

Board Related Party Transaction

02 مايو 2021
20 رمضان 1442 هـ

تبلغ مقدم من سعادة رئيس مجلس الإدارة

السادة أعضاء الجمعية العامة لشركة الصقر للتأمين التعاوني
السلام عليكم ورحمة الله وبركاته،

بناءً على متطلبات المادة (71) من نظام الشركات والتي تتطلب أن يبلغ عضو مجلس الإدارة المجلس بما له من مصلحة شخصية في الأعمال والعقود التي تتم لحساب الشركة، يود رئيس مجلس الإدارة إبلاغ جمعيتكم الموقرة بالآتي:

عضو مجلس الإدارة لشركة الصقر للتأمين التعاوني	اسم الشركة	طبيعة المعاملة	مبلغ المعاملة خلال السنة المنتهية في 31 ديسمبر 2020	الرصيد كما في 31 ديسمبر 2020
الأستاذ/ فهد عبدالرحمن التركي	مجموعة شركات عبدالرحمن علي التركي	إجمالي أقساط التأمين	13.707.906	11.480.291
		إجمالي المطالبات	2.220.870	1.550.137
		إيجار المقر الرئيسي للشركة	1.174.472	-
الأستاذ/ طارق عبدالله البسام (عضو سابق)	مجموعة شركات طارق عبدالله البسام القابضة	إجمالي أقساط التأمين	133.617	-
		إجمالي المطالبات	(40.992)	-
الأستاذ/ عبدالمحسن عبدالله السنيدي (عضو سابق)	بصفته الشخصية	إجمالي أقساط التأمين	11.778	-
		إجمالي المطالبات	15.571	-
الأستاذ/ عبدالله السري الأستاذ/ ماجد عبدالله السري الأستاذ/ عبدالمحسن جبر	شركة الصقر الوطنية للتأمين	أقساط إعادة التأمين المسندة	461.381	1.740.136
		حصة معيدي التأمين من المطالبات المدفوعة	194.301	
		إيرادات عمولة إعادة التأمين	32.940	
		اتفاقية استشارات	552.278	
الأستاذ/ بسام احمد ناصر البنعلي (رئيس مجلس الإدارة سابقاً)	مجموعة شركات بسام احمد ناصر البنعلي القابضة	إجمالي أقساط التأمين	664.267	-
		إجمالي المطالبات	119.705	-

وأود الإفادة بأن المجلس اتخذ الإجراءات النظامية اللازمة وتأكد بعدم وجود تفصيل للأطراف المذكورة أعلاه، وقد تبين بعد المراجعة أن التعامل قد تم وفق السياسات والإجراءات المعتمدة في الشركة. كما تبين للمجلس عدم حصول أي أضرار على المساهمين بسبب ذلك.

وقد تم تعيين مراجع حسابات الشركة لتقديم تقريرهم حيال هذه الحالة حسب المتطلبات النظامية وفقاً للمعايير الصادرة من الهيئة السعودية المحاسبين القانونيين.

رئيس مجلس الإدارة

REPORT ON THE DECLARATION SUBMITTED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Shareholders of
Al Sagr Cooperative Insurance Company
(A Saudi Joint Stock Company)
Dammam, Kingdom of Saudi Arabia

As an auditor of Al Sagr Cooperative Insurance Company (the “Company”), we have undertaken a limited assurance engagement in respect of the accompanying declaration of related parties for the year ended December 31, 2020 relating to Al Sagr Cooperative Insurance Company prepared by the Chairman of the board of the director of the Company to the general assembly meeting regarding the transactions and contracts that the member of the Board of Directors has a direct or indirect interest in it in accordance with the applicable criteria mentioned below so as to comply with the requirements of Article (71) of the regulations for companies (the “Declaration”).

Subject matter

The subject matter for our limited assurance engagement is the Declaration prepared by the management of the company and approved by the chairman of the Board of Directors as attached to this report and submitted to us.

Criteria

The applicable criteria are the requirement of Article (71) of Regulations for Companies issued by the Ministry of Commerce (2015-1437H) which states that the Company shall declare such interests for the approval of the General Assembly of the Company. The Board member must notify the Board of such interest and excuse himself in vote by the Board to approve such transactions or contracts. The Chairman of the Board will notify the General Assembly of transactions and contracts in which a member of the Board has a direct or indirect interest.

Management’s responsibility

Management of the Company is responsible for the preparation of the Declaration in accordance with the Criteria and ensuring its completeness. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Declaration that is free from material misstatement, whether due to fraud or error.

A member of the Board of directors must inform the board of his direct and indirect interest in the transactions and contracts that have been performed to the company.

Our independence and quality control

We have complied with the independence requirements of the code of professional conduct and ethics, endorsed in the Kingdom of Saudi Arabia, and the ethical requirements that are relevant to our limited assurance engagement and other professional requirements endorsed in the Kingdom of Saudi Arabia, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

REPORT ON THE DECLARATION SUBMITTED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS (continued)

The Shareholders of
Al Sagr Cooperative Insurance Company
(A Saudi Joint Stock Company)
Dammam, Kingdom of Saudi Arabia

Our independence and quality control (continued)

Our firm applies International Standard on Quality Control, as endorsed in the Kingdom of Saudi Arabia, and accordingly maintains a comprehensive system of quality control that ensures professional conduct and ethics, including detailed independence that is founded on fundamental principles of integrity, objectivity, professional competence and due care, professional conduct and behavior, and the statutory and regulatory applicable requirements.

Our responsibilities

Our responsibility is to express a limited assurance conclusion on the Declaration based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information', as endorsed in the Kingdom of Saudi Arabia. This standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Company has not complied with the applicable requirements of Article 71 of the Regulation for Companies in the preparation of the Declaration, for the year ended December 31, 2020.

The procedures selected depend on our judgment, including the assessment of risks such as failure of systems and controls, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's compliance with the requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration. Our procedures included examining, on a test basis, evidence supporting systems and controls in respect of the preparation of the Declaration in accordance with the requirements of Article 71 of the Regulations for Companies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Summary of work performed

We have planned and performed the following procedures to obtain limited assurance over the Company's compliance with the requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration:

- Discussed with the Company's management the process for conducting business and entering into contracts with any of the Board members.
- Obtained the accompanying Declaration that includes the lists of all transactions and contracts entered into by any of the Board members of the Company, either directly or indirectly, with the Company during the year ended December 31, 2020.

**REPORT ON THE DECLARATION SUBMITTED BY THE CHAIRMAN OF THE
BOARD OF DIRECTORS (continued)**

The Shareholders of
Al Sagr Cooperative Insurance Company
(A Saudi Joint Stock Company)
Dammam, Kingdom of Saudi Arabia

Summary of work performed (continued)

- Reviewed the confirmations obtained from the concerned board member on the transactions and contracts participated by the board member during the year.
- Tested the consistency of the transactions and contracts included in the Declaration with the disclosure in note 17 to the audited financial statements.

Inherent limitations

Our procedures regarding systems and controls relating to the preparation of the Declaration in accordance with the requirements of Article 71 of the Regulations for Companies, are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Furthermore, such procedures may not be relied upon as evidence of the effectiveness of the systems and controls against fraudulent collusion, especially on the part of those holding positions of authority or trust.

A limited assurance engagement under ISAE 3000 (Revised) as endorsed in the Kingdom of Saudi Arabia, is substantially less in scope than a reasonable assurance engagement. Consequently, the nature, timing and extent of the procedures outlined above for gathering sufficient appropriate evidence were deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Our procedures did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements as endorsed in the Kingdom of Saudi Arabia and accordingly we do not express an audit or a review opinion in relation to the adequacy of systems and controls.

This conclusion relates only to the Declaration for the year ended December 31, 2020 and should not be seen as providing assurance as to any future dates or periods, as changes to systems or controls may alter the validity of our conclusion.

Limited assurance conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with the applicable requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration of related party transactions for the year ended December 31, 2020.

**REPORT ON THE DECLARATION SUBMITTED BY THE CHAIRMAN OF THE
BOARD OF DIRECTORS (continued)**

The Shareholders of
Al Sagr Cooperative Insurance Company
(A Saudi Joint Stock Company)
Dammam, Kingdom of Saudi Arabia

Restriction of use

This report, including our conclusion, has been prepared solely upon the request of the management of the Company, to assist the Company and its Chairman of the Board of Directors in fulfilling their reporting obligations to the General Assembly in accordance with Article 71 of the Regulations for Companies. The report should not be used for any other purpose or be distributed to or otherwise quoted or referred to, without our prior consent to any other parties other than the Ministry of Commerce, Capital Market Authority and the shareholders of the Company.

Al Bassam & Co.
P.O. Box 4636
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Kingdom of Saudi Arabia

Ibrahim Ahmed Al-Bassam
Certified Public Accountant
License No. 337



May 4, 2021
22 Ramadan 1442H