

Report of the Board of Directors of ALETIHAD Cooperative Insurance Company (ALETIHAD) for the year 2021

The Board of Directors of Al-EtiHAD Cooperative Insurance Company (ALETIHAD) is pleased to present the Board of Directors' report for the year 2021 to the company's shareholders, as the report includes all developments and achievements during the year 2021 and future plans in addition to the company's financial and technical results for the past five years.

First: The most important developments during the year 2021

1. Al-EtiHAD Cooperative Insurance Company announced on 10/5/2021 that it had signed an agreement to participate in the insurance base for the mandatory travel insurance product for citizens outside the Kingdom of Saudi Arabia through a joint insurance pool between a group of insurance companies and under the management of Tawuniya Company for Co-operative Insurance to cover the risks arising from this product. Note that the Central Bank's no-objection was issued on 10/5/2021 for the signing of the agreement between the companies.
2. Al-EtiHAD Cooperative Insurance Company announced on 19/5/2021 that it had received the Sharia audit report dated 18/5/2021 AD, in which it confirms the completion of the review process of the company's activities during the year 2020 by the Sharia Review House in its capacity as the company's Sharia advisor. The company's business and activities during the aforementioned period are in compliance with Shariah provisions and controls.
3. Al-EtiHAD Cooperative Insurance Company on 31/5/2021 A.D. about changing the company's head office address to be in Al Khobar - Al Abdul Karim Tower 8514 King Fahd Bin Abdulaziz Road, Al Qishla, Unit No. 15, Dhahran 4233-34232, while maintaining its own mailbox, which bears the following details: PO Box 1022 Al Khobar 31952 Kingdom of Saudi Arabia.
4. Al-EtiHAD Cooperative Insurance Company announced on 06/07/2021 the conclusion of an agency agreement with Tadamon insurance Agency for a period of one calendar year, subject to renewal, in order to market and sell the company's products to insure individuals and companies in the Kingdom of Saudi Arabia in accordance with the circulars of the Saudi Central Bank in this regard. The company has a positive impact on its sales volume through this agreement, as of the third quarter of the year. There are no related parties to this contract.
5. The Union Cooperative Insurance Company announced on 12/29/2021 that it had received the approval of the Central Bank of Saudi Arabia on 29/12/2021 to add the protection and savings insurance activity to the company's license, and thus the company became licensed to engage in the following activities: (general insurance, health insurance, Protection and savings insurance), as the company expected a positive impact on its sales volume from this activity as of the first quarter of 2022.

Second: Description of the company's operational activity

The main activity of the company is summarized in providing insurance services for all types of general and medical insurance in addition to the new license to provide protection and saving activities which have been received from SAMA recently, based on the principles of cooperative insurance and in accordance with the cooperative insurance companies' monitoring system and its executive regulations and under the supervision of the Saudi Central Bank as the main body responsible for monitoring the insurance sector, and since this activity is considered the main activity of the company, it has a fundamental impact On the company's business volume, bearing in mind that the results of the company's main activity constitute the largest share of the company's total results.

It is worth noting that the company has obtained final approvals from the Central Bank of Saudi Arabia for the following insurance products:

1. Marine Cargo Open Cover
2. Marine Cargo Open Policy
3. Marine Cargo Individual Voyage Policy
4. Marine Land Transit (Individual) Policy
5. Marine Hull and Machinery
6. Marine Hull Insurance for Pleasure Craft
7. Fire Lightning and Allied Perils
8. Fire Lightning and Allied Perils and Burglary
9. Fire Lightning
10. Fire Lightning Only and Burglary
11. Business Interruption
12. Property All Risks
13. Householders Comprehensive
14. Property Sabotage and Terrorism
15. "Workmen's Compensation" and "Employer Liability"
16. Public & Product Liability
17. Public Liability
18. Comprehensive General Liability
19. Professional Indemnity Insurance for Architects and Civil Engineers
20. Medical Malpractice
21. Plate Glass
22. Money Insurance
23. Fidelity Guarantee
24. Personal Accident - Individual
25. Group Personal Accidents
26. Network Security and Privacy Protection
27. Motor Vehicle Extended Warranty
28. Contractors All Risks (CAR)
29. Erection All Risks (EAR)
30. Machinery Breakdown (MB)

31. Electronic Equipment (EE)
32. Loss of Profit following Machinery Breakdown (LOP)
33. Deterioration of Stock (DOS)
34. Contractors' Plant and Machinery (CPM)
35. Boiler and Pressure Vessel
36. Motor Comprehensive – Commercial
37. Comprehensive – Private Motor
38. Motor Third Party Liability
39. Travel Protect
40. Medical Insurance
41. Visitor's Policy
42. UAS Operators Liability Insurance
43. Extended Warranty for White Goods
44. Professional Indemnity Insurance for Accredited Valuers & Assessors
45. Event Cancellation and Abandonment Insurance
46. PARCEL INSURANCE
47. Craftsman Liability
48. Clubs and Societies
49. Sports Personal Accident

In addition to the main activity referred to above, the company practices the investment activity of the shareholders' funds in addition to investing the policyholders' funds in accordance with a conservative investment policy in addition to trying to achieve the highest possible return on investment. Where this activity is considered non-main, given that the volume of investment activity results constitute the least percentage of the company's total results.

Third: A description of the plans, important decisions and future expectations of the company's business and the risks it faces.

In continuation of the company's approach and achieving its strategic goals in development, growth and spread, protecting the rights of the insured and shareholders, and working to meet the risks it faces and reduce their impact, the company will adopt the following policies and plans in the future to achieve its aspirations:

1. Creating new insurance products that meet market needs and keep pace with changes in the Kingdom.
2. Continuing the company's expansion in using and innovating new technical channels in production to achieve the company's strategic objective, which is digital transformation.
3. Raising the level of reliance on modern technical means in serving the company's customers to improve the level of service on one hand and reach the customers' needs in an easier and faster way on the other hand.
4. Expanding the work of the bancassurance by concluding new agreements with local banks to provide the appropriate insurance coverage for their customers through them.

5. Expanding the electronic link base with insurance brokers and banks to diversify production sources for producers of vehicle insurance for individuals and medical insurance for small and medium businesses.
6. Develop relationships with major insurance brokers and intensify visits to existing and direct customers to increase production in the general insurance branch.
7. Continuing the company's policy of qualifying employees, providing them with appropriate training, employing good cadres, and focusing on Saudi national experiences within the company's leadership positions, to ensure an increase in the percentage of Saudization in the company at all administrative levels.
8. Continuing to adopt a conservative investment policy that takes into account the quality of the investment, the rate of return from it and the level of risk related to it.
9. Continuing to raise the level of the information security environment by keeping pace with the application of the highest standards of information security.
10. Continuing to develop and implement a risk management policy that aims to protect the company from the risks it faces or reduce their impact, as the company faces some risks, the most important of which have been mentioned below, Where the company exerts the necessary effort in taking the necessary measures and setting the necessary policies and procedures to prevent the impact of these risks or reduce their impact on the company as much as possible and to monitor and follow them diligently:
 - Insurance risks: the risks that may result from all insurance operations including risk assessment and acceptance (underwriting process), pricing, reinsurance, compensation settlement, allotment of necessary provisions and other operations related to the company's main activity. To manage these risks, the company has developed and applied sound underwriting rules and studied foundations for settling compensation and monitoring provisions, in addition to dealing with reinsurers with high credit ratings from international rating agencies.
 - Market risks: These are risks that may result from fluctuations in the investments owned by the company, including fluctuations in the Saudi financial market. As well as fluctuations in interest rates. The company follows a conservative investment policy that limits the impact of these risks.
 - Credit Risk: It is the risk that may result from the inability of the other party to fulfill its obligations towards the company, whether from the company's clients, insurance and reinsurance companies, banks and others who have an obligation to

the company. The company has adopted a conservative credit policy to limit the impact of these risks, in addition to dealing with reinsurers with high credit ratings from international rating agencies.

- Non-compliance risks: These are risks that may result from non-compliance with the laws, regulations, and instructions issued by all the regulatory and governmental duties to which the company is subject, as the company implements all laws and instructions issued and follows up on any new instructions to comply with them. The company also has control departments (compliance management, internal audit management, and a risk management) that perform its oversight role in this regard.
- The risk of losing clients: It is the risk resulting from the loss of the company's clients, whether due to the failure to provide good service or as a result of raising insurance prices to match the volume of the subscribed risk and the client's non-acceptance of that. Where the company is constantly evaluating the services provided to its customers to ensure their continuity with the company. In addition to adopting a reasonable pricing mechanism for risk without exaggeration within sound technical rules.
- The risk of the company's systems being exposed to electronic attacks: the risk that the company's technical systems will stop working or the company's information will be lost as a result of the systems being exposed to electronic attacks that fail the work of the systems and delete the stored information, as the company has developed an integrated framework for information security that includes all relevant policies and procedures in addition to the technical aspect in this regard. The company is conducting a periodic review of this framework to ensure that it keeps pace with the development taking place in it.
- The risk that the company's business is concentrated in certain types of insurance or through certain production sources: It is the risk that the company's business is concentrated mainly in the vehicle and medical insurance producers and its concentration in a specific number of production sources. Where the company is striving to develop the marketing tools necessary to diversify its insurance portfolio, whether in terms of the source of production or the type of production.
- Strategic risk: It is the risks associated with the company's inability to achieve its strategic objectives. These risks are considered general, such as lowering the financial solvency than the permissible limit, the impact of competition, the impact of prices on the market, the general economic situation, the lack of qualified people, and the absence of strategic planning, in addition to many reasons that hinder the company from achieving its results. The company annually reviews its strategic plan in line with changes in the financial situation, the market situation and the economic situation in order to achieve its strategic objectives.

- Disaster risk: It is the risk resulting from the company's exposure to a natural disaster or serious damage, which limits the company's ability to conduct business. The company has developed a clear plan to recover from disasters and ensure business continuity to reduce the impact of any cause that may hinder the company's ability to conduct its business normally.

Fourth: Financial and Technical Indicators

Statement of financial position (amounts in thousands/ Saudi riyals)

Statement	2021	2020	2019	2018	2017
financial position (in thousands)	SAR	SAR	SAR	SAR	SAR
Insurance operations assets					
Investments and cash in banks	662,419	603,230	671,499	760,498	600,656
Premium & reinsurance receivables	164,107	197,769	180,494	183,847	159,882
Other assets	237,755	217,809	170,800	197,383	335,635
Total insurance operations assets	1,064,281	1,018,808	1,022,793	1,141,728	1,096,173
Shareholder's assets					
Investments and cash in banks	513,751	389,712	414,405	358,700	288,597
Other assets	73,566	155,622	98,752	130,425	112,737
Shareholders' total assets	587,317	545,334	513,157	489,125	401,334
Total assets	1,651,598	1,564,142	1,535,950	1,630,853	1,497,507
Insurance operations liabilities					
Reinsurance payables	12,946	7,390	12,085	13,204	12,127
Technical reserves	844,018	757,412	818,426	901,778	875,434
Other liabilities	207,317	254,006	192,282	226,746	208,612
Total insurance operations liabilities	1,064,281	1,018,808	1,022,793	1,141,728	1,096,173
Shareholders' Equity and Liabilities					
Shareholders' liabilities	32,956	32,778	32,867	56,713	45,012
Shareholders' equity	554,361	512,556	480,290	432,412	356,322
Total shareholders' liabilities and equity	587,317	545,334	513,157	489,125	401,334
Total liabilities and shareholders' equity	1,651,598	1,564,142	1,535,950	1,630,853	1,497,507

Income Statement (Amounts in thousands\ SAR)

Statement	2021	2020	2019	2018	2017
Statement of insurance operations results and surplus					
Gross written premium	865,478	741,665	861,936	929,776	831,249
Net earned premium	740,886	725,515	793,520	721,865	707,890
Additional premium reserves	(3,909)	11,816	(5,536)	3,924	3,817
Other insurance revenues	23,752	2,248	160	14,060	16,825
Total revenues	760,729	739,579	788,144	739,849	728,532
Total paid claims	(540,950)	(524,594)	(682,767)	(552,843)	(524,578)
Net incurred claims	(560,439)	(481,677)	(611,732)	(535,438)	(488,520)
Policy acquisition costs	(55,077)	(40,452)	(43,650)	(49,684)	(57,388)
Other expenses	(120,127)	(101,723)	(78,266)	(62,116)	(108,589)
Total costs and expenses	(735,643)	(623,852)	(733,648)	(647,238)	(654,497)
Insurance operations surplus	25,086	115,727	54,496	92,611	74,035
(surplus)\ deficit transferred to shareholders operations	(22,577)	(104,155)	(49,046)	(83,350)	(66,632)
Net surplus after shareholders' attribution	2,509	11,573	5,450	9,261	7,403
Accumulated surplus at the end of the period	2,509	11,573	5,450	9,261	7,403
Shareholders' income statement					
Investments income & other revenues	27,909	(61,688)	17,211	6,388	1,893
Shareholders' attribution from net surplus	22,577	104,155	49,046	83,350	66,632
General and administrative expenses and establishment expenses	(2,054)	(2,353)	(1,949)	(1,602)	(1,505)
Net profit (loss) before zakat and income tax	48,432	40,114	64,308	88,136	67,020

Details of insurance operations revenues and expenses for 2021 (Amounts in thousands\ SAR)

Statement	Medical insurance	Motor	Engineering in	General accidents	Properties	Other insurances	Total
Gross premiums	422,407	383,511	9,377	26,569	16,270	7,344	865,478
reinsurance ceded premiums – local	-	(637)	(1,023)	(37)	(802)	(305)	(2,804)
reinsurance ceded premiums - Foreign	-	(5,706)	(7,240)	(18,335)	(13,454)	(5,866)	(50,601)
Excess of loss expense	(11,287)	(6,852)	-	-	(1,160)	(431)	(19,730)
Net written premiums	411,120	370,316	1,114	8,196	854	742	792,342
Changes in unearned premiums, net	(97,124)	45,616	274	(364)	(108)	250	(51,456)
Net earned premiums	313,996	415,932	1,388	7,833	745	992	740,886
Revenue from reinsurance commission	-	1,612	2,145	2,191	2,816	1,840	10,604
Other operational revenues	1,558	8,910	(84)	2,381	25	358	13,148
Total revenues	315,554	426,454	3,449	12,405	3,586	3,190	764,638
Total paid claims	(176,699)	(352,877)	(2,057)	(4,027)	(699)	(4,591)	(540,950)
Reinsurance share of paid claims	8,393	2,598	1,752	415	561	3,673	17,392
Net paid claims	(168,306)	(350,279)	(305)	(3,612)	(138)	(918)	(523,558)
Changes in outstanding claims, net	(59,850)	22,872	(363)	(1,785)	304	(94)	(38,916)
Changes in incurred but not reported claims, net	58	1,335	314	1,134	(85)	(94)	2,662
Change in other technical reserves	130	116	(100)	(529)	(179)	(65)	(627)
Net incurred claims	(227,968)	(325,956)	(454)	(4,792)	(98)	(1,171)	(560,439)
Additional premium reserve	-	(3,888)	55	(76)	-	-	(3,909)
Policy acquisition costs	(27,394)	(21,159)	(1,125)	(2,582)	(1,834)	(983)	(55,077)
Other operational expenses	(17,729)	(31,873)	(54)	(149)	(62)	(79)	(49,947)
Total underwriting costs and expenses	(273,091)	(382,877)	(1,578)	(7,599)	(1,994)	(2,233)	(669,372)
Net underwriting income	42,463	43,577	1,871	4,806	1,592	957	95,267
General and administrative expenses							(88,925)
Provision for doubtful debts							8,250



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Murabaha income on deposits							5,027
Realized profits (losses) from investments							21,280
Dividends and investment income							8,501
Other revenues (expenses)							1,541
Total (expenses) / other operating revenues							(44,326)
Net surplus							50,941
Surplus transferred to shareholders							(2,509)
Net results after surplus appropriation to shareholders							48,432

Insurance operations assets for the year 2021, (Amounts in thousands / Saudi riyals)

Statement	Medical Insurance	Motor	Engineering Insurance	Public Accidents	Properties	Other insurances	Total
Reinsurers' share of unearned premiums	-	3,658	3,913	8,777	5,804	1,398	23,550
Reinsurers' share of outstanding claims	5,721	861	9,918	33,512	23,317	4,513	77,842
Reinsurers' share of claims incurred but not reported	-	586	2,999	3,758	7,413	1,163	15,919
Deferred acquisition costs	20,022	11,053	537	1,514	888	249	34,263
Unallocated assets							912,707
Total insurance operations assets	25,742	16,158	17,368	47,561	37,422	7,323	1,064,281

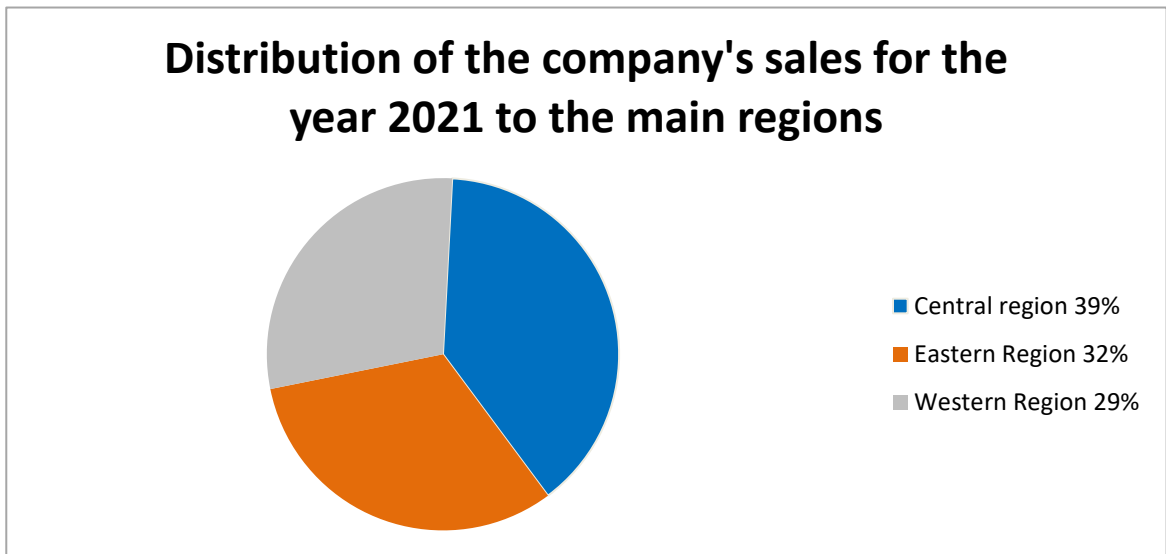
Insurance operations liabilities for the year 2021

Statement	Medical Insurance	Motor	Engineering Insurance	Public Accidents	Properties	Other insurances	Total
Unearned insurance premiums	229,169	226,677	4,604	14,208	6,885	1,952	483,495
Outstanding Claims	102,665	27,346	11,778	66,090	27,571	7,247	242,697
Incurred but not reported claims	6,880	69,105	3,307	5,192	8,580	1,525	94,589
Additional premiums reserves	-	14,186	40	623	-	-	14,849
Other technical reserves	576	4,100	455	1,894	1,108	255	8,388

Unearned Reinsurers' commission	-	1,043	843	1,347	1,261	350	4,844
Unallocated liabilities							192,842
Total liabilities	339,290	342,457	21,027	89,354	45,405	11,329	1,041,704

Fifth: A geographical analysis of the company's total revenues and the total revenues of its subsidiaries

The company does not have any branches or subsidiaries outside the territory of the Kingdom, and the company does not have subsidiaries inside the Kingdom. The following chart shows the distribution of insurance premiums for the year 2021, which represents the major item of the company's revenue by regions in the Kingdom.



Sixth: Clarification of the fundamental differences in the operational results from the results of the previous year or any expectations that the company announced:

(Amounts in thousands / Saudi riyals)

Statement	2021	2020	The amount of change	Change Percentage	Fundamental Differences
Gross Written premiums	865,478	741,665	123,813	16.69%	The reason for the rise is mainly due to the increase in the written premiums of the medical insurance by 92% accompanied by a decrease in the written premiums for motor insurance by 19%
Net written premiums	792,342	681,415	110,927	16.28%	The reason for the increase is mainly due to the increase in net written premiums for the medical insurance by 91% accompanied by a decrease in the net written premiums for the motor insurance branch by 19%
Net earned premiums	740,886	725,515	15,371	2.12%	The reason for the increase is mainly due to the increase in net earned premiums for the medical insurance by 53%, accompanied by a decrease in the net written premiums for the motor insurance branch by 18%
Reinsurance commission income	10,604	11,181	(577)	-5.16%	-
Paid claims	540,950	524,594	16,356	3.12%	The reason for the increase is mainly due to the increase in the paid claims for the medical insurance by 8.5%
Net incurred claims	560,439	481,677	78,762	16.35%	The reason for the increase is mainly due to the increase in the net incurred claims for the medical insurance by 46% and for the motor insurance by 3%
Acquisition costs and other expenses	55,077	40,452	14,625	36.15%	The reason for the increase is mainly due to the increase of medical insurance acquisition costs by 77% and for the motor insurance by 3%
Expenses of provision for doubtful receivables	(8,250)	19,528	(27,778)	-	The reason for the decrease in Allowance for doubtful accounts during the year is due to the improvement in the collection performance.
General and administrative expenses	88,925	93,982	(5,057)	-5.38%	-
Surplus (deficit) of insurance operations less policyholders investment return (operating results)	19,121	106,275	(87,154)	-82.01%	The reason for the decrease is mainly due to the increase in net incurred claims by 16.35%, offset by a slight increase in net earned premiums by 2.12%, in addition to the increase in acquisition costs by 36.15%
Net profit (loss) of policyholders' investment funds	5,965	9,453	(3,488)	-36.90%	The reason for the decline is due to the continuously declining interest rate
Net profit (loss) of shareholders' investment fund	27,909	(61,687)	89,596	-	The reason for the existence of shareholders' investment profits during the year against



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					investment losses in previous year is due to reporting impairment losses during the previous year amounting to 68.3 million riyals
Net profit (loss) before zakat	48,432	40,114	8,318	20.74%	Profits were increased due to reporting gains in shareholders' investments amounted 27.9 Million during 2021 compared to losses amounted 61.7 Million during prior year 2020, and the decrease in doubtful debts provision during 2021 due to the improvement in collection performance, and the decrease in general and administrative expenses by 5%. These movements led to an increase in net income despite the increase in incurred claims during the year by 16.4% and the decrease in policyholders' investment income by 36.9% caused by the continuously declining interest rate.
Earning (loss) per share in riyals	0.84	0.69			

Seventh: A clarification of any difference from the accounting standards issued by the Saudi Organization for Certified Public Accountants.

International accounting standards are applied in the company, which are the standards approved by the Saudi Organization for Certified Public Accountants, and there is no difference from the accounting standards issued by the Saudi Organization for Certified Public Accountants in the 2021 lists.

Eighth: Subsidiaries

The company does not have any subsidiaries.

Ninth: Shares and debt instruments of subsidiaries

The company does not have any associated companies and therefore there are no shares and debt instruments issued to it.

Tenth: the Company's policy in distributing profits

According to the company's articles of association. Shareholders' profits are distributed in the following manner:

- 1) Keeping out the prescribed zakat and income tax.
- 2) (20%) of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may discontinue this setting aside when the said reserve reaches the total paid-up capital.
- 3) The Ordinary General Assembly, when determining the earnings per share in the net profits, may decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of flat profits as much as possible to the shareholders.

Taking into consideration that the company did not distribute any profits during the year 2021. The company's board of directors decided in its meeting held on 03/03/2022 to recommend to the company's general assembly to raise the company's capital by 50 million Saudi riyals, so that the company's capital would be 450 million Saudi riyals with the percentage of capital increase 12.5% by granting one bonus share for every eight shares to strengthen the company's capital base and support its future activities and that after obtaining the approval of all the relevant regulatory authorities, noted that the company received on 24/3/2022 the approval of central bank on raising capital through capitalizing (20) Million SAR from the balance of Retained Earnings and (30) Million SAR from the balance of Statutory reserve.

Eleventh: The company was not informed by any person of any description or interest in the class of shares entitled to vote under Article (45) of the registration and listing rules issued by the Capital Market Authority or any change in those rights During the fiscal year 2021.



Twelfth: A description of any interest, contractual securities and subscription rights belonging to members of the Board of Directors, senior executives and their relatives in the shares or debt instruments of the company or any of its associated companies, and any change in that interest or those rights during the reporting period.

The following table shows a description of any interest belonging to the members of the Board of Directors, senior executives and their relatives in the company's shares during the financial year subject of the report and any change in that interest. Bearing in mind that the company does not have issued debt instruments, and does not have associated companies:



No.	Name	The number of shares at the beginning of the year	Ownership ratio at the beginning of the year	Net change in the number of shares during the year	Change ratio during the year	Total shares at the end of the year	Total ownership ratio at the end of the year
1	Al-EtiHAD Holding Company BSC (closed) represented by Mr. Suleiman Hamad Al-Dalali - Chairman of the Board of Directors.	8,944,000	22.36%	0	0%	8,944,000	22.36%
2	Al-Ahleia Insurance Co. K.S.C. represented by - Mr. Yousef Saad Al-Saad / Board Member. - Mr. Tariq Fahad Bouresli, Board Member	4,000,000	10%	0	0%	4,000,000	10%
3	Mr. Hani Suleiman Al-Saleh (Board Member)	350	0.000875%	350	-100%	0	0%
4	Mr. Mohammed bin Abdullah bin Muammar (Board Member)	0	0%	8000	100%	8000	0.02%
5	National Amlak Investment Company, represented by Mr. Nayef Saud Al-Tariri (Vice Chairman of the Board of Directors)	72,727	0.18%	0	0%	72,727	0.18%
6	Mr. Nayef Saud Al-Tariri - in his personal capacity - Vice Chairman of the Board of Directors	4363	0.010%	0	0%	4363	0.010%
7	Mr. Iyad Abdul Rahman Al-Bunyan (Member of the Board of Directors)	0	0	0	0%	0	0
8	Mr. Suleiman Abdul Rahman Al-Saleh - father of Mr. Hani Suleiman Al-Saleh, a member of the company's board of directors	1,402,137	3.5%	700,000	-49.9%	702,137	1.76%
9	Mr. Hossam Suleiman Al-Saleh - brother of Mr. Hani Suleiman Al-Saleh - member of the company's board of directors	1156	0.00289%	0	0%	1156	0.00289%
10	Mr. Hossam Abdulaziz Al-Kannas (CEO)	0	0	0	0%	0	0
11	Dr. Odeh Abu joudeh (Deputy CEO).	0	0	0	0%	0	0
12	Mr. Ahmed Nael Omar (Chief Financial Officer)	0	0	0	0%	0	0

* Resigned on 30/09/2021

Thirteenth: Acknowledgments

- There are no loans on the company, during either the reporting period or previously, and the company does not have any associated companies.
- The company did not issue or grant any convertible debt instruments, any contractual securities, subscription right memoranda, or similar rights during the year 2021.
- The company did not issue or grant any transfer or subscription rights under convertible debt instruments, contractual securities, option rights, subscription right memoranda, or any similar rights during the year 2021.
- The company has not redeemed, purchased or canceled any redeemable debt instruments, and the company does not have any associated companies.

Fourteenth: Board meetings

The following is a table showing the number of Board meetings during the year 2021 and the record of attendance at each meeting:

Actual number of meetings (4) meetings					
No.	Board member name	Meeting No. 1 10/03/2021	Meeting No. 2 17/03/2021	Meeting No. 3 04/08/2021	Meeting No. 4 31/10/2021
-1	Mr. Suleiman Hamad Al-Dalali - Chairman of the Board	Attendance	Attendance	Attendance	Attendance
-2	Mr. Nayef Saud Al-Tariri - Vice Chairman of the Board	Attendance	Attendance	Attendance	Attendance
-3	Mr. Youssef Saad Al-Saad - Member	Attendance	Attendance	Attendance	Attendance
-4	Mr. Tariq Fahad Bouresli - Member	Attendance	Attendance	Attendance	Attendance
-5	Mr. Hani Suleiman Al-Saleh - Member	Attendance	Attendance	Absent	Attendance
-6	Mr. Iyad Abdul Rahman Al-Bunyan - Member	Attendance	Attendance	Attendance	Attendance
-7	Mr. Mohammed bin Abdullah Al- Muammar - Member	Attendance	Attendance	Attendance	Attendance
Date of the last General Assembly meeting 30/05/2021					

In addition to the actual meetings above, during the year 2021, the Board of Directors authorized (4) resolutions by correspondence, as all of these decisions were approved by all members of the Board.

Fifteenth: Dates of the shareholders' general assembly's meetings held during the year 2021, and the names of the board of directors' members who attended such assemblies:

One general assembly meeting was held on 05/30/2021, all the following members of the Board of Directors attended the meeting of the General Assembly and their names:

1. Mr. Suleiman Hamad Al-Dalali - Chairman of the Board
2. Mr. Nayef Saud Al-Tariri - Vice Chairman of the Board
3. Mr. Youssef Saad Al-Saad – Member
4. Mr. Tariq Fahd Bouresli – Member
5. Mr. Hani Suleiman Al-Saleh – Member
6. Mr. Iyad Abdul Rahman Al-Bunyan – Member
7. Mr. Muhammad bin Abdullah Al-Muammar – Member

All members of the Board of Directors attended the meeting

Sixteenth: Acknowledgments

1. There are no deals between the company and a related party during the year 2021.
2. The business and contracts in which the company was a party and in which there was an interest for a member of the board of directors, the chief executive officer, the financial Director, or any person related to any of them during the year 2021 were as follows:
 - Kuwait Reinsurance Company (Kuwait Re), where Mr. Suleiman Hamad Al-Dalali - Chairman of the Board is the Chairman of the Board of Directors of the Kuwait Reinsurance Company (Kuwait Re), which the business is represented by attributing reinsurance premiums in the amount of (1,369,705.61) Saudi riyals and a share of the total claims amounting to (272,000.79) Saudi riyals, without special conditions or benefits for these businesses that are carried out annually in accordance with the company's business requirements.
 - Al Ahlia Insurance Company - Kuwait, represented in the Al-EtiHAD Cooperative Insurance Company by Mr. Youssef Saad Al-Saad -a member of the Board of Directors- and Mr. Tariq Fahd Bouresli - a member of the Board of Directors- Which the business is represented by attributing reinsurance premiums amounting to (89,882.80) Saudi riyals and a share of the total claims amounting to (25000) Saudi riyals. Without special

conditions or benefits for these businesses that are carried out annually in accordance with the company's business requirements.

- The Kuwait Reinsurance Company, where Al Ahlia Insurance Company - Kuwait is represented by Mr. Yousef Saad Al-Saad - Board Member - and Mr. Tariq Fahad Bouresli - Board Member - the main shareholder in the Kuwait Reinsurance Company (Kuwait Re) , where the business is represented by assigning reinsurance premiums amounting to (1,369.705.61) Saudi riyals and a share of the total claims amounting to (272,000.79) Saudi riyals. Without special conditions or benefits for these works which are carried out annually in accordance with the requirements of the company's business.
- Mr. Hani Suleiman Al-Saleh – Board Member- which is a variety of insurance policies in the name of each of Mr. Suleiman Abdul Rahan al-Saleh - father of Mr. Hani Suleiman al-Saleh, and Mr. Hossam Suleiman al-Saleh, the brother of Mr. Hani Suleiman al-Saleh, and it is according to the approved company policies without conditions or special benefits and its duration is one Gregorian year. Its premiums amounted to (92,276.58) Saudi riyals.
- Mr. Hani Suleiman Al-Saleh – Board Member- It is the assignment of the repair of damaged vehicles to Al-EtiHAD clients to a specialized car maintenance company, with a value of (23,618.56) Saudi riyals. Mr. Hossam Suleiman Al-Saleh, brother of the Board Member, Mr. Hani Suleiman Al-Saleh, runs the specialized car maintenance company. Without special conditions and benefits for these businesses which are carried out according to the company's normal activity.
- National Amlak Investment Company, Mr. Nayef Saud Al-Tariri, Vice Chairman of the Board of Directors, is the CEO of National Amlak Investment Company. It is a variety of insurance policies according to the approved company policies without conditions or special benefits and its duration is one Gregorian year and the company's premiums amounted to (228,316.12) Saudi riyals.

3. There are no arrangements or agreements a member of the Board of Directors or a senior executive has under them waived any salary, compensation or bonuses during the fiscal year 2021
4. There is no arrangement or agreement one of the company's shareholders has under them waived any rights to profits.

Seventeenth: A statement of the value of the regular payments due to pay any zakat, taxes, fees or any other dues, with a brief description of such payments and a statement of their reasons.



الاتحاد
AL-ETIHAD

AL-ETIHAD Co-operative Insurance الاتحاد للتأمين التعاوني

Statement	2021		Brief description of such payments	Statement of reasons
	Paid	Due until the end of the year and has not been paid		
Zakat and income tax	15,017,245	25,308,163	<ul style="list-style-type: none"> – The paid amount includes 12,464,548 riyals paid during 2021 for the return submitted for zakat and income tax for the year 2020. In addition to the amount of 2,552,697 riyals paid to the Zakat, Tax and Customs Authority during the year 2021 which is related to 25% of the disputed zakat amounts for the years 2019 and 2020. This percentage is to be paid as a requirement to file the objection. – The amount due represents the provision for zakat and income tax for the year 2021, in addition to the zakat differences for the years objected to. 	Regulatory requirement
Withholding tax	1,898,466	221,672	<ul style="list-style-type: none"> – The amount paid represents the withholding tax paid to the Zakat, Tax and Customs Authority during the year 2021, at the rate of 5% of the amounts credited external suppliers – The amount due represents the share of the month 12/2021 and was paid during the month of 1/2022 	Regulatory requirement
VAT	97,755,587	13,794,736	<ul style="list-style-type: none"> – The amount paid represents the paid VAT to the General Authority for Zakat and Income during the year 2021, at the rate of 15% and 5% of taxable revenues, less input tax for expenses and deductions acceptable as VAT inputs in accordance with the law. – The amount due represents the share of the month 12/2021 and was paid during the month of 1/2022 	Regulatory requirement
General Organization for Social Insurance	6,585,429	559,993	<ul style="list-style-type: none"> – The amount paid for social insurances (the employee's share + the company's share) during the year 2021 – The amount due represents the share of the month 12/2021 and was paid during the month of 1/2022 	Regulatory requirement

Saudi Central Bank supervision fees	4,117,738	1,349,979	<ul style="list-style-type: none"> – Amount paid for supervision fees to the Saudi Central Bank during the year 2021 – The amount due represents the share of the month 12/2021 and was paid during the month of 1/2022 	Regulatory requirement
Council of Cooperative Health Insurance supervision fees	4,837,954	1,246,541	<ul style="list-style-type: none"> – Amount paid for supervision fees to the Council of Cooperative Health Insurance during 2021. It includes both the share of Q2, Q3/ 2020, which were postponed by the Council of Cooperative Health Insurance in support of companies during COVID 19 pandemic, in addition to the share of Q4/2020 and Q1, Q2 and Q3/2021 – The amount due represents the share of Q4/2021 which was paid during the month of 1/2022 	Regulatory requirement
Rehabilitation fees - Council of Cooperative Health Insurance	50,000	-	– Rehabilitation of the company at the Council of Cooperative Health Insurance until 08/05/2022	Regulatory requirement
Securities Depository Center fees	300,00	-	– Registration fees in the Securities Depository Center for the year 2021	Annual fees
Saudi Stock Exchange (Tadawul) fees	85,464	-	– Annual listing fees in the main market for 2021	Annual fees

Eighteenth: The Company did not set up any investments or reserves for the benefit of employees.

Nineteenth: Acknowledgments

- The Company acknowledges that the account records have been properly prepared
- The company acknowledges that the internal control system has been prepared on a sound basis and has been effectively implemented
- The Company acknowledges that there is no doubt in the Company's ability to continue its activity.

Twentieth: Auditor's Report

- The auditor's report does not contain any reservations about the annual financial statements for the year 2021.
- The Board of Directors does not issue any recommendation to replace the auditor before the end of the period for which the auditor was appointed.

Twentieth One: General rights of shareholders

Shareholders have all rights related to the share stipulated under the Corporate Governance regulation issued by the Capital Market Authority, the Authority's Law and the Saudi Companies Law and their implementing regulations, and in particular the right to obtain a share of the profits to be distributed in cash or by issuing shares. Shareholders have the right to obtain a share of the company's assets upon liquidation, and the right to attend shareholders' assemblies, participates in their deliberations and vote on its decisions, the right to dispose of the shares, the right to inquire and to request access to the company's books and documents, the articles of incorporation and the articles of association, the right to monitor the work of the Board of Directors, hold the members accountable, file a liability claim against the members of the Board, nominate and elect the members of the Board of Directors, and give priority to subscribing to new shares and registering its shares in the shareholders register and the right to request information in a manner does not harm the interests of the company and does not conflict with the Capital Market Law and its implementing regulations.

Twenty-Two: What provisions of the Corporate Governance Regulations have been applied, and what have not been applied, and the reasons for that are as follows:

The company applies all provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority
The company also applies all provisions contained in the Corporate Governance Regulations issued by the Central Bank of Saudi Arabia

Twenty- Third: Board of Directors and Sub-Committees

Twenty – Third -A: Names of the members of the Board of Directors, their current and previous positions, qualifications and experience

	Name	Current position	Previous position	Qualifications	Experiences
1	Suleiman Hamad Al-Dalali - Chairman of the Board	Chairman of the Board of Directors of Kuwait Re Company - Kuwait	Chairman of the Board of Directors of Kuwait Re Company - Kuwait	Bachelor of Accounting	54 years in insurance and investment
2	Nayef Saud Al-Tariri - Vice Chairman of the Board	CEO of National Amlak Investment Company	CEO of National Amlak Investment Company	Business Administration Bachelor	20 years in banks and investment
3	Muhammad bin Abdullah Al- Muammar – Member	Owner and CEO of the Center for Creative Thinking Consulting	Owner and CEO of the Center for Creative Thinking Consulting	Advanced Marketing for Industrialized Countries Diploma	42 years in marketing, management consulting and insurance
4	Mr. Youssef Saad Al-Saad – Member	CEO and Board member in the Al Ahlia Insurance Company - Kuwait	CEO and Board member in the Al Ahlia Insurance Company - Kuwait	Bachelor of Finance	13 years in insurance and investment
5	Mr. Tariq Fahd Bouresli – Member	Investment Director - Al Ahlia Insurance Company - Kuwait	Investment Director - Al Ahlia Insurance Company - Kuwait	Bachelor of Accounting	28 years in insurance and investment
6	Mr. Hani Suleiman Al-Saleh – Member	CEO - Arabian Hala Company	CEO - Arabian Hala Company	Master of Business Administration	27 years in investment, transportation and industry
7	Mr. Iyad Abdul Rahman Al- Bunyan – Member	CEO and Delegated Member – Al-Argan Projects Company	CEO and Delegated Member – Al-Argan Projects Company	Bachelor of Architectural Engineering	20 years in estate investment and development

Twenty- Third – B: Names of members of the sub-committees of the board of directors and their current and previous positions, qualifications and experience:

	Committee	Member Name	Current position	Previous position	Qualifications	Experiences
1	Executive Committee	Mr. Suleiman Hamad Al-Dalali - Committee chairman	Chairman of the Board of Directors of Kuwait Re Company – Kuwait	Chairman of the Board of Directors of Kuwait Re Company – Kuwait	Bachelor of Accounting	54 years in insurance and investment
		Nayef Saud Al-Tariri – Member	CEO of National Amlak Investment Company	CEO of National Amlak Investment Company	Bachelor of Business Administration	20 years in banks and investment
		Mr. Youssef Saad Al-Saad – Member	CEO and Board member in the Al Ahlia Insurance Company - Kuwait	CEO and Board member in the Al Ahlia Insurance Company - Kuwait	Bachelor of Finance	13 years in insurance and investment
		Mr. Hani Suleiman Al-Saleh – Member	CEO - Arabian Hala Company	CEO - Arabian Hala Company	Master of Business Administration	27 years in investment, transportation and industry
2	Investment Committee	Mr. Suleiman Hamad Al-Dalali - Committee chairman	Chairman of the Board of Directors of Kuwait Re Company – Kuwait	Chairman of the Board of Directors of Kuwait Re Company – Kuwait	Bachelor of Accounting	54 years in insurance and investment
		Nayef Saud Al-Tariri – Member	CEO of National Amlak Investment Company	CEO of National Amlak Investment Company	Bachelor of Business Administration	20 years in banks and investment
		Mr. Tariq Fahd Bouresli – Member	Investment Director - Al Ahlia Insurance Company - Kuwait	Investment Director - Al Ahlia Insurance Company - Kuwait	Bachelor of Accounting	28 years in insurance and investment
3	Risk Management Committee	Mr. Youssef Saad Al-Saad – Member	CEO and Board member in the Al Ahlia Insurance Company - Kuwait	CEO and Board member in the Al Ahlia Insurance Company - Kuwait	Bachelor of Finance	13 years in insurance and investment
		Mr. Tariq Fahd Bouresli – Member	Investment Director - Al Ahlia Insurance Company - Kuwait	Investment Director - Al Ahlia Insurance Company - Kuwait	Bachelor of Accounting	28 years in insurance and investment
		Mr. Iyad Abdul Rahman Al-Bunyan – Member	CEO and Delegated Member – Al-Argan Projects Company	CEO and Delegated Member – Al-Argan Projects Company	Bachelor of Architectural Engineering	20 years in estate investment and development
4	Nomination and Remuneration Committee	Mr. Iyad Abdul Rahman Al-Bunyan – Member	CEO and Delegated Member – Al-Argan Projects Company	CEO and Delegated Member – Al-Argan Projects Company	Bachelor of Architectural Engineering	20 years in estate investment and development
		Mr. Hani Suleiman Al-Saleh – Member	CEO - Arabian Hala Company	CEO - Arabian Hala Company	Master of Business Administration	27 years in investment,

						transportation and industry
		Muhammad bin Abdullah Al-Muammar – Member	Owner and CEO of the Center for Creative Thinking Consulting	Owner and CEO of the Center for Creative Thinking Consulting	Advanced Marketing for Industrialized Countries Diploma	42 years in marketing, management consulting and insurance
5	Audit Committee	Tawfiq Suleiman Al Muqit – Committee Chairman	Director of Control and Financial Reporting Department at Thiqah Business Services Co. \ Director of Tawfiq Al Muqit Office for Zakat and Tax Consultations	Director of Financial Operations at Tatweer for Educational Technologies Co.	Master of Business Administration – Holds a CIA certification	17 years in auditing and accounting
		Ahmed Abdul Rahman Al-Mohsen	CFO of Al Rajhi Capital Co.	CFO of Al Rajhi Capital Co.	Bachelor of Accounting – Holds a SCOPA certification and CPA certification	17 years in banking, accounting and auditing
		Abdulaziz Suleiman Al-Sayari	General Director of the General Administration of Financial Affairs at the Real Estate General Authority of the state	General Director of the General Administration of Financial Affairs at the Real Estate General Authority of the state	Bachelor of Accounting	14 years in accounting
		Muhammad bin Abdullah Al-Muammar – Member	Owner and CEO of the Center for Creative Thinking Consulting	Owner and CEO of the Center for Creative Thinking Consulting	Advanced Marketing for Industrialized Countries Diploma	42 years in marketing, management consulting and insurance

Twenty- Third – C: Names of Joint Stock Companies in which a member of the company’s board of directors is a member of its board of directors or one of its directors

#	Member Name	Names of companies in which a member of the board is a member of its current board or one of its directors	Inside the Kingdom / Outside the Kingdom	Legal Entity (listed joint stock\unlisted joint stock\ limited liability\...)	Names of companies in which a member of the board is a member of its previous board or one of its directors	Inside the Kingdom / Outside the Kingdom	Legal Entity (listed joint stock\unlisted joint stock\ limited liability\...)
1	Mr. Suleiman Hamad Al-Dalali	-	-	-	Arab Life and Accident Insurance Co. - Jordan	Outside the Kingdom	Listed public joint stock

		Burgan Insurance Co. – Lebanon	Outside the Kingdom	Listed public joint stock	Burgan Insurance Co. - Lebanon	Outside the Kingdom	Listed public joint stock
		Kuwait Reinsurance Co. – Kuwait	Outside the Kingdom	Listed public joint stock	Kuwait Reinsurance Co. - Kuwait	Outside the Kingdom	Listed public joint stock
		Iraq International Insurance Company – Iraq	Outside the Kingdom	Unlisted joint stock Co.	Iraq International Insurance Company – Iraq	Outside the Kingdom	Unlisted joint stock Co.
		National Insurance Co. – Yemen	Outside the Kingdom	Unlisted joint stock Co.	National Insurance Co. - Yemen	Outside the Kingdom	Unlisted joint stock Co.
		National Industries Group Co.	Outside the Kingdom	Listed joint stock Co.	National Industries Group Co.	Outside the Kingdom	Listed joint stock Co.
		Trade Union Holding Co.	Outside the Kingdom	Bahraini closed joint stock	Trade Union Holding Co.	Outside the Kingdom	Bahraini closed joint stock
2	Mr. Nayef Saud Al-Tariri	National Amlak Investment Co. - Saudi Arabia	Inside the Kingdom	closed joint stock	National Amlak Investment Co. - Saudi Arabia	Inside the Kingdom	closed joint stock
		Gulf Construction Co. - Saudi Arabia	Inside the Kingdom	closed joint stock	Gulf Construction Co. - Saudi Arabia	Inside the Kingdom	closed joint stock
		AL-Khumasia Feed And Animal Products Co. – Saudi Arabia	Inside the Kingdom	closed joint stock co.	AL-Khumasia Feed And Animal Products Co. – Saudi Arabia	Inside the Kingdom	closed joint stock co.
		Awqaf Investment Co.	Inside the Kingdom	closed joint stock	Awqaf Investment Co.	Inside the Kingdom	closed joint stock
3	Mr. Muhammad bin Abdullah Al-Muammar	Creative Thought Consulting Center	Inside the Kingdom	Limited liability	Creative Thought Consulting Center	Inside the Kingdom	Limited liability
4	Mr. Youssef Saad Al-Saad	Al Ahlia Insurance Co. – Kuwait	Outside the Kingdom	Listed public joint stock	Al Ahlia Insurance Co. – Kuwait	Outside the Kingdom	Listed public joint stock
		Trade Union Holding Co.	Outside the Kingdom	Bahraini closed joint stock	Trade Union Holding Co.	Outside the Kingdom	Bahraini closed joint stock
		Iraq International Insurance Company – Iraq	Outside the Kingdom	Unlisted joint stock Co.	Iraq International Insurance Company – Iraq	Outside the Kingdom	Unlisted joint stock Co.
5	Mr. Tariq Fahd Bouesli	Al Ahlia Insurance Co. – Kuwait	Outside the Kingdom	Listed public joint stock	Al Ahlia Insurance Co. – Kuwait	Outside the Kingdom	Listed public joint stock
		Trade Union Holding Co.	Outside the Kingdom	Bahraini closed joint stock	Trade Union Holding Co.	Outside the Kingdom	Bahraini closed joint stock

		Kuwait Reinsurance Co. – Kuwait	Outside the Kingdom	Listed public joint stock	Kuwait Reinsurance Co. - Kuwait	Outside the Kingdom	Listed public joint stock
		Industrial Electrical Projects Co. - Kuwait	Outside the Kingdom	Closed joint stock	Industrial Electrical Projects Co. - Kuwait	Outside the Kingdom	Closed joint stock
6	Mr. Hani Suleiman Al-Saleh	Alujain Holding Corp.	Inside the Kingdom	Public listed joint stock	Alujain Holding Corp.	Inside the Kingdom	Public listed joint stock
		Health Water Bottling Co.	Inside the Kingdom	Closed joint stock	Health Water Bottling Co.	Inside the Kingdom	Closed joint stock
		NAQEL Co.	Inside the Kingdom	Closed joint stock	NAQEL Co.	Inside the Kingdom	Closed joint stock
		Methanol Chemicals Co.	Inside the Kingdom	Public listed joint stock	-	-	-
7	Mr. Iyad Abdul Rahman Al-Bunyan	Al-Argan Projects Co.	Inside the Kingdom	Closed joint stock	Al-Argan Projects Co.	Inside the Kingdom	Closed joint stock
		-	-	-	Knowledge Economic City Company	Inside the Kingdom	Public listed joint-stock
		Wafrah for Industry and Development Co.	Inside the Kingdom	Public listed joint stock	Wafrah for Industry and Development Co.	Inside the Kingdom	Public joint stock
		Al Hokair group	Inside the Kingdom	Public listed joint stock	Al Hokair group	Inside the Kingdom	Public listed joint stock

Twenty-Third – D: The form of the company’s board of directors and the classification of its members are as follows:

Number	Membership Class	Name
1	Non-Executive Board Members	Mr. Suleiman Hamad Al-Dalali
2		Mr. Youssef Saad Al-Saad
3		Mr. Tariq Fahd Bouresli
4		Mr. Hani Suleiman Al-Saleh
-	Executive Board Members	None
5	Independent Board Members	Mr. Nayef Saud Al-Tariri
6		Mr. Iyad Abdul Rahman Al-Bunyan
7		Mr. Muhammad bin Abdullah Al-Muammar

Twenty – Fourth: A brief description of the competencies of the Board of Directors’ committees and their tasks, and the details of each committee in terms of the names of the members, the number of meetings and the dates of their meetings, and a statement of the member’s attendance at the meetings:

1. Executive Committee:

The Executive Committee provides aid and advice to the Executive Management in the management of the company's affairs. The committee meets with the executive management periodically and when needed to provide advice, review performance and follow up on senior executive matters.

The Executive Committee is composed of Gentlemen:

- | | |
|-----------------------------|----------|
| 1. Suleiman Hamad Al-Dalali | Chairman |
| 2. Nayef Saud Al-Tariri | Member |
| 3. Youssef Saad Al-Saad | Member |
| 4. Hani Suleiman Al-Saleh | Member |

The Executive Committee held (6) meetings during the period related to the subject of the report to carry out the tasks entrusted to it as follows:

#	Member Name	Membership Type	Meeting No. 1 10/3/2021	Meeting No. 2 29/4/2021	Meeting No. 3 16/9/2021	Meeting No. 4 25/10/2021	Meeting No. 5 29/11/2021	Meeting No. 6 27/12/2021
1	Suleiman Hamad Al-Dalali	Chairman	Attend	Attend	Attend	Attend	Attend	Attend
2	Nayef Saud Al-Tariri	Member	Attend	Attend	Attend	Attend	Attend	Attend
3	Youssef Saad Al-Saad	Member	Attend	Attend	Attend	Attend	Attend	Attend
4	Hani Suleiman Al-Saleh	Member	Attend	Attend	Attend	Attend	Attend	Attend

Attend

Absent

2. Audit Committee:

The committee is responsible for monitoring the performance and application of the company's internal control systems, ensuring the efficiency and effectiveness of the systems, and verifying the implementation of decisions related to internal control. The committee is also responsible for ensuring compliance with the relevant laws, regulations and instructions. The committee studies the audit of financial statements, accounting policies and external audit reports, it also studies evaluating the performance of external auditors, in addition to the terms contained in the list of audit committees in insurance companies issued by the Saudi Central Bank.

The Audit Committee is composed of Gentlemen:

- | | |
|-------------------------------------|------------------------------|
| 1. Tawfiq Suleiman Al Muqit | Chairman (outside the Board) |
| 2. Ahmed Abdul Rahman Al-Mohsen | Member (outside the Board) |
| 3. Abdulaziz Suleiman Al-Sayari | Member (outside the Board) |
| 4. Muhammad bin Abdullah Al-Muammar | Member (outside the Board) |

The Audit Committee held (8) meetings during the period related to the subject of the report to carry out the tasks entrusted to it as follows:

#	Member Name	Membership Type	Meeting No. 1 27/02/2021	Meeting No. 2 16/03/2021	Meeting No. 3 10/04/2021	Meeting No. 4 02/05/2021	Meeting No. 5 03/08/2021	Meeting No. 6 10/08/2021	Meeting No. 7 16/09/2021	Meeting No. 8 26/10/2021
1	Tawfiq Suleiman Al Muqit	Chairman	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend
2	Ahmed Abdul Rahman Al-Mohsen	Member	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend
3	Abdulaziz Suleiman Al-Sayari	Member	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend
4	Muhammad bin Abdullah Al-Muammar	Member	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend

Attend

Absent

3. Nomination and Remuneration Committee

The committee shall be responsible for making recommendations for nomination to the membership of the Board of Directors and for the annual review of the required needs of the appropriate skills for membership of the Board of Directors. The Committee also reviews the structure of the Board of Directors and makes recommendations regarding changes that can be made. In addition, it sets clear policies for the remuneration of the Board of Directors and senior executives. The committee determines the strengths and weaknesses points of the board, ensures the independence of the transitional members and the absence of any conflict of interests, and evaluates the composition and performance of the board of directors.

The Nomination and Remuneration Committee is composed of Gentlemen:

- | | |
|-------------------------------------|----------|
| 1. Iyad Abdul Rahman Al-Bunyan | Chairman |
| 2. Hani Suleiman Al-Saleh | Member |
| 3. Muhammad bin Abdullah Al-Muammar | Member |

The Committee held (5) meetings during the period related to the subject of the report to carry out the tasks entrusted to it as follows:

#	Member Name	Membership Type	Meeting No. 1 02/02/2021	Meeting No. 2 22/02/2021	Meeting No. 3 28/02/2021	Meeting No. 4 23/06/2021	Meeting No. 5 08/07/2021
1	Iyad Abdul Rahman Al-Bunyan	Chairman	Attend	Attend	Attend	Attend	Attend
2	Hani Suleiman Al-Saleh	Member	Attend	Attend	Attend	Attend	Attend
3	Muhammad bin Abdullah Al-Muammar	Member	Attend	Attend	Attend	Attend	Attend

Attend

Absent

4. Investment Committee

The Investment Committee sets general policies for investing the funds of shareholders and policyholders. The committee studies the investment options available to the company and chooses the best to protect the rights of policyholders and shareholders. The Committee monitors the performance of these investments, evaluates them, and submits reports to the Board of Directors.

The Committee is composed of Gentlemen:

1. Suleiman Hamad Al-Dalali Chairman
2. Nayef Saud Al-Tariri Member
3. Tariq Fahd Bouresli Member

The Committee held (4) meetings during the period related to the subject of the report to carry out the tasks entrusted to it as follows:

#	Member Name	Membership Type	Meeting No. 1 31/01/2021	Meeting No. 2 09/03/2021	Meeting No. 3 31/08/2021	Meeting No. 4 14/12/2021
1	Suleiman Hamad Al-Dalali	Chairman	Attend	Attend	Attend	Attend
2	Nayef Saud Al-Tariri	Member	Attend	Attend	Attend	Attend
3	Tariq Fahd Bouresli	Member	Attend	Attend	Attend	Attend

Attend

Absent

5. Risk Management Committee

The committee determines the risks to which the company may be exposed and maintains an acceptable level of risk for the company. The committee also supervises the company's risk management system and evaluates its effectiveness, in addition to developing a comprehensive risk management strategy and following up on its implementation, reviewing and updating it based on the company's internal and external variables. The Committee submits detailed reports to the Board of Directors on exposure to risks and the proposed steps to manage these risks.

The Risk Management Committee is composed of Gentlemen:

- | | | |
|----|-----------------------------|----------|
| 1. | Youssef Saad Al-Saad | Chairman |
| 2. | Tariq Fahd Bouresli | Member |
| 3. | Iyad Abdul Rahman Al-Bunyan | Member |

#	Member Name	Membership Type	Meeting No. 1 31/01/2021	Meeting No. 2 09/03/2021	Meeting No. 3 31/08/2021
1	Youssef Saad Al-Saad	Chairman	Attend	Attend	Attend
2	Tariq Fahd Bouresli	Member	Attend	Attend	Attend
3	Iyad Abdul Rahman Al-Bunyan	Member	Attend	Attend	Attend

Attend

Absent

Twenty-Fifth: Remunerations and compensation paid to members of the Board of Directors and senior executives during the financial year related to the subject of the report

Remunerations and compensations' Members of the Board of Directors:

According to the company's articles of association, the minimum annual remuneration for the chairman and members of the Board of Directors is (200.00) two hundred thousand Saudi riyals, and the maximum amount is (500.00) five hundred thousand Saudi riyals annually for their membership in the Board of Directors and their participation in its work. Including the additional rewards in the event, the member participates in any of the committees emanating from the Board of Directors, within the limits stipulated in the Companies Law and its regulations.

In the event that the company achieves profits, a percentage equivalent to (10%) of the rest of the net profit may be distributed after deducting the reserves decided by the General Assembly in the application of the provisions of the Co-operative Insurance

Control Law and after distributing a profit to shareholders of no less than (5%) of the capital Paid company, provided that the entitlement to such remunerations is proportional to the number of sessions the member attended. Any assessment to the contrary is void.

In all cases, the sum of the remunerations and financial benefits that a member of the Board of Directors receives shall not exceed the amount of (500,000 riyals) five hundred thousand riyals annually.

Note that the annual remuneration of the members of the Board referred to below represents the remuneration of the members paid in the year 2021 for the year 2020. the Board of Directors decided that the remuneration policy for the members of the Board and its committees emanating from it during the year 2021 will be as follows:

Item	Board of Directors Resolution
Allowance for attending board meetings	3000 riyals per member
Allowance for attending the meetings of the committees emanating from the board - other than the Audit Committee	1500 riyals per member
Allowance for attending Audit Committee meetings	3000 riyals per member
Remuneration of members of the Audit Committee	100,000 riyals for each member outside the Board 50,000 riyals for each member inside the Board
Annual Board Members Remuneration	200,000 riyals per member including the chairman

Accordingly, there is no deviation in the distribution of board members' remuneration from the general policy adopted by the company. Remuneration and compensation for board members:

	Fixed Rewards					Variable rewards	Indemnity	Total	expense allowance
	Allowance for attending council sessions	Total allowance for attending committee sessions	Annual bonus	Any other amounts, whether fixed or in kind, or in exchange for technical or administrative services, or consultancy, or any other amounts paid	Total				
First: the independent members									
Nayef Saud Al-Tariri	12000	6,000	200,000	-	218,000	-	-	218,000	-

Muhammad Abdullah bin Muammar	12000	31,500	250,000	-	293,500	-	-	293,500	-
Iyad Abdul Rahman Al-Bunyan	12000	12,000	200,000	-	224,000	-	-	224,000	-
Second: Non-executive members									
Suleiman Hamad Al-Dalali	12000	6,000	200,000	-	218,000	-	-	218,000	-
Youssef Saad Al-Saad	12000	3,000	200,000	-	215,000	-	-	215,000	-
Tariq Fahad Bouresli	12000	10,500	200,000	-	222,500	-	-	222,500	-
Hani Suleiman Al-Saleh	9000	7,500	200,000	-	216,500	-	-	216,500	-
Third: the executive members									
N/A	-	-	-	-	-	-	-	-	-

Remuneration of Board Committee Members:

	Fixed remuneration (except for the allowance for attending sessions)	Allowance for attending sessions	Total
Audit Committee Members			
1. Tawfiq Suleiman Al Muqit	100,000	27,000	127,000
2. Ahmed Abdul Rahman Al-Mohsen	100,000	24,000	124,000
3. Abdulaziz Al-Sayari	100,000	27,000	127,000
4. Mohammed Abdullah Al-Muammar	50,000	24,000	74,000
Members of the Nominations and Remunerations Committee			
1. Iyad Abdul Rahman Al-Bunyan	-	7,500	7,500
2. Hani Suleiman Al-Saleh	-	7,500	7,500
3. Mohammed Abdullah Al-Muammar	-	7,500	7,500
Investment Committee Members			
1. Suleiman Hamad Al-Dalali	-	6,000	6,000
2. Nayef Saud Al-Tariri	-	6,000	6,000
3. Tariq Fahad Bouresli	-	6,000	6,000

Executive Committee Members			
1.	Suleiman Hamad Al-Dalali	-	-
2.	Nayef Saud Al-Tariri	-	-
3.	Youssef Saad Al-Saad	-	-
4.	Hani Suleiman Al-Saleh	-	-
Risk Management Committee Members			
1.	Youssef Saad Al-Saad	-	3,000
2.	Tariq Fahad Bouresli	-	4,500
3.	Iyad Abdul Rahman Al-Bunyan	-	4,500

Remuneration and compensation for senior executives:

The company follows a written policy on remuneration and compensation for members of the executive management and is approved by the company's board of directors. The policy revolves around the link of the remuneration paid to an employee with the annual performance evaluation. The CEO, his remuneration is determined by the company's board of directors within the contract concluded, and accordingly, there is no deviation in the distribution of executive management remunerations from the general policy approved by the company's board of directors.

	Fixed Rewards				Variable Rewards Any amounts paid as a percentage of profits, as a periodic bonus, as short- or long-term incentive plans, as bonus shares, or for technical, administrative or consulting work	Indemnity (2021 movement)	Total executive remuneration for the board, if any	Total
	Fixed salaries and bonuses	Allowance	benefits	Total				
Chief Executive Officer	2,640,000	4,000	-	2,644,000	1,238,678	185,625	-	4,068,303
Deputy CEO	1,079,973	3,400	-	1,083,373	162,970	160,457	-	1,406,800
Chief Financial Officer	1,092,000	6,540	-	1,098,540	124,446	151,701	-	1,374,687
Chief Risk Officer	588,000	4,500	-	592,500	41,640	45,000	-	679,140
Information Systems Department Manager	528,000	450	-	528,450	43,000	58,625	-	630,075

Twenty-sixth - A: Any penalty, penalty, or precautionary restriction imposed on the company by the Authority or any other supervisory, regulatory or judicial authority.

Penalty / penalty / precautionary measure / precautionary restriction / other	Reasons for violation/restriction	The signatory of the violation	Ways to treat it and prevent it from happening in the future
Warning and imposition of a fine of 60,000 SR	Violation of the supervisory and control instructions of the Central Bank not to appoint a director of the actuarial department directly related to the CEO within the specified period.	Saudi Central Bank	<ul style="list-style-type: none"> - Appointment of a manager for the actuarial department. - Compliance with all supervisory and supervisory instructions of the Central Bank
Draw attention	Violation of the supervisory and supervisory instructions of the Central Bank not to include the Executive Resolution No. (34002/89) issued against the company on 30/5/1440 AH, the item of the Saudi Central Bank's executive decisions in the Board of Directors' report for the fiscal year 2020 AD	Saudi Central Bank	<ul style="list-style-type: none"> - Compliance with all supervisory and supervisory instructions of the Central Bank
Warning to the company and imposing a fine of 20,000 SR	Dealing with an insurance broker after the expiry of his permit issued by the Central Bank	Saudi Central Bank	<ul style="list-style-type: none"> - Dealing only with insurance brokers who hold a valid permit issued by the Central Bank.
Imposition of a fine of 15,696.65 SR	Late payment of quarterly supervision fees	Saudi Central Bank	<ul style="list-style-type: none"> - Commitment to the specified dates for paying the quarterly supervision fees
Imposition of a fine of 10,700 SR	Delay in renewing the municipality's license for a number of the company's points of sale	Ministry of Municipalities	<ul style="list-style-type: none"> - Renew the municipal license for all points of sale within the period allowed for this

Imposition of a fine of 10,000 SR	Field seizure violation related to the address mentioned on the invoice issued by one of the company's branches	Zakat, Tax and Customs Authority	- Ensure that the address mentioned on the invoice is the correct address for the branch
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Twenty-sixth-b: Executive decisions of the Central Bank of Saudi Arabia:

Total Violations	Previous fiscal year		Current fiscal year	
	Executive decisions	Total fines / SR	Executive decisions	Total fines / SR
Violation of the supervisory and control instructions of the Saudi Central Bank	1	15000 SR	4	95,696.65 SR
Violating the instructions of the Central Bank of Saudi Arabia regarding customer protection	-	-	-	-
Violating the instructions of the Central Bank of Saudi Arabia regarding due diligence in combating money laundering and terrorist financing	-	-	-	-

Twenty-seventh: Procedures taken by the Board of Directors to inform its members - especially non-executives - taking note of the shareholders' proposals and observations about the company and its performance:

During the year 2021, the company did not receive any proposal or substantive note from shareholders about the company and its performance, bearing in mind that the company has clear, written procedures approved by the Board of Directors on how to deal with any note or suggestion received from shareholders about the company, as all members of the Board of Directors are immediately informed of this note. To be discussed in the first meeting of the Board of Directors to be held after receiving this note to be studied, evaluated and answered accordingly.

Twenty-eighth: The means that the Board of Directors relied on in evaluating its performance and the performance of its committees and members:

During the year 2021, the performance of the Board of Directors and its committees and members was evaluated based on internal means without resorting to an external party to carry out this task, as this was done through:

1. Nominations and Remunerations Committee: The Committee evaluated the composition of the Board and its committees, identified weaknesses in them during 2021 and suggested the necessary steps to address them. The Committee also evaluated the performance of Board members and committees for the year 2021, where the Committee adopted the following criteria in evaluating the performance of Board members:
 - Attending board meetings and giving sufficient time for the tasks required of him as a board member
 - The extent of interaction and participation in the discussion during the meetings of the Board of Directors.
 - The extent of the response to the decisions of the Board of Directors by passing.
 - Attend the meetings of the committees emanating from the Council.
 - The extent of communication with the executive management, whether directly or indirectly.
 - The results of the measurement indicators related to the extent to which the company's strategic objectives are achieved and the adequacy of the internal control and risk management systems.
2. Self-evaluation: All members of the board and sub-committees conducted a self-assessment by answering the questions of the self-assessment questionnaire, which includes all the necessary aspects to determine the performance and the needs required to improve and raise the level of efficiency of the members.

Twenty-ninth: Annual review of the effectiveness of the company's internal control procedures during the year 2021.

The results of the annual audit, the effectiveness of the internal control procedures, and the audit committee's opinion on the adequacy of the control system:

Internal audit is an objective and independent confirmatory and advisory activity with the aim of adding value and improving the company's operations. The internal audit helps the company achieve its strategic objectives by providing a regular basis for evaluating and improving the effectiveness and adequacy of internal control systems and the processes involved in the company's control performance. Accordingly, the Internal Audit Department has carried out many operations The periodic and special review that would ensure the accuracy and effectiveness of performance, regulatory control processes, financial management, health and vehicle insurance management, in addition to contributing to the review of the preliminary and final financial statements and coordinating the work of external control authorities.

The Board of Directors reviewed the minutes of the Audit Committee's meetings on a regular basis. The results of the audit also resulted in the presence of observations related to the management of vehicle claims, as well as the management of medical insurance claims, the management of customer care, and the processes of developing the technical system, including recommendations and notes on the performance of the mentioned departments that need to increase procedures to achieve the strategic goals of the company.

With regard to the committee's assessment of the adequacy of the control system, the committee was briefed on the effectiveness and adequacy of the internal control system and where the weaknesses lie in it. Due to the Corona pandemic, the period of completion of the new system has been extended) as the Board of Directors confirmed the recommendations of the Audit Committee in this regard to strengthen and raise the level of effectiveness of the control procedures in the company and increase its efficiency.

During the year 2021, the Audit Committee made several main and specific recommendations to the Board of Directors, aimed at improving the supervision and internal control processes to meet the current and future needs of the company in the best way. These efforts can be summarized in the following points:

1. Approval of the internal audit plan for the year 2021
2. Follow up the development of the company's technical system, accounting system and asset management
3. Continuity of work to follow up on the corrective measures taken by the company, especially with regard to claims, customer care, and vehicle underwriting
4. Continuity of follow-up development of the human resources system and policy.
5. A number of (8) meetings of the Audit Committee were held

It should also be noted here that there are no decisions or recommendations of the Audit Committee, there is a conflict between them and the decisions of the Board of Directors, knowing that the Board of Directors of the company has approved, approved and adopted all the observations received from the Audit Committee.

Thirtieth: External Auditors

The Audit Committee received the offers submitted by the major external auditing companies regarding the audit of the company's accounts for the year 2021, where a comparison was made between the offers submitted by the Audit Committee on multiple bases, the most important of which is the work plan proposed by the external auditor, reputation and experience in the Saudi insurance market, relying on The Kingdom's level, fees and practical experience, and the committee concluded by recommending to the company's general assembly the selection of Suleiman Abdullah Al-Kharashi Company (Al-Kharashi & Co. Accountants and Legal Auditors) in cooperation with the external auditor, Mr. Al-Ayouti & Co. Certified Public Accountants, in order to examine, review and audit the financial statements for the second, third and fourth quarters and the full fiscal year 2021 And the first quarter of 2022, and the Assembly agreed to that, as the external auditors elected by the General Assembly completed their work for the year 2021 completely without replacing any of them during the year.

Thirty-first: Senior management

	Name	Current Jobs	previous jobs	Experience	Qualifications
1	Hussam Abdulaziz Al-kannas	Chief Executive Officer	Chief Executive Officer	23 years in supervision, insurance and investment	MBA, Fellowship of the Chartered Insurance Institute from the British Chartered Institute
2	Dr. Odeh Suleiman Abu Joudeh	Executive Vice President	Executive Vice President	21 years in supervision, insurance and law	PhD in Law, Diploma in Insurance from the British Chartered Institute
3	Ahmed Nael Omar	Chief Financial Officer	Chief Financial Officer	18 years in insurance	Bachelor's degree in Accounting
4	Murad Ahmed Hajj Mahmoud	Chief Risk Officer	Chief Risk Officer	22 years in supervision, insurance and banking	Master's degree in financial economics
5	Ameer Al Sinan	Chief Technical Officer	Chief Operating Officer of a medical claims management company	18 years in insurance, development, operations and sales	Bachelor of Business Administration, Diploma of the Institute of Public Administration in Dammam, CII Certificate from the British Chartered Institute
6	Ahmed Suleiman Al Mohaimeed	Director of Human Resources and Administration Department	Director of Human Resources and Administration Department	19 years in human resource management	Bachelor's degree in English

7	Ahmed Mamdouh Al Rayes	Director of Compliance and Anti-Money Laundering and Terrorist Financing Department - Secretary of the Board of Directors - Secretary of the Audit Committee	Director of Compliance Department at a finance company	11 years in finance and compliance	Master of Business Administration
8	Bader Mohamed Attal	Director of Information Technology	Director of Information Technology	23 years in information systems	Bachelor's degree Information Systems
9	Muhannad Muhammad Khalaf	Director of Customer Care Department	Director of Customer Care Department	15 years in insurance	Aviation Academy Diploma
10	Subramanian Murthy	Director of Technical department	Director of Technical department	37 years in insurance	Master of Commerce
11	Wael Abdel Rahman Haroun	Director of the Reinsurance Department	Director of the Reinsurance Department	27 years in insurance	Actuarial Science Diploma
12	Abdulaziz Mohammed Al-Dakhil	Director of the internal audit department	Director of the internal audit department	22 years in banking and insurance	Bachelor's degree in Accounting and Higher Diploma in Insurance
13	Saad Ali Al-Shammary	Motor Claims General Manager	Motor Claims General Manager	22 years in claims management	High School
14	Nafea Jamil Al-Hammad	Director of the Sales and Marketing Department	Director of the Sales and Marketing Department	27 years in insurance and banking	Bachelor's degree in Marketing
15	Ahmad Sami Abullebdeh	Director of Finance	Director of Finance	14 years, finance, audit, insurance	Master's degree in accounting, CPA, CMA

The Executive Vice President submitted his resignation on 30/09/2021

Thirty-second: Major Shareholders

The table below shows the list of the company's major shareholders who own 5% or more as on 31/12/2021

Name	Rate
Trade Union Holding Company B.S.C.	22.36%
Al Ahlia Insurance Company K.S.C.	10%

Thirty-third: The Company's Social Contributions:

During the year 2021, the company made many social contributions out of its belief in social responsibility. The contributions are summarized as follows:

1. Contribute to the provision of health care for the Charitable Society for the memorization of the Qur'an in Al-Dalam.
2. Contribute to donating unused devices to a charitable organization.
3. Contribute to donating unused furniture to a charity
4. Contributing to the training of university graduates

Thirty-fourth: The company's requests for the shareholders' register, the dates and reasons for those requests:

Company's requests for the shareholders' register	Date of application	Record date	Reasons for request
1	02/02/2021	31/12/2021	Company Procedures - Leasing Board Report for the year 2020
2	30/05/2021	30/05/2021	General Assembly

Thirty-fifth: Treasury Shares

The company does not hold treasury shares

Conclusion

The Board of Directors extends its sincere thanks and gratitude to all shareholders for their precious confidence in the company and those in charge of it. The Board also records its appreciation to the management of the company and its employees for their sincere efforts during the reporting period, wishing all success and prosperity.