



Board of Directors Report

For the Financial year 2021

The Board of Directors ("BOD") of Buruj Cooperative Insurance Company is pleased to present to the honorable shareholders its annual report for the financial year ending at 31/12/2021, comprising of to the audited financial statements by external auditors, PKF Al bassam & Co. and El Sayed El Ayouty & Co., with the notes attached thereto for the aforementioned period.

This report includes a presentation of the company's activities, operations and its financial position during the financial year, as well as the factors affecting its business activities. This report is issued according to the corporate governance regulations of the Capital Market Authority and the Saudi Central Bank (SAMA) and in accordance with the Companies' Law and the regulatory controls and procedures issued to implement Companies' Law for listed joint stock companies.

Introduction about the company

1-1 Buruj Cooperative Insurance Company ("the company") is a Saudi joint stock company established by Royal Decree No. (M / 72) dated 28/10/1429H (corresponding to 29/10/2008), pursuant to Council of Ministries resolution No. (313) dated 27/10/1429H (corresponding to 28/10/2008). The company is registered in the kingdom of Saudi Arabia under commercial registration number (1010280606) on 10/02/1431 H (corresponding to 26/01/2010) and its head office registered address is: Al Thoumamah Road, An Nada District, Riyadh. The company is licensed by the Saudi Central Bank to practice insurance business under license No. (TMN / 28/20105) dated 15/06/1431H (corresponding to 29/05/2010). The company practices its activities in accordance with the Cooperative Insurance Companies Control Law, its implementing regulations and other rules and regulations promulgated in the Kingdom. The company operates in the Kingdom of Saudi Arabia through the following branches licensed by the relevant authorities, in addition to a wide series of points of sales directly affiliated with the company and its exclusive agents and distributed over most regions of the Kingdom:

The Head office

Al Thoumamah Road
An Nada District, Riyadh
P.O. Box 51855 Riyadh 11553

Jeddah Branch

World Economy Tower
King Abdullah bin
Abdul Aziz Road
Jeddah
P.O. Box 742 Jeddah
21421

Khobar Branch

Al Diwan Center
Aldahran Street
Khobar
P.O. Box 1961, Khobar
31952

Motor Claims Service Center

Swan Trade Centre

Prince Sultan bin Abdulaziz Street

Sulaimaniya- Riyadh

P.O. Box 40997 Riyadh 11511

2- The main activities and products of the company:

2-1 Products and services

The company has been licensed to transact practice the following main insurance activities: (1) General insurance (2) Medical insurance. Knowing that the company has obtained final approvals from the Saudi Central Bank for a number of its insurance products, which are as follows:

2-1-1 Motor Insurance

- a. Motor comprehensive insurance.
- b. Third-party Insurance (according to the "Unified Compulsory Motor Insurance Policy").

2-1-2 Marine and Land Transport Insurance

- a. Marine cargo insurance - one shipment.
- b. Marine cargo insurance - open cover.
- c. Land Transport Insurance - open cover.

2-1-3 Property Insurances:

- a. Property insurance (against fires or lightening).
- b. Property all risks.
- c. Accidental damage insurance.

2-1-4 Engineering insurances:

- a. Contractors' all risks insurance.
- b. Erection all risks insurance.
- c. Contractors' equipment and machinery insurance.

- d. Machinery insurance.
- e. Electronic equipment insurance.
- f. Deterioration of stock in cold storage insurance.
- g. Machinery Breakdown Loss of Profit Insurance.
- h. Boiler and pressure vessels insurance.

2-1-5 General Accident Insurances:

- a. Public liability insurance
- b. Fidelity guarantee insurance.
- c. Money insurance.
- d. Personal accident insurance
- e. Workmen's compensation insurance
- f. Medical Malpractice(individual)
- g. Travel insurance
- h. Various vehicle guarantees insurances (6 products)
- i. Professional indemnity insurance for architects and civil engineers (project cover)
- j. Professional indemnity insurance for architects and engineers (annual cover)
- k. Professional indemnity insurance (various professions)

2-1-6 Medical insurance:

- a. Cooperative medical insurance policy.
- b. Tourist health insurance policy.
- c. Premium residence policy.

2-2 Analysis of the company's total revenues of operating segments

During the year 2021, the motor and medical insurance premiums accounted for 57% and 28% respectively of the gross written premiums (GWP) while other insurance premiums accounted for 15% of the gross written premiums. The following table shows the gross written premiums during the last five years:

Description	2021	2020	2019	2018	2017
Gross premiums	SAR	SAR	SAR	SAR	SAR
Motor insurance	166,407,028	123,983,203	148,058,847	190,943,386	276,899,240
Medical insurance	81,243,026	38,725,358	100,170,594	87,886,625	190,284,636

Marine insurance	6,504,428	6,875,885	7,753,071	7,696,116	8,820,217
Property Insurance	20,756,719	12,804,857	19,836,652	13,914,448	14,268,803
Others	15,800,702	19,862,623	29,721,775	19,557,407	21,235,855
Total	290,711,903	202,251,926	305,540,939	319,997,982	511,508,751

The following are the underwriting results for the company's operating segments for the year 2021:

Description	Motor	Medical	Property	Marine	Other
Gross written premiums	166,407,028	81,243,026	20,756,719	6,504,428	15,800,702
Net premiums written	166,617,518	76,802,341	2,325,459	1,711,208	6,255,411
Net premiums earned	108,755,086	42,801,964	1,872,733	1,697,190	6,615,807
Other underwriting income	98,363	99,075	2,839,563	3,149,836	4,043,404
Net claims incurred	57,555,485	36,258,709	(59,755)	(1,104,036)	1,706,014
Underwriting costs	4,069,036	4,052,711	1,477,837	554,868	911,345
Other underwriting expenses	15,457,658	4,969,216	(248,143)	(81,419)	(270,137)
Underwriting surplus / (deficit)	31,771,270	(2,379,597)	3,542,357	5,477,613	8,311,989

2-3 Geographical analysis to the total revenues of the company and its subsidiaries

The company does not own any subsidiary companies in the Kingdom of Saudi Arabia nor any branches or subsidiary companies outside the territory of the Kingdom of Saudi Arabia as of 31/12/2021, therefore there is no geographical analysis applicable to subsidiaries. The following table shows the geographical analysis of the company's revenues in the Kingdom of Saudi Arabia for the last five years:

Description	2021	2020	2019	2018	2017
Gross written premiums	SAR	SAR	SAR	SAR	SAR
Western region	132,878,273	66,369,996	104,284,632	121,514,332	162,425,176
Central region	109,364,019	70,878,611	140,769,554	120,223,749	222,866,199
Northern region	16,017,050	25,532,069	25,336,891	44,927,096	63,440,225
Eastern region	22,444,318	27,028,675	25,190,192	21,377,462	27,662,277
Southern region	10,008,243	12,442,575	9,959,670	11,955,343	35,114,874
Total	290,711,903	202,251,926	305,540,939	319,997,982	511,508,751

2-3-1 The Company has a 40% stake in the Gulf Warranties Company for Insurance Services - Limited Liability, the capital of which is three million Saudi riyals, and this investment is considered as an investment in an associate and not affiliated because the company does not exercise any control over the financial and operating policies of the associate. The value of this investment decreased in the year 2021 to 597,960 Saudi riyals, i.e. an amount of 102,658 Saudi riyals compared to the previous year, and it represents Buruj's share from the losses of the Gulf Warranties Company, according to the associate's (unaudited) accounts as on 12/31/2021.

3- Important developments and future prospects

3-1 The most important developments during the year 2020

3-2 Key Developments during the year 2021:

- The company connected to electronic mediation platforms.
- The company launched a medical insurance platform.
- Appointment of Mr.Abdulrahman bin Al-Dakhil as the company general manager in 15/02/2021.
- Signing an agreement for selling the mandatory travel insurance Product for Saudis who's traveling outside the Kingdom of Saudi Arabia
- The comprehensive report of Buruj was issued by Moody's on June 08, 2021, and the following is a summary of the most important points and indicators, as well as the risk management assessment of classification trends over the next year (according to these indicators):
 1. IFS Former Financial Strength Rating: Baa2, with the rating status changed to "Under review towards / reduction ".

2. New Financial Strength Rating (IFS): affirmation of the Baa2 insurance financial strength rating (IFSR) of the company, with an Outlook changed from "Under review towards / reduction to stable.

The stable outlook reflects the level of liquid reserves and strong capital maintained by Buruj and Moody's expectation that Buruj will recover its market share while maintaining adequate and strong capital levels.

Points of Strength (Factors Affecting Rating):

- ☐ Assets quality
- ☐ Capital preservation as evidenced by the feature of the gross premiums rate for equity and also compliance with the regulatory solvency requirements.
- ☐ Prudent technical reserve levels and reserve management.
- ☐ Maintaining liquidity with sufficient liquid assets.
- Renewal of Buruj Cooperative Insurance Company qualification with the Council of Cooperative Health Insurance on 15/08/2021.
- Buruj Cooperative Insurance Company has obtained on 07/11/2021 the approval of the Saudi Central Bank to renew the license to practice insurance activity.

3-2 Future expectations for the company's business and insurance sector

- Continuing the policy of horizontal expansion to reach the largest possible number of customers and meet their insurance needs and focus on insurance products for individuals of all kinds.
- Focusing on sales operations through the company's website.
- Developing and licensing multiple new products targeting individuals within accident and general liability insurances and extended warranty insurances for electronic equipment in order to ensure the best possible service for our customers.
- Improving and developing information technology systems within the company by building new applications and additional automated reports that help the company in taking appropriate decisions.

4- Risk Management

Risk management at Buruj Cooperative Insurance Company is one of the main pillars on which it relies in identifying, measuring and limiting exposure to the significant risks that the company faces or may face. Buruj always strives to foster a strong risk management culture, backed by an independent and effective governance structure. Due to the importance of this role in Buruj, the risk management received adequate support and periodic follow-up from the company's board of directors and its risk management committee, as well as the company's executive management.

Risk management structure:

A precise organizational structure has been established within the company to identify, assess, and monitor and control risks.

Board of Directors:

The Board of Directors is the highest authority responsible for governance risks as it provides direction and approves strategies and policies to achieve the company's objectives.

Executive Management:

The executive management is responsible for the day-to-day operations in order to achieve the strategic objectives within a policy predetermined by the company regarding risk acceptance.

Risk Management Committee:

The main objective of the Risk Management Committee (emanating from the Board of Directors) Buruj is to assist the Board of Directors in carrying out its tasks related to risk management while setting up appropriate internal control procedures to ensure compliance with the laws, regulations and strategies relating to risk management, and directly supervise risk management and its operations in a way that ensures its independence, achieving the company's objectives and goals, and protecting the interests of its shareholders in an efficient and effective way.

4- Risk Management:

The company is exposed to the risks that the companies in the insurance sector are vulnerable to. Among the most prominent of which are but not limited to:

4-1- Financial risks

- Market risk: Market risk refers to the risk of loss that the company is exposed to as a result of market price fluctuations.
- Currency exchange rate risk: It is the risk associated with a change in the value of an investment due to changes in currency exchange rates.
- Interest rate risk: It is the risk that the value of an investment will change due to a change in the interest rate.
- Liquidity risk: It is the risk associated with the inability to fulfill its short-term obligations and liabilities
- Credit risk: It is the risk associated with the inability of the other party to fulfill its obligations towards the company.
- Solvency risk: It is the risk of the company's inability to fulfill its maturing obligations at full value, even after disposing of its assets.
- Strategic risks: The risks associated to future plans and strategies, and includes planning risks, products' development and reputation risks.
- Operational risks: the risk of loss resulting from failure of internal procedures and operations, people, information technology, or from an external event. It also includes claims settlement risks and business continuity risks.
- Insurance risks: includes technical and systemic reserves risks, underwriting, pricing, reinsurance and disaster risks.
- Non-compliance risks: These are the risks arising from violations of laws, rules and regulations.

5- Summary of the company's financial information

The summarized financial statements below must be read together with the audited financial statements, including the accompanying notes for the last five financial years ending on December 31 for the years 2017, 2018, 2019 and 2020, 2021.

5-1 Accounting standards used

The financial statements have been prepared in accordance with International Financial Reporting Standards ("Standards") (IFRS) since the incorporation of the company. The basis for preparing the financial statements and significant accounting policies are explained in more detail in the notes to the financial statements.

5-2 Statement of Financial position, statement of income and statement of cash flows:

Statement of Financial position (SAR)					
	2021	2020	2019	2018	2017
Assets of insurance operations					
Investments and cash with banks	321,817,797	413,777,484	451,852,934	488,603,621	569,245,838
Accounts receivable, net	39,887,814	36,267,297	49,101,466	37,828,171	39,876,887
Other assets	84,657,166	90,730,098	112,907,767	121,390,437	146,685,360
Total assets of insurance operations	446,362,777	540,774,879	613,862,167	647,822,229	755,808,085
Shareholders' assets					
Investments and cash with banks	406,491,869	260,064,578	266,065,332	288,077,229	253,520,632
Legal deposit	32,353,079	31,838,010	31,206,937	25,837,567	25,527,829

Other assets	41,320,913	187,268,538	176,821,396	172,765,503	146,671,766
Total shareholders' assets	480,165,861	479,171,126	474,093,665	486,680,299	425,720,227
Total assets	926,528,638	1,019,946,005	1,087,955,832	1,134,502,528	1,181,528,312
Liabilities of insurance operations					
Accounts and reinsurance balance payable	50,224,303	39,437,101	43,576,379	30,090,471	33,134,204
Technical reserves	324,128,592	283,241,280	358,375,016	409,494,831	530,220,950
Other liabilities	72,009,882	218,096,498	211,910,772	208,236,927	192,452,931
Total liabilities of insurance operations	446,362,777	540,774,879	613,862,167	647,822,229	755,808,085
Shareholders' liabilities and Equity					
Shareholders' liabilities	37,744,647	34,652,299	35,934,261	33,135,583	28,743,711
Shareholders' equity	442,421,214	444,518,827	438,159,404	453,544,716	396,976,516
Total shareholders' liabilities and equity	480,165,861	479,171,126	474,093,665	486,680,299	425,720,227
Total liabilities	926,528,638	1,019,946,005	1,087,955,832	1,134,502,528	1,181,528,312

Income statement (SAR)					
	2021	2020	2019	2018	2017
Income statement of insurance operations					
Gross written premiums	290,711,903	202,251,926	305,540,939	319,997,982	511,508,751
Net premiums earned	161,742,780	189,712,305	270,061,081	342,456,534	462,219,445
Reinsurance commissions earned and other underwriting income	10,230,241	14,632,022	11,161,084	15,314,362	25,732,502
Investments and other income	17,184,633	13,058,505	19,415,415	12,134,303	8,087,064
Total revenues	189,157,654	217,402,832	300,637,580	369,905,199	496,039,011
Gross claims paid	(126,527,044)	(157,559,748)	(232,332,313)	(240,048,036)	(251,324,368)
Net claims incurred	(94,356,417)) 110,332,231((192,869,227)	(184,996,246)	(274,513,942)
Policy acquisition costs	(11,065,797)	(13,093,204)	(22,265,047)	(29,999,421)	(44,144,575)
Other expenses	(85,756,779)	(76,838,773)	(80,823,526)	(81,642,580)	(75,160,819)
Total costs and expenses	(191,178,993)	(200,254,208)	(295,957,800)	(296,638,247)	(393,819,336)
Net surplus after shareholder's share	0	1,714,863	467,978	7,326,695	10,221,967

Shareholders' income statement					
Investment and other income	22,549,750	5,186,169	14,649,539	9,175,099	8,308,780
Shareholders' share of net (deficit) / surplus	(2,021,339)	15,433,762	4,211,802	65,940,257	91,997,708
General and administrative expenses	(4,758,271)	(3,555,179)	(3,675,710)	(2,698,504)	(2,558,049)
Net income before zakat	15,570,140	17,064,752	15,185,631	72,416,852	97,748,439
Main financial indicators					
Retention rate	87.27%	81.2%	80.9%	%85.8	%90.7
Loss rate, net	58.34%	58.2%	71.4%	%54.0	%59.4
Expense rate, net	53.19%	39.5%	33.1%	%26.2	%18.9
Combined rate	111.53%	97.7%	104.5%	%80.2	%78.3

Statement of Cash flows (SAR)					
	2021	2020	2019	2018	2017
Statement of cash flows of insurance operations					
Net cash (used in) / generated from operating activities	48,204,315	(33,464,796)	(43,114,130)	(38,733,379)	167,123,517
Net cash (used in)/ generated from /investing activities	182,549,565	55,269,489	(33,039,087)	26,103,468	(128,099,532)
Net cash generated from/ (used in) / financing activities	(145,841,442)	(6,031,137)	5,552,428	(40,271,229)	(54,443,927)
Cash and cash equivalents at the end of the year	171,654,855	86,742,417	70,968,861	141,569,650	194,470,790
cash flows of shareholders' operations					
Net cash used in operating activities	(123,623,777)	(5,887,055)	(5,060,607)	(1,081,192)	(719,661)
Net cash (used in)/ generated from /investing activities	(1,744,596)	(7,860,597)	7,358,818	(1,630,668)	(100,339,155)
Net cash generated from/ (used in) / financing activities	146,450,897	4,405,291	(29,771,443)	40,271,229	41,943,927
Cash and cash equivalents at the end of the year	66,232,040	45,149,516	54,491,877	81,965,109	44,405,740

Main financial indicators					
The proportion of acceptable assets to total assets	88.95%	%84.6	88.1%	%91.6	%93.7
Realized Solvency Margin Ratio	340.08%	286%	304.9%	%361.4	%331.2

5-3 The material differences in the operating results

- During the year, the net profit after Zakat amounted to 4,313,807 riyals compared to 5,737,126 riyals for the previous year, with a decrease of 24.8%
- During the year, the earning per share after zakat amounted to 0.14 riyals compared to 0.19 riyals for the previous year.
- During the year, the total comprehensive loss for insurance operations amounted to (1,957,842) Saudi riyals compared to a total comprehensive income of 2,811,753 riyals for the previous year.
- The total comprehensive loss for shareholders' operations during the current year amounted to (2,097,613) riyals, compared to comprehensive income amounted to 6,714,280 riyals for the previous year.
- During the year, the net underwriting surplus amounted to 46,723,632 riyals compared to 64,316,075 riyals for the previous year, a decrease of 27.35%.
- During the year, the deficit of insurance operations minus the investment income of policyholders (operating results only) amounted to (18,965,418) riyals-compared to a surplus of 6,615,468 riyals for the previous year.
- During the year, the net investment income attributable to policyholders amounted to 16,944,078 riyals compared to 10,533,157 riyals for the previous year with an increase of 60.86%.
- During the year, the net investment income attributable to shareholders amounted to 22,549,750 riyals compared to 5,186,169 riyals for the previous year, an increase of 334.8%.
- During the year, total shareholders' equity amounted 442,421,214 riyals compared to 444,518,827 riyals for the previous year, with a decrease of 0.47%.
- The decrease in net profits during the current year compared to the previous year is due to the decrease in net underwriting surplus by 27.35% as a result of the decrease in net earned premiums by 14.74%, in addition to the increase in other underwriting expenses by 91.42%. This is despite a decrease in the net claims incurred by 14.48%.

5-4 A statement of the value of the paid and due regular payments

The following table shows a statement of the value of the paid and due regular payments by the company for the year 2021 that have not yet been paid until the date of publishing this report:

Description	Paid	Unpaid	Reasons
General Authority of Zakat and Tax. (Zakat)	8,762,953	11,456,333	It will be paid upon submission of the Zakat annual return.
General Authority of Zakat and Tax. (Withholding tax)	336,632		
General Authority of Zakat and Tax. (Value added tax)	29,353,370		
General Organization for Social Insurance	4,112,452		
Saudi Central Bank (supervision and inspection costs)	924,567		
Council of Cooperative Health Insurance (fee for supervising insurance companies)	541,412		
Costs of visas, passports and labor office fees	644,217		

6- Company's policy in distributing dividends

Article forty-six of the articles of association of the company states the following:

- A. The shareholder is entitled to his share in the profits in accordance with the decision of the general assembly issued in this regard, and the decision specifies the due date and the date of distribution. Eligibility for dividends shall be for shareholders registered in the shareholders' records at the end of the day specified for maturity. The company informs the Capital Market Authority without delay of any decisions to distribute profits or recommend that, and the profits to be distributed to 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 the Saudi Central Bank.
- B. The company may distribute interim dividends to its shareholders on a semi-annual basis after fulfilling the following requirements:
 1. The Ordinary General Assembly authorizes the Board to distribute interim dividends according to a resolution to be renewed annually.
 2. The company should be in good standing with stable profitability.
 3. It has reasonable liquidity and can reasonably expect the level of its profits.
 4. Availability of sufficient distributable profits according to the latest audited financial statements to cover the profits proposed to be distributed after deducting what was

distributed and capitalized from those profits after the date of these financial statements.

The company, according to Article 45 of the Articles of Association, before determining the amount of dividend distribution, must:

- 1- Avoid Zakat and Income Tax
- 2- Avoid 20% of the net profits to a statutory reserve, and the Ordinary General Assembly may stop this deduction whenever the total reserve reaches (100%) of the paid capital.
- 3- Ordinary General Assembly may decide to create other reserves when determining the percentages of shares in the net profits, to the extent that it serves the interest of the company or ensures that fixed profits are distributed as much as possible to the shareholders.

The method used to distribute cash dividends is through transferring to the investment accounts of shareholders given that during the year 2021, the company's board of directors did not recommend the distribution of any cash dividends for the year 2020.

7- Major shareholders and shareholders' general assemblies

7-1- Major Shareholders

The table below shows the names of the major shareholders and the percentage of shares with the company for each one of them as of 12/31/2021:

	Name of the shareholder	Nationality	Number of shares owned	Ownership percentage
1	Gulf Insurance Group	Kuwait	8,550,000	28.5 %
2	Yasser Youssef Mohammed Naghi	Saudi	3,450,000	11.50 %
3	Gulf Medical Company Ltd.	Saudi	1,500,000	5.00 %
4	United Yusef Mohammed Abdul Wahhab Naghi Company	Saudi	1,500,000	5.00 %
5	Cigala trading Est for its owner Yasser Youssef Mohamed Naghi	Saudi	900,000	3.00 %

7-2 Changes in ownership percentages of major shareholders

There are no changes in the ownership percentages of major shareholders who own 5% or more during the year 2021.

7-3 General Assemblies of Shareholders

The table below shows the dates of the General Assemblies of Shareholders' meetings held during the year 2021 with the names of the members of the board of directors who attended these assemblies:

	Name		Attendance Record
			Ordinary General Assembly meeting 28/06/2021
1	Yasser Youssef Naghi	Chairman of the Board of Directors/ Chairman of Executive Committee	✓
2	Ahmed Mohammed Hamed AlMarzouki	Vice Chairman of the Board of Directors/ Chairman of the Nominations and Remuneration Committee	✓
3	Khalid Saoud Al-Hassan	Managing Director/ Chairman of Investment Committee	×
4	Raafat Attiah Al-Salamoni	Board Member/Chairman of Risk Management Committee and the Corporate Governance Committee	✓
5	Ziad Bassam Al-Bassam	Board Member	✓
6	Adel Abdullah Al-Sumum	Board Member	✓
7	Zain Al-Abdeen Abdullah Barry	Board Member	✓
8	Abdulrahman Al-Sultan	From outside the board of directors/ -Chairman of the Audit Committee	✓

The most prominent decisions of the Assembly:

- 1- Approval of the auditors' report for the financial year ending 31/12/2020.
- 2- Voting on the Board of Directors' report for the financial year ending 12/31/2020.
- 3- Approval of the company's financial statements ending 31/12/2020.
- 4- Approval to absolve the members of the Board of Directors for the year ending 12/31/2020.
- 5- Voting to appoint the company's external auditors from among the candidates and determine their fees, based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the second, third, and fourth quarters and annual financial statements of the financial year 2021 G and the financial statements for the first quarter of the financial year 2022 G, namely:

- PKF Al Bassam & Partners CPA Office.
 - Moore El Sayed Ayouty & Co.
- 6- Approval of the Board of Directors' decision to appoint Mr./ Abdulrahman bin Khalid Al-Sultan as an audit committee member (From outside the Board of Directors), starting from 03/09/2020 until the end of the current committee's term on 08/03/2022, succeeding the former committee member (Mr./ Ihab Muhammad Al-Dabbagh) (from outside the Board of Directors), provided that the appointment shall take effect as of the date of the decision issued on 03/09/2020, as well as appointing him as Chairman of the Committee. This appointment is in accordance with the charter of the Audit Committee.
 - 7- Approval of the Board of Directors' decision to appoint (Mr. Zain Al-Abdeen Abdullah Barry - an independent director) as a member of the Audit Committee, starting from 21/12/2020 until the end of the current committee's term on 08/03/2022, succeeding the former committee member (Mr. Adel Al-Sumum – an independent director), provided that the appointment shall take effect from the date of the decision issued on 21/12/2020. This appointment is in accordance with the charter of the Audit Committee.
 - 8- Approval of the Board of Directors' decision to appoint Mr. Meishaal Abdul Mohsen AlSuleiman as an audit committee member (From outside the Board of Directors), starting from 21/12/2020 until the end of the current committee's term on 08/03/2022, succeeding the former committee member (Mr./ Ibrahim Al-Alwan) (from outside the Board of Directors), provided that the appointment shall take effect as of the date of the decision issued on 21/12/2020. This appointment is in accordance with the charter of the Audit Committee.
 - 9- Approval of the Board of Directors' recommendation not to distribute cash dividends for the year 2020.
 - 10- Approval of disbursing remuneration to the members of the Board of Directors, with a total amount of 900,000 riyals, for their services for the year 2020.
 - 11- Approval of the business and contracts that will be concluded between the company, Sagala Commercial Corporation, Al-Zawaq Food Factory (A branch of-Sagala) in which the stakeholder member Mr. Yasser Youssef Naghi, Chairman of the Board of Directors, has an "Indirect Interest", and these are insurance policies for duration of one year and in accordance with the approved company's policies without special conditions nor benefits, during the year 2020, these transactions amounted to 134,193 Saudi riyals.
 - 12- Approval of the business and contracts that will be concluded between the company, Youssef Mohamed Abdeul Wahab Naghi united Company in which the stakeholder member, Mr. Yasser Youssef Naghi, Chairman of the Board of Directors, has an "Indirect Interest", and these are insurance policies for duration of one year and in accordance with the approved company's policies without special conditions nor benefits. During the year 2020, these transactions amounted 3,518,993 Saudi riyals.
 - 13- Approved on the business and contracts that will be concluded between the company, Al-Mamoun Overseas Insurance Brokers Ltd. In which the stakeholder member Mr. Yasser Youssef Naghi, Chairman of the Board of Directors, has an "Indirect Interest". These are insurance brokerage contract in accordance with the company's approved form used for all insurance brokers that the company deals with-and the commission rate varies according to

the type of the insurance policy. During the year 2020, these transactions amounted to 2,203,945 Saudi riyals.

- 14- Approved on the business and contracts that will be concluded between the company, Hafel Corporation for the transport of pilgrims in which the stakeholder member, Mr. Yasser Youssef Naghi, Chairman of the Board of Directors, has an "indirect interest", and these are insurance policies for duration of one year and in accordance with the approved company's policies without special conditions nor benefits. During the year 2020, these transactions amounted to 15,992,295 Saudi riyals.
- 15- Approval of the business and contracts that will be concluded between the company and the Andalus Company for the transport of pilgrims in which the stakeholder member, Mr. Yasser Youssef Naghi, Chairman of the Board of Directors, has an "indirect interest", which are insurance documents according to the approved company documents without special conditions or benefits, and their duration is one year, as transactions reached during the year 2020 an amount of 12,825 Saudi riyals.
- 16- Approval of the business and contracts that will be concluded between the company and the Rahal National Services Company Ltd. In which the stakeholder member Mr. Yasser Youssef Naghi, Chairman of the Board of Directors, has an "Indirect Interest", which are insurance documents according to the approved company documents without special conditions or benefits, and their duration is one year, as the transactions reached during the year 2020 G. 28,448 Saudi riyals.
- 17- Approved on the business and contracts that will be concluded between the company and the Saudi Dairy and Food Company in which the stakeholder member Mr. Ahmed Mohammad Marzouki, has an "indirect interest", which are insurance documents according to the company's approved documents without special conditions or benefits, and their duration is one year, as transactions during the year 2020 amounted to 11,324,647 riyals.
- 18- Approval of the business and contracts that will be concluded between the company and the Gulf Insurance and Reinsurance Company in which the stakeholder members Mr. Khaled Saoud Al-Hassan and Mr. Raafat Attiah Al-Salamoni have "indirect interests", which are re-insurance transactions without conditions or special benefits and for a one-year period, as transactions during the year 2020 amounted to 1,984,216 Saudi riyals.

7-4 The number of company's requests for shareholder register

The table below shows the number and dates of the company's requests for the shareholders' register and the reasons:

Number of requests	Request date	The date of the property file	Reasons for the request
1	13/07/2021	31/03/2021	Others
2	27/06/2021	28/03/2021	General Assembly
3	24/03/2021	31/12/2021	Company's procedures

8- Board of Directors

1-8 Formation of the Board of Directors, classification and qualifications of its members:

The Board of Directors consists of seven (7) members and the following tables show the classification of the members of the Board of Directors and the names of the joint-stock companies in which a member of the company's Board of Directors is a member of their Board of Directors:

	Name	Position	Membership classification	Qualifications
1	Yasser Youssef Mohammed Naghi	Chairman	Non-executive	BA in Economics and Business Administration from King Abdulaziz University, Jeddah in 1984
2	Ahmed Mohammed Hamed Marzouki	Vice Chairman	independent	BA in Business Administration from Cairo University, Egypt in 1978 Master of Business Administration from California State University, USA in 1983
3	Khaled Saoud Abdul Aziz Al-Hassan	Managing Director	executive	BA in Political Science and Economics from Kuwait University, Kuwait in 1976
4	Rafat Attiah AlSalamoni	Member	Non-executive	Bachelor of Accounting from Alexandria University, Egypt in 1971
5	Ziad Bassam Mohammed AlBassam	Member	Non-executive	Bachelor of Business Administration from King Abdulaziz University, Jeddah in 1987 Attended multiple courses in the administrative and financial fields.
6	Adel Abdullah Al-Sumum	Member	independent	Bachelor of Accounting from King Abdulaziz University, Jeddah in 1984 Diploma in Commercial Arbitration from the International Arbitration Commission, Egypt in 2019
7	Zain Al-Abdeen Abdullah Barry	Member	independent	BA in Economics and Political Science from King Saud University, Riyadh in 1971 PhD in Economics from the University of Colorado, USA, in 1980

8-2 Names of companies inside or outside the Kingdom in which a member of the company's board of directors is a member of their current and previous boards of directors or is a director therein

Name	Names of companies in which a member of the company's board of directors is a member of their current boards of directors or is a director therein	Inside the Kingdom / Outside the Kingdom	Legal form	Names of companies in which a member of the company's board of directors was a member of their previous boards of directors or is a director therein	Inside the Kingdom / Outside the Kingdom	Legal form
Yasser Youssef Naghi	1. Gulf Medical Company 2. Arabian Food Supply Company 3. Youssef Mohamed Naghi Company 4. Beet Al- Qout Company Cigala Trading Est	Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom	Limited liability Limited liability Limited liability Unlisted joint stock company indivial company	1. Saudi Industrial Development Company (SADC)	Inside the Kingdom	Listed joint stock company
Khaled Saoud AlHassan	1. Gulf Insurance Group (Kuwait) 2. Reinsurance (GIG Kuwait) 3. Takaful International Company.	Outside	Listed joint stock company	1. Kuwait Reinsurance Company (Kuwait)	Outside	Listed joint stock company

	<p>4.Arab Orient Insurance (GIG Jordan)</p> <p>5.Bahrain Kuwait Insurance Company (GIG Bahrain)</p> <p>6.The Arab Egyptian Insurance Company (GE Gameser)</p> <p>6. The Arab Reinsurance Company</p>					
Raafat Attiah AlSalamoni	<p>1.Gulf Insurance Group (Kuwait) and Reinsurance (GIG Kuwait)</p> <p>2.Fajer Insurance Group and Reinsurance (Beirut)</p>	Outside	Unlisted joint stock company	<p>1.Gulf Insurance and Reinsurance Company (Kuwait)</p> <p>2.Fajer Insurance Group and Reinsurance (Beirut)</p>	Outside	Unlisted joint stock company
	<p>3.The Egyptian Life Takaful Insurance Company (Egypt)</p>	Outside	Listed joint stock company	<p>3.The Egyptian Company for Takaful Insurance Mumtalakat (Egypt)</p>	Outside	Unlisted joint stock company
Ziad Bassam Al-Bassam	<p>1. Makkah Construction and Development Company</p>	Inside	Listed joint stock company	<p>1. Jabal Omar Company</p>	Inside	Listed joint stock company
	<p>2. Jarham Development Company</p>	Inside	Unlisted joint stock company	<p>2. Al Balad Al-Ameen Company.</p>	Inside	
	<p>3. Makeen Saudi Company</p>	Inside	Unlisted joint stock company	<p>3. Rawaa Real Estate Company.</p>	Inside	

	4. Msharkah Financial Company.	Inside	Unlisted joint stock company			
	5. Zahrtat Albortkal Company.	Inside	Unlisted joint stock company			
Adel Abdullah Al-Sumum	Rhett Expert Fund	Inside	Unlisted joint stock company			
Zain Al-Abdeen Abdullah Barry	-	-	-	-	-	-
Ahmed Mohammed Marzouki	1. The Saudi Dairy and Food Products Company - SADAFCO	Inside	Unlisted joint stock company	-	-	-

8-3 Description of any interest, contractual securities and subscription rights of the company's board members, senior executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries, and any change in such interest or rights during the last financial year

8-3-1 The following table shows a description of any interest, contractual securities, and subscription rights in shares or debt instruments of the company belonging to the members of the Board of Directors and their relatives, including the guarantee shares that the system requires the members of the Board of Directors to own:

The name of the person who has the ownership or the direct and indirect interest	Beginning of the year		End of the year		Net change	Percentage change
	Number of Shares	Debt instruments	Number of Shares	Debt instruments		
Yasser Youssef Naghi	7,350,000	0	7,350,000	0	0	0 %

Khaled Saoud AlHassan	2307	0	2307	0	0	
Rafat Attiah AlSalamoni	1000	0	1000	0	0	100 %
Ziad Bassam AlBassam	2,307	0	2,307	0	0	0 %
Adel Abdullah Al-Sumum	0	0	0	0	x	0 %
Zain Al-Abdeen Barriy	0	0	0	0		0 %
Ahmed Mohammed Marzouki	0	0	0	0	x	0 %

8-3-2 There is no interest, contractual securities, and underwriting rights of the members of the board of directors and their relatives in the shares or debt instruments of the subsidiary company.

8-3-3 There is no interest, contractual securities and underwriting rights of senior executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries.

8-4 Executive Management

The following table shows the names, positions and qualifications of each of the members of the company's executive management as of the end of the year 2021:

	Name	Current positions	Previous positions	Qualifications and experiences
1	Abdulrahman Al Dokheel	General manager	More than 20 years of accumulated experience in one of the largest insurance companies in Saudi Arabia (Cooperative Insurance Company "Tawuniya"). He held several leadership positions, notably the general manager of the Department and of Insurance and Technical Support and the Executive	<ul style="list-style-type: none"> • BSBA major in Finance from King Saud University in 1984 • Master in Finance and Insurance in 2016

			Vice-President for Property and Accidents.	
2	Monther Hassan Al Ghanim	Risk Manager	More than 20 years of experience in risk management of finance sector, and served as an Operational Risk Senior Manager at SABB from 2006 until 2013. He also served as an Operational Risk Senior Manager at Aawwal Bank from 2013 until 2016.	BA in Quantitative Analysis from King Saud University in 1992
3	Mofarreh Jarallah Aljanfawi	HR Manager	Nearly 20 years of experience in human resource management "HRM", including 9 years in the insurance industry, where he served as HR manger at Al Rajhi Takaful and Al Ahlia for cooperative insurance from 2010 to 2018. He also held the position of Administrative Adviser at the Ministry of Energy.	BA in Economics from King Saud University in 2001
4	Bader Saad Abdulllah Algonaim	Finance Manager	Nearly 20 years of experience in insurance industry, where he held several positions, including the Head of the Planning & Financial Analysis Department at Cooperative Insurance Company "Tawuniya" from 2013 to 2021.	BSBA major in Finance from King Saud University in 2003

5	Mohamad Mahmod Hasabo	Technical Manager	Nearly 15 years of experience in the Saudi insurance industry. He held several positions, including Director of Technical Affairs at Alinma Tokio Marine Company (ATMC) for Cooperative Insurance and SABB Takaful.	<ul style="list-style-type: none"> BSBA major in Marketing from King Saud University in 2005
6	Sayed Riad Radawi	The Formerly Technical manager	<ul style="list-style-type: none"> Technical Affairs Director at Allied Cooperative Insurance Group (ACIG) from 2003 to 2007 Technical Affairs Director at the Saudi Pearl Insurance Company from 2007 to 2010 <p>At work in the current position since 1/7/2010</p>	<p>Bachelor of Science from Punjab University in Pakistan in 1972.</p> <ul style="list-style-type: none"> Fellowship of Associateship of the Chartered Insurance Institute (ACII) in Britain in 2004, and more than 25 years of experience in insurance in Pakistan and Saudi Arabia.

8-5 A description of any transaction between the company and a related party and information related to any business or contracts in which the company is a party, and in which or in which there is an interest for a member of the company's board of directors or for its senior executives or for any person related to any of them, including the names of those involved in business or contracts, and the nature of these works or contracts, their terms, duration and amount

8-5-1 The following table shows during the year 2021 the business or contracts in which the company was a party and there is or was an interest in one of the members of the board of directors or any person related to any of them:

The name of the member or any person related to any of them	Contract party	Nature of contract	Duration	Total value of the contract (SAR)	Nature of the interest with the party to the contract
Yasser Youssef Naghi	Cigala Trading Est and Al Zawaqh Food Factory (Cigala's Branch	Insurance contracts	1 Year	10,859,643	Organization's owner
Yasser Youssef Naghi	United Youssef Mohamed Abdel Wahab Naghi Company	Insurance contracts	1 Year	3,537,257	Ownership of a percentage of shares
Yasser Youssef Naghi	Al-Mamoon Overseas Insurance Brokerage Company	Insurance brokerage contract	1 Year	3,442,863	Relationship of kinship with its partners
Yasser Youssef Naghi	Rehal National Services Company Ltd.	Insurance contracts	1 Year	11,704	Relationship of kinship with its partners
Yasser Youssef Naghi	Hafil for transportation of pilgrims	Insurance contracts	1 Year	12,430,433	Relationship of kinship with its partners
Yasser Youssef Naghi	Al-Andalus Co for transportation of pilgrims	Insurance contracts	1 Year	11,175	Relationship of kinship with its partners
Ahmed Mohammed Marzouki	Saudi Dairy & Foodstuff Company - SADAFCO	Insurance contracts		9,969,931	Member of the board of directors of the same company

Khaled Saoud Al-Hassan / Rafat Attiah Al-Salamoni	Gulf Insurance and Reinsurance Company	Reinsurance contracts	1 Year	2,739,303	A company owned by the main shareholder of Gulf Insurance Group, represented by the board membership through them
Khaled Saoud Al-Hassan / Rafat Attiah Al-Salamoni	AXA Cooperative Insurance Company	Reinsurance contracts	1 Year	43,343	A company owned by the main shareholder ,Gulf Insurance Group by 50%

The company acknowledges that all contracts have been issued or renewed in the course of Ordinary business on the basis of mutual consent and these are insurance policies according to the approved company policies without conditions or special benefits, and they will be presented to the shareholders for approval and authorization for a coming year in the next general assembly in the event that it continues to contract with The company, knowing that similar works were approved for the year 2020 and licensed for another year in the Ordinary General Assembly held on 28/06/2021.

8-5-2 During the year 2021, there were no businesses nor contracts in which the company was a party and in which there was an interest for senior executives or any person related to any of them.

8-5-3 There are no transactions between the company and related parties, with the exception of what is mentioned in Clause No. 8-5-1.

8-6 Board meetings

During the year 2021, the Board of Directors held ten meetings, attendance was as follow:

Names of the Board of Directors members	(1) 08/02/2021	(2) 05/04/2021	(3) 27/06/2021	(4) 10/08/2021	(5) 10/08/2021 (without Executives)	(6) 01/11/2021
Yasser Youssef Naghi	√	√	√	√	√	√
Khaled Saoud Al-Hassan	√	√	√	√	×	√
Rafat Attiah Al-Salamoni	√	√	√	√	√	√
Ziad Bassam Al-Bassam	√	√	√	√	√	√
Adel Abdullah Al-Sumum	√	√	√	√	√	√

Zain Al-Abideen Abdullah Baerriy	√	√	√	√	√	√
Ahmed Mohamed Hamed Marzoki	√	√	√	√	√	√

√ = Attended X = did not attend

The most prominent decisions of the Board of Directors during the year 2021:

1. Appointing the company's senior executives.
2. Amending the annual remuneration for committees' members and secretaries.
3. Approving the financial statements for the year 2020.
4. Recommending the non-distribution of cash dividends for the year 2020.
5. Disbursing the fees due to committee secretaries.
6. Approving the acquisition of the accounting system and the costs for IFRS17 solution.
7. Approving the organizational structure.
8. Approving the income statements for the year 2021.
9. Appointing a cybersecurity advisor.
10. Disbursing a remuneration for the financial year 2020.
11. Approving the price discounting authorities for motor insurance products and medical insurance products
12. Adoption of the sales strategy under the operational plan and the budget.
13. Forming an internal business continuity committee.
14. Approving the financial statements for the third quarter of the year 2021.

9-Board committees

In accordance with the Corporate Governance Regulations issued by the Capital Market Authority and the Saudi Central Bank, the Board of Directors constituted six committees to help it perform its duties effectively, which are the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, the Investment Committee, the Risk Management Committee and the Corporate Governance Committee.

The following paragraphs provide a brief description of the competencies of the aforementioned board committees, with their names, heads, members and the number of their meetings.

9-1 Executive Committee

The Board of Directors constituted an Executive Committee consisting of three members. The main duties and responsibilities of the Executive Committee are as follows:

- Setting the overall strategy, the main objectives of the company, and business plans, and overseeing their implementation.
- Reviewing the company's budget and financial plans prepared by the executive management before submitting them to the board of directors and recommending to the board of directors for approval.
- Reviewing the internal policies and regulatory provisions prepared by the executive management before submitting them to the Board of Directors and recommending to the Board of Directors for approval.
- Study and examine all matters referred to the committee regarding executive management and take appropriate recommendations in their regard.

The Executive Committee for the current period consists of:

Name	Position	Membership in the Board of Directors
Yasser Youssef Mohammed Naghi	Chairman of the Executive Committee	Chairman of the Board - Non-Executive
Khaled Saoud Abdul Aziz Al-Hassan	Committee member	Board Member – Executive
Ahmed Mohammed Hamed Marzouki	Committee member	Board Member - Independent

During the financial year 2021, the Executive Committee held six meetings and the attendance was as follows:

Name of the committee member	(1) 04/02/2021	(2) 01/04/2021	(3) 27/06/2021	(4) 14/07/2021	(5) 01/11/2021	(6) 14/12/2021
Yasser Naghi	√	√	√	√	√	√
Khaled Al-Hassan	√	√	√	√	√	√
Ahmed Marzouki	√	√	√	√	√	√

√ = Attended X = did not attend

The most prominent decisions of the committee during the year 2021:

1. Recommending the formation of an internal committee to conduct the overload work of car wrecks activities.
2. Recommending the adoption of the manual of medical and vehicle products price reduction powers.
3. Recommending the restructure of the cyber security committee.

9-2 Audit Committee

The audit committee works in accordance with the provisions of the statutory laws and regulations in force and based on the rules governing the work of the committee. The Audit Committee is responsible for monitoring the company's business and ensuring the integrity and effectiveness of the reports, financial statements and internal control systems. The duties of the committee include but not limited to the following:

- Examining the interim and annual financial statements of the company, including verifying the accounting estimates for the significant matters that are contained in the financial reports, the important and unfamiliar issues and the accounting policies followed, and providing an opinion and recommendation to the Board of thereon.
- Examining and reviewing the company's internal and financial control systems and risk management systems examining the internal audit and compliance reports and following up the implementation of the corrective actions in respect of the remarks made in such reports
- Monitoring and overseeing the performance of the internal audit, the compliance and the anti-money laundering and counterterrorism financing departments of the company in order to verify their effectiveness in carrying out the activities and duties assigned to them by the board of directors.
- Reviewing the internal audit and compliance policies and procedures and providing recommendation to the Board thereon.
- Reviewing the audit plan provided by internal auditors and providing opinions thereon.
- Recommending to the Board of Directors the appointment of internal audit and compliance managers and suggesting their remunerations.
- Recommending to the Board of Directors the nomination and dismissal of the external auditors, determination of their fees, assessment of their performance, verification of their independence and the effectiveness of their work.
- Reviewing the external auditors' plan and their work, responding to their queries, examining their reports and comments on the financial statements, and following up the procedures taken in connection therewith.

- Coordinating between internal and external auditors
- Verifying the company's compliance with the instructions of the supervisory authorities by reviewing the findings of these reports reviewing the contracts and the proposed related parties' transactions and reporting to the board any issues in connection with what it deems necessary to take action on and providing recommendations as to the steps that should be taken.
- Ensuring the company's compliance with the professional conduct rules.
- Reviewing the actuary reports and making recommendations thereon for the board.

The audit committee for the current period consists of:

Name	Position	Membership in the Board of Directors
Abdulrahman Khaled Al-Sultan	Current Chairman of the Audit Committee	From outside the board of directors
Dr. Zain Al-Abdeen Abdullah Barry	Current member of the committee	Board's member - Independent
Meishaal Abdul Mohsen Al-Suleiman	Current member of the committee	From outside the board of directors

Below you will find a summary of the CVs of the members of the Audit Committee from outside the Board of Directors:

	Name	Current position	Previous positions & experiences	Qualifications
1	Abdulrahman Khalid Al-Sultan	Head of Internal Audit General Authority for Statistics, since 2018 until now	An employee in the internal control departments of the Saudi Hollandi Bank from 1999 to 2003.	Bachelor of Accounting from King Saud University in Riyadh in 1999

	Secretary of the Audit and Risk	<ul style="list-style-type: none"> An employee in the financial control and internal audit departments of the General Organization for Social Insurance from 2003 to 2018. 	Master in Applied Finance from Newcastle University, Australia, 2009
	Committee General Authority for Statistics	<ul style="list-style-type: none"> Financial controller at the Social Insurance Hospital in 2003 	Insurance Foundations from the Financial Academy, 2016.
	The audit committee member of Basic Inv and Logistics	<ul style="list-style-type: none"> Member of the Audit Committee of the Arabia Insurance Cooperative Company in 2016 The audit committee member of Tabuk Agriculture Company (TADCO) 	
	The audit committee member of the Environmental Fund		
	The audit committee member of IARDA	-	

2	Meishaal Abdul Mohsen Al- Suleiman	Chief Executive Officer - Jewar Al Ihsan Holding Company, since 2017 to date	<ul style="list-style-type: none"> Various banking experiences from the Saudi American Bank and Saudi Hollandi Bank from 1999 to 2005 Member of the boards of directors of several companies from 2005 to 2018 Partner in White Tail Consulting Services in Dubai from 2013 to 2020 	<p>Bachelor in Accounting from the University of Notre Dame de Namur, California</p> <p>Various professional degrees in the fields of finance, banking and fraud control from different universities, institutes and colleges in America and Britain</p>
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During the year 2021, the Audit Committee held ten meetings to follow up and implement the tasks entrusted to it, and the attendance record was according to the following:

Name of the committee member	(1) 21/01/2021	(2) 01/02/2021	(3) 10/03/2021	(4) 16/03/2021	(5) 25/04/2021	(6) 05/05/2021	(7) 04/08/2021	(8) 12/08/2021	(9) 31/10/2021	(10) 01/12/2021
Abdulrahma Al-Sultan	√	√	√	√	√	√	√	√	√	√
Zain Barry	√	√	√	√	√	√	√	√	√	√
Meishaal Al-Suleiman	√	√	√	√	√	√	√	√	√	√

√ = Attended X = did not attend

The most prominent decisions of the committee during the year 2021:

The Audit Committee held two meetings during the year 2021, and the meetings included the most important works within its scope of work, which were as follows:

- Discussing the company's quarterly financial statements and recommending the Board of Directors to approve them after reviewing and discussing them with the executive management and the external auditors.

- Discussing the company's annual financial statements and recommending the Board of Directors to approve them after reviewing and discussing them with the executive management and the external auditors and submitting them to the General Assembly for approval.
- Approving the internal audit plan for the year 2021, after discussing it and following up on its implementation according to the specified timetable.
- Recommending the appointment of the company's external auditors and specifying their fees.
- Studying the notes received by the company's internal and external auditors and following up on their implementation according to the timeframe agreed upon with the company's management.
- Supervising the internal audit department to ensure its effectiveness in implementing activities and the assigned duties.
- Following up on the Compliance and the Anti-Money Laundering Departments to ensure the company's compliance with the rules and regulations issued by the Saudi Central Bank and other regulatory authorities.
- Reviewing the Central Bank and other regulators feedback on any organizational violations or the required corrective actions and providing recommendation to the Board of Directors thereon.
- Evaluating the level, efficiency and objectivity of the external auditors' works and both departments of the internal audit and compliance.
- Ensuring the company's compliance with the professional conduct rules and work ethic.
- Discussing actuary reports of 2021.
- Following up the developments of transformation of the International Accounting Standard (17) (Insurance contracts).

9-3 Remuneration and Nomination Committee:

The Board of Directors established the Remuneration and Nomination Committee, which consists of three members. The Remuneration and Nominations Committee works in accordance with the provisions of the legal rules and regulations in force and based on the rules governing the work of the committee. The duties and responsibilities of the Nomination and Remuneration Committee, but not limited to, are as follows:

- Submitting a recommendation to the Board of Directors to run for membership in the Board in accordance with the approved policies and standards.
- Reviewing the structure of the board of directors and making recommendations regarding the changes that can be made, identifying weaknesses and strengths in the board of directors and proposing remedies in accordance with the company's interest.
- Ensuring, annually, that the independent members are independent and that there is no conflict of interest in the event that the member is a member of the board of directors of another company.
- Establishing clear policies regarding compensation and bonuses for the Board of Directors and senior executives.

The Remuneration and Nominations Committee for the current session consists of:

Name	Position	Membership in the Board of Directors
Ahmed Mohammed Hamed Marzouki	Chairman of the committee	Board Member – Independent
Adel Abdullah Al-Sumum	Committee member	Board Member – Independent
Osama Omar Fakihi	Committee member	From outside the board of directors

Below you will find an overview of the CV of a member of the Nomination and Remuneration Committee from outside the Board of Directors:

	Name	Current position	Previous positions & experiences	Qualifications
1	Osama bin Omar Fakihi	Executive Director of Omar Fakihi Development	Vice President of Human Resources and Institutional Affairs for Rabigh Refining and Petrochemical Company	BA in Mathematics from the University of Butland in the United States of America in 1982

		and Investment Company		
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9-3 Nomination and Remuneration Committee (continued)

During the financial year (16) meetings were held by the Nomination and Remuneration Committee and the attendance record was according to the following:

Names of the Committee member	(1) 3/1/2021	(2) 11/1/2021	(3) 13/1/2021	(4) 4/2/2021	(5) 18/2/2021	(6) 2/3/2021	(7) 1/4/2021	(8) 22/4/2021	(9) 30/5/2021	(10) 22/6/2021	(11) 01/07/2021	(12) 8/8/2021	(13) 26/9/2021	(14) 24/11/2021	(15) 1/12/2021	(16) 15/12/2021
Ahmed Marzouki	√	√	√	√	√	√	√	√	√	√	×	×	√	√	√	√
Osama Fakh	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Adel Al- Sumum	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

√= Attended X = did not attend

The most prominent decisions of the committee during the year 2021:

- Recommending the appointment of senior executives in the company.
- Recommending the disbursement of the attendance allowance for each meeting and an annual remuneration for the committees' securities.
- Recommending the amendment of the annual remuneration of the committees' members.
- Evaluating the Board of Directors and all its members performance, ensuring their independence and evaluating committees emanating from the Board.
- Discussing the distribution of the employees' remunerations for the financial year 2020.
- Recommending the adoption of the replacement and succession plan.
- Recommending the selection of a company for establishing the salary and functional structure.

Recommending the adoption of the evaluation and remunerations policy.

9-4 Investment Committee

The objectives, terms of reference and duties of the Investment Committee consist of, for example, but not limited to:

- Setting the investment policy for the company and ensuring its compliance with the provisions and conditions of the rules and regulations in force, and supervising their implementation.
- Reviewing the investment policy periodically and issuing new recommendations in line with market conditions.
- Approval of attracting and disposing of investments and making decisions regarding investments.
- Monitoring the performance of the company's investments, determining the investment objectives, and developing the necessary plans for that.

The Investment Committee for the current session consists of:

Name	Position	Membership in the Board of Directors
Khaled Saoud Al-Hassan	Chairman of the Investment Committee	Board Member – Executive
Ziad Bassam Al-Bassam	Committee member	Board Member - Non-Executive
Adel Ali Al Sayed	Committee member	From outside the board of directors

Below you will find an overview of the CV of a member of the Investment Committee from outside the Board of Directors:

	Name	Current position	Previous positions & experiences	Qualifications
1	Adel Ali Al Sayed	Board Member - Ali Hassan Al-Sayed & Sons Company	<ul style="list-style-type: none"> Executive Director in the United Gulf Investment Corporation (Bahrain) from March 2006 to May 2013. Executive Director and Board Member at Kingdom Holding Company from January 2014 to April 2017 Member of the Board of Directors of Buruj Cooperative Insurance Company from January 2010 to March 2019. 	<p>PhD in Financial Management from George Washington University, Washington - USA in 1993 G,</p> <p>MA in Engineering Management from the Royal Institute of Engineering, Milwaukee - United States of America in 1989 G, and</p> <p>BA in Civil Engineering from King Fahd University of Petroleum and Minerals, Dhahran in 1982</p>

During the financial year 2021, the Investment Committee held six meetings and the attendance record was according to the following:

Name of the committee member	(1) 04/03/2021	(2) 15/04/2021	(3) 15/07/2021	(4) 07/09/2021	(5) 24/10/2021	(6) 30/12/2021
Khaled Al- Hassan	√	√	√	√	√	√
Ziad Al- Bassam	√	√	√	√	√	√
Adel Al Sayed	√	√	√	√	√	√

√= Attended X = did not attend

The most prominent decisions of the committee during the year 2021:

1. Approving and recommending the amendment of the investment policy in align with the regulators and supervisory agencies' requirements in KSA.

2. Approving the periodical reports and investment operations for the year 2021.
3. Approving the attraction of some high profitability and low risk investments.
4. Approving the disassociation of some investments of policyholders and shareholders to enhance the return on investment and the company's profitability.

9-5 Risk Committee:

According to the Corporate Governance Regulations issued by the Capital Market Authority and the Saudi Central Bank, the Board of Directors has constituted a risk management committee which its duties include, for example, but not limited to:

- Identify the risks that the company may be exposed to and maintaining an acceptable level of risk for the company.
- Supervising the company's risk management system and evaluate its effectiveness.
- Developing a comprehensive risk management strategy and following up on its implementation, reviewing and updating it based on the internal and external variables of the company.
- Reviewing risk management policies.
- Periodically reassessing the company's ability to withstand risks and its exposure to them
- Submitting detailed reports to the Board of Directors on exposure to risks and suggested steps to manage these risks
- Submitting recommendations to the Board on issues related to risk management.

The Risk Management Committee for the current period consists of:

Name	Position	Membership in the Board of Directors
Rafat Attiah Al-Salamoni	Chairman of the Risk Management Committee	Board Member - Non-Executive
Ahmed Jalal Rajab	Committee member	From outside the board of directors
Ziad Bassam Al-Bassam	Currently member of the committee	Board Member - Non-Executive

Below you will find an overview of the CV of a member of the Risk Committee from outside the Board of Directors:

	Name	Current position	Previous positions & experiences	Qualifications
1	Ahmed Jalal Rajab	Risk Manager for Gulf Insurance Group in Kuwait from 2011 to date	Actuarial - Allianz Insurance Egypt from 2007 to 2011	Bachelor of Science in Actuarial Sciences from Cairo University, Egypt in 2007 International Certified Evaluation Specialist from the International Association of Certified Evaluation Specialists - Middle East, 2014

During the financial year 2021, the Risk Committee held seven meetings and the attendance record was according to the following:

Name of the committee member	(1) 05/01/2021	(2) 21/02/2021	(3) 11/04/2021	(4) 12/04/2021	(5) 07/06/2021	(6) 12/09/2021	(7) 02/12/2021
Rafat Al-Salamoni	√	√	√	√	√	√	√
Ahmed Rajab	√	√	√	√	√	√	√
Ziad Al-Bassam	√	√	√	√	√	√	√

√ = Attended X = did not attend

The most prominent decisions of the committee during the year 2021

1. Following up on the reports submitted by the Risk Management Department related to deficiencies in the controls and the action plans put in place to reduce their risk.
2. Following up the work continuity project implementation at the beginning of 2021 in cooperation with an external consulting company.

3. Following up on developments of the remained feedbacks of Deloitte Touche Tohmatsu Limited, which have been monitored for the supervisory project based on risks and of the Central Bank, and the extent of companies' managements application to the set works plans through the risk management.
4. Following up on the implementation of feedbacks of DAR Consulting, which has been contracted with to update generally the company's policies and procedures and review particularly the supervisory departments works including the risk management.
5. Adopting the formation of the committee of the insurance products approval rules, developing such committee charter in align with the insurance products approval rules issued by the Central Bank dated 30/04/1442 H corresponding to 15/12/2020, and approved by the Board of Directors. This committee aims to set regulating rules and procedures and the required requirements by the markets, sell the new insurance product of Buruj to its customers, specify the insurance product categories that requires the previous Central Bank's consent or notice, evaluate the insurance product performance and recommend maintaining its sale, amending or withdrawing it.
6. Updating the charter of the risk management committee.

9-6 Governance Committee

The Board of Directors has constituted a Governance Committee to follow up on any issues and updates related to the governance applications issued by each of the Capital Market Authority and the Saudi Central Bank and the Corporate Governance Manual and verify the company's compliance with these rules, review and update them in accordance with the statutory requirements and best practices in addition to keeping the members of the Board of Directors always in constituted of the developments in This field and its duties include, but are not limited to:

1. Supervising the application of the company's corporate governance manual, evaluating its effectiveness and identifying any deficiencies in it.
2. Making recommendations to the Board of Directors and the Executive Management on issues related to governance.
3. Preparing an annual report for the Board of Directors on the committee's accomplished work and recommendations regarding weaknesses or deficiencies, if any.
4. Sharing the developments in the field of corporate governance and best practices with the Board of Directors

The Governance Committee consists of:

Name	Position	Membership in the Board of Directors
Raafat Attiah Al-Salamouni	Chairman of the committee	Board Member - Non-Executive
Adel Abdullah Al-Sumum	Committee member	Board Member – Independent
Maree Saad Habbash	Committee member	From outside the board of directors

Below you will find an overview of the CV of a member of the Governance Committee from outside the Board of Directors:

	Name	Current position	Previous positions & experiences	Qualifications
1	Maree Saad Habbash	Chairman of the Board of the Saudi Governance Association at the Ministry of Education. Director of the Center for Corporate Governance at King Khalid University in Abha.	• Dean of Student Affairs and Head of the Accounting Department at King Khalid University • Auditor Assistant at Faruki & Co. • Accountant in the telecommunications company	PhD in Financial Accounting from the University of Durham in Britain MA in Accounting and Finance from the University of Birmingham, UK Bachelor's degree in Accounting from King Khalid University SOCPA certificate from the Saudi Organization for Chartered and Professional Accountants - SOCPA

During the financial year 2021, the Governance Committee held four meetings and the attendance record was according to the following:

Name of the committee member	(1) 29/04/2021	(2) 30/06/2021	(3) 30/09/2021	(4) 30/12/2021
Rafat Al-Salamoni	√	√	√	√
Adel Al-Sumum	√	√	√	√
Maree Habbash	√	√	√	√

√ = Attended X = did not attend

The most prominent decisions of the committee during the year 2021:

1. Amending the company's organizational structure.
2. Reviewing the professional conduct rules.
3. Reviewing the procedures of candidacy registration for the new Board of Directors term.
4. Discussing the method of the full compatibility of the company with the governance regulations issued by SAMA and CMA.

The means used by the Board of Directors in evaluating its performance and the performance of its committees and members ((Dalal Al-Otabi))

The Board of Directors was committed to evaluating and assessing the effectiveness of its members, as well as its committees, as the Nomination and Remuneration Committee took into account when designing evaluation models the size of the members' participation and their effectiveness and the impact of their participation on the work of the Board and its subordinate committees.

10-Remuneration for members of the Board of Directors, committees and executive management remuneration:

According to Article Nineteen of the Company's Articles of Association and the policies and procedures' manual for remuneration of board and committee members:

I: The independent members	Adel Abdullah Al-Sumum	Zain Al-Abdeen Abdullah Barry	Ahmed Mohammed Marzouki
Fixed remuneration			
Remuneration for board meetings attended	SAR 18,000	SAR 18,000	SAR 18,000
Committee meetings attended	SAR 30,000	SAR 15,000	SAR 30,000
In-kind benefits	None	None	None
Amount for technical, administrative or consulting works	None	None	None
Remuneration of chairman, managing director or board of directors' secretary, if he is a member	None	None	None
Total	SAR 48,000	SAR 33,000	SAR 48,000
Variable remuneration			
Share in profits	None	None	None
periodic remuneration	SAR 120,000	SAR 120,000	SAR 120,000
Short-term incentive plans	None	None	None
Long-term incentive plans	None	None	None
Shares granted	None	None	None
Total	SAR 120,000	SAR 120,000	SAR 120,000
End of service award	None	None	None
total	SAR 168,000	SAR 153,000	SAR 168,000
Expense allowance	SAR 1,500	None	None

II: Non-independent members	Yasser Youssef Naghi	Ziad Bassam Al-Bassam	Raafat Attia Al-Salamoni
Fixed remuneration			
Remuneration for board meetings attended	SAR18,000	SAR18,000	SAR18,000
Committee meetings attended	SAR 9,000	SAR 19,500	SAR 16,500
In-kind benefits	None	None	None
Amount for technical, administrative or consulting works	None	None	None
Remuneration of chairman, managing director or board of directors' secretary, if he is a member	SAR 180,000	None	None
Total	SAR 207,000	SAR 37,500	SAR 34,500
Variable remuneration			
Share in profits	None	None	None
• periodic remuneration	None	SAR 120,000	SAR 120,000
• Short-term incentive plans	None	None	None
• Long-term incentive plans	None	None	None
• Shares granted	None	None	None
Total	-	SAR 120,000	SAR 120,000
End of service award	None	None	None
total	SAR 207,000	SAR 157,500	SAR 154,500
Expense allowance	None	None	None

III: Non-executive members	Khaled Saud Al-Hassan
Fixed remuneration	
Remuneration for board meetings attended	SAR 15,000
Committee meetings attended	SAR 18,000
In-kind benefits	None
Amount for technical, administrative or consulting works	SAR 240,000
Remuneration of chairman, managing director or board of directors' secretary, if he is a member	120,000 SAR
Total	-
Variable remuneration	
Share in profits	None
• periodic remuneration	None
• Short-term incentive plans	None
• Long-term incentive plans	None
• Shares granted	None
Total	
End of service award	None
total	SAR 393,000
Expense allowance	None

10-2 Senior Executive Remuneration (Badr AlGhanim-Mefreh Aljanfawi)

Position	Fixed remuneration				Variable remuneration						Indemnity End of service award	Total remuneration for the board executives	Total sum
	Salaries	Allowances	In-kind	Total	Periodic	profits	Short-term incentive	Long-term incentive	Granted	Total			
General Manager	927,000	324,450	61,667	1,313,117	-	-	-	-	-	-	52,261	-	1,365,378
Risk Manager	400,800	140,280	-	541,080	33,400	-	-	-	-	33,400	22,546	-	597,026
HR Manager	272,220	95,280	-	367,500	-	-	-	-	-	-	15,472	-	382,972
Finance Manager	214,692	77,308	-	292,000	-	-	-	-	-	-	12,200	-	304,200
Technical Manager (Present)	190,988	69,012	-	260,000	-	-	-	-	-	-	10,863	-	270,863
Technical Manager	141,000	51,450	-	192,450	23,500	-	-	-	-	23,500	15,642	-	231,592
Total	2,146,700	757,780	61,667	2,966,174	56,900	-	-	-	-	56,900	128,984	-	3,152,031

10-3 Remuneration of committee members

The table below shows the remuneration of the members of the committees for the current session of the board that is decided to be paid for the year 2021 after the approval of the next General Assembly, and the attendance allowances for the members of the committees for the current session, for the committee meetings for the financial year 2021:

Committees	Fixed remuneration (excluding the meetings attending allowance)	Meetings attending allowance	Total
Members of Audit Committee:			
1- Abdul Rahman Khalid al-Sultan	SAR 60,000	SAR 15,000	SAR 57,000
2- Zain Al-Abdeen Abdullah Barry	SAR 60,000	SAR 15,000	SAR 57,000
3- Mieshaal Abdul-Mohsen Al-Suleiman	SAR 60,000	SAR 15,000	SAR 57,000
Total	SAR 180,000	SAR 45,000	SAR 225,000
Members of the Remuneration and Nomination Committee:			
1- Adel Abdullah Al-Sumum	SAR 45,000	SAR 24,000	SAR 69,000
2- Ahmed Mohammad Marzouki	SAR 45,000	SAR 21,000	SAR 66,000
3- Osama bin Omar Fakh	SAR 45,000	SAR 24,000	SAR 69,000
Total	SAR 135,000	SAR 69,000	SAR 204,000
Members of the Risk Committee			
1- Rafat Al-Salamouni	SAR 45,000	SAR 10,500	SAR 55,500
2- Ahmed Jalal Rajab	SAR 45,000	SAR 10,500	SAR 55,500
3- Ziad Bassam Al-Bassam	SAR 45,000	SAR 10,500	SAR 55,500
Total	SAR 135,000	SAR 31,500	SAR 166,500

Members of the Investment Committee			
1- Khaled Saoud Al-Hassan	SAR 45,000	SAR 9,000	SAR 54,000
2- Ziad Bassam Al-Bassam	SAR 45,000	SAR 9,000	SAR 54,000
3- Adel Ali Al-Sayed	SAR 45,000	SAR 9,000	SAR 54,000
Total	SAR 135,000	SAR 27,000	SAR 162,000
Members of the Governance Committee			
1- Raafat Attiah Al-Salamouni	SAR 45,000	SAR 6,000	SAR 51,000
2- Adel Abdullah Al-Sumum	SAR 45,000	SAR 6,000	SAR 51,000
3- Mary Saad Habbash	SAR 45,000	SAR 6,000	SAR 51,000
Total	SAR 135,000	SAR 18,000	SAR 153,000
Members of Executive Committee			
1- Yasser Youssef Naghi	SAR 45,000	SAR 9,000	SAR 54,000
2- Khaled Saoud Al-Hassan	SAR 45,000	SAR 9,000	SAR 54,000
3- Ahmed Mohammed Marzouki	SAR 45,000	SAR 9,000	SAR 54,000
Total	SAR 135,000	SAR 27,000	SAR 162,000

10-4: There is no plans or agreement under which a member of the Board of Directors or a senior executive in the company waived any remuneration.

10-5: There is no fundamental deviation between the remuneration granted and what is specified and stated in Article 19 of the Company's Articles of Association and the policies and procedures' manual for members of the Board of Directors and committees.

11- The company's capital, shares and debt instruments:

11-1 The authorized and issued capital of the company is SAR 300,000,000 (three hundred million) as of 12/31/2021, divided into 30,000,000 (thirty million) shares of equal value, each of which is worth ten Saudi riyals.

11-2 : During the financial year 2021:

- 11-2-1 : The Company did not borrow during the year 2021 and therefore the company declares that there are no loans on it.
- 11-2-2 : During the financial year 2021, the company did not issue nor grant any convertible debt instruments, any contractual securities, underwriting right memos or equivalents.
- 11-2-3 : During the financial year 2020 G, the company did not issue nor grant any transfer or subscription rights under convertible debt instruments, contractual securities, warrants or similar rights.
- 11-2-4 : There is no redemption, purchase or cancellation by the company of any redeemable debt instruments or the amount of such securities outstanding.

11-2-5: There are no shares and debt instruments issued by a subsidiary company, as the company does not own any subsidiary companies.

- 11-2-6 : There are no other investments or reserves created for the benefit of the company's employees.
- 11-2-7 : There was no interest in the class of voting shares belonging to persons (other than the company's board of directors, senior executives and their relatives) notified the company of such rights under Article forty-five of the registration and listing rules, and any change in those rights during the recent financial year

Details of the company's community contributions:

The company's contribution of SAR 25,000 on 07/07/2021 to support the Disabled Children's Association in return for participating in the Children's Drawings and Creativity Program.

12 - Legal Statements and Additional Information:

- 12-1 The Board of Directors declares that the accounting records have been prepared in the correct manner.
- 12-2 The Board of Directors declares that the internal control system has been prepared on a sound basis and has been effectively implemented.
- 12-3 The Board of Directors declares that there are no doubts regarding the ability of the company to continue its activities.
- 12-4 The Board of Directors declares that during the financial year 2021, there was no contract in which the company, a member of its board of directors, its CEO and CFO has waived any material interest with the exception of what was mentioned in the paragraph (8-4) from the report of the Board of Directors.

- 12-5 The Audit Committee submitted its recommendation regarding the appointment of external auditors from among the candidates for the financial year 2020 to the General Assembly meeting after presenting it to the Board of Directors. PKF Al-Bassam and Al-Sayyed Al-Ayyouty & Co. were appointed as external auditors for the financial year 2021 and the first quarter of the year 2022. The Board of Directors has not issued any recommendation to change the external auditor before the end of the designated period
- 12-6 : The external auditors' report did not include any reservations about the annual financial statements for the year 2020.
- 12-7 : There is no arrangement or agreement under which a shareholder of the company waived rights in profits.
- 12-8 : During the financial year 2021, there was no penalty, sanction or reserve restriction imposed on the company by the Capital Market Authority or any judicial authority.

As for the fines of the supervisory or regulatory authorities, they are as follows:

Reason for the violation	Financial Year 2020			Financial Year 2021		
	Executive decisions no.	Total financial fines in SAR	Warning	Executive decisions no.	Total financial fines in SAR	Warning
Violating supervisory and regulatory instructions of SAMA	2	140,000	-	7	1,172,998	1
Violating customer Care instructions of SAMA	0	-	-	0	-	-
Violating the Anti- Money Laundering and terrorism financing instructions of SAMA	1	420,000	-	0	-	-

Violating Article (20-25-55-62) of instructions of GOSI	0	-	-	1	1,000	
Non-payment of staff wages on due dates- MoHRSD	0	-	-	1	3,000	-
Non-compliance with tax invoice requirements - ZATCA	0	-	-	1	10,000	-

12-9 : During the financial year 2020, the Board of Directors did not receive any suggestions and notes from shareholders regarding the company and its performance, and therefore it did not take any measures in this regard to inform its members about it - especially non-executives.

12:10: The Company does not have treasury shares held

13- Results of the annual review of the effectiveness of the company's internal control procedures

13-1 The annual work plans are prepared by the internal control departments and are discussed and approved by the audit committee, which directly supervises all audit and internal control work, including the annual review of the effectiveness of the company's internal control system procedures, as the committee considered that the internal control system in the company needs continuous development and follow-up to improve its efficiency and effectiveness and the continuous updating of the company's policies and procedures to conform with the nature of the company's activity and business and to be in line with developments, and accordingly the committee recommended the preparation of a corrective plan that will review it and follow up its implementation.

13-2 During the year 2020, there was no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors.

Articles of the Corporate Governance Regulations:

The company shall apply all articles of the insurance corporate governance regulation issued by the Capital Market Authority, excluding the articles listed below:

No. of Article/paragraph	Wording of the Article / paragraph	Reasons for non-implementation
Article Fifty-Four / Paragraph (A)	The Chairman of the Audit Committee shall be an independent member.	Guidance Article -
Article 85 /	The Company shall establish programmes for developing and encouraging the participation and performance of the Company's employees. The programmes shall particularly include the following:	Guidance Article -
Paragraph 2 and 3 (Employee incentives)	<ol style="list-style-type: none"> 1) Forming committees or conducting specialized workshops to know employee's opinions and discussing them in issues and topics regarding significant decisions. 2) establishing a scheme for granting Company shares or a percentage of the Company profits and pension programmes for employees, and setting up an independent fund for such programme; 3) and establishing social organisations for the benefit of the Company's employees. 	Guidance Article

<p>Article Eighty-seven (Social responsibility)</p>	<p>The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and Economic conditions of the community.</p>	<p>Guidance Article</p>
<p>Article Eighty-eight (Social Initiatives)</p>	<p>The Board shall establish programmes and determine the necessary methods for proposing social initiatives by the Company, which include:</p> <p>1) establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities;</p> <p>2) disclosing the objectives of the Company's social responsibility to its employees and raising their awareness and knowledge of social responsibility;</p> <p>3) disclosing plans for achieving social responsibility in the periodical reports on the activities of the Company's;</p> <p>And</p> <p>4) establishing awareness programmes to the community to familiarise them with the Company's social responsibility.</p>	<p>Guidance Article</p>

15 - Conclusion

The Board of Directors expresses its sincere gratitude and appreciation to the customers of the company and all the honorable shareholders for their invaluable confidence In addition, the Board is

pleased to send its sincere thanks and appreciation to the management of the company and its employees for their sincere efforts during the year.

Thank you

Board of Directors