

# Board of Directors Annual Report

31/12/2022

## Speech of Sheikh. Abdulaziz Ali Al-Turki Chairman of the Board of Directors



Gentlemen / shareholders of Gulf Union Al Ahlia Cooperative Insurance Company

On my own behalf and on behalf of the Board of Directors of Gulf Union Al Ahlia Cooperative Insurance Company, I present to your Excellency the report of the Board of Directors for the year ending on 12/31/2022 AD, including a brief explanation of the company's activity, the nature of its business, its level of performance, and the audited financial statements for the fiscal year ending on 31 Dec 2022 AD that audited by the company external auditors PricewaterhouseCoopers Certified Public accountants PwC and Allied Accountants Professional Services Company (RSM), a summary of the most prominent strategic decisions during the year 2022 AD, and the company's compliance with the corporate governance regulation, in addition to the information of the company's board of directors and the committees emanating from the board, the disclosures of the members of the board of directors, as well as an account a summary of the most important developments and achievements, financial results as well as the company's prospects and future plans, risks related to the company and how to manage it, operating systems in accordance with the relevant regulations, and other information covering all the necessary aspects that need to be mentioned through this report.

In achieving its strategy during the past year 2022 AD, Gulf Union Al Ahlia Cooperative Insurance Company relied on a group of elements that characterize the company, which is the long experience, the diversity of insurance solutions that it provides to its customers of individuals or companies, its geographical spread in the various regions of the Kingdom, and the experienced and high efficiency human resources, which resulted in achieving total written premiums of (548 million riyals).

The Board of Directors assures the shareholders that the board of directors always works with all effort and sincerity for the interest of the company and the interests of the shareholders, and the board of directors will always work to achieve positive results that satisfy the ambition of the company's shareholders.

We extend our thanks to the shareholders for their precious trust, we also thank the members of the Board of Directors, the members of the board of directors' committees, the Executive management team and all the company's employees for their dedication to work, and we thank all the company's customers and promise them to provide more insurance solutions that meet their insurance requirements.

## About the company

Gulf Union Al Ahlia Cooperative Insurance Company is proud of its position and reputation in the Saudi market since its incorporation as a public joint stock company until today. The company has been able to establish itself and provide its services to many segments of Saudi society, and today it is one of the leading national companies in the Kingdom of Saudi Arabia.

### Our vision

To be the market leading insurance Company with a value proposition and reliability that is beyond excellence

### Our Mission

Establish Gulf Union Al Ahlia as a new age Digital Insurer with a Focus on Customer Experience, Cost Efficiency and Market leadership

### Our values and principles

Customer care, professionalism, integrity, teamwork, innovation, commitment to digital excellence

## Capital Increase

In light of the Board of Directors' continuous follow-up to the company's financial position and its discussion and study of the measures to be taken to restructure the company's capital in line with the company's conditions and in order to achieve the company's strategic objectives and maintain its good financial position and its permanent commitment to the relevant regulations and instructions, the company increased the company's capital by offering rights issues with a value of 229,474,640 riyals, i.e. an increase of 100% of the capital. The company aimed to raise the capital to support the company's future plans and enhance Solvency margin and increase investment income.

In order to complete the company's capital increase project, the company to obtained a number of necessary regulatory approvals from the relevant regulatory and supervisory authorities as follows: -

- The Approval of Central Bank of Saudi Arabia
- The approval of the Capital Market Authority
- The approval of the extraordinary general assembly of shareholders

The Capital of the company after the completeness of the Capital Increase processes became **458,949,280 SR**, and the Shares became **45,894,928 Share**.

We appreciate the support of the regulatory authorities, led by the "Central Bank of Saudi Arabia" and the "Capital Market Authority", their continuous support and their generous and tangible role in upgrading the insurance sector and the financial sector in the Kingdom of Saudi Arabia.

## Merger ..... a Vision..... a Future

The company's Board of Directors and Executive Management always strive towards achieving the best for the company, its shareholders and its customers, and the company seeks to expand and spread, inflate the volume of business, improve the level of solvency, productivity and increase the percentage of its participation in the insurance sector in the Kingdom, and in order to achieve the vision of the Kingdom 2030, and after the success of the first merger project in the company's journey towards expansion and spread, the company, represented by its board of directors and its executive management, took the first steps towards starting preliminary understandings between the company and Al-Sagr Cooperative Insurance Company to study the feasibility of the merger between the two companies. In order to form a strong new entity capable of meeting market requirements and satisfying the customers' desires and aspirations. Through the merger, the company seeks to achieve the following objectives, for example, but not limited to: -

- Growth in market share.
- Wider geographic coverage.
- Enhancing Customer Service.
- Diversified portfolio of insurance products and client base.
- Increase in Gross Written Premiums.
- Economies of scale

The initial discussions started in accordance with the relevant regulatory mechanisms, the company will announce the steps taken that must be announced on Tadawul website to keep the valued shareholders informed of the latest developments as they occur.

- It is worth mentioning that a Binding Merger Agreement was signed between Gulf Union Al Ahlia Cooperative Insurance Co. and Al Sagr Cooperative Insurance Co. on March 22, 2023 AD, and this update was announced to the shareholders and the public on the TADAWUL website.

## Paragraph (1) - A description of the important plans and decisions of the company during the year 2022 and future expectations of the company's business:

### The most prominent decisions and events during the year 2022

- Increase the company's capital by offering rights issues with a value of 229,474,640 riyals, i.e. an increase of 100% of the capital, The Capital of the company after the completeness of the Capital Increase processes became 458,949,280 SR, and the Shares became 45,894,928 Share.
- Approval of the annual financial statements for the fiscal year ending 12/31/2021 AD, and its approval by the General Assembly of the company's shareholders on 28/06/2022.
- Approval of the annual report of the company's board of directors for the fiscal year ending on December 31, 2021 AD and its approval by the General Assembly on 28/06/2022.
- Recommending to the General Assembly the appointment of the company's external auditors, PricewaterhouseCoopers Certified Public accountants PwC and Allied Accountants Professional Services Company (RSM), to review and audit the financial statements of the second & third quarter and annual statements for the year 2022 and first quarter of 2023.
- Approval of the preliminary financial statements for the first, second and third quarters of 2022 AD
- Approval of the company's business plan and strategy 2022-2026.
- Updating the Company's By-Laws.
- Updating the Company's Corporate Governance regulation.
- Updating Policies, Criteria and procedures for membership in the Board of Directors.
- Updating the Audit Committee Charter
- Updating the Executive Committee Charter
- Updating the Investment Committee Charter
- Updating the Risk Management Committee Charter
- Updating the Nomination & Remuneration Committee Charter
- Updating Board of Directors & Board Committees Members and Executive Management Remuneration Policy
- Approval of the Board and Committees annual evaluation reports for the year 2021
- Approval of the Internal Audit Department's Manual and procedures
- Approval of the Compliance Department's Manual
- Approving the updated Cybersecurity policies and procedures
- Approving the Business Continuity plan and its Policies and Procedures
- Approving some of the company's policies and procedures after the update, including, but not limited to (Authority Matrix – Surplus Distribution Policy - Risk management Manual and risk appetite framework - Anti-fraud policy and procedures - Anti-fraud strategy - Supervisory visits and regulatory requirements policy - Money laundering risk assessment record 2022 – Motor Underwriting Manual 2022 - General Underwriting Manual 2022 – Investment Policy - AML/CFT policy and procedures – Outsourcing policies & procedures – Non insurance whistleblowing policy and procedures - Policy for measuring performance standards for whistleblowing - Customer Care Department policies and procedures – Administration policies and procedures – Reinsurance Manual)
- Approving the Annual Reports from the Board Committees
- Opening the candidacy for membership of the Board of Directors in its new session, which starts from 17/12/2022 AD, for a period of three Gregorian years.
- Election of the members of the Board of Directors for the new term, starting from 17/12/2022 AD, for a period of three Gregorian years.
- Nominating the Chairman of the Board of Directors, Vice-Chairman, chairmen and members of the committees emanating from the Board of Directors, and the Board Secretary for the new term.
- Appointing company representatives at the Capital Market Authority, Tadawul and Edaa.

### Main developments in operational activities:

- Renewing the company's annual qualification with the Council of Health Insurance (CHI).
- Developing the information technology dept. and related systems in line with business requirements and digital transformation.
- Take the necessary measures to implement cyber security requirements according to the timeframe specified for that.
- Take the necessary measures to implement International Financial Reporting Standard 17 (IFRS17) according to the specified timeframe.
- Renewing reinsurance agreements with a number of the best reinsurance companies.
- Renewing the contract with the appointed actuary "Badri Actuarial Services"
- Participating in the Inherent Defects Insurance.
- The company obtained the final approval of the Saudi Central Bank for one new product, which are presented to the individuals insurance category: - Domestic labor contract insurance product
- Restructuring some departments within the company in line with the company's work requirements, and approving the new organizational structure
- Restructuring some of the company's points of sales to achieve the maximum possible benefit from those points of sales in order to support the company's sales
- Emphasis on the application and adherence to the company's credit policy.
- Formation of a Business Continuity Management Committee and approve its charter/manual
- Approving the establishment of a unit for personal data governance, cyber security
- Organizing the various works of all the company's departments to achieve stability and organization of the operational procedures in order to achieve the company's goals.
- Decrease in the company's accumulated losses
- Improving solvency margin percentage/level
- Improvement in the company's financial results for the year 2022 AD

### The company's strategy and future expectations

The company is constantly striving to achieve the best for all related parties, including shareholders and customers of the company, our responsibility towards achieving our ambitions is reflected in the company's future plans, the most important of which are listed below:

- Upgrading the company's services to better levels to reach a high rating within the insurance companies.
- Continuous upgrading and development of the Customer Care Department
- Developing the electronic systems and digital transformation, which supports the company's strategy to achieve its goals.
- Continuous upgrading and development of POS to be able to market all products and achieve the desired goals.
- Redistributing the existing POS and opening new ones according to the company's vision to achieve geographical spread.
- Developing the company's information technology system in a way that helps develop the business and serves all company departments.
- Continuous work to improve the level of the solvency margin.
- Achieving a good financial return that enables the company to distribute profits to shareholders.
- Developing the portfolios of some insurance products that characterize the company to achieve the highest possible profitability while preserving the diversification of the company's insurance portfolio.
- Maintaining the growth rates in the investment portfolios by applying the investment policy in terms of distributing these investments to achieve the highest possible return while maintaining the reduction of risks to the lowest level.
- Continuing with the plan to develop and train the employees internally and externally.
- Raise the Saudization rate according to the requirements of the regulatory authorities by employing a number of distinguished national cadres.

### Saudization:

- The company sought during the year 2022 to increase the rate of Saudization by attracting Saudi professional competencies, qualifying and developing Saudi youth and preparing them for the insurance market  
It is committed to implementing the list of "requirements for appointment to leadership positions" issued in the month of 7/2013 by SAMA, which was updated in September 2019.
- The Saudization percentage in 2022 was 73%, and the number of company employees reached 364 employees as of 12/31/2022, Work is underway to raise this percentage in line with the requirements of the regulatory authorities

### **Training:**

The company believes that training is an investment of guaranteed return, because the qualified human element is the basic capital for progress and success. Therefore, the company has put training at its top priority for all levels of its employees, Training includes on-the-job training programs in addition to continuous development by obtaining scientific qualifications from external bodies, for example but not limited to:

- **Fundamentals of insurance:** Learn about the concept of risk and the main principles that govern the relationship between risk and insurance, learn about insurance contracts, learn about practical insurance procedures and the most important insurance products for the protection of individuals and companies.
- **Insurance risk management:** risk management, risk culture and responsibilities related to risks, risk monitoring, risk culture, risk management manual (strategies and objectives).
- **Cooperative Training:** The company trained Saudi university students within the joint cooperative program with universities in the field of health informatics, finance and accounting.
- **Training through Tamheer Program:** Within the training programs, Saudi university graduates have been trained and prepared for the labor market in cooperation with the Human Resources Fund (Hadaq).
- **Combating money laundering and terrorist financing - combating insurance fraud:** The Thomson Reuters Institute was contracted to prepare the training program, which most of the company's employees joined, and the program includes an overview of the subject of money laundering and terrorist financing, the difference between money laundering and terrorist financing, the local regulatory environment and experiences International and best practices, the most important points of money laundering related to insurance, KYC procedures, penalties, suspicious activity detection and reporting. Insurance fraud, detection methods and reporting policy.
- Training plans for employees whose names are listed in the succession plan in order to prepare them to assume administrative positions in the future.
- **Specialized insurance programs:** some training programs in insurance underwriting, institutional risk management, excellence in customer service, and insurance contracts.
- **In addition to:** Programs that help develop skills in data analysis and report management.
- **Awareness programs:** The company has presented awareness programs in the field of cybersecurity and compliance principles.

### **Paragraph (2) - Description of the main types of activity of the company and its subsidiaries:**

The main activity of the company in the Kingdom is practicing insurance business against risks in general and everything related to it in accordance with the provisions of the Cooperative Insurance Companies Control Law, the implementing regulations and their amendments, and all relevant regulations, and it covers the following types:

- Medical insurance (Group / visitor visas / tourist visas / special residence / Hajj and Umrah visa insurance)
- Motor insurance (comprehensive vehicle insurance / third-party liability motor insurance, i.e. compulsory third-party insurance and cross-port vehicle insurance).
- Life protection for groups.
- Travel insurance.
- Other branches of insurance or general insurance, which are:
  - Transport insurance (includes air, sea and land transport insurance).
  - Marine insurance (includes hull and liability insurance)
  - Non-marine insurance (property insurance / personal accident insurance / employers liability insurance / professional liability insurance / general or product liability insurance / theft insurance / dishonesty insurance / money insurance / fire insurance / engineering insurance / terrorism and sabotage insurance).

**Also, there are no subsidiaries companies of the company inside or outside the Kingdom.**

**The company conducts its activities in the Kingdom of Saudi Arabia through the following branches licensed by the relevant authorities:**

- Headquarter - Dammam
- The regional office of the Eastern Province - Dammam
- The regional office for the Western Region - Jeddah
- The regional office for the central region - Riyadh
- In addition to (25) points of sale distributed in most of regions of the Kingdom.



**Paragraph (3) – Analysis of the company’s performance during 2022 (thousand Saudi Riyal):**

	Medical Insurance	Motor Insurance	Other Insurance	Total
Gross Written Premium	230,345	224,157	93,929	<b>548,431</b>
Net Earned Premium	207,423	172,399	34,109	<b>413,931</b>
Reinsurance commissions	22	8,013	12,861	<b>20,896</b>
Net Incurred Claims	140,921	174,060	(1,104)	<b>313,877</b>
Net Underwriting Income	65,955	(30,487)	40,534	<b>76,002</b>

**Below is the performance of the operational Segments during the past five years 2018 – 2022 (thousand Saudi Riyal)**

Segment	2022	2021	2020	2019	2018
Medical	230,345	260,260	391,351	311,195	120,347
Motor	224,157	229,690	99,231	177,972	156,424
Others	93,929	82,573	66,541	69,629	51,231
<b>Total</b>	<b>548,431</b>	<b>572,523</b>	<b>557,123</b>	<b>558,796</b>	<b>328,002</b>

**Below are the operational segments and their contributions in the company’s results for year 2022 (thousand Saudi Riyal):**

Segment	Gross Written Premiums	Percentage
Medical	230,345	<b>42%</b>
Motor	224,157	<b>41%</b>
Others	93,929	<b>17%</b>
<b>Total</b>	<b>548,431</b>	<b>100%</b>

**Paragraph (4) – Summary of company assets, liabilities and financial results for the past five years:**

**Comparison of Assets and liabilities for the years 2018 – 2022 (thousand Saudi Riyal)**

Item	2022	2021	2020	2019	2018
<b>Insurance Operations assets</b>					
Cash and equivalents	28,586	40,667	67,852	64,394	20,601
Premiums and debit insurance balances	183,530	166,749	214,880	192,173	130,076
Other assets	456,560	570,691	560,024	297,813	310,712
	<b>668,676</b>	<b>778,107</b>	<b>842,756</b>	<b>554,381</b>	<b>461,389</b>
<b>Liabilities and accumulated surplus of insurance operations</b>					
Accounts payable	92,417	130,976	87,488	51,005	52,917
Technical reserves	509,424	587,186	662,524	440,372	360,618
Other payable	79,482	59,944	92,744	63,004	47,854
	<b>668,676</b>	<b>778,106</b>	<b>842,756</b>	<b>554,381</b>	<b>461,389</b>
<b>Shareholders’ operations assets</b>					
Cash and equivalents	71,736	74,315	111,656	2,468	1,524
Other assets	461,308	291,591	350,829	149,520	177,699
	<b>533,044</b>	<b>365,906</b>	<b>462,485</b>	<b>151,989</b>	<b>179,223</b>
<b>Shareholders’ operations liabilities</b>	<b>185,805</b>	<b>234,917</b>	<b>193,825</b>	<b>6,723</b>	<b>9,123</b>
<b>Shareholders’ equity</b>	<b>347,239</b>	<b>130,990</b>	<b>268,660</b>	<b>145,265</b>	<b>170,099</b>
<b>Total liabilities and shareholders’ equity</b>	<b>533,044</b>	<b>365,907</b>	<b>462,485</b>	<b>151,989</b>	<b>179,223</b>



**Summary of company results for the year 2022, with comparison to the past five years 2018 – 2022 (thousand Saudi Riyal)**

	2022	2021	2020	2019	2018
Gross written premium	548,431	572,523	557,123	558,796	328,002
Net earned premiums	413,931	569,833	434,884	326,855	167,996
Total revenues	434,828	594,397	459,429	353,815	196,846
Net claims and other benefits paid	390,086	546,230	(345,468)	(232,739)	(105,371)
Net claims and other benefits incurred	313,877	564,308	(370,147)	(293,649)	(99,660)
Total underwriting costs and expenses, net	358,825	642,148	(410,407)	(316,818)	(128,961)
Net Underwriting Income	76,002	(47,751)	49,022	36,997	67,885
Total other operating expenses, net	71,172	(90,366)	(88,386)	(67,735)	(61,553)
Surplus attributed to the insurance operations	2,757	-	-	-	5,821
Total loss for the year attributable to the shareholders	<b>2,524</b>	<b>(140,117)</b>	<b>(45,577)</b>	<b>(29,143)</b>	<b>5,750</b>

**Paragraph (5) – Geographical distribution of Written Premiums of the company and its subsidiaries:**

Below table shows insurance operations Gross Written Premium generated within the kingdom for the company during the year ended 31 December 2022 which amounted to SR 548,431. **The company does not have any subsidiaries:**

**Regions results (Thousand Saudi riyals)**

Year	Total Gross Written Premium			Total
	Western Region	Central Region	Eastern Region	
2022	32,096	142,945	373,390	<b>548,431</b>
2021	45,253	143,964	383,306	<b>572,523</b>
2020	99,654	222,578	234,891	<b>557,123</b>
2019	97,107	167,160	294,529	<b>558,796</b>
2018	32,712	164,073	131,217	<b>328,002</b>
2017	50,577	125,784	183,266	<b>359,627</b>
2016	41,055	41,739	194,581	<b>277,376</b>

**Paragraph (6) – Whether external auditor report contains any Reservations on the financial statements and the reason behind them and any relevant information:**

The company confirms that there has been no Reservations on its 2022 financial statements by external auditors (PricewaterhouseCoopers Certified Public accountants PwC and Allied Accountants Professional Services Company (RSM))

**Paragraph (7) – Summary of major differences in the operations results of the company as compared to last year or any forecast published (thousand Saudi Riyal):**

	2022	2021	Change in amount	Change %
Gross written premium	548,431	572,523	(24,092)	-4%
Net written premiums	449,476	442,713	6,763	2%
Net incurred claims	313,877	546,230	(232,353)	-43%
Net Profit (loss) of Shareholders Capital Investment	5,768	6,518	(750)	-12%
Profit (Loss) Insurance Operations Minus Policy Holders Investments Revenues (Operations Results)	(2,704)	(152,585)	150,953	-98%



Net Profit (loss) of Shareholders Capital Investment	14,361	11,237	3,124	28%
Net Profit (Loss) before Zakat	4,524	(138,117)	144,019	-103%
Total Comprehensive Income	(23,975)	(139,234)	116,637	-83%
Total Share Holders Equity (after Deducting Minority Equity)	334,592	133,098	202,567	153%
Profit (Loss) per Share	548,431	(6.11)	(24,092)	-4%

**Paragraph (8) – Clarifying whether there are deviations from accounting standards endorsed by Saudi Organization for Certified Public Accountants**

The financial statements have been prepared in accordance with International Financial Reporting Standards approved in the Kingdom of Saudi Arabia. There is no difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA).

**Paragraph (9) - Company policy for dividend distribution:**

The company's policy of dividend distribution is based on what is stipulated in Chapter 8 of the Company's By-Law, as follows:

● **Dividend distribution:**

Dividend shall be distributed after deducting all overheads and other costs and forming the reserves required to face doubtful debts, losses of investments and contingent liabilities the board of directors deems necessary in accordance with the provisions of the cooperative insurance companies control law, provisions issued by Saudi central bank in accordance with the following controls:

1. Set aside Zakat and income tax established by regulation.
2. Set aside (20%) of the net profits to form a statutory reserve. The ordinary general assembly may discontinue such setting aside when the total reserves amount to (100%) of the paid capital.
3. Upon determination net profits per share, the ordinary general assembly may decide to form other reserves to the extent achieving the interest of the company or ensuring the distribution of fixed profits as possible among shareholders
4. Distribute the company annual net profits determined by it after deducting all overheads and other costs and forming the reserves required to face doubtful debts, losses of investments and contingent liabilities the board of directors deems necessary in accordance with the provisions of the cooperative insurance companies control law, provisions issued by Saudi central bank. From the remaining profits after deduction the reserves established under relevant regulations and Zakat a ratio of not less than 5% of the paid capital for distribution among shareholders as proposed by the board of directors and decided by the general assembly. If the remaining ratio of profits due to shareholders is not sufficient to pay such ratio, shareholders may not request payment thereof in the following year or years and the general assembly may not decide to distribute a ratio of profits that is in excess of what has been proposed by the board of directors.

● **Entitlement of profit:**

A shareholder shall be entitled to its share of the profits in accordance with the resolution of the general assembly issued in this regard. The resolution shall indicate the entitlement date and distribution date. The entitlement to profits shall be for the shareholders registered in the registers of shareholders at the end of the day specified for entitlement. The company shall notify Capital Market Authority without delay of any decisions for the distribution of profits or recommending same. The profits to be distributed among shareholders shall be paid in the place and on the date determined by the board of directors in accordance with the instructions issued by the competent authority subject to the prior written approval of Saudi central bank.

● **Distribution of the surplus to policyholders:**

The company has adopted the policy issued by the Saudi Central Bank to distribute the surplus to the policyholders, and the company is obligated to inform its policyholders of everything related to distributing the surplus as necessary after obtaining the necessary approvals from the regulatory authorities. Percentages of profits distributed to shareholders during the various periods of the fiscal year 2020 in addition to the percentage of profits proposed to be distributed at the end of the fiscal year and the total of these profits:

As per the company's By-Law, Accounts of an insurance operation shall be independent from the statement of income of shareholders as follows:

**First: Accounts of insurance operations:**

- 1- An account shall be allocated to earned premiums, and reinsurance and other commissions.
- 2- An account shall be allocated to reimbursements incurred by the company.

- 3- At the end of each year, the total surplus representing the difference between the total premiums and reimbursements less marketing, administrative and operational charges and the required technical provisions according to the instructions regulating same shall be determined.
- 4- The determination of the net surplus shall be as follows: The return on investment relating to those insured shall be added to the total surplus set forth in paragraph (3) above or deducted therefrom after calculating the returns due to them and deducting the realized charges due from them.
- 5- Distribution of net surplus: It shall be made either by distributing (10%) ten percent to those insured directly or by decreasing their premiums for the following year. (90%) ninety percent shall be carried forward to the income account of shareholders.

**Second: Shareholders' income statement:**

- 1- The shareholders' profits from the return on the investment of the shareholders' funds shall be according to the rules developed by the board of directors.
- 2- The shareholders' shares of the net surplus shall be as set forth in paragraph (5) of the item first of this article,

- **Profit ratios that were distributed to shareholders during the different periods of the fiscal year 2022 in addition to the ratio of profits proposed to be distributed at the end of the fiscal year, and the total of these profits:**

- No dividends were distributed to shareholders during the year 2022, due to the company not covering all its Accumulated Losses

### Paragraph (10) - Board of Directors

The role of the Board of Directors is to set the plans, policies, strategies, and main objectives of the company, supervise their implementation and review them periodically, ensure the availability of the human and financial resources necessary to achieve them, establish systems and controls for internal control and general supervision over them, and prepare and approve the report of the Board of Directors before publication.

Without prejudice to the powers established for the General Assembly, the Board of Directors has been given in the articles of association of the company the broadest powers to manage the company in a way that achieves its objectives, and it also has the power, within the limits of its competence, to delegate one or more of its members or others to carry out a specific work or business - in a manner that does not conflict With the relevant laws and regulations.

### 10-1 Board of Directors duties and responsibilities

Here we explain the most important duties and responsibilities of the Board of Directors, which include, but are not limited to, the following:

- **Election of Chairman and Deputy Chairman, Appointment and Supervision of Executive Management**
  - The Board have the power to appoint the Executive Management; determine their compensation; prescribe their duties; dismiss any appointee and generally to exercise supervision over the management of the Company.
  - The Board elect the Chairman, Deputy Chairman, and appoint a Secretary (upon the No-Objection of Saudi Central Bank).
  - The Board fix compensation for the Executive Management of the Company, upon the recommendation of the Nomination and Remuneration Committee.
  - The Board shall also determine the appropriate level of remunerations of the board members (As per the Remuneration policy approved by the board and the general assembly).
- **Identification and Management of Risks**
  - The Board will identify and review with Executive management the main risks faces the Company.
  - The Board will ensure the implementation of appropriate systems and take the necessary measures to manage these risks.
  - The Board may delegate one or more committees to receive Management's assessment and responses to these risks and make recommendations and reports to the Board.
- **Adoption of a Strategic Planning Process**
  - Each fiscal year the Board will meet with the Executive Management regarding the strategic planning for the Company in which future trends, opportunities and risks are jointly identified.
  - The Board will provide suggestions to develop the strategy of the Company. The Board will review and approve the overall business strategy for the Company, which is developed by the Executive Management.
- **Evaluation and Approval of Financial Decisions**
  - The Board will review the financial and operational results of the Company. The Board will review, evaluate and approve major resource allocations and capital investments. The Board will review, evaluate and approve the Company's budget and forecasts.
- **Development of Corporate Governance Guidelines**
  - The Board will develop the Company's overall approach to corporate governance and review periodically the Company's corporate objectives and policies relating to social responsibility.

#### ● Executive Management Evaluation and Succession

- The Board shall monitor the performance of the Executive Management and the extent to which it has achieved the objectives and purposes of the Company.
- The Board will conduct an annual review of the CEO's performance in order to ensure that the CEO is providing the best leadership for the Company in the long- and short-term.

#### ● Oversight over the Executive Management

- The Board shall form the Executive Management of the Company, regulate its operating procedures, monitor and oversee it and ensure that it performs the duties assigned to it, and to achieve this, the Board shall:
- Develop the necessary administrative and financial policies.
- Ensure that the Executive Management operates in accordance with the policies approved by the Board.
- Select and appoint the Chief Executive Officer of the Company, and oversee his/her work.
- Appoint the manager of the internal audit unit or department, or the internal auditor and dismiss him and determine his remuneration, if any.
- Convene periodic meetings with the Executive Management to explore the work progress and any obstacles and problems in connection therewith, and review and discuss the important information in respect of the Company's business.
- Develop standards for the performance of the Executive Management consistent with the objectives and strategy of the Company.
- Review and evaluate the performance of the Executive Management; and
- Develop succession plans for the management of the Company.

### 10-2 Composition of the board of directors and classification of its members

- The Board of Directors consists of seven (7) members elected by the General assembly that was held on 17/12/2020 for three years ended on 16/12/2022.
- The company applied all the necessary procedures related to the nomination processes of the new board members
- The General assembly that convened on 30/11/2022, elected the seven board members for the new term started on 17/12/2022 and continues for three Gregorian years ending on 16/12/2025.

The table below shows the names of the board members, their membership in the committees, as well as the membership of the committees from outside the board, for previous term ended on 16/12/2022 and for the current new term started on 17/12/2022:

#### ● First: Previous term ended on 16/12/2022

Board Members (Previous term ended on 16/12/2022)			
No.	Name	Membership (Executive / Non-Executive / Independent)	Committee membership
1	Abdulaziz Ali Al-Turki	• Chairman of the Board of Directors - Non-Executive	• Chairman of the Executive Committee
2	Fawaz Talal Al-Tamimi	• Vice Chairman - Non-Executive	• Member of the Executive Committee • Member of the Nomination and Remuneration Committee
3	Munir Hashem Al-Borno	• Board Member - Executive	• Member of the Executive Committee • Member of the Investment Committee
4	Ibrahim Abdullah Al-Mutrif	• Board Member - independent	• Chairman of the Audit Committee • Chairman of the Nomination and Remuneration Committee
5	Majid Shatti Al Dhafiri	• Board Member - non-executive	• Chairman of the Risk Committee • Member of the Investment Committee
6	Ayham Muhammad Al-Youssef	• Board Member - independent	• Member of the Nomination and Remuneration Committee • Member of the Risk Committee
7	Ghassan Muhammad Kashmiri	• Board Member - independent	• Risk Committee member
Committees Members from outside the Board and their membership classification (Previous term ended on 16/12/2022)			
No.	Name	Membership (Executive / Non-Executive / Independent)	Committee membership
1	Abdulaziz Al-Naim	Committee members from outside the board (independent)	• Chairman of the Investment Committee
2	Muhammad Aqeel Al-Sha'ea	Committee members from outside the board (independent)	• Member of the Audit Committee
3	Ibrahim Abdulaziz Al-Muqhem	Committee members from outside the board (independent)	• Member of the Audit Committee
4	Meshaal Ibrahim Al Shayea	Committee members from outside the board (Executive)	• Member of the Investment Committee

• Second: Current / New term Started on 17/12/2022

Board Members (Current / New term Started on 17/12/2022)			
No.	Name	Membership (Executive / Non-Executive / Independent)	Committee membership
1	Abdulaziz Ali Al-Turki	• Chairman of the Board of Directors - Non-Executive	• Chairman of the Executive Committee
2	Zaid Abdullah Al Yaesh	• Vice Chairman - independent	• Member of the Executive Committee
3	Munir Hashem Al-Borno	• Board Member - Executive	• Member of the Executive Committee • Member of the Investment Committee
4	Ahmed Sulaiman Al Mazaini	• Board Member - independent	• Chairman of the Audit Committee • Chairman of the Nomination and Remuneration Committee
5	Majid Shatti Al Dhafiri	• Board Member - non-executive	• Member of the Risk Management Committee • Member of the Nomination and Remuneration Committee
6	Abdullah Abdulwahab	• Board Member - independent	• Chairman of the Risk Management Committee • Member of the Nomination and Remuneration Committee
7	Mohammed Al Katheer	• Board Member - independent	• Member of the Risk Management Committee
Committees Members from outside the Board and their membership classification (Current / New term Started on 17/12/2022)			
No.	Name	Membership (Executive / Non-Executive / Independent)	Committee membership
1	Abdulaziz Al-Naim	Committee members from outside the board (independent)	• Chairman of the Investment Committee
2	Abdullah Al Hajri	Committee members from outside the board (independent)	• Member of the Audit Committee
3	Ibrahim Abdulaziz Al-Muqhem	Committee members from outside the board (independent)	• Member of the Audit Committee
4	Meshaal Ibrahim Al Shaya	Committee members from outside the board (Executive)	• Member of the Investment Committee
5	Ayham Mohammed Al Youssef	Committee members from outside the board (independent)	• Member of the Investment Committee

### 10-3 Board meetings held during the year 2022, their dates and attendance records for each meeting

NO	Name	Attendance Record					Total # of Meetings During 2022	The number of meetings attended by the member from the date of the last general assembly meeting held on 30/11/2022
		1 <sup>st</sup> Meeting 26/01/2022	2 <sup>nd</sup> Meeting 31/05/2022	3 <sup>rd</sup> Meeting 18/09/2022	4 <sup>th</sup> Meeting 26/10/2022	5 <sup>th</sup> Meeting (*) 18/12/2022		
1	Abdulaziz Ali Al-Turki	✓ Attend	✓ Attend	✓ Attend	✓ Attend	✓ Attend	5	1
2	Fawaz Talal Al-Tamimi	✓ Attend	✓ Attend	✓ Attend	✓ Attend	N/A – Term Ended	4	0
3	Munir Hashem Al-Borno	✓ Attend	✓ Attend	✓ Attend	✓ Attend	✓ Attend	5	1
4	Ibrahim Abdullah Al-Mutrif	✓ Attend	✓ Attend	✓ Attend	✗ Absent	N/A – Term Ended	3	0
5	Ayham Muhammad Al-Youssef	✓ Attend	✓ Attend	✓ Attend	✓ Attend	N/A – Term Ended	4	0
6	Majid Shatti Al Dhafiri	✓ Attend	✓ Attend	✓ Attend	✓ Attend	✓ Attend	5	1
7	Ghassan Muhammad Kashmiri	✓ Attend	✓ Attend	✓ Attend	✓ Attend	N/A – Term Ended	4	0
The new BOD Members – New Term								
1	Zaid Abdullah Al Yaesh	N/A	N/A	N/A	N/A	✓ Attend	1	1
2	Ahmed Sulaiman Al Mazaini	N/A	N/A	N/A	N/A	✓ Attend	1	1
3	Abdullah Abdulwahab	N/A	N/A	N/A	N/A	✓ Attend	1	1
4	Mohammed Al Katheer	N/A	N/A	N/A	N/A	✓ Attend	1	1

(\*) The 5th BOD Meeting which convened on 18/12/2022, considered as the first BOD Meeting in the new term started on 17/12/2022

All BOD Members of the new term were attended the meeting as shown in the above table.

### 10-4 Board members list of Names, committees' members, and executive management, and their current and previous positions, qualifications and experiences

#### a. Board of Directors of the previous term ended on 16/12/2022

No	Name	Membership in Gulf Union Al Ahlia	Current jobs	previous jobs	Qualifications	Experiences
1	Abdulaziz Ali Al-Turki	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors</li> <li>Chairman of the Executive Committee</li> </ul>	<ul style="list-style-type: none"> <li>Board of Directors Chairman for Gulf Union Holding Company</li> <li>Board of Directors Chairman for RAWABI Holding Company.</li> <li>Board of Directors Chairman for NESMA &amp; Partners Contracting Company Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Board of Trustees of the Lebanese American University</li> <li>Executive Committee Member for Gulf Union Cooperative Insurance Company</li> <li>Member of the Board of Directors of Nama Shipping Services Ltd.</li> <li>Board of Directors Chairman of Nama Shipping Services Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Honorary Doctorate in Humanitarian Literature - Lebanese American University in Lebanon</li> <li>Master of Business Administration from George Washington University - USA</li> <li>Bachelor Degree in Business Administration from George Washington University - USA</li> </ul>	49 years



N o	Name	Membership in Gulf Union Al Ahlia	Current jobs	previous jobs	Qualifications	Experiences
2	<b>Fawaz Talal Al-Tamimi</b>	<ul style="list-style-type: none"> <li>Deputy Chairman of the Board</li> <li>Executive Committee Member</li> <li>Nomination and Remuneration Committee member</li> </ul>	<ul style="list-style-type: none"> <li>Board Member of Anteli Group</li> <li>Board Member of Saudi Indsor Steel Company</li> <li>Board Member of Tamimi and Sehati Transportation</li> <li>Board Member of Ali Abdullah Al-Tamimi Sons Holding Company</li> <li>Board Member of the Gulf Islamic Investment Company</li> <li>Board Member of GFH Financial Group</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of the Nomination and Remuneration Committee at the Gulf Union Cooperative Insurance Company</li> <li>Board Member of Al Salam Hospital</li> <li>Board Member of Anan Housing Company</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor Degree in Management and Marketing from California State University - USA</li> </ul>	13 years
3	<b>Munir Hashem Al-Borno</b>	<ul style="list-style-type: none"> <li>Member of the Board of Directors</li> <li>Member of the Executive Committee</li> <li>Member of the Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>Board Advisor at Gulf Union Al Ahlia Cooperative Insurance</li> <li>Chairman of the Board of Directors of Gulf House Consulting</li> <li>Board Member at Gulf Union insurance and reinsurance Co. (Bahrain)</li> </ul>	<ul style="list-style-type: none"> <li>CEO and Managing Director at Gulf Union Al Ahlia Cooperative Insurance</li> <li>Partner and Director of Arthur Andersen - Bahrain and the Eastern Province.</li> <li>Member of the Board of Directors and Chairman of the Audit Committee and Remuneration Committee of Abdullah Al-Khudary Sons Company</li> <li>Member of the Risk Committee of GU</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Commerce from Al-Azhar University - Egypt</li> <li>Postgraduate AMP studies from Harford University - America</li> <li>Member of the Arab Society of Certified Accountants</li> <li>Fellow of the Arab Society of Certified Accountants</li> </ul>	51 years
4	<b>Ibrahim Abdullah Al-Mutrif</b>	<ul style="list-style-type: none"> <li>Member of the Board of Directors</li> <li>Chairman of the Audit Committee</li> <li>Chairman of the Nomination and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>President of the Bir al-Khair Center for Economic Consulting</li> <li>Member of the Board of Directors of the Development Committee for International Trade</li> </ul>	<ul style="list-style-type: none"> <li>Deputy Governor of the General Investment Authority for International Cooperation</li> <li>Secretary General of the Chamber of Commerce and Industry in the Eastern Province</li> <li>Teaching Assistant, Professor, Dean, and Director of Economic Studies at the Research Institute</li> <li>Member of the Audit Committee, Chairman of the Risk Committee, and a member of the Nomination and Remuneration Committee of GU</li> <li>Member of the Board of Directors and member of the Audit Committee of Abdullah Al-Khudary Sons Company</li> <li>CEO of the Saudi World Trade Center Holding Company</li> </ul>	<ul style="list-style-type: none"> <li>BA in Management at the University of Arizona - USA</li> <li>MA in Economics from the University of Denver - USA</li> <li>PhD in political science from the University of Northern Arizona - USA</li> </ul>	43 years
5	<b>Ayham Muhammad Al-Youssef</b>	<ul style="list-style-type: none"> <li>Member of the Board of Directors</li> <li>Member of the Risk Management Committee</li> <li>Member of the Nomination and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Board of Directors of the Saudi Marketing Company (Farm Markets)</li> <li>Member of the Board of Directors of the Saudi Home Finance Company.</li> <li>Board Member at AYYAN Investment Co.</li> </ul>	<ul style="list-style-type: none"> <li>General Supervisor of the Real Estate Development Fund</li> <li>CEO of Al-Bilad Company</li> <li>CEO of Ruya Capital</li> <li>General Manager at HSBC Fund</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Industrial Management from King Fahd University of Petroleum and Minerals</li> </ul>	28 years
6	<b>Majid Shatti Al Dhafiri</b>	<ul style="list-style-type: none"> <li>Member of the Board of Directors</li> <li>Chairman of the Risk Management Committee</li> <li>Member of the Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>Insurance Manager in Al Muhaidib Group</li> <li>Board member at Gulf Union Holding (Bahrain)</li> <li>Board Member at Gulf Union insurance and reinsurance Co. (Bahrain)</li> </ul>	<ul style="list-style-type: none"> <li>Head of document issuance at Tawuniya Insurance Company</li> <li>Business Development Manager at SABB Bank</li> <li>Regional Director for the Eastern Province, Wafa Insurance Company</li> <li>Regional Director of Corporate Insurance at the Arab Bank</li> </ul>	<ul style="list-style-type: none"> <li>Insurance Diploma from the Institute of Public Administration in Riyadh</li> </ul>	21 years
7	<b>Ghassan Muhammad Kashmiri</b>	<ul style="list-style-type: none"> <li>Member of the Board of Directors</li> <li>Member of the Risk Management Committee</li> </ul>	<ul style="list-style-type: none"> <li>Founder and CEO of the Governance Expert Consulting Office</li> </ul>	<ul style="list-style-type: none"> <li>External auditing supervisor at PricewaterhouseCoopers</li> <li>Anti-money laundering specialist at Banque Saudi Fransi</li> <li>An executive advisor at the Corporate Governance Department at the Capital Market Authority</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Accounting from King Saud University</li> </ul>	25 years



**b. Committees members from outside the Board - previous term ended on 16/12/2022**

No.	Name	Membership in GUA	Current jobs	previous jobs	Qualifications	Experiences
1	<b>Abdulaziz Al-Naim</b>	<ul style="list-style-type: none"> <li>Chairman of the Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>Managing Director of Mayar Capital</li> <li>Member of the Board of Directors in both: <ul style="list-style-type: none"> <li>Mayar Capital</li> <li>D3 Capital</li> <li>GIB Capital</li> <li>Basic Chemical Industries Company</li> <li>Vinella Investments Ltd.</li> <li>Caldera International Holdings Ltd.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Executive Director of Yarim Company Ltd.</li> <li>Member of the Investment Committee of the Gulf Union Cooperative Insurance Company</li> <li>Board Member at Abdul Rahman Al-Turki Group ATCO</li> <li>Board Member at o Fund of Funds Company</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Administrative Sciences with a major in Finance with an accompanying major in Economics from MIT University, USA.</li> <li>Certified Financial Analyst Certificate "CFA" in 2006.</li> </ul>	20 years
2	<b>Muhammad Aqeel Al-Sha'aa</b>	<ul style="list-style-type: none"> <li>Audit Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>CEO of Al-Jabr Finance</li> <li>Member of the Credit and Risk Committee for Al Jabr Car Rentals</li> <li>Head of Credit Committee for Kia Algebra</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Audit Committee / CEO of Al Sagr Insurance Company</li> <li>Regional Director (companies) for the Eastern Province of Al-Rajhi Bank</li> <li>Member of the Board of Directors of Next CARE Company</li> <li>Regional Director (companies) for the Eastern Province of Alawwal Bank</li> <li>Member of the Board of Directors of Nama Petrochemical Company</li> </ul>	<ul style="list-style-type: none"> <li>Master of Business Administration (Finance and Marketing) from the American University in Cairo</li> <li>Postgraduate Diploma (Business Administration) from the American University in Cairo</li> <li>Bachelor of Science (Architecture) from King Fahd University of Petroleum and Minerals</li> </ul>	29 years
3	<b>Ibrahim Abdulaziz Al-Muqhem</b>	<ul style="list-style-type: none"> <li>Audit Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Audit Committee of the Agaseem Chemical Products Company</li> <li>Member of the review committee of CARE International</li> <li>The National Housing Company - the investment sector</li> </ul>	<ul style="list-style-type: none"> <li>Senior Relationship Manager at the Saudi Stock Exchange (Tadawul) - Financial Markets (Listing)</li> <li>Accountant at the Saudi Basic Industries Corporation (SABIC)</li> <li>Member of the Board of Directors of Hayam Company Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Master of Financial Management from the University of Scranton in the USA</li> <li>Bachelor's degree in Financial Management from King Saud University</li> </ul>	16 years
4	<b>Mesheal Ibrahim Al Shaya'a</b>	<ul style="list-style-type: none"> <li>Investment Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>CEO at Gulf Union Al Ahlia Cooperative Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>Deputy CEO at Gulf Union Al Ahlia Cooperative Insurance</li> <li>CEO at Al Ahlia Cooperative Insurance</li> <li>Board Member – Executive committee member – Investment committee member at Al Ahlia Cooperative Insurance</li> <li>CEO at SALAMA cooperative Insurance</li> <li>Chief Distribution Officer at Al Rajhi Cooperative Insurance</li> <li>Vice President for Sales and Marketing at Al Ahlia Cooperative Insurance</li> <li>Central Region Manager at Malath Cooperative Insurance</li> <li>Key Accounts Manager – Tawuniya Cooperative Insurance</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor Degree in Economy - Imam Mohammed Bin Saud University Saudi Arabia</li> <li>Insurance Foundation Certificate – Chartered Insurance Institute London</li> </ul>	22 years

**c. Board of Directors - Current / New term Started on 17/12/2022**

No	Name	Membership in Gulf Union Al Ahlia	Current jobs	previous jobs	Qualifications	Experiences
1	<b>Abdulaziz Ali Al-Turki</b>	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors</li> <li>Chairman of the Executive Committee</li> </ul>	<ul style="list-style-type: none"> <li>Board of Directors Chairman for Gulf Union Holding Company</li> <li>Board of Directors Chairman for RAWABI Holding Company.</li> <li>Board of Directors Chairman for NESMA &amp; Partners Contracting Company Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Board of Trustees of the Lebanese American University</li> <li>Executive Committee Member for Gulf Union Cooperative Insurance Company</li> <li>Member of the Board of Directors of Nama Shipping Services Ltd.</li> <li>Board of Directors Chairman of Nama Shipping Services Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Honorary Doctorate in Humanitarian Literature - Lebanese American University in Lebanon</li> <li>Master of Business Administration from George Washington University - USA</li> <li>Bachelor Degree in Business Administration from George Washington University - USA</li> </ul>	49 years
2	<b>Zaid Abdullah Al Yaeesh</b>	<ul style="list-style-type: none"> <li>Deputy Chairman</li> <li>Executive Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>CEO of AlTayseer Arabian Company</li> <li>Member of the Board of Directors- Aljeri Holding Company</li> <li>Chairman of the Finance Committee-Asharqia Chamber</li> </ul>	<ul style="list-style-type: none"> <li>CEO of Aljabr Finance Company</li> <li>CEO of Samnan holding Company</li> <li>CEO of AlAhssa Development Company</li> <li>Chairman of the Audit Committee- AL SAGR Insurance Company</li> <li>Member of the Board of Directors and Chairman of the Nomination and</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Accounting- King Faisal University Saudi Arabia</li> <li>Master of Islamic Finance-</li> </ul>	32 years





No	Name	Membership in Gulf Union Al Ahlia	Current jobs	previous jobs	Qualifications	Experiences
			<ul style="list-style-type: none"> <li>Chairman of the Insurance Committee- Aljomaih holding</li> <li>Certified arbitrator from the commercial center- Arab Gulf Cooperation Council</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration Committee- Arbaah capital</li> <li>Member of the Board of Directors and Chairman of the Audit Committee – Global beverage Company</li> <li>Chairman of the General Committee of the Saudi Central Bank</li> <li>Chairman of the Executive Committee of Finance Companies of the Saudi Central Bank</li> <li>Member of the Board of Director Tamweel Aloula</li> </ul>		
3	<b>Munir Hashem Al-Borno</b>	<ul style="list-style-type: none"> <li>Member of the Board of Directors</li> <li>Member of the Executive Committee</li> <li>Member of the Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>Board Advisor at Gulf Union Al Ahlia Cooperative Insurance</li> <li>Chairman of the Board of Directors of Gulf House Consulting</li> <li>Board Member at Gulf Union insurance and reinsurance Co. (Bahrain)</li> </ul>	<ul style="list-style-type: none"> <li>CEO and Managing Director at Gulf Union Al Ahlia Cooperative Insurance</li> <li>Partner and Director of Arthur Andersen - Bahrain and the Eastern Province.</li> <li>Member of the Board of Directors and Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee of Abdullah Al-Khudary Sons Company</li> <li>Member of the Risk Committee of GU</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Commerce from Al-Azhar University - Egypt</li> <li>Postgraduate AMP studies from Harford University - America</li> <li>Member of the Arab Society of Certified Accountants</li> <li>Fellow of the Arab Society of Certified Accountants</li> </ul>	51 years
4	<b>Ahmed Sulaiman Al Mazaini</b>	<ul style="list-style-type: none"> <li>Member of the Board of Directors</li> <li>Chairman of the Audit Committee</li> <li>Chairman of the Nomination and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>CEO of RSEEM Investment Company</li> <li>Founder &amp; Senior Consultant - Quality &amp; Time Management Consulting</li> <li>Independent Board member and Chairman of Audit Committee -Banan Real Estate Company</li> <li>Board member Chairman of the Audit committee-IT Belt Company</li> <li>Audit committee Chairman - Saudi Ceramic Company</li> <li>Audit committee Chairman - Abdullah bin Abdulaziz Al-Rajhi and Sons Holding Company</li> <li>Board member-Al Qassin Investment Holding Co</li> </ul>	<ul style="list-style-type: none"> <li>CEO - MADR Investment Company</li> <li>Board member &amp; Managing Director- Saudi Fisheries Company</li> <li>CEO - Mulkia Investment Company</li> <li>Executive Vice President- Manafa Holding Company</li> <li>Executive Vice President- Saudi Automotive Services and Equipment Company</li> <li>Board member- Thakher Development Company</li> <li>Board member and Chairman of Audit Committee- Harkat Production Company</li> <li>Board member and Chairman of Audit Committee- ADD group of companies to set up and organize exhibitions</li> <li>Board member and Chairman of Audit- Al-Jasriah Finance Company</li> <li>Board member- Al-Ahlia Cooperative Insurance Company</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Business Administration and Economics - King Saud University</li> <li>Master's degree in Business Administration- AL Faisal University</li> </ul>	22 years
5	<b>Majid Shatti Al Dhafiri</b>	<ul style="list-style-type: none"> <li>Member of the Board of Directors</li> <li>Chairman of the Risk Management Committee</li> <li>Member of the Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>Insurance Manager in Al Muhaidib Group</li> <li>Board member at Gulf Union Holding (Bahrain)</li> <li>Board Member at Gulf Union insurance and reinsurance Co. (Bahrain)</li> </ul>	<ul style="list-style-type: none"> <li>Head of document issuance at Tawuniya Insurance Company</li> <li>Business Development Manager at SABB Bank</li> <li>Regional Director for the Eastern Province, Wafa Insurance Company</li> <li>Regional Director of Corporate Insurance at the Arab Bank</li> </ul>	<ul style="list-style-type: none"> <li>Insurance Diploma from the Institute of Public Administration in Riyadh</li> </ul>	21 years
6	<b>Abdullah Abdulrahman Abdulwahab</b>	<ul style="list-style-type: none"> <li>Member of the Board of Directors</li> <li>Chairman of the Risk Management Committee</li> <li>Member of the Nomination and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>GM and Board Member of MK Cable Management</li> <li>GM and Board Member of Innovative Insulators Company</li> </ul>	<ul style="list-style-type: none"> <li>Production Manager - MK Cable Management</li> <li>Production Manager - Astra Polymers</li> <li>Management consultancy – KPMG</li> <li>Project Manager - DHL Supply Chain</li> <li>Business Development Manager at Rezayat Group</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor science Industrial Engineering - Wichita State University</li> </ul>	18 years



No	Name	Membership in Gulf Union Al Ahlia	Current jobs	previous jobs	Qualifications	Experiences
7	Mohammed Abdulrahman Al Katheer	<ul style="list-style-type: none"> <li>Member of the Board of Directors</li> <li>Member of the Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>Chief governance officer - AlKifah Holding</li> <li>Member of the of the Audit Committee – Tamweel Aloula</li> </ul>	<ul style="list-style-type: none"> <li>Supervisor – Deloitte</li> <li>Member of the Board of Directors- ALAhsa Amusement &amp; Tourism Co.</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Accounting - King Faisal University</li> </ul>	12

d. Committees' Members from outside the Board - Current / New term Started on 17/12/2022

No.	Name	Membership in GUA	Current jobs	previous jobs	Qualifications	Experiences
1	Abdulaziz Al-Naim	<ul style="list-style-type: none"> <li>Chairman of the Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>Managing Director of Mayar Capital</li> <li>Member of the Board of Directors in both: <ul style="list-style-type: none"> <li>Mayar Capital</li> <li>D3 Capital</li> <li>GIB Capital</li> <li>Basic Chemical Industries Company</li> <li>Vinella Investments Ltd.</li> <li>Caldera International Holdings Ltd.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Executive Director of Yarim Company Ltd.</li> <li>Member of the Investment Committee of the Gulf Union Cooperative Insurance Company</li> <li>Board Member at Abdul Rahman Al-Turki Group ATCO</li> <li>Board Member at o Fund of Funds Company</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Administrative Sciences with a major in Finance with an accompanying major in Economics from MIT University, USA.</li> <li>Certified Financial Analyst Certificate "CFA" in 2006.</li> </ul>	20 years
2	Ibrahim Abdulaziz Al-Muqhem	<ul style="list-style-type: none"> <li>Audit Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Audit Committee of the Agaseem Chemical Products Company</li> <li>Member of the review committee of CARE International</li> <li>The National Housing Company - the investment sector</li> </ul>	<ul style="list-style-type: none"> <li>Senior Relationship Manager at the Saudi Stock Exchange (Tadawul) - Financial Markets (Listing)</li> <li>Accountant at the Saudi Basic Industries Corporation (SABIC)</li> <li>Member of the Board of Directors of Hayam Company Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Master of Financial Management from the University of Scranton in the USA</li> <li>Bachelor's degree in Financial Management from King Saud University</li> </ul>	16 years
3	Mesheal Ibrahim Al Shayea	<ul style="list-style-type: none"> <li>Investment Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>CEO at Gulf Union Al Ahlia Cooperative Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>Deputy CEO at Gulf Union Al Ahlia Cooperative Insurance</li> <li>CEO at Al Ahlia Cooperative Insurance</li> <li>Board Member – Executive committee member – Investment committee member at Al Ahlia Cooperative Insurance</li> <li>CEO at SALAMA cooperative Insurance</li> <li>Chief Distribution Officer at Al Rajhi Cooperative Insurance</li> <li>Vice President for Sales and Marketing at Al Ahlia Cooperative Insurance</li> <li>Central Region Manager at Malath Cooperative Insurance</li> <li>Key Accounts Manager – Tawuniya Cooperative Insurance</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor Degree in Economy - Imam Mohammed Bin Saud University Saudi Arabia</li> <li>Insurance Foundation Certificate – Chartered Insurance Institute London</li> </ul>	22 years
4	Abdullah Ali Hammad Al Hajri	<ul style="list-style-type: none"> <li>Audit Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>Chief Financial Officer- AlTayseer Arabian Company</li> </ul>	<ul style="list-style-type: none"> <li>Chief Financial Officer- Chemanol</li> <li>Accounts Head- Marafiq</li> <li>Zakat &amp; Tax Consultant- EY</li> <li>Assistant Financial Auditor</li> <li>Financial Auditor assistant -SIDF</li> </ul>	<ul style="list-style-type: none"> <li>Certified Public Accounting- SOCPA</li> <li>Mini Diploma Fixed Assets Accounting &amp; Management- Meric Training &amp; Consulting, UAE</li> <li>Master of Financial- Southern New Hampshire University, USA</li> <li>Bachelor's degree in Accounting- King Faisal University, KSA</li> <li>Various training sessions &amp; workshop (Accounting, Finance, Economics Management &amp; Safety)- Various centers in &amp; out of Kingdom</li> </ul>	14 years



No.	Name	Membership in GUA	Current jobs	previous jobs	Qualifications	Experiences
5	<b>Ayham Muhammad Al-Youssef</b>	<ul style="list-style-type: none"> <li>Member of the Board of Directors</li> <li>Member of the Risk Management Committee</li> <li>Member of the Nomination and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Board of Directors of the Saudi Marketing Company (Farm Markets)</li> <li>Member of the Board of Directors of the Saudi Home Finance Company.</li> <li>Board Member at AYYAN Investment Co.</li> </ul>	<ul style="list-style-type: none"> <li>General Supervisor of the Real Estate Development Fund</li> <li>CEO of Al-Bilad Company</li> <li>CEO of Ruya Capital</li> <li>General Manager at HSBC Fund</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Industrial Management from King Fahd University of Petroleum and Minerals</li> </ul>	28 years

#### a. Executive management / Senior Management

No.	Name	Current jobs	previous jobs	Qualifications	Experiences
1	<b>Meshaal Ibrahim Al-Shayea</b>	<ul style="list-style-type: none"> <li>CEO at Gulf Union Al Ahlia Cooperative Insurance</li> <li>Investment Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>Deputy CEO at Gulf Union Al Ahlia Cooperative Insurance</li> <li>CEO at Al Ahlia Cooperative Insurance</li> <li>Board Member – Executive committee member – Investment committee member at Al Ahlia Cooperative Insurance</li> <li>CEO at SALAMA cooperative Insurance</li> <li>Chief Distribution Officer at Al Rajhi Cooperative Insurance</li> <li>Vice President for Sales and Marketing at Al Ahlia Cooperative Insurance</li> <li>Central Region Manager at Malath Cooperative Insurance</li> <li>Key Accounts Manager – Tawuniya Cooperative Insurance</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor Degree in Economy - Imam Mohammed Bin Saud University Saudi Arabia</li> <li>Insurance Foundation Certificate – Chartered Insurance Institute London</li> </ul>	22 years
2	<b>Abdullah Saeed Al Al-Harith</b>	<ul style="list-style-type: none"> <li>General Manager at Gulf Union Al Ahlia Cooperative Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>Regional Director for the Central and Eastern Region - Gulf Union Cooperative Insurance Company.</li> <li>Central Director of Claims - Gulf Union Cooperative Insurance Company</li> <li>Director of claims operations for all regions - Malath Insurance Company</li> <li>Motor Claims Manager - Malath Insurance Company</li> <li>Regional Director of Motor Claims - Malath Insurance Company</li> <li>Surveyors Supervisor - Tawuniya Insurance</li> </ul>	<ul style="list-style-type: none"> <li>ACII - Chartered Institute</li> <li>BA in Business Administration - King Faisal University</li> <li>Life insurance diploma - LUMA</li> <li>Diploma in Health Insurance - LUMA</li> <li>Diploma in Cars – Technology Collage Jeddah</li> </ul>	18 years
3	<b>Faris Salman Al Habbad</b>	<ul style="list-style-type: none"> <li>Chief Financial Officer at Gulf Union Al Ahlia Cooperative Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>Finance Operations Manager- Salama Cooperative Insurance Co. "SALAMA"</li> <li>Credit Control Manager - Salama Cooperative Insurance Co. "SALAMA"</li> <li>Assistant Accounting Manager - Salama Cooperative Insurance Co. "SALAMA"</li> <li>Senior Accounting Supervisor - Salama Cooperative Insurance Co. "SALAMA"</li> <li>Accounting Supervisor - Salama Cooperative Insurance Co. "SALAMA"</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of science in Accounting - king Abdulaziz university</li> <li>Associate membership Certificate SOCPA No: 84368</li> <li>ZAMALA Program Certificate from SOCPA No:03880</li> <li>Training course Certificate SOCPA - IFRS/ IAS</li> </ul>	14 years
4	<b>Ahmed Majid Abouhlaia</b>	<ul style="list-style-type: none"> <li>Head of Compliance at Gulf Union Al Ahlia Cooperative Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>Anti-Money Laundering and Compliance Reports - Al-Tawuniya Company</li> <li>Compliance Manager - Saudi Marsh Company for Insurance and Reinsurance Brokerage</li> <li>Compliance Officer - Saudi Ion for Insurance and Reinsurance Brokerage</li> <li>Compliance Specialist - Medgulf Company</li> </ul>	<ul style="list-style-type: none"> <li>Master of Banking and Financial Systems and Regulations - Macquarie University - Sydney - Australia - Graduation year: 2012</li> <li>Bachelor of Financial and Banking Sciences - University of Kalamoun - Damascus - Syria - 2010</li> </ul>	11 years
5	<b>Muhammad Mahdi Al-Khater</b>	<ul style="list-style-type: none"> <li>Head of Internal Audit at Gulf Union Al Ahlia Cooperative Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>Internal Audit Manager – Maadanya</li> <li>Director of Risk and Internal Audit Consulting - KPMG</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Accounting from the University of Sharjah, 2008</li> <li>CIA -1 Certified Internal Auditor Fellowship - Part 1</li> <li>CICA Certified Internal Controls Auditor</li> <li>IFCE General Certificate of Insurance Fundamentals</li> </ul>	15 years
6	<b>Hassan Al Dandan</b>	<ul style="list-style-type: none"> <li>Head of Risk at Gulf Union Al Ahlia Cooperative Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>Senior finance credit analyst</li> <li>An internal auditor of the GU</li> <li>Risk Management Supervisor, GU</li> <li>Risk Management Officer, GU</li> </ul>	<ul style="list-style-type: none"> <li>Master's in Risk management and Insurance. From University of Limerick in Ireland.</li> <li>Diploma in Risk Management, Internal Audit and Compliance from Institute of Chartered Accountants</li> <li>Bachelor of Business Administration, Major: Finance; from University of Portland, Portland</li> </ul>	9 years



No.	Name	Current jobs	previous jobs	Qualifications	Experiences
7	Mamdouh Hassan Al Otaibi	<ul style="list-style-type: none"> <li>Head of HR &amp; Admin Dept. at Gulf Union Al Ahlia Cooperative Insurance Co. - Acting</li> </ul>	<ul style="list-style-type: none"> <li>Assistant Director of Human Resources - GUA</li> <li>Assistant Director of Human Resources - Al Ahlia Cooperative Insurance Company</li> <li>Director of Government Relations and Human Resources &amp; Personnel Affairs manager – Sheta &amp; Saif Company</li> <li>Human Resources Manager - Tiara Hotel</li> <li>Director of Support Services - TANMIA FOR OIL &amp; CONSTRUCTION Ltd.</li> <li>Assistant HR Manager - Darjoja Store</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Human Resource Management</li> </ul>	12 Years
8	Ghadeer Khaled Al Zamil	<ul style="list-style-type: none"> <li>Legal Affairs Manager at Gulf Union Al Ahlia Cooperative Insurance Co. - Acting</li> </ul>	<ul style="list-style-type: none"> <li>Trainee lawyer at Gulf Union Al Ahlia</li> <li>Legal Officer at Gulf Union Al Ahlia</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Law - (Princess Nourah Bint Abdul Rahman University)</li> </ul>	+2 years
9	Zahra Shaker Al Warsh	<ul style="list-style-type: none"> <li>Cyber Security Manager- Acting at Gulf Union Al Ahlia Cooperative Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>Cyber Security Officer – Al Ahlia Insurance Co</li> <li>Systems Analysis – Al Manea Hospital</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Business Management System – Minor Information System And Technology – MISSOURI - USA</li> <li>Certified information security manager CISM- ISACA</li> </ul>	7 Years
10	Abdul Moneim Abdullah Al-Bu Ali	<ul style="list-style-type: none"> <li>Head of Technical at Gulf Union Al Ahlia Cooperative Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>Underwriting manager for health and life insurance - MetLife</li> <li>Medical Manager - Gulf Union</li> <li>Medical Director - Walaa Cooperative Insurance</li> <li>Underwriting Supervisor – Medgulf</li> <li>Medical Underwriter - Medgulf</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Computer Engineering from King Fahd University of Petroleum and Minerals - 2005</li> </ul>	18 years
11	Abdullah Khan	<ul style="list-style-type: none"> <li>Head of Actuary at Gulf Union Al Ahlia Cooperative Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>Actuarial Manager</li> <li>Assistant Actuary</li> <li>Senior Actuarial Analyst</li> <li>Actuarial Risk Analyst</li> </ul>	<ul style="list-style-type: none"> <li>High School - Certified by the Actuaries Association</li> </ul>	12 Years
12	Saeed Saad Al Subaie	<ul style="list-style-type: none"> <li>Central Claims Manager at Gulf Union Al Ahlia Cooperative Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>Motor Claims Manager – Tokyo Marin Insurance Co.</li> <li>Regional Claims Manager – Al Ahlia Insurance Co.</li> <li>Motor Manager – ACE Broker</li> <li>Regional Surveyors Supervisor – Tawuniya Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>Mechanical Engineering Technology from King Fahd University of Petroleum and Minerals</li> <li>Professional Certificate in Insurance from the Bahrain Institute of Banking and Financial Studies</li> <li>Leadership Development Program from Cranfield University, UK, in cooperation with Hadaf</li> <li>Many technical and office training and development courses</li> </ul>	+18 Years
13	Eman Mohammed Al Eithan	<ul style="list-style-type: none"> <li>Customer Care Manager at Gulf Union Al Ahlia Cooperative Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>Customer Care Manager at Al Ahlia Cooperative Insurance</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor in Mathematics</li> </ul>	13 Years
14	Abdul Aziz Al Muhanna	<ul style="list-style-type: none"> <li>IT Manager at Gulf Union Al Ahlia Cooperative Insurance Co.</li> </ul>	<ul style="list-style-type: none"> <li>Senior Manager - Information Cyber Security (CISO), Malath Insurance Company</li> <li>Manager - Systems Operations, Malath Insurance Company</li> <li>Manager - Network &amp; Communication, Malath Insurance and Reinsurance Company</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Science in Technology Minors: Computer Science and Virtual Simulation</li> </ul>	20 Years

### Some Executives who left their positions in the company during 2022

No.	Name	Current jobs	previous jobs	Qualifications	Experiences
1	Naji Ahmed Al Mustafa	Mr. Naji passed away on 23 Jun. 2022 Was working as CFO at Gulf Union Al Ahlia Cooperative Insurance	<ul style="list-style-type: none"> <li>CFO – SAAB Takaful</li> <li>CFO – Al Ahlia Cooperative Insurance</li> <li>Financial Controller - Al Ahlia Cooperative Insurance</li> <li>Accounts Manager - Al Ahlia Cooperative Insurance</li> <li>Chief Accountants – Pan Gulf Holding</li> <li>Assistant Auditor – Earnest &amp; Young</li> </ul>	<ul style="list-style-type: none"> <li>Master in Accounting and Auditing</li> <li>Bachelor in Accounting</li> </ul>	14 years
	Ayed Al-Hazimi	Mr. Ayed left the company on 15/05/2022 was working as Head of HR & Admin at Gulf Union Al Ahlia Cooperative Insurance	<ul style="list-style-type: none"> <li>Human Resources Director and Deputy General Manager - XERVON</li> <li>A representative of human resources – NAS</li> <li>Human Resources Coordinator - NAS</li> </ul>	<ul style="list-style-type: none"> <li>BA in Business Administration with two majors in Management and Marketing - Mount Saint Vincent University, Canada</li> <li>Professional Association for Human Resource Management Professionals - CIPD</li> <li>Diploma in Human Resources, Chamber of Commerce and Industry in Riyadh</li> </ul>	11 years
	Hamad Al Nassar	Mr. Hammad left the company on 21/07/2022 was working as Head of legal Dept. in GUA	<ul style="list-style-type: none"> <li>Legal Manager - Al-Ahlia Cooperative Insurance Company</li> <li>Lawyer - Al Kanani Advocates and Consultants</li> <li>Legal representative - Aljomaih Automotive Company</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Law - King Saud University</li> <li>Master in Law – Salford University - UK</li> </ul>	+8 years

**d- Names of companies inside or outside the Kingdom of which a member of the company's board of directors is a member of its current and previous boards of directors or of its managers**

**1- BOD - previous term ended on 16/12/2022**

**First – Current Companies**

Legal Entity	Inside / Outside	Membership (BOD Member – Manager)	Names of companies for which a member of the board of directors is a member of their <b>current</b> boards of directors or of their managers	Name
Listed joint stock	Inside The Kingdom	Chairman of the Board	Gulf Union Al Ahlia Cooperative Insurance Co	<b>Abdulaziz Ali Al-Turki</b>
closed joint stock	Outside The Kingdom	Chairman of the Board	Gulf Union Holding Company (Bahrain)	
Private	Inside The Kingdom	Chairman of the Board	.Rawabi Holding Company	
Limited liability	Inside The Kingdom	Chairman of the Board	Nesma & Partners Contracting Company Ltd	
Listed joint stock	Inside The Kingdom	Board Member	Gulf Union Al Ahlia Cooperative Insurance Co	<b>Fawaz Talal Al-Tamimi</b>
Limited liability	Inside The Kingdom	Board Member	Anteli Group of Companies	
Limited liability	Inside The Kingdom	Board Member	SICAST Steel Co	
Limited liability	Inside The Kingdom	Board Member	Tamimi and Sehati Transportation	
Limited liability	Inside The Kingdom	Deputy Chairman	Ali Abdullah Al-Tamimi Sons Holding Company	
Limited liability	Inside The Kingdom	Board Member	Gulf Islamic Investment Co	
Limited liability	Inside The Kingdom	Board Member	GFH Financial Group	
Listed joint stock	Inside The Kingdom	Board Member	Gulf Union Al Ahlia Cooperative Insurance Co	<b>Munir Hashem Al-Borno</b>
Private	Outside The Kingdom	Chairman of the Board	Gulf House Consulting Co.	
closed joint stock	Outside The Kingdom	Board Member	Gulf Union Insurance and Reinsurance Co. (Bahrain)	
Listed joint stock	Inside The Kingdom	Board Member	Gulf Union Al Ahlia Cooperative Insurance Co	<b>Ibrahim Al-Mutrif</b>
Listed joint stock	Inside The Kingdom	Board Member	Gulf Union Al Ahlia Cooperative Insurance Co	<b>Ayham Al-Youssef</b>
Listed joint stock	Inside The Kingdom	Board Member	Saudi Marketing Company (Farm Markets)	
Listed joint stock	Inside The Kingdom	Board Member	AYYAN Investment Company	
closed joint stock	Inside The Kingdom	Board Member	Saudi Home Finance Company	
Listed joint stock	Inside The Kingdom	Board Member	Gulf Union Al Ahlia Cooperative Insurance Co	<b>Majid Shatti Al Dhafiri</b>
closed joint stock	Outside The Kingdom	Board Member	Gulf Union Insurance and Reinsurance Co. (Bahrain)	
closed joint stock	Outside The Kingdom	Board Member	Gulf Union Holding Company (Bahrain)	
Listed joint stock	Inside The Kingdom	Board Member	Gulf Union Al Ahlia Cooperative Insurance Co	<b>Ghassan Kashmiri</b>

**Second – Previous Companies**

Legal Entity	Inside / Outside	Membership (BOD Member – Manager)	Names of companies for which a member of the board of directors is a member of their <b>Previous</b> boards of directors or of their managers	Name
Private	Inside The Kingdom	Board Member	Nama Shipping Services Ltd	<b>Abdulaziz Ali Al-Turki</b>
Private	Inside The Kingdom	Chairman of the Board	Nama Shipping Services Ltd	
Limited liability	Inside The Kingdom	Board Member	Al Salam Hospital	<b>Fawaz Talal Al-Tamimi</b>
Limited liability	Inside The Kingdom	Board Member	Saudi Indsor Steel Co.	
Limited liability	Inside The Kingdom	Board Member	Anan Housing Company	
Listed joint stock	Inside The Kingdom	Manager (CEO-Managing Director)	Gulf Union Al Ahlia Cooperative Insurance Co	<b>Munir Hashem Al-Borno</b>
Listed joint stock	Inside The Kingdom	Board Member	Abdullah Al-Khudary Sons Company	
Listed joint stock	Inside The Kingdom	Board Member	Abdullah Al-Khudary Sons Company	<b>Ibrahim Al-Mutrif</b>
-	-	-	N/A	<b>Ayham Al-Youssef</b>
-	-	-	N/A	<b>Majid Shatti Al Dhafiri</b>
-	-	-	N/A	<b>Ghassan Kashmiri</b>



## 2- BOD - Current / New term Started on 17/12/2022

### - First – Current Companies

Legal Entity	Inside / Outside	Membership (BOD Member – Manager)	Names of companies for which a member of the board of directors is a member of their <b>current</b> boards of directors or of their managers	Name
Listed joint stock	Inside The Kingdom	Chairman of the Board	Gulf Union Al Ahlia Cooperative Insurance Co	Abdulaziz Ali Al-Turki
closed joint stock	Outside The Kingdom	Chairman of the Board	Gulf Union Holding Company (Bahrain)	
Private	Inside The Kingdom	Chairman of the Board	.Rawabi Holding Company	
Limited liability	Inside The Kingdom	Chairman of the Board	Nesma & Partners Contracting Company Ltd	
Listed joint stock	Inside The Kingdom	Vice Chairman	Gulf Union Al Ahlia Cooperative Insurance Co	Zaid Abdullah Al Yaesh
Limited liability	Inside The Kingdom	Board Member	Al Jarie holding Co.	
Limited liability	Inside The Kingdom	Executive Committee Chairman	Al Jomaih holding Company	
Listed joint stock	Inside The Kingdom	Board Member	Gulf Union Al Ahlia Cooperative Insurance Co	Munir Hashem Al-Borno
Private	Outside The Kingdom	Chairman of the Board	Gulf House Consulting Co.	
closed joint stock	Outside The Kingdom	Board Member	Gulf Union Insurance and Reinsurance Co. (Bahrain)	
Listed joint stock	Inside The Kingdom	Board Member	Gulf Union Al Ahlia Cooperative Insurance Co	Abdullah Abdulwahab
Limited liability	Inside The Kingdom	Board Member	MK – Cable Management	
Limited liability	Inside The Kingdom	Board Member	Innovative Insulators company	
Listed joint stock	Inside The Kingdom	Board Member	Gulf Union Al Ahlia Cooperative Insurance Co	Ahmed Sulaiman Al Mazaini
Limited liability	Inside The Kingdom	Board Member	Banan Real Estate Company	
closed joint stock	Inside The Kingdom	Board Member	IT Belt Company	
Listed joint stock	Inside The Kingdom	Board Member	Saudi Ceramic Company	
Listed joint stock	Inside The Kingdom	Board Member	Al Qassim Investment Holding Co	
Listed joint stock	Inside The Kingdom	Board Member	Gulf Union Al Ahlia Cooperative Insurance Co	Majid Shatti Al Dhafiri
closed joint stock	Outside The Kingdom	Board Member	Gulf Union Insurance and Reinsurance Co. (Bahrain)	
closed joint stock	Outside The Kingdom	Board Member	Gulf Union Holding Company (Bahrain)	
Listed joint stock	Inside The Kingdom	Board Member	Gulf Union Al Ahlia Cooperative Insurance Co	Mohammed Al Katheer

### - Second – Previous Companies

Legal Entity	Inside / Outside	Membership (BOD Member – Manager)	Names of companies for which a member of the board of directors is a member of their <b>Previous</b> boards of directors or of their managers	Name
Private	Inside The Kingdom	Board Member	Nama Shipping Services Ltd	Abdulaziz Ali Al-Turki
Private	Inside The Kingdom	Chairman of the Board	Nama Shipping Services Ltd	
Not Listed - joint stock	Inside The Kingdom	Board Member	Arbah capital Company	Zaid Abdullah Al Yaesh
Limited liability	Inside The Kingdom	Board Member	Global beverage Company	
Limited liability	Inside The Kingdom	Board Member	Tamweel Aloula	
Listed joint stock	Inside The Kingdom	Manager (CEO-Managing Director)	Gulf Union Al Ahlia Cooperative Insurance Co	Munir Hashem Al-Borno
Listed joint stock	Inside The Kingdom	Board Member	Abdullah Al-Khudary Sons Company	
N/A	N/A	N/A	N/A	Abdullah Abdulwahab
Listed joint stock	Inside The Kingdom	Board Member	Saudi Fisheries Company	Ahmed Sulaiman Al Mazaini
closed joint stock	Inside The Kingdom	Board Member	Thakher Development Company	
Limited liability	Inside The Kingdom	Board Member	Harkat Production Company	
Limited liability	Inside The Kingdom	Board Member	ADD group to set up and organize exhibitions	
closed joint stock	Inside The Kingdom	Board Member	Al-Jasrah Finance Company	
Listed joint stock	Inside The Kingdom	Board Member	Al Ahlia Cooperative Insurance Co.	
-	-	-	N/A	Majid Shatti Al Dhafiri
closed joint stock	Inside The Kingdom	Board Member	Al Ihsaa Amusement & Tourism Co	Mohammed Al Katheer



## Paragraph (11) - Board Committees:

There are five committees emanated from the BOD, and the following is a brief description of the functions, tasks, meetings of each committee:

### 11-1 Audit Committee:

#### Audit Committee Members

Audit Committee (three Members) - till end of the previous term on 16/12/2022			
No.	Name	Membership	Classification
1	Ibrahim Al-Mutrif	Chairman	independent
2	Muhammad Al-Sha'aa	Member	Independent (from outside the Board)
3	Ibrahim Al-Muqhem	Member	Independent (from outside the Board)

Audit Committee (three Members) - from the start of the current new term on 17/12/2022			
No.	Name	Membership	Classification
1	Ahmed Al Muzaini	Chairman	independent
2	Ibrahim Al-Muqhem	Member	Independent (from outside the Board)
3	Abdullah Al Hajri	Member	Independent (from outside the Board)

#### A brief description for Rules and Responsibilities:

Audit Committee is doing the following responsibilities (For Example but not limited to the following)

Audit Committee assists the Board of Directors in its supervisory role with regard to the external accounting and auditing systems (the external auditor) and the internal (the internal audit and compliance departments) and the financial reporting systems in general, in addition to ensuring compliance with the laws and regulations applicable to the Gulf Union Cooperative Insurance Company and adherence to the internal systems and regulations. The committee Ensuring the effectiveness of the company's internal control procedures, studying the annual and quarterly financial statements, discussing the external auditors and the company's senior management before issuing recommendations to the Board of Directors regarding them, reviewing the reports submitted by the Internal Audit and Compliance Department and discussing them therein, and making recommendations in this regard to the Board of Directors and recommending the Board of Directors to approve the Appointment or reassignment of external auditors.

#### Committee meetings during 2022:

The committee held (13) meetings during 2022

(✓) Attend the meeting) (✗ Absent)

No meetings for the Audit Committee in its new term starting from 17/12/2022 till the end of 2022

No.	Name	Membership	1st Meeting 16/01/2022	2nd Meeting 13/02/2022	3rd Meeting/ 19/03/2022	4th Meeting 19/04/2022	5th Meeting 15/05/2022	6th Meeting 30/05/2022	7th Meeting 14/08/2022	8th Meeting 18/08/2022	9th Meeting 26/08/2022	10th Meeting 25/09/2022	11th Meeting 31/10/2022	12th Meeting 06/11/2022	13th Meeting 30/11/2022	Total # of Meetings attended
1	Ibrahim Al-Mutrif	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13
2	Muhammad Al-Sha'aa	Member	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	12
3	Ibrahim Al-Muqhem	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	12

- There are no recommendations issued by the audit committee which conflicted with the decisions of the board of directors, and there are no recommendations issued by the audit committee, which the Board of Directors refused to take into account during the year ending 12/31/2022.

### 11-2 Executive Committee

#### Executive Committee Members

Executive Committee (three Members) - till end of the previous term on 16/12/2022			
No.	Name	Membership	Classification
1	Abdulaziz Al Turki	Chairman	Non-Executive
2	Fawaz Al Tamimi	Member	Non-Executive
3	Munir Al Borno	Member	Executive

Executive Committee (three Members) - from the start of the current new term on 17/12/2022			
No.	Name	Membership	Classification
1	Abdulaziz Al Turki	Chairman	Non-Executive
2	Zaid Abdullah Al Yaesh	Member	Independent
3	Munir Al Borno	Member	Executive

- **A brief description for Rules and Responsibilities:**

The main purpose of the Executive Committee is to assist the Board of Directors in implementing the strategic plans, policies and decisions of the Board in line with the company's vision, mission and guidelines. It is responsible for implementing the will of the board, with an appropriate level of input from the board before decisions are made. The committee also studies and discusses the CEO's report, the action plan submitted by the CEO, any proposals proposed by the CEO, Also Approving the financial and underwriting Authority Matrix and any amendments thereto, Study the actuary's report and makes recommendations in these regards to the Board of Directors. And provide suggestions and solutions to any problems that the company may face

- **Committee meetings during 2022:**

The committee held (6) meetings during 2022

(✓ Attend the meeting) (✗ Absent)

No meetings for the Executive Committee in its new term starting from 17/12/2022 till the end of 2022

No.	Name	Membership	1 <sup>st</sup> Meeting 26/01/2022	2 <sup>nd</sup> Meeting 31/05/2022	3 <sup>rd</sup> Meeting 28/06/2022	4 <sup>th</sup> Meeting 18/09/2022	5 <sup>th</sup> Meeting 26/10/2022	6 <sup>th</sup> Meeting 15/12/2022	Total # of Meetings attended
1	Abdulaziz Al Turki	Chairman	✓	✓	✓	✓	✓	✓	6
2	Fawaz Talal Al Tamimi	Member	✓	✓	✓	✓	✓	✓	6
4	Munir Al Borno	Member	✓	✓	✓	✓	✓	✓	6

### 11-3 Nomination and Remuneration Committee

- **Nomination & Remuneration Committee Members**

NRC (three Members) - till end of the previous term on 16/12/2022			
No.	Name	Membership	Classification
1	Ibrahim Al-Mutrif	Chairman	independent
2	Fawaz Al Tamimi	Member	Non-Executive
3	Ayham Al Yousef	Member	independent

NRC (three Members) - from the start of the current new term on 17/12/2022			
No.	Name	Membership	Classification
1	Ahmed Al Muzaini	Chairman	independent
2	Abdullah Abdulwahab	Member	independent
3	Majed Al Dhafiri	Member	Non-Executive

- **A brief description for Rules and Responsibilities:**

The Nomination and Remuneration Committee assists the Board of Directors in its supervisory role in identifying qualified individuals to become Board members and submits its recommendations to the Board on nominations by stakeholders, in addition to its recommendations to the Board of Directors for the candidates of each Board Committee. The committee also supervises all matters related to the remuneration of every board member and executive. The committee will also have a role in improving the governance framework of the Gulf Union Cooperative Insurance Company, reviewing the organizational structure, annual verification of the independence of board members, approving job descriptions for them, and proposing compensation policies and board membership.

- **Committee meetings during 2022:**

The committee held (4) meetings during 2022

(✓ Attend the meeting) (✗ Absent)

No meetings for the Nomination & Remuneration Committee in its new term starting from 17/12/2022 till the end of 2022

No.	Name	Membership	1st Meeting 2022/01/23	2nd Meeting 21/03/2022	3rd Meeting 2022/09/06	4th Meeting 2022/09/12	Total # of Meetings attended
1	Ibrahim Al-Mutrif	Chairman	✓	✓	✓	✓	4
2	Fawaz Al Tamimi	Member	✓	✓	✓	✓	4
3	Ayham Al Yousef	Member	✓	✓	✓	✓	4

### 11-4 Risk Management Committee

- **Risk Management Committee Members**

Risk Management Committee (three Members) - till end of the previous term on 16/12/2022			
No.	Name	Membership	Classification
1	Majid Al Dhafiri	Chairman	Non-Executive
2	Ayham Al Yousef	Member	independent
3	Ghassan Kashmiri	Member	independent

Risk Management Committee (three Members) - from the start of the current new term on 17/12/2022			
No.	Name	Membership	Classification

1	Abdullah Abdulwahab	Chairman	independent
2	Majid Al Dhafri	Member	Non-Executive
3	Mohammed Al Katheer	Member	independent

• **A brief description for Rules and Responsibilities:**

The main objective of the Risk Management Committee is to assist the Board of Directors in identifying risks that may expose the company to risk, maintaining acceptable risk data for the company, supervising the risk management system, evaluating its effectiveness, defining a comprehensive strategy for managing the company's risks, and reviewing risk management policies.

• **Committee meetings during 2022:**

The committee held (2) meetings during 2022 (✓ Attend the meeting) (✗ Absent)

No meetings for the Risk Management Committee in its new term starting from 17/12/2022 till the end of 2022

No.	Name	Membership	1 <sup>st</sup> Meeting 30/06/2022	2 <sup>nd</sup> Meeting 13/12/2022	Total # of Meetings attended
1	Majid Al Dhafri	Chairman	✓	✓	2
2	Ghassan Kashmiri	Member	✓	✓	2
3	Ayham Al Yousef	Member	✗	✓	1

## 11-5 Investment Committee

• **Investment Committee Members**

Investment Committee (Four Members) - till end of the previous term on 16/12/2022			
No.	Name	Membership	Classification
1	Abdulaziz Al-Naim	Chairman	Independent (from outside the Board)
2	Munir Al Borno	Member	Executive
3	Majid Al Dhafri	Member	Non-Executive
4	Mesheal Al Shayea	Member	Executive (from outside the Board)

Investment Committee (Four Members) - from the start of the current new term on 17/12/2022			
No.	Name	Membership	Classification
1	Abdulaziz Al-Naim	Chairman	Independent (from outside the Board)
2	Munir Al Borno	Member	Executive
3	Mesheal Al Shayea	Member	Non-Executive (from outside the Board)
4	Ayham Al Yousef	Member	Independent (from outside the Board)

• **A brief description for Rules and Responsibilities:**

The main purpose of the Investment Committee is to assist the Board of Directors in formulating the investment and reviewing its implementation on a quarterly basis, reviewing the performance of each asset class, monitoring the overall risks of the investment policy and submitting a performance review report to the Board of Directors. In addition, the Investment Committee assists the Board of Directors in ensuring Compliance of the overall investment activities with the requirements of the "Investment Regulations" issued by SAMA and any other applicable laws and regulations.

• **Committee meetings during 2022:**

The committee held (4) meetings during 2022 (✓ Attend the meeting) (✗ Absent)

No meetings for the Investment Committee in its new term starting from 17/12/2022 till the end of 2022

No.	Name	Membership	1 <sup>st</sup> Meeting 21/04/2022	2 <sup>nd</sup> Meeting 16/06/2022	3 <sup>rd</sup> Meeting 27/09/2022	4 <sup>th</sup> Meeting 14/12/2022	Total # of Meetings attended
1	Abdulaziz Al-Naim	Chairman	✓	✓	✓	✓	4
2	Munir Al Borno	Member	✓	✓	✓	✓	4
3	Majid Al Dhafri	Member	✓	✓	✗	✓	3
4	Mesheal Al Shayea	Member	✓	✓	✓	✓	4

### Paragraph (12) - Where applicable, the means adopted by the Board of Directors in evaluating its performance and the performance of its committees and members, and the external body that carried out the evaluation and its relationship to the company, if any:

On December 15, 2022, the Nominations and Remuneration Committee recommended to the Board of Directors to approve the appointment of "Protiviti" company to conduct the annual evaluation of the chairman and members of the Board of Directors and members of the committees emanating from the Board for the year 2022 AD. On December 16, 2022 BOD decide to approve the appointment of Protiviti Company to conduct the evaluation for the year 2022 AD for the Chairman and members of the Board of Directors and members of the committees emanating from the Board, depending on the recommendation issued by the Nominations & Remuneration Committee.

Protiviti is an external party independent of the company, and Protiviti is working to conduct the annual evaluation, after issuing the final evaluation report it will be discussed and approved by the Nomination and Remuneration committee then to be presented to the BOD, and to issue the required recommendations to the BOD, in order to be recommended to the company's general assembly to take its decision.

**There are several items that are taken into consideration when conducting the assessment, including, but not limited to:**

- Attending board and committee meetings.
- Allocate sufficient time to review the documents attached and supporting the agenda items.
- Active participation in the discussion of the meeting agenda items.
- Accuracy in requesting information and asking inquiries.
- Impartiality in decision-making.
- Avoiding and/or avoiding conflicts of interest.
- Ensure the highest interest of the company.
- Compliance with the rules of governance and related laws.

### Paragraph (13) - Remuneration Policy for Board Members, Committees and Executive Management:

In determining the remunerations of members of the Board, Committees and Executive management, the Board of Directors depends on the company's policy of Remunerations for members of the Board, committees and executive management, which was approved by the General Assembly of Shareholders on 28/06/2022. This policy includes the following rules and criteria for remuneration:

#### Remuneration policy

#### Article four of the policy: rules and criteria for awarding rewards

##### A- General rules and standards:

Without prejudice to the provisions of the Companies Law, the Financial Market Law and their implementing regulations, and the Company's By-Law, the following rules and standards are taken into consideration when determining the remuneration of members of the Board of Directors, committees and executive management:

1. That the remuneration be based on the recommendation of the Nomination and Remuneration Committee.
2. That the remuneration be fair and commensurate with the terms of reference of the board member, committee member, or executive, and the works and responsibilities that he performs and bears, in addition to the goals set by the board of directors to be achieved during the fiscal year, in a manner that achieves consistency with the company's strategy and goals.
3. Linking the variable portion of remuneration to long-term performance in order to motivate members of the board of directors, committees and executive management to make the company successful in the long run.
4. Remuneration is determined based on the level of the position, the duties and responsibilities of the occupant, academic qualifications, work experience, skills and level of performance.
5. Harmony with the size and nature of risks with the company.
6. If it appears that the remuneration has been decided based on inaccurate information provided by a member of the board of directors or any of the committees or executive management, then its disbursement will be suspended or legal measures taken towards its recovery if it is disbursed.
7. That the remuneration is consistent with the activity of the company and the skill required to manage it.
8. Take into consideration the sector in which the company operates, its size, and the experience of the members of the board of directors.
9. The remuneration is reasonably sufficient to attract, motivate and retain board members, committees, and executives with appropriate experience and competence.
10. Remuneration is determined in coordination with the Nomination and Remuneration Committee upon new appointments.
11. Take into account the practices of other companies in determining rewards.

##### B- Remuneration of members of the Board of Directors and Committees:

1. The company's By-Law determine the remuneration of the chairman and members of the board of directors, whereby the board of directors proposes the remuneration of the members based on the recommendation of the nomination and remuneration committee, and then the remuneration is approved after approval by the general assembly.

2. Board members' remuneration consists of a certain amount, attendance allowance for sessions, financial or in-kind benefits, or a certain percentage of net profits, and it is permissible to combine two or more of these benefits.
3. The minimum annual remuneration for the Chairman and members of the Board of Directors shall be (150,000) one hundred fifty thousand Saudi riyals, and the maximum limit for the total remuneration and financial or in-kind benefits the member receives is (500,000 riyals) five hundred thousand Saudi riyals annually for his membership in the Board of Directors, including additional bonuses. In the event that the member participates in any of the committees emanating from the Board of Directors (this excludes the members of the Audit committee), in accordance with the controls set by the competent authorities.
4. The remuneration of the Chairman of the Board of Directors exceeds the remuneration of the member by an amount not less than (100,000) one hundred thousand Saudi riyals.
5. In addition, if the company achieve profit, Board Members shall be entitled to gain a certain percentage of the company profit, such percentage may not exceed (10%) of the net profits after deducting the reserves decided by the general assembly in implementation of the provisions of cooperative insurance companies control law, companies law and theses articles and after distribution of a profit to shareholders that is not less than (5%) of the company paid capital and the eligibility for such remuneration shall be proportional to the number of meetings attended by the member and any estimation contrary to that shall be void.
6. The remuneration of the independent members of the board of directors should not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company.
7. All Committees members are granted an annual remuneration as follows:

Position	Bonus amount
Chairman of Committee	An annual bonus amount of (75,000) seventy five thousand Saudi riyals.
Committee member	Annual reward amount of (75,000) seventy five thousand Saudi riyals

8. Allowances for attending the meetings of the Board of Directors and the subsidiary committees are determined as follows:

Category	Allowance
Allowance for attending the Board of Directors meeting	3000 SAR
Allowance for attending committees (for board members)	3000 SAR
Allowance for attending committees (non-members of the Board)	3000 SAR

9. Each member of the board and the emanating committees (from the board members or from outside), including the council chairman, shall be paid the value of the actual expenditures they incur in order to attend the meetings of the board or the committees emanating from the board of directors, including travel, accommodation and subsistence expenses.
10. Remuneration may be granted to members of the board of directors and committees in the form of shares, after fulfilling all the legal controls established in this regard, and in this case, the entered value of the shares shall be the market value at the maturity date.
11. The remuneration of members of the board of directors and committees may be of varying amounts to reflect the member's experience, competencies, tasks assigned to him, his independence, and the number of sessions attended and by other considerations.
12. If the General Assembly decides to terminate the membership of a member of the Board of Directors who is absent from attending three consecutive meetings of the Board without a legitimate excuse, this member is not entitled to any remuneration for the period following the last meeting he attended, and he must return all the remuneration that was paid to him for that period.
13. If the audit committee or the Capital Market Authority finds that the remuneration paid to any of the members of the board of directors is based on incorrect or misleading information that was presented to the general assembly or included in the annual report of the board of directors, he must return them to the company, and the company has the right to ask him to return them.

#### C- Rewards for senior executives:

1. The Board of Directors - based on the recommendation of the Nomination and Remuneration Committee - determines the types of remuneration granted to the company's senior executives, such as fixed bonuses or performance-related bonuses.
2. Senior executives are awarded annual bonuses based on performance evaluation, in addition to compensation and fixed bonuses according to their employment contracts.
3. Remuneration may be granted to senior executives in the form of shares, after fulfilling all the statutory controls established in this regard, and in this case the entered value of the shares shall be the market value at the maturity date.
4. The performance evaluation of the senior executives is based mainly on their professional performance during the year and the extent of their professional interaction in achieving the company's strategic goals.

#### Paragraph (14) - Relationship between Remunerations Awarded and Remuneration Policy:

The remunerations granted to members of the board of directors, committees and executive management during the year 2022 were in line with the remuneration policy approved by the company's general assembly, and there is no fundamental deviation from this policy.

#### Paragraph (15) - Statement of necessary details regarding remunerations and compensations paid – Remunerations and benefits for Board and Committees Members and for five Senior Executives / High Management: -

##### a - Board members 'remuneration on 2022: (Thousand Saudi riyals)

Name	Fixed remunerations							Variable remunerations						End Of Service Rewards	Grand Total	Expenses allowances
	Specific amount	attendance Allowance of board meetings	attendance Allowance of Committees meetings	In Kind Benefits	A statement of the Board members remuneration as workers or managers or payments received for technical, administrative and consultancy works	Remuneration of Chairman , Managing Director or Board Secretary, if he is a member	Total	Profit Share	*** Periodic Remunerations	Short-term incentive plans	Long-term incentive plans	Equity	Total			
First: Non-Executive members																
Abdulaziz Ali Al-Turki	-	15	18	-	-	-	33	-	375	-	-	-	375	-	408	-
Fawaz Al-Tamimi	-	12	27	-	-	-	39	-	300	-	-	-	300	-	339	-
Majed Al Dhafiri	-	15	15	-	-	-	30	-	300	-	-	-	300	-	330	-
Total	-	42	60	-	-	-	102	-	975	-	-	-	975	-	1,077	-
Second: Independent members																
Ibrahim Al-Mutrif	-	9	51	-	-	-	60	-	375	-	-	-	375	-	435	-
Ayham Al-Youssef	-	12	15	-	-	-	27	-	300	-	-	-	300	-	327	-
Ghassan Kashmiri	-	12	6	-	-	-	18	-	225	-	-	-	225	-	243	-
Zaid Al Yaeesh *		3	-	-	-	-	3	-	-	-	-	-		-	3	-
Ahmed Al Muzaini *		3	-	-	-	-	3	-	-	-	-	-		-	3	-
Abdullah Abdulwahab *		3	-	-	-	-	3	-	-	-	-	-		-	3	-
Mohammed Al Katheer *		3	-	-	-	-	3	-	-	-	-	-		-	3	-
Total	-	45	72	-	-	-	117	-	900	-	-	-	900	-	1,017	-
Third: Executive members																
Munir Al Borno	-	15	30	-	(**) 1,752	-	1,797	-	300	-	-	-	300	(****) 6,937	9,034	-
Total	-	15	30	-	1,752	-	1,797	-	300	-	-	-	300	6,937	9,034	-

(\*) the new members in the current new term starting from 17/12/2022.

(\*\*) The total amounts paid for him is including salaries and allowances as a BOD advisor during the year 2022.

(\*\*\*) Periodic remunerations, including the remuneration for membership of the BOD for the year 2021 AD and the remuneration for their membership in committees for the year 2021 AD

(\*\*\*\*) End of Service Rewards for Mr. Munir Al-Borno - Represents what was paid to him as the remaining end of service dues related to his previous position as the CEO of the company (until 15/06/2021)





**b - Compensation and Remunerations for five Senior Executives for the fiscal year 2022: (Thousand Saudi riyals)**

Name	Fixed remunerations				Variable remunerations							End of Service Rewards	Total remuneration for executives in the board, if any	Grand Total
	Salaries	Allowances	In Kind Benefits	Total	Periodic Remunerations	Performance Remunerations	profits	Short-term incentive plans	Long-term incentive plans	Equity grants	Total			
Chief Executive Officer	1,966	688	-	2,654	520	-	-	-	-	-	520	-	-	3,174
General Manager	648	198	-	846	-	-	-	-	-	-	-	-	-	846
Chief Financial Officer *	380	120	-	500	-	-	-	-	-	-	-	-	-	500
Head of Technical	532.8	169.2	-	702	-	-	-	-	-	-	-	-	-	702
Head of Compliance	551.8	164.8	-	716.6	187.5	-	-	-	-	-	187.5	-	-	904.1
<b>Total</b>	<b>4,078.6</b>	<b>1,340</b>	<b>-</b>	<b>5,418.6</b>	<b>707.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>707.5</b>	<b>-</b>	<b>-</b>	<b>6,126</b>

(\*) Amounts related to the position of the Chief Financial Officer include what was paid to the previous CFO until Jun. 2022 and includes what was paid to the current CFO starting from the date of appointment in the position until the end of 2022

**c - Remuneration for committees' members for Fiscal Year 2022: (Thousand Saudi riyals)**

Description/Members	Fixed Paid Remuneration	Allowance for Attending meetings	Total
<b>* Audit committee members</b>			
Ibrahim Al-Mutrif - Chairman	150	39	189
Muhammad al-Shaeaa	150	36	186
Ibrahim Al-Muqhem	150	36	186
<b>Total</b>	<b>450</b>	<b>111</b>	<b>561</b>
<b>Executive committee members</b>			
Abdulaziz Al-Turki - Chairman	75	18	15
Munir Hashem Al-Borno	75	15	12
Fawaz Talal Al-Tamimi	75	18	15
<b>Total</b>	<b>225</b>	<b>51</b>	<b>42</b>
<b>Nomination and Remuneration Committee members</b>			
Ibrahim Al-Mutrif - Chairman	75	12	13.5
Fawaz Al-Tamimi	75	12	13.5
Ayham Al-Youssef	75	12	9
<b>Total</b>	<b>225</b>	<b>36</b>	<b>36</b>
<b>Risk Management committee members</b>			
Majid Al Dhafiri - Chairman	75	6	6
Ayham Al-Youssef	75	3	6
Ghassan Kashmiri	75	6	6
<b>Total</b>	<b>225</b>	<b>15</b>	<b>18</b>
<b>Investment committee members</b>			
Abdulaziz Al-Naim - Chairman	75	12	87
Munir Hashem Al-Borno	75	12	87
Majid Al Dhafiri	75	9	84
Mesheal Al Shayea	75	12	87
<b>Total</b>	<b>300</b>	<b>45</b>	<b>345</b>

(\*) the amounts paid to the audit committee members include the committee membership remuneration for 2020, and the committee membership remuneration for 2021

#### d - The Annual Membership Remuneration for each member of the board of directors and committees for the year 2022:

It was mentioned previously that an independent external company "Protiviti Company" is now working to conduct the annual evaluation of the chairman and members of the Board of Directors and members of the committees emanating from the Board of Directors for the year 2022,

After issuing the evaluation report, it will be presented to the Nominations and Remunerations Committee for its approval and submission to the Board of Directors and to issue the necessary recommendations regarding the annual remuneration for members in return for their membership in the Board of Directors and the committees of the Board of Directors according to the evaluation report issued,

Depending on the committee recommendation to the BOD, a recommendation regarding the remuneration of members of the Board of Directors for the year 2022 will be issued for the company's general assembly to take its decision in this regard.

#### Paragraph (16) - Procedures taken by the Board of Directors to inform its members - especially non-executives – about shareholders' proposals and comments about the company and its performance:

- There are no comments or suggestions received from the shareholders regarding the company and its performance, and in the event of receiving any suggestions or comments from the shareholders, the Board of Directors informs its members, especially the non-executives, by putting these suggestions or comments on the agenda of the first coming meeting of the Board to be discussed and to take the necessary recommendations or decisions towards it.
- The company do the necessary actions to provide all information that enables shareholders to exercise their rights to the fullest, without discrimination among them, these information should be completed and accurate, and these information to be updated in a regular manner on specified dates. The company is obligated to answer all the shareholders questions and queries without discrimination among them, to the extent that it does not jeopardize the interest of the company and the shareholders

#### Paragraph (17) - General Assemblies of Shareholders held during the fiscal year 2022:

The following table includes a statement of the dates of the general assemblies of shareholders that took place during the fiscal year 2022,

During 2022, the General Assembly meeting was convened 3 times, as follows:

- Two (2) Ordinary General Assembly Meetings
- One (1) Extra Ordinary General Assembly Meetings

And the attendees as follow:

NO.	BOD Member Name	Kind of the General Assembly ( Ordinary / Extra Ordinary) + Dates			# of Meetings
		Extra Ordinary General Assembly Meeting on 20/04/2022	Ordinary General Assembly Meeting on 28/06/2022	Ordinary General Assembly Meeting on 30/11/2022	
01	Abdulaziz Ali Al-Turki - Chairman	✓ Attend	✓ Attend	✓ Attend	3
02	Fawaz Talal Al-Tamimi - Deputy Chairman	✓ Attend	✓ Attend	✓ Attend	3
03	Munir Hashem Al-Borno - Member	✓ Attend	✓ Attend	✓ Attend	3
04	Ibrahim Abdullah Al-Mutrif - Member	✓ Attend	✓ Attend	✓ Attend	3
05	Ayham Muhammad Al-Youssef - Member	✓ Attend	* Absent	✓ Attend	2
06	Majid Shatti Al Dhafiri - Member	✓ Attend	✓ Attend	✓ Attend	3
07	Ghassan Muhammad Kashmiri - Member	✓ Attend	✓ Attend	✓ Attend	3

**Paragraph (18) - A description of any deal between the company and a related party, or any business or contracts in which the company is a party, or in which there was an interest for one of the members of the board of directors, the CEO, the CFO, the senior executives, or any person related to any of them, including the names of those involved in the business Or contracts, the nature of these works or contracts and their terms, duration and amount, and if there are no such works or contracts, the company must submit a declaration of that:**

#### 18-1 The process for approving transactions with related parties

The member of the board of directors shall inform the chairman of the board of directors of his personal interest in any business or contracts related to the company. Then, these dealings with related parties shall be sent to the Board of Directors for approval for a duration of one-year. The member to whom the transaction is related is not entitled to vote on the decision of the Board of Directors. Then the transactions are presented before the general assembly for approval and authorization for a calendar year. The chairman of the board shall inform the general assembly, when it convenes, about the members' personal interests in any business or contracts related to the company, and the member is not entitled to vote on this item in the general assembly.

#### 18-2 Related parties' business and contracts during the year 2022 were as follows:

- The business and contracts that were entered into between the company and **Rawabi Holding Group**, in which the Chairman of the Board of Directors - **Mr. Abdulaziz Ali Al-Turki** has a direct interest in (where he holds the position of Chairman of the Board of Directors), noting that the transactions that took place during the fiscal year 2022 are (insurance policies for one year with a value of **1,395,175** Saudi riyals), there are no preferential terms in these deals and contracts.
- The business and contracts that were entered into between the company and **Al Tamimi Group**, which the Vice Chairman of the Board of Directors - **Mr. Fawaz Talal Al Tamimi** has an indirect interest in (where he holds the position of a member of the Board of Directors), noting that the transactions that took place during the fiscal year 2022 are (insurance policies for one year with a value of **5,939,935** SAR), and there are no preferential terms in these deals and contracts.
- The business and contracts that were entered into between the company and **Al Muhaidib Group**, in which a member of the Board of Directors - **Mr. Majid Shatti Al Dhafiri** has an indirect interest in (where he holds an executive position), noting that the transactions that took place during the fiscal year 2022 are (insurance policies for one year with a value of **8,471,836** Saudi Riyals), and there are no preferential terms in these deals and contracts.
- The business and contracts that were entered into between the company and **Al Muhaidib Group**, in which a member of the Board of Directors - **Mr. Majid Shatti Al Dhafiri** has an indirect interest in (where he holds an executive position), noting that the transactions that took place during the fiscal year 2022 are (Rent Contracts for the Company's offices for one year with a value of **968,000** Saudi Riyals), and there are no preferential terms in these deals and contracts.

#### 18-3 Notes:

- There are no preferential terms in these deals and contracts.
- No insurance policies for any Executive Management Member in the company during the year 2022
- There is also a liability insurance policy for members of the Board of Directors and Executives, amounting to 291,050 Saudi riyals.
- Except the above mentioned Insurance policies and rent contract, there is no deals between the company and related parties.

Client Name	Owner/ Member has Direct interest	Member has Indirect interest	Position	Description - Deal Conditions	Duration	Premiums	Claims
Rawabi Holding Group	Abdulaziz Ali Al-Turki	-	Chairman	Motor & Property and General Accident in line with the approved policy within the company and SAMA	One Year	1,395,175	640,754
Al Tamimi Group	-	Fawaz Talal Al-Tamimi	Deputy Chairman	Motor & Property and General Accident in line with the approved policy within the company and SAMA		5,939,935	449,106
Al Muhaidib Group	-	Majid Shatti Al Dhafiri	Member	Motor & Property and General Accident in line with the approved policy within the company and SAMA		8,471,836	2,177,330
Client Name	Owner/ Member has Direct interest	Member has Indirect interest	Position	Contract Type		Rental Contract amount	
Al Muhaidib Group	-	Majid Shatti Al Dhafiri	Member	Annual Rent Contracts for the Company's offices		968,000	

#### 18-4 Any potential conflict of interest cases and the mechanism for dealing with it:

There are no possible cases of conflict of interest raised during the year ending on December 31, 2022

Paragraph (19) - A description of any interest, contractual financial papers and subscription rights of the members of the company's board of directors, senior executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries and any change in that interest or those rights during the fiscal year 2022

##### 1- BOD Members - Previous term ended on 16/12/2022

Related party	Type of ownership	Beginning of Year		End of Year		Net Change	Change %
		# of shares	Debt instruments	# of shares	Debt instruments		
Members of Board of Directors							
Abdulaziz Ali Al-Turki	Direct	227,454	0	454,908	0	227,454	100%
Interest on Rawabi Holding Co.	Indirect	0	0	4,717,998	0	4,717,998	100%
Interest on Gulf Union Holding Co	Indirect	2,475,000	0	2,475,000	0	0	0%
Fawaz Talal Al Tamimi	Direct	681	0	1,362	0	681	100%
Interest on Al Tamimi Company	Indirect	481,499	0	600,000	0	118,501	25%
Ibrahim Abdullah Al Mutrif	Direct	681	0	681	0	0	0%
Munir Hashim Al Borno	Direct	681	0	1,362	0	681	100%
Ayham Mohammed Al Yousef	Direct	100	0	100	0	0	0%
Ghassan Kashmiri	N/A	0	0	1	0	0	100%
Majid Shatti Al Dhafiri	N/A	0	0	0	0	0	0%
Senior Executives							
Hassan Al Dandan – Risk MGR	Indirect	15	0	15	0	0	0%

##### 2- BOD Members - Current / New term Started on 17/12/2022

Related party	Type of ownership	Beginning of Year		End of Year		Net Change	Change %
		# of shares	Debt instruments	# of shares	Debt instruments		
Members of Board of Directors							
Abdulaziz Ali Al-Turki	Direct	227,454	0	454,908	0	227,454	100%
Interest on Rawabi Holding Co.	Indirect	0	0	4,717,998	0	4,717,998	100%
Interest on Gulf Union Holding Co	Indirect	2,475,000	0	2,475,000	0	0	0%
Zaid Abdullah Al Yaeesh	Direct	0	0	100,000	0	100,000	100%
Munir Hashim Al Borno	Direct	681	0	1,362	0	681	100%
Abdullah Abdulwahab	N/A	0	0	0	0	0	0%
Ahmed Sulaiman Al Mazini	N/A	0	0	0	0	0	0%
Majid Shatti Al Dhafiri	N/A	0	0	0	0	0	0%
Mohammed Al Katheer	N/A	0	0	0	0	0	0%
Senior Executives							
Hassan Al Dandan – Risk MGR	Indirect	15	0	15	0	0	0%

- During the year 2022, the company Increased its capital by offering rights issues with a value of 229,474,640 riyals, i.e. an increase of 100% of the capital,

#### Paragraph (20) - Major shareholders and the percentage of ownership of each of them

As at 31/12/2022 there are three major shareholders each one of them owning more than 5% of company's Capital. Public owns the rest of the shares.

Major Shareholders as follow: -

#	Name	Interest	Shares Amounted	Ownership Percentage %
1	Yaqeen Capital	Direct Ownership	4,940,713 Shares	% 10.7652
2	Rawabi Holding Co.	Direct Ownership	4,717,998 Shares	% 10.2799
3	Gulf Union Holding Co.	Direct Ownership	2,475,000 Shares	% 5.3927

#### Paragraph (21) – Regulatory payments

We explain the statutory payments due and paid related to zakat, taxes, fees or any other dues incurred by the company, and the following are their details:

**Regulatory Payments Due:** The company has due payments that have not been paid until the end of the financial year 2022, amounted to (39,522 Thousand Saudi riyals)

**Paid Regulatory Payments:** Regulatory Payments during the year 2022 ended on 31/12/2022 amounted to 39,610 Thousand Saudi riyals  
(Thousand Saudi riyals)

Description	Year 2021		Reason for payment
	Paid	Due but not paid	
Zakat and income tax	-	22,073	As Per the regulation of Zakat, Tax and Customs Authority
Value added tax	31,611	7,084	As Per the regulation of Zakat, Tax and Customs Authority
Social insurance	6,107	546	As Per the regulation of General Organization of Social Insurance
Withholding tax	367	9,819	As Per the regulation of Zakat, Tax and Customs Authority
Governmental payments	1,495	-	Labor and Passport Office fees + Ministry of Commerce according to the regulations of the Ministry of the Interior and the Ministry of Labor
Supervision fees of Central Bank	-	-	The company has been exempted from the supervision fees of the Central Bank of Saudi Arabia for the year 2022
Supervision fees of Council of Health Insurance	30	-	The company has been exempted from the supervision fees of Council of Health Insurance for the year 2022
<b>Total</b>	<b>39,610</b>	<b>39,522</b>	

Paragraph (22) - Any penalty, sanction, precautionary measure or precautionary restriction imposed on the company by CMA or any regulators, or judicial authority, with an explanation of the causes of the violation, the signatory to it, and the means of remedying and avoiding it in the future:

##### 1- Saudi Central Bank Enforcement Resolutions:

Subject Penalties	Previous Fiscal Year 2021		Current Fiscal Year 2022	
	Number of executive decisions	Total amount of penalties in SAR	Number of executive decisions	Total amount of penalties in SAR
Violation of the regulatory and supervisory instructions of Central Bank	4	67,074.36	3	-
Violation of Central Bank's instructions on Customers' protection	-	-	1	-
Violation of the Central Bank's instructions on due diligence in Combating Money Laundering and Terrorism Financing	-	-	-	-

## 2- Sanctions / penalties on the company

Penalty/Sanction	Reason of violation	Regulators	Ways to remedy the violation and avoid its occurrence in the future
<b>2021</b>			
17,074.36 SR	Violation of SAMA's instructions on the payment of supervision and control costs for the Q4 2020	SAMA	<ul style="list-style-type: none"> <li>- The internal necessary actions have been taken by the company to prevent the recurrence of this violation.</li> <li>- The concerned department has been assured that this violation will not be repeated</li> </ul>
Draw the company's Attention/ Notice	<p>The company's failure to comply with SAMA circular No. (41047960) regarding the following:</p> <ul style="list-style-type: none"> <li>• Non-compliance to publish violations for which executive decisions have been issued in accordance with the formula set out in the circular of the instructions for publication of penalties.</li> <li>• Non-compliance with classifying the topics of violations according to the formula specified in the instructions for publishing penalties.</li> <li>• Not including the executive decisions against Alahlia prior to the merger under the Central Bank of Saudi Arabia executive decisions in the Board of Directors report for the year 2020, which is in violation of the instructions for publishing penalties.</li> </ul>	SAMA	<ul style="list-style-type: none"> <li>- The internal necessary actions have been taken by the company to prevent the recurrence of this violation.</li> <li>- Board Report Guidelines has been created and approved by the BOD The concerned department has been assured that this violation will not be repeated</li> </ul>
10,000 SR	<p>Non-compliance with the precautionary measures to combat Coronavirus in the following;</p> <ul style="list-style-type: none"> <li>• Failure to implement employee distancing in accordance with the preventive precautions for the Corona pandemic.</li> <li>• lack of screening points at the company's entrances to measure the temperature of both employees and customers</li> </ul>	SAMA	<ul style="list-style-type: none"> <li>- The corrective actions have been taken to avoid repeating the violation.</li> <li>- The violation that occurred has been corrected to avoid repeating the violation</li> <li>* Standards of social distancing have been applied</li> <li>* The sorting area has been placed at the main gate</li> <li>* Signs on the ground have been renewed</li> </ul>
40,000 SR	Violation of SAMA's instructions due to deal with an insurance brokerage company after the expiry of its permit issued by SAMA	SAMA	<ul style="list-style-type: none"> <li>- The internal necessary actions have been taken by the company to prevent the recurrence of this violation.</li> <li>- The company's internal automated systems have been developed so that no insurance policy can be issued to the account of any broker if the date of the broker's Central Bank authorization has expired.</li> <li>- The Central Bank's permit has been confirmed for all brokers that the company deals with, and the concerned department has confirmed that the company will not conduct any business with any broker who does not have the central bank's permit and/or has expired.</li> </ul>
60,000 SR	Violation of CCHI instructions - an executive decision issued by the Committee to consider violations of the provisions of the Council of Cooperative Health Insurance	CCHI	<ul style="list-style-type: none"> <li>- The internal necessary actions have been taken by the company to prevent the recurrence of this violation.</li> <li>- The concerned department has been assured that this violation will not be repeated</li> </ul>
<b>2022</b>			
Attention	Violating Saudi Central Bank's instructions related to Cyber Security Risks.	SAMA	The deficiency that occurred regarding the Cyber Security Risks has been corrected, and the internal departments have been instructed to follow up on the implementation of SAMA's instruction on the Cyber Security Framework
70,000 SR	Violating Saudi Central Bank's instructions related to Customer Care.	SAMA	The necessary measures have been taken by the company to prevent the recurrence of this violation.
Warning	Violating Saudi Central Bank's instructions related to Cyber Security Risks.	SAMA	The deficiency that occurred regarding the Cyber Security Risks has been corrected, and the internal departments have been instructed to follow up on the implementation of SAMA's instruction on the Cyber Security Framework
Warning	Violating Saudi Central Bank's Supervisory and oversight instructions.	SAMA	The necessary measures have been taken by the company to prevent the recurrence of this violation.
30,000 SR	Violating Council of Health insurance instructions and its implementing regulation	CHI	The necessary measures have been taken by the company to prevent the recurrence of this violation.
Warning	A warning for the company's failure to process and pay insurance claims through NPHIES Portal.	CHI	The necessary measures have been taken by the company to prevent the recurrence of this violation.



Warning	A second warning for the company's failure to process and pay insurance claims through NPHIES Portal.	CHI	The necessary measures have been taken by the company to prevent the recurrence of this violation.
Warning	A Warning for the company for non-compliance with responding to the pre-approval requests for more than 60 minutes through NPHIES Portal.	CHI	The necessary measures have been taken by the company to prevent the recurrence of this violation.

#### Paragraph (23) - The Company's requests for the shareholders' register, the dates of those requests and the reasons for them during the year 2022:

The company requested a register of its shareholders seventeen (17) times during the year 2022, and the table shows the number of requests, their dates and their reasons according to the following: -

No	Date of Request	Reason
1	17/03/2022	Company Procedures
2	10/04/2022	General Assembly
3	20/04/2022	General Assembly
4	09/05/2022	Company Procedures
5	18/05/2022	Company Procedures
6	23/05/2022	Company Procedures
7	23/05/2022	Company Procedures
8	06/06/2022	Company Procedures
9	22/06/2022	Company Procedures
10	27/06/2022	General Assembly
11	07/08/2022	Company Procedures
12	14/08/2022	Company Procedures
13	14/09/2022	Company Procedures
14	06/11/2022	Company Procedures
15	24/11/2022	Company Procedures
16	29/11/2022	Company Procedures
17	30/11/2022	General Assembly

#### Paragraph (24) - Social Responsibility:

The company realizes the importance of its commitment to its role towards society, considering it an integral part of it, and the company also realizes the importance of its social role in a manner that achieves solidarity among members of society in implementation of principles derived from the tolerant Islamic Sharia that urged righteousness, piety and cooperation among all members of society, and work is underway to develop a policy Related to this.

The company has undertaken some initiatives that focus on social responsibility, as follows:

#	Subject of social initiative	Related Party for the Social Responsibility	City	Period
1	Blood Donation	Eithar association	Dammam	Oct. 2022
2	Contribute to the children's drawings program with an amount of 5,000 riyals in support of the medical and educational services provided by the association	Children with Disabilities Association	Dammam	May. 2022
3	Contribute with an amount of 10,000 riyals in support of EFAA Association for People with Disabilities	EFAA Association for People with Disabilities	Dammam	December 2022
4	84 trainee in TAMHEER program	Human resources fund	Dammam – Riyadh - Jeddah	During the year 2022
5	20 Trainee in Cooperative training	Saudi Universities	Dammam - Riyadh	During the year 2022

## Paragraph (25) - Internal Control and Risk Management:

- ❖ Risk Governance
- ❖ Strategic Risks
- ❖ Financial Risks
- ❖ Operational Risks
- ❖ Capital Management Risks

Below is a brief of the Company's risk governance and various risk being faced by the Company and how these are being mitigated for perusal of Risk Management Committee and Board of Directors

### First: Risk Governance

The Company's risk governance is manifested in a set of established policies, procedures and controls which uses the existing organizational structure to meet strategic targets. The Company's philosophy revolves on willing and knowledgeable risk acceptance commensurate with the risk appetite and strategic plan approved by the Board of Directors of the Company. The Company is exposed to insurance, reinsurance, regulatory framework, credit, liquidity, foreign currency, commission rate, and market risks.

#### Risk management structure

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

#### Board of Directors

The apex of risk governance is the centralized oversight of Board of Directors providing direction and the necessary approvals of strategies and policies in order to achieve defined corporate goals.

#### Senior management

Senior management is responsible for the day-to-day operations towards achieving the strategic goals within the Company's pre-defined risk appetite.

#### Risk Management Committee and Risk Management Department

Risk Management Department is an independent internal control function that supplements the overall governance by keeping a watch on the external and internal factors and continuously coordinates with departments within the Company to create a culture of risk awareness, supporting and monitoring the implementation of approved risk mitigation policies and procedures to achieve an acceptable risk profile for the Company.

#### Audit Committee and Internal Audit Department

Risk management processes throughout the Company are audited annually by the Internal Audit Department in line with Risk Based Internal Audit Plan that examines both the adequacy of the procedures and the Company's compliance with such procedures. The Internal Audit Department discusses the results of all assessments with senior management, and reports its findings and recommendations directly to the Audit Committee.

The primary objective of the Company's risk and financial management framework is to protect the Company from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

The risks faced by the Company and the manner in which these risks are mitigated by the Company are summarized below:

### Second: Strategic Risks

Strategic risk is the risk to earnings or capital arising from adverse business decisions or improper implementation of those decisions. This risk is a function of the compatibility between an organization's strategic goals, the business strategies developed to achieve those goals, the resources deployed against these goals and the quality of implementation. The Company defines mission and vision statements and periodically deliberates the strategic business plan to convert the strategic objectives into operational goals ensuring the appropriate resources availability. Periodic review is conducted to evaluate and monitor the performance against the predefined goals.

### Third: Financial Risk

- **Commission / interest rate risk**

Risk arises from the possibility that changes in commission rates will affect future profitability or the fair values of financial instruments. The Company invests in securities and has deposits that are subject to commission rate risk. The Company limits commission rate risk by monitoring changes in commission rates and by investing in floating rate instruments. The Company does not have any interest bearing liabilities. The commission and non-commission bearing investments of the Company and their maturities as of the end of the financial year of 2022.

Commission / interest bearing investments of GUACIC less than 1 year amounts to SAR 270.7 million, from 1 to 5 years amounts to SAR 25.8 million and more than five years amounts to SAR 154 million. Non commission / interest bearing investments amounts to SAR 145.4 million.

Total investment amount as at December 31, 2022 amounts to SAR 596 million. Which increased compared to the total investment amount of the financial year 2021 which amounts to SAR 467 million.

- **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 total of the Company's exposure to credit risk on its financial assets on Dec 31, 2022, is SAR 895 million.

The amount of receivable balances outstanding is around SAR 236 million, and the statutory provision is around SAR 53.4 million.

- **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet obligations and commitments associated with financial liabilities. The Company has a proper cash management system, where daily cash collections and payments are strictly monitored and reconciled on regular basis.

The Company manages liquidity risk by maintaining maturities of financial assets and financial liabilities and investing in liquid financial assets. Further, the Company manages liquidity risk as follows:

- The Company's liquidity risk policy which sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance and investment contracts obligations.
- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.
- The Company's catastrophe excess-of-loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size.
- The maturity of assets of the company in less than one year amounts to SAR 262.6 million and more than one year amounts to SAR 119 million.
- Most of the financial liabilities of the Company are due within one year of the date of the statement of financial position. The company does not have any commission-bearing liabilities.

- **Currency Risk**

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

The Company's exposure to foreign currency risk is limited to United States Dollars which is pegged against Saudi Riyals. Management believes that there is minimal risk of significant losses due to exchange rate fluctuations and consequently the Company does not hedge its foreign currency exposure.

- **Commission Rate Risk:**

The company invests in securities and has deposits that are subject to commission risk. Commission rate risk to the company is the risk of changes in commission rates reducing the overall return on its fixed commission rates and by investing in floating rate instruments.

An increase or decrease of 0.50 basis points in interest yields would result in an increase in the total (loss) income for the year before surplus attribution, zakat and income tax of Saudi Riyals 0.6 million (2021: Saudi Riyals 0.6 million).

#### **The commission and non-commission bearing investments of the Company and their maturities as of the end of the financial year of 2022.**

Commission / interest bearing investments of GUACIC less than 1 year amounts to SAR 270.7 million, from 1 to 5 years amounts to SAR 25.8 million and more than five years amounts to SAR 154 million. Non commission / interest bearing investments amounts to SAR 145.4 million.

Total investment amount as at December 31, 2022 amounts to SAR 596 million. Which increased compared to the total investment amount of the financial year 2021 which amounts to SAR 467 million.

#### ● **Market Price Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

- The Company's market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with their expectations.

The Board of Directors of the Company ensure that the overall market risk exposure is maintained at prudent levels and is consistent with the available capital. While the Board of Directors gives a strategic direction and goals, risk management function related to market risk is mainly the responsibility of Investment Committee team. The team prepares forecasts showing the effects of various possible changes in market conditions related to risk exposures. This risk is being mitigated through the proper selection of securities. Company maintains diversified portfolio and performs regular monitoring of developments in related markets. In addition, the key factors that affect stock and sukuk market movements are monitored, including analysis of the operational and financial performance of investees.

#### ● **Price Risk:**

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market.

The Company's investments amounting to SAR 272.7 million (2021: SAR 242.3 million) are susceptible to market price risk arising from uncertainty about the future value of invested securities. The Company limits this nature of market risk by diversifying its invested portfolio and by actively monitoring the developments in markets.

The impact of a hypothetical change of a ( $\pm 5\%$ ) in the market prices of investments on comprehensive income would be as follows: change in equity price by (+5%) amounts to 13 million, change in equity price by (-5%) amounts to SAR (-13) million.

The sensitivity analysis is based upon the portfolio position as at 31 December 2022 and 2021. Accordingly, the sensitivity analysis prepared is not necessarily indicative of the effect on the Company's assets of future movements in the value of investments held by the Company.

#### ● **Reinsurance Risk:**

In order to minimize financial exposure arising from large claims, the company in the normal course of business, enters into agreements with other parties for reinsurance purposes.

To minimize its exposure to significant losses from reinsurer insolvencies, the company evaluates the financial condition of its reinsurers and monitors concentration of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

Furthermore, the financial strength and managerial and technical expertise as well as historical performance of the reinsurers, wherever applicable, are thoroughly reviewed by the Company and agreed to pre-set requirements of the Company's Board of Directors and Reinsurance Committee before approving them for reinsurance business. As at 31 December 2022, 41% of reinsurance receivables balance was due from one party (31 December 2021: 58% due from two parties).

#### **Forth: Operational Risk**

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

Management has formulated and implemented measures, as approved by the Company's Board of Directors, which include better pricing strategies for both corporate and small and medium enterprises medical policies, diversification of insurance portfolio and improvement in claims management processes, among others. Such measures have resulted in better results as compared to 2021 and management expects that this will further reflect positively in the operational results and cash flows for 2023 and the years to come.

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

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 yearly assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Ethical and business standards; and
- Risk mitigation policies and procedures.

Senior management ensures that the Company's staff has adequate training and experience and fosters effective communication related to operational risk management.

#### ● Insurance Risk:

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The Company purchases reinsurance as part of its risks mitigation program. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

The sensitivity analysis is based upon the portfolio position as of December 31, 2022. By applying a hypothetical change of increasing and decreasing in claims liabilities by ( $\pm 5\%$ ) for the following lines of business (medical and motor).

The impact on claim liabilities by (+5%) for medical LOB amount to 10.6 million, the impact on claim liabilities by (-5%) amounts to (-10.6) million.

The impact on claim liabilities by (+5%) for motor LOB amount to 8.87 million, the impact on claim liabilities by (-5%) amounts to (-8.87) million.

#### Fifth: Capital Management Risks

Objectives are set by the Company to maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value.

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

The Company manages its capital to ensure that it is able to continue as going concern and comply with the regulators' capital requirements of the markets in which the Company operates while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of equity attributable to equity holders comprising paid share capital, reserves and retained earnings.

As per guidelines laid out by SAMA in Article 66 of the Implementing Insurance Regulations 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 Saudi Riyals 100 million
- Premium Solvency Margin
- Claims Solvency Margin

There is an increase in the solvency margin ratio as of the end of the financial year of 2022 with 199%, compared to the solvency margin ratio as of the end of the financial year of 2021 with 1%. The company has taken many actions to improve the overall solvency margin such as improvements in Underwriting, Claims Management and Investment Strategies.

The accumulated losses until the end of the financial year of 2022 amounted to around SAR 111.7 million, which represents 24% of the capital, compared to around SAR 139.2 Million accumulated losses until the end of the financial year of 2021, which represents 60.7% of the company's capital.

Net operating cash outflows amounted to SAR 73.8 million for the year ended 31 December 2022. Management has formulated and implemented measures since the end of 2021, as approved by the Company's Board of Directors, which include better pricing strategies for motor policies, diversification of insurance portfolio and improvement in claims management processes, among others. Such measures have resulted in better results as compared to 2021 and the Company has earned total profit for the year attributable to shareholders of SAR 2.5 million (2021: total loss for the year attributable to shareholders of SAR 141.2 million). Management expects that this will further reflect positively in the operational results and cash flows for 2023 and the years to come provided that the underlying projections of the business and economic conditions continue to be realized.

Management has performed an assessment of its going concern assumption and prepared these financial statements on a going concern basis. Based on the approved business plan of the Company, management believes that the Company will be able to continue its operations and meet its obligations as they fall due within the next 12 months.

- **Claims handling and reserving**

Claim handling risk is the risk associated with paying claims to policyholders based on the policy coverage. The Company mitigates the risk by closely reviewing the decisions and through implementation of an authority matrix to deal with various type and amount of claims. The claims related policies and procedures are subject to review on periodic basis. Reinsurers are also involved to seek their concurrence for the claims of sizeable amounts. To mitigate high frequency, severity and concentration risk the Company carefully underwrites the risks and acquires appropriate level of reinsurance coverage.

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 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.

The Company has policies and procedures for catering to mitigate the risk of inadequate level of claims reserving, quantitative assessments are made in the light of qualitative judgments to determine the estimated ultimate claims liability for claims reported as well as for 'incurred but not reported'. The key source of estimation uncertainty at the reporting date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgements 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, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral reasonable 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. The estimation process takes into account the past claims reporting pattern and details of reinsurance programs. The main assumption underlying these techniques is that a company's past claims development experience can be used to project future claims development and hence ultimate claims costs. Further, independent external actuary also evaluates the adequacy of the Company's technical reserves and the Company adjust the level of reserve per Actuary recommendations. The Company also carried out the stress testing on level of reserve and monitors the claims development patterns particularly for the line of business with pattern of relatively low frequency and relatively high value.

- **People Risk**

People are the critical component of any system and hence the operations. Saudization is the vital components being pursued by the regulators and accordingly the Management has a plan to improve the level of Saudization across the Company. HR department is regularly monitoring and reporting Saudization level to the senior management.

The Saudization rate until the end of the financial year 2022 is at 73.48%, compared to the rate of Saudization for the previous year 2021 when it recorded 74%.

Thus, the company is in process to achieve the rate required by the Ministry of Human Resources and Social Development, which is 75%.

- **Information Technology Risk**

The Company's business depends heavily on the ability of IT systems to handle a large number of operations at a specific time without interruption, especially when transactions processing becomes more complicated due to the size of the Company's portfolio and significant increasing rate of operations. There is risk that systems may face failures, deficiencies, complete outage, system viruses, penetration, or any type of electronic crimes that would affect the security of Company's information, data and communications, or occurrence of any defect in the systems of Company's branches or other associated entities. In case of occurrence of any these risks, the Company's business would be adversely and materially affected, and its reputation might be harmed.

The Company mitigates the risk by devising the administrative policies and procedures, building efficient and effective system, network and communication infrastructure, maintaining appropriate level of securities to avoid such attacks. The Company also implemented the backup and disaster recovery techniques to ensure the availability and recoverability of data, had the preventive actions fail.



- **Regulatory risk**

The company received some observations from the Central Bank of Saudi Arabia regarding operational matters, including pricing and underwriting. The company has taken necessary corrective actions to improve the situation and mitigate the regulatory risks.

**Paragraph (26) - Results of the annual review of the effectiveness of the company's internal control procedures and the audit committee's opinion on the adequacy of internal control in the company:**

The results of the annual review and Audit Committee confirmed the effectiveness of the company's internal control procedures, and that they are based on sound foundations and are implemented in an efficient and organized manner, that serves the interest of the shareholders and is in line with the applicable rules, laws and regulations in the Kingdom of Saudi Arabia.

**Paragraph (27) - Recommendation of the Audit Committee regarding the need to appoint an internal auditor in the company:**

There is an independent internal audit department in the company, and there were no recommendations from the committee in this regard.

**Paragraph (28) - Recommendations of the Audit Committee that there are no contradictions between and the decisions of the Board of Directors or the Board refuses to take it regarding the appointment of the company auditor, its dismissal, the determination of his fees, the evaluation of his performance, the appointment of the internal auditor, the rationale for those recommendations and the reasons for not taking them.:**

None

**Paragraph (29) – External Auditors**

- The Ordinary General Assembly of the company, which was held on 28/06/2022 AD, based on the recommendation of the company's board of directors based on the audit committee's recommendation, approved the appointment of PricewaterhouseCoopers Certified Public accountants PwC and Allied Accountants Professional Services Company (RSM) for financial auditing The company's accounts for examining, reviewing and auditing the financial statements for the second, third and annual quarters of the fiscal year 2022 AD and the first quarter of the year 2023
- The company's auditors' report does not include any reservations on the annual financial statements for the fiscal year ending on 12/31/2022
- There was no recommendation from the Board of Directors to replace the auditors during the year 2022, before the end of the period for which he is appointed.

**Paragraph (30) - What has been applied of the provisions of the Corporate Governance Regulations and what has not been implemented, and the reasons for that:**

The company has implemented all the mandatory provisions contained in the Corporate Governance Regulations in the Kingdom of Saudi Arabia issued by the Board of the Capital Market Authority. With the exception of some of the following guiding provisions that were not applied during the year 2022:

Subject	Text of the article	Reasons for not applying
85	<b>Motivating employees:</b> The company sets up programs to develop and stimulate the participation and performance of the company's employees.	Guidance article
87	<b>Social Responsibility:</b> The Ordinary General Assembly - based on a proposal from the Board of Directors - shall set a policy that ensures a balance between its objectives that society aspires to achieve with the aim of developing the socio-economic conditions of the society..	Guidance article
88	<b>Social Work Initiative:</b> The Board of Directors establishes the programs and identifies the means to implement the company's initiatives in the field of social work..	Guidance article
95	<b>Formation of the Corporate Governance Committee:</b> In the event that the Board of Directors establishes a committee specialized in corporate governance, then it must delegate to it the competencies established under Article 94 of these regulations, and this committee must follow up on any issues related to governance applications, and provide the Board of Directors, at least annually, with the reports and recommendations it arrives at.	Guidance article

The company gives top priority and great interest in implementing all the requirements imposed by governance and related systems, and the Board of Directors has the primary and pivotal role in this. The company also emphasizes its great interest in the continuous review of the practices and activities implemented in the company to ensure the implementation of all the standards, procedures, prevailing systems and legal requirements imposed by the system. Particularly related to governance.

- The company has been keen to comply with what is included in the Corporate Governance regulation issued by the Saudi Central Bank, as well as the company's internal governance regulation. The company confirms its commitment to implementing the regulations.
- The company do the necessary actions to provide all information that enables shareholders to exercise their rights to the fullest, without discrimination among them, these information should be completed and accurate, and these information to be updated in a regular manner on specified dates.
- The company is obligated to answer all the shareholders questions and queries without discrimination among them, to the extent that it does not jeopardize the interest of the company and the shareholders

**Paragraph (31) - the name of the subsidiary company, its capital, the percentage of ownership of the company in it and its activity, the head, the state, the main location of its operations, and the country of its incorporation and Details of shares and debt instruments issued for each subsidiary:**

**None – Gulf Union Al Ahlia has no Subsidiaries**

**Paragraph (32) - An interest in the category of shares eligible to vote belongs to persons (other than members of the board of directors and senior executives and their relatives) who informed the company of those rights under Article 45 of the registration and listing rules, and any change in those rights during the last fiscal year:**

**None**

**Paragraph (33) - Information related to the approval of the position of the company (whether due to be paid upon request or otherwise), and the disclosure of the total debt of the company and its subsidiary companies and the payment of the company to repay the loans during the year 2022, the original amount of the loan, the shares of the donor to it, its duration, and the remaining amount**

Gulf Union Al Ahlia Cooperative Insurance Company acknowledges that there are no loans on the company during the year 2022, whether they are due upon request or otherwise.

**Paragraph (34) - A description of the categories and numbers of any convertible debt instruments, any contractual securities, subscription right notes or similar rights issued or granted by the company during the 2022 fiscal year, with an explanation of any details that the company has connected to in return.**

Gulf Union Al Ahlia Cooperative Insurance Company acknowledges that there are no convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company during the fiscal year 2022, and there is no compensation obtained by the company for that.

**Paragraph (35) - A description of any transfer or subscription rights under convertible debt instruments, contractual securities, subscription notes, or similar rights issued or granted by the company during the fiscal year 2022.**

Gulf Union Al Ahlia Cooperative Insurance Company acknowledges that there are no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or prohibited by the company during the fiscal year ending on December 31, 2022.

**Paragraph (36) - A description of any redemption, purchase or cancellation on the part of the company for any recoverable debt instruments, and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries:**

Gulf Union Ahlia Company acknowledges that there is no refund, purchase or cancellation by the company for any redeemable debt instruments during the fiscal year ending on December 31, 2022 .

**Paragraph (37) - A statement of any arrangements or assignment agreements according to which a member of the company's board of directors or one of the chief executives of any remuneration:**

Gulf Union Al Ahlia Cooperative Insurance Company acknowledges that there are no arrangements or agreements whereby a member of the company's board of directors or a senior executive waived any remuneration.

**Paragraph (38) - A statement of any arrangements or agreements under which one of the shareholders of the company will assign any rights to dividends:**

Gulf Union Al Ahlia Cooperative Insurance Company acknowledges that there is no statement, arrangement or agreement whereby one of the shareholders of the company waived any rights to profits.

**Paragraph (39) - Statement of the value of any investments or reserves established for the benefit of the company's employees:**

There are no investments or reserves established for the benefit of the company's employees.

While there is a provision for end of service benefits for company employees amounting to 18.2 million riyals.

**Paragraph (40) - Disclosure of details of treasury shares held by the company and details of the uses of these shares:**

Not Applicable.

**Paragraph (41) - Declarations:**

From the responsibility of the Board of Directors and its cares on the continuity and preservation of the company for the purpose for which it was established, and in light of the information provided to him by the company's management, he confirms the following:

#	Kind of acknowledge	Company & BOD confirmation
1	Accounts records	The account records have been properly prepared.
2	Internal Control system	The internal control system prepared on a sound basis and was implemented effectively
3	Sustainability	There is no doubt about the company's ability to continue its activity.
4	Information regarding any loans on the company	There are no loans on the company during the year 2022

**Conclusion:**

In conclusion, the Board of Directors, after success from God, thanks the Custodian of the Two Holy Mosques and his Crown Prince - May God preserve them – and thanks the supervisory authorities, praising the support and care that the company receives in its quest to develop its performance and improve its services. also extends its thanks and appreciation to the company's valued customers and shareholders for their trust and support, Also extends its thanks The company's employees for their dedication and sincerity at work, and the Board of Directors confirms the company's continuous endeavor to develop its business in a way that meets the needs of customers, achieves the aspirations of shareholders, serves the community, and confirms the company's leadership in the insurance sector..

Best Regards.