



Annual Report 2021

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Al Jazira Takaful Taawuni Company

Board Chair's Statement

M.S. Shareholders of Aljazira Takaful Taawuni Co.

May peace, mercy and blessings of Allah be upon you,,

On behalf of myself and my fellow Members of the Board of Directors, in particular, and all the Company's affiliates, in general, it is with immense pleasure that I present to you the annual report for the financial year 2021 of Aljazira Takaful Taawuni Board of Directors to review summary of the financial and operational activities results as required by corporate governance laws issued to this effect.

The year 2021 has been a critical year in the Kingdom of Saudi Arabia. Government of the Custodian of the Two Holy Mosques has relentlessly continued to exert its remarkable efforts to support the economy. Preventive measures were adopted to overcome the effects of COVID-19 affecting the whole world. Despite the challenges imposed by COVID-19, Saudi economics has experienced strong growth in the GDP by 3.3%, signaling remarkable recovery, compared to the contraction of 1.4% reported in the previous year due to the pandemic. These facts have contributed to moving rapidly towards expansion in economic activities.

The Company managed to complete, at the end of the first quarter of 2021, full merger between Aljazira Takaful Taawuni and Solidarity Saudi Takaful Company, effective as of February 28th, 2021, resulting in increase of the Company's paid-up capital to SAR 470,664,030. Fittingly, the Company has successfully merged the operations, systems and processes of the Company during the year including development of integrated strategy satisfying the needs of the customers and Shareholders for all products and enhancing the readiness of all sales channels through investment by improving the structuring of technological and cybersecurity systems post merger.

On November 30th, 2021, General Meeting of the Company resolved to approve capital increase by capitalizing SAR 79,34 million of the retained profits. Accordingly, paid-up capital of the Company will become SAR 550 million by distributing bonus shares. Such increase will have positive impact on supporting and strengthening the Company's capital base and future activities.

Notably, validating the Company's strenuous efforts went into development of its business and firmly moving towards achievement of its objectives, the Company was granted, third consecutive year, the excellence award by Corporate Governance Center of College of Business at Alfaisal University during the second international corporate governance conference in Saudi Arabia hosted by the University under the auspices of the University Director, attended by several representatives of Saudi companies listed in Tadawul. Aljazira Takaful Taawuni, with the help and success of Allah, will tirelessly endeavor to maintain such leadership.

On behalf of the Board of Directors, I would like to express our deepest appreciation and gratitude to the Custodian of the Two Holy Mosques, King Salman Bin Abdulaziz Al-Saud, His Royal Highness Prince Mohammed bin Salman Bin Abdulaziz Al Saud, Crown Prince, Deputy Prime Minister and Minister of Defense. I would further want to extend my thanks to Saudi Central Bank, Capital Market Authority, Ministry of Commerce and Investment, Council of Health Insurance, all supervisory bodies, for their unwavering support, and to all members of the Board of Directors for their experience and advise contributed to promoting the position of Aljazira Takaful Taawuni. Our sincerest thanks will be offered to our customers who placed their trust in us and whom we promise to continue our efforts to earn such trust in the coming years, and to all staff members who have made all efforts to achieve our aspirations.

Best regards,

Company Profile during 2021

Aljazira Takaful Taawuni Company has been established under the Royal Decree No. M / 23 dated Rabi` Al-Thani 28, 1431 AH. Since that time, Aljazira Takaful has been developing and evolving in line with our wise government journey towards modernity and progress. We aim to be the leading Company in the field of Sharia-Compliant Insurance in the Kingdom of Saudi Arabia by providing innovative, high-quality insurance solutions that achieve the maximum benefit for our customers, shareholders and employees. Aljazira Takaful Taawuni Company is a Saudi joint stock Company established in accordance with His Excellency's Minister of Commerce Resolution No. 213 / Q dated 24 Shaaban 1434 AH, based on Council of Ministers Resolution No. 137 dated Rabi' Al-Thani 27 1431 AH, and the Royal Decree No. M / 23 dated 28 Rabi' al-Thani 1431 AH, with a capital of 550,000,000 Saudi riyals distributed to 55,000,000 shares. The company conducts its business under the Commercial Registration No. 4030251980 and the license of the Saudi Central Bank No. TMN / 34/201312.

1. Core Values:

Our Values towards our Customers :	<ul style="list-style-type: none"> ▪ We understand our customers' needs and aspirations by developing innovative insurance products that exceed the expectations of the target audiences. ▪ We communicate with our customers with high professionalism and transparency. ▪ We value our customers' loyalty to us.
Our Values towards our Employees:	<ul style="list-style-type: none"> ▪ We recruit, grow and motivate highly qualified and experienced cadres ▪ We believe in the importance of rewarding our employees for their outstanding performance ▪ We communicate with our employees with high honesty and transparency ▪ We appreciate the loyalty of our employees to us
Our Values towards our Environment :	<ul style="list-style-type: none"> ▪ We are committed to applying the provisions of Islamic law in all our dealings ▪ We perform our business properly at the first time ▪ We promote teamwork ▪ We take into account the application of risk management concepts to ensure the benefit for everyone ▪ We are aware of our social responsibility and believe in the importance of preserving the environment.

2. The main activities:

The company exercise insurance activities in the general insurance, health insurance, the protection and saving insurance in accordance with the Cooperative Insurance Companies Control Law and its Implementing Regulations as amended.

3. Highlights of important decisions taken and the future vision:

• Important Company decisions during the fiscal year 2021:

1. The enforcement of the decision to merge Solidarity Saudi Arabia into Al Jazira Takaful Company and transfer all the assets and liabilities of Solidarity Saudi Company to Al Jazira Takaful Company on 26\02\2021.
2. Aljazira Takaful Taawuni Company receiving the Saudi Central Bank (SAMA) No Objection Letter on 30-05-2021 AD for the appointment of Mr. Khaile Allothman (Non-Executive Member) as the Vice Chairman of the Board of Directors starting from 30-05-2021. for the Board's term that ends on 01-07-2022 AD.
3. Aljazira Takaful Taawuni Company receiving the Saudi Central Bank (SAMA) No Objection Letter on the appointment of the Board of Directors (Non-executive and Independent) to occupy the board vacant seats in completion of its board session ending on 01-07-2022 AD.

4. Aljazira Takaful Taawuni Co. announces Approval on the Board of Directors' recommendation to increase the company's capital by granting shares after obtaining the necessary approvals.
5. Approval on updating the Board Members, Committees Members and Executive Management Remuneration and Compensation Policy.
6. Aljazira Takaful Taawuni Company on 26 September 2021 Announces Signing Bancassurance Distribution Agreement with Bank Aljazira (Related Party) to provide Marketing & Distribution Agreement "Bancassurance" for Aljazira Takaful Taawuni Company product after obtaining the necessary approvals.

• **Future Vision:**

We aim to be the leading company in the field of Sharia-compliant insurance in the Kingdom of Saudi Arabia and the Middle East and North Africa region, by providing innovative insurance solutions of high quality to achieve the maximum benefit for our customers, shareholders and employees.

4. Awards During 2021:

- Aljazira Takaful Taawuni Company achieved the award for the best Takaful insurance operator in the Kingdom of Saudi Arabia this year from the INTERNATIONAL BUSINESS MAGAZINE.
- Al-Jazira Takaful Tawuni Company achieved the Excellence Award for its excellence in the governance index for the fiscal year 2020, as it was among the first among all sectors traded in the Saudi financial market provided by the Corporate Governance Center at the College of Business at Alfaisal University.

5. Shareholders structure during 2021:

The Company's authorized capital is 550 million Saudi riyals, divided into 55 million shares with a nominal value equivalent to 10 Saudi riyals per share. The table below shows the ownership structure of the Company's shares until December 31, 2021:

Shareholder's Name	Nationality	Number of Shares	Ownership percentage %
Bank Al Jazira	Saudi	12,265,000	%22.30
Solidarity Group Holding BSC	Bahraini	3,877,500	%7.05
public		38,857,500	%70.65
Total		55,000,000	100 %

6. Ownership of AJT shares by directors and Senior Executives , and Their relatives, and changes During 2021:

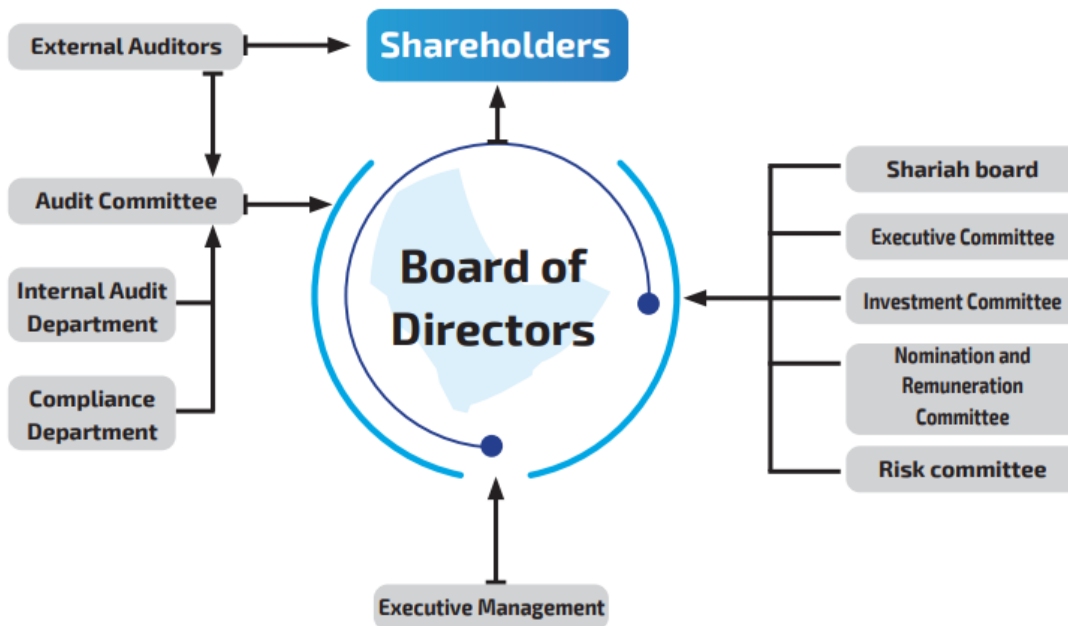
The change in the ownership of the board members of the company's shares during the fiscal year 2021 AD as a result of the following reasons mentioned below:

- The enforcement of the decision to merge Solidarity Saudi Arabia into Al Jazira Takaful Company on 26\02\2021 AD.
- Increase the company's capital by granting shares announced on the Tadawul website.

Board of Directors													Senior Executives
Member			Abdulmajeed Ibrahim Al Sultan	¹ Ziad Tariq Aba Al-Khail	Khaled Othman Al-Othman	Nayif Mesnad Al-Mesnad	Abdullatif Mohammed bin Ghaith	Khalifa Nasser Al-Khalifah	Abdulelah Ibrahim Al Qassimi	Ashraf Adnan Bseiso	Ibrahim Muhammad Al-Hurabi	Sager Abdullatif Nadershah	Sager Abdullatif Nadershah
Year Beginning	Direct	#	0.000	0.000	1000	0.000	1000	1000	0.000	0.000	0.000	10000	10000
		%	0.000	0.000	0.0029	0.000	0.0029	0.0029	0.000	0.000	0.000	0.029	0.029
	Indirect	#	-	-		-	-	-	-	-	-	-	-
		%	-	-		-	-	-	-	-	-	-	-
Change during the year	Direct	#	-	-	168	-	168	168	507	507	-	1685	1685
		%	-	-	0.0008	-	0.0008	0.0008	0.0009218	0.0009218	-	0.007	0.007
	Indirect	#	-	-		-	-	-	-	-	-	-	-
		%	-	-		-	-	-	-	-	-	-	-
Year End	Direct	#	0.000	0.000	1168	0.000	1168	1168	507	507	0.000	11685	11685
		%	0.000	0.000	0.0021236	0.000	0.0021236	0.0021236	0.0009218	0.0009218	0.000	0.02124	0.02124
	Indirect	#	-	-		-	-	-	-	-	-	-	-
		%	-	-	-	-	-	-	-	-	-	-	-

¹ Membership expired as he resigned on Tuesday, March 30, 2021.

7. Governance structure



8. Board of Directors and Sub-Committees:

1.8 Board Members:

The Board of Directors consists of seven members before the enforcement of the decision to merge Solidarity Saudi Arabia into Al Jazira Takaful Company, and after the merger took place on February 28, 2021 AD; the number of board seats was increased to nine members appointed by the General Assembly every three years. The Board of Directors have been elected for its current session (3rd session), which started on 02/07/2019 and ends on 01/07/2022 AD by the General Assembly of Shareholders. The Board of Directors shall meet at least every three months, that is, at least four times a year, or whenever the need arises, at the invitation of the Chairman of the Board or at the request of two members. The quorum for a meeting of the Board is complete if attended by two thirds of the members or by proxy, provided that the number of attending members shall be not less than four members, including an independent member.

BIOGRAPHIES OF BOARD MEMBERS

4	Mr. Sager bin Abdul Latif Nader shah	AJT Managing Director	<ul style="list-style-type: none"> Director of Retail Banking Services Department – Bank Al Jazira. Western Regional Manager - National Commercial Bank. Director of Sales Department - National Commercial Bank. Assistant General Manager - Saudi American Bank Board Member- Travelers Cheque Company. 	<ul style="list-style-type: none"> Bachelor of Science in Criminal Justice -Bethune Cookman University. Executive Development Program - International Institute for Management Development. Administrative Capacity Development Program – Cranfield School of Management 	<ul style="list-style-type: none"> More than 28 years of extensive experience in the field of retail banking. Experience in managing comprehensive operations in banking services which include lending, deposit products, branches, ATMs, POS, call center, internet. Experience in local and global markets, international economic environment, and a full awareness of the economic culture within KSA.
	Mr. Khalid bin Othman Al-Othman	<ul style="list-style-type: none"> AJT Board Member - Non-Executive Senior Vice Chairman, Head of Retail Banking Group – Bank Al Jazira 	<ul style="list-style-type: none"> Regional Director, Central Region - National Commercial Bank. Regional Director, Central Region - Banque Saudi Fransi. Director General of Branches Network - Bank Albilad. General Manager of Branches Network - Bank Al Jazira 	<ul style="list-style-type: none"> MSc in Business Administration - London Business School, University of London. 	<ul style="list-style-type: none"> Passion for leadership through business and retail banking for more than 24 years in a row. Extensive experience in managing branch networks and managing distribution channels. Experience in the development and strategic planning of banking.
	Mr. Khalifa bin Nasser Al-Khalifa	<ul style="list-style-type: none"> AJT Board Member – Independent Head of the Credit and Risk Committee - Al-Raya Finance Company. 	<ul style="list-style-type: none"> Chairman of Audit and Risk Committee - Maceen Capital. Head of Retail Financial Services for Credit and Risk - Saudi British Bank Head of Risk Management - Saudi British Bank. Senior Credit & Risk Manager - Saudi British Bank. 	<ul style="list-style-type: none"> BA in Administrative Sciences - King Abdul-Aziz University. 	<ul style="list-style-type: none"> Worked for more than 25 years in the field of credit, finance, investment and risk management for both corporate and retail commercial banking. Experience in the fields of administration and development of financial institutions in a manner that aligns with the desired goals to be achieved through increasing effectiveness and efficiency, financial restructuring and operational administrative processes. Holds many advanced courses in the field of finance and management inside and outside KSA.

7	Mr.Naif Mesnd Almesnd ³	<ul style="list-style-type: none"> Member of the Board of Directors of Al Jazira Takaful Company - Non-Executive Chief Executive Officer - Al Jazira Securities Company. Member of the Risk Committee of the Arab Cement Company 	<ul style="list-style-type: none"> Head of Wealth Management - Ahli Bank Head of Compliance Department - Barclays Investment Bank Head of the Inspection Department - Capital Market Authority. 	<ul style="list-style-type: none"> Master's Degree - Business Administration - Clark University - USA. Bachelor of Science degree in Accounting - King Fahd University of Petroleum and Minerals. 	<ul style="list-style-type: none"> He has long experience in several areas, such as preparing strategies, business development and governance, which he gained through his career in a number of local and international institutions with Barclays Saudi Arabia, the Saudi Capital Market Authority and Ernst & Young.
	Mr. Abdulelah Ibrahim Alqassimi ⁴	<ul style="list-style-type: none"> Member of the Board of Directors of Al-Jazira Takaful Company - Non-Executive. Member of the Board of Directors - Solidarity Holding Group - Bahrain. Member of the Board of Directors - Ithmar Holding – Bahrain Member of the Board of Directors - IB Capital – Bahrain Member of the Board of Directors - Ithmaar Bank – Bahrain Member of the Board of Directors - Faisal Bank - Pakistan. 	<ul style="list-style-type: none"> Chairman of the Board - Solidarity Saudi Takaful Member of the Board of Directors - Al Durrah Resort Management Company – Bahrain Member of the Board of Directors - American Mission Hospital – Bahrain Member of the Board of Directors - Bahrain Development Bank Member of the Board of Directors - Al Ahlia Insurance Company - Bahrain. 	<ul style="list-style-type: none"> Master's Degree - Facilities Planning - University of North London - Britain. Bachelor's degree - Civil Engineering - Mary Queen's University - Britain. Diploma - Healthcare Management - Royal College of Surgeons - Bahrain 	<ul style="list-style-type: none"> He has a commercial biography and commercial experience, general, 30 years in the commercial and economic field, and membership of boards of directors in financial institutions.

³ Board Membership joining date is 30-May-2021

⁴ Board Membership joining date is 30-May-2021

9		<ul style="list-style-type: none"> Member of the Board of Directors - Naseej - Bahrain. 			
	Mr.Ibrahim Mohammed Alhurabi ⁵	<ul style="list-style-type: none"> Member of the Board of Directors of Al-Jazira Takaful Company - independent. Member of the Audit, Risk and Compliance Committee - Saudi Computer Company Member of the Audit Committee - Derayah Financial Company Chairman of the Audit Committee – CARE international company Member of the Board of Directors - Care International Company 	<ul style="list-style-type: none"> Member of the Audit Committee - Al-Jazira Takaful Cooperative Company. Senior Vice President - Head of Internal Audit Group - Bank Al Jazira. Director General of the Communications and Information Technology Commission. Director of the Information Security Department and the Central Bank of Saudi Arabia 	<ul style="list-style-type: none"> Higher Diploma in Financial Management - Master's Equivalent - Institute of Public Administration - Riyadh. Bachelor's degree in Sharia - Imam Muhammad bin Saud Islamic University. 	<ul style="list-style-type: none"> Has a business history and commercial experience, incorporated in 2002, in financial institutions.
	Mr. Ashraf Adnan Besisu ⁶	<ul style="list-style-type: none"> Member of the Board of Directors of Al-Jazira Takaful Company - not independent Chairman of the Board of Directors - Solid Ventures LLC - Bahrain. Chairman of the Board - Solid Capital LLC – Bahrain Chairman of the Board of Directors 	<ul style="list-style-type: none"> Vice Chairman of the Board - Solidarity Saudi Takaful Company. Chairman of the Board - Solidarity Takaful – Luxembourg Chairman of the Board of Directors - Al Moazra Investment Company. Chairman of the Board of Directors - Al-Samoud Investment Company. 	<ul style="list-style-type: none"> Master's degree in Management and Information Systems - London School of Economics, United Kingdom. Bachelor's degree in Civil Engineering with a major in Applied Mathematics and Finance - Southern Methodist University - USA. Associate member of the Chartered 	<ul style="list-style-type: none"> He has a business history and commercial experience, one year, 30 years in the year of administrative and leadership work in the financial services sector.

⁵ Board Membership joining date is 30-May-2021

⁶ Board Membership joining date is 30-May-2021

		<ul style="list-style-type: none"> - First Solidarity Insurance Company - Jordan. ▪ Chairman of the Fund's Technical Committee - Arab War Risks Insurance Fund (URS). ▪ Chief Trade Officer Solidarity Holdings BSC (c) 		<ul style="list-style-type: none"> Insurance Institute - United Kingdom. ▪ Associate member of the Institute of Accountants - USA. 	
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- **Board of Directors Structure:**

	Name	Membership Type	Change in the composition of the board of directors
1	Eng. Abdulmajeed bin Ibrahim Al-Sultan	Board Chairman - Non-Executive Member	No changes
2	Eng. Ziyad bin Tariq Aba Al-Khail ⁷	Deputy Chairman- Non-Executive Member	Membership expired as he resigned on Tuesday, March 30, 2021.
3	Mr. Khalid bin Othman Al-Othman	Deputy Chairman- Non-Executive Member	No changes – Appointed as the Vice Chairman of the Board of Directors after the resignation of Eng. Ziyad bin Tariq Aba Al-Khail
4	Dr. Abdullatif bin Mohammed bin Ghaith	Independent member	No changes
5	Mr. Sager bin Abdultatif Nader shah	Managing Director - Executive Member	No changes
6	Mr. Nayif Mesnad Al-Mesnad	Non-Executive Member	In succession to the previous member Mr. Ziyad Aba Alkhail . (Non-executive member)
7	Mr. Khalifa bin Nasser Al-Khalifa	Independent member	No changes
8	Ashraf Adnan Bseiso	Non-Executive Member	Increasing the number of board seats from seven to nine after the merger
9	Abdulelah Ibrahim Al Qassimi	Non-Executive Member	Increasing the number of board seats from seven to nine after the merger
10	Ibrahim Muhammad Al-Hurabi	Independent member	In succession to the previous member Mr. Saif Al-Yazan bin Ahmed. (Independent member)

⁷ Membership expired as he resigned on Tuesday, March 30, 2021.

- Board meetings for the year 2021:

(4) Meetings								
	Name	Position	Membership Type	1st meeting 30/03/2021	2nd meeting 27/06/2021	3rd meeting 30/09/2021	4th meeting 2/12/2021	Total
1	Eng. Abdulmajeed bin Ibrahim Al-Sultan	Chairman	Non-executive	✓	✓	✓	✓	4
2	Eng. Ziyad bin Tariq Aba Al-Khail ⁸	Deputy Chairman	Non-executive	✓	-	-	-	1
3	Mr. Khalid bin Othman Al-Othman	Deputy Chairman	Non-executive	✓	✓	✓	x	3
4	Mr. Nayif Mesnad Al-Mesnad ⁹	Board Member	Non-executive	-	✓	✓	✓	3
5	Dr. Abdullatif bin Mohammed bin Ghaith	Board Member	Independent	✓	✓	✓	✓	4
6	Mr. Saqr bin Abdullatif Nader shah	Managing Director	Executive	✓	✓	✓	✓	4
7	Mr. Khalifa bin Nasser Al-Khalifa	Board Member	Independent	✓	✓	✓	✓	4
8	Abdulah Ibrahim Al Qassimi ¹⁰	Board Member	Non-executive	-	✓	✓	✓	3
9	Ashraf Adnan Bseiso ¹¹	Board Member	Non-executive	-	✓	✓	✓	3
10	Ibrahim Muhammad Al-Hurabi ¹²	Board Member	Independent	-	✓	✓	✓	3
General Assembly Last Meeting Date 30/11/2021(second meeting)								

2.8 Board's Sub-Committees:

Board of Directors' Sub-Committees carry out their duties and responsibilities aimed at raising the level of supervision, control and decision-making controls in the Company. The Board's Sub-Committees include members of the Board and members from outside the Board. The table below shows the structure of these committees.

a. Executive Committee:

The Executive Committee consists of five members, it is chaired by the Chairman of the Board of Directors; the committee holds six meetings according to the Governance Regulations at least annually. The committee meeting is not valid unless attended by the majority of its members personally or by proxy. The decisions of the Executive Committee are issued by the majority. When there is a tie, the Chairman of the Committee shall have the casting

⁸ Membership expired as he resigned on Tuesday, March 30, 2021.

⁹ Mr. Nayif Al-Mesnad joined the Board of Directors on 30/05/2021 AD.

¹⁰ Mr. Abdulah Al Qassimi joined the Board of Directors on 30/05/2021 AD.

¹¹ Mr. Ashraf Bseiso joined the Board of Directors on 30/05/2021 AD.

¹² Mr. Ibrahim Al-Hurabi joined the Board of Directors on 30/05/2021 AD.

vote. The committee's decisions are documented in minutes prepared by the Committee's Secretary and signed by the committee's Chairman and members.

- **Key roles and responsibilities:**

The main objective of the Executive Committee is to monitor the performance of the Company on a regular basis, review objectives, budgets and financial plans before submitting them to the Board for approval, and ensure the progress of work in accordance with the plans and strategies approved by the Board of Directors. Please refer to the Board of Directors table shown above in Clause 1.8, explaining a brief summary of each member.

- **Meetings of the Executive Committee during the fiscal year 2021 AD:**

(6) Meetings									
	Name	Position	Membership Type	30\03\2021	27\06\2021	08/09/2021	30/09/2021	30/11/2021	20/12/2021
1	Eng. Abdulmajeed bin Ibrahim Al-Sultan	Committee Chairman	Non-executive	✓	✓	✓	✓	✓	✓
2	Eng. Ziyad bin Tariq Aba Al-Khail ¹³	Board Member	Non-executive	✓	-	-	-	-	-
3	Mr. Sager bin Abdullatif Nader Shah	Board Member	Executive	✓	✓	✓	✓	✓	x
4	Mr. Khalid bin Othman Al-Othman	Board Member	Non-executive	✓	✓	✓	✓	✓	✓
5	Mr. Nayif Mesnad Al-Mesnad ¹⁴	Board Member	Non-executive	-	✓	✓	✓	✓	✓

b. Audit Committee:

The Ordinary General Assembly of the Company's shareholders, in its meeting held on May 1, 2019, approved the Committee charter of the Audit Committee based on the recommendation of the Board of Directors. The Audit Committee consists of three members. The Committee includes members from outside the Board of Directors. The Committee holds at least six meetings annually. The Committee's decisions are recorded in minutes prepared by the Committee Secretary and signed by the Committee Chairman and members.

- **Key roles and responsibilities:**

The committee is responsible before the Company's Board of Directors and assists it in carrying out its responsibilities, the most important of which are:

- 1- Ensuring an effective internal Control and Compliance Rules.
- 2- Analyzing the Company's interim and annual financial statements before presenting them to the Board.
- 3- Monitoring and overseeing the performance and activities of the internal auditor and internal audit department and compliance department of the company, if any, to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties.

¹³ Membership expired as he resigned on Tuesday, March 30, 2021.

¹⁴ Mr. Nayif Al-Mesnad joined the Board of Directors on 30/05/2021 AD.

	Name	Current Positions	Previous Positions	Qualifications	Experience
1	Mr. Khalifa bin Nasser Al-Khalifa	<ul style="list-style-type: none"> Committee Chairman 	<ul style="list-style-type: none"> Chairman of Audit and Risk Committee - Maceen Capital Head of Retail Financial Services for Credit and Risk - Saudi British Bank Head of Risk Management - Saudi British Bank. Senior Credit & Risk Manager - Saudi British Bank. 	<ul style="list-style-type: none"> BA in Administrative Sciences - King Abdul-Aziz University. 	<ul style="list-style-type: none"> Working more than 25 years in the field of credit, finance, investment and risk management for both corporate and retail commercial banking. Experience in the fields of administration and development of financial institutions in a manner that aligns with the desired goals to be achieved through increasing effectiveness and efficiency, financial restructuring and operational administrative processes. Holds many advanced courses in the field of finance and management inside and outside KSA.
2	Mr. Adel bin Saleh Al Alhowar	<ul style="list-style-type: none"> Committee Member. Board Member and Member of the Audit Committee - Stusid Bank. Member of the Board of Directors, Al-Raya Finance Company. Board Member and member of the Executive Committee - Saeed Ghodran Group 	<ul style="list-style-type: none"> Vice Chairman of the Board of Directors, Arab Financial Services Company. Chairman of the Board of Directors - SIMAH. Board Member - Al-Ahly Takaful Company. 	<ul style="list-style-type: none"> Higher Diploma in Banking Studies - Institute of Banking Studies - Jordan 	<ul style="list-style-type: none"> Working for more than 28 years in the field of retail banking and the banking sector.
3	Mr. Mohammed bin Ali Alammari	<ul style="list-style-type: none"> Committee Member. Chairman and member of the Executive Committee - Saba Islamic Bank. Chairman and member of the Executive Committee - African Saba Bank. Board Member and Member of the Executive Committee - Investrade Chief Internal Auditor, Islamic Corporation for the Development of the Private Sector, Member of the Islamic Development Bank Group. 	<ul style="list-style-type: none"> Member of the Board of Directors and Member of the Audit Committee - Maldives Islamic Bank. Board Chairman – CGI Board Member and Chairman of the Audit Committee - Ewan International Housing Company. Chairman and Member of the Audit Committee – Lease Management Services Company Ltd. (Bahrain) 	<ul style="list-style-type: none"> MSc in Accounting - King Abdul-Aziz University. MSc in Accounting - University of Illinois at Urbana – Champaign MSc in Finance - University of Illinois at Urbana – Champaign Holds several professional certifications specializing in auditing and internal controls 	<ul style="list-style-type: none"> Experience of more than 20 years in the banking sector, which includes banking, electronic and financial services, new investment products and enhancing the role of the banking sector in economic development. Holds many advanced courses in the field of auditing and internal controls.

• **Audit committee meetings during Fiscal Year 2021:**

10 Meetings													
Name		Position	Membersh ip Type	202/03/21 1	2021/05/08	2021/05/15	2021/05/16	2021/05/18	2021/08/14	2021/09/12	2021/09/13	2021/11/03	Annual Meeting with Board 2021/12/20
1	Mr. Khalifa bin Nasser Al-Khalifa	Committ ee Chairma n	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Mr. Adel bin Saleh Alhowar	Member outside the Board		✓	✓	✓	✓	✗	✓	✓	✓	✓	✓
3	Mr. Mohammed			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Risk Committee:

The Risk Committee consists of three members and meets periodically at least four times annually or whenever the need arises. The meeting of the committee shall not be held except in the presence of the majority of its members. A member may delegate another member to attend the meeting on his behalf or vote for him in the meetings. The committee's decisions are documented in minutes prepared by the committee's secretary and signed by the committee's chairman and members.

- Key roles and responsibilities:**

The main role of the Risk Management Committee is to supervise the risk management strategy of the Company after its approval by the Board of Directors in order to limit the Company's exposure to risks. The committee reviews the procedures that have been taken to ensure an effective risk management organizational structure.

	Name	Current Positions	Previous Positions	Qualifications	Experience
1	Mr. Khalifa bin Nasser Al-Khalifa	Committee Chairman	<ul style="list-style-type: none"> Chairman of Audit and Risk Committee - Maceen Capital Head of Retail Financial Services for Credit and Risk - Saudi British Bank Head of Risk Management - Saudi British Bank. Senior Credit & Risk Manager - Saudi British Bank. 	<ul style="list-style-type: none"> BA in Administrative Sciences - King Abdul-Aziz University. 	<ul style="list-style-type: none"> Working more than 25 years in the field of credit, finance, investment and risk management for both corporate and retail commercial banking. Experience in the fields of administration and development of financial institutions in a manner that aligns with the desired goals to be achieved through increasing effectiveness and efficiency, financial restructuring and operational administrative processes. Holds many advanced courses in the field of finance and management inside and outside KSA.
2	Mr. Ibrahim bin Mohammed Al-Harabi	<ul style="list-style-type: none"> Committee Member Advisor - Nayef Al-Rajhi Investment Company 	<ul style="list-style-type: none"> Senior Vice CEO and Head of the Internal Audit Group at Bank Aljazira Director General- Communications and Information Technology - Communications and Information Technology Commission. Director of Information Security and Control Department - SAMA. Internal Auditor - Ernst & Young. Internal Auditor - Central Bank of Saudi Arabia. 	<ul style="list-style-type: none"> BA in Sharia - Imam Muhammad bin Saud University. Higher Diploma in Financial Supervision - Institute of Public Administration 	<ul style="list-style-type: none"> Extensive experience in the field of internal audit in financial institutions for a period of more than 20 years
3	Mr. Adel bin Saleh Alhowar	<ul style="list-style-type: none"> Committee Member. Board Member and Member of the Audit Committee - Stusid Bank. Member of the Board of Directors, 	<ul style="list-style-type: none"> Vice Chairman of the Board of Directors, Arab Financial Services Company. Chairman of the Board of Directors - SIMAH. Board Member - Al-Ahly Takaful Company. 	<ul style="list-style-type: none"> Higher Diploma in Banking Studies - Institute of Banking Studies - Jordan 	<ul style="list-style-type: none"> Working for more than 28 years in the field of retail banking.

		Al-Raya Finance Company. Board Member and Member of the Executive Committee - Saeed Ghodran Group	▪ Board Member and Member of the Audit Committee - Stusid Bank.		
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- **Risk Committee Meetings for Fiscal Year 2021 AD**

	Name	Position	Membership Type	Four Meetings			
				13/08/2021	20/10/2021	21/11/2021	30/12/2021
1	Mr. Khalifa bin Nasser Al-Khalifa	Committee Chairman	Independent	✓	✓	✓	✓
2	Mr. Ibrahim bin Mohammed Al-Hurabi	Member	Independent	✓	✓	✓	✓
3	Mr. Adel bin Saleh Al-Alhowar	Member outside the Board		✓	✓	✓	✓

c. Investment Committee:

The Investment Committee consists of five members appointed by the Board of Directors and meets periodically at least four times annually or whenever needed. The meeting of the committee shall not be held except in the presence of the majority of Members. A member may delegate another member to attend the meeting on his behalf or vote for him in the meetings. The committee's decisions are documented in minutes prepared by the committee's secretary and signed by the committee's chairman and members.

- **Key roles and responsibilities:**

The main role of the Investment Committee is to supervise the implementation of the investment policies of the Company after approval by the Board of Directors in a way that guarantees increased investment returns in a manner that does not conflict with the provisions of Islamic Sharia and the regulations and instructions of the legislative authorities. Please refer to the Board of Directors table shown above in Clause 1.8, explaining a brief summary of each member.

- **Investment Committee Meetings for Fiscal Year 2021 AD:**

	Name	Position	Membership Type	(4) Meetings			
				30/03/2021	27/06/2021	30/09/2021	20/12/2021
1	Eng. Ziyad bin Tariq Aba Al-Khail ¹⁵	Committee Chairman	Non-executive	✓	-	-	-
2	Mr. Nayif Mesnad Al-Mesnad ¹⁶	Committee Chairman	Non-executive	-	✓	✓	✓

¹⁵ Membership expired as he resigned on Tuesday, March 30, 2021.

¹⁶ Mr. Nayif Al-Mesnad joined the Investment Committee on 30/05/2021 AD.

3	Eng. Abdulmajeed bin Ibrahim Al-Sultan	Member	Non-executive	✓	✓	✓	✓
4	Dr. Abdullatif bin Mohammed bin Ghaith	Member	Independent	✓	✓	✓	✓
5	Mr. Sager bin Abdullatif Nader Shah	Member	Executive	✓	✓	✓	✓
6	Mr. Ashraf Adnan Bseiso ¹⁷	Member	Non-executive	-	-	-	✓

d. Nomination and Remuneration Committee:

The Ordinary General Assembly of the Company's shareholders, in its meeting held on 3 July 2016 AD, approved the Committee charter for the Nomination and Remuneration Committee based on the recommendation of the Board of Directors. The Committee consists of four members appointed by the Board of Directors and meets periodically at least twice annually or whenever the need arises. The meeting of the committee shall not be held except in the presence of the majority of its members. A member may delegate another member to attend the meeting on his behalf or vote for him in the meetings. The committee's decisions are documented in minutes prepared by the committee's secretary and signed by the committee's chairman and members.

• **Key roles and responsibilities:**

1. Preparing a clear policies and standards for membership in the Board of Directors and the Executive Management.
2. Evaluating and monitoring the independence of the members of the Board of Directors and its subsidiary committees, and ensure that there is no conflict of interest.
3. Annually reviewing the skills and expertise required of the Board members and the Executive Management;
4. preparing a clear policy for the remunerations of the Board members and its committees and the Executive Management , in accordance with the Articles of Association of the Company.

¹⁷ Mr. Ashraf Bseiso joined the Investment Committee on 10/11/2021 AD.

	Name	Current Positions	Previous Positions	Qualifications	Experience
1	Dr. Abdul Latif bin Mohammed bin Ghaith	Committee Chairman	<ul style="list-style-type: none"> ▪ Founder CEO - Education Development Holding Company. ▪ CEO - SMSA Express. ▪ Director General of the Institute of Banking at SAMA. ▪ Assistant Professor - King Saud University. 	<ul style="list-style-type: none"> ▪ PhD in the Inorganic Chemistry- University of Arizona Tucson. ▪ MSc in Chemistry - University of Washington. ▪ Bachelor of Science - Western Washington State University. 	<ul style="list-style-type: none"> ▪ Establishing, managing, developing and improving the performance of a number of educational, training and service institutions in various stages of their existence, including the establishment of some of them and the management and improvement of financial and administrative performance. ▪ Providing consultations in various fields, including strategy, development, administration and education.
2	Mr. Ibrahim Mohammed Alhurabi	Committee member	<ul style="list-style-type: none"> ▪ Senior Vice President - Head of Internal Audit Group - Bank Al Jazira. ▪ Senior Vice President - Head of Internal Audit Group - Bank Al Jazira. 	<ul style="list-style-type: none"> ▪ Higher Diploma - Master's Equivalent - Institute of Public Administration - Riyadh. ▪ Bachelor's degree - Imam Muhammad bin Saud Islamic University. 	<ul style="list-style-type: none"> ▪ Has a business history and commercial experience, incorporated in 2002, in financial institutions.
3	Mr. Faisal Mash'hoor Almansour	Committee member	<ul style="list-style-type: none"> ▪ Chief Human Capital Officer - Tourism Development Fund <ul style="list-style-type: none"> ▪ Head of Training and Development - SABB Bank. ▪ Head of Services and Recruitment - SABB Bank ▪ Head of Recruitment - SABB Bank. ▪ Senior HR Relationship Manager - SABB Bank 	<ul style="list-style-type: none"> ▪ Bachelor of Management Information Systems - King Fahd University of Petroleum and Petroleum - Kingdom of Saudi Arabia. 	<ul style="list-style-type: none"> ▪ A reputable and reputable management experience registered over 14 years
4	Mr. Abdulelah Ibrahim Alqassimi	Committee member	<ul style="list-style-type: none"> ▪ Chairman of the Board - Solidarity Saudi Takaful ▪ Member of the Board of Directors - Al Durrah Resort Management Company - Bahrain ▪ Member of the Board of Directors - American Mission Hospital - Bahrain ▪ Member of the Board of Directors - Bahrain Development Bank ▪ Member of the Board of Directors - Al Ahlia Insurance Company - Bahrain. 	<ul style="list-style-type: none"> ▪ Master's Degree - Facilities Planning - University of North London - Britain. ▪ Bachelor's degree - Civil Engineering - Mary Queen's University - Britain. ▪ Diploma - Healthcare Management - Royal College of Surgeons - Bahrain 	<ul style="list-style-type: none"> ▪ He has a commercial biography and commercial experience, general, 30 years in the commercial and economic field, and membership of boards of directors in financial institutions.

• Nomination and Remuneration Committee Meetings

				(3) Meetings		
	Name	Position	Membership Type	28/07/2021	13/10/2021	15/12/2021
1	Dr. Abdullatif bin Mohammed bin Ghaith	Committee Chairman	Independent	✓	✓	✓
2	Mr. Ibrahim Muhammad Al-Hurabi ¹⁸	Member	Independent	✓	✓	✓

¹⁸ Mr. Ibrahim Al-Hurabi joined the Nomination and Remuneration Committee on 30/05/2021AD.

3	Mr. Faisal Mashhour Al-Mansour ¹⁹	Member	Member outside the Board	✓	✓	✓
4	Mr. Abdulelah Ibrahim Al Qassimi ²⁰	Board Member	Non-Executive	-	✓	✓

e. Sharia Committee:

The Sharia Board consists of three members who are not members of the Board of Directors specialized in Islamic economics. The committee is responsible for providing Sharia opinion regarding the Company's business to ensure its compatibility with the provisions of Islamic Sharia.

	Name	Current Positions	Previous Positions	Qualifications	Experience
1	Sheikh. Muhammad bin Ali al-Qari	Committee Chairman	<ol style="list-style-type: none"> Director of the Islamic Economics Research Center - King Abdul-Aziz University. Member of the Scientific Committee - Islamic Fiqh Academy. Member of the Scientific Committee - Islamic Research and Training Institute 	<ul style="list-style-type: none"> PhD in Economics - University of California. 	<ul style="list-style-type: none"> Has extensive experience of more than 22 years in the field of Islamic economics in financial and banking institutions.
2	Sheikh. Yusuf bin Abdullah Al-Shubaily	Member	<ul style="list-style-type: none"> Sharia researcher in the Board of Grievances. Lecturer at the Institute of Islamic and Arabic Sciences - Washington. 	<ul style="list-style-type: none"> BA in Sharia - Imam Muhammad bin Saud Islamic University. MA from the Higher Institute of "Comparative Jurisprudence" for the judiciary - Imam Saud Islamic University. PhD from the Higher Institute of "Comparative Jurisprudence" for the judiciary - Imam Saud Islamic University. 	<ul style="list-style-type: none"> Has a wide range of experiences through many Sharia advisory roles.
3	Sheikh. Abdullah bin Abdul-Aziz Al-Musleh	Member	<ul style="list-style-type: none"> Director of Imam Muhammad bin Saud Islamic University branch in Abha Work at the Deanship of the College of Sharia and Fundamentals of Religion and Director of the Imam University branch in Abha. 	<ul style="list-style-type: none"> BA in Sharia - Imam Muhammad bin Saud Islamic University. MA in Sharia - Imam Muhammad bin Saud Islamic University. PhD in Sharia - Imam Muhammad bin Saud Islamic University. 	<ul style="list-style-type: none"> Has a wide range of experiences through many Sharia advisory roles.

• Sharia Committee Meetings:

	Name	Position	Four Meeting				
			Membership Type	10/02/2021	04/04/2021	10/06/2021	27/12/2021
1	Sheikh. Muhammad bin Ali al-Qari	Committee Chairman	Member outside the Board	✓	✓	✓	✓
2	Sheikh. Yusuf bin Abdullah Al-Shubaily	Member		✓	✓	✓	✓
3	Sheikh. Abdullah bin Abdulaziz Al-Musleh	Member		✓	✓	×	✓

¹⁹ Mr. Faisal Mashhour Al-Mansour joined the Nomination and Remuneration Committee on 30/05/2021AD.

²⁰ Mr. Abdulelah Al Qassimi joined the Nomination and Remuneration Committee on 10/11/2021 AD.

9. Membership of Board Members in Other Companies:

- Inside / Outside KSA

	Member Name	Names of companies in which the Board Member is a member in their current Boards of Directors or of one of their Directors	Inside / Outside KSA	Legal Entity
1	Eng. Abdulmajeed bin Ibrahim Al Sultan	<ul style="list-style-type: none"> - Consolidated Brothers Co - Al Jazira bank - Durra Development Co - Royal & Sun Alliance Middle East 	Inside KSA Inside KSA Inside KSA Outside KSA	Unlisted Company Listed joint stock Company Unlisted Company Unlisted Company
2	Eng. Ziyad bin Tariq Aba Al-Khail ²¹	<ul style="list-style-type: none"> - Aljazira Capital Co 	Inside KSA	Unlisted Company
3	Dr. Abdullatif bin Mohammed bin Ghaith	<ul style="list-style-type: none"> - Yamamah University - Future Leaders Company for Education - Financial Leadership Center for Training 	Inside KSA	Privet University A Limited Liability Company A Limited Liability Company
4	Mr. Sager bin Abdullatif Nader Shah	None		
5	Mr. Khalid bin Othman Al-Othman	<ul style="list-style-type: none"> - Saudi Financial Support Services Company " SANID " 	Inside KSA	Unlisted Company
6	Mr. Khalifa bin Nasser Al-Khalifa	Raya Financing Company	Inside KSA	Unlisted Company
7	Mr. Nayif Mesnad Al-Mesnad	Aljazira Capital Co	Inside KSA	Unlisted Company
8	Mr. Ibrahim Muhammad Al-Hurabi	Care International company	Inside KSA	Unlisted Company
9	Mr. Ashraf Adnan Bseiso	<ul style="list-style-type: none"> - Solid Ventures LLC - Bahrain - Solid Capital LLC - Bahrain - First Company for Insurance - Jordan - Solidarity Bahrain B.S.C. - Bank of Bahrain and Kuwait - Arab War Risks Insurance Fund (AURS) - United Insurance - Bahrain 	Outside KSA	<ul style="list-style-type: none"> - Limited liability - Limited liability - publicly listed joint stock company - A Bahraini joint stock company (listed on the Bahrain Bourse) - A Bahraini joint stock company (listed on the Bahrain Bourse) - Solidarity Company - Bahrain Joint Stock Company (Closed)
10	Mr. Abdulelah Ibrahim Al Qassimi	<ul style="list-style-type: none"> - Solidarity Group Holding Company - Ithmaar Holding Company BSC – Bahrain - IB Capital BSC (closed) – Bahrain - Ithmaar Bank B.S.C (closed) – Bahrain - Faisal Bank – Pakistan - Naseej BSC (Closed) 	Outside KSA	<ul style="list-style-type: none"> - Bahrain closed joint stock company - Bahrain joint stock company - Bahrain closed joint stock company - Bahrain closed joint stock company - limited company - Bahrain closed joint stock company

²¹ Membership expired as he resigned on Tuesday, March 30, 2021.

10. Biographies of Executive Management:

The members of the senior management are reported to the managing director (except for the internal audit and compliance departments, which reported to Audit Committee of the Board of Directors). Their responsibilities include implementing the Company's strategic plans, managing its day-to-day activities, setting the necessary procedures to identify, measure, reduce and monitor risks in addition to setting the necessary policies and procedures to ensure the efficiency of operations and the effectiveness of the Internal Control Rules including keeping the documents, auditing the accounts, ensuring the progress of the Company's business according to the directives of the Board of Directors, submitting the required reports to it on times and ensuring that all the supervisory requirements are met to the maximum extent possible.

Name	Current Positions	Previous Positions	Qualifications	Experience
1 Ahmed Abdul Quddus Fadl Ali	VP of Operations Department	<ul style="list-style-type: none"> Vice Head - Head of Internal Technology Audit - Bank Aljazira Vice Head - Director of Infrastructure and Information Technology - Bank Aljazira Vice Head - Director of Information Technology Center - National Bank Vice Head - Director of Total Quality of Operations - National Bank Systems Development and Information Technology Department - Saudi Aramco 	BA of Computer Science - Systems Engineering	<ul style="list-style-type: none"> Joined Al Jazira Takaful Company in July 2019 as Vice Head of Operations Has more than 29 years of experience in reviewing and audit management, information technology management, preparation and management of computer centers, total quality management of operations, strategic planning and project management
2 Nedaa Abu Bakr Abadi	VP of Human capital	<ul style="list-style-type: none"> Vice President of Human Resources - Al Jazeera Takaful Director of Development and Training - Al Jazeera Takaful Supervisor of Human Resources Operations - Al Safwa Company. HR Officer - Al Safwa Company. 	Bachelor's degree in Human Resource Management	<ul style="list-style-type: none"> She joined Al-Jazira Takaful Company in August 2018 as a Development and Training Manager She has experience in the human resources department for more than 9 years.
3 Mohammed Hamad Alsoqor	Chief Compliance Officer	<ul style="list-style-type: none"> Family Takaful Product Service Manager at SABB Takaful Chief Operating Officer at SABB Takaful Senior Director, Collection and Procurement at SABB Takaful Senior Compliance Director at SABB Takaful. 	Bachelor of Business Administration	<ul style="list-style-type: none"> Joined Aljazira Takaful Taawuni Company in September 2019. Has 20 years of experience in compliance, operations, collection management, procurement and customer service.
4 Abdullah bin Ahmed Alqarni	CAE and Board Secretary	<ul style="list-style-type: none"> Financial Audit Manager, Gulf International Bank Internal Audit Manager at Swicorp Financial Institution Co. Internal Audit Manager at Bank Aljazira AML/CTF Officer at Bank Aljazira Compliance Officer at Bank Aljazira Head of Compliance Department and Secretary of the Board at Aljazira Takaful Taawuni 	MBA - Finance	<ul style="list-style-type: none"> Joined Aljazira Takaful Taawuni Company in November 2016. Has 16 years of experience in the areas of compliance, anti-money laundering, terrorist financing and internal auditing
5 Moath bin Yahya Al-Hadi	VP Head of Risk Department	<ul style="list-style-type: none"> Risk Manager at Abdullatif Jameel United Finance Company Risk Officer at Alawwal Capital Financial Analyst at the Saudi Arabian Mining Company 	Master of Islamic Finance and Banking Sciences	<ul style="list-style-type: none"> Joined Al Jazira Takaful Taawuni Company in late 2017. Has more than 10 years of experience in risk management, finance and development
7 Muhammad Mansour Ali Akbar Bukhari	Head of Information Security Department	<ul style="list-style-type: none"> Information security engineer at SAMREF. Cybersecurity management system engineer at SAMREF. 	MSc in Industrial Engineering	<ul style="list-style-type: none"> Joined Aljazira Takaful Company in November 2019 as Head of Information Security Department. Has more than 6 years of experience in information security
8 Mohammed bin Munir Quds	Head of Reinsurance Department	<ul style="list-style-type: none"> Information Systems Officer at National Commercial Bank 	MA of Business Information Technology	<ul style="list-style-type: none"> Joined Al Jazira Takaful Taawuni Company in late 2015. Has experience of about 5 years

9	Areej Almarglani	Head of customer care	<ul style="list-style-type: none"> - Direct Sales Manager - Al Jazira Takaful - Director of the Western Region - Al Jazeera Takaful - Branch Manager - Al Jazeera Takaful 	<ul style="list-style-type: none"> • Bachelor's degree in Psychology 	<ul style="list-style-type: none"> • She joined Al Jazira Takaful Company in August 2006 as a Takaful Advisor. • She has more than 15 years of experience in the insurance sector in sales management and customer retention
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11- General Assembly Meeting 2021:

First meeting: The Extraordinary General Assembly meeting, this included the approval of the company's capital increase (the second meeting) on 26/01/2021:

1- Approval on the merging of Solidarity Saudi Takaful Company into Aljazira Takaful Taawuni Company in accordance with the provisions of Articles (191), (192) and (193) of the Companies Law issued under Royal Decree No. m 3 on 28/01/1437 H corresponding to 10/11/2015 G ("Companies Law"), by issuing 0.482656120 shares in Aljazira Takaful Taawuni Company for every share in Solidarity Saudi Company ("Merger Deal"), in accordance with the terms and conditions of the merger agreement between Aljazira Takaful Taawuni Company and the Solidarity Saudi Takaful Company concluded on 04/01/1442 H (corresponding to 23/08/2020 G) ("Merger Agreement"), including voting on the following matters related to the Merger Deal:

a. Approval on the provisions of the Merger Agreement concluded between Aljazira Takaful Taawuni Company and Solidarity Saudi Takaful Company on 04/01/1442 H (corresponding to 23/08/2020 G).

b. Approval on the increase of Aljazira Takaful Taawuni Company's Capital from (350,000,000 S.R.) three hundred fifty million Saudi Riyal to (470,664,030 S.R.) four hundred seventy million six hundred and sixty-four thousand thirty Saudi Riyal, in accordance with the terms and conditions of the Merger Agreement, provided that this increase shall be applied when the merger takes effect in accordance with the provisions of the Companies Law and the Merger Agreement.

c. Approval on the amendments of Articles of Aljazira Takaful Taawuni Company's bylaws relating to the Merger Deal in accordance with the context shown in Attachment No. (1) of the related invitation announced for the EGM in Tadawul dated on 20/05/1442 H (corresponding to 04/01/2021 G), provided that these amendments shall be effective upon the merger's effectiveness.

d. Approval on the Authorizing Board of Directors of Aljazira Takaful Company, or any person authorized by the Board of Directors, to issue any decision or take any action that may be necessary to implement any of the aforementioned decisions.

	Name	Attendance
		2 nd Assembly Meeting 26/01/2021
1	Abdulmajeed bin Ibrahim Al Sultan	√
2	Ziyad bin Tariq Aba Al-Khail	√
3	Abdullatif bin Mohammed bin Ghaith	√
4	Sager bin Abdullatif Nader Shah	√
5	Khalid bin Othman Al-Othman	√
6	Khalifa bin Nasser Al-Khalifa	√

Second meeting: The Ordinary General Assembly Meeting, (First Meeting) through modern technology on 27/06/2021:

1. Approval on the Board of Directors Annual Report for the fiscal year ending 31 December 2020.
2. Approval on the Financial Statements for the year ending 31 December 2020.
3. Approval on the External Auditor's Report for the year ending 31 December 2020.
4. Approval on absolving the Board of Directors members from their liability for the fiscal year ending 31 December 2020.
5. Approval on the appointment of the external auditors, as Crowe Global - AlAzem & AlSudairy CPA's & KPMG Al Fozan and Partners. to review and audit financial statements of the second, third quarter and the year of 2021 and first quarter of 2022.
6. Approval on disbursing an amount of 918 thousand Saudi riyals as an annual remuneration to the members of the Board of Directors for the fiscal year ending on 31 December 2020.
7. Approval on the business and contracts that will be concluded between the company and Bank Aljazira (a related party) represented in the group insurance policies for the personal finance portfolio, the group insurance agreement for the mortgage portfolio, the group insurance services agreement for the bank's employees, the loan portfolio protection services agreement for the bank's employees, In which the members of the Board of Directors, Eng. Abdul Majeed bin Ibrahim Al Sultan, Eng. Ziyad bin Tariq Aba Al-Khail and Mr. Khalid bin Othman Al-Othman have an indirect interest in it. Note that the total amount of transactions that took place with the bank in the previous year amounted to 141,919 thousand Saudi riyals without preferential terms.
8. Approval on the business and contracts to be concluded between the company and Al-Jazira Capital (a related party) represented in the company's investment management contract, in which the members of the board of directors, Eng. Abdul Majeed bin Ibrahim Al-Sultan, Eng. Ziyad bin Tariq Aba Al-Khail, and Mr. Khaled bin Othman Al-Othman have an indirect interest in it. The total amount of transactions carried out with the company in the previous year amounted to 9,941 thousand Saudi riyals without preferential terms.
9. Approval on the business and contracts that will be concluded between the company and the Aman Insurance Agency which is wholly owned by Bank Al-Jazira (a related party) represented by the Insurance Sales Agency, In which the members of the Board of Directors, Eng. Abdul Majeed bin Ibrahim Al Sultan, Eng. Ziyad bin Tariq Aba Al-Khail and Mr. Khalid bin Othman Al-Othman have an indirect interest in it. Note that the total amount of transactions that took place with Aman Insurance Agency in the previous year amounted to 2,785 thousand Saudi riyals without preferential terms.
10. Approval on the business and contracts that will be concluded between the company and the member of the Board of Directors Mr. Sager bin Abdullatif Nadershah which are individual insurance policies in which he has a direct interest, without preferential terms, noting that the total amount of transactions that took place with him in the previous year amounted to 8 thousand Saudi riyals.

11. Approval on the business and contracts that will be concluded between the company and the member of the Board of Directors, Mr. Khalid bin Othman Al-Othman, which are individual insurance policies in which he has a direct interest, without preferential terms, noting that the total amount of transactions that took place with him in the previous year amounted to 40 thousand Saudi riyals.
12. Approval on the Board of Directors' decision to appoint Mr. Abdulelah Ibrahim Al Qassimi as a (non-executive member) of the Board of Directors, starting from the date of his appointment on 30-05-2021 AD to complete the Board's current term that ends on 01-07-2022 AD. According to the merger agreement.
13. Approval on the Board of Directors' decision to appoint Mr. Ashraf Adnan Bseiso as a (non-executive member) of the Board of Directors, starting from the date of his appointment on 30-05-2021 AD to complete the Board's current term that ends on 01-07-2022 AD. According to the merger agreement.
14. Approval on the decision of the Board of Directors to appoint Mr. Ibrahim Muhammad Al-Hurabi as an (independent) member of the Board of Directors, starting from the date of his appointment on 30-05-2021 AD to complete the Board's current term that ends on 01-07-2022 AD. in succession to the previous member Mr. Saif Al-Yazan bin Ahmed. (Independent member)
15. Approval on the decision of the Board of Directors to appoint Mr. Nayif Mesnad Al-Mesnad as a (Non-executive member) of the Board of Directors, starting from the date of his appointment on 30-05-2021 AD to complete the Board's current term that ends on 01-07-2022 AD. in succession to the previous member Mr. Ziyad Aba Alkhail . (Non-executive member)

	Name	Attendance
		1st Assembly Meeting 27/06/2021
1	Abdulmajeed bin Ibrahim Al Sultan	√
2	Khalid bin Othman Al-Othman	√
3	Abdullatif bin Mohammed bin Ghaith	√
4	Sager bin Abdullatif Nader Shah	√
5	Abdulelah Ibrahim Al Qassimi	√
6	Khalifa bin Nasser Al-Khalifa	√
7	Ashraf Adnan Bseiso	√
8	Mr. Nayif Mesnad Al-Mesnad	√
9	Mr. Ibrahim Muhammad Al-Hurabi	√

Third meeting: the Extraordinary General Assembly meeting including Capital Increase (the second meeting) on 30/11/2021 AD:

1. Approval on the Board of Directors' recommendation to increase the company's capital by granting shares in accordance with the following:
 - The company's capital before the increase is 470,664,030 Saudi Riyals, and its capital after the increase will be 550,000,000 Saudi Riyals, an increase of 16.86%.
 - The number of the company's shares before the increase is 47,066,403 shares, and the number of its shares after the increase will be 55,000,000 shares.
 - The capital increase will be executed by granting 0.1686 shares for every one share owned.

- The capital increase will be by capitalizing an amount of 79,335,970 Saudi Riyals from the retained earnings account.
 - The date of eligibility of the bonus shares for the company's shareholders who own the shares will be at the end of the day of the company's extraordinary general assembly and who are registered in the company's records at the Securities Depository Center at the end of the second trading day following the date of the assembly, In the event of fractional shares in any of the bonus shares, they will be collected in one portfolio for all shareholders and sold at the market price, then their value will be distributed to the eligible shareholders, each according to his/her share, within a period not exceeding 30 days from the date of determining the new shares due to each shareholder.
 - Amending Article (8.) of the Company's Article of Association relating to capital.
2. Approval on updating the Board Members, Committees Members and Executive Management Remuneration and Compensation Policy.

	Name	Attendance
		2 nd Assembly Meeting 30/11/2021
1	Abdulmajeed bin Ibrahim Al Sultan	√
2	Khalid bin Othman Al-Othman	√
3	Abdullatif bin Mohammed bin Ghaith	√
4	Sager bin Abdullatif Nader Shah	√
5	Abdulah Ibrahim Al Qassimi	√
6	Khalifa bin Nasser Al-Khalifa	√
7	Ashraf Adnan Bseiso	√
8	Mr. Nayif Mesnad Al-Mesnad	√
9	Mr. Ibrahim Muhammad Al-Hurabi	√

12. Corporate Governance System:

The Board of Directors of Aljazira Takaful Taawuni has always placed a central emphasis on the Company's corporate governance standards because of their impact on increasing transparency and protecting the interests of shareholders and customers in light of following best practices and policies in governance.

The Company also relied on procedures that would instill a Clare governance culture within it. These procedures also confirm the extent of the Company's commitment to financial transparency and principles of fairness and disclosure of financial information and make it available to all users of this information, including regulators, customers, business partners and other concerned parties.

The Company's governance includes an internal system that includes policies, individuals and processes with the aim of achieving the interests of shareholders and other stakeholders, through effective guidance and control of administrative activities where the Board of Directors of Aljazira Takaful Taawuni Company complies with the requirements of corporate governance issued by the Board of the Capital Market Authority as well as the Central Bank of Saudi Arabia. Concerning setting up an effective legal framework for Company's governance by developing the following:

1. Stating the competencies and responsibilities of the Board and the Executive Management.
2. Enhancing the role of the Board and the committees and developing their capabilities to enhance the Company's decision-making mechanisms.

3. Achieving transparency, impartiality and equity in the Exchange, its transactions, and the business environment and enhance disclosure therein.
4. Enhancing the Company's internal control mechanisms and rules, as the Audit Committee is entitled to monitor the Company's business and verify the safety and integrity of the reports, financial statements and internal control rules therein, adhere to the legal and regulatory requirements and policies adopted in the Company, and ensure the efficiency and independence of the auditor, control and supervise the performance of the internal audit activity, the compliance management and the internal auditors. .
5. Establishing the general framework for dealing with Stakeholders and protecting their rights.

From this standpoint, Aljazira Takaful Taawuni Company was keen to comply with all the mandatory requirements included in the Corporate Governance Regulations issued by a decision of the Board of the Capital Market Authority, except for the following:

Article	Article requirements	Reason
41 E.	The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.	Indicative Article
85 Paragraph 2	Establishing a scheme for granting Company shares or a percentage of the Company profits and pension programs for employees, and setting up an independent fund for such programs.	Indicative Article
85 Paragraph 3	Establishing social organizations for the benefit of the Company's employees.	Indicative Article
87	The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.	Indicative Article
88	The Board shall establish programs and determine the necessary methods for proposing social initiatives by the Company, which include: <ol style="list-style-type: none"> 1) establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities; 2) disclosing the objectives of the Company's social responsibility to its employees and raising their awareness and knowledge of social responsibility; 3) disclosing plans for achieving social responsibility in the periodical reports on the activities of the Company's; and 4) Establishing awareness programmers to the community to familiarize them with the Company's social responsibility 	Indicative Article
95	If the Board forms a corporate governance committee, it shall assign to it the competences stipulated in Article (94) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.	Indicative Article As per its terms of reference, the Board supervises all aspects of governance related.
93 subparagraph (b) from paragraph(4)	Disclosure of senior executives bonuses	Data is included in the aggregate.

13. Register of shareholders

Number of Company applications for shareholder register	Application Date	Application Reasons
1	2021/01/03	General Assembly
2	2021/01/10	Company Procedures
3	2021/01/17	Company Procedures
4	2021/01/24	Company Procedures
5	2021/01/26	General Assembly
6	2021/06/27	General Assembly
7	2021/10/11	Company Procedures
8	2021/10/11	Company Procedures
9	2021/11/30	General Assembly
10	2021/12/16	Company Procedures
11	2021/12/31	Company Procedures

14. Shareholders' suggestions for the Company and its performance:

In line with the relevant regulations, and as a general rule, the company ensures that the shareholders have the ability to exercise their rights completely, including their right to give feedback about the company and its performance through General Meetings and through the Investor Relationship Unit.

15. Evaluating Board Performance and committees:

As stipulated in the supervisory directives contained in the Corporate Governance Regulations and the Corporate Governance Guide, the company's Board of Directors annually evaluates the effectiveness of its members and the extent of their participation in its work, whether individually or as a group, including the effectiveness of the committees emanating from the Board and during the fourth quarter of the fiscal year 2021 and under the direction of the Board of Directors Company management The Nomination and Remuneration Committee of Al-Jazira Takaful Tawunni Company designed the framework for evaluating the work of the Board and its sub-committees. The outputs of the evaluation process were submitted to the Nomination and Remuneration Committee for review and making the necessary recommendations to the Board of Directors to discuss and take appropriate decisions regarding them. The Board may make the necessary arrangements for obtaining an evaluation by a competent third party of its performance, whenever the need arises.

First: Evaluation of the Performance of the Board and Members of Its Sub-committees:

The Nominations and Remuneration Committee shall evaluate the performance of the Board, its members and the members of sub-committees on an annual basis by evaluating the skills, experience and working mechanisms adopted of the Board in general and identifying weaknesses and strengths. It shall also be considered when evaluating the individual performance of Board members, their fulfillment of the criteria for appropriateness and commitment to the performance of their duties and responsibilities, and shall also identify strengths and weaknesses and propose to address such weaknesses in accordance with the interests of the Company. The Board shall also address the weaknesses (if any). The evaluation shall be based on the following main axes:

Member's fulfillment of the appropriateness criteria;

Member's attendance of meetings; and

Independence and no conflict of interest.

The Board may arrange for a competent external evaluation of its performance every three years when needed. Non-executive members of the Board, when needed, may periodically assess the performance of the Chairperson after taking the views of the executive members, without the Chairperson attending the discussion for this purpose. Strengths and weaknesses shall be identified and solutions shall be proposed in line with the interests of the Company.

Second: Fixed Compensation and Remuneration to the Board members:

Compensation of the Board members consists of the following elements:

Fixed Annual remuneration:

The Board Chairperson and members shall receive a fixed annual remuneration as set out below:

Position	Fixed Annual Remuneration
Chairperson	180,000 SAR

Each Board member (independent – executive - non-120,000 SAR executive)

Allowance for Attending Meetings:

Each member of the Board shall receive an amount of (5,000) five thousand SAR for each meeting of the Board and the general assemblies which he attends.

Expenses of Attending Meetings:

The Company shall arrange for the attendance of the members of the Board of Directors at meetings of the Board and general assemblies, and shall pay the actual expenses incurred in order to attend such meetings of the Board and the General Assembly, including travel, residence and subsistence expenses.

Third: Fixed Compensation and Remuneration for the members of the Board committees:

The members of the Board committees shall be compensated in the following manner:

Fixed annual remuneration for independent members of the Board committees:

Independent members of the Board committees shall receive a fixed annual remuneration as set out below:

Committee	Board members	Non-board members
Executive Committee	None	None
Investment Committee	None	None

Audit Committee	None	100,000 SAR
Risk Committee	None	50,000 SAR
Nominations and Remuneration Committee	None	50,000 SAR

Allowance for Attending Meetings:

Each member of the Board committees shall receive (5,000) five thousand SAR for each meeting of the committees of which he is a member, including attendance of chairpersons of committees at meetings of general assemblies

Meeting expenses:

The Company shall arrange for the attendance of the members of the Sub- committees at their meetings, including the attendance of the committee chairpersons at the meetings of the General Assembly, and shall pay the actual expenses, including travel, residence and subsistence expenses, incurred in order to attend such meetings.

Fourth: Annual Variable Remuneration for Members of the Board and Sub-committees:*

In the event that the Company achieves profits by the end of the year, the Board of Directors may, on the recommendation of the Nominations and Remuneration Committee, distribute a percentage of its profits to some or all members of the Board and sub-committees not exceeding (10%) of the remaining net profits, after deducting the reserves decided by the General Assembly in application of the provisions of the Cooperative Insurance Companies Control Law, and after distributing at least (5%) of the Company's paid capital to shareholders. The said remuneration shall be entitled in proportion to the number of meetings attended by the member and shall be related to the Nominations and Remuneration Committee's evaluation of the member's functions, responsibilities and performance during the year.

In all cases, total remuneration and financial or in-kind benefits that a member of the Board of Directors or any member of sub-committees shall not exceed (500,000 SAR) five hundred thousand Riyals a year and such maximum limit shall not apply to the members of the Audit Committee.

***Not applicable to Managing Director.**

Fifth: Evaluation of the Performance and Determination of the Remuneration of the Managing Director:

Fixed remuneration for the Managing Director shall be determined by the Company's Board of Directors.

At the end of each calendar year, the Managing Director shall draft an operating plan for the Company (estimated budget) for the following year, which shall be submitted and approved by the Board of Directors. This plan shall

include the objectives and success factors needed by the Managing Director to achieve the Company's vision and strategies, as follows:

Provision of competent and highly efficient human resources;

Work with advanced technology that contributes to the competitiveness of the Company;

Creation of highly attractive competitive products that contribute to the development of the Company's customer base;

Diversification of efficient distribution channels that meet the Company objectives; and

Achievement of the targeted shareholders net income, and expected revenues and expenditure.

The Managing Director shall, no later than December of each year, submit the annual operating plan of the Company to the Board of Directors for review and approval, and a copy thereof shall be provided to the Nominations and Remuneration Committee upon approval by the Board.

At the end of the financial year, the Board shall assess the performance of the Managing Director taking into account in its assessment the following performance indicators:

Achievement of the Company's vision and mission;

The Company's implementation of the operating plan approved by the Board of Directors;

The Company's application of the regulations issued by legislative bodies; and

Achievement of the targeted shareholders net income, revenues and expenses. The Nominations and Remuneration Committee shall recommend to the Board, based on the above evaluation results, the proposed value of the annual performance incentive bonus to the Managing Director, and in determining the said bonus, the following shall be taken into account:

The committee shall take into account the practices of other companies in determining remuneration and avoid undue rise;

Remuneration shall be fair and shall not cause any conflict of interest that would adversely affect the Company's performance; and

The aim of such remuneration shall be to achieve the interests of the insurer and the shareholders and the Company's long-term strategic objectives.

Sixth: Assess performance and determine rewards for senior management:

Fixed Compensation for Senior Management Members:

The fixed remuneration of senior management members shall be determined in accordance with the wage structure approved by the Company's Board of Directors. The said structure shall consist of several job grades and each grade is divided into levels. The functional grades and level of senior management positions shall be determined through a process of evaluation of their functions, responsibilities and powers, taking into account their educational qualifications, professional experience, competencies, skills and personal abilities, as well as the practices of other companies in relation to wages, so that the Company's management can attract, maintain and motivate local and

professional competencies, without exaggeration in order to avoid unjustified high salaries. All senior management managers shall receive their salaries under the approved compensation and remuneration policy for the Company.

Performance-related Variable Remuneration for Senior Management Members:

The annual performance remuneration is a one-time-a-year incentive bonus for senior management members that is directly related to individual and collective performance levels and financial results for the Company. In all cases, such remuneration shall be exclusively awarded to the managers who have obtained satisfactory performance results. Since the remuneration is directly based on the performance and profitability of the Company for the relevant financial year, performance rewards shall not therefore be considered a guarantee, acquired right or privilege at all, and shall not also be interpreted as such. Management shall not, explicitly or implicitly, indicate that it is a fixed compensation unless contractually agreed with senior management at the time of the contract.

Aljazira Takaful aims to link part of the total compensation for senior management and senior executives to their performance due to the following reasons:

To clearly link the Company's objectives to the performance and results of senior management that have the greatest impact on overall Company results;

Provide feedback on individual and collective performance of each executive;

Stimulate awareness of the performance results of executives to stay in business and maintain them for as long as possible;

Link variable rewards to long-term performance of senior management managers in order to mitigate risk and stabilize the business; and

Achieve the interests of the insurer, shareholders and the Company's long- term strategic objectives.

Criteria of Annual Fixed and Variable Remuneration for Senior Management Members:

Remuneration shall be awarded to the managers who obtain satisfactory results on a balanced scorecard and comprehensive evaluation by direct supervisor or the Managing Director;

Remuneration shall also be awarded to the managers who have completed at least 6 months of continuous work by the end of the year;

The manager must be actually performing his duties at the time of the award, and has not submitted a resignation request or expresses lack of desire to renew the contract; and

The Director must not have received a warning letter or had any investigation of any violation in that year.

Tools to Measure the Performance and Evaluation of Senior Management Members:

Annual performance measurement for senior management managers is one of the most sensitive procedures for any organization. So Aljazira Takaful uses two key measurement criteria so that to avoid subjective or biased judgment and to be fully transparent, taking into account all factors that influence the award of the annual performance remuneration:

A- Balanced scorecard with four main goals:

Financial objective;

Customer Objective (Internal, External);

Bylaws; and

Personnel objective (development - training - human elements and information systems).

B- Comprehensive assessment:

Evaluation of other abilities or capabilities such as behavior, persistence, teamwork, appearance and other basic skills necessary to obtain a comprehensive evaluation of each member.

Procedures to Evaluate Performance and Determine Remuneration of Senior Management Members Headed by the Managing Director:

At the end of each calendar year, the Managing Director shall evaluate his senior management members. The final result shall be documented in the evaluation form, signed by the Managing Director, and the concerned Senior Management member shall also sign an acknowledgment that he is familiar with the evaluation form and he shall be given the space to express his opinion on the evaluation. The results of the evaluation of the senior management members of the Managing Director shall be submitted to the Nominations and Remuneration Committee by the Managing Director, in accordance with the aforementioned evaluation mechanism.

Practices of other companies shall be taken in consideration in determining rewards in order to avoid unjustifiable increases in rewards;

Rewards must be fair and based on a specific mechanism that does not consider any personal views or allow for discrimination between the members receiving the same assessment;

Such mechanism shall not cause any conflict of interest that may negatively affect the Company's performance; and

It shall also aim to meet the interests of the insurer, shareholders and the Company's long-term strategic objectives.

Procedures to Evaluate Performance and Determine Rewards of the Directors of Supervisory Department of the Audit Committee:

Directors of supervisory departments of the Audit Committee shall be evaluated by the Audit Committee. The final result shall be documented in the evaluation form, and the Chairperson of the Audit Committee shall sign such form as well as the concerned director of the supervisory department shall sign an acknowledgment that he is familiar with such form, and shall be given a space within such form to express his opinion on the evaluation. The results of the evaluation of directors of supervisory departments shall be submitted to the Audit Committee by the Chairperson of the Audit Committee according to the aforementioned evaluation mechanism.

The Audit Committee shall determine the proposed remuneration of the staff of its supervisory departments and shall, in determining such remuneration, take into account:

The performance of the employees in these positions shall be evaluated and their remuneration shall be determined without interference from the Company's executive management, taking the views of the Managing Director during the evaluation process in a manner that does not contradict the independence of the Committee's decision according to the stipulated regulations;

Rewards shall contribute to the neutrality and independence of these functions;

Taking into account the practices of other companies in determining remuneration so that to avoid unjustified rise in remuneration;

Rewards must be fair and based on a specific mechanism that does not consider any personal opinion or allow for discrimination between members receiving the same assessment;

Such mechanism shall not cause any conflict of interest that may negatively affect the Company's performance;

It shall also aim to meet the interests of the insurer, shareholders and the Company's long-term strategic objectives; and

It shall not exceed the rates specified for each assessment as provided for in the policy for determining the amounts of the award according to the percentage of completion approved by the Nominations and Remuneration Committee.

Seventh: Recommendation of the Nominations and Remuneration Committee to the Board:

The Nominations and Remuneration Committee shall review the evaluation results and proposed rewards of senior management members received from the Managing Director and the Chairperson of the Audit Committee so that to ensure they are in conformity with this policy, the estimated budget and results of the work of the Company. The Committee shall be competent to do the following:

Provide total remuneration for all employees of the Company, taking into account the percentage of such remuneration from net profits, and the recommendation of the managing director;

Approve the remuneration of senior management members of the Managing Director, taking into account the recommendations of the Managing Director;

Approve remuneration of the directors of supervisory departments of the Audit Committee, taking into account that the said remuneration shall be balanced with that approved for the senior management members of the Managing Director and taking into account the recommendations of the Chairperson of the Audit Committee in this regard;

Provide the Board with the annual remuneration for the members of the Board and the Sub-committees, and the Managing Director; and

Disclose, in all cases, any of the above after being approved by the Nominations and Remuneration Committee and any substantial difference in the criteria and limits of this policy.

Eighth: Linking Remuneration to Long-Term Performance:

In an effort to encourage the Managing Director and Senior Management members to ensure the Company's long-term success, Aljazira Takaful links rewards to long-term performance by linking the variable award to the Company's achievement of its five-year strategy so that to pay as follows:

100% of the approved remuneration shall be paid to the member upon approval by the Board for the current fiscal year by measuring performance against the approved annual operating plan;

Allocate an additional annual variable (deferred) percentage not exceeding 20% of the total remuneration value for the current year, which is proposed by the Nominations and Remuneration Committee to the Board to link it to the Senior Management's achievement of the Company's strategy for the next five years, which is approved by the Board, under the following conditions:

The deferred variable percentage shall be fairly and equally applied to the Managing Director and all members of the senior management with job-level positions (19 and higher);

The period of eligibility for a variable (deferred) reward shall be at least (three years) from the date of adoption of the strategy;

The percentage of allowances to be deferred based on the nature of the work planned to be achieved of the Company's strategy for the coming years, the current and potential risks associated with it, and the activities of the employee concerned shall be determined;

Components of performance-related long-term (delayed variable remuneration) rewards shall be determined by the relative importance of the Company's strategic components and the risk associated therewith; and

Ensuring that total deferred variable rewards will not limit the Company's ability to strengthen its capital base.

Member's variable (deferred) reward shall be paid once every three years in December;

The deferred amount shall be paid at 100% of the total amount of the deferred reward for the previous two years;

The performance evaluation of the concerned employee shall not be less than (exceed) for the previous three years;

In the event that the concerned employee (member) resigns before the due date of payment, his right to deferred remuneration shall be forfeited, and the Nominations and Remuneration Committee shall be entitled to pay the remuneration as the case may be in appreciation of his efforts; and

In the event of the concerned employee's retirement, death, or disability (God forbid), the deferred payment shall be made to the employee or his heirs until the date of such event.

Ninth: Payment of Compensation and Remuneration:

After the Board approves the proposal for compensation and remuneration, Senior Management shall implement such proposal within a period not exceeding 10 working days. Wages and remuneration shall be paid in Saudi Riyals by direct deposit from the bank account designated by the concerned person.

Tenth: Disclosure of Compensation and Remuneration:

At the end of each calendar year, the Nominations and Remuneration Committee shall prepare, in accordance with the designated format, a comprehensive statement of all remuneration, allowances, expenses and other benefits received by members of the Board, Sub-committees and Senior Management during the financial year as staff or managers, and of their entitlements for technical, administrative or consultancy work. The said statement shall include the number of meetings of the Board and the Committees and the number of meetings attended by each member from the date of the last meeting of the General Assembly. Such statement shall be included in the report of the Board to the regular General Assembly and the remuneration shall be included in the agenda of the General Assembly for approval.

Eleventh: Cases of Suspension of Payment or Recovery of Remuneration:

By virtue of a decision issued by the Board of Directors, the Company's Board of Directors shall have the right to suspend the payment or recover the remuneration if it is determined that it was released based on inaccurate information provided by any of the members of the Board, Sub-committees or Senior Management, in order to prevent abuse of position to obtain undue remuneration.

Twelfth: Medical Insurance for Board Members

All members of the Board of Directors shall be entitled to medical insurance for themselves and their family members in accordance with the following requirements:

1- The Board member shall be currently performing his duties in the Company; 2- Medical insurance for wives and children shall be provided as follows:

- Males up to 25 years of age and unmarried and non-working females.

*The medical insurance policy expires if the term of membership is not renewed.

E. Board Remuneration Table (Thousand Saudi Riyals)

Name	Fixed Remunerations							Variable Remunerations						End-of-service award	Aggregate Amount	Expenses Allowance
	Specific amount	Allowance for attending Board meetings	Total Allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
First: Independent Members																
1. Khalifa Nasser Al-Khalifah	120	20	85	Doesn't apply			225	Doesn't apply					225	10		
2. Ibrahim Hassan Al-Harabi	70	15	10				96						96	3		
3. Abdul Latif Mohammed bin Ghaith	120	20	50				190						190	5		
Second: Non-executive members																
4. Abdul Majeed Ibrahim Al Sultan	180	20	65	Doesn't apply			265	Doesn't apply					265	6		
5. Khaled Othman Al-Othman	120	15	40				175						175	-		
6. Naif Mesnad Al-Mesnad	71	15	50				136						136	-		
7. Ashraf Adnan Bseisu	71	15	15				101						101	8		
8. Abdulelah Alqasimi	71	15	10				96						96	8		
9. Ziad Tariq Aba Al-Khail	29	5	10				44						44	-		
Third: Executive Members																
10. Saqr Abdul Latif Nader Shah	120	20	65	2,554		1,700	4,459	Doesn't apply					4,459	5		
Total	972	160	400			1,700	5,786						5,786	45		

F. Remunerations of Senior Executives Table

Five senior executives who received the highest remuneration and compensation, including the managing director and the financial director (one thousand Saudi Riyals)	
Salaries	3,620
Allowances	1,347
Incentive plans	2,447
Periodic and annual Remunerations	No
Any compensation or other benefits in kind paid monthly or annually	

F. Committees Members Remuneration (Thousand Saudi Riyals)

Committee Members Remuneration (Thousands Saudi Riyals)			
Committee Name / Member Name	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending Board meetings	Total
Executive Committee			
1. Abdulmajeed Ibrahim Al Sultan	Doesn't apply	30	30
2. Naif Al-Mesnad		25	25
3. Khaled Othman Al-Othman		25	25
4. Sager Abdul Latif Nadershah		25	25
5. Ziad Aba alkhail		5	5
Audit Committee			
1. Khalifa Nasser Alkhalifa	-	50	50
2. Adel Saleh Alhowar	100	45	145
3. Muhammad Ali Alammari	100	50	150
Risk Committee			
1. Khalifa Nasser Alkhalifa	-	20	20
2. Adel Saleh Alhowar	50	20	70
3. Ibrahim Mohammed Alharabi	20	20	40
Nomination and Remuneration Committee			
1. Abdul Latif Mohammed bin Ghaith	-	15	15
2. Ibrahim Mohammed Alharabi	-	15	15

3. Abdulelah Al Qasemi	-	5	5
4. Faisal Almansour	-	-	-
Investment Committee			
1. Naif Al Mesnad	Doesn't apply	15	15
2. Abdulmajeed Ibrahim Al Sultan		20	20
3. Abdul Latif Mohammed bin Ghaith		20	20
4. Sager Abdullatif Nadershah		20	20
5. Ashraf Adnan Bseisu		5	5
6. Ziad Tariq Aba alkhalil		5	5
Sharia Committee			
1. Sheikh/ Dr. Muhammad Ali Al-Qari	50	20	70
2. Sheikh/ Dr. Yousef Abdullah Alshubaily	50	20	70
3. Sheikh/ Dr. Abdullah Abdul-Aziz Almusleh	50	15	65

16. Result of the annual review of the effectiveness of the Company's internal control procedures:

Aljazira Takaful Company Management is responsible for establishing and maintaining an adequate and effective internal control framework that includes policies, procedures / processes and information systems as approved by the Board of Directors to facilitate the achievement of highly efficient and effective operations. The internal control rules ensure the quality of external and internal reports, maintaining appropriate records and procedures, and adhering to the rules and regulations in force and internal policies with regard to work progress. However, responsibility for any internal control rules rests with the Board of Directors. The internal control rules system is designed to manage the risks of failure to achieve the strategic objectives of Aljazira Takaful Company. In 2021 AD, Aljazira Takaful Company made all its efforts to ensure the continuation of the internal control rules in accordance with the instructions, rules and regulations related to control rules issued by SAMA, which represent continuous procedures for identifying, evaluating and managing the major risks facing the Company. Internal / External Auditors and SAMA Inspection Team observations were reviewed during their inspection visits immediately, and then the necessary measures were taken by the Board of Directors, Audit Committee and also the executive management to correct these observations in a manner that protects the interests of the Company. As part of the Company's evaluation, the approved Internal Control Rules provides reasonable assurance regarding the integrity and reliability of the controls set and the management reports it issues.

- Evaluation of the Audit Committee on the adequacy of the Company's Internal Control Rules:**

Audit Committee Evaluation on the adequacy of the Company's internal controls during the year 2021 AD. The Audit Committee reviewed various reports on the adequacy of the internal controls and regulations, including financial statements, risk reports, internal audit reports, compliance management reports, anti-money laundering and terrorist financing. The Committee also reviews the follow-up of the corrective plans

presented by the Executive Management and expresses the independent opinion of the Board of Directors on their adequacy and effectiveness. The committee's discussions and decisions are documented in the meetings minutes as well as submitting issues requiring attention to the Board of Directors periodically. During this year, the members of the Audit Committee held meetings with Head of the Internal Audit Department, Vice Head for Operations, Head of Risk Management, Head of the Compliance Department, Financial Department, External Auditors, Information Technology Department, as well as Head of the Actuarial Services Department and appointed actuary & Consultant of IFRS-17 project, among others. The Committee was informed of the latest developments regarding issues require the attention of the committee. The Committee also received the internal audit reports and the reports of the supervisory authorities in addition to the reports of the external auditors of the management issued during the year, and reviewed the management work plans for the issues submitted to ensure that the requirements are met according to the applicable plan. The Audit Committee also reviewed the effectiveness of the internal control rules and the procedures for compliance with the compliance policy in Aljazira Takaful Company and the relevant regulatory and legal requirements in the Kingdom of Saudi Arabia and whether the management has fulfilled its duty to create effective internal control rules and seek independent assurance through the internal audit department to assess the adequacy and effectiveness of these internal controls.

17. The audit committee recommendation:

There are no material recommendations submitted by the Audit Committee at Aljazira Takaful Taawuni Company, to implementation of Article 90 of the Corporate Governance Regulations.

18. Employee Benefits:

Aljazira Takaful Taawuni Company continued its efforts in pursuance, recruitment, and retention of the best Saudi talents. Through employment programs designed. The company achieved a steady increase in Saudization, reaching 87.12% by the end of the 2021. Among development and training strategies, career development and talent program was implemented which aims to development and train employees where business success comes from continuous investment in highly qualified and capable human capital. The Company's Management interest great to developing its competencies through personal development plans and career progression programs, which ensure the continuity of the availability of qualified personnel, through which the Company will achieve the best career development results, God willing. The Company pays compensation and benefits to employees according to Saudi labor laws and regulations. The company's accumulated balance of the end of service for the company's employees on December 31, 2021, amounted to 5,248 thousand Saudi riyals.

19. Social Responsibility:

There is no social Responsibility made by the company during the fiscal year 2021 AD.

20. Approved International Accounting Standards:

The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards amended by SAMA for accounting process for zakat and income.

21. External Auditors:

At the company's annual meeting on 27/06/2021 AD, the Shareholders' Extraordinary General Assembly approved to reappointment of Crowe Global / AlAzem, AlSudairy Partners CPA's and KPMG Al Fawzan & Partners from among the candidates based on the Audit Committee's recommendation, in order to examine, review and audit the financial statements for the second, third and quarter of the fiscal year 2020 AD and the first quarter of the Fiscal Year 2021 AD and determine their fees.

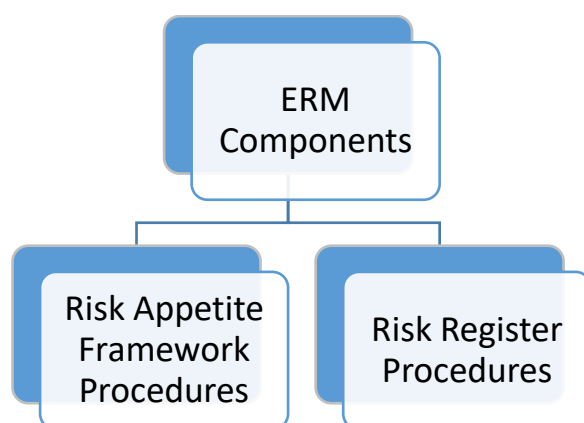
22. Corporate Risk Model:

Corporate risk management aims to ensure proper risk management by identifying and monitoring risks to help the Company achieve its objectives, and initiating to reduce them as far as practicable. This process also ensures that the Company's management and operations are consistent with best practices.

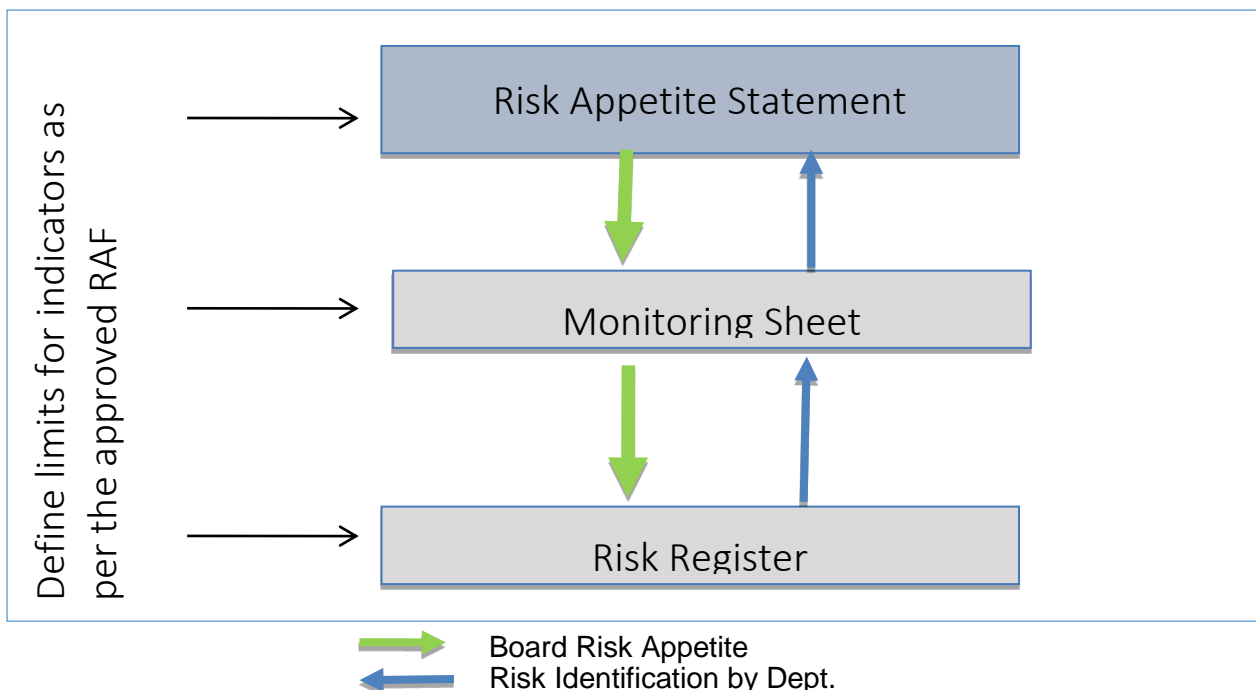
The risk appetite framework procedures were approved in 2018 by the Board of Directors after being reviewed and recommended by the Risk Committee - a framework that seeks to improve the effectiveness of monitoring risks and reporting performance indicators on a monthly basis.

Monthly monitoring of performance indicators in addition to raising awareness as two main elements in risk management and internal control of Aljazira Takaful Company is an essential element of corporate risk management. To achieve this goal, the policy recommends that the risk register is the basic record in which all risks faced by the Company are determined based on ratings approved by the risk management of the Board of Directors. So that the risk department, in cooperation with all stakeholders within the Company, approves the main indicators and monitors the outputs of the risk register for each department separately, as well as in a comprehensive institutional manner so that the executive management can develop corrective plans on a monthly basis and issue performance reports to the Risk Committee in addition to submitting its recommendations to the Board of Directors.

2019 year represented the first year for implementing the procedures adopted to monitor and follow up the risk appetite framework. This implementation helped in the positive growth of the education curve in terms of risk culture and how to consider it in a way that preserves the interest of all related parties.



The mechanism of the risk appetite framework aims to define a statement of risk limits based on the risks recorded in the Risk Register, and the procedures followed in the process help to raise the level of transparency between the management, the Risk Committee and the Company's Board of Directors.



RISK MANAGEMENT

Risk is inherent in the Company's activities but is managed through a process of on-going identifications, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company's policy is to monitor business risk through strategic planning process. The strategy considers the impact of market conditions and available expertise on inherent risks to which the Company is exposed.

Risk management structure

A cohesive organisational structure is established within the Company in order to identify, assess, mitigate and control risks.

Board of Directors

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

Senior management

Senior management is responsible for the day to day operations towards achieving the strategic goals within the Company's Board authorised risk appetite parameters.

Audit Committee

The Audit Committee is elected by the General Assembly. The Audit Committee assists the Board in carrying out its responsibilities with respect to assessing the quality and integrity of financial reporting and risk management, the audit thereof and the soundness of the internal controls of the Company.

Risk Committee

The Risk Committee is elected by the Board of Directors. The Risk Committee is responsible for the Company's risk management strategy to ensure that the Company's exposure to risks is minimal.

Internal Audit

All key operational, financial and risk management processes are audited by Internal Audit. Internal Audit examines the adequacy of the relevant policies and procedures, the Company's compliance with internal policies and regulatory guidelines. Internal Audit discusses the results of all assessments with management and reports its findings and recommendations to the Audit Committee.

The risks faced by the Company and the way these risks are mitigated by management are summarised below.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from factors other than credit, market and liquidity risks such as those arising from regulatory requirements. Operational risks arise from all of the Company's activities. The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors. The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

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

Insurance risk

Insurance risk is the risk that actual claims payable to policyholders exceed the carrying amount of reserve for insurance activities. This is influenced by the frequency and amounts of claims paid and subsequent development of long-term claims. Therefore, the objective of the Insurance Operations is to ensure that sufficient reserves are available to cover these liabilities. The Head of Operations manages this risk by ensuring that adequate reinsurance cover is taken to restrict the maximum loss payable for any individual claim.

Insurance risk (continued)

Concentration of insurance risk

The Company monitors concentration of insurance risks primarily by class of business. The major concentration lies in medical, individual life and group life segments. The Company also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For flood or earthquake risk, a complete city is classified as a single location. For fire and property risk a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company. Since the Company does not have any foreign operations, hence, all the insurance risks relate to policies written in Saudi Arabia.

Key assumptions

The frequency and severity of claims can be affected by several factors like natural disasters, flood, environmental and economical, atmospheric disturbances, concentration of risk, civil riots, etc. The Company manages these risks through conservative underwriting strategies and effective use of reinsurance arrangements.

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like natural disasters, flood, environmental and economical, atmospheric disturbances, concentration of risks, civil riots etc. The Company manages these risks through the measures described above. The Company has limited its risk by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., hurricanes, earthquakes and flood damage). The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by management.

Sources of uncertainty in estimation of future probable claim payments

The key source of estimation uncertainty at the balance sheet date relates to the valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under insurance contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgement and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. In particular, estimates have to be made both for the expected ultimate cost of claims reported at balance sheet date the expected ultimate cost of claims incurred but not reported (IBNR) at the balance sheet date.

Process used to decide on assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information is available.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, in which case information about the claim event is available. IBNR provisions are initially estimated at a gross level and a separate calculation is carried out to estimate the size of the reinsurance recoveries. The estimation process takes into account the past claims reporting pattern and details of reinsurance programs. The premium liabilities have been determined such that the total premium liability provisions (unearned premium reserve and premium deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of balance sheet date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

Medical

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risks and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, 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 claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company. The Company has reinsurance cover to limit the losses for any individual claim.

Insurance risk (continued)

Motor

For motor contracts the main risks are claims for death and bodily injury and the replacement or repair of vehicles. In the current year, the Company has only underwritten comprehensive policies for owner/drivers over 18 years of age. 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.

General

General contracts mainly include the property, engineering and marine subclasses.

Property insurance contracts, with the main peril being fire, accidental damage and other allied perils resulting therefrom are underwritten either on a replacement value or on a market value basis with appropriate values for the interest insured. The cost of rebuilding or repairing the damaged properties and the time taken to reinstate the operations to its pre-loss position in the case of business interruption are the main factors that influence the level of claims. In respect of accumulation of the retentions under the property business, this is covered by proportional as well as non-proportional treaties.

The engineering business includes long term Erection All Risks (EAR) and Contractor All Risk (CAR) policies and annual policies for Machinery Break Down (MBD), Machinery All Risk, Electronic Data Processing, Business Interruption in conjunction with MBD. The long tail EAR/CAR policies cover various projects for the whole project period. Selection of the risks and proper underwriting are the criteria for this line of business. These are adequately covered under the Engineering proportional and non-proportional treaties.

For marine insurance the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargo. The underwriting strategy for the marine class of business is to ensure that policies

are well diversified in terms of cargo, vessels and shipping routes covered. The Company has reinsurance cover to limit losses for any individual claim.

Individual Life and Group life

For individual life business, the main risk is the mortality and morbidity (permanent or temporary disability) of the insured. This is managed through an effective and clearly defined underwriting strategy. There are various levels of understanding carried out, including declaration of good health, medical questionnaire, reports from specialist/ consultants and comprehensive medical tests.

The Company also assesses financial, lifestyle and occupational information to ascertain the degree of risk carried by the insured and to determine whether or not it could be classified as a standard life.

For group life and group credit protection, the main risks are mortality and morbidity (permanent or temporary disability) of the insured. The mortality risk is compounded due to the concentration of lives, for e.g. employees in the same workplace. The Company has a clearly defined underwriting strategy. There are various levels of understanding carried out, including declaration of good health, medical questionnaire, reports from specialist/ consultants and comprehensive medical tests. The Company also looks at the nature of activity carried out by the group, group size, mix of lives by geographical regions, cultural background and manual/non-manual worker split.

The individual life business and group credit protection portfolios are protected through an efficient reinsurance arrangement. This protects the Company from adverse mortality/morbidity experience.

Sensitivity of claims

The Company believes that the claim liabilities under insurance contracts outstanding at the reporting date are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The insurance claim liabilities are sensitive to the various assumptions. It has not been possible to quantify the sensitivity of specific variable such as legislative changes or uncertainty in the estimation process. A hypothetical 5% change in the claims ratio would impact net underwriting income annually in aggregate by:

Insurance risk (continued)

	Net underwriting income	
	2021	2020
	SR'000	
Impact of change in claim ratio by + / - 5%		
Medical	3,602	-
Motor	1,398	-
General	102	-
Individual Life	1,543	1,518
Group Life	1,032	1,472
	7,677	2,990

Independent actuarial review of claims and claims reserve.

In further mitigation of the insurance risk, the Company utilizes an independent actuary who performs periodical reviews of the Company's claims modeling and claims projections as well as verifying that the annual closing claims are adequate.

Reinsurance risk

Similar to other insurance companies, in order to minimise the financial exposure arising from large claims, the Company in normal course of business, enters into reinsurance arrangements with the reinsurers. Such reinsurance arrangements provide for greater diversification of business, allow the

management to control exposure potential losses arising from large risk, and provide additional capacity for growth. All of the reinsurance is affected under treaty, Quota share and Surplus reinsurance contracts. To minimize its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

Reinsurers are selected using the following parameters and guidelines set by the Company's Board of Directors and Reinsurance Committee. The criteria may be summarized as follows:

- Minimum acceptable credit rating by recognized rating agencies (e.g. S&P) that is not lower than BBB or equivalent.
- Reputation of particular reinsurance companies.
- Existing or past business relationship with the reinsurer

Furthermore, the financial strength and managerial and technical expertise as well as historical performance, wherever applicable, are thoroughly reviewed by the Company and matched against a list of requirements pre-set by the Company's management before approving them for exchange of reinsurance business. Reinsurance ceded contracts do not relieve the Company from its obligations to policyholders and as a result the Company remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

Capital management (solvency) risk

Objectives are set by the Company to maintain healthy capital ratios in order to support its business objectives and maximise shareholders' value. The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. As per guidelines laid out by SAMA in Article 66 of the Implementing Regulations of the Cooperative Insurance Companies Control Law detailing the solvency margin required to be maintained, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per SAMA Implementing Regulations:

- Minimum Capital Requirement of SAR 100 million
- Premium Solvency Margin
- Claims Solvency Margin

As at December 31, 2021 the Company's solvency level is higher than the minimum solvency margin required by the Implementing Regulations of the Cooperative Insurance Companies Control Law. The capital structure of the Company as at December 31, 2021 consists of paid-up share capital of SAR 550,000 thousand, share premium of SAR 197,286 thousand, statutory reserves of SAR 42,632 thousand and retained earnings of SAR 22,812 thousand (December 31, 2020: paid-up share capital of SAR 350,000 thousand, share premium of SAR nil, statutory reserves of SAR 38,348 thousand and retained earnings of SAR 85,012 thousand) in the consolidated statement of financial position. In the opinion of the management, the Company has fully complied with the externally imposed capital requirements during the reported financial period.

Reinsurance risk (continued)

The ratings of its reinsurance counterparties are as follows:

<u>Reinsurer</u>	<u>Rating agency</u>	<u>Rating</u>
Munich Re	A.M. Best	A+
Swiss Re Asia Pte. Ltd	Standard & Poor's (S&P)	AA-
RGA International Reinsurance	Moody's	A1

AXIS Reinsurance	Standard & Poor's (S&P)	A+
Argo Global Underwriting	A.M. Best	A-
GIC Re	A.M. Best	B++
Hannover Re	Standard & Poor's (S&P)	AA-
Saudi Re	Moody's	A3
Singapore Re	A.M. Best	A-
SCOR	Standard & Poor's (S&P)	AA-
R+V Re	Fitch	AA-
Partner Reinsurance	Standard & Poor's (S&P)	A+
Oman Insurance	A.M. Best	A
Odyssey Re	Standard & Poor's (S&P)	A-

Regulatory framework risk

The operations of the Company are also subject to 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 minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as they arise.

Financial risk

The Company's principal financial instruments are cash and cash equivalents, available for sale investments held to cover unit-linked liabilities, contribution receivable, reinsurance share of outstanding claims, other assets, held to maturity investments, FVIS investments, due from related parties, statutory deposit, reinsurance balances payable, accrued expenses and other liabilities, due to Shareholders' operations and other payables.

The Company does not enter into derivative transactions.

The main risks arising from the financial instruments of Insurance Operations and Shareholders' Operations are foreign currency risk, commission rate risk, credit risk, liquidity risk and fund price risk.

The management reviews and agrees policies for managing each of these risks and they are summarised below:

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Management believes that there is minimal risk of losses due to exchange rate fluctuations as the Insurance Operations and Shareholders' Operations primarily deal in Saudi Riyals and in US Dollar. Saudi Riyal which is pegged to the US Dollar.

Commission rate risk

Commission rate risk arises from the possibility that changes in commission rates will affect future profitability or the fair values of financial instruments. The Company is exposed to commission rate risk on its murabaha deposits and sukuks.

The sensitivity of the income is the effect of assumed changes in commission rates, with all other variables held constant, on the Company's profit for one year, based on the floating rate financial assets held at 31 December 2021. A hypothetical 50 basis points change in the weighted average commission rates of the floating rate financial assets balances at 31 December 2021 would impact commission income on

murabaha deposits and sukuks by approximately SAR 2,605 thousand (2020: SAR 1,977 thousand) over the remaining period of maturity.

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.

The Company issues unit linked investment policies. In unit linked business the plan holder bears the investment risk on the assets held in the unit linked funds as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the Company has no material credit risk on the unit linked financial assets.

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

- To minimize its exposure to significant losses from reinsurance insolvencies, the Company evaluates the financial condition of its reinsurance counterparties. Accordingly, as a pre-requisite, the parties with whom reinsurance is affected are required to have a minimum acceptable security rating level affirming their financial strength.
- The Company seeks to limit the credit risk by setting credit limits and monitoring outstanding receivables. In respect of premium receivable, one of the policy holders account for 22% of the balance as at 31 December 2021 (2020: 87%).

The Company's investments comprise of murabaha securities, sukuks and mutual funds. The Company limits its credit risk on investments by setting out a minimum acceptable security rating level affirming their financial strength. The table below shows the maximum exposure to credit risk for the components of the financial position:

	2021	2020
	SAR'000	SAR'000
Cash and cash equivalents	83,023	106,032
Premium receivable	42,169	2,705
Due from reinsurers	1,385	-
Reinsurance share of outstanding claims	52,471	43,483
Reinsurers' share of claims incurred but not reported	26,924	15,164
Investments	622,690	451,811
Due from a related party	60,788	26
Amounts held for investments with Custodians	55,793	-
Other receivables	7,332	2,913
Statutory deposit	47,066	35,000
	999,641	657,134

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity requirements are monitored on a timely basis and management ensures that sufficient funds are available to meet any commitments as they arise. All assets of Insurance Operations and Shareholders' Operations are current, except for investments, statutory deposit and fixtures, furniture and equipment which is non-current in nature.

Maturity table

The table below summarizes the maturity profile of the financial assets and liabilities of the Company based on remaining expected undiscounted contractual obligations:

SR'000	2021			2020		
	Less than	More than	Total	Less than	More than	Total
	one year	one year		one year	one year	
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
FINANCIAL ASSETS						
Cash and cash equivalents	83,023	-	83,023	106,032	-	106,032
Premium receivable	42,169	-	42,169	2,705	-	2,705
Due from reinsurers	1,385	-	1,385	-	-	-
Reinsurance share of outstanding claims	52,471	-	52,471	43,483	-	43,483
Reinsurers' share of claims incurred but not reported	26,924	-	26,924	15,164	-	15,164
Available for sale investments held to cover unit-linked liabilities	1,524,882	-	1,524,882	1,343,823	-	1,343,823
Investments	-	622,690	622,690	-	451,811	451,811
Due from a related party	60,788	-	60,788	26	-	26
Amounts held for investments with Custodians	55,793	-	55,793	-	-	-
Other receivables	7,332	-	7,332	2,913	-	2,913
Statutory deposit	-	47,066	47,066	-	-	-
TOTAL	1,854,767	669,756	2,524,523	1,514,146	486,811	2,000,957

SR'000	2021			2020		
	Less than	More than	Total	Less than	More than	Total
	one year	one year		one year	one year	
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
FINANCIAL LIABILITIES						
Accrued expenses and other liabilities	98,322	-	98,322	44,734	-	44,734
Lease liabilities	579	678	1,257	-	-	-
Payable to agents, policyholders and claimants	36,194	-	36,194	-	-	-
Reinsurance balances payable	34,389	-	34,389	15,300	-	15,300
Outstanding claims	81,740	-	81,740	49,226	-	49,226
Claims incurred but not reported	62,123	-	62,123	17,835	-	17,835
Premium deficiency reserve	9,617	-	9,617	-	-	-
Unit reserves	1,526,927	-	1,526,927	1,349,364	-	1,349,364
Mathematical reserve	5,468	-	5,468	9,160	-	9,160
Other technical reserves	259	-	259	322	-	322
Due to a related party	984	-	984	-	-	-
TOTAL	1,856,602	678	1,857,280	1,485,941	-	1,485,941

There are no differences between contractual and expected maturity of the financial liabilities of the Company.

Market price risk

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

The Insurance Operations and Shareholders' Operations are exposed to market risk with respect to their investments in units of open-ended mutual funds and quoted equity securities.

Open-ended mutual funds

The underlying investments of the mutual funds are in equities, Sukuks and Murabaha purchased in the local and international markets and unit price of the fund is dependent on the movements in the market prices of these instruments. The fund manager limits market risk by monitoring the developments in the relevant markets for these instruments.

Quoted equity Securities

The total size of FVIS investments which are exposed to market price risk are SAR 155,875 thousand (2020: SAR 56,463 thousand). The Company manages this risk conducting thorough due diligence on each instrument prior to investing as well as maintaining exposure limits guidelines to minimise the potential impact of marking to market on the overall portfolio.

Unquoted equity securities

The Company has unquoted equity instruments carried at cost or indicative selling price, where the impact of changes in equity price will only be reflected when the instrument is sold or deemed to be impaired and then the statement of shareholders' operations will be impacted.

The sensitivity of the net assets on the assumed changes in the market prices of quoted open-ended mutual funds and quoted equity securities is set out below:

	Impact on Net Assets	
	2021	2020
	SR'000	
Impact of change in market prices by + / - 5%		
Open ended mutual funds	83,764	69,865
Quoted equity securities	178	149
	83,942	70,014

Price risk

Price risk is the potential change in the fair value of financial instruments as a result of instrument-specific developments or systemic factors affecting the overall market in which the instrument is being traded.

The total size of FVIS investments which are exposed to market price risk are SAR 155,875 thousand (2020: SAR 56,463 thousand). The Company manages this risk conducting thorough due diligence on each instrument prior to investing as well as maintaining exposure limits guidelines to minimise the potential impact of marking to market on the overall portfolio.

The potential impact of a 10% increase or decrease in the market prices of investments on Company's profit would be as follows:

	<u>Fair value change</u>	<u>Effect on Company's profit SAR'000</u>
2021	± 10%	± 15,588
2020	± 10%	± 5,646

The above sensitivity analysis is only on FVIS investments which directly impact the Company's prof

23. Business and contracts related to the Board of Directors and senior Executive:

Business or Contract Type	Business or Contract Amount	Business or Contract Term	Business or Contract Conditions	Member's Name/ Senior Management or any person related to any of them
1 Investment in mutual funds	Not specified	Not specified	According to the contract with the company at 01/08/2013	Naif Almesned in his capacity as the Managing Director Aljazira Capital

24. . RELATED PARTY TRANSACTIONS

The Company made the related party transactions below during the fiscal year ending on December 31, 2021:

RELATED PARTY	Type of relationship with the Company	Transactions Type	Duration	Transaction amount
				(One thousand Saudi Riyals)
Shareholders' operations				
Bank Aljazira	Founding shareholder	Commission earned from held to maturity	Calendar year	39
Bank Aljazira	Founding shareholder	Investment in equity shares	Unlimited time	388
Bank Aljazira	Founding Shareholder	Dividend received	Unlimited Time	7
Bank Aljazira	Founding Shareholder	Purchase of sukuk	Annual	99,251
Bank Aljazira	Founding Shareholder	Bonus shares issued	Unlimited Time	17,699
Aljazira Capital	Founding Shareholder	Profit earned on mutual funds	Unlimited Time	1,014
Aljazira Capital	Founding Shareholder	Bonus shares issued	Unlimited Time	2,950
Aljazira Capital	Founding Shareholder	Custodian charge	Unlimited Time	202
Solidarity Bahrain	Major shareholder	Bonus shares issued	Unlimited Time	5,593
Consolidated Brothers	Founding Shareholder	Bonus shares issued	Unlimited Time	2,950
Board of Directors	Board Members	Board of directors’ remuneration and fee	Annual	1,532
Insurance operations				
Bank Aljazira	Founding shareholder	Gross written contribution , claims paid, Commission earned from held to maturity investment	Calendar year	88,257

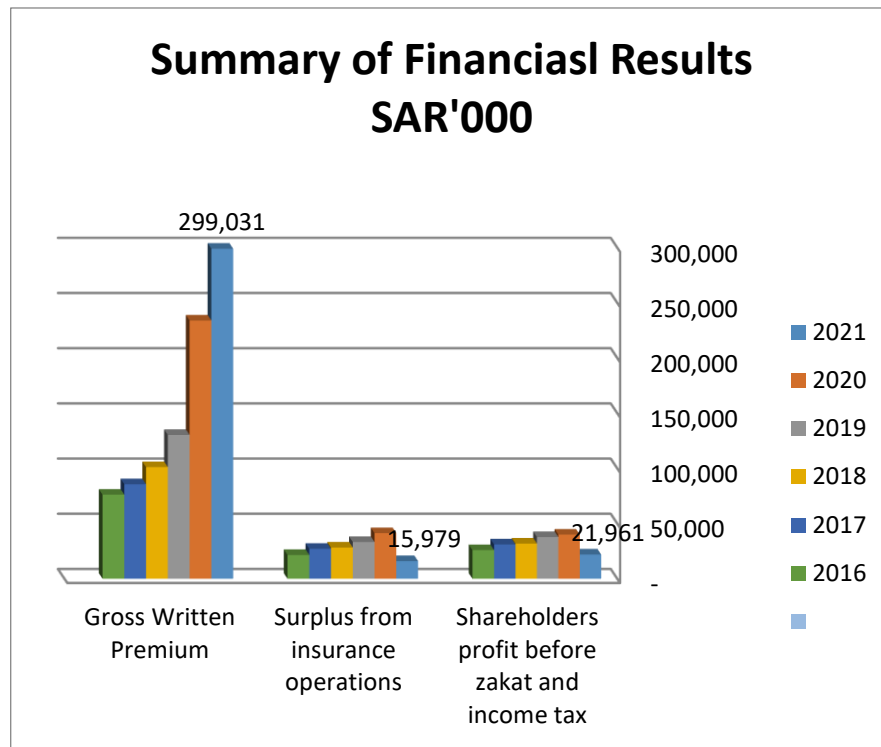
Aljazira Capital	Founding shareholder	Profits from investments in mutual funds	Unlimited time	13,924
Solidarity Bahrain	Major shareholder	Reinsurance premium ceded	Calendar year	2,705
Consolidated Brothers	Founding shareholder	Gross written contribution	Calendar year	27
Key management personnel	Key management personnel	Short-term employee benefits	Calendar year	7,414
Sageqr Abdull Latif Nadershah	Board Member	Annual premium for protection & saving insurance policy	Calendar year	8
Khaled Othman Al-Othman	Board Member	Annual premium for protection & saving insurance policy	Calendar year	36
Ibrahim Abdulmohsin Abdulmajed	Family member of the chairman	Premium for nonlife policies	Calendar year	136
Muhammad Ali Ala-Ammari	Member outside the board	Annual premium for protection & saving insurance policy	Calendar year	4
Medhat Mustafa Al-Sayrafi	Key management personnel	Annual premium for protection & saving insurance policy	Calendar year	6
Ahmed Abdul Quddus Fadl Ali	Key management personnel	Annual premium for protection & saving insurance policy	Calendar year	36
Mohammed bin Munir Quds	Key management personnel	Annual premium for protection & saving insurance policy	Calendar year	4

Due (from / to) related parties on December 31, 2021:

RELATED PARTY	Transactions Type	Due amount
		(One thousand Saudi Riyals)
Aljazira Capital	The balance of the investment account	60,788

25. Financial results:

During the year ended on December 31, 2021, the company achieved a profit before zakat and income tax SAR 21,961 thousand as compared to SAR 39,989 thousand in the year ended on 31 December 2020, a decrease of 18,028 thousand i.e. 45%.



- Comparison of assets and liabilities:

Assets of insurance operations	2016	2017	2018	2019	2020	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Cash and cash equivalents	58,984	46,814	13,208	15,454	72,500	77,628
Investments	-	15,001	58,530	43,911	69,849	119,459
Available-for-sale investments held to cover unit-linked related liabilities.	69,953	106,626	128,230	185,178	1,343,823	1,524,882
Contributions receivable, net	222	203	1,633	2,094	2,503	20,286
Due from reinsurers, net	-	-	-	-	-	1,385
Reinsurers' share of unearned insurance contributions	6,912	7,261	9,006	12,923	17,423	25,716
Reinsurers' share of outstanding claims	9,021	10,685	7,918	29,422	43,483	52,471
Reinsurers' share of claims incurred but not reported	2,988	4,901	8,089	5,669	15,164	26,924
Deferred policy acquisition costs	-	-	-	-	-	2,686
Due from related parties	3,665	5,432	7,444	28,176	-	-
Prepayments and other assets	288	708	939	3,214	5,490	31,697

Due from shareholders	-	-	-	-	-	33,478
Total assets of insurance operations	152,033	197,631	234,997	326,041	1,570,235	1,916,612

Shareholders' assets						
Cash and cash equivalents	22,893	6,448	3,807	4,233	33,532	5,395
Investments	304,106	329,285	337,299	367,503	381,962	503,231
Due from a related party	-	46	88	2,259	26	60,788
Prepayments and other assets	-	-	-	-	-	56,156
Goodwill	-	-	-	-	-	232,948
Amounts due from insurance operations	19,825	24,488	25,522	29,407	31,674	-
Statutory Deposit	35,000	35,000	35,000	35,000	35,000	47,066
Shareholders' total assets	381,824	395,267	401,716	438,402	482,194	905,584
Total assets	533,857	592,898	636,713	764,443	2,052,429	2,822,196

Liabilities and surplus of insurance operations						
Liabilities of insurance operations						
Units reserve	70,282	107,177	130,290	187,979	1,349,364	1,526,927
Premium deficiency reserve	-	-	-	-	-	9,617
Mathematica reserve	871	958	557	360	9,160	5,468
Other reserve	-	-	-	-	322	259
Unearned contributions	17,893	18,342	22,774	35,087	34,533	76,567
Outstanding Claims	10,083	12,901	10,015	33,525	49,226	81,740
Claims incurred but not reported	7,316	8,338	10,997	7,023	17,835	62,123
Reinsurers' balances payable	11,169	7,965	16,125	10,775	15,300	34,389
Accrued expenses and other liabilities	10,518	12,789	13,757	15,955	43,878	57,655
Lease liabilities	-	-	-	-	-	1,190
Payable to agents, policyholders, and claimants	-	-	-	-	-	36,194
Unearned reinsurance commission	-	-	-	-	-	632
Amounts due to shareholder operations	19,825	24,488	25,522	29,407	31,674	-
Employees' end of service benefits	1,924	1,960	2,050	2,624	3,518	5,248
Due to a related party	-	-	-	-	-	146
Total liabilities of insurance operations	149,881	194,918	232,087	322,735	1,554,810	1,898,155

Insurance operations surplus

Insurance operations Surplus	2,152	2,713	2,827	3,355	15,837	17,215
Remeasurement reserve of defined benefit obligation – related to Insurance operations	0	0	82	49-	412-	1,242
Total liabilities and surplus of insurance operations	152,033	197,631	234,996	326,041	1,570,235	1,916,612

Shareholders' liabilities and equity						
Shareholders' liabilities						
Accrued expenses and other liabilities	1,630	2700	2,790	2,696	7,552	56,356
Zakat and income tax	1,330	1023	1,039	1,110	1,282	2,182
Due to a related party	-	-	-	-	-	838
Due to Shareholders'/Insurance Operations	-	-	-	-	-	33,478
Total shareholders' liabilities	2,960	3,723	3,829	3,806	8,834	92,854

Shareholders' equity						
Capital	350,000	350,000	350,000	350,000	350,000	550,000
Share premium	-	-	-	-	-	197,286
Statutory reserve	10,671	16,885	23,253	30,595	38,348	42,632
Retained earnings	18,193	24,659	24,635	54,001	85,012	22,812
Total shareholder equity	378,864	391,544	397,888	434,596	473,360	812,730
Total shareholders' liabilities and equity	381,824	395,267	401,717	438,402	482,194	905,584
Total liabilities and surplus of insurance operations, liabilities and shareholders' equity	533,857	592,898	636,713	764,443	2,052,429	2,822,196

- Company Business Results:

	2016	2017	2018	2019	2020	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Gross Premium Written	82,655	85,620	101,145	130,283	233,934	299,031
Investible Contributions, net	(37,480)	(38,531)	(48,513)	(57,466)	(143,767)	(125,493)
Reinsurance premium ceded - Local	-	-	-	-	-	(8,889)
Reinsurance premium ceded - Foreign	(15,287)	(17,599)	(18,625)	(20,815)	(35,414)	(49,776)
Excess of loss expenses	-	-	-	-	-	(24,147)
Change in other reserves	-	-	-	-	(322)	18,607
Reinsurance commission earned	-	-	-	-	-	1,980
Change in mathematical reserve	(2,878)	(187)	401	197	2,180	3,692
Changes in premium deficiency reserve	-	-	-	-	-	9,627
Net insurance income	27,010	29,303	31,721	43,803	61,665	187,455
Net claims incurred	(2,950)	(2,722)	(1,398)	(2,377)	(5,796)	(117,254)
Policies acquisition Costs and supervision and inspection fees	(2,476)	(1,983)	(2,028)	(4,561)	(11,217)	(13,141)
Other direct underwriting expenses	-	-	-	-	-	(7,108)

General and Administrative Expenses	(5,032)	(4,994)	(5,815)	(7,317)	(34,269)	(67,676)
Investment income	1,203	842	1,165	1,429	1,184	1,046
Other income	3,770	6,680	4,624	2,575	29,720	32,657
Surplus for the period from insurance operations	21,525	27,126	28,269	33,552	41,287	15,979

- **Major differences in the operational results:**

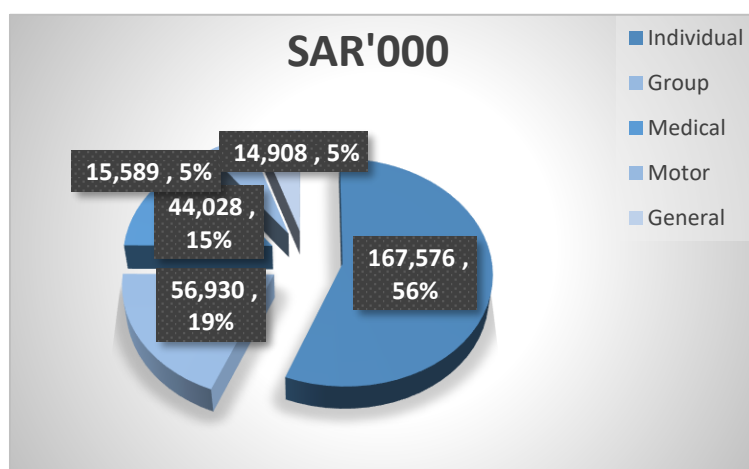
	2020	2021	Changes (+) or (-)	Percentage change
	SAR'000	SAR'000		
Gross Premium Written	233,934	299,031	65,097	28%
Investible Contributions, net	(143,767)	(125,493)	18,274	-13%
Reinsurance premium ceded - Local	-	(8,889)	(8,889)	100%
Reinsurance premium ceded - Foreign	(35,414)	(49,776)	(14,362)	41%
Excess of loss expenses	-	(24,147)	(24,147)	100%
Change in other reserves	(322)	18,607	18,929	-5879%
Reinsurance commission earned	-	1,980	1,980	100%
Change in mathematical reserve	2,180	3,692	1,512	69%
Changes in premium deficiency reserve	-	9,627	9,627	100%
Change in unearned premium, net	5,054	62,823	57,769	1,139%
Net insurance income	61,665	187,455	125,790	204%
Net claims incurred	(5,796)	(117,254)	(111,458)	1923%
Policies acquisition Costs and supervision and inspection fees	(11,217)	(13,141)	(1,924)	17%
Other direct underwriting expenses	-	(7,108)	(7,108)	100%
General and Administrative Expenses	(34,269)	(67,676)	(33,407)	97%
Investment income	1,184	1,046	(138)	-12%
Other income	29,720	32,657	2,937	10%
Surplus for the period from insurance operations	41,287	15,979	-25,308	-2993%

- **Geographical analysis of revenue:**

Geographic Analysis of Company's Total Revenues				
Year	Eastern	Western	Central	Total revenue
2021 AD	45,696	147,053	106,281	299,030

- **Gross Written Premiums:**

The total written premiums during the financial year ended on December 31, 2021, amounted to SAR 299,031 thousand, distributed between the business sectors, as shown here:



- General and administrative expenses for insurance operations:
- **Summary of the results of shareholders' operations:**

	2016	2017	2018	2019	2020	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Shareholders' share of surplus insurance operations	19,373	24,413	25,442	30,197	37,158	14,381
Investment income	8,863	9,545	9,591	10,667	13,939	14,894
Total revenue	28,236	33,958	35,033	40,864	51,097	29,275
General and administrative expenses	(2,317)	(2,889)	(3,193)	(3,109)	(11,108)	(7,314)
Surplus for the period from insurance operations	25,919	31,069	31,840	37,755	39,989	21,961

- **Dividend policy**

According to what is stipulated in the Company's Articles of Association, 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 specifies the date of entitlement and the date of distribution, and the eligibility of the profits will be for the shareholders registered in the shareholders' records at the end of the day specified for entitlement. The Company shall inform the Capital Market Authority without delay of any decisions to distribute profits or recommending that. The profits to be distributed to the shareholders shall be paid at the place and time determined by the Board of Directors, in accordance with the instructions issued by the competent authority, subject to the prior written approval of SAMA.

Shareholders' profits shall be distributed if approved as follows:

1. Avoid Zakat and assessed income tax.
2. (20%) of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may stop this set aside amount whenever the said reserve reaches the total paid capital.

3. The Ordinary General Assembly - based on the proposal of the Board of Directors - may set aside a percentage of the net annual profits to form an additional reserve and allocate it for a specific purpose or purposes decided by the General Assembly.
4. From the remainder, a first payment of not less than (5%) of the paid-up capital shall be distributed to the shareholders.
5. The remainder shall be then distributed to the shareholders in the form of a share of the profits or transferred to the retained earnings account.
6. It is permissible - by a decision of the Board of Directors - to distribute periodic profits to be deducted from the annual profits specified in paragraph (4) of this Article in accordance with the applicable rules issued by the competent authorities.

<i>Recommendation Announcement Date</i>	<i>Issue Type</i>	<i>Due Date</i>	<i>New Capital</i>	<i>Previous Capital</i>
2021-04-06	Bonus Shares	2021-11-30	550,000,000	470,664,030

For more information, refer back to Tadawul Website, announcement date on 1-December-2021 – Company code 8012

26. Statutory payments (one thousand Saudi Riyals)

Description	2021 AD		Brief description	Reasons
	Paid amount	Outstanding amount at the end of the year		
Zakat	2,908	2,838	The outstanding amount represents the value of the Zakat payable for the current year 2021, and the amount will be paid during the prescribed period	Due zakat
Income Tax	131	(656)		Tax on the company's profit
General Organization for Social Insurance	2,799	265	The amount outstanding represents the GOSI for the month of December 2021 and will be paid within the prescribed period in January 2022.	The value of social insurance for company's employees
Costs of visas and passports	18	0	This represents the renewing residency permits and issuing exit reentry visas	Non-Saudi employees
Labor office fees	192	0	Saudi work licenses	To renew and issue residency for non-Saudi employees

27. Penalties:

Penalties Subject	Previous Fiscal Year 2021		Current Fiscal Year 2020 AD	
	Number of penalties	Total amount of penalties in SAR	Number of penalties	Total amount of penalties in SAR
Violation of the supervisory body's instructions	2	60 thousand		Nil
Violation of the instructions on customers' protection				Nil

28. Board of Directors Declarations:

The Company's Board of Directors acknowledges and declares the following to the shareholders and related parties, according to its full knowledge:

- 1- Records of accounts have been properly prepared.
- 2- The Internal Control Rules System was prepared on a sound basis and was effectively implemented.
- 3- There is not doubts concerning the Company's ability to continue carrying out its activity.
- 4- The Company didn't inform during the last Fiscal Year under Article 45 of the Registration and Listing Rules of the existence of any interest in the voting-eligible shares category belonging to persons other than Board members and senior executives.
- 5- The Company didn't borrow during the period, and there are no outstanding loans.
- 6- The Company didn't issue or grant any transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights during the period.
- 7- The Company didn't, during the period, issue or grant any convertible debt instruments or any contractual securities, subscription right notes, or similar rights.
- 8- The Company didn't refund, purchase or cancel any redeemable debt instruments during the period.
- 9- There are no conflicts of interest during the period.
- 10- The Company hasn't subsidiaries.
- 11- There aren't cases, arrangements or agreements under which any of the shareholders of the Company waived their rights to profits.
- 12- There aren't cases, arrangements or agreements under which any of the members of the Board of Directors or senior executives waived salaries, compensation or dues.
- 13- There isn't penalty or precautionary restriction related to the Company imposed on any of the members of the Board of Directors from any judicial, supervisory or regulatory authority during the year.
- 14- There aren't recommendations from the Audit Committee that contradict it with the decisions of the Board of Directors regarding the appointment of an internal auditor or the Company's auditor for the previous Fiscal Year
- 15- There aren't reservations about the Company's financial statements for the previous Fiscal Year.
- 16- There isn't recommendation by the members of the Board of Directors to change the auditors for the previous Fiscal Year.

29. Appreciation

Aljazira Takaful Taawuni Company Board of Directors would like to take this opportunity to thank the shareholders and customers for their support and trust. The Board also wishes to express its thanks and appreciation to the employees of the Company for their dedication and efforts during the past year. We ask God Almighty for the Company to achieve further development and success.