaziz bin Saleh Al-Omair as Chairman of the Board and Mr. Munir Muasher as Vice-Chairman of the Board of Directors session that began on 06/04/2023 for a period of three years.

\*On 30/11/2023, the Board issued a decision to appoint Ms. Nadine El-Habbal to fill the vacant position in the Board as of the date of the decision, provided that this appointment is presented to the first meeting of the Association.

**b. Current and past positions, qualifications and experience of directors:**

SN	Name	Membership in commissions	Current Positions	Previous Positions	Qualifications	Experiences
1	Abdulaziz bin Abdulhadi Al-Jadhafi Al-Qahtani	-	<ul style="list-style-type: none"> <li>- Chairman of the Board of Directors of the Arabia Insurance Cooperative Company until 31/10/2023</li> <li>- Chairman and Board Member in the following companies:</li> <li>- Abdulhadi Abdullah Al-Qahtani Sons Group Holding</li> <li>- Abdulhadi Abdullah &amp; Partners for Marine &amp; Petroleum Services Co.</li> <li>- Abdulhadi Abdullah Al-Qahtani &amp; Sons Co., Ltd. for Refreshment Industry</li> <li>- Al Maha Trading &amp; Contracting Co.</li> <li>- Gulf Salt Industry Co. Ltd.</li> <li>- Al-Qahtani Fisk Co.</li> <li>- Gulf Business Network Group Company.</li> </ul>	<ul style="list-style-type: none"> <li>- Board Member of Arbah Capital Company.</li> <li>- Executive Committee of the Arabia Insurance Cooperative Company.</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor's Degree in Business Administration from the University of Portland, Oregon, USA</li> </ul>	<ul style="list-style-type: none"> <li>- Experience in the fields of marine and petroleum services, electrical and telecommunications works, food industries, contracting, environmental services, mining, and financial services</li> </ul>
2	Abdulaziz bin Saleh Al-Omair	<ul style="list-style-type: none"> <li>- Executive Committee.</li> <li>- Nomination &amp; Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Chairman of the Board of Directors, member of the Nomination and Remuneration Committee, and member of the Executive Committee of the Arabia Insurance Cooperative Company.</li> <li>- CEO and Board Member of Wasl Investment Trading Company</li> <li>- Board Member of Al Rajhi REIT</li> <li>- Board Member of Al Rajhi Capital investment funds.</li> <li>- Chairman of the Board of Directors of Rawasi Advanced Investment Company.</li> <li>- Board Member at Masheed Arabia Company.</li> <li>- Board Member of Bedaya Home Finance Company, and Chairman of the Executive Committee.</li> <li>- Chairman of the Board of Directors at Galvanco.</li> <li>- Board Member at Sahil Marketing Trading Company.</li> <li>- Chairman of the Board of Directors of Information Technology International Company.</li> <li>- Board Member at Solutions in digital field Company.</li> <li>- Owner of Mission Digital Communications and Information Technology Company.</li> </ul>	<ul style="list-style-type: none"> <li>- Regional Head of the Central and Eastern Region Marketing for Institutions and Major Clients at Al-Rajhi Financial Company.</li> <li>- Vice President – Al Rajhi Capital Private Equity Funds.</li> <li>- Investor Relations Officer at R Capita Bank Bahrain</li> <li>- Board Member of the Food Concepts Company.</li> <li>- Board Member of the Creativity Fund Company.</li> <li>- Board Member of Jenan Commercial Accommodation Company</li> <li>- Board Member at CAD Marketing Company</li> <li>- Chairman of the Board of Directors of InfoTech International Company</li> <li>- Board member at Abdullah Al Othaim Investment Company</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor's degree in Business Administration from Webster University in Geneva, Switzerland</li> <li>- CME-1</li> </ul>	<ul style="list-style-type: none"> <li>- Experience in banking, financial and commercial services</li> </ul>

SN	Name	Membership in commissions	Current Positions	Previous Positions	Qualifications	Experiences
3	Mounir Boutros Muasher	<ul style="list-style-type: none"> <li>Executive Committee.</li> <li>Nomination &amp; Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>Vice Chairman of the Board of Directors, Chairman of the Executive Committee and member of the Nomination and Remuneration Committee of the Arabia Insurance Cooperative Company.</li> <li>Senior Vice President – Director of Insurance Business at Arab Bank – Jordan</li> <li>Member of the Board of Directors of the Arab Insurance Company – Jordan.</li> <li>Board member and Chairman of the Audit Committee of the Arab Insurance Company Falcon – Oman.</li> <li>Board member, Chairman of the Audit Committee and Chairman of the Governance Committee of Jordan Shipping Lines Company, Jordan</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors of Al-Nisr Al-Arabi Insurance Company – Jordan.</li> <li>Board member and Chairman of the Audit Committee of the Arabia Insurance Company in Lebanon.</li> <li>Chief Executive Officer, Arab Insurance Company in Lebanon.</li> <li>Chairman of the Board of Directors and Chairman of the Audit Committee of the Arab Insurance Company – Jordan.</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Accounting from Al-Ahliyya Amman University in Jordan</li> <li>DipCII-UK Diploma in Insurance from the Chartered Institute of London-UK.</li> </ul>	Experience in the fields of insurance and management.
4	Ghassan Ibrahim Fares Aqeel	<ul style="list-style-type: none"> <li>Risk Management Committee.</li> <li>Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>Board member and Chairman of the Risk Management Committee and the Investment Committee of the Arabia Insurance Cooperative Company.</li> <li>Board member of Banque du Caire in Amman.</li> <li>CEO of the Arab Company for Supply and Trade.</li> <li>Board member of Astra Industrial.</li> <li>Board member of the National Aviation Ground Support Company</li> </ul>	<ul style="list-style-type: none"> <li>Director of Audit and Financial Consulting at Arthur Andersen &amp; Associates.</li> <li>Finance Manager at the Arab Company for Catering and Trading.</li> <li>CEO of the Arab Company for Supply and Trade.</li> </ul>	<ul style="list-style-type: none"> <li>Master's degree in Business Administration from Thunderbird University in Arizona, USA.</li> <li>Bachelor's Degree in Accounting from the University of Jordan in Amman Jordan</li> <li>Certified Public Accountant (CPA) (USA).</li> </ul>	Experience in financial services, banking, industry, trade and investment.
5	Othman (Muhammad Ali) Othman Badir	<ul style="list-style-type: none"> <li>Executive Committee.</li> <li>Risk Management Committee</li> </ul>	<ul style="list-style-type: none"> <li>Board member and Member of the Executive and Risk Management Committee of the Arabia Insurance Cooperative Company.</li> <li>Chairman of the Board of Directors of the Jordanian Insurance Company.</li> <li>Member of the Investments Committee of the Jordanian Insurance Company.</li> <li>Board member of Al-Motabeta Investment Company – Jordan.</li> <li>Board member of Asia Insurance Company – Kurdistan – Iraq</li> <li>Board member of the Jordanian Electricity Company</li> </ul>	Board member of the National Company for Oil and Electricity Production from Oil Shale in Jordan	<ul style="list-style-type: none"> <li>Bachelor's degree in Business Administration from the University of Tennessee in the United States of America.</li> <li>Bachelor's degree in Civil Engineering from the University of Tennessee in the United States of America</li> </ul>	Experience in the fields of insurance, industry, mining, investment, electricity, brokerage and investment

SN	Name	Membership in commissions	Current Positions	Previous Positions	Qualifications	Experiences
6	Hatem Ali Bargash	<ul style="list-style-type: none"> <li>- Investment Committee</li> <li>- Risk Management Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Board member and member of the Risk Committee and the Investment Committee of the Arabia Insurance Cooperative Company.</li> <li>- Board member of Badael International Trading Company</li> <li>- Board member of Aazam Investment Company</li> <li>- Chairman of the Nomination and Remuneration Committee in Horizon Food</li> <li>- Board member and</li> <li>- Chairman of the Audit Committee at Tihama Advertising and Public Relations Company</li> </ul>	<ul style="list-style-type: none"> <li>- Director of Educational Technologies Department at King Saud University</li> <li>- Board member at Wataniya Insurance Company</li> <li>- Board member at Lomé Car Rental Company</li> <li>- Board member at Horizon Food Company</li> <li>- Board member and CEO of Al-Nasr Club Investment Company</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor's degree in Electrical Engineering (Etisalat) from King Saud University.</li> <li>- Higher Diploma in Computer Science from the Institute of the International Academy of Management and Computer</li> </ul>	Experience in IT, Investment and Insurance
7	Abdullah Saeed bin Saeed	<ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Nomination &amp; Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Board member, Chairman of the Audit Committee and Member of the Nominations and Remuneration Committee at the Arabia Insurance Cooperative Company.</li> <li>- CEO at the Land Registry</li> <li>- Member of the Investment Committee at Imam Muhammad bin Saud Islamic University</li> </ul>	<ul style="list-style-type: none"> <li>- Investment Manager at the Arabia Insurance Cooperative Company.</li> <li>- Director of International and Alternative Investments at Al Jazeera Capital</li> <li>- General Manager of Financial Sustainability at the Real Estate Development Fund</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor of Financial Management from Prince Sultan Private University</li> <li>- Certificate in Executive Leadership from Harvard Business School</li> </ul>	Experience in the fields of investment, finance and insurance
8	Nadine Hassan E-Habbal	Nomination & Remuneration Committee	<ul style="list-style-type: none"> <li>- Board member and Chairman of the Nominations and Remuneration Committee at the Arabia Insurance Cooperative Company.</li> <li>- Board member of Further Edge Ltd in the United Kingdom</li> </ul>	<ul style="list-style-type: none"> <li>- Acting Chairman of the Monitoring Committee of the Assurance Bodies in Lebanon.</li> <li>- Head of the Financial Supervision Unit in the Supervisory Committee of the Assurance Authority in Lebanon.</li> <li>- Assistant auditor at Pricewaterhouse Coopers (PwC).</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor of Science (Business Science) Accounting and Finance from the Lebanese American University in Lebanon.</li> <li>- MBA from the Lebanese American University in Lebanon.</li> <li>- Master of Science (Leadership and Strategy) from London Business School (Fellow of the Sloan Programme)</li> </ul>	Experience in the fields of control, insurance, finance, auditing and external auditing

**c. Names of companies inside or outside the Kingdom in which a member of the company's board of directors is a member of its current and former boards of directors or one of their directors:**

SN	Member Name	Names of companies in which the board member is a member of their current boards of directors or one of their directors	In-Kingdom / Out-Kingdom	Names of companies in which a Board member is a member of their previous boards of directors or of their directors	In-Kingdom / Out-Kingdom
1	Abdulaziz bin Abdulhadi Al Jadhā'i Al-Qahtani	<ul style="list-style-type: none"> <li>- Arabia Insurance Cooperative Company.</li> <li>- Abdulhadi Abdullah Al-Qahtani Sons Group Holding</li> <li>- Abdulhadi Abdullah &amp; Partners for Marine &amp; Petroleum Services Co.</li> <li>- Abdulhadi Abdullah Al-Qahtani &amp; Sons for Beverage Industry Co. Ltd.</li> <li>- Al Maha Trading &amp; Contracting Co.</li> <li>- Gulf Salt Industry Co. Ltd.</li> <li>- Al-Qahtani Fisk Co.</li> <li>- Gulf Business Network Group Company.</li> </ul>	In-Kingdom	Arbah Capital Company	In-Kingdom
2	Abdulaziz bin Saleh Al-Omair	<ul style="list-style-type: none"> <li>- Arabia Insurance Cooperative Company</li> <li>- Wasl Commercial Investments Co.</li> <li>- Al Rajhi REIT</li> <li>- Al Rajhi Capital Investment Funds.</li> <li>- Rawasi Advanced Investment Company</li> <li>- MASHEED Arabia Co.</li> <li>- Bedaya Home Finance Company</li> <li>- Galvanco Co.</li> <li>- Sahl Commercial Marketing Company</li> <li>- InfoTech International Company</li> <li>- Solutions Digital Field Company</li> <li>- Mission Digital Communications and Information Technology Company</li> </ul>	In-Kingdom		
3	Mounir Boutros Muasher	<ul style="list-style-type: none"> <li>- Arabia Insurance Cooperative Company</li> <li>- Arabia Insurance Company Jordan</li> <li>- Arabia Falcon Insurance Company, Oman</li> <li>- Jordan Shipping Lines Company</li> </ul>	<ul style="list-style-type: none"> <li>- In-Kingdom</li> <li>- Out-Kingdom</li> <li>- Out-Kingdom</li> <li>- Out-Kingdom</li> </ul>	<ul style="list-style-type: none"> <li>- Arab Eagle Insurance Company – Jordan.</li> <li>- Arab Insurance Company - Lebanon</li> </ul>	Out-Kingdom

SN	Member Name	Names of companies in which the board member is a member of their current boards of directors or one of their directors	In-Kingdom / Out-Kingdom	Names of companies in which a Board member is a member of their previous boards of directors or of their directors	In-Kingdom / Out-Kingdom
4	Ghassan Ibrahim Fares Aqeel	<ul style="list-style-type: none"> <li>- Astra Industrial Group</li> <li>- Vettel Holdings</li> <li>- Arabia Insurance Cooperative Company.</li> <li>- National Ground Support Company</li> <li>- Banque du Caire Amman</li> <li>- Al Tanmiya For Steel Industries Co</li> <li>- Odisha Capital</li> <li>- Astra Food</li> </ul>	<ul style="list-style-type: none"> <li>- In-Kingdom</li> <li>- Out-Kingdom</li> <li>- In-Kingdom</li> <li>- In-Kingdom</li> <li>- Out-Kingdom</li> <li>- Out-Kingdom</li> <li>- Out-Kingdom</li> <li>- In-Kingdom</li> </ul>	<ul style="list-style-type: none"> <li>- Arthur Andersen &amp; Co.</li> <li>- Arab Company for Supply and Trade</li> </ul>	<ul style="list-style-type: none"> <li>- Out-Kingdom</li> <li>- In-Kingdom</li> </ul>
5	Othman (Muhammad Ali) Othman Badir	<ul style="list-style-type: none"> <li>- Arabia Insurance Cooperative Company.</li> <li>- Jordan Insurance Company</li> <li>- Jordan Electricity Company</li> <li>- Al Motarabeta Investment Company</li> <li>- Asia Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>- In-Kingdom</li> <li>- Out-Kingdom</li> <li>- Out-Kingdom</li> <li>- Out-Kingdom</li> <li>- Out-Kingdom</li> </ul>	<ul style="list-style-type: none"> <li>- National Company for Oil and Electrical Energy Production from Oil Shale</li> </ul>	<ul style="list-style-type: none"> <li>- Out-Kingdom</li> </ul>
6	Hatem Ali Bargash	<ul style="list-style-type: none"> <li>- Arabia Insurance Cooperative Company.</li> <li>- Badael International Trading Co.</li> <li>- Aazam Investment Company</li> <li>- Horizons Food Company</li> <li>- Tihama Advertising and Public Relations Company</li> </ul>	<ul style="list-style-type: none"> <li>- In-Kingdom</li> </ul>	<ul style="list-style-type: none"> <li>- Wataniya Insurance Co.</li> <li>- Horizon Food Company</li> <li>- Lome Car Rental Company</li> <li>- Al-Nasr Club Investment Company</li> </ul>	<ul style="list-style-type: none"> <li>- In-Kingdom</li> </ul>
7	Abdullah Saeed bin Saeed	<ul style="list-style-type: none"> <li>- Arabia Insurance Cooperative Company</li> </ul>	<ul style="list-style-type: none"> <li>- In-Kingdom</li> </ul>	<ul style="list-style-type: none"> <li>- Al Jazeera Capital</li> <li>- Investment Manager at the Arabia Insurance Cooperative Company.</li> </ul>	<ul style="list-style-type: none"> <li>- In-Kingdom</li> </ul>
8	Nadine Hassan Al-Habbal	<ul style="list-style-type: none"> <li>- Arab Insurance Cooperative Company</li> <li>- Further Edge Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>- In-Kingdom</li> <li>- Out-Kingdom</li> </ul>		

**d. Number and attendance record of the meetings of the Board of Directors for the fiscal year ending on 31/12/2023**

During the year 2023, the Board of Directors held five meetings according to the following details:

- **The session started on 27/02/2020 and ended on 26/02/2023:**

SN	Member Name	Meeting Of 12/01/2023
1	Abdulaziz bin Abdulhadi Al Jadha'i Al-Qahtani	Attended
2	Abdulrahman bin Muhammad Al-Anqari	Attended
3	Abdulaziz bin Saleh Al-Omair	Attended
4	Muhammad bin Ibrahim Al-Manqur	Attended
5	Ghassan Ibrahim Aqeel	Attended
6	Othman (Muhammad Ali) Othman Badir	Apologized for not attending
7	Mounir Boutros Ibrahim Muasher	Attended

- **The session started on 06/04/2023 AD and ends on 05/04/2026 AD**

SN	Member Name	Meeting of 17/05/2023	Meeting of 24/05/2023	Meeting of 28/09/2023	Meeting of 17/11/2023
1	Abdulaziz bin Abdulhadi Al Jadha'i Al-Qahtani	Attended	Attended	Attended	RESIGNATION
2	Abdullah Saeed bin Saeed	Attended	Attended	Attended	Attended
3	Abdulaziz bin Saleh Al-Omair	Attended	Attended	Attended	Attended
4	Hatem Bargash	Attended	Attended	Attended	Attended
5	Ghassan Ibrahim Aqeel	Attended	Attended	Attended	Attended
6	Othman (Muhammad Ali) Othman Badir	Attended	Attended	Attended	Attended
7	Mounir Boutros Ibrahim Muasher	Attended	Attended	Attended	Attended
8	Nadine Hassan Al-Habbal		Appointed on 30/11/2023		

**e. A penalty, precautionary restriction or sanction imposed on any of the members of the Board of Directors by any judicial, supervisory or regulatory authority related to the Company:**

There is no penalty, precautionary restriction, or penalty imposed on any Board member by any judicial, supervisory, or regulatory body related to the company

## Second: Board Committees:

Pursuant to the provisions of the Companies Law, the Company's Governance Regulations issued by the Capital Market Authority, the Insurance Companies Governance Regulations and the Company's Articles of Association, the committee emanating from the Board of Directors was formed from the members of the Board of Directors and from outside the Board and its work regulations were approved, in order to assist the Board of Directors of the Company in managing the Company effectively and efficiently.

### 1. Current and previous positions of committee members outside the Board of Directors, their qualifications and experience

SN	Name	Current positions	Previous positions	Qualifications	Experiences
1	Abdullah bin Muhammad bin Muammar	<ul style="list-style-type: none"> <li>Member of the Audit Committee at the Arabia Insurance Cooperative Company.</li> <li>Chief Financial Officer (CFO) of the Saudi Olympic and Paralympic Committee</li> <li>Member of the Audit Committee of Ma'een Human Resources Company (Closed Joint Stock Company)</li> </ul>	<ul style="list-style-type: none"> <li>Executive Director – Corporate Finance – Thiqah Business Solutions Company</li> <li>General Manager of Investment and Governance in GDC Middle East</li> <li>General Manager of Financial Management in GDC Middle East</li> <li>Chief Financial Officer, Saudi Comprehensive Technical and Security Control Company (Tahakom)</li> <li>Senior Credit Analyst at the Saudi Industrial Development Fund</li> </ul>	<ul style="list-style-type: none"> <li>Master's Degree in Business Administration New York University – USA</li> <li>Bachelor's Degree Business Administration – Financial Management from King Saud University</li> </ul>	Experience in the areas of finance, investment and governance.
2	Mishari bin Salman Al-Suhaim	<ul style="list-style-type: none"> <li>Member of the Audit Committee at the Arabia Insurance Cooperative Company.</li> <li>Owner of Al-Suhaim Chartered Accountants</li> <li>Financial Advisor at the Public Investment Fund</li> </ul>	<ul style="list-style-type: none"> <li>Director of Financial Control at Alinma Investment Company</li> <li>Auditor at Ernst &amp; Young.</li> <li>Accountant at Dar Al Arkan Real Estate Company</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Accounting, obtained from King Saud University.</li> <li>Master of Science in Management from USA</li> <li>Fellowship of the Saudi Organization for Certified Public Accountants</li> <li>American</li> <li>Fellowship of Certified Public Accountants</li> </ul>	Experience in accounting, finance and auditing
3	Saleh bin Abdullah Al-Quraisha	<ul style="list-style-type: none"> <li>Member of the Audit Committee at the Arabia Insurance Cooperative Company.</li> <li>Board member and member of the Executive Committee and the Nomination and Remuneration Committee of Yanal Finance.</li> <li>Board member and member of the Executive Committee and the Nomination and Remuneration</li> <li>Committee of Raqamat Development Company/ Government Company</li> <li>CEO of Nahaz Investment Company</li> <li>Board member of Aram Hospitality Company</li> <li>Board member of Arzak Agricultural Company</li> </ul>	<ul style="list-style-type: none"> <li>Senior Corporate Relationship Manager at Banque Saudi Fransi Corporate Finance</li> <li>Senior Corporate Relationship Manager, Arab National Bank (Corporate Finance)</li> <li>American Express Sales Specialist</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Industrial Management from King Fahd University of Petroleum and Minerals</li> <li>Leadership Development Program – Banque Saudi Fransi</li> </ul>	Experience in the fields of financial analysis, finance, investment, and corporate management



## 2. The current and previous positions of committee members from the Board of Directors, their qualifications and experience:

CVs of the committee members from the Board of Directors, including their current and previous jobs, qualifications and experience as mentioned on page No. (26) to page No. (28).

### a. Audit Committee:

- (a-1) Tasks of the Audit Committee shall be in accordance with the provisions of the Companies Law, the Corporate Governance Regulations and the Regulations of the Audit Committees of the Insurance Companies issued by the Insurance Authority, in addition to the Internal Corporate Governance Regulations and the Work Regulations of the Audit Committee, including, but not limited to, the following:
- Supervising the internal audit department in the company, in order to verify its effectiveness in carrying out the work and tasks assigned to it by the Board of Directors
  - Studying the internal control system and developing a written report on its opinion and recommendations in this regard.
  - Studying the internal audit reports and following up on the implementation of corrective measures for the observations contained therein
  - Recommending to the Board of Directors the appointment and dismissal of external auditors and determining their fees, and taking into account when recommending the appointment to ensure their independence.
  - Following up the work of the chartered accountants, and approving any work outside the scope of the audit work that they are assigned while carrying out the audit work.
  - Studying the audit plan with the chartered accountant and making observations thereon.
  - Studying the notes of the chartered accountant on the financial statements and following up on updates in this regard.
  - Studying the interim and annual financial statements before presenting them to the Board of Directors and expressing an opinion and recommendation thereon.
  - Examining the accounting policies followed by the Company and provide its opinion and recommendations to the Board thereon.

### (a-2) Names of members of the Audit Committee:

The session started on 27/02/2020 and ended on 26/02/2023

SN	Member Name	Job Title	Membership of the Board of Directors
1	Abdulrahman bin Muhammad Al-Anqari	Chairman of the committee	Independent.
2	Mishari bin Salman Al-Suhaim	Committee Member	Other than Board Members
3	Abdel Ilah bin Muhammad bin Muammar	Committee Member	Other than Board Members

**The session started on 06/04/2023 AD and ending on 05/04/2026 AD**

SN	Member Name	Job Title	Membership of the Board of Directors
1	Abdullah Saeed bin Saeed	Chairman of the committee	Independent.
2	Mishari bin Salman Al-Suhaim	Committee member	Other than Board Members
3	Abdel Ilah bin Muhammad bin Muammar	Committee member	Other than Board Members
4	Saleh bin Abdullah Al-Quraisha	Committee member	Other than Board Members

**(a-3) Number and record of attendance at Audit Committee meetings during the year 2023:**

SN	Member Name	Meeting of 23/02/2023
1	Abdulrahman Al-Anqari	Attended
2	Mishari Al-Suhaim	Attended
3	Abdel Ilah bin Muammar	Attended

SN	Member Name	Meeting of 15/06/2023	Meeting of 06/08/2023	Meeting of 29/10/2023	Meeting of 23/11/2023	Meeting of 13/12/2023
1	Abdullah Saeed bin Saeed	Attended	Attended	Attended	Attended	Attended
2	Mishari Al-Suhaim	Attended	Attended	Attended	Attended	Attended
3	Abdel Ilah bin Muammar	Attended	Attended	Attended	Attended	Attended
4	Saleh bin Abdullah Al-Quraisha	Attended	Attended	Attended	Attended	Attended

**b. Nomination & Remuneration Committee:**

- (b-1) Tasks of the Nomination Committee shall be as stipulated in the relevant laws, regulations and instructions and the work regulations of the Nomination and Remuneration Committee, including but not limited to the following:
- Recommending to the Board of Directors nominations for Board membership, in accordance with the approved policies and standards, taking into account not to nominate any person who has previously been convicted of a crime prejudicial to honor and honesty.
  - Annual review of the required skills requirements appropriate for membership of the Board of Directors, and preparation of a description of the capabilities and qualifications required for membership of the Board of Directors, including the determination of the time required to be allocated by the member to the work of the Board of Directors.
  - Reviewing the structure of the Company's Board of Directors, and submitting the recommendations issued regarding the changes that can be made to this structure to the Board of Directors for approval.
  - Identifying weaknesses and strengths of the Board of Directors and proposing solutions to address such in line with the Company's interest.
  - Annual verification of the independence of independent members, and the absence of any conflict of interest if the member is a board member of another company.
  - Establishing and reviewing clear policies for compensation and remuneration of directors and senior executives, taking into account the use of performance-related criteria when developing such policies.
  - Recommending to the Board on matters related to nominations and remuneration

**(b-2) Names of the members of the Nomination and Remuneration Committee:**

The session started on 27/02/2020 and ended on 26/02/2023

SN	Member Name	Job Title	Membership of the Board of Directors
1	Abdulaziz bin Saleh Al-Omair	Chairman of the committee	Independent.
2	Abdulrahman bin Muhammad Al-Anqari	Committee Member	Independent.
3	Abdulaziz bin Abdulhadi Al Jadha'i Al-Qahtani	Committee Member	Non-executive
4	Mounir Boutros Muasher	Committee Member	Non-executive

The session started on 06/04/2023 AD and ending on 05/04/2026 AD

SN	Member Name	Job Title	Membership of the Board of Directors
1	Nadine Hassan El-Habbal	Chairman of the committee	Independent.
2	Abdullah Saeed bin Saeed	Committee Member	Independent.
3	Abdulaziz bin Saleh Al-Omair	Committee Member	Non-executive
4	Mounir Boutros Muasher	Committee Member	Non-executive

**(b-3) Number and attendance record of the meetings of the Nomination and Remuneration Committee during 2023:**

SN	Member Name	Meeting of 23/01/2023	Member Name	Meeting of 31/12/2023
1	Abdulaziz bin Saleh Al-Omair	Attended	Nadine El-Habbal	Attended
2	Abdulaziz bin Abdulhadi Al Jadhafi Al-Qahtani	Attended	Mounir Boutros Muasher	Attended
3	Abdulrahman bin Muhammad Al-Anqari	Apologized for not attending	Abdulaziz bin Saleh Al-Omair	Attended
4	Mounir Boutros Muasher	Attended	Abdullah Saeed bin Saeed	Attended

**c. Executive Committee:**

(c-1) Subject to any instructions issued by the Insurance Authority or set by the Board of Directors or the relevant laws, regulations, and instructions, the Executive Committee shall exercise all the powers determined by the Corporation or the Board, and the Executive Committee shall cooperate with the Director General within the limits of the powers prescribed for. The Executive Committee makes recommendations to the Board of Directors on various topics such as strategic plans and work plans, and the Board of Directors delegates the Executive Committee to carry out its tasks in some cases.

**(c-2) Names of members of the Executive Committee:**

**The session started on 27/02/2020 and ended on 26/02/2023**

SN	Member Name	Job Title	Membership of the Board of Directors
1	Mounir Boutros Muasher	Chairman of the committee	Non-executive
2	Othman Muhammad Ali Badir	Committee Member	Non-executive
3	Abdulaziz bin Saleh Al-Omair	Committee Member	Independent

**The session started on 06/04/2023 AD and ending on 05/04/2026 AD**

SN	Member Name	Job Title	Membership of the Board of Directors
1	Mounir Boutros Muasher	Chairman of the committee	Non-executive
2	Othman Muhammad Ali Badir	Committee Member	Non-executive
3	Abdulaziz bin Saleh Al-Omair	Committee Member	Non-executive

**(c-3) Number and record of attendance at Executive Committee meetings during the year 2023:**

SN	Member Name	Meeting of 01/02/2023	Meeting of 23/11/2023	Meeting of 28/12/2023
1	Mounir Boutros Muasher	Attended	Attended	Attended
2	Abdulaziz bin Saleh Al-Omair	Attended	Attended	Attended
3	Othman Muhammad Ali Badir	Attended	Attended	Attended

#### d. Investment Committee:

(d-1) Tasks of the Investment Committee are summarized as setting the strategic plans for the company's investments and ensuring their conformity with the provisions of the regulations and regulations issued by the regulatory authorities, including the investment regulations issued by the Insurance Authority, formulating and preparing the investment policy and reviewing its performance and implementation on an annual basis. The Investment Committee also monitors the performance of the company's investments, sets investment objectives and develops the necessary plans.

#### (d-2) Names of members of the investment Committee:

The session started on 27/02/2020 and ended on 26/02/2023

SN	Member Name	Job Title	Membership of the Board of Directors
1	Ghassan Ibrahim Aqeel	Chairman of the committee	Non-executive
2	Abdulaziz bin Abdulhadi Al Jadha'i Al-Qahtani	Committee Member	Non-executive
3	Muhammad bin Ibrahim Al-Manqur	Committee Member	Independent.

The session started on 06/04/2023 AD and ending on 05/04/2026 AD

SN	Member Name	Job Title	Membership of the Board of Directors
1	Ghassan Ibrahim Aqeel	Chairman of the committee	Non-executive
2	Hatem Ali Bargash	Committee Member	Independent.
3	Adel Basheer Al Bayed	Committee Member	Chief Financial Officer

#### (d-3) Number and record of attendance at investment Committee meetings during the year 2023:

SN	Member Name	First meeting 06/02/2022
1	Ghassan Ibrahim Aqeel	Attended
2	Abdulaziz bin Abdulhadi Al Jadha'i Al-Qahtani	Attended
3	Muhammad bin Ibrahim Al-Manqur	Attended

SN	Member Name	Meeting of 14/11/2023	Meeting of 21/11/2023	Meeting of 28/12/2023
1	Ghassan Ibrahim Aqeel	Attended	Attended	Attended
2	Hatem Bargash	Attended	Attended	Attended
3	Adel Al Bayed	Attended	Attended	Attended

#### e. Risk Management Committee

(e-1) Tasks of the Risk Committee are to assist the Board of Directors and senior management in the process of identifying, reducing and continuously monitoring the risks to which the company is exposed and maintaining an acceptable level of risk for the company, in addition to working on designing a comprehensive risk management strategy and following up on its implementation, reviewing and updating it based on the internal and external variables of the company. It also supervises the risk management system, evaluates its effectiveness and makes recommendations to the Board on issues related to risk management.

#### (e-2) Names of members of the Risk Management Committee:

The session started on 27/02/2020 and ended on 26/02/2023

SN	Member Name	Job Title	Membership of the Board of Directors
1	Ghassan Ibrahim Aqeel	Chairman of the committee	Non-executive
2	Othman Muhammad Ali Badir	Committee Member	Non-executive
3	Muhammad bin Ibrahim Al-Manqur	Committee Member	Independent

The session started on 06/04/2023 AD and ending on 05/04/2026 AD

SN	Member Name	Job Title	Membership of the Board of Directors
1	Ghassan Ibrahim Aqeel	CHAIRMAN	Non-executive
2	Othman Muhammad Ali Badir	Committee Member	Non-executive
3	Hatem Ali Bargash	Committee Member	Independent

#### (e-3) Number and record of attendance at Risk Management Committee meetings during the year 2023:

SN	Member Name	Meeting of 29/11/2023	Meeting of 13/11/2023
1	Ghassan Ibrahim Aqeel	Attended	Attended
2	Hatem Bargash	Attended	Not Attended
3	Adel Al Bayed	Not Attended	Attended

## 12. Names of the executive management members, their current and previous positions, qualifications and experience:

SN	Name	Current Job	previous positions	Qualifications	Experiences
1	Ziyad bin Muhammad Al Rubaish	General Manager at AICC	<ul style="list-style-type: none"> <li>- Deputy General Manager of AICC</li> <li>- Director of Compliance Department at AICC.</li> <li>- Director of Legal and Shareholder Affairs at AICC.</li> <li>- Legal advisor and Head of the Insurance Team at the Saudi Industrial Development Fund (SIDF)</li> <li>- Lawyer and legal advisor.</li> </ul>	<ul style="list-style-type: none"> <li>- Higher Diploma in Commercial Law and Insurance Law from Swansea University, UK.</li> <li>- LLB from the University of Jordan</li> <li>- Higher Law Diploma from Bournemouth Business School International (BBSI), UK.</li> <li>- Certificates specializing in insurance</li> </ul>	Experience in the fields of commercial law, industry, insurance and finance
2	Adel bin Saleh Al Faraj	Director of Human Resources and Administrative Affairs.	Human Resources Director – Saudi Chemical Company.	<ul style="list-style-type: none"> <li>- Bachelor's degree from King Saud University</li> <li>- International professional certificates specialized in the field of human resources.</li> </ul>	Practical and professional experience in all roles and tasks of human resources management in the field of insurance, petrochemical industries, and health services.
3	Adel Basheer AlBayedh	Chief Financial Officer	<ul style="list-style-type: none"> <li>- Chief Accountant – Arabia Insurance Cooperative Company</li> <li>- Reporting &amp; Financial Analyst – Arabia Insurance Cooperative Company</li> </ul>	<ul style="list-style-type: none"> <li>- Master's degree in Business Administration (MBA) from the Saudi Electronic University in association with Colorado State University.</li> <li>- Bachelor of Science in Accounting from Imam Mohammed bin Saud University.</li> <li>- Certificate in Leadership program on Organizational Leadership from Harvard business school.</li> <li>- Certified Financial Modeling &amp; Valuation Analyst, Corporate Finance Institute (CFI).</li> </ul>	Experience in the fields of finance, accounting, insurance and investment.
4	Saud Bin Ahmed Al Manae	Technical Department Director	<ul style="list-style-type: none"> <li>- Director of Motor Claims and General Insurance – Central Region, Director of Service Providers Department, and Director of Compliance and Quality at Tawuniya Insurance Company.</li> <li>- Claims Manager (General, Auto and Health Insurance) at Allianz Saudi Fransi Co. – Director of Claims Department (General, Auto and Health Insurance) at Al Alamiya Cooperative Insurance Company</li> </ul>	<ul style="list-style-type: none"> <li>- Diploma in Insurance from the Chartered Insurance Institute, London, UK.</li> <li>- Diploma in Claims Handling Process from the Chartered Insurance Institute (CII), London, UK.</li> <li>- Bachelor's degree in Agricultural Sciences from King Saud University.</li> </ul>	Experience in the insurance field

**13. A description of any interest, contractual securities and subscription rights belonging to members of the Board of Directors, senior executives and their relatives in the shares or debt instruments of the Company or any of its subsidiaries, and any change in that interest or those rights during the Financial year 2023:**

**(13-a) Board Members and their Relatives:**

SN	Stakeholder Name	Beginning of year		End of year		Net variation	Variation ratio
		Shares	Debt instruments	Shares	Debt instruments		
1	Abdulaziz bin Abdulhadi Al Qahtani	616684	None	140000	None	(476684)	77,30%
	Wife and minor sons	None	None	None	None	None	None
2	Abdullah Saeed bin Saeed	1000	None	1000	None	None	None
	Wife and minor sons	None	None	None	None	None	None
3	Abdulaziz bin Saleh Al Omair	662	None	662	None	None	None
	Wife and minor sons	None	None	None	None	None	None
4	Hatem Ali Bargash	100	None	0	None	(100)	100%
	Wife and minor sons	None	None	None	None	None	None
5	Ghassan Ibrahim Akeel	8000	None	8000	None	None	None
	Wife and minor sons	None	None	None	None	None	None
6	Othman Muhammad Ali Bdeir	None	None	None	None	None	None
	Wife and minor sons	None	None	None	None	None	None
7	Mounir Boutros Muasher	None	None	None	None	None	None
	Wife and minor sons	None	None	None	None	None	None
8	Nadine El-Habbal	NA	NA	None	None	None	None
	Wife and minor sons	NA	NA	None	None	None	None

**(13-b) Senior Executives and their Relatives**

SN	Stakeholder Name	Beginning of year		End of year		Net variation	Variation ratio
		Shares	Debt instruments	Shares	Debt instruments		
1	Ziyad bin Muhammad Al Rubaish	None	None	None	None	None	None
	Wife and minor sons	None	None	None	None	None	None
2	Adel bin Saleh Al Faraj	None	None	None	None	None	None
	Wife and minor sons	None	None	None	None	None	None
3	Adel Basheer AlBayedh	None	None	None	None	None	None
	Wife and minor sons	None	None	None	None	None	None
4	Saud bin Ahmed Al Manae	None	None	None	None	None	None
	Wife and minor sons	None	None	None	None	None	None



## 14. Remuneration of Board members and Executives

### (14-a) Remuneration Policy:

The approved Company's internal governance regulation included Remuneration Policy for Board members, members of committees and executive management

### Objectives and Foundations of the Policy:

1. Motivating to lead the company successfully in a positive manner for the company and its shareholders.
2. Achieving long-term growth in line with the company's strategy and achieving its objectives.
3. Ensuring that there is transparency and fairness in remuneration.
4. Contributing to attracting qualified cadres to the BOD, sub-committees and senior management, and employees of all grades.
5. Taking into consideration the best practices in determining the remunerations.
6. The BOD shall ensure that the level and structure of remuneration and compensation are fair and consistent with the objectives of the company, and that it does not cause a COI that shall adversely affect the company and its shareholders and achieve the interests of the insured and the shareholders.

### First: Remuneration of Board Members:

1. The remuneration of the BOD members shall be in accordance with the provisions of the company's AOA and the relevant laws and regulations, provided that the BOD adopts the policy of remuneration and compensation for the BOD members, the sub-committees and the executives in accordance with the legal requirements, and in line with the company's strategy and achieving its objectives.
2. The remuneration of the BOD members shall be a certain amount, attendance allowance for sessions, in-kind benefits, or a certain percentage of the net profits, and two or more of these benefits may be combined.
3. In the event the company achieves profits, a percentage equivalent to (10%) of the rest of the net profit may be distributed after deducting the reserves decided by the General Assembly in application of the provisions of the Cooperative Insurance Companies Control Law, the Companies Law and this Law, and after distributing a profit to shareholders of no less than (5%) from the paid-up capital of the company, provided that the entitlement to this

bonus is proportional to the number of sessions attended by the member, and any assessment to the contrary is void.

4. In all cases; the sum of what a BOD member receives in terms of financial or in-kind remunerations and benefits shall not exceed five hundred thousand Saudi riyals annually (with exception of members of the Audit Committee), in accordance with the regulations set by the Capital Market Authority.
5. The report of the BOD to the Ordinary General Assembly shall contain a comprehensive statement of all the bonuses, expenses allowances and other benefits received by the BOD members during the financial year. In addition, it shall also contain a statement of what the BOD members received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy. Furthermore, it shall include a statement of the number of BOD sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.
6. A BOD member may not receive commissions or remunerations for the works that they contribute to concluding for the benefit of the company, and no portion of his remuneration or compensation may be linked directly to the company's business volume (insurance premiums).
7. The remuneration may be suspended or refunded if it appears that it was decided based on inaccurate information provided by a BOD member.
8. The recommendation to the BOD about the remuneration of the BOD members shall be through the Nomination and Remuneration Committee and submit them to the General Assembly for approval.
9. A BOD member shall not be entitled to any remuneration in the event that he does not attend less than two-thirds of the meetings during the year or if he is absent for three consecutive sessions.
10. The remuneration of a BOD member is calculated according to the following criteria:
  - a. Performance and effectiveness.
  - b. Duties and Responsibilities.
  - c. Membership and chairmanship of the sub-committees,
  - d. The date of joining and the date of expiry of membership.
  - e. Active attendance at meetings.
  - f. Number of meetings attendance
  - g. Attending the meetings of the general assemblies of shareholders.

## Second: Remuneration of Members of Board Committees:

1. The remuneration of the members of the Audit Committee shall be in accordance with the resolution issued by the General Assembly when it is formed.
2. A committee member from within or outside the BOD shall be entitled to a flat remuneration due to his membership in the committees of the Board of Directors provided that it is within the limits stipulated in the company's AOA and other relevant laws and regulations.
3. It is not permissible for a member of any of the committees of the Board of Directors to receive commissions or remunerations in exchange for the works that they contribute to concluding for the benefit of the company, and no part of his remunerations or compensation may be linked directly to the company's business volume (insurance premiums).
4. The remuneration may be suspended or refunded if it appears that it was decided based on inaccurate information provided by a member of the committee emanating from the BOD.
5. The committee member's remuneration shall be calculated from within the BOD or outside the BOD according to the following criteria:
  - a. Performance and effectiveness.
  - b. Duties and Responsibilities.
  - c. Membership and chairmanship of the sub-committees.
  - d. The date of joining and the date of expiry of membership.
  - e. Active attendance at meetings.
  - f. Number of meetings attendance

## Third: Executive Management Remunerations:

### 1. Components of wages and remunerations:

#### a. Fixed Components:

**Basic wage:** The basic wage for the executive management shall be determined according to the company's wage scale provided that in determining the wage, scientific and professional qualifications, practical experience, the nature of the job, the tasks and responsibilities assigned thereto, and in accordance with the prevailing wages in the market, in addition to other allowances according to the company's internal policy, such as housing and transportation allowances.

#### b. Variable Components:

Performance-Based Remuneration; shall include performance remuneration that is given discretionarily to motivate senior executives or executive management, and based on the performance of the company in general and the performance of the individual manager provided that the following criteria shall be observed:

1. Achieving the target profit.
2. Executing the assigned projects and works as required.
3. Meeting all regulatory requirements.
4. Reducing expenses in proportion to the volume of production.
5. Extraordinary achievements during the fiscal year.

### 2. Controls for the Disbursement of Executive Management Remuneration:

1. Performance-based remuneration shall be determined according to the evaluation prepared by the Nomination and Remuneration Committee and based on the basic salary and not on the total income or a percentage of operating profits.
2. It shall not be permissible for a member of the senior management (with exception of sales managers) to receive commissions or remunerations for the work that they contribute to make on behalf of the company, and it is not permissible to link any part of their remunerations and compensation (with exception of sales managers) to the company's business volume (insurance premiums) directly.
3. The BOD shall be recommended the executive management remuneration through the Nomination and Remuneration Committee.
4. It is permissible to stop the payment of the remuneration or to recover it if it is found that it was decided on basis of misinformation provided by the member of the executive management.

There is no material deviation from this policy.

(14-b) Remunerations and compensations paid to Board members and five of senior executive members, including CEO and CFO during the financial year 2023:

First: Board of Directors: (SAR)

	Fixed Bonuses					Variable Bonuses				End of Service Benefits	Grand Total	Expense allowance		
	specific amount	Allowance for attending board meetings	Allowance for attending committee sessions	Allowance in kind	Benefits for technical, administrative and consulting works	Total	Proportion from profits	Periodic bonuses	Short-term incentive plans				Long-term incentive plans	Total
<b>First: the independent members</b>														
Muhammad bin Ibrahim Al Mangour	-	18,000	13,500	-	-	31,500	-	240,000	-	-	240,000	-	271,500	-
Abdulaziz bin Saleh Al Omair	-	30,000	19,500	-	-	49,500	-	250,000	-	-	250,000	-	299,500	-
Abdulrahman Muhammad Al Angari	-	18,000	15,000	-	-	33,000	-	230,000	-	-	230,000	-	263,000	-
Abdullah Saeed bin Saeed		12,000	9,000	-	-	21,000	-	-	-	-	-	-	21,000	-
Hatem Bargash		12,000	4,500	-	-	16,500	-	-	-	-	-	-	16,500	-
Nadine El-Habbal		-	1,500	-	-	1,500	-	-	-	-	-	-	1,500	-
<b>Total</b>	<b>-</b>	<b>90,000</b>	<b>63,000</b>	<b>-</b>	<b>-</b>	<b>153,000</b>	<b>-</b>	<b>720,000</b>	<b>-</b>	<b>-</b>	<b>720,000</b>	<b>-</b>	<b>873,000</b>	<b>-</b>
<b>Second: Non-executive members</b>														
Abdulaziz bin Abdulhadi Al Qahtani	-	24,000	12,000	-	-	36,000	-	340,000	-	-	340,000	-	376,000	-
Othman Muhammad Ali Bdeir	-	27,000	19,500	-	-	46,500	-	240,000	-	-	240,000	-	286,500	-
Mounir Boutros Muasher	-	30,000	19,500	-	-	49,500	-	250,000	-	-	250,000	-	299,500	-
Ghassan Ibrahim Akeel	-	30,000	18,000	-	-	48,000	-	250,000	-	-	250,000	-	298,000	-
<b>Total</b>	<b>-</b>	<b>111,000</b>	<b>69,000</b>	<b>-</b>	<b>-</b>	<b>180,000</b>	<b>-</b>	<b>1,080,000</b>	<b>-</b>	<b>-</b>	<b>1,080,000</b>	<b>-</b>	<b>1,260,000</b>	<b>-</b>
<b>total sum</b>	<b>-</b>	<b>201,000</b>	<b>132,000</b>	<b>-</b>	<b>-</b>	<b>333,000</b>	<b>-</b>	<b>1,800,000</b>	<b>-</b>	<b>-</b>	<b>1,800,000</b>	<b>-</b>	<b>2,133,000</b>	<b>-</b>

- The above amounts constitute what has been paid or what is due to be paid for 2023
- Allocated provision for Board of Directors attendance allowances and for Board members' remuneration rewards for 2023 amounts to SAR 2,000,000

## Second: Committee members: (SAR)

Committee Member Remuneration			
Committee	Fixed remuneration (except for the allowance for attending sessions)	Allowance for attending sessions	Total
<b>Audit Committee Members</b>			
Abdulelah bin Moammar	60,000	0	60,000
Meshari Al Suhaim	60,000	0	60,000
Saleh bin Abdullah Al-Quraisha	60,000	0	60,000
Abdulrahman bin Muhammad Al Angari	60,000	12,000	72,000
Abdullah Saeed bin Saeed	0	7,500	7,500
<b>Total</b>	<b>240,000</b>	<b>19,500</b>	<b>252,000</b>
<b>Nomination and Remuneration Committee Members</b>			
Abdulaziz bin Abdulhadi Al Qahtani	0	4,500	4,500
Abdulrahman bin Muhammad Al Angari	0	3,000	3,000
Abdulaziz bin Saleh Al Omair	0	6,000	6,000
Mounir Boutros Muasher	0	6,000	6,000
Abdullah Saeed bin Saeed	0	1,500	1,500
Nadine El-Habbal	0	1,500	1,500
<b>Total</b>	<b>0</b>	<b>12,000</b>	<b>12,000</b>
<b>Risk Committee Members</b>			
Muhammad bin Ibrahim Al Mangour	0	6,000	6,000
Othman Muhammad Ali Bdeir	0	6,000	6,000
Ghassan Ibrahim Akeel	0	6,000	6,000
Hatem Bargash	0	0	0
<b>12,000.00</b>	<b>0</b>	<b>18,000</b>	<b>18,000</b>
<b>Executive Committee Members</b>			
Abd Al Aziz bin Saleh Omeir	0	13,500	13,500
Othman Muhammad Ali Bdeir	0	13,500	13,500
Mounir Boutros Muasher	0	13,500	13,500
<b>Total</b>	<b>0</b>	<b>40,500</b>	<b>40,500</b>
<b>Investment Committee Members</b>			
Abdulaziz bin Abdulhadi Al Qahtani	0	7,500	7,500
Muhammad bin Ibrahim Al Mangour	0	7,500	7,500
Ghassan Ibrahim Akeel	0	12,000	12,000
Hatem Bargash	0	4,500	4,500
Adel AlBayedh	0	0	0
<b>Total</b>	<b>0</b>	<b>31,500</b>	<b>31,500</b>
<b>Gross Total</b>	<b>240,000</b>	<b>132,000</b>	<b>364,500</b>

The above amounts constitute what has been paid or what is due to be paid for 2023

### Third: Five senior executives, including the CEO and CFO (SAR):

Year Ended December 31, 2023	Senior executives, including the General Manager and Chief Financial Officer in Saudi Riyals
Salaries & Bonuses	3,599,392
Allowances	1,289,787
Due End of Service indemnity	175,894
<b>Total:</b>	<b>5,065,074</b>

Fourth: There are no arrangements or agreements whereby a Board member or a senior executive waived any salary or bonus or compensation

## 15. The means adopted by the Board of Directors in evaluating its performance and the performance of its committees and members:

The Nomination and Remuneration Committee evaluates the Board members and committees on an annual basis. This is done through the following indicators:

- Independence and impartiality.
- A clear balance in avoiding conflicts of interest.
- Permanent preparation for meetings before the sessions, asking inquiries and requesting additional information to complete and clarify topics, and consult with the relevant authorities, from The Company's concerned seniors.
- Asking questions, inquiring about information, requesting clarifications, and actively participating in the Board of Directors's sessions.
- Active participation in the committee appointed by the Board of Directors.
- Presenting constructive proposals for the development of the Company's activities.
- Foresight knowledge of the future, explaining ideas and eliciting results for proposals.

## 16. Statutory payments for 2023:

Statement	Provision	Paid
Saudi Stock Exchange (TADAWUL)	-	565,748
The costs of supervision and control, Insurance Authority	-	4,726,812
Fees of Council of Cooperative Health Insurance (CCHI)	769,833	5,278,492
Zakat and income tax	11,601,375	5,614,593
Withholding tax	8,385,356	713,212
<b>Total</b>	<b>20,756,563</b>	<b>16,898,858</b>

## 17. Financial fines imposed on The Company during 2023

First: the Insurance Authority's executive decisions and the fines imposed on The Company for the years 2022 and 2023:

Violation Subject	2022		2023	
	Number of executive decisions	The total amount of fines in Saudi Riyals	Number of executive decisions	The total amount of fines in Saudi Riyals
Violation of the Insurance Authority's supervisory instructions	1	60,000	1	45,000
<b>Total</b>	<b>1</b>	<b>60,000</b>	<b>1</b>	<b>45,000</b>

The Company is Complying with the rules, regulations, and instructions issued by the supervisory authorities. The Company also has control departments that monitor The Company and issue reports on any observations or violations of the rules, regulations and instructions, as well as suggest corrective and preventive measures in coordination with the concerned departments. The Company takes corrective and necessary measures to try to avoid occurrence of violation in the future.

## 18. External Auditors

- The Company's Ordinary General Assembly meeting 12/12/1444H (09/07/2023) approved the appointment of the Company auditors from among the candidates to examine, review and audit the financial statements for the second, third, and annual financial statements for the fiscal year 2023 and the first quarter of the financial year 2024 and determine their fees. They are as follows: Al Azem, Al Sudairy, Al Shaikh & Partners - Certified Accountants and Auditors, and Al Kharashi & Co. - Certified Accountants and Auditors.
- The Board of Directors did not issue any recommendation to change the auditor prior to the period for which they were appointed. Just as there is no recommendation from the Audit Committee, there is a conflict between it and the Board of Directors's decisions or the Board of Directors's refusal to take them regarding the appointment of the Company's auditor, determining their fees, or evaluating their performance.

## 19. Risk Management

The Company has developed policies and procedures guide for risk management that includes the work of all technical and non-technical departments in accordance with the provisions of laws, regulations and circulars issued by the supervisory authorities. The Company works to implement the provisions of this guide, review it annually and update it when needed. The risk management function carries out its work and activities in compliance with the the Insurance Authority Risk Management Regulations and any other control or supervisory requirements.

Also, the Board of Directors's Risk Management Committee, in addition to risk management, works to follow up on the implementation of risk management policies and procedures and to study potential risks that may arise from The Company's business or from the insurance and investment market situation to find out ways to contain those risks through the policies and procedures adopted in the Company.

## 20. Internal Audit Department and the Statutory Compliance Department

The Company's Internal Audit Department evaluates the effectiveness and efficiency of internal controls, policies and procedures while maintaining professional independence. Its tasks include the preparation of comprehensive reports that are necessary for the results of its audit and compliance, as well as its discussion with the audit committee and concerned directors. In addition to providing proposals and recommendations to be implemented to address and close the comments.

Moreover, the Compliance Officer monitors The Company's compliance and ensure that The Company implements the

laws and regulations promulgated by all regulatory authorities, and submits its reports regarding the results of its audit to the Audit Committee and take the necessary actions to promote The Company's compliance level.

## 21. Results of annual review for Internal Control procedures' effectiveness

The Company has developed the internal control procedures, by the Audit Committee, the Internal Audit Department and the Compliance Department, the regulations, policies and work guidelines for all technical departments and branches. Furthermore, The Company constantly evaluates the effectiveness of implementing such procedures and examines the basic risks within the Company based upon procedures and policies as per the applicable laws and regulations.

The Audit Committee also monitored the performance of the Internal Audit Department, including its tasks, and the implementation of its plan approved by the Audit Committee. The Committee also continuously monitored the work of the Internal Audit Department, which in turn prepared its periodic reports, recommendations and proposals to be applied

on the work of the Company's various departments and submitted the same to the concerned departments and the Audit Committee and made recommendations in this regard to the Board of Directors. The Audit Committee supervised the Compliance Department performance, reviewed all reports issued thereby, provided guidance in their regard, and monitored its work on an ongoing basis.

The Audit Committee held six meetings during the year 2023 to discuss and review the Internal Audit Department and the Compliance Department reports, and to discuss the financial statements with the external auditor, company management and other topics in accordance with the regulatory requirements. The annual review of the effectiveness of the internal control procedures resulted in the fact that the Company's internal control system is appropriate and implemented efficiently and effectively, and the management monitors it periodically and takes corrective actions proposed by the internal control departments, and the internal control system is updated whenever necessary. The Audit Committee believes that the internal control procedures carried out by The Company through the various departments and committees are constantly improving in order to operate efficiently

and effectively, given that it cannot provide an absolute confirmation.

Just as the internal control procedures did not result in violations or fundamental problems that might affect the Company's work or should be noted, and no financial defect was detected during the year 2023.

## 22. Capital, Shares, Debt Instruments and Shareholders' Equity

(22-a) The Company's capital upon incorporation amounted to two hundred million Saudi riyals (SAR 200,000,000/-) divided into twenty million (20,000,000) ordinary shares with a nominal value of ten Saudi riyals (SAR 10/-) per share, which is totally paid. The founding shareholders subscribed by twelve million (12,000,000) shares (60%) of the Company's total shares, and they paid its full value. The remaining shares amounting to (8,000,000), eight million shares, i.e. (40%) were offered for public subscription that was made in the period from 15/10/1428 AH (Corresponding to 27/10/2007) to 22/10/1428 AH (corresponding to 03/11/2007) at a subscription price of ten Saudi riyals (SAR 10/-) per share. The shares were listed in the Saudi Stock Exchange (Tadawul) on 26/01/1429 AH (Corresponding to 04/02/2008).

The Company's capital was increased on 15/07/1436 AH (04/05/2015) by (SAR 200,000,000), two hundred million Saudi Riyals, which represents (20,000,000), twenty million shares by offering rights issue shares. As the company's capital has become (SAR 400,000,000), four hundred million Saudi Riyals, divided into (40,000,000), forty million normal shares, with a nominal value of ten Saudi Riyals (SAR 10) per share.

The Company's capital has been reduced to two hundred and sixty-five million Saudi riyals (SAR 265,000,000), divided into twenty-six million five hundred thousand (26,500,000) ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) per share that were paid in full, after obtaining the required statutory approvals as well as the approval of the Extraordinary General Assembly meeting held on 28/10/1437 AH corresponding to 08/02/2016.

On 16/04/1440H (23/12/2018), the Board recommended a capital increase by issuing rights shares to increase the Company's capital from two hundred sixty-five million (265,000,000) Saudi riyals to five hundred thirty million (530,000,000) Saudi riyals, an increase of 100%.

On 26/04/1444H (20/11/2022), an EGM was held in which the Company obtained the approval of the Company's shareholders of the Board's recommendation to increase the capital from two hundred sixty-five million (265,000,000) Saudi riyals to five hundred thirty million (530,000,000) Saudi riyals, an increase of 100%.

(22-b) Below are the names of the major shareholders whose shares are 5% or more in the Company's shares:

Name	Ownership	
	Beginning of year	End of year
Arabia Insurance Company (AIC) S.A.L (Holding Company) (Lebanon)	19.2%	0.0037%
Arabian Diamond Holding Co	None	19.196%
Jordan Insurance Company (JIC) PLC (Jordan)	9.19 %	9.19%
Arab Supply & Trading Company (ASTRA) - Saudi Arabia	6.22%	6.22%

(22-c) The provisions relating to the rights of shareholders contained in the Corporate Governance Regulations issued by the Capital Market Authority's Board have been complied with in relation to the general rights of shareholders and to facilitate the exercise of their rights and their access to information in addition to the rights related to the general assembly meeting.

(22-d) With regard to the rights of shareholders in dividends and the dividend policy, Article 46 of the company's articles of association stipulates the following: "The shareholder is entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard. The decision shows the due date and the date of distribution. Eligibility for dividends shall be for shareholders registered in the shareholders' records at the end of the day specified for maturity. The company informs the Capital Market Authority without delay of any decisions to distribute profits or recommend it, and the profits to be distributed to shareholders shall be paid at the place and dates determined by the Board of Directors, in accordance with the instructions issued by the competent authority, subject to the prior written approval of the Saudi Central Bank."

The company follows the cooperative insurance companies' control law and the applicable regulations, and the profits from investing the shareholders' funds are in accordance with the rules set by the Board of Directors.



**The Company shall:**

1. Set aside the prescribed zakat and income tax.
  2. Set aside (20%) of the net profits to form a statutory reserve, and the Ordinary General Assembly meeting may stop this setting-aside when the total reserve reaches (100%) of the paid-up capital.
  3. Ordinary General Assembly meeting, when determining the amount of profits per share, may decide to create other reserves, to the extent that it serves the interest of the company or guarantees the distribution of fixed profits as possible to the shareholders.
- (22-e) There is no decision to distribute profits for the financial year 2023 due to the existence of a balance of accumulated losses
- (22-f) There are no arrangements or agreements under which one of the company's shareholders has waived any rights to profits.
- (22-g) The company has not been notified of any interest in the class of voting shares belonging to persons other than members of the company's board of directors, senior executives and their relatives.
- (22-h) There are no convertible debt instruments, any contractual securities, subscription right notes, or similar rights issued or granted by the company during the financial year 2023.
- (22-i) There are no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company.
- (22-j) There is no refund, purchase or cancellation by the Company of any recoverable debt instruments.
- (22-k) There are no treasury shares held by the company.

### 23. Actions taken by the Board of Directors to inform its members, especially non-executives, of the shareholders' proposals and comments regarding the company and its performance

Within the company's organizational structure, there is a shareholder affairs section that is concerned with receiving the proposals, observations and inquiries of the shareholders by phone or other means of communication shown on the financial market website, TADAWUL, and the company website, and the board is notified about it, and shareholder proposals and observations are received through the company general assembly meetings and presented to the nearest meeting for the board (if any).

### 24. A statement of the dates of the general assemblies of shareholders held during the year 2023 and the names of the Board members attending these assemblies

SN	Date of the General Assembly's Meeting	Names of the Board of Directors' Members Present at the General Assembly's Meeting
1	Ordinary General Assembly meeting held on 06/04/2023	Mr. Abdulaziz bin bin Abdulhadi Al Qahtani Mr. Abdulaziz bin Saleh Al Omair Mr. Munir Boutros Muasher Mr. Othman Mohamed Ali Bdeir
2	Ordinary General Assembly meeting held on 15/05/2023	Mr. Abdulaziz bin bin Abdulhadi Al Qahtani Mr. Abdulaziz bin Saleh Al Omair Mr. Munir Boutros Muasher Mr. Ghassan Ibrahim Fares Aqeel Mr. Hatem bin Ali Bargash Mr. Abdullah Saeed bin Saeed

SN	Date of the General Assembly's Meeting	Names of the Board of Directors' Members Present at the General Assembly's Meeting
3	Ordinary General Assembly meeting held on 09/07/2023	Mr. Abdulaziz bin bin Abdulhadi Al Qahtani Mr. Abdulaziz bin Saleh Al Omair Mr. Munir Boutros Muasher Mr. Ghassan Ibrahim Fares Aqeel Mr. Hatem bin Ali Bargash Mr. Abdullah Saeed bin Saeed Mr. Othman Mohamed Ali Bdeir

## 25. The number of the Company's requests for shareholders' records during 2023, the dates of those requests and their reasons

Request Date	Request Reason	Request Date	Request Reason
09/01/2023	Shareholder information update	10/06/2023	Shareholder information update
29/01/2023	Shareholder information update	09/07/2023	Ordinary General Assembly meeting 09/07/2023
23/02/2023	Shareholder information update	21/08/2023	Shareholder information update
02/04/2023	Shareholder information update	04/10/2023	Shareholder information update
06/04/2023	Ordinary General Assembly meeting 06/04/2023	25/12/2023	Shareholder information update
14/05/2023	Ordinary General Assembly meeting 15/05/2023	25/12/2023	Shareholder information update

## 26. Corporate Governance Regulations

The Board of Directors affirms that compliance with corporate governance is a crucial element of the Company's success, as it requires the implementation of a clear framework for transparency and disclosure that serves the interests of shareholders. The Company believes that governance is one of the most important frameworks that ensure effective policies, leadership systems, management, and oversight of its operations.

The Company currently operates through internal governance regulations and complies with the provisions of the CMA-Issued Corporate Governance Regulations and the issued Governance Regulations for Insurance Companies by Saudi Central Bank.

In light of the issuance of the new Companies Law, which came into effect on 19/01/2023, the Company is reviewing its internal governance regulations and policies, proposing amendments to the affected provisions due to the Companies Law, and then presenting them to the General Assembly.

The provisions of the Governance Regulations for Insurance Companies and the Company's internal governance regulations have been implemented, along with the provisions of the CMA-Issued Corporate Governance Regulations, except for some guidelines and the following articles:

Article/Clause/ Sub-Clause No.	Requirement	Reasons for non-compliance
16.3	The number of independent board members shall not be less than two members or one-third of the board members, whichever is greater	In the current cycle that started on 06/04/2023, the Company did not comply with the mentioned article due to circumstances beyond its control. The right to elect and appoint is a legal exclusive right of the Ordinary General Assembly and the Company's shareholders, pursuant to the provisions of Clause (i) of Article 68 of the new Companies Law issued by Royal Decree No. M/137 dated 01/12/1443 H- 30/06/2022 and Clause (b) of Article 18 of the Corporate Governance Regulations. Compliance was achieved as of 30/11/2023 after appointing an independent member to the vacant position.
44.3	Competence criteria sourced from the General Assembly based on the Board of Directors' proposal and published on the Company's website.	Preparing the standards is underway.
39.H	The board of directors shall make the necessary arrangements to obtain an external specialized entity assessment of its performance every three years.	Internal evaluation is conducted.
90.4.H	Five top executives who received the highest bonuses from the Company, including the CEO and CFO, should be among them.	The Company commits to disclosing salaries and bonuses in gross

## 27. Acknowledgments:

### The company acknowledges that:

- Account records were prepared in a correct manner.
- Internal control system was prepared on a sound basis and was effectively implemented.
- There is no doubt regarding the ability of the company to continue its activity.
- The company does not have any loans.
- There is no business that competes with the company or any of its activities practiced or being in practice by any member of the Board of Directors.
- The absence of businesses or contracts in which the company was a party, and which has a substantial interest for the CEO, the financial manager, or any person related to any of them, with the exception mentioned in Paragraph No. (10) of this report.
- There are no qualifications from the external auditors' in their report on annual financial statements..

**In conclusion, the Board of Directors takes this opportunity to extend sincere thanks and appreciation to the esteemed customers, shareholders and to all employees of the AICC for their support to the company. The Board of Directors also thanks the Insurance Authority, the Capital Market Authority, the Council of Health Insurance and the Ministry of Commerce for their continuous support and for everything that would develop insurance sector in Saudi Arabia.**

**There is no business that competes with the company or any of its activities practiced or being in practice by any member of the Board of Directors.**

**END OF REPORT**

**Board of Directors**

