

إعلان الدعوة للجمعية  
AGM meeting Invitation

**Wataniya Insurance Company's Invites its shareholders to attend the Ordinary meeting.  
(First meeting)**

The Board of Wataniya is pleased to invite Wataniya's Shareholders to attend the first ordinary meeting via electronic path through TADAWULATY Portal (Virtual Meeting), which will be held on Thursday 14<sup>th</sup> of Shawwal 1444H corresponding to 4<sup>th</sup> of May 2023G at (07:30 pm). The meeting will be held at the Company Head Office – Juffali Building – Madina Road – Jeddah through [www.tadawulaty.com.sa](http://www.tadawulaty.com.sa), to discuss the following agenda:

- 1-View the Board of Directors Report for the Financial year ended 31 December 2022 and discuss it.
- 2- Voting on the External Auditors Report for the Financial Year ended 31 December 2022. (Enclosed)
- 3- View the Annual Financial Statement as of 31 December 2022 and discuss it.
- 4- Voting on the appointment of External Auditors based on the Audit Committee's recommendation, to audit the interim financial statement of Quarter2, Quarter3, Annual Financial Statement 2023, and the Quarter1, 2024. And to approve their Fees.
- 5- Voting on the business transaction between E A Juffali & Bros, and Wataniya Insurance Company where there is indirect interest in this contract for Mr. Amin Alafifi & Mr. Faisal Charara as they are Directors in both Companies, the contract is The Head Office rent Contract. Transaction during 2022, amounted SR 3,466 thousand (including VAT), with No preferential conditions. (Enclosed).
- 6- Voting on the business transaction between E A Juffali & Bros, and Wataniya Insurance Company where there is indirect interest in this contract for Mr. Amin Alafifi & Mr. Faisal Charara as they are Directors in both Companies, the contract is The renewal of IT Maintenance Services Agreement. Transaction during 2022, amounted SR 1,540 thousand (including VAT), with No preferential conditions. (Enclosed).
- 7- Voting on the business transaction between E A Juffali & Bros, and Wataniya Insurance Company where there is indirect interest in this contract for Mr. Amin Alafifi & Mr. Faisal Charara as they are Directors in both Companies, the contract is The Renewal of Insurance contract Premiums. Transaction during 2022, amounted SR 792 thousand (including VAT), with no preferential conditions. (Enclosed)
- 8- Voting on the business transaction between SNIC Insurance Co, and Wataniya Insurance Company where there is indirect interest in this contract for Mr. Amin Alafifi & Mr. Faisal Charara as they are Directors in both Companies. The contract is renewal of Reinsurance Non-Obligatory treaty. Transaction during 2022, amounted SR 1,439 thousand (including VAT), with No preferential conditions. (Enclosed)
- 9- Voting on the business transaction between Saudi Cement Company, and Wataniya Insurance Company where there is indirect interest in this contract for Mr. Amin Alafifi as a Director in both Companies. The

contract is Insurance Premiums. Transaction during 2022, amounted SR 4,055 thousand (including VAT), with No preferential conditions. (Enclosed)

10- Voting on the business transaction between Naghi Group of Companies, and Wataniya Insurance Company where there is indirect interest in this contract for Mr. Tahir Aldabbagh as a Director in both Companies. The contract is Insurance Premiums. Transaction during 2022, amounted SR 3,772 thousand (including VAT), with no preferential conditions. (Enclosed)

11- Approval of the Board of Directors appointment of Mr. Omar Mohammed Hashim as Independent Director starting 19/03/2023 until the end of the current Board Tenure on 25/04/2025 as a successor for Mr. Hatem Barajash (Independent Board Member). (Resume Attached).

12- Voting on amending Wataniya's Corporate Governance Policy. (Enclosed)

13- Voting on the payment of the Board of Directors Fees for the Financial Year end 31 December 2022 amounted SR. 2,243,853 (Two Million, and two hundred and forty-Three Thousand, and eight hundred fifty-three).

All registered shareholders in (EDAA) can attend and vote electronically through (TADAWULATY) after the end of the trading session before the AGM meeting as per the regulations. Please note that no attendance will be allowed once the meeting has commenced. However, voting will be available till the completion of the vote counting by the counting committee at the end of the meeting. The meeting quorum will be at 25% (virtual attendance – voting) and in the event of failing to achieve the required quorum, the AGM will convene within 1 hour from the first meeting, and the quorum will be whichever is the presented shareholders in the meeting.

All registered shareholders in (EDAA) can vote electronically through (TADAWULATY) as of 01:00 am Monday 11th of Shawwal 1444H corresponding to 1<sup>st</sup> of May 2023, till the end of the meeting. Furthermore, the registration on TADAWULATY will be available to all shareholders free of Charges on the following link: [www.tadawulaty.com.sa](http://www.tadawulaty.com.sa)

in case of any clarification in this regard, please contact the Company's Shareholders relations department on: [info@wataniya.com.sa](mailto:info@wataniya.com.sa) Land Line: 0122728740 Mobile 0556166122

Or mail us on (Board Secretary – Wataniya Insurance Company – PO Box 5832 – Jeddah 21432.

Proxy template:

Not Available due to the meeting convening virtually.



**تقرير لجنة المراجعة للمساهمين**  
**Audit Committee Report for the**  
**Shareholders**

Date: 11/09 /1444 AH

Corresponding to 02/04/2023 AD

Dear shareholders of Wataniya Insurance Company

**Subject: Audit Committee Report to the General Assembly of the Company's Shareholders for the fiscal year ending on December 31, 2022.**

We inform the shareholders of the company of Audit Committee (the committee) commitment within its responsibility to review the company's financial statements, the company's accounting policies, and review and supervise the internal and external audit work in it. Where the committee met during the year 2022, number (9) meetings and those meetings included the following topics:

- Review and approve the internal audit plans for the year 2022.
- Supervising the internal audit function and ensuring they implement their approved plans.
- Reviewing the periodic internal audit reports issued for the year 2022 and discussing the observations and the period required to resolve those observations by the management.
- Supervising the external audit work.
- Reviewing the quarterly and annual financial statements until December 31, 2022, and submitting the necessary recommendations to the Board of Directors in preparation for approval.
- Review accounting policies for the implementation of IFRS 17
- Review management letter issued by the external auditor.
- Reviewing the proposals submitted by external auditors related to the external audit work and submitting the necessary recommendation to the company's general assembly to appoint the external auditors for the fiscal year ending on December 31, 2022.
- Reviewing the company's quotations for internal audit work and risk management and submitting the necessary recommendations to the company's board of directors.
- Review and approve compliance action plans for the year 2022.
- Reviewing compliance reports, which reflect the company's compliance with the requirements of the regulatory authorities, and ensure company implements the procedures to close identified observations.
- Reviewing the company's anti-money laundering manual that includes policies and procedures in accordance with the anti-money laundering guideline.
- Follow up on the Central Bank's observations identified during inspection visits, and ensure the company implements the corrective action plans.



920003855  
www.wataniya.com.sa

F +966 (0) 11 476 2290

T +966 (0) 11 477 8813

P.O. Box 88

ص.ب 88

Riyadh 11411

الرياض 11411

رأس المال المدفوع

400,000,000 ريال سعودي

Paid up Capital 400,000,000

F +966 (0) 12 867 4530

T +966 (0) 12 860 6200

P.O. Box 5832

ص.ب 5832

Jeddah 21432

جدة 21432

F +966 (0) 13 882 6892

T +966 (0) 13 882 5357

P.O. Box 1933

ص.ب 1933

Khobar 31952

الظهر 31952

Te: Free 8001188855 الرقم المجاني Info@wataniya.com.sa C.R 4030200981 ص.ت VAT No. 300189877 400003 الرقم الضريبي المملكة العربية السعودية K.S.A

خاضعة لرقابة | إشراك البنك المركزي السعودي . رقم الترخيص ت م ن / 29 / 20106

- Presenting minutes of the committee's meetings to the company's board of directors and notifying the board of directors of any major remarks.
- Meeting with members of the company's executive management and discussing supervisory reports, whenever the need arises.

The Audit Committee conducts periodic meetings through an annual plan that studies and analyzes the reports of the internal auditor and the compliance manager, discusses these reports, makes observations, and develops remedial solutions for all operations that require correction in accordance with the regulations and instructions issued by the supervisory authorities, especially from the Saudi Central Bank, as well as following up on implementing these solutions through company's management.

#### Internal Audit System

The internal audit procedures and their effectiveness play an important role in achieving the company's objectives. Responsibility for establishing and monitoring the effectiveness of internal audit procedures rests with the company's Audit Committee. The internal control system is based on what the company's management deems appropriate for its activities, the extent of the financial impact of the internal audit procedures and the intended benefit of applying those related procedures. The internal audit system is designed to mitigate risks rather than neutralize them, to achieve the company's objectives. For example, corrective actions and solutions have been proposed and developed, although not in absolute form, but are in compliance to regulatory requirements. Also, actual assessment of losses was performed to determine the best solutions for the company to implement to ensure compliance and minimize financial losses. For this, the Audit Committee was formed to periodically review the external and internal audit reports in the company.

The company is committed to a balanced and reasonable internal audit procedure in terms of its design and implementation. The Audit Committee confirms that there are no material observations about the effectiveness of the internal audit procedures and standards of the company.

Best Regards,



Shirish Bhide (Apr 4, 2023 17:18 GMT+4)

Shireesh Behide

Chairman of the Audit Committee



تقرير مراجع الحسابات على القوائم المالية وحتى 31 ديسمبر 2022م

**External Auditor Report on the Annual Financial Statement as  
of 31 December 2022**



**KPMG Professional Services**

Zahran Business Center  
Prince Sultan Street  
P.O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
Commercial Registration No 4030290792

Headquarters in Riyadh



PricewaterhouseCoopers,  
5<sup>th</sup> floor, Jameel Square,  
P.O. Box 16415,  
Jeddah 21464  
Kingdom of Saudi Arabia  
License No. 25

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WATANIYA INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**Opinion**

We have audited the financial statements of Wataniya Insurance Company – a Saudi Joint Stock Company (the "Company"), which comprise the statement of financial position as at December 31, 2022, statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (referred to as "IFRS as endorsed in the Kingdom of Saudi Arabia").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matter**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, a description of how our audit addressed the matter is provided in that context:





INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WATANIYA INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY) (CONTINUED)

**Key Audit Matter (continued)**

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of ultimate claim liabilities arising from insurance contracts</b></p> <p>As at December 31, 2022, insurance contract liabilities comprising of gross outstanding claims and reserves including claims incurred but not reported (IBNR) and premium deficiency reserve (PDR) as stated in note 8, amounted to SAR 519.68 million (2021: SAR 480.44 million).</p> <p>The estimation of insurance contract liabilities involves a significant degree of judgement. The liabilities are based on the best-estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with the related claims handling costs. Further, individual outstanding claims are estimated by internal or external loss adjusters when a claim has been initiated. These estimates are reassessed during the various stages of the claim processing cycle and are revised based on changes in specific circumstances pertaining to each claim.</p> <p>The Company principally uses an external actuary ("management's expert") to provide them with the estimate of such claim liabilities. A range of methods were used to determine these claim liabilities which were based on a number of explicit or implicit assumptions relating to the expected settlement amounts and settlement patterns of claims.</p> <p>Due to the estimation uncertainty and subjectivity involved in the assessment of valuation of ultimate claim liabilities arising from insurance contracts, we have considered this as a key audit matter.</p> <p>Refer notes 3.3(c) to the financial statements for the accounting policy adopted by the Company and note 2e(i) for the significant accounting judgements, estimates and assumptions involved in the initial recognition and subsequent measurement of insurance contract liabilities. Also, refer note 8 for movement in outstanding claims, IBNR and PDR.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"><li>• Understood, evaluated and tested key controls around the claims handling and provision setting processes;</li><li>• Performed substantive tests on the amounts recorded for a sample of claims notified and paid; including comparing the gross outstanding claims amount to appropriate source documentation to evaluate the valuation of gross outstanding claims;</li><li>• Evaluated the competence, capabilities and objectivity of the management's actuarial expert based on their professional qualifications and experience and assessed their independence;</li><li>• Checked the completeness and accuracy of the underlying data used by the management in estimating the IBNR and PDR;</li><li>• Our actuarial experts performed independent evaluation of the Company's actuarial practices and related provisions, including calculation methods and approach, and gained comfort over the actuarial report issued by the management's expert. We assessed whether Company's actuarial methodologies were consistent with the generally accepted actuarial practices and with prior years. We also evaluated the key actuarial assumptions used by the management; and</li><li>• Assessed the adequacy and appropriateness of the related disclosures in the financial statements.</li></ul>



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WATANIYA INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY) (CONTINUED)**

**Other matter**

The financial statements of the Company for the year ended December 31, 2021 were audited jointly by Ernst & Young & Co. Public Accountants and PricewaterhouseCoopers Public Accountants who had expressed an unqualified opinion thereon vide their report dated March 20, 2022 (corresponding to Shaban 17, 1443H).

**Other information**

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of the Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as endorsed in Kingdom of Saudi Arabia, the applicable requirements of the Regulations for Companies, the Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors of the Company are responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WATANIYA INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY) (CONTINUED)**

**Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of the Company.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for KPMG Professional Services

for PricewaterhouseCoopers  
(Certified Public Accountants)

Ebrahim Oboud Baeshen  
License Number 382

Mufaddal Ali  
License Number 447



March 20, 2023 G  
Corresponding to Sha'ban 28, 1444 H  
Jeddah, Kingdom of Saudi Arabia



**توصية لجنة المراجعة على تعيين مراجعي  
الحسابات الخارجيين**  
**Audit Committee Recommendation  
for the External Audit nomination**

Date: 11/09/1444 AH  
Corresponding to 02/04/2023 AD

Attention: Gentlemen members of the Board of Directors respected  
Wataniya Insurance Company  
Jeddah

With this, the Audit Committee reports that it has studied and reviewed the offers for reviewing and auditing the activities and accounts of the company submitted by the following institutions:

External Auditors	Proposal
PricewaterhouseCoopers	SR 1,300,000
KPMG	SR 1,290,000
PKF Al-Bassam & Co.	SR 1,000,000
El Sayed El Ayouty & Co	SR 480,000

Based on the aforementioned, the committee unanimously recommends appointing PricewaterhouseCoopers and KPMG to undertake the tasks of external auditing for the company for the second and third quarter of 2023, annual financial statements for the fiscal year 2023 and the first quarter of 2024.

Shirish Bhide (Apr 4, 2023 17:19 GMT+4)

**Shireesh Behide**  
Audit Committee Chairman

Nedhal Radhwan (Apr 6, 2023 15:18 GMT+3)

**Nedhal Radhwan**  
Member

Sami Alhalabi (Apr 6, 2023 15:09 GMT+3)

**Sami Alhalabi**  
Member



تبلغ الجمعية عن الأعمال والعقود التي يكون لأعضاء المجلس مصلحة شخصية فيها

**Notification on the contracts in which the Directors have a material interest.**

Date: 11/09/1444 H  
02-04-2023 G

Dear Shareholders of Wataniya,

Greetings,

**Subject: contracts in which Directors have a material interest**

This is to inform you that during 2022, Wataniya had contracts with related parties, and where the Directors have material interest. As per regulation we have requested an External Auditor's report on this regard there on.

We seek your approval on such contracts and authorization for the upcoming year.

Yours,

**Dr. Husseln S Akeil**  
Chairman of the Board



920003655  
wataniya.com.sa

F. +966 (0) 11 477 8613 ف.ه.  
F. +966 (0) 12 660 6200 ف.ه.  
F. +966 (0) 13 882 5357 ف.ه.

T. +966 (0) 11 477 8613 ه.ت.  
T. +966 (0) 12 660 6200 ه.ت.  
T. +966 (0) 13 882 5357 ه.ت.

P.O. Box. 86 ص.ب.  
P.O. Box. 5832 ص.ب.  
P.O. Box. 31952 ص.ب.

Riyadh 11411 الرياض  
Jeddah 21432 جدة  
Khobar 31952 الخبر

رأس المال المدفوع  
٤٠٠,٠٠٠,٠٠٠ ريال سعودي  
Paid up Capital 400,000,000 SR

المملكة العربية السعودية K.S.A | الرقم الضريبي 300189677400003 | VAT No. 300189677400003 | س.ت. 4030200981 | الرقم المجاني 8001188855 Toll Free

خاضعة لرقابة وإشراف البنك المركزي السعودي، رقم الترخيص ت م ن / 29 / 20106

## Appendix

Following table summarizes the contracts in which Directors have a material interest.

No.	Name of Party	Name of Directors	Nature of Contract	Period of Contract	Annual Value SR'000
1.	EA Juffali & Brothers Company	<ul style="list-style-type: none"> <li>Amin Alaffi</li> <li>Faisal Charara</li> </ul>	- Rents and other charges for Jeddah (VAT Inclusive)	Annual 2022	3,466
			- Service Level Agreement for IT Services (VAT Inclusive)	Annual 2022	1,540
			- Insurance Premiums	Annual 2022	792
			- Claims Paid	Annual 2022	189
2.	SNIC Ins Co	<ul style="list-style-type: none"> <li>Amin Alaffi</li> <li>Faisal Charara</li> </ul>	- Facultative Premiums	Annual 2022	1,439
			- Facultative Commission		17
			- Facultative Claims Recovered		1,320
3.	Saudi Cement Company	<ul style="list-style-type: none"> <li>Amin Alaffi</li> </ul>	- Insurance Premiums	Annual 2022	4,055
			- Claims Paid		106
4.	Naghi Group of Companies	<ul style="list-style-type: none"> <li>Tahir Aldabbagh</li> </ul>	- Insurance Premiums	Annual 2022	3,772
			- Claims Paid		5,204

- All above Contracts had no preferential conditions.







**To the Board of Directors  
Wataniya Insurance Company - a Saudi Joint Stock Company**

***Limited assurance report on the Chairman of the Board of Directors' declaration to the shareholders of Wataniya Insurance Company - a Saudi Joint Stock Company***

We have undertaken a limited assurance engagement in respect of the accompanying declaration of directors' interest in contracts and transactions entered during the year ended December 31, 2022 signed by the Chairman of the Board Directors of the Company in accordance with the applicable criteria mentioned below so as to comply with the requirements of Article 71 of the Regulations for Companies issued by the Ministry of Commerce through a Royal Decree No (M/3) dated 28/01/1437 AH (the "Regulations") (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 is the requirement of Article 71 of the Regulations which states that any member of the board of directors (the "Board") with any interest, both directly or indirectly, in the transactions or contracts made for the account of 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***

The 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.

***Professional ethics and quality management***

We have complied with the independence requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our limited assurance engagement in the Kingdom of Saudi Arabia and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

The firm applies International Standard on Quality Management (ISQM) 1, that is endorsed in the Kingdom of Saudi Arabia, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



### ***Our responsibility***

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, in all material respects, with the applicable requirements of Article 71 of the Regulations in the preparation of the Declaration for the year ended December 31, 2022.

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 in the preparation of the Declaration.

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

- Discussed with the management the process for obtaining business and contracts by any of the Board members with the Company.
- Obtained the accompanying Declaration that includes the list of all contracts and transactions entered into by any of the Board members of the Company, either directly or indirectly, with the Company during the year ended December 31, 2022.
- Reviewed the minutes of the Board meeting that indicate the board member's notification to the Board on the contracts and transactions entered during the year ended December 31, 2022, and further that the concerned Board member did not vote on the resolution issued in this regard at the meetings of the Board.
- Reviewing the consistency of the transactions and agreements included in the Declaration with the disclosure in Note 22 to the audited financial statements for the year ended December 31, 2022.



### ***Inherent limitations***

Our procedures regarding systems and controls relating to the preparation of the Declaration in accordance with the requirements of the Article 71 of the Regulations 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 is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised), as endorsed in the Kingdom of Saudi Arabia. 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 opinion or a review conclusion in relation to the adequacy of systems and controls around the preparation of the Declaration.

This conclusion relates only to the Declaration for the year ended December 31, 2022 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 in the preparation of the Declaration for the year ended December 31, 2022.

### ***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 its reporting obligations to the General Assembly in accordance with Article 71 of the Regulations. The report should not be used for any other purpose or to 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. To the extent legally permissible, we disclaim any liability or responsibility to the Ministry of Commerce, Capital Market Authority or any other third party to whom this report is shown or into whose hands it may come.

### **PricewaterhouseCoopers**

Mufaddal A. Ali  
License Number 447



April 3, 2023

السيرة الذاتية للمرشح لعضوية مجلس الإدارة لإتمام الدورة الحالية والتي تنتهي في 25-04-2025م

**Biography of the Board Nominee to complete the current Board  
tenure which ends on 25-04-2025**




## Form No. (1) Resume

1) Personal Information of the Nominated Member						
Full Name	Omar Mohammed Hashim Hashim					
Nationality	Saudi	Date of Birth	26/07/1968			
2) Academic Qualifications of the Nominated Member						
No.	Qualification	Specialization	Date of the awarded degree	The Name of the awarding entity		
1	Bachelor's	Computer Programing	1993	King Fahad University of petroleum & minerals		
2						
3						
4						
5						
3) Experiences of the Nominated Member						
2022 – present	Board member – Dar Altamlik					
2020 - 20221	Chairman of the Board – Alahli takaful					
2020 – Present	Board Member – Tunisian Saudi Bank					
4) Current membership in the board of directors of other joint stock companies (listed or un-listed) or any other company of any legal form or its committees:						
No.	Company Name	Main Activity	Membership Type (Executive, non executive, Independent)	Appointment method (a nominee as a shareholder, appointed by a shareholder who enjoys the right of appointment under the company's articles of association, nominated by a shareholder)	Membership of Committees	Legal form of the Company
1	Tunisian Saudi Bank	Bank	Non-Executive	Independent	N/A	Limited liability
2	Dar Al-Tamlik	Real estate finance	Non-Executive	Independent	N/A	Limited liability
3	Tamara Capital Company	Finance	Non-Executive	Independent	N/A	Limited liability
	New Leap Company	IT Solution	Non-Executive	Independent	N/A	Limited liability

\* Disclaimer: This form represents a translation of the Arabic original version, therefore, in case of any misinterpretation, the Arabic version will prevail.

لائحة حوكمة الشركة الوطنية للتأمين قبل التحديث

**Wataniya's Governance Policy (Before Amendments).**

 <p>الوطنية للتأمين Wataniya Insurance كلنا وطنياً Wataniya Together</p>	Wataniya Insurance
	List
	C.AC.16.002
<p>Date of review: May 11, 2020 Revision number: 3</p>	Corporate Governance Regulations

## Preamble:

The "Wataniya Insurance Company" governance system is the framework of principles and policies, through which all shareholders, creditors, and other stakeholders ensure that the company's management enhances the value of the company. That will enable the company to compete professionally within the Saudi market, taking into account development and balanced growth, that this regulation includes an integrated regulatory framework and effective management and supervision of the company.

The primary goal of the corporate governance system is to create and promote an ever-growing value for all other stakeholders of the company. To achieve this goal, it is requisite, among other issues, to set out clear principles for the implementation of proper supervision and good management. Therefore, a necessary infrastructure must be put in place to develop, implement, and execute the activities and businesses that create and achieve the desired values.

Accordingly, this regulation is developed and drafted to ensure transparency by all stakeholders and to ensure all their rights in the company. At the same time, that will also lead to the development of stakeholder's participation in the corporate governance mechanism implementation, while bearing in mind that its regulation has been created out of the principles of corporate governance regulations, issued by the Capital Market Authority to be applied in the Kingdom of Saudi Arabia for laying down the basic legal framework for corporate governance. Also, SAMA instructions and regulations, in addition to the laws and regulations, in force, in the Kingdom of Saudi Arabia, must be taken into account.

Each of the Board and its emanating committees, company executive officers, and its employees; have to strictly abide by these principles, while applying the specific best practices of corporate governance, which is stipulated in this regulations, to use as a guide aiming to achieve the company's goals and implement the laws, in force in Kingdom. Also, the company management must exert continuous efforts in employee training, aiming to disseminate full awareness of the principles, and the goals of good governance in the company, as well as abide by disclosure of its ongoing commitment to apply the principles.

#### Definitions:

##### -Company:

Wataniya Insurance Company.

##### -Regulations:

Wataniya Insurance Company Governance Regulations.

##### -The Board:

Board of Directors of Wataniya Insurance Company.

##### -Independent Member:

A non-executive board member enjoys complete independence, allowing freedom from management and company, which confers on it judging matters while considering all relevant information; and without being subject to the administration or any other external entities excessive influence.

Independency cannot be achieved by a board member in cases including, but not limited to, the following:

1. To be an owner of five percent or more of the company or any company in its group.
2. To be a representative of a legal person who owns five percent or more of the shares of the company or any company in its group.
3. A senior executive during the past two years in the company or any company in its group.



4. To have blood relationship with any of the members of the Board of Directors of the company or in any company of its group.
  5. To have blood relationship with any of the company's senior executives or any company in its group.
  6. To be a company board member of any company, within the group of the company nominated as board member therein.
  7. To be an employee, during the past two years, of any of the parties associated with the company, or of any company of its group (such as the company's chartered accountants, or auditors) and major suppliers, or it's been an owner of control shares at any of those parties during the past two years.
  8. Its existence as a board member of the company for more than nine years, continuous or severed.
  9. Receives a sums from the company plus the Board member's remuneration, or any of its committees, above (200,000) Riyals, or 50% of its remuneration for the last year, received against the Board's membership, or any of its committees whichever is less.
  10. Subject under any financial commitment towards the company or any member of its executive board of directors, which may limit the exercise of independence in judgment, ruling, or decision-making.
  11. Sharing in a business that may compete with the company' business, or trading in any of the company's branches activity.
- The functions and contracts conducted with a member of the Board of Directors to meet its requirements, if they are carried out in the same conditions and situations adopted by the company concerning the general contractors and dealers, and were within the usual company activity. Such activities are not considered as interest denying independence and where a Board Member obligated to obtain the Ordinary General Assembly permit for it unless the Nomination and Remuneration Committee perceive otherwise.

**- Non-executive member:**

A member of the Board of Directors, not a full-timer manages the company, or not receiving a monthly or annual salary from it.

**- Relatives:**

- Parents, grandparents, grandmothers and, though ascended
- Children and Grandchildren, though descended
- Full brothers and full sisters, or of father or of mother
- Husbands and wives

**- Stakeholders:**

Each person with an interest in the company, such as shareholders, policyholders, claimants, employees, reinsurers, creditors, suppliers, regulatory and supervisory bodies, and the community.

**Main contributors:**

They are the natural and legal shareholders who own directly or indirectly, either alone or jointly and control 5% or more of the contribution rate in the company.

**Share control:**

Owning 30% or more of the voting rights in the company or

The right to appoint 30% or more of the members of the administrative body

**- Shareholders**

They are the major shareholders and minority shareholders who are present from time to time.

## The General Assembly

It is the general assembly of shareholders and contributors in the company.

### - Executive Management:

Consists of the Chief Executive Officer (CEO), Vice - CEO, Chief Financial Officer, Chief Operation Officer, Human Resources Head, heads of key departments and risk management officials, internal audit and compliance positions, their representatives and similar positions in the company, and other positions specified by the Saudi Arabian Monetary Authority.

### First: General Conditions:

#### 1- Notice:

- A. The Board has to review these regulations, at least once annually, submits its amendment recommendation to the General Assembly, and provided that is further submitted to the Saudi Arabian Monetary Agency, within twenty-one (21) working days from the amendment date.
- B. The company shall provide the Saudi Arabian Monetary Authority with a copy of the organizational structure approved by the Board and any subsequent updates to it within a period of (21) twenty one working days from the date of its approval by the Board.

#### 2- Code of Conduct:

The company has to implement the Code of Conduct fairly, after its approval and any updates thereafter, by the Board, to ensure that the company's activities are implemented and attained fairly and equitably, the Code of Conduct addresses the following issues:

- C- Conflict of interest. (2) Integrity and honesty. (3) Compliance with laws and regulations. (4) Confidentiality of information. (5) fair dealing. (6) Protecting the company's assets. (7) Guidelines and directives for ethical behavior. (8) Mechanism for reporting illegal and immoral behavior, such as reporting violations, corruption and immoral behavior.

#### 3- Liability and business accountability:

5

920003655  
watanlya.com.sa

ف. +966 (0) 11 477 8613  
ف. +966 (0) 12 660 6200  
ف. +966 (0) 13 882 5357

ت. +966 (0) 11 477 8613  
ت. +966 (0) 12 660 6200  
ت. +966 (0) 13 882 5357

P.O. Box. 86  
P.O. Box. 5832  
P.O. Box. 31952

الرياض 11411  
جدة 21432  
الخبر 31952

رأس المال المدفوع  
٤٠٠,٠٠٠,٠٠٠ ريال سعودي  
Paid up Capital 400,000,000 SR

A. The administrative structure of corporate governance reflects the period of executive management responsibility and accountability to the board, as well as the extent of the board's responsibility and accountability to subscribers, shareholders and other stakeholders through relevant internal policies and regulations.

B. Ultimately, the board is the accountant responsible for the performance, disposal, and compliance of the company with the systematic manner of the imposed rules. The delegation of authorities and powers to the board's committees or the executive management will not absolve or discharge the board of its responsibilities. however, the board bears the responsibility for the three parties involved in business performance and its management.

#### **Convenience, Fitness and Community Ethics:**

A. The members of the board and the board's committees are supposed to be trustworthy, reliable, possess the qualities of integrity, competence, and experience necessary to fulfill the roles assigned to. They must comply with the implementation of all laws, regulations, and rules issued by both the Capital Market Authority (CMA) and the Saudi Arabian Monetary Authority.

B. The main shareholders are supposed to be of good conduct and reputation, stable and financially secure and free from any convictions related to any acts related to committing any act related to moral breach of trust, or any violations of laws in the Kingdom of Saudi Arabia or any other judicial authority.

C. That all appointments to senior positions that include members of the Board and its committees are supposed to be implemented by the requirements of the Saudi Arabian Monetary Authority to achieve higher appointments in financial institutions.

D. The nomination policy and reward determination, adopted and implemented by the company, are supposed to guarantee that the achievement of standard criteria and procedures are formal, accurate, and strict. That is to maintain continuity in monitoring, evaluating suitability, tact, the commitment of each of Board members, its committee members, as well as the executive management members as per the requirements of Section

4 (a) above. Also, It must immediately notify the Saudi Arabian Monetary Authority of any information or circumstances that may relate to the fitness and suitability assessment of those individuals, within (3) three working days from the day of obtaining that information, or from the day change occurrence.

#### 5- Independence:

The organizational structure of corporate governance is supposed to support the step of independent decision-making across the organization, for example by establishing a clear separation of duties between the board and the executive management in a manner that enhances the independence of the functions of supervision, command, government and of conflicts of interest.

#### 6- Reward:

A. The Board has to review the company's remuneration policy and study the reconsideration to any necessary adjustment annually as a minimum. However, all subsequent amendments to that source have to be submitted to the Saudi Arabian Monetary Authority, within twenty-one (21) working days from the amendment date.

B. The company remuneration policy is assumed to covers all employees categories, whether statutory or contractual and directed to address the following aspects:

The objectives of the compensation plan, which focuses on developing risk-affected management and on achieving reliability, financial safety and company stability.

- The organizational structure and composition of the compensation system (which includes the main determinants of compensation and the alignment of compensation with risk, etc.).
- Determinants of the reward components mixture (whether fixed or variable and whether it is monetary or non-monetary benefits and other, etc.).
- Link compensation with performance.

C - The Board bears the responsibility of providing and ensuring that the level of compensation and composition is:

- - fair and equitable,
- - consistent with the objectives of the company,
- - Encourages wise behavior that does not stimulate high-risk transactions to achieve short-term profits,
- - Compliant and compatibles with the company's risk management policy approved by the Board,
- - Not to cause any conflict of interest, which may negatively affect the performance of the company,
- - Achieve the interests of stakeholders and shareholders and the company's long-term goals.

(D) The company should implement a system for measuring performance in the same place to evaluate and measure the performance of its employees at and varied and different levels. That shall be in an objectively and officially manner that measuring the performance of the executive management, in particular, should be based on the long-term performance of the company but does not depend on the performance of one just year.

(E) The Nomination and Remuneration Committee should conduct an annual bonus review (internally through the internal audit function, and externally by assigning external elements to a specialized company) on the basis done in a way that is independent of the executive management.

(F) That the composition of the employees' remuneration, in control and discipline positions, ( as internal audit, compliance, and response), required to be designed for guaranteeing the objectivity and independence of these functions are taken into account,

In this respect, the company management is required to confirm its non-interference in the performance measuring process and determination of compensation and remuneration of such employees And workers.

(G) That members of the board and executive management (excluding sales managers) must not receive any commission or bonuses for any activities related to sales (such as production). Also, any variable component to

compensate members of the board and executive management, save sales managers, will not be directly indicated to the size of the premium.

## Second: Shareholders and General Assembly Rights

### 1. Shareholders General Rights:

Shareholders shall have the right to exercise all rights related to the share, and in particular have the right to obtain a share in the distributed profits, a share of the company's assets upon liquidation, attend shareholders' associations according to the regulations, participate in its deliberation and vote on its decisions, to dispose of the shares in accordance with the provisions of the corporate system, the financial market system and their executive regulations, to monitor the actions of the board of directors and to file a liability claim on the members of the board, to inquire and request information not harmful to the company interests, and does not conflict with the financial market system and its executive regulations, have the right of questioning and raise the board members and raise responsibility lawsuit in their face and challenge the invalidity of the decisions of the general shareholders' associations and private in accordance with the conditions and restrictions contained in the corporate system and the of the company's article of incorporation, and the nominate of the members of the Board of Directors and elect them.

### 2. Facilitating shareholders' exercise of their rights and access to information:

a. The company's articles of association (Articles 25-37) and its internal regulations, including its bylaw, include the procedures and precautions necessary to ensure that all shareholders exercise their statutory rights.

a. The company is committed to providing all the information that enables shareholders to exercise their rights in full, ensures that it is an absolute information and provided and regularly updated and timely as specified in the regulations. The company will use an efficient way to communicate with

- shareholders, while it is non-permissible to distinguish between shareholders categories in providing information.
- b. and it is not permissible to distinguish between Categories of shareholders concerning providing information. Note that none of the shareholders interfere in the work of the company's board of directors or executive management unless been a member of one of them. It may interfere through the ordinary general assembly according to its terms of reference or within the limits and situations permitted by the Board of Directors.

### 3. Shareholders' equity related to the general meeting:

- A. The company shall hold the general assembly at least once a year during the six months following the end of the company's financial year.
- B. The General Assembly meets at the invitation of the Board of Directors. The Board of Directors must invite the general assembly to meet if requested by the legal auditor or shareholders whose ownership represents (at least 5%) of the capital
- C. The company shall announce the date of the general assembly meeting, venue, and agenda, at least twenty-one days in advance, and publish the invitation on the market site and in a widespread daily newspaper in the Kingdom, and modern technology can be used to contact shareholders.
- D. The company is committed to providing shareholders with the opportunity to actively participate and vote in the shareholders' general assembly meetings, Also, advise them of the rules that govern these meetings and voting procedures, and their participation in deliberations and voting on decisions using modern technology.
- E. The company is committed to employing its best efforts to facilitate the participation of the maximum shareholders' number in the general assembly meeting, including choosing the appropriate venue and time.
- F. When preparing the agenda for the General Assembly meeting, the Board of Directors is obligated to take into consideration.

When preparing the agenda for the general assembly meeting, the Board of Directors is obliged to take into account the preparation and submission of a report containing a comprehensive and objective evaluation of the status



and performance of the company on an annual basis for at least six months, including but not limited to the following:

- 1) An analytical review of the company's financial performance during the previous six-month period. 2) The main decisions taken and their impact on the status and performance of the company. 3) Evaluating the company's strategy and financial position. 4) The names of any joint stock companies in which a member of the company's board of directors is a member of their boards of directors. 5) Any penalty, preventive restriction, or any penalty that may be imposed on any board member by any judicial or supervisory body if it is related to the company. 6) Any assessment of potential hazards and how to manage them. 7) Future objective perceptions of performance.
- H. That is in addition to the disclosure requirements applicable by the Capital Market Authority, and the Saudi Arabian Monetary Authority regulations, or any other regulatory bodies. The company's annual report is required to contain the following information (regardless of its arrangement): 1) The board's positions, its composition, names of the Board Chairman, Vice – Chairman, Current session dates, the start and end of the current session dates, the number of non-executive members, the number of meetings held during the term, date, date of attendance of each meeting and the remuneration details for each board member. 2) classification title for each board member (executive, non-executive, or independent). other companies in which a member is acting as a member of the board or any entity representing the committee and its functions (if applicable). 3) For each Board emanating committee. name of the committee and its functions and its members (classified as Chairman of the board, executive member of the board. Non-executive member. Non-independent member of the board or non-member of the board) the number of meetings held during the term, date, and attendance of each meeting, remuneration of the member for service with the committee. 4) An overview of the personal information of all members of the executive management (including the name, position, qualifications, and experience of each executive director). 5) The total compensation and remuneration paid to the members of the board as well as five members of the executive management who are paid the highest bonuses (CEO, board member, financial manager) if had been among those

five members receiving highest remuneration during the period (divided between salaries, bonuses, additional remuneration and any other compensation) in addition to describing any performance incentives available to members of the executive management. 6) Ownership in the company (direct and indirect) by members of the Board and members of the executive management and any amendments in their ownership during the past year as listed in the record approved by the shareholders. 7) Description of transactions with any related parties, including the major shareholders, members of the Board and the executive management, occurring during the period and manner of its approval. 8) Any potential conflicts of interest and how directed and addressed. 9) The names and ownership of all the major shareholders in the company. 10) The results of the annual audit that is effective and sufficient in the company's internal control and discipline system. 11) The statement about the company's compliance with the requirements of the Saudi Arabian Monetary Authority. (Corporate insurance). The insurance company's corporate governance system with the company regulation along with the justification for all examples of cases of non-compliance.

- I. The board is obligated to include in the meeting agenda the topics that shareholders desire to bring for discussion. The shareholders who own at least 5% of the company's shares may add one topic or more to the agenda of the general assembly meeting when it is prepared.
- J. The company grants shareholders the right to discuss the topics on the agenda of the General Assembly and cast questions regarding it to the Board members and the chartered accountant. The board of directors or the chartered accountant must answer the shareholders' questions to the extent that the company's interest is not compromised.
- k. The company is committed to providing the necessary and sufficient information that enables the shareholders to take their decisions and vote on the issues presented to the general assembly.
- L. The company is committed to enabling shareholders to view the minutes of the general assembly meeting, and it is also committed to providing the Capital Market Authority with a copy of the meeting minutes within (ten)

days from the date of its meeting.

M. The company is obliged to inform the market of the results of the general assembly as soon as it ends and per the instructions of the Capital Market Authority and regulatory authorities.

#### 4. Voting Rights:

A. Voting is a basic right of the shareholders and should not cancel in any way. The company is obligated not to establish any procedure that impedes the use of the shareholder's right to vote and is committed to facilitating the exercise of the shareholder's right to direct or proxy voting.

B. The company is obligated to follow the cumulative voting method when voting to select the members of the board of directors in the general assembly.

C. The company is obliged to give the shareholder the right to appoint a person - in writing - another person who is not a member of the board of directors and who is not a company employee to attend the general assembly meeting and vote in proxy thereof.

#### 5. Shareholders' equity in the dividends:

A. The Board of Directors is be obligated to disclose to the shareholders the dividend's distribution policy in a manner that meets their interest and the company's interest. The policy is to be informed to the Shareholders at the General Assembly meeting and referred to in the board's report.

B. The Board of Directors will present the proposed profits and its distribution date to the General Assembly for approval. The dividend eligibility will be either cash dividends or shares' bonus to the shareholders registered in the securities depository records at the end of trading on the day of the General Assembly Convening.

#### Third: Disclosure and transparency:

The company's board of directors is obligated to set the disclosure policies, procedures, and supervisory systems in writing as per the regulations, amongst which is the board's annual disclosure report, in addition to the stated in the registration and listing rules, regarding the contents of the board's report attached to the company's annual financial statements, and the Board report will include the following:

- 1- Applied Corporate Governance laws and resolution issued by Capital Market Authority, and article exempt, while insuring to justify reasons for exemptions.
- 2- The Board's members names, committee members, executive management, and their current, previous positions, qualifications, and experience.
3. Names of companies in-kingdom or out of-Kingdom in which a Board member of the National Insurance Company is a member of its boards of directors.
4. Defining the board of directors and classifying its members as follows: a member of an executive board of directors, a member of a non-executive board of directors, or an independent board member.
5. The measures taken by the Board of Directors to inform its members of the shareholders 'proposals and observations regarding the company and its performance.
6. The means adopted by the board in evaluating the performance of the board, its members, committees, and external bodies used for that (if any).
7. A brief description of the functions of the main board committees and their tasks such as the audit committee, the nominations and remuneration committee, mentioning the names of these committees, their chairmen and members, the number of their meetings and the attendance record.
8. Details of bonuses and compensation (according to the definition of corporate governance issued by the (CMA) paid to each of the following, each separately: 1) Members of the Board of Directors. 2) Five of the senior

executives who receive the highest compensation and compensation from the company, including the CEO and CFO, if they were not among them.

9. Any penalty, sanction, or reserve restriction imposed on the company by the Capital Market Authority or any other supervisory, regulatory, or judicial authority.

- 10 - Results of the annual audit of the effectiveness of the company's internal control procedures.
- 11- Recommendation of the audit committee regarding the need to appoint an internal auditor in the company.
- 12- The recommendations of the audit committee that are inconsistent with the decisions of the board of directors or that have not been adopted regarding the appointment and dismissal of the company's auditors, and the reasons for non-acceptance
- 13- The social contributions of the company, if any.
- 14- A statement of the dates of the company's shareholders' general assembly during the last financial year and the names of the board members attending.
- 15- A description of any contractual interest and securities belonging to members of the Board of Directors, senior executives and their relatives in the shares or debt instruments of the company.
- 16 - A description of any loans to the company and provide a declaration in the absence of any of them.
- 17- A description of the categories and numbers of any debt instruments, securities, underwriting rights, or similar rights that were issued, granted, or redeemed during the fiscal year and its returns.
- 18- The number of Board meetings held during the fiscal year and its attendance record.
- 19- The number of company requests for the shareholder register, the dates and reasons for those requests.

- 20- A description of any transaction between the company and a related party, clarifying its nature, conditions, duration, amount, and submitting a declaration in the absence of deals.
- 21- A statement of any arrangement or agreement whereby a member of the board, shareholders, or senior executives waived rights to profits or rewards.
- 22- A statement of the regular payments made and due for the payment of zakat, taxes or fees that were not paid until the end of the financial period.
- 23- A statement of the value of any investments or reserves created for the benefit of the company's employees.
- 24- Acknowledging that the company's records were prepared correctly, that the internal control system was prepared on sound bases and effectively implemented, and that there is little doubt that the company can continue its activity.
- 25- A statement of any reservations to the annual financial statements in the auditor's report, if any.
- 26- Explaining the recommendation of the Board of Directors to change the auditor before the end of the appointment period, along with a statement of the reasons for that.

#### Fourth: The Board of Directors:

##### 1.The most important basic functions of the Board of Directors of Wataniya Insurance Company are:

A. Adopt the strategic directions and main objectives of the company and supervising their implementation, including:

- Setting the company's overall strategy, main business plans, risk management policy, review and guidance.
- Determine the optimal capital structure for the company, its strategies and financial goals and approve annual budgets.
- Overseeing the main capital expenditures of the company, owning and disposing of assets.

- Setting performance targets, monitoring implementation, and overall performance quality in the company.
- Periodic review and approval of organizational and functional structures in the company.

**B. Establishing systems and controls for internal control and general supervision over them, including:**

- Developing a written policy that regulates conflict of interest in the company and addresses potential conflicts of interest for each of the members of the board of directors, executive management and shareholders, including the misuse of the company's assets and facilities, and the misbehavior resulting from transactions with related persons.
- Ensuring the integrity of the financial and accounting systems, including those related to financial reporting.
- Ensuring the application of appropriate control systems for risk management, by setting a general perception of the risks that the company may face and putting it forward in a transparent manner.
- Annual review of the effectiveness of the company's internal control procedures.

**C. Adoption of the company's corporate governance system - consistent with the laws and regulations of the regulatory authorities in the Kingdom, general supervision of its implementation, monitoring its effectiveness and amending it when needed.**

**D. Setting clear and specific policies, standards and procedures for membership in the Board of Directors and putting them into effect after approval by the General Assembly.**

**E. Develop a written policy regulating the relationship with stakeholders in order to protect them and preserve their rights. This policy should include:**

- Stakeholder compensation mechanisms in the event of violations of their rights established by the regulations and protected by contracts.
- Mechanisms for settling complaints or disputes that may arise between the company and the stakeholders.

- Suitable mechanisms for establishing good relationships with customers and suppliers and maintaining the confidentiality of information related to them.
- The rules of professional conduct of the managers and employees of the company to conform to the sound professional and ethical standards and regulate the relationship between them and the stakeholders, provided that the Board of Directors sets up mechanisms to monitor the implementation of these rules and adhere to them.
- Establish mechanisms for the company's contribution to social responsibility.

F. Establishing policies and procedures that ensure the company's respect of laws and regulations and its commitment to disclose material information to shareholders, creditors and other stakeholders.

## 2) Board responsibilities:

(A) Board meetings are held regularly at least (4) four times per year at a rate of (1) one meeting per quarter. The meeting convenes upon the invitation of its President or two members' requests, it shall not be valid unless attended by at least half of the Board's members provided that not less than three.

(B) Non-executive directors shall hold closed meetings without the executive management attending at least once for the year.

(C) That the minutes of the board meeting is recorded and signed by its president and secretary and then recorded in the official register.

(D) The minutes of the meeting are required to be accurate and reflecting all items, topics discussed, and to record all decisions taken and any other topics discussed in those meetings.

(E) The minutes of the meeting are required to document any voting carried out during the meeting, including objections, proposals, and steps to abstain from voting, as well as all the documents referred to and attached to these minutes.

A. Subject to the powers of the general assembly, the company's board shall assume all the powers and powers necessary to manage it. The ultimate responsibility for the company remains with the board, even if it forms



- committees or delegates other entities or individuals to carry out some of its actions. Accordingly, the board is obliged to avoid issuing general mandates.
- B. The Board of Directors abides by the responsibilities clearly stated in the company's articles of association.
- C. The Board of Directors is obligated to perform its duties and responsibilities with the principle of goodwill, seriousness, and concern, and that its decisions are based on adequate information from the executive management, or any other reliable source.
- D. A member of the Board of Directors is obliged to perform what is generally in the best interest of the company rather than meeting the interests of the group he represents or has voted for appointing it to the Board of directors.
- E. The Board of Directors determines the schedule of powers, including the financial powers that it delegates to the executive management, decision-making procedures, and the delegation duration. It also specifies the topics empowered for it to decide. Also, the executive management shall submit periodic reports on its practicing the powers delegated.
- F. The Board of Directors shall be obliged to inform the new members of the Board of the nature of the company's work, especially the financial and legal aspects, as well as to train them if necessary.
- G. The Board of Directors is obligated to provide adequate information about the company's affairs to all Board members in general, non-executive, and independent board members in particular, enabling them to carry out their duties and tasks with high efficiency.
- H. The Board is obligated not to sign a loan exceeding three years, sell the company's real estate or mortgage them, or absolve the company's debtors of their obligations unless authorized by them per company system based on its outlined conditions. If the company's articles of association, is not including provisions in this regard, the Board shall not perform the said actions without the General Assembly's approval, unless such acts already inherently included in the purposes and the nature of the company business.
- I. **3) Composition of the Board of Directors**

**Concerning the Board of Directors composition, the company abides by the stipulated in the company's articles of association, including:**

A. The number of members of the Board of Directors in the company's system ranges from (5) to (11) members.

B. The Board members are appointed by the General Assembly for the period stipulated in the company's articles of association, provided that it is not exceeding three years, also they may be reappointed for other periods, without violating the laws and regulations.

C. The majority of the members of the Board of Directors shall be non-executive members.

D. That the position of the Board Chairman not combined with any executive position of the company as Managing Director or CEO,

E. The number of independent board members should not be less than two board members or one third of the board members, whichever is more.

F. All individual board members have the same proportionate authority and influence over board decisions.

G. The existing transparent policies, standards, and procedures adopted in nomination to the Board, approved by the General Assembly, and been notified to the SAMA, takes into consideration the following aspects:

- Allow sufficient time to review the candidacy proposals for board membership in terms of nomination and remuneration.
- Create a committee and document the findings and recommendations.
- obtainment of a "No Objection Letter" from the Saudi Arabian Monetary Authority before the appointing any Board member.
- Provide shareholders with sufficient information on the candidate's qualifications and relations with the company before voting.
- Apply the cumulative voting method when voting in the General Assembly to elect the board members.
- It is assumed that the number of candidates for the board submitted to the General Assembly for voting to be more than the number of seats available, in order to allow the General Assembly to choose from many candidates.

- When a Board member's position falls vacant, the board will appoint a new member, to fill the vacant position, for the remaining period, provided that, the appointment submitted for approval by the assembly in its next general meeting.
- In the event of a Board's member resignation, upon the termination of its membership for any reason, other than due to the end of the appointment, it is stipulated to advise SAMA accordingly, within a period of (5) five working days starting from the contract signing date, while observing the applicable disclosure requirements for soliciting a member service.

H. Mechanism and causes of membership termination of a Board member, while maintaining the constant right of General Assembly to dismiss all or some of the Board members, at all times.

I. Immediately notify the Authority and the market with the termination announcement, of the membership of a Board member, due to the end of its term by any termination manner, while indicating the reasons thereto.

J. A member of the board should avoid engaging a membership position on the board of directors in more than five joint-stock companies simultaneously.

K. A member of the board of directors should avoid being a member of the board of directors of any insurance or reinsurance company or any committee affiliated with the board or occupy a leadership position in such companies.

L. The Board appoints a secretary during its tenure to handle the Board activities and provide assistance to its members, provided that the Board determines the secretary remuneration. Also, the secretary may be a member of the board of directors or the company's staff member and must have sufficient experience and knowledge of the company's business and activities, strong communication skills and familiar with the laws and regulations in force, and the best practices applied in corporate governance. :

- The board meetings arrangement
- Ensuring the availability of appropriate methods for communication in order to record and exchange information between the Board and its committees and between members of the executive management and members of the Board Executive members.
- Maintaining the meetings minutes, which is a permanent official record of the work and the decisions taken by the board and its sub-committees.
- Prepare a comprehensive statement containing the names of the attending and absentee Board members, list of accredited committees, and any abstention case of a board member (if any) by any board member and the reasons for that.
- give advance notifications and send agendas with any related materials to Board members, with confirmation of their delivery within a period of ten working days prior to the meeting and,
- Distributing the minutes of the meeting to the parties concerned within a period not exceeding (15) fifteen days.

M. The Board shall determine the person or entity responsible for implementing the decisions taken.

N. At the beginning of each year, the Board sets a specific timetable for receiving reports from the relevant committees and internal and external auditors. The Board ensures that the applied mechanism for collecting, preparing, and delivering reports and data, is in place and consistent with the approved internal policy.

#### 4) Board Committees and their independence

A. The company is obligated, according to the articles of association, to form supervisory committees according to the company's need and circumstances, so that the board of directors can perform its duties effectively.

B. As a minimum, the Board is incumbent form an Executive Committee, an Audit Committee, a Nomination, and Remuneration Committee. Risk Management Committee, and an Investment Committee.

C. The company is obligated to form the committees affiliated with the Board of Directors, according to general procedures set thereby. The Board procedures define the committee's mission, the duration of its work, the powers granted to it during this period, and how the Board monitors it. Board is obligated to set work regulations for all standing committees emanating from it, including the Audit Committee and the Nomination and Remuneration Committee.

D. Board is obligated to set work regulations for all standing committees emanating from it, including the Audit Committee and the Nomination and Remuneration Committee.

E. The Board of Directors is obligated to appoint a sufficient number of non-executive board members in the committees concerned with the tasks that may result in conflicts of interest. Also, ensuring the integrity of financial and non-financial reports, reviewing discounts' deals granted to any of relevant persons, and the nomination for the Board's membership, and appointing executives, and defining the enumerations.

#### A) Audit Committee Formation Work Manner:

A. A. The Board is obligated to establish a committee named as the audit committee, composed of non-executive board members. The Board executive members, company executive management members, consultant employees, non-board members, or executive management officers, and/or any representatives of any party associated with the company. That the members of the audit committee shall not be less than (3) three members or more than (5) five members. The committee meets periodically, provided that its meetings are not less than (6) six meetings during the financial year of the company, and most of the committee members are required to be from outside the board members, and the chairman of the board of

directors must not be a member or Chairman of the board of the audit committee. A member of the audit committee must not be a member of a board or a review committee of any other company operating in the insurance sector in the Kingdom of Saudi Arabia. It is assumed that a member of the Audit Committee does not serve on many audit committees in more than four (4) public companies at one time. Also, it is not permissible for anyone who works or has been working during the past two years in the executive or financial management of the company, or with the company's auditor, to be a member of the audit committee.

B. Also, the Audit Committee shall include, a least two members plus the Chairman, required not to be simultaneously the Chairman of the Board of Directors and specialized in financial and accounting affairs approved and endorsed as per the audit committee system of the Saudi Arabian Monetary Authority for Insurance and Reinsurance Companies and the Ministry of Trade and Industry.

C. The audit committee formed according to the procedures and rules for selecting its members, their membership duration, and monitoring its activities to be issued by the general assembly upon the Board recommendation.

D. Also, the Board shall determine the number of the Audit Committee members, membership duration, their successive sessions schedule, and also ensure that their meetings are held on an adequate periodic basis.

E. The committee meeting shall not be valid unless attended by, at least, two members of the audit committee (i.e. half of them). The decisions of the audit committee are decided and issued by the majority of the votes of the members. In case the votes are equal, the Chairman of the committee will have a weighting vote. The secretary of the review committee must record the views of all parties within the minutes of the meeting.

F. The Board of Directors is obliged to obtain the approval of the general assembly of the company on the rules for selecting the

members of the audit committee, their membership term, committee work method, and the amount of remuneration of its members.

G. The committee frequently meets whenever it is deemed necessary by its Chairman, provided that at least (6) Six meetings held annually. Meetings are held at any time if requested so by at least two members. The decision is issued out based on the approval of two members, in writing. Meetings often coincide with the end of each quarter for approving the company's financial outcomes.

H. The committee frequently meets whenever it is deemed necessary by its Chairman, provided that at least One (1) meeting held annually with the Board. The Audit Committee is entitled to hold other meetings in response to any of the following cases which includes, but not limited to:

- If requested so by the Chairman of the Board of Directors.
- In the cases whereby either of the External Auditor and the Internal Auditor requests, the Compliance Officer or the Insurance Account Expert,
- The committee holds a meeting, for any reason that so requires, and/or for other topics and issues such as (1) Auditing issues to financial means, (2) matters concerning compliance, (3) conflict of interest and/or (4) professional practices and work ethics.
- The audit committee has the right, if necessary, to invite whoever it may consider relevant from inside and outside the company to attend its meetings.

After obtaining a written “No Objection Letter” from the Saudi Arabian Monetary Authority, the board shall appoint the members to the audit committee and the Chairman of the board who (to be appointed as one of the committee members for a period of (3) three years. Also, the Board may renew the audit committee term or of one of its members, once for three years. The Board also may appoint new members to the committee, after the election of a

new committee, after obtaining a no-objection approval by the Saudi Arabian Monetary Authority. The Board may also, dismiss any member of the audit committee, if it discontinues or fails to fulfill the conditions membership conditions, or commits a violation to the terms of the system of the Audit Committee of the Saudi Arabian Monetary Authority, of concern to insurance and reinsurance companies, SAMA's control and supervision system for cooperative insurance companies, and its executive system, or any related regulations and instructions issued by SAMA, or the Capital Market Authority. A member of the Audit Committee is entitled to resign, and after submitting its resignation, it may request the board for a grace period of one month, before the effective date of its resignation. a member of the audit committee is considered resigned if it fails to attend any of the board meetings, for more than three times consecutively, without submitting an acceptable excuse. A member's membership term ends automatically when occurred any change causing a violation of the set conditions in the SAMA audit committee system applicable to insurance and reinsurance companies, or any regulations (instructions or decisions issued by the Saudi Arabian Monetary Authority or the Capital Market Authority. The committee member shall immediately inform the company in writing when such a change occurs and it must not attend any meeting of the audit committee to be convened after the change date

1.The Audit Committee appoints a secretary to the committee from its staff to assume the implementation of its administrative tasks, prepare the minutes of its meetings, and ensure that the committee's Chairman signs these minutes and schedules the meetings of the audit committee in coordination with its board of directors.

2. If the position, of any committee member, falls vacant, then the Board shall within one month, from the date the position opening, nominates another member to fill the vacancy, provided that the nomination is submitted at first, to the Saudi Arabian Monetary Authority for approval; only a new member is obliged to complete the term of its predecessor.



3. The tasks and responsibilities of the audit committee include the following, as well as any additional tasks that may be determined by the Saudi Arabian Monetary Agency from time to time.

J. The membership period is 3 years (three years) from the date of appointment, and the membership of the audit committee ends with the end of the appointment period, resignation or death, or if it is proven to the Board of Directors that the member has violated its duties in a way that harms the interest of the company, or the expiration of its membership according to any system or instructions in force in the Kingdom, or In its absence from attending more than three consecutive sessions without an excuse accepted by the committee Chairman or if he ruled a month of bankruptcy or insolvency or submitted a request to settle with its creditors or stopped paying its debts or became lost or mentally ill or if it was proven that he committed an act that violates honesty and morals or is convicted of forgery . If the position of one of the committee members becomes vacant, the board may nominate a member in the vacant position, provided that its nomination is presented to the Saudi Arabian Monetary Authority and then to the ordinary general assembly at its first meeting to approve the nomination, and the new member only completes the term of its predecessor. If the number of members of the committee falls below the quorum necessary for the validity of its meetings, the necessary number of members must be nominated.

K. The duties of the audit committee include:

- Ensuring the integrity of the company's procedures and the degree of its compliance with the regulations followed in the Kingdom of Saudi Arabia.
- Review the company's periodic financial reports that are submitted to the Saudi Arabian Monetary Authority.
- Provide SAMA with all the information that is likely to be requested by them.
- Overseeing the company's internal audit department; to verify the degree of its effectiveness in carrying out the tasks and functions assigned to it by the Board of Directors.
- Study the internal audit system and draw up a written report on the committee's opinion and recommendations thereon.

- f. Study internal audit reports and follow up on the implementation of corrective actions for the notes contained therein.
- g. To recommend to the Board of Directors the appointment and dismissal of statutory auditors and determine their fees, and when recommending appointment, care shall be taken to ensure their independence.
- h. Follow up on the work of certified auditors, and approve any work outside the scope of the audit work assigned to them while performing the audit work.
- i. Study the audit plan with the legal auditor and provide their observations thereon.
- j. Study the notes of the certified auditor on the financial statements and follow up on what has been done.
- k. Study the preliminary and annual financial statements before submitting them to the Board of Directors and expressing an opinion and recommending them.
- l. Study the accounting policies adopted and express an opinion and recommendation to the Board of Directors regarding them.
- m. Discuss and review the company's policies for assessing company risks.
- n. Evaluating the performance and approval of the appointment of the company's internal auditor.
- o. Providing the Board of Directors periodically with an assessment of the company's performance, financial situation, and the degree of compliance with the regulations.
- p. Establishing an internal system for the company to receive and address complaints regarding accounting and auditing standards.
- q. Ensure that the information about the company's clients is kept confidential.
- r. Supervise, monitor, and evaluate the performance of the Director of Internal Audit and the Director of Compliance and recommend appointment or dismissal and propose their remuneration.

## B) Nomination and Remuneration Committee Formation and method of work:

- A. The Board is obligated to form a committee named the "Nomination and Remuneration Committee" so that its members' number not less than (3)

three and not more than (5) five. its Chairman will be from non-executive members and their majority independent members.

- B. The Board is obliged to obtain the approval of the general assembly to the Committee's Nominations and Remunerations selection rules, their work term regulations, and the amount of their remuneration.
- C. The committee holds its meetings occasionally whenever its Chairman deems necessary (at least once annually), and the meeting is held at any time if at least two members so requested. The decision shall be issued with approval if he agrees with it in writing two members of the committee.
- D. The membership period is 3 years (three years) starting from the date of appointment and ends upon its expiration, resignation, death, if evident that it has breached its duties, in a manner harmful to the interest of the company. Also, if the membership term expiry is due to any regulation or instructions, in force in the Kingdom, or for absenteeism for more than three consecutive sessions without an excuse acceptable to its Chairman. Also, if ruled by bankruptcy or insolvency, submitted a request for settlement with its creditors, stopped paying debts, fall unconscious, suffered a mental illness, or if evidence that it committed an act violating honesty or morals, or convicted of forgery. Also, if it is judged by Declaration of its insolvency, bankruptcy, submitted a request for settlement with its creditors, stop paying its debts, fall unconscious or suffered a mental illness, or if it is proven that it committed an act that violates honesty or morals, or convicted with forgery.
- E. The Nomination & Remuneration Committee's Duties and responsibilities include , the following:
- Developing and proposing a self-evaluation of the annual performance of the Board of Directors.
  - Developing and proposing the company's internal regulations and policies for corporate governance and presenting them to the Board of Directors.
  - Follow-up and review the degree of corporate governance regulations application.
  - Sort and evaluate nominations for membership of the Board of Directors and committees emanating from the Board and submit them to the Board of Directors.

- Overseeing the nomination of members of the Board of Directors for membership of the sub-committees each according to its qualifications and specialization and reviewing the proposed rewards.
- Assist the Board of Directors and contribute to the selection of membership and development of the company's executive committee, the selection of the CEO and the review of company employee rewards.
- Presenting an introductory presentation to the new members of the board about the way the company works.
- Contribute to the annual evaluation of the degree of commitment of the members of the board and the executive management of the company and the extent of commitment to work ethics and report to the board in the event of violations.
- To suggest the method and amount of bonuses for members of the Board of Directors and endeavors to solicit and encourage talents to join the company's Board of Directors for the benefit of the shareholders.
- Evaluate and develop comments for bonuses and compensation for the CEO, executive management, and company employees.
- Evaluating and advising the Board of Directors regarding the performance of the company's management and its responsibilities towards the company's employees.
- Ensuring the degree of compliance with the company's policies and social responsibilities.
- Realizing and evaluating the risks related to the company management, evaluating its environmental surroundings, and finding the best ways to deal with it.

#### F) The Investment Committee

A) The Board is obligated to form a board of committee named as the Investment Committee. That will appoint its members as per the rules issued by the General Assembly. The committee consists of (3) members according to Article (34) of the Saudi Arabian Monetary Authority investment system.

B) The duties and responsibilities of the Investment Committee include the following:

- Determine the investment objectives and investment policies of the company, and recommend to its regard to the Board of Directors,

including setting levels of risk tolerance, diversity of assets, and diversity of investment operations.

- General supervision of investment operations performance, including evaluation of investment results to determine the success of investment strategies and to ensure compliance with the company's investment policies.
- Discussing and expressing opinions on other issues related to investment as necessary for investment management and in the best interest of the company.

### G) The Executive Committee

A. The Board of Directors is obligated to form a committee named the Executive Committee, and appoint its members as per the articles of association, regulations, and rules issued by the General Assembly. The committee ranges from (3) three to (5) five members, executive and non-executive. Its meetings are held regularly when needed, provided that annually hold at least (6) six meetings.

B. The duties and responsibilities of the Executive Committee include:

- To recommend to the Board of Directors on strategic and operational plans, budgets, and business plans developed by the management.
- Take decisions on matters vested in it by the Board that are outside the scope of the company's CEO, including issues related to capital expenditures and purchases, within the limits assigned to the Committee by the Board of Directors.

### C. The Risk Management Committee:

a. The Board of Directors is obligated to form a committee named the Risk Management Committee and appoint its members per the rules issued by the General Assembly. The committee is composed of at least (3) three members, chaired by a non-executive member and deemed to have an

appropriate financial knowledge related to risk management. The committee meets Periodically, at least, every (six months), or whenever the need arises.

**b. The tasks of the risk management committee include but are not limited to the following:**

- Determine the risks that the company may be exposed to and helps to maintain an overview of the risks accepted by the company while identifying the risks that threaten its continuity during the next twelve months.
- Monitor and supervise the risk management system and assign the importance of its effectiveness.
- Developing a comprehensive risk management strategy for the company, monitoring its implementation, and reviewing its update regularly.
- Reviewing risk management policies.
- Reassessment of durability and the company's exposure to risk on a regular basis.
- Inform the board about the details of the exposures to risk and recommend actions necessary to handle them.
- Reviewing the issues raised by the audit committee that may affect the company's risk management.

#### **5) The Board meetings and agenda:**

- A. The Board members are obligated to allocate sufficient time to follow up on their responsibilities, including preparing for Board meetings and permanent and temporary committees and be careful towards their attendance.
- B. The Board of Directors holds regular ordinary meetings, at the invitation of the Chairman, and it also shall invite for an emergency meeting, whenever requested, in writing, by two board members.
- C. The Board Chairman shall consult with other members and the CEO when preparing specific topics schedule meant to be presented to the Board. The agenda, accompanied by documents, is sent to the members ahead of meeting time to enable them to study the topics and be well prepared for the

meeting. The Board shall adopt the meeting's agenda when held, and if any member objects to that agenda, the details of such objection are recorded in the minutes of the meeting.

- D. The board of directors shall document its meetings and prepare minutes of discussions and deliberations, including the voting operations that have been tabulated and archived for reference.

## 6) Board Members' Remunerations and Compensation

- A. The Board of Directors is obliged to abide by Article (19) of the Company's articles of association, which stipulates the method for disbursing and the amount of remuneration of members of the Board of Directors.
- B. The Board is obligated to propose the remuneration package established for the Board and based on the recommendations of the Nomination and Remuneration Committee as per the rules, regulations, laws in force, and conditions, set by the General Assembly based on its approval. The company guarantees that all written details regarding the proposed remuneration and compensation are available to shareholders by the General Assembly, wherein they will be put for the vote.

## 7) Conflict of Interest in the Board of Directors

1. The Board of Directors is obliged to avoid all that calls for conflicts between their personal interests and the interests of the company, including:

- A. A Board member who is not holding an annual renewed license, from the General Assembly, shall not be entitled to have any interest (direct or indirect) in the business and contracts made in favor of the company. Exceptions allowed through general competition if the Board member is the bidder Best.

- B. A Board member is obliged to advise the Board of the interests having in the business and contracts executed in the company's favor, and such notification is recorded in the minutes. A member having interests, shall not participate in voting the decision issued, in that regard. The Board's Chairman shall notify the General Assembly, when convened, of the works and contracts in which a Board member has a personal interest, and a special report by the external auditor shall be attached to that notification.
- C. A member of the Board of Directors - without a license from the General Assembly renewed every year - may not participate in any business that would compete with the company, or to trade in one of the branches of activity practiced by the company.
- D. The company may not provide a cash loan of any kind to the members of its board of directors or guarantee any loan that one of them holds with others.
2. The Board and an executive management member, having a vested interest in an insurance service provider, (such as brokers, agents, etc.) (1) must immediately disclose, in writing to the board of their interests in the insurance-related company, (2) Refrain from soliciting and encouraging dealing with the company having a vested interest in it, also, the company must intimate the General Assembly when held, of all the targeted business with any insurance-related company, and in which a board member or an executive management member has an interest in, such notice should be attached with a special report to be prepared by the Company's external auditors.
3. The Board Chairman shall provide the General Assembly with the details of the insurance contracts in which the members of the Executive Board of Directors or the parties related to them have an interest that includes the same business line, size and related losses (if any).



4. Both of the above-mentioned sections, in this chapter, relating to the conflict of interest in the Board, comply with the relevant regulations issued by the Saudi Arabian Monetary Authority and the Capital Market Authority, as amended periodically, will be consistent with the conflict of interest policy approved by the Board on the date of 3/8 1433 AH corresponding to 06/23/2012 or any updates thereof.

#### **Fifth: Executive Management and Supervisory Functions:**

##### **(1) Executive Management.**

- A) The executive management is responsible for supervising the company's daily activities.
- B) The duties and tasks of the executive management include but are not limited to:
- Implementing the company's strategic plans.
  - Manage daily activities.
  - Establish procedures for identifying, conforming, measuring, controlling and mitigating risks.
  - Maintain a tracking record of the impact of audits.
  - Act according to the instructions of the board and inform the board.
  - Ensuring that the supervisory and regulatory requirements are met to the highest extent possible.
- C) Every administrative position is required to have documented job description details.
- D) The members of the executive management are required to possess the skills, knowledge and experience necessary to exercise prudent management of the company, and proof of qualifications must be provided to SAMA upon request.
- E) The executive management must provide the board with a comprehensive view of its performance at least at each board meeting.

Priority must be given to Saudis to occupy executive management positions before appointing non-Saudis to

senior positions, and therefore the company must show proof of a lack of Saudi elements required to fill the required job per the requirements of the Saudi Arabian Monetary Authority for appointments to senior positions in financial institutions.

## (2) Control functions:

(A) **The risk management function:** The risk management function assumes the tasks of appointment, conformity, determination, evaluation, measure the amount, monitor, control, mitigate and monitor the risks for the company, and it is assumed that it includes two officials responsible for risk management, one of which is responsible for public health insurance and the other is in charge of insurance protection, maintenance, and preservation. The risk management function is required to be independent About the underwriting and insured job. In addition to any other regulatory requirements, the duties and tasks of risk management include the following:

- Implementing a risk management strategy.
- Monitor the risk profile of the company.
- Develop effective management policies and procedures for risks.
- Systematic evaluation of the company's tolerance to exposure to risks.

(B) **The internal audit function:** The internal audit function is responsible for evaluating and recommending procedures to improve the adequacy and effectiveness of internal controls and policies and reporting procedures. Internal audit function is carried based on a comprehensive audit plan approved by the audit committee on an annual basis and submits its reports, prepared during the fiscal year, to the audit committee.

## (C) Compliance Function:

The compliance function is responsible for monitoring the company's compliance with the applicable law, regulations and rules issued by the Saudi Arabian Monetary Authority and other regulatory bodies.

## 3- Insurance Accounts Appointed Expert:

36

920003655  
watanilya.com.sa

ف. +966 (0) 11 477 8613  
ف. +966 (0) 12 660 6200  
ف. +966 (0) 13 882 5357

ت. +966 (0) 11 477 8613  
ت. +966 (0) 12 660 6200  
ت. +966 (0) 13 882 5357

ص.ب. 86  
ص.ب. 5832  
ص.ب. 31952

الرياض - 11411  
جدة - 21432  
الخبير - 31952

رأس المال المدفوع  
٤٠٠,٠٠٠,٠٠٠ ريال سعودي  
Paid up Capital 400,000,000 SR

المملكة العربية السعودية K.S.A. | الرقم الضريبي 4000003 89677 3001 VAT No. | س.ت. 4030200981 CR. | الرقم المجاني 8001188855 Toll Free

خاصة لرقابة وإشراف البنك المركزي السعودي، رقم الترخيص ت م ن / 29 / 20106

The insurance accounts expert undertakes the duties and functions of its responsibilities as stipulated in Article No. (20) the executive regulations of the law concerning the supervision of cooperative insurance companies according to the actual work system of insurance and reinsurance companies issued by the Saudi Arabian Monetary Authority.

#### **Sixth: regulations Review and amendment:**


This regulation developed in line with the Corporate Governance Regulations and issued by the Capital Market Authority on 05/16/1438 AH and its amendments. However, it is subject to review and amended, taking into account the changing market needs, as per the requirements of the regulatory authorities.

#### **Seventh: Endorsement:**

The amendments to these regulations were endorsed by the Board of Directors on 3<sup>rd</sup> September 2020, and by the Shareholders' General Assembly.

لائحة حوكمة الشركة الوطنية للتأمين المحدثة

**Wataniya's Updated Governance Policy.**

 <p>الوطنية للتأمين Wataniya Insurance كلنا بجنباً Wataniya Together</p>	Wataniya Insurance
	List
	C.AC.16.002
Date of review: February 01, 2023 Revision number: 4	Corporate Governance Policy

**Preamble:**

The "Wataniya Insurance Company" (hereafter referred to "the Company") governance system is the framework of principles and policies, through which all shareholders, creditors, and other stakeholders ensure that the Company's management enhances the value of the Company. That will enable the Company to compete professionally within the Saudi market, taking into account development and balanced growth, that this policy includes an integrated regulatory framework and effective management and supervision of the Company.

The primary goal of the corporate governance system is to create and promote an ever-growing value for all other stakeholders of the Company. To achieve this goal, it is requisite, among other issues, to set out clear principles for the implementation of proper supervision and good management. Therefore, a necessary infrastructure must be put in place to develop, implement, and execute the activities and businesses that create and achieve the desired values.

Accordingly, this policy is developed and drafted to ensure transparency by all stakeholders and to ensure all their rights in the Company. At the same time, that will also lead to the development of stakeholder's participation in the corporate governance mechanism implementation, while bearing in mind that its policy has been created out of the principles of Corporate Governance Regulations, issued by the Capital Market Authority (CMA) to be applied in the Kingdom of Saudi Arabia for laying down the basic legal framework for corporate governance. Also, the Saudi Central Bank (SAMA) instructions and regulations, in addition to the laws and regulations, in force, in the Kingdom of Saudi Arabia, must be taken into account.

The Board and its emanating committees, Company executive officers, and its employees; must strictly abide by these principles, while applying the specific best practices of corporate governance, which is stipulated in this policy, to use as a guide aiming to achieve the Company's goals and implement the laws, in force in Kingdom. Also, the Company management must exert continuous efforts in employee training, aiming to disseminate full awareness of the principles, and the goals of good governance in the Company, as well as abide by disclosure of its ongoing commitment to apply the principles.

**Definitions:**

• **Company:**

Wataniya Insurance Company.

• **Regulations:**

Capital Market Authority (CMA) Corporate Governance Regulations

Saudi Central Bank (SAMA) Corporate Governance Regulations

• **The Board:**

Board of Directors of Wataniya Insurance Company.

• **Chairman of the Board (Chairman):**

A Non-executive Board Member elected by the Board to preside over its meetings and organize its activities.

• **Chief Executive Officer (CEO):**

The officer with highest rank in the senior executive management of the Company, who is in charge of its daily management, regardless of the title of his or her position.

• **Board Secretary:**

The person who is responsible for documenting the Company's Board meetings, manages the disclosure register of the Board and the Executive Management and other duties set forth herein

• **Independent Member:**

**A non-executive Board member enjoys complete independence, allowing freedom from management and company, which confers on it judging matters while considering all relevant information; and without being subject to the administration or any other external entities excessive influence.**

**Independency cannot be achieved by a Board member in cases including, but not limited to, the following:**

- 1. To be an owner of five percent 5% or more of the Company or any Company in its group.**
- 2. To be a representative of a legal person who owns five percent 5% or more of the shares of the Company or any Company in its group.**
- 3. A senior executive during the past two years in the Company or any Company in its group.**
- 4. To have blood relationship with any of the members of the Board of Directors of the Company or in any Company of its group.**
- 5. To have blood relationship with any of the Company's senior executives or any Company in its group.**
- 6. To be a Company Board member of any Company, within the group of the Company nominated as board member therein.**
- 7. To be an employee, during the past two years, of any of the parties associated with the Company, or of any Company of its group (such as the Company's chartered accountants, or auditors) and major suppliers, or it's been an owner of control shares at any of those parties during the past two years.**
- 8. Its existence as a Board member of the Company for more than nine years, continuous or severed.**
- 9. Receives a sum from the Company plus the Board member's remuneration, or any of its committees, rate (250,000) Saudi Riyals, or 50% of its remuneration for the last year, received against the Board's membership, or any of its committees whichever is less.**
- 10. Subject under any financial commitment towards the Company or any member of its executive Board of Directors, which may limit the exercise of independence in judgment, ruling, or decision-making.**

11. Sharing in a business that may Compete with the Company' business, or trading in any of the Company's branches activity.

The functions and contracts conducted with a member of the Board of Directors to meet its requirements, if they are carried out in the same conditions and situations adopted by the Company concerning the general contractors and dealers, and were within the usual Company activity. Such activities are not considered as an interest denying independence and where a Board Member is obligated to obtain the Ordinary General Assembly permit for it unless the Nomination and Remuneration Committee perceives otherwise.

• **Non-executive member:**

A member of the Board of Directors, not a full-timer manages the Company, or not receiving a monthly or annual salary from it.

• **Related Persons:**

Close family members of parents, spouse, descendants; any person with a business relationship that might influence the decision-making process; and any establishment in which any member of the Board of Directors has more than 5% interest.

• **Stakeholders:**

Each person with an interest in the Company, such as shareholders, policyholders, claimants, employees, reinsurers, creditors, suppliers, regulatory and supervisory bodies, and the community.

• **Actuary:**

A Person who conducts various statistical and probability theories whereby services are priced; liabilities are assessed and provisions calculated.

• **Actuarial Function:**

The department of a Company that consists of one or more Qualified Actuaries, Associate Actuaries and Actuarial Candidates and other natural persons to assist and support the actuarial work of the Company as required in these Rules.



- **Main contributors:**

They are the natural and legal shareholders who own directly or indirectly, either alone or jointly and control 5% or more of the contribution rate in the Company.

- **Share control:**

Owning 30% or more of the voting rights in the Company or the right to appoint 30% or more of the members of the administrative body.

- **Shareholders:**

They are the major shareholders and minority shareholders who are present from time to time.

- **The General Assembly:**

It is the General Assembly of shareholders and contributors in the Company.

- **Executive Management:**

Consists of the Chief Executive Officer (CEO), Vice - CEO, Chief Financial Officer, Chief Operation Officer, Human Resources Head, heads of key departments and risk management officials, internal audit and compliance positions, their representatives, and similar positions in the Company, and other positions specified by the Saudi Central Bank (SAMA).

**First: General Conditions:**

**1- Notice:**

- A. The Board is to review these policy, at least once annually, submits its amendment recommendation to the General Assembly, and provided that is further submitted to the Saudi Central Bank (SAMA), within twenty-one (21) working days from the amendment date.
- B. The Company shall provide the Saudi Central Bank (SAMA) with a copy of the organizational structure approved by the Board and any subsequent updates to it within a period of (21) twenty-one working days from the date of its approval by the Board.

## **2- Code of Conduct:**

The Company is to implement the Code of Conduct fairly, after its approval and any updates thereafter, by the Board, to ensure that the Company's activities are implemented and attained fairly and equitably, the Code of Conduct addresses the following issues:

(1) Conflict of interest. (2) Integrity and honesty. (3) Compliance with laws and regulations. (4) Confidentiality of information. (5) Fair dealing. (6) Protecting the Company's assets. (7) Guidelines and directives for ethical behavior. (8) Mechanism for reporting illegal and immoral behavior, such as reporting violations, corruption, and immoral behavior.

## **3- Succession plan**

The Company shall establish a succession policy and procedures for the CEO and other key members of Senior Management and monitoring the implementation of the succession plans and process.

The Company shall have a performance measurement system in place to evaluate and measure the performance of its employees at various levels, in an objective and formal manner. The performance measurement of Senior Management, in particular, shall be based on the longer-term performance of the Company, and not based on only one year's performance.

## **4- Liability and business accountability:**

- A. The administrative structure of corporate governance reflects the period of executive management responsibility and accountability to the Board, as well as the extent of the Board's responsibility and accountability to subscribers, shareholders and other stakeholders through relevant internal policies and regulations.
- B. Ultimately, the Board is the accountant responsible for the performance, disposal, and compliance of the Company with the systematic manner of the imposed rules. The delegation of authorities and powers to the Board's committees or the executive management will not absolve or discharge the Board of its responsibilities. However, the Board bears the responsibility for other parties involved in business performance and its management.

### **5-Convenience, Fitness and Community Ethics:**

- A. The members of the Board and the Board's committees are supposed to be trustworthy, reliable, possess the qualities of integrity, competence, and experience necessary to fulfill the roles assigned to. They must comply with the implementation of all laws, regulations, and rules issued by both the Capital Market Authority (CMA) and the Saudi Central Bank (SAMA).
- B. The main shareholders are supposed to be of good conduct and reputation, stable and financially secure and free from any convictions related to any acts related to committing any act related to moral breach of trust, or any violations of laws in the Kingdom of Saudi Arabia or any other judicial authority.
- C. That all appointments to senior positions that include members of the Board, and its committees are supposed to be implemented by the requirements of the Saudi Central Bank (SAMA) to achieve higher appointments in financial institutions.
- D. The nomination policy and reward determination, adopted and implemented by the Company, are supposed to guarantee that the achievement of standard criteria and procedures are formal, accurate, and strict. That is to maintain continuity in monitoring, evaluating suitability, tact, the commitment of each of Board members, its committee members, as well as the executive management members as per the requirements of Section 4 (a) above. Also, It must immediately notify the Saudi Central Bank (SAMA) of any information or circumstances that may relate to the fitness and suitability assessment of those individuals, within (3) three working days from the day of obtaining that information, or from the day change occurrence.

### **6- Independence:**

The organizational structure of corporate governance is supposed to support the step of independent decision-making across the organization, for example by establishing a clear separation of duties between the Board and the executive management in a manner that enhances the independence of

the functions of supervision, command, government and of conflicts of interest.

### **7- Reward:**

- A. The Board should review the Company's remuneration policy and study the reconsideration to any necessary adjustment annually as a minimum. However, all subsequent amendments to that source must be submitted to the Saudi Central Bank, within twenty-one (21) working days from the amendment date.
- B. The Company remuneration policy is assumed to covers all employees' categories, whether statutory or contractual and directed to address the following aspects:
- The objectives of the compensation plan focuses on developing risk-affected management and on achieving reliability, financial safety, and Company stability.
  - The organizational structure and composition of the compensation system (which includes the main determinants of compensation and the alignment of compensation with risk, etc.).
  - Determinants of the reward components mixture (whether fixed or variable and whether it is monetary or non-monetary benefits and other, etc.).
  - Link compensation with performance.
- C. The Board bears the responsibility of providing and ensuring that the level of compensation and composition is:
- Fair and equitable,
  - Consistent with the objectives of the Company,
  - Encourages wise behavior that does not stimulate high-risk transactions to achieve short-term profits,
  - Compliant and compatibles with the Company's risk management policy approved by the Board,
  - Not to cause any conflict of interest, which may negatively affect the performance of the Company,
  - Achieve the interests of stakeholders and shareholders and the Company's long-term goals.

- D. The Company should implement a system for measuring performance in the same place to evaluate and measure the performance of its employees at and varied and different levels. That shall be in an objectively and officially manner that measuring the performance of the executive management, in particular should be based on the long-term performance of the Company but does not depend on the performance of one just year.
- E. The Nomination and Remuneration Committee should conduct an annual bonus review (internally through the internal audit function, and externally by assigning external elements to a specialized company) on the basis done in a way that is independent of the executive management.
- F. That the composition of the employees' remuneration, in control and discipline positions, (as internal audit, compliance, and response), required to be designed for guaranteeing the objectivity and independence of these functions are taken into account.

In this respect, the Company management is required to confirm its non-interference in the performance measuring process and determination of compensation and remuneration of such employees and workers.

- G. That members of the Board and executive management (excluding sales managers) must not receive any commission or bonuses for any activities related to sales (such as production). Also, any variable component to compensate members of the Board and executive management, save sales managers, will not be directly indicated to the size of the premium.

## **Second: Shareholders and General Assembly Rights**

### **1. Shareholders General Rights:**

Shareholders shall have the right to exercise all rights related to the share, and in particular have the right to obtain a share in the distributed profits, a share of the Company's assets upon liquidation, attend shareholders' associations according to the regulations, participate in its deliberation and vote on its decisions, to dispose of the shares in accordance with the

provisions of the corporate system, the financial market system and their executive regulations, to monitor the actions of the Board of Directors and to file a liability claim on the members of the Board, to inquire and request information not harmful to the company interests, and does not conflict with the financial market system and its executive regulations, have the right of questioning and raise the Board members and raise responsibility lawsuit in their face and challenge the invalidity of the decisions of the general shareholders' associations and private in accordance with the conditions and restrictions contained in the corporate system and the of the company's article of incorporation, and the nominate of the members of the Board of Directors and elect them.

**2. Facilitating shareholders' exercise of their rights and access to information:**

- A. The Company's Articles of Association (Articles 25-37) and its internal regulations, including its bylaw, include the procedures and precautions necessary to ensure that all shareholders exercise their statutory rights.
- B. The Company is committed to providing all the information that enables shareholders to exercise their rights in full, ensures that it is an absolute information and provided and regularly updated and timely as specified in the regulations. The Company will use an efficient way to communicate with shareholders, while it is non-permissible to distinguish between shareholders categories in providing information.
- C. And it is not permissible to distinguish between Categories of shareholders concerning providing information. Note that none of the shareholders interfere in the work of the Company's Board of Directors or executive management unless been a member of one of them. It may interfere through the ordinary General Assembly according to its terms of reference or within the limits and situations permitted by the Board of Directors.
- D. Reports available for Shareholders: Interim Financial statement, Annual Financial Statement, and Board of Directors Annual report to be available in Wataniya and Tadawul website for shareholders view.

- E. The Company shall take available procedures to encourage minority shareholders and non-institutional shareholders to fulfill their roles as shareholders of the Company.

### **3. Shareholders' equity related to the general meeting:**

- A. The Company shall hold the General Assembly at least once a year during the six months following the end of the Company's financial year.
- B. The General Assembly meets at the invitation of the Board of Directors. The Board of Directors must invite the General Assembly to meet if requested by the legal auditor or shareholders whose ownership represents (at least 5%) of the capital
- C. The Company shall announce the date of the General Assembly meeting, venue, and agenda, at least twenty-one (21) days in advance, and publish the invitation on the market site and in a widespread daily newspaper in the Kingdom, and modern technology can be used to contact shareholders.
- D. The Company is committed to providing shareholders with the opportunity to actively participate and vote in the shareholders' General Assembly meetings, Also, advise them of the rules that govern these meetings and voting procedures, and their participation in deliberations and voting on decisions using modern technology.
- E. The Company is committed to employing its best efforts to facilitate the participation of the maximum shareholders' number in the General Assembly meeting, including choosing the appropriate venue and time.

When preparing the agenda for the General Assembly meeting, the Board of Directors is obliged to consider the preparation and submission of a report containing a comprehensive and objective evaluation of the status and performance of the Company on an annual basis for, including but not limited to the following:

- 1) An analytical review of the Company's financial performance during the last period.
- 2) The main decisions taken and their impact on the status and performance of the company.
- 3) Evaluating the Company's strategy and

financial position. 4) The names of any joint stock companies in which a member of the Company's Board of Directors is a member of their Boards of Directors. 5) Any punishment, preventive restriction or penalty imposed on the Company by any judiciary, supervisory or regulatory body. 6) Any assessment of potential hazards and how to manage them. 7) Future objective perceptions of performance.

F. That is in addition to the disclosure requirements applicable by the Capital Market Authority (CMA), and the Saudi Central Bank (SAMA) regulations, or any other regulatory bodies. The Company's annual report is required to contain the following information (regardless of its arrangement): 1) The Board's positions, its composition, names of the Board Chairman, Vice –Chairman, Current session dates, the start and end of the current session dates, the number of non-executive members, the number of meetings held during the term, date, date of attendance of each meeting and the remuneration details for each Board member. 2) classification title for each Board member (executive, non-executive, or independent). other companies in which a member is acting as a member of the Board or any entity representing the committee and its functions (if applicable). 3) For each Board emanating committee. name of the committee and its functions and its members (classified as Chairman of the Board, executive member of the Board. Non-executive member. Non-independent member of the Board or non-member of the Board) the number of meetings held during the term, date, and attendance of each meeting, remuneration of the member for service with the committee. 4) An overview of the personal information of all members of the executive management (including the name, position, qualifications, and experience of each executive director). 5) The total compensation and remuneration paid to the members of the Board as well as five members of the executive management who are paid the highest bonuses (CEO, Board member, financial manager) if had been among those five members receiving highest remuneration during the period (divided between salaries, bonuses, additional remuneration and any other compensation) in addition to describing any performance incentives available to members of the executive management. 6) Ownership in the



- Company (direct and indirect) by members of the Board and members of the executive management and any amendments in their ownership during the past year as listed in the record approved by the shareholders.
- 7) Description of transactions with any related parties, including the major shareholders, members of the Board and the executive management, occurring during the period and manner of its approval. 8) Any potential conflicts of interest and how directed and addressed. 9) The names and ownership of all the major shareholders in the Company. 10) The results of the annual audit that is effective and sufficient in the Company's internal control and discipline system. 11) The statement about the Company's compliance with the requirements of the Saudi Central Bank (SAMA). (Corporate insurance). The insurance Company's corporate governance system with the Company regulation along with the justification for all examples of cases of non-compliance.
- G. The Board is obligated to include in the meeting agenda the topics that shareholders desire to bring for discussion. The shareholders who own at least 5% of the Company's shares may add one topic or more to the agenda of the General Assembly meeting when it is prepared.
- H. The Company grants shareholders the right to discuss the topics on the agenda of the General Assembly and cast questions regarding it to the Board members and the chartered accountant. The Board of Directors or the chartered accountant must answer the shareholders' questions to the extent that the Company's interest is not compromised.
- I. The Company is committed to providing the necessary and sufficient information that enables the shareholders to take their decisions and vote on the issues presented to the General Assembly.
- J. The Company is committed to enabling shareholders to view the minutes of the General Assembly meeting, and it is also committed to providing the Capital Market Authority (CMA) with a copy of the meeting minutes within ten (10) days from the date of its meeting.
- K. The Company is obliged to inform the market of the results of the General Assembly as soon as it ends and per the instructions of the Capital Market Authority (CMA) and regulatory authorities.

#### **4. Voting Rights:**

- A. Voting is a basic right of the shareholders and should not be canceled in any way. The Company is obligated not to establish any procedure that impedes the use of the shareholder's right to vote and is committed to facilitating the exercise of the shareholder's right to direct or proxy voting.
- B. The Company is obligated to follow the cumulative voting method when voting to select the members of the Board of Directors in the General Assembly.
- C. The Company is obliged to give the shareholder the right to appoint a person - in writing - another person who is not a member of the Board of Directors and who is not a Company employee to attend the General Assembly meeting and vote in proxy thereof.

#### **5. Shareholders' equity in the dividends:**

- A. The Board of Directors is obligated to disclose to the shareholders the dividend's distribution policy in a manner that meets their interest and the Company's interest. The policy is to be informed to the shareholders at the General Assembly meeting and referred to in the Board's report.
- B. The Board of Directors will present the proposed profits and their distribution date to the General Assembly for approval. The dividend eligibility will be either cash dividends or shares' bonus to the shareholders registered in the securities depository records at the end of trading on the day of the General Assembly Convening.

#### **Third: Disclosure and transparency:**

The Company's Board of Directors is obligated to set the disclosure policies, procedures, and supervisory systems in writing as per the regulations, amongst which is the Board's annual disclosure report, in addition to the stated in the registration and listing rules, regarding the contents of the Board's report attached to the Company's annual financial statements, and the Board report will include the following:

- 1. The Board's members' names, committee members, executive management, and their current, previous positions, qualifications, and experience.**
- 2. Names of companies in-kingdom or out of-Kingdom in which a Board member of the Wataniya Insurance Company is a member of its Boards of Directors.**
- 3. Defining the Board of Directors and classifying its members as follows: a member of an executive Board of Directors, a member of a non-executive Board of Directors, or an independent Board member.**
- 4. The measures taken by the Board of Directors to inform its members of the shareholders' proposals and observations regarding the Company and its performance.**
- 5. The means adopted by the Board in evaluating the performance of the Board, its members, committees, and external bodies used for that (if any).**
- 6. A brief description of the functions of the main Board committees and their tasks such as the Audit Committee, the Nominations and Remuneration committee, Investment Committee, Executive Committee, Risk Management Committee mentioning the names of these committees, their chairmen and members, the number of their meetings and the attendance record.**
- 7. Details of bonuses and compensation (according to the definition of corporate governance issued by the Capital Market Authority (CMA) paid to each of the following, each separately: 1) Members of the Board of Directors. 2) Five of the senior executives who receive the highest compensation and compensation from the Company, including the CEO and CFO, if they were not among them.**
- 8. Any penalty, sanction, or reserve restriction imposed on the Company by the Capital Market Authority (CMA) or any other supervisory, regulatory, or judicial authority.**
- 9. Results of the annual audit of the effectiveness of the Company's internal control procedures.**
- 10. Recommendation of the Audit Committee regarding the need to appoint an internal auditor in the Company.**

11. The recommendations of the Audit Committee that are inconsistent with the decisions of the Board of Directors or that have not been adopted regarding the appointment and dismissal of the Company's auditors, and the reasons for non-acceptance.
12. The social contributions of the Company, if any.
13. A statement of the dates of the Company's shareholders' General Assembly during the last financial year and the names of the Board members attending.
14. A description of any contractual interest and securities belonging to members of the Board of Directors, senior executives and their relatives in the shares or debt instruments of the Company.
15. A description of any loans to the company and provide a declaration in the absence of any of them.
16. A description of the categories and numbers of any debt instruments, securities, underwriting rights, or similar rights that were issued, granted, or redeemed during the fiscal year and its returns.
17. The number of Board meetings held during the fiscal year and its attendance record.
18. The number of Company requests for the shareholder register, the dates, and reasons for those requests.
19. A description of any transaction between the Company and a related party, clarifying its nature, conditions, duration, amount, and submitting a declaration in the absence of deals.
20. A statement of any arrangement or agreement whereby a member of the Board, shareholders, or senior executives waived rights to profits or rewards.
21. A statement of the regular payments made and due for the payment of zakat, taxes or fees that were not paid until the end of the financial period.
22. A statement of the value of any investments or reserves created for the benefit of the Company's employees.
23. Acknowledging that the Company's records were prepared correctly, that the internal control system was prepared on sound bases and effectively implemented, and that there is little doubt that the Company can continue its activity.

24. A statement of any reservations to the annual financial statements in the auditor's report, if any.

25. Explaining the recommendation of the Board of Directors to change the auditor before the end of the appointment period, along with a statement of the reasons for that.

#### **Fourth: The Board of Directors:**

##### **1. The most important basic functions of the Board of Directors of Wataniya Insurance Company are:**

Adopt the strategic directions and main objectives of the Company and supervising their implementation, including:

- Providing strategic guidance to the Company, including setting objectives and formulating strategic plans, supervising the implementation of strategic plans and major transactions. Approving key policies and procedures and regularly reviewing and updating them.
- Establishing and monitoring the Company's internal control system and ensuring its adequacy and effectiveness.
- Establishing and monitoring a risk management system, where risks are assessed, managed, and monitored on a continuous basis.
- Selecting and changing (if needed) executives in key positions, and ensuring that the Company has an appropriate replacement policy for their replacement by an appropriate alternative with the necessary skills and eligibility for the office.
- Supervising Senior Management and monitoring the Company's performance against the performance objectives set by the Board.
- Setting the Company's overall strategy, main business plans, risk management policy, review, and guidance.
- Ensuring the integrity of the Company's accounting and financial reporting system and the appropriateness of its disclosure process.
- Ensuring that the interests of the policyholders are being protected at all times.
- Promoting higher standards of corporate governance and ensuring compliance with applicable laws and regulations at all times.

- Determine the optimal capital structure for the Company, its strategies and financial goals and approve annual budgets.
- Overseeing the main capital expenditures of the Company, owning and disposing of assets.
- Setting performance targets, monitoring implementation, and overall performance quality in the Company.
- Periodic review and approval of organizational and functional structures in the Company.

**2. Establishing systems and controls for internal control and general supervision over them, including:**

- A. Developing a written policy that regulates Conflict of Interest in the Company and addresses potential conflicts of interest for each of the members of the Board of Directors, executive management and shareholders, including the misuse of the Company's assets and facilities, and the misbehavior resulting from transactions with related persons.
- B. Ensuring the integrity of the financial and accounting systems, including those related to financial reporting.
- C. Ensuring the application of appropriate control systems for risk management, by setting a general perception of the risks that the Company may face and putting it forward in a transparent manner.
- D. Annual review of the effectiveness of the Company's internal control procedures.
- E. Adoption of the Company's corporate governance system - consistent with the laws and regulations of the regulatory authorities in the Kingdom, general supervision of its implementation, monitoring its effectiveness and amending it when needed.
- F. Setting clear and specific policies, standards, and procedures for membership in the Board of Directors and putting them into effect after approval by the General Assembly.
- G. Develop a written policy regulating the relationship with stakeholders in order to protect them and preserve their rights. This policy should include:
  - Stakeholder compensation mechanisms in the event of violations of their rights established by the regulations and protected by contracts.

- Mechanisms for settling complaints or disputes that may arise between the Company and the stakeholders.
  - Suitable mechanisms for establishing good relationships with customers and suppliers and maintaining the confidentiality of information related to them.
  - The rules of professional conduct of the managers and employees of the Company to conform to the sound professional and ethical standards and regulate the relationship between them and the stakeholders, provided that the Board of Directors sets up mechanisms to monitor the implementation of these rules and adhere to them.
  - Establish mechanisms for the Company's contribution to social responsibility.
- H. Establishing policies and procedures that ensure the Company's respect of laws and regulations and its commitment to disclose material information to shareholders, creditors, and other stakeholders.

### **3. Board responsibilities:**

- A) Board meetings are held regularly at least (4) four times per year at a rate of (1) one meeting per quarter. The meeting convenes upon the invitation of its President or two members' requests, it shall not be valid unless attended by at least half of the Board's members provided that not less than three.
- B) Non-executive Directors shall hold closed meetings without the executive management attending at least once for the year.
- C) That the minutes of the Board meeting is recorded and signed by its president and secretary and then recorded in the official register.
- D) The minutes of the meeting are required to be accurate and reflect all items, topics discussed, and to record all decisions taken and any other topics discussed in those meetings.
- E) The minutes of the meeting are required to document any voting carried out during the meeting, including objections, proposals, and steps to abstain from voting, as well as all the documents referred to and attached to these minutes.

- A. Subject to the powers of the General Assembly, the Company's Board shall assume all the powers and powers necessary to manage it. The ultimate responsibility for the company remains with the Board, even if it forms committees or delegates other entities or individuals to carry out some of its actions. Accordingly, the Board is obliged to avoid issuing general mandates.**
- B. The Board of Directors abides by the responsibilities clearly stated in the Company's Articles of Association.**
- C. The Board of Directors is obligated to perform its duties and responsibilities with the principle of goodwill, seriousness, and concern, and that its decisions are based on adequate information from the executive management, or any other reliable source.**
- D. A member of the Board of Directors is obliged to perform what is generally in the best interest of the Company rather than meeting the interests of the group he represents or has voted for appointing it to the Board of Directors.**
- E. The Board of Directors determines the schedule of powers, including the financial powers that it delegates to the executive management, decision-making procedures, and the delegation duration. It also specifies the topics empowered for it to decide. Also, the executive management shall submit periodic reports on its practicing the powers delegated.**
- F. The Board of Directors shall be obliged to inform the new members of the Board of the nature of the Company's work, especially the financial and legal aspects, as well as to train them if necessary.**
- G. The Board of Directors is obligated to provide adequate information about the Company's affairs to all Board members in general, non-executive, and independent Board members, enabling them to carry out their duties and tasks with high efficiency.**
- H. The Board is obligated not to sign a loan exceeding three years, sell the Company's real estate or mortgage them, or absolve the Company's debtors of their obligations unless authorized by them per Company system based on its outlined conditions. If the Company's Articles of Association, is not including provisions in this regard, the Board shall not perform the said actions without the General Assembly's approval, unless**



such acts already inherently included in the purposes and the nature of the Company business.

- i. The Company shall Establishing a succession policy and procedures for the Board Member and Committee member and monitoring the implementation of the succession plans and process.

#### **4. Membership of the Board shall be terminated upon:**

Membership of the Board shall be terminated upon:

- a. Expiration of the appointment term
- b. Resignation of the Board member
- c. Death of the Board member
- d. Becoming physically or mentally impaired in a way that could severely limit his or her ability to properly perform his or her role
- e. Being declared bankrupt or insolvent or making a settlement request with creditors or ceasing to pay debts
- f. Being convicted of an offence involving moral dishonesty or contravention of laws in the Kingdom of Saudi Arabia or any other jurisdiction
- g. Failure to fulfill the Board member's obligations in a way that harms the Company (in which case the termination of the Board member must be approved by the general assembly)
- h. Failing to attend three (3) meetings that were held within one year without a legitimate and acceptable reason
- i. Inability to continue performing their role based on any of the applicable laws and regulations in the Kingdom of Saudi Arabia

#### **5. Competencies and Duties of the Chairmen of the Board**

- a. Organizing the Board's activities, including setting the agenda for Board meetings in consultation with the CEO and other Board members, presiding over Board meetings, and overseeing the process of providing the Board with information and reports.
- b. Encouraging the Board members to effectively perform their duties in order to achieve the interests of the Company.
- c. Ensuring that there are actual communication channels with shareholders and conveying their opinions to the Board.

- d. Encouraging constructive relationships and effective participation between the Board and the Executive Management on the one hand, and the Executive, Non-Executive and Independent Directors on the other hand, and creating a culture that encourages constructive criticism.
- e. Representing the Company before judicial bodies and supervising the relationships between the Board and internal and external parties.
- f. Supporting the Board's efforts in promoting higher standards of corporate governance and ensuring compliance with applicable laws and regulations at all times.
- g. The Board must choose a Non-Executive Director as Chairman of the Board, and also the Board may select a nonexecutive member as Vice-Chairman, after obtaining "no-objection" from Saudi Central Bank (SAMA).

#### **6.Chief Executive Officer (CEO):**

- a. Representing the Company in its relations with all third party, Governmental & non – Governmental entities, Private & Commercial sectors, Governmental & non- Governmental Bids.
- b. Appointing the Company's branches Managers and all executive decisions.
- c. Signing on behalf of the Company, and any other documents in which the Company participates with all its amendments, appendices.
- d. Renting, receiving & paying Company's dues.

#### **7.Board Secretary:**

- a. The Board shall appoint a Secretary of the Board, for its term, to arrange the Board activities and provide support and assistance to Board members. The Secretary can be a member of the Board or of the Company's staff.
- b. The Secretary of the Board shall have adequate experience and knowledge of the Company's business and activities, possess strong communication skills and be well-informed of applicable laws and regulations and best practices in corporate governance.

- c. He/she holds a bachelor's degree in law, finance, accounting, or business administration or their equivalent, and has relevant practical experience of not less than three years; or he/she has relevant practical experience of not less than five years.
- d. The code of corporate governance of the Company shall define the roles and responsibilities of the Secretary of the Board. In addition to any other regulatory or supervisory requirements, the Secretary of the Board of Directors shall conduct his/her responsibilities as directed by the Chairman of the Board. His/Her responsibilities include, but are not be limited to, the following: arranging meetings of the Board; in addition to ensuring the availability of appropriate means of communication for the exchange and recording of information between the Board and its committees and between members of Senior Management and non-executive Board members; in addition to maintaining minutes of the Board meetings. The minutes are the permanent official record of the work and decisions taken by the Board and its subcommittees. The Minutes shall be accurate and shall clearly reflect all the items and topics discussed during the meetings of the Board of Directors and shall record all decisions taken and any other matters discussed at the meetings.
- e. The Board's minutes shall document any votes made during the meetings, including objections or abstention from voting. Any documents referred to during the meetings shall be attached and referred to in the minutes. A comprehensive statement shall be prepared containing the names of the present and absent members, and a list of committees approved and any case of abstention (if any) by any member and the reasons thereof.
- f. The Secretary shall give advance notices, send meeting agendas with any relevant materials to Board members and ensure their delivery within a period of (10) working days prior to the meeting.
- g. Minutes of the meetings shall be distributed to the parties concerned within a period not exceeding fifteen (15) days. The person or entity responsible for implementing the resolutions taken shall be determined. The Board should, at the beginning of each year, set a specific timetable for receiving reports from the committees concerned and internal and external auditors, and shall ensure that the mechanism for the collection, preparation and submission of reports and data is in place and in line with

- the internal adopted policy. It shall also ensure the preparation of important information and its presentation to the Board on a timely basis.
- h. The compensation of the Secretary for performing this role shall be determined by the Board.

### **8.Composition of the Board of Directors**

**Concerning the Board of Directors composition, the company abides by the stipulated in the Company's Articles of Association, including:**

- A. The number of members of the Board of Directors in the Company's system ranges from (5) to (11) members.
- B. The Board members are appointed by the General Assembly for the period stipulated in the Company's Articles of Association, provided that it is not exceeding three years, also they may be reappointed for other periods, without violating the laws and regulations.
- C. The majority of the members of the Board of Directors shall be non-executive members.
- D. That the position of the Board Chairman not combined with any executive position of the company as Managing Director or CEO.
- E. The number of independent Board members should not be less than two Board members or one third of the Board members, whichever is more.
- F. All individual Board members have the same proportionate authority and influence over board decisions.
- G. The existing transparent policies, standards, and procedures adopted in nomination to the Board, approved by the General Assembly, and been notified to the Saudi Central Bank (SAMA), take into consideration the following aspects:
  - Allow sufficient time to review the candidacy proposals for Board membership in terms of nomination and remuneration.
  - Create a committee and document the findings and recommendations.
  - Obtainment of a "No Objection Letter" from the Saudi Central Bank (SAMA) before the appointing any Board member.

- Provide shareholders with sufficient information on the candidate's qualifications and relations with the Company before voting.
  - Apply the cumulative voting method when voting in the General Assembly to elect the Board members.
  - It is assumed that the number of candidates for the Board submitted to the General Assembly for voting to be more than the number of seats available, in order to allow the General Assembly to choose from many candidates.
  - When a Board member's position falls vacant, the Board will appoint a new member to fill the vacant position for the remaining period, provided that the appointment is submitted for approval by the assembly in its next general meeting.
  - In the event of a Board's member resignation, upon the termination of its membership for any reason, other than due to the end of the appointment, it is stipulated to advise Saudi Central Bank (SAMA) accordingly, within a period of five (5) working days starting from the contract signing date, while observing the applicable disclosure requirements for soliciting a member service.
- H. Mechanism and causes of membership termination of a Board member, while maintaining the constant right of General Assembly to dismiss all or some of the Board members, at all times.
- I. Immediately notify the authority and the market, with the termination announcement, of the membership of a Board member within five (5) working days, due to the end of its term, by any termination manner, while indicating the reasons thereto.
- J. A member of the Board shall avoid engaging in a membership position on the Board of Directors in more than five joint-stock companies simultaneously.
- K. A member of the Board of Directors should avoid being a member of the Board of Directors of any insurance or reinsurance Company or any committee affiliated with the board or occupy a leadership position in such companies.
- L. The Board appoints a Secretary during its tenure to handle the Board activities and provide assistance to its members, provided that the Board

determines the Secretary remuneration. Also, the Secretary may be a member of the Board of Directors or the Company's staff member and must have sufficient experience and knowledge of the Company's business and activities, strong communication skills and familiar with the laws and regulations in force, and the best practices applied in corporate governance:

- The Board meetings arrangement
- Ensuring the availability of appropriate methods for communication in order to record and exchange information between the Board and its committees and between members of the executive management and members of the Board Executive members.
- Maintaining the meetings minutes, which is a permanent official record of the work and the decisions taken by the Board and its sub-committees.
- Prepare a comprehensive statement containing the names of the attending and absentee Board members, list of accredited committees, and any abstention case of a board member (if any) by any Board member and the reasons for that.
- Give advance notifications and send agendas with any related materials to Board members, with confirmation of their delivery within a period of ten (10) working days prior to the meeting.
- Distributing the minutes of the meeting to the parties concerned within a period not exceeding (15) fifteen days.

M. The Board shall determine the person or entity responsible for implementing the decisions taken.

N. At the beginning of each year, the Board sets a specific timetable for receiving reports from the relevant committees and internal and external auditors. The Board ensures that the applied mechanism for collecting, preparing, and delivering reports and data is in place and consistent with the approved internal policy.

### **9. Board Committees and their independence**

A. The Company is obligated, according to the Articles of Association, to form supervisory committees according to the Company's need and

circumstances, so that the Board of Directors can perform its duties effectively.

- B. As a minimum, the Board is incumbent form an Executive Committee, an Audit Committee, a Nomination, and Remuneration Committee. Risk Management Committee, and an Investment Committee.
- C. The Company is obligated to form the committees affiliated with the Board of Directors, according to general procedures set thereby. The Board procedures define the committee's mission, the duration of its work, the powers granted to it during this period, and how the Board monitors it. The Board is obligated to set work regulations for all standing committees emanating from it, including the Executive Committee, Investment Committee, Risk Management Committee, Audit Committee and the Nomination and Remuneration Committee.
- D. The Board is obligated to set work regulations for all standing committees emanating from it, including the Executive Committee, Investment Committee, Risk Management Committee, Audit Committee and the Nomination and Remuneration Committee.
- E. The Board of Directors is obligated to appoint a sufficient number of non-executive Board members to the committees concerned with the tasks that may result in conflicts of interest. Also, ensuring the integrity of financial and non-financial reports, reviewing discounts' deals granted to any of relevant persons, and the nomination for the Board's membership, and appointing executives, and defining the enumerations.

#### **9. Audit Committee Formation Work Manner:**

- A. The Board is obligated to establish a committee named the Audit Committee, composed of non-executive Board members. The Board executive members, Company executive management members, consultant employees, non-Board members, or executive management officers, and/or any representatives of any party associated with the Company. That the members of the Audit Committee shall not be less than (3) three members or more than (5) five members. The Committee meets periodically, provided that its meetings are not less than (6) six meetings during the financial year of the Company, and most of the Committee members are required to be from outside the Board members, and the

**Chairman of the Board of Directors must not be a member or Chairman of the Audit Committee. A member of the Audit Committee should not be a member of a Board or a review Committee of any other Company operating in the insurance sector in the Kingdom of Saudi Arabia. It is assumed that a member of the Audit Committee does not serve on many Audit Committees in more than four (4) public companies at one time. Also, it is not permissible for anyone who works or has been working for the past two years in the executive or financial management of the Company, or with the Company's auditor, to be a member of the Audit Committee.**

- B. Also, the Audit Committee shall include, a least two members plus the Chairman, required not to be simultaneously the Chairman of the Board of Directors and specialized in financial and accounting affairs approved and endorsed as per the Audit Committee system of the Saudi Central Bank (SAMA) for Insurance and Reinsurance Companies and the Ministry of Trade and Industry.**
- C. The Audit Committee formed according to the procedures and rules for selecting its members, their membership duration, and monitoring its activities to be issued by the General Assembly upon the Board recommendation.**
- D. Also, the Board shall determine the number of the Audit Committee members, membership duration, their successive sessions schedule, and also ensure that their meetings are held on an adequate periodic basis.**
- E. The Committee meeting shall not be valid unless attended by, at least, two members of the Audit Committee (i.e., half of them). The decisions of the Audit Committee are decided and issued by the majority of the votes of the members. In case the votes are equal, the Chairman of the Committee will have a weighting vote. The secretary of the review Committee must record the views of all parties within the minutes of the meeting.**
- F. The Board of Directors is obliged to obtain the approval of the General Assembly of the Company on the rules for selecting the members of the Audit Committee, their membership term, committee work method, and the amount of remuneration of its members.**
- G. The Committee frequently meets whenever it is deemed necessary by its Chairman provided that at least six (6) meetings held annually. Meetings**



are held at any time if requested by at least two members. The decision is issued based on the approval of two members, in writing. Meetings often coincide with the end of each quarter to approve the Company's financial outcomes.

- H. The Committee frequently meets whenever it is deemed necessary by its Chairman provided that at least one (1) meeting held annually with the Board. The Audit Committee is entitled to hold other meetings in response to any of the following cases which include, but not limited to:
- If requested so by the Chairman of the Board of Directors.
  - In the cases whereby either the External Auditor and the Internal Auditor requests, the Compliance Officer or the Insurance Account Expert,
  - The Committee holds a meeting, for any reason that so requires, and/or for other topics and issues such as (1) Auditing issues to financial means, (2) matters concerning compliance, (3) conflict of interest and/or (4) professional practices and work ethics.
  - The Audit Committee has the right, if necessary, to invite whoever it may consider relevant from inside and outside the Company to attend its meetings.
- I. After obtaining a written "No Objection Letter" from the Saudi Central Bank (SAMA), the Board shall appoint the members to the Audit Committee and the Chairman of the Board who (to be appointed as one of the committee members for a period of (3) three years. Also, the Board may renew the Audit Committee term or of one of its members, once for three years. The Board also may appoint new members to the Committee, after the election of a new Committee, after obtaining a no-objection approval by the Saudi Central Bank (SAMA). The Board may also, dismiss any member of the Audit Committee, if it discontinues or fails to fulfill the conditions membership conditions, or commits a violation to the terms of the system of the Audit Committee of the Saudi Central Bank (SAMA), of concern to insurance and reinsurance companies, Saudi Central Bank (SAMA) control and supervision system for cooperative insurance companies, and its executive system, or any related regulations and instructions issued by Saudi Central Bank (SAMA), or the Capital Market Authority (CMA). A member of the Audit Committee is entitled to resign,

and after submitting its resignation, it may request the Board for a grace period of one month, before the effective date of its resignation. a member of the Audit Committee is considered resigned if it fails to attend any of the Board meetings, for more than three times consecutively, without submitting an acceptable excuse. A member's membership term ends automatically when occurred any change causing a violation of the set conditions in the Saudi Central Bank (SAMA) Audit Committee system applicable to insurance and reinsurance companies, or any regulations (instructions or decisions issued by the Saudi Central Bank (SAMA) or the Capital Market Authority (CMA). The Committee member shall immediately inform the Company in writing when such a change occurs, and it must not attend any meeting of the Audit Committee to be convened after the change date.

1. The Audit Committee appoints a secretary to the Committee from its staff to assume the implementation of its administrative tasks, prepare the minutes of its meetings, and ensure that the committee's Chairman signs these minutes and schedules the meetings of the Audit Committee in coordination with its Board of Directors.
  2. If the position, of any Committee member, falls vacant, then the Board shall within one month, from the date the position opening, nominates another member to fill the vacancy, provided that the nomination is submitted at first, to the Saudi Central Bank (SAMA) for approval; only a new member is obliged to complete the term of its predecessor.
  3. The tasks and responsibilities of the Audit Committee include the following, as well as any additional tasks that may be determined by the Saudi Central Bank (SAMA) from time to time.
- J. The membership period is 3 years (three years) from the date of appointment, and the membership of the Audit Committee ends with the end of the appointment period, resignation or death, or if it is proven to the Board of Directors that the member has violated its duties in a way that harms the interest of the Company, or the expiration of its membership according to any system or instructions in force in the Kingdom, or In its absence from attending more than three consecutive

sessions without an excuse accepted by the Committee Chairman or if he ruled a month of bankruptcy or insolvency or submitted a request to settle with its creditors or stopped paying its debts or became lost or mentally ill or if it was proven that he committed an act that violates honesty and morals or is convicted of forgery . If the position of one of the Committee members becomes vacant, the Board may nominate a member in the vacant position, provided that its nomination is presented to the Saudi Central Bank (SAMA) and then to the ordinary General Assembly at its first meeting to approve the nomination, and the new member only completes the term of its predecessor. If the number of members of the Committee falls below the quorum necessary for the validity of its meetings, the necessary number of members must be nominated.

- K. If a conflict arises between the recommendations of the Audit Committee and the Board resolutions, or if the Board refuses to put the Committee's recommendations into action as to appointing or dismissal the Company's external auditor or determining its remuneration, assessing its performance or appointing the internal auditor, the Board's report shall include the Committee's recommendations and justifications, and the reasons for not following such recommendations.

**The duties of the Audit Committee include:**

- a. Ensuring the integrity of the Company's procedures and the degree of its compliance with the regulations followed in the Kingdom of Saudi Arabia.
- b. Review the Company's periodic financial reports that are submitted to the Saudi Central Bank (SAMA).
- c. Provide Saudi Central Bank (SAMA) with all the information that is likely to be requested by them.
- d. Overseeing the Company's internal audit department; to verify the degree of its effectiveness in carrying out the tasks and functions assigned to it by the Board of Directors.
- e. Study the internal audit system and draw up a written report on the committee's opinion and recommendations thereon.
- f. Study internal audit reports and follow up on the implementation of corrective actions for the notes contained therein.

- g. To recommend to the Board of Directors the appointment and dismissal of statutory auditors and determine their fees, and when recommending appointment, care shall be taken to ensure their independence.
- h. Follow up on the work of certified auditors and approve any work outside the scope of the audit work assigned to them while performing the audit work.
- i. Study the audit plan with the legal auditor and provide their observations thereon.
- j. Study the notes of the certified auditor on the financial statements and follow up on what has been done.
- k. Study the preliminary and annual financial statements before submitting them to the Board of Directors and expressing an opinion and recommending them.
- l. Study the accounting policies adopted and express an opinion and recommendation to the Board of Directors regarding them.
- m. Discuss and review the Company's policies for assessing Company risks.
- n. Evaluating the performance and approval of the appointment of the Company's internal auditor.
- o. Providing the Board of Directors periodically with an assessment of the Company's performance, financial situation, and the degree of compliance with the regulations.
- p. Establishing an internal system for the Company to receive and address complaints regarding accounting and auditing standards.
- q. Ensure that the information about the Company's clients is kept confidential.
- r. Supervise, monitor, and evaluate the performance of the Director of Internal Audit and the Director of Compliance and recommend appointment or dismissal and propose their remuneration.

**10.Nomination and Remuneration Committee Formation and method of work:**

- A. The Board is obligated to form a committee named the "Nomination and Remuneration Committee" so that its members' number is not less than (3) three and not more than (5) five. its Chairman will be from non-executive members and their majority independent members.

- B. The Board is obliged to obtain the approval of the General Assembly to the Committee's Nominations and Remunerations selection rules, their work term regulations, and the amount of their remuneration.
- C. The Committee holds its meetings occasionally whenever its Chairman deems necessary (at least once annually), and the meeting is held at any time if at least two members so requested. The decision shall be issued with approval if he agrees with it in writing two members of the Committee.
- D. The membership period is 3 years (three years) starting from the date of appointment and ends upon its expiration, resignation, death, if evident that it has breached its duties, in a manner harmful to the interest of the Company. Also, if the membership term expiry is due to any regulation or instructions, in force in the Kingdom, or for absenteeism for more than three consecutive sessions without an excuse acceptable to its Chairman. Also, if ruled by bankruptcy or insolvency, submitted a request for settlement with its creditors, stopped paying debts, fall unconscious, suffered a mental illness, or if evidence that it committed an act violating honesty or morals, or convicted of forgery. Also, if it is judged by Declaration of its insolvency, bankruptcy, submitted a request for settlement with its creditors, stop paying its debts, fall unconscious or suffered a mental illness, or if it is proven that it committed an act that violates honesty or morals, or convicted with forgery.

**The Nomination & Remuneration Committee's Duties and responsibilities include the following:**

- Making recommendations to the Board on the nomination of Board members and Board committee members in accordance with regulatory requirements and approved policies and standards.
- Reviewing the requirement of suitable skills for membership of the Board and its committees on an annual basis and preparing descriptions of the required capabilities and qualifications for such memberships, including the time that a member should reserve for the activities of the Board and/or Board committees.

- Regularly evaluating the structure and composition of the Board and its committees and determining their points of weakness and recommending remedies.
- Assessing and monitoring the independence of Board and Board committee members and ensuring the absence of any conflict of interest, including ensuring the independence of the independent members, at least on an annual basis.
- Drawing up clear policies regarding the compensations and remunerations of members of the Board, the Board committees, and Senior Management.
- Evaluating the performance of the Board and Board committee members on a regular basis.
- Making recommendations to the Board with regards to selecting and dismissing members of Senior Management.
- Establishing a succession policy and procedures for the CEO and other key members of Senior Management and monitoring the implementation of the succession plans and process.
- Reviewing the compensation plans for members of Senior Management.
- Supervising the compensation plans for members of Senior Management.
- Making recommendations to the Board on various issues related to nomination and remuneration.
- Developing and proposing a self-evaluation of the annual performance of the Board of Directors.
- Assist the Board of Directors and contribute to the selection of membership and development of the Company's Executive Committee, the selection of the CEO and the review of Company employee rewards.
- Presenting an introductory presentation to the new members of the Board about the way the Company works.
- Contribute to the annual evaluation of the degree of commitment of the members of the Board and the executive management of the Company and the extent of commitment to work ethics and report to the Board in the event of violations.

- To suggest the method and amount of bonuses for members of the Board of Directors and endeavors to solicit and encourage talents to join the Company's Board of Directors for the benefit of the shareholders.
- Evaluate and develop comments for bonuses and compensation for the CEO, executive management, and Company employees.
- Evaluating and advising the Board of Directors regarding the performance of the Company's management and its responsibilities towards the Company's employees.
- Ensuring a degree of compliance with the Company's policies and social responsibilities.
- Realizing and evaluating the risks related to the Company management, evaluating its environmental surroundings, and finding the best ways to deal with it.

#### **11.The Investment Committee**

The Board is obligated to form a Board of committee named as the Investment Committee. That will appoint its members as per the rules issued by the General Assembly. The Committee membership consists of (3) members according to Article (34) of the Saudi Central Bank (SAMA) investment system.

#### **The duties and responsibilities of the Investment Committee include the following:**

- Formulating the Investment Policy and reviewing its implementation on a quarterly basis.
- Reviewing the performance of each asset class.
- Monitoring the overall risks of the Investment Policy.
- Submitting a performance review report to the Board of Directors.
- Ensuring the compliance of all investment activities with the requirements of the Investment Regulation issued by Saudi Central Bank (SAMA) and any other applicable laws and regulations.
- General supervision of investment operations performance, including evaluation of investment results to determine the success of

investment strategies and to ensure compliance with the Company's investment policies.

- Discussing and expressing opinions on other issues related to investment as necessary for investment management and in the best interest of the Company.

## **12. The Executive Committee**

A. The Board of Directors is obligated to form a committee named the Executive Committee and appoint its members as per the Articles of Association, regulations, and rules issued by the General Assembly. The Committee membership ranges from (3) three to (5) five members, executive and non-executive. Its meetings are held regularly when needed, provided that annually hold at least (6) six meetings.

B. The duties and responsibilities of the Executive Committee include:

- To recommend to the Board of Directors strategic and operational plans, budgets, and business plans developed by the management.
- Take decisions on matters vested in it by the Board that are outside the scope of the Company's CEO, including issues related to capital expenditures and purchases, within the limits assigned to the Committee by the Board of Directors.

## **13. The Risk Management Committee:**

- a. The Board of Directors is obligated to form a committee named the Risk Management Committee and appoint its members per the rules issued by the General Assembly. The Committee is composed of at least (3) three members, chaired by a non-executive member and deemed to have an appropriate financial knowledge related to risk management. The committee meets periodically, at least, every (six months), or whenever the need arises.

### **The tasks of the Risk Management Committee include but are not limited to the following:**

- Implementing the risk management strategy.



- Monitoring the Company's risk profile.
- Developing effective risk management policies and procedures to identify, assess, quantify, control, mitigate, and monitor risks.
- Identifying emerging risks and recommending remedial actions to mitigate and control them.
- Regularly evaluating the Company's tolerance for, and exposure to, risks (e.g., through stress testing exercises).
- Establishing a contingency plan.
- Coordinating with Senior Management to ensure the effectiveness and efficiency of the risk management system.
- Determine the risks that the Company may be exposed to and helps to maintain an overview of the risks accepted by the Company while identifying the risks that threaten its continuity during the next twelve months.
- Monitor and supervise the risk management system and assign the importance of its effectiveness.
- Developing a comprehensive risk management strategy for the Company, monitoring its implementation, and reviewing its update regularly.
- Reviewing risk management policies.
- Reassessment of durability and the Company's exposure to risk on a regular basis.
- Inform the Board about the details of the exposures to risk and recommend actions necessary to handle them.
- Reviewing the issues raised by the Audit Committee that may affect the Company's risk management.

#### **14.The Board meetings and agenda:**

- A. The Board members are obligated to allocate sufficient time to follow up on their responsibilities, including preparing for Board meetings and permanent and temporary committees and be careful towards their attendance.

- B. The Board of Directors holds regular ordinary meetings, at the invitation of the Chairman, and it also shall invite for an emergency meeting, whenever requested, in writing, by two Board members.
- C. The Board Chairman shall consult with other members and the CEO when preparing specific topics schedule meant to be presented to the Board. The agenda, accompanied by documents, is sent to the members ahead of meeting time to enable them to study the topics and be well prepared for the meeting. The Board shall adopt the meeting's agenda when held, and if any member objects to that agenda, the details of such objection are recorded in the minutes of the meeting.
- D. The Board of Directors shall document its meetings and prepare minutes of discussions and deliberations, including the voting operations that have been tabulated and archived for reference.

#### **15. Board Members' Remunerations and Compensation**

- A. The Board of Directors is obliged to abide by Article (19) of the Company's Articles of Association, which stipulates the method for disbursing and the amount of remuneration of members of the Board of Directors.
- B. The Board is obligated to propose the remuneration package established for the Board and based on the recommendations of the Nomination and Remuneration Committee as per the rules, regulations, laws in force, and conditions, set by the General Assembly based on its approval. The Company guarantees that all written details regarding the proposed remuneration and compensation are available to shareholders by the General Assembly, wherein they will be put for the vote.

#### **16. Conflict of Interest in the Board of Directors**

The Board of Directors is obliged to avoid all that calls for conflicts between their personal interests and the interests of the Company, including:

- A. A Board member who is not holding an annual renewed license, from the General Assembly, shall not be entitled to have any interest (direct or indirect) in the business and contracts made in favor of the company. Exceptions allowed through general competition if the Board member is the best bidder.

- B. A Board member is obliged to advise the Board of the interests having in the business and contracts executed in the Company's favor, and such notification is recorded in the minutes. A member having interests shall not participate in voting the decision issued, in that regard. The Board's Chairman shall notify the General Assembly, when convened, of the works and contracts in which a Board member has a personal interest, and a special report by the external auditor shall be attached to that notification.**
- C. A member of the Board of Directors - without a license from the General Assembly renewed every year - may not participate in any business that would compete with the Company, or to trade in one of the branches of activity practiced by the Company.**
- D. The Company may not provide a cash loan of any kind to the members of its Board of Directors or guarantee any loan that one of them holds with others.**

  - 1. The Board and any executive management member, having a vested interest in an insurance service provider, (such as brokers, agents, etc.) (1) must immediately disclose, in writing to the Board of their interests in the insurance-related Company, (2) Refrain from soliciting and encouraging dealing with the Company having a vested interest in it, also, the Company must intimate the General Assembly when held, of all the targeted business with any insurance-related Company, and in which a Board member or an executive management member has an interest in, such notice should be attached with a special report to be prepared by the Company's external auditors.**
  - 2. The Board Chairman shall provide the General Assembly with the details of the insurance contracts in which the members of the executive Board of Directors or the parties related to them have an interest that includes the same business line, size, and related losses (if any).**
  - 3. Both of the above-mentioned sections, in this chapter, relating to the conflict of interest in the Board, comply with the relevant regulations issued by the Saudi Central Bank (SAMA) and the Capital Market Authority (CMA), as amended periodically, will be**

consistent with the Conflict of Interest Policy approved by the Board on the date of 3/8 1433 AH corresponding to 06/23/2012 or any updates thereof.

**Fifth: Executive Management and Supervisory Functions:**

**(1) Executive Management.**

- A) The executive management is responsible for supervising the Company's daily activities.
- B) The duties and tasks of the executive management include but are not limited to:
  - Implementing the Company's strategic plans.
  - Manage daily activities.
  - Establish procedures for identifying, conforming, measuring, controlling, and mitigating risks.
  - Maintain a tracking record of the impact of audits.
  - Act according to the instructions of the Board and inform the Board.
  - Ensuring that the supervisory and regulatory requirements are met to the highest extent possible.
- C) Every administrative position is required to have documented job description details.
- D) The members of the executive management are required to possess the skills, knowledge, and experience necessary to exercise prudent management of the Company, and proof of qualifications must be provided to Saudi Central Bank (SAMA) upon request.
- E) The executive management must provide the Board with a comprehensive view of its performance at least at each Board meeting.

Priority must be given to Saudis to occupy executive management positions before appointing non-Saudis to senior positions, and therefore the Company must show proof of a lack of Saudi elements required to fill the required job per the requirements of the Saudi Central Bank (SAMA) for appointments to senior positions in financial institutions.

**(2) Control functions:**

**(A) The Risk Management function:** The Risk Management function assumes the tasks of appointment, conformity, determination, evaluation, measure the amount, monitor, control, mitigate and monitor the risks for the Company. The Risk Management function is required to be independent from the underwriting and insured job. In addition to any other regulatory requirements, the duties, and tasks of Risk Management include the following:

- Implementing a risk management strategy.
- Monitor the risk profile of the Company.
- Develop effective management policies and procedures for risks.
- Systematic evaluation of the Company's tolerance to exposure to risks.

**(B) The Internal Audit function:** The Internal Audit function is responsible for evaluating and recommending procedures to improve the adequacy and effectiveness of internal controls and policies and reporting procedures. Internal audit function is carried based on a comprehensive audit plan approved by the Audit Committee on an annual basis and submits its reports, prepared during the fiscal year, to the Audit Committee.

**(C) Compliance Function:**

The Compliance function is responsible for monitoring the Company's compliance with the applicable law, regulations and rules issued by the Saudi Central Bank (SAMA) and other regulatory bodies.

**(3) Role and Responsibilities of the Appointed Actuary**

- a. For the purpose of providing unbiased and objective advice in accordance with these Rules, the Appointed Actuary shall act in good faith, honestly and reasonably, exercise due care and diligence and independent judgement in the best interests of the Company and its policyholders, putting the interests of the Company and its policyholders ahead of any personal interests and avoiding conflicts of interest with the exercise of his or her responsibilities.
- b. The Appointed Actuary shall:

- 1. Perform the work entrusted to them in accordance with actuarial principles and standards issued by the Actuarial Association of which they are a member and be accountable to that Actuarial Association as regards compliance with that Actuarial Association's professional standards as well as to Saudi Central Bank (SAMA) as regards compliance with this policy and Saudi Central Bank (SAMA) Instructions.**
- 2. Perform their duties with honesty, integrity and competence, avoiding conflicts of interest and providing unbiased and objective advice, and shall not conceal any facts relating to the Company's financial or technical position or knowingly provide incorrect information.**
- 3. Not disclose the Company's confidential information, or information obtained during the performance of his or her work while he or she is fulfilling his or her responsibilities or after its completion except that this disclosure is to Saudi Central Bank (SAMA), or an application of relevant regulations or Saudi Central Bank (SAMA) Instructions.**
- 4. Review and take responsibility for all work carried out on their behalf.**
- 5. Keep records of their work subject to strict data confidentiality, organized according to their Actuarial Association's professional standards. The records shall include the copies of the documents that must be provided to the Company and to Saudi Central Bank (SAMA), and the base data from which the documents have been derived and all supporting calculations.**
- 6. Where the Appointed Actuary is not an employee of the Company, the records referred to in Item (5) above must be held within the Company and retained by the Company for at least ten (10) years within the Company after the date of the report to which the records or documentation relates, and must be accessible only to the Appointed Actuary and his or her delegates, the Company and Saudi Central Bank (SAMA).**
- 7. Perform Actuarial Services where competent and appropriately experienced to do so.**
- 8. Ensure consistency of their work with applicable financial reporting standards in the Kingdom.**

9. Advise on any other matters as instructed by the Board of Directors and Senior Management, provided that this does not conflict with his or her responsibilities as set out in this policy and Saudi Central Bank (SAMA) Instructions.
- c. The Appointed Actuary shall have the right to access the Board papers, accounting books and other records and documents, business plans, supporting analyses and schedules deemed necessary for the carrying out of their duties and be entitled to obtain from the Board of Directors and Senior Management of the Company the information and explanations the Appointed Actuary deems necessary, subject to appropriate controls to maintain the confidentiality of the Company's information by the Appointed Actuary, and all those who assist the Appointed Actuary in the discharge of his or her responsibilities.

**(4) Insurance Accounts Appointed Expert:**

The insurance accounts expert undertakes the duties and functions of its responsibilities as stipulated in Article No. (20) of the Implementing Regulations of the Cooperative Insurance Companies according to the actual work system of insurance and reinsurance companies issued by the Saudi Central Bank (SAMA).

**Sixth: regulations Review and amendment:**

This policy developed in line with the Corporate Governance Regulations and issued by the Capital Market Authority (CMA) on 05/16/1438 AH and its amendments, and with the Corporate Governance Regulations and issued by the Saudi Central Bank (SAMA) on 21/10/2015. However, it is subject to review and amended, taking into account the changing market needs, as per the requirements of the regulatory authorities.

**Seventh: Endorsement:**

The amendments to this policy was Approved by the Board of Directors on 19<sup>th</sup> February 2023.

نموذج تقييم استقلالية عضو مجلس ادارة  
Board Member Independency Evaluation

1. هل انت مالك لما نسبته 5% فاكثر من اسهم الشركة, او من شركة اخرى من مجموعتها, او لك صلة قرابة لمن يملك هذه النسبة؟ اذا كانت اجابتك نعم الرجاء التوضيح ادناه.

1) Do you own 5% or more of the shares of the Company or any other company within its group; or is a relative of who owns such percentage? If yes, please explain.

No/لا

Yes/ نعم

2. هل انت ممثلا لشخص ذي صفة اعتبارية يملك ما نسبته 5% فاكثر من اسهم الشركة او من شركة اخرى من مجموعتها؟ اذا كانت اجابتك نعم الرجاء التوضيح ادناه.

2) Are you a representative of a legal entity that owns 5% or more of the shares of the Company or any other company within its group? If yes, please explain.

No /لا

Yes/ نعم

3. هل لك صلة قرابة مع اي من اعضاء مجلس الادارة في الشركة, او في اي شركة اخرى من مجموعتها؟ اذا كانت اجابتك نعم, الرجاء التوضيح ادناه.

3) Are you a relative to any of the members of the Board of the Company, or of any other company within the Company's group? If yes, please explain.



No/ لا

Yes/ نعم

4. هل لك صلة قرابة مع اي من كبار التنفيذيين في الشركة, او في اي شركة اخرى مع مجموعتها؟ اذا كانت اجابتك نعم, الرجاء التوضيح ادناه.

4) Are you a relative of any of the Senior Executives of the Company, or of any other company within the Company's group? If yes, please explain.

No/ لا

Yes/ نعم

5. هل انت عضو في مجلس ادارة في شركة اخرى من مجموعة الشركة المرشح لعضوية مجلس ادارتها؟ اذا كانت اجابتك نعم, الرجاء التوضيح ادناه.

5) Are you a Board member of any company within the Company's group for which you are nominated to be a Board member? If yes, please explain.

No/ لا

Yes/ نعم

6. هل تعمل او كنت تعمل موظفا خلال السنتين الماضيتين لدى الشركة, او اي طرف متعامل مع الشركة, او اي شركة اخرى في مجموعتها كمراجع حسابات, او من كبار الموردين, او مالكا لحصص سيطرة لدى اي من تلك الاطراف خلال العامين الماضيين؟ اذا كانت اجابتك نعم, الرجاء التوضيح ادناه.

6) Are/were you an employee in the Company, any party dealing with the Company, or of any company within its group, as an external auditor, or main supplier, or own a Controlling Interest in any such parties during the past (2) two years? If yes, please explain.

No/ لا

Yes/ نعم

7. هل لك مصلحة مباشرة او غير مباشرة في الاعمال و العقود التي تتم لحساب الشركة؟ اذا كانت اجابتك نعم, الرجاء التوضيح ادناه.

7) Do you have a direct or indirect interest in the business and the contracts executed for the Company's account? If yes, please explain.

No/ لا

Yes/ نعم

8. هل انت مشترك في عمل من شأنه منافسة الشركة, او تتاجر في احد فروع النشاط الي تزاوله الشركة؟ اذا كانت اجابتك نعم, الرجاء التوضيح ادناه.

8) Are you engaged in a business that competes with the business of the Company, or conducting business in any of the Company's activities? If yes, please explain.

No/ لا

Yes/ نعم

9. هل مضى لك ما يزيد عن (9) تسع سنوات متصلة او منفصلة في عضوية مجلس ادارة الشركة اعتبارا من تاريخ نشر لائحة حوكمة شركات التأمين من قبل البنك المركزي السعودي في 2015/10/21م؟

9) Have you been a Board member of the Company for more than (9) nine consecutive or inconsecutive years as of the date of publishing the Insurance Corporate Governance Regulation by the Saudi Arabian Monetary Authority in 21/10/2015G?

No/ لا

Yes/ نعم

---

---

الاسم:

التاريخ:

التوقيع:



2- The board of directors may contract loans for any period, sell or mortgage the company's assets, sell or mortgage the company's commercial place, or discharge the company's debtors from their obligations, unless this Article of Association or issued by the ordinary general assembly includes what may restrict the powers of the Board of Directors in this regard.

**Article Nineteen: Remuneration for Board Members:**

**and Remuneration of the Chairman and the Managing Director**

1- The remuneration of the members of the Board of Directors shall be a certain amount or an allowance Attendance about sessions, benefits in kind, or a certain percentage of net profits, and it is permissible to combine two or more of these benefits.

2- If the bonus is a certain percentage of the company's profits, then no percentage may exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly in implementation of the provisions of the Cooperative Insurance Companies Control Law, the

Companies Law and this Law, and after distributing a profit to the shareholders of not less than (5%) of the company's paid-up capital, provided that the entitlement to this bonus is proportional to the number of sessions that the member attends, and any estimate to the contrary shall be void.

3- In all cases, the total remuneration and financial or in-kind benefits and rewards that a member of the Board of Directors gets does not exceed an amount of five hundred thousand riyals annually (except for the members of the audit committee), in accordance with the controls set by the Capital Market Authority.

4- The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement to all that the members of the Board of Directors received during the fiscal year in terms of remuneration, expenses allowance and other benefits. It should also include a statement of what members of the council received as workers or administrators, or what they received in return for technical or administrative work or consultations, and it should also include a statement of the number of council sessions and the

