

Element List	Explanation
Introduction	The Board of Directors of Salama Cooperative Insurance Company hereby cordially invites the shareholders to attend, participate and vote in the first meeting of the Ordinary General Assembly Meeting, which will be in presence and through modern technology means on a 18 June 2025 corresponding 22 Dhu Al-Hijjah 1446H, at 18:30,
City and Location of the General Assembly's Meeting	Jeddah city, In Salama Headquarter Office in AL-Madinah Road Jeddah, in .presence and through modern technology using Tadawulaty System
Hyperlink of the Meeting Location	<a href="#">Salama Cooperative Insurance Company شركة سلامة للتأمين التعاوني - Google Maps</a>
Date of the General Assembly's Meeting	18/06/2025
Time of the General Assembly's Meeting	18:30
Methodology of Convening the General Assembly's Meeting	Attendance in-person and via modern technology means
Attendance Eligibility, Registration Eligibility, and Voting End	Shareholders who are registered in the issuers shareholders record at the Depository Center by the end of the trade session prior to the general assembly meeting and in accordance with the laws and regulations. The shareholder has the right to delegate whomever other than the board of directors. The right to register a name to attend the general assembly meeting ends at the time of convening the general assembly meeting. The attendees right to vote on the items of the assembly's agenda ends upon the end of screening the votes by the Screening Committee.
Quorum for Convening the General Assembly's Meeting	The meeting of the Ordinary General Assembly is valid if attended by shareholders representing a 25% of the company's capital. If the necessary quorum is not available to hold this meeting, the second meeting will be held an hour after the end of the period specified for holding the first meeting. represented in it.

General Assembly Meeting Agenda	<ol style="list-style-type: none"> <li>1- Viewing and discussing the Board of Directors report for the fiscal year ending on 31-12-2024. (Attached)</li> <li>2- To vote on the company's auditor's report for the fiscal year ending 12/31/2024 after its discussion.</li> <li>3- Viewing and discussing the financial statements for the fiscal year ending on 31-12-2024.</li> <li>4- Voting to absolve the Board of Directors from their liabilities pertaining to the management of the company for the fiscal year ended 31/12/2024.</li> <li>5- Voting on paying an amount of (1,780,000) SR as remuneration to the Board members for the Fiscal year ended on 31/12/2024.</li> <li>6- Voting on appointing the auditor for the company from the selected candidates based on the Audit Committee's recommendation. The appointed auditor shall examine, review and audit the (second and third) quarters and annual financial statements of the fiscal year 2025, and the first quarters of the fiscal year 2026. In addition to, the determination of the auditor's remuneration.(Attached)</li> <li>7- Voting on authorizing the Board of Directors with the General Assembly authority with the rights mentioned in paragraph (1) of Article (27) of the Companies Law for one year from the date of approval of the General Assembly or until the end of the session of the authorized Board of Directors, whichever is earlier, in accordance with the conditions mentioned in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.</li> <li>8- Voting on the business and contracts concluded between the company and Al Mamoon Overseas – Insurance Broker which the member of the Board of Directors Mr. Adnan Jameel Khoja (Non- Executive Director) has an indirect interest, which is a Commissions incurred, and there are no preferential conditions, noting that the total of these works in 2024 amounted to 1,261.00 SAR. (Attached)</li> <li>9- Voting on the amendment of the board and its Committees' Remuneration Police Executive management. (Attached)</li> </ol>
Proxy Form	Attached

The shareholder right in discussing the assembly agenda topics, asking questions, and exercising the voting right	Eligibility for Attendance Registration and Voting Ends upon the Convenience of the General Assembly's Meeting. Eligibility for Voting on the Meeting Agenda Ends upon the Counting Committee Concludes Counting the Votes
Details of the electronic voting on the Assembly's agenda	The shareholders registered in Tadawulaty services may vote on the items of the General Assembly agenda online starting from Sunday 1:00 AM on 15 June 2025 corresponding to 19-12-1446 and shall continue until the end of General Assembly meeting. Please note that registration in Tadawulaty service and voting is provided free of charge for all shareholders through the following <a href="http://www.tadawulaty.com.sa">www.tadawulaty.com.sa</a>
Method of Communication in Case of Any Enquiries	For inquiries, please contact the investors relation Affairs during official working hours from 8AM – 4PM on telephone no:  012-6845627  012-6845696  or by email: <a href="mailto:ir@salama.com.sa">ir@salama.com.sa</a>
Attached Documents	Attached

## Power of Attorney Form

Date of issuing the power of attorney:.....

Corresponding to:.....

I the shareholder (quadruple name of the principal), nationality (.....) under personal ID number (.....) or (residency or passport number for non-Saudis), issued by (.....). In my capacity as (myself) or (authorized to sign) for director/ CEO of (the name of the company granting the attorney), owner of (.....shares) of the shares of Salama Cooperative Insurance Company which in accordance with the commercial register is a Saudi joint stock company registered in the commercial register in Jeddah No. 4030169661 based on Article No. 28 of the company's articles of association.

I hereby authorize (quadruple name of the proxy) to represent me in attending the Ordinary General Assembly meeting (the first meeting) of the company, scheduled to be held at the company's headquarters in Jeddah - Al-Salama district - Al-Madina Road descending -Salama tower- floor12, at 18:30 pm on Wednesday 18 June 2025, corresponding to 22/12/1446. I authorize him to vote on my behalf on the subjects on the meeting agenda and other subjects that may be raised for voting by the General Assembly, and to sign on my behalf all the resolutions and documents related to these meetings. This power of attorney is considered valid for this meeting and for any subsequent meeting for which this meeting may be postponed.

Signatory Name:	
Signatory Capacity:	The civil registry number for the signatory to the power of attorney (or residence or passport number for non-Saudis):
Signature of the principal (in addition to the official seal if the owner of the shares is a legal person):	

## Audit committie report of Salama Cooperative Insurance Company

### Introduction:

The Audit Committee at Salama Cooperative Insurance Company is pleased to present to the company's esteemed shareholders its annual report for the financial year ending on December 31, 2024, which includes details of its performance of its powers and stipulated tasks stipulated in the regulations for audit committees in insurance companies issued by the Insurance Authority, and the opinion of the Audit Committee on the adequacy of the control system. Interior

### Composition of the committee:

Based on the approval of the General Assembly on 20<sup>th</sup> of November 2023, the current committee has formed of 4 independent members, including specialists in financial, accounting affairs and internal auditing up to the current period:

- 1- Mr. Mohammed Al-Safi - Chairman of the Committee and an independent member from within the Council.
- 2- Mr. Salah Baraba'a - An independent member from outside the Council.
- 3- Mr. Ghassan Shuaib - An independent member from outside the Council.
- 4- Mrs. Noha Solaimani - An independent member from outside the Council.

### The most important work carried out the committee, which ended on 20<sup>th</sup> November 2023:

1- Study the financial statements for the year 2023 & 2024, discuss it with the executive management, review the external elements and ensure the following:

- A- Appropriateness and proof of followed accounting policies and standards.
- B- Soundness of the foundations of accounting estimates in preparing financial statements and adequacy of allocations.
- C- Adequacy and appropriateness of disclosures in the financial statements.



D- Committed with laws and regulations related to financial statements.

- 2- Study the Internal Audit Department's plan for the year 2024 and ensure that the plan covers all important activities and operations in the company.
- 3- Discussing with the Compliance Department's work plan for the year 2024.
- 4- Discussing the Insurance Authority 's observations and reviewing the corrective plans submitted by the company's management.
- 5- Evaluating the current situation of the Compliance and Internal Audit departments and identifying recommendations to raise the work level for both departments.
- 6- Ensuring the independence of the Audit and Compliance departments.
- 7- Study the offers submitted by the external auditors and recommend the appointment of external auditors for the year 2024.

• **The committee's opinion on the adequacy and effectiveness of the internal control, Financial control, and Risk Management system:**

The Audit Committee has reviewed the internal control and oversight procedures within the scope of the planned and limited tasks and activities approved and tested by the Internal Audit Department. Following discussions with the external auditor and executive management regarding the quarterly and annual performance results, and after studying the observations submitted to it, the Audit Committee can provide reasonable assurance regarding the internal control systems of the company. The Committee has not identified any issues that should be highlighted or any indications of material weakness or deficiency in the internal control systems and policies. It should be noted that it is not possible to provide absolute assurance regarding the effectiveness of any internal control system. The Committee recommends that the company continue updating its systems, policies, and procedures to further enhance the internal control environment.

There are no recommendations from the Audit Committee that contradict the decisions of the Board of Directors, nor have the Board rejected any of the Committee's recommendations during the year 2024.

The Committee has also reviewed the risks which might facing the company through the auditor's report. After reviewing these risks—whether related to liquidity, capital, credit, currency, or market risks—the Committee believes that they do not pose a threat to the company's operations. Nonetheless, the company should seek to diversify its short- and long-term investments as one of the strategic alternatives to address any potential future risks.

In their commitment to studying the risk factors that may face the company in the future, the Audit Committee urges the company's Board of Directors to continuously review risks, explore their causes, and develop scientifically and practically appropriate solutions to mitigate their potential impact on the company (if any).

## In Conclusion:

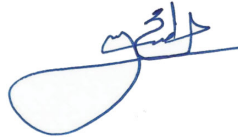
The Audit Committee affirms that it conducts periodic reviews of the company's internal control systems and procedures, and evaluates the effectiveness of these controls over the company's financial, administrative, and operational activities in order to achieve the highest possible level of oversight.

The Committee also confirms that the company's internal control system is well-structured and effectively implemented, and that no material observations were identified by the Committee during its review.

**Sincere Greetings**

**Edited on: 01 of May 2025**

**Chairman of Audit Committee  
Mohammed Al Safi**



## البند الأول

الإطلاع على تقرير مجلس الإدارة للعام المالي المنتهي في 2024/12/31 م ومناقشته.

### Item 1.

Viewing and discussing the Board of Directors report for the fiscal year ending on 31-12-2024.



# **SALAMA Cooperative Insurance Company**

## **Annual Report 2024**



Custodian of the Two Holy Mosques  
**King Salman bin Abdulaziz Al Saud**



His Royal Highness Crown Prince  
**Mohammed bin Salman bin Abdulaziz Al Saud**



**“ My first goal is for our country to be a successful and pioneering model in the world at all levels, and I will work with you to achieve this “.**

Custodian of the Two Holy Mosques King  
**Salman bin Abdulaziz Al Saud**

**“Our ambition is to build a more prosperous homeland, in which every citizen will find what they wish for The future of our homeland that we build together will only be accepted by us to make it at the forefront of the world countries”.**

His Royal Highness Crown Prince  
**Mohammed bin Salman bin Abdulaziz Al Saud**

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# 1

## About the Company

Salama Cooperative Insurance Company is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030169661 dated 1428/05/06 AH, the company was established based on the Council of Ministers Resolution No. 223 dated 1427/09/16 AH and based on the Royal Decree No. M/60 dated 1427/9/18 AH with a capital of 250 million riyals fully paid.

In 2024, the company increased its capital from 200milliono 300 million, after the approval of the extraordinary general assembly on 2024/12/11.

### Company's Activity

SALAMA Cooperative Insurance Company provides integrated insurance solutions in the field of cooperative insurance. The number of insurance products provided by

the company reached 34 products divided into two main activities: general insurance and health insurance, and the company practices all its activities in accordance with the laws and regulations of cooperative insurance applied in the Kingdom of Saudi Arabia.



## 2

## The Most Important Developments of the Company

The most important developments in infrastructure and business are as follows:

### Human resources Department

#### human cards and training:

The year 2024 witnessed a qualitative leap in the design and development of human resources systems, development programs, job attraction and path-mapping for employees, initiating and implementing job replacement plans, which contributed to the high rate of Emiratization, and this contributed to achieving the annual target for the Emiratization percentage, Where the company was classified within the platinum range and elite customers at the Ministry of Human Resources and Social Development for the same year, The company contributed to the training of 220 employees in many training workshops, including (Personal Data Storage System – Medical Insurance



Products – Combating Financial Crimes – Cybersecurity Awareness – Anti-Money Laundering and Combating the Financing of Terrorism – Combating Internal Fraud – Combating Vehicle Fraud), 53 employees were qualified to obtain a certificate of practicing insurance, in cooperation with the Ministry of Human Resources within the support programs for the sons and daughters of the country with the aim of on-the-job training, and the company contributed to the training of 28 and attracted 6 of them. A voluntary turnover rate of %11 has also been maintained, reflecting the efficiency and attractiveness of the work environment in light of the company's expense reduction plan, and all of the above, along with other measures and policies taken by the company, have led to maintaining the overall level of performance.



## Sales

In 2024, we demonstrated remarkable performance, particularly in the profitable general lines segment. Overall, the company achieved GWP SR 526 million against a target of SR 711 million, resulting in %74 achievement. We achieved over %105 of our sales targets within the corporate sector, highlighting our strategic focus and effective execution. In contrast, our retail sector faced significant challenges due to ongoing price wars and heightened competition, leading us to reduce our emphasis in this area. As a result, we recorded an achievement rate of approximately %64 in the retail segment.

### Sales Performance:

All corporate branches experienced growth, with the Riyadh region leading the way at an impressive %37 growth. Jeddah %22 and Dammam %17 respectively. This strong performance in the corporate sector underscores our commitment to profitability and market leadership. At the same time, our cautious approach in retail reflects our strategy to mitigate risks associated with fierce competition. Moving forward, we will continue leveraging our corporate insurance strengths while carefully evaluating our position in the retail market.

This year, our general lines business achieved %124 against the target, exceptional growth of %68 from 2023, increasing from last year's GWP of SR47 million to an impressive SR 77 million. This significant increase highlights our successful strategies and effective execution within this segment. While the overall motor & Medical insurance sector has faced challenges due to intense competition in retail segments, resulting in a decline in performance, our corporate motor & Medical segment has shown resilience with a growth rate of %25 and %22, respectively.

As we look ahead, we will continue to leverage our successes in general lines and the corporate motor & Medical segment while implementing strategies to address the challenges within the retail motor & Medical SME market.

Analyzing channel-wise growth, the corporate segment has demonstrated solid performance with a growth rate of %25. However, the retail channels experienced a significant decline, dropping from SR 684 million to SR 352 million—a decrease of %46. This decline underscores the challenges & competition faced in retail channels.

We will concentrate on strengthening our corporate segment while exploring innovative strategies for retail channels to enhance the overall situation. Our goal is to grow effectively and sustain overall growth and profitability across all sales channels.

## Market Analysis

In 2024, the market experienced robust growth, with the Riyadh region emerging as a key contributor to this upward trend. This region's strong performance underscores its importance as a focal point for our business activities. Additionally, we are witnessing an exponential increase in engineering and engineering-related liability businesses. This growth reflects the rising demand for specialized insurance solutions in these sectors and underscores our strategic focus on meeting the evolving needs of our clients.

## Strategic Focus:

Our strategic focus in the past year has been primarily on enhancing our General Insurance (GI) lines portfolio and improving our overall corporate GWP and growth. We aimed to strengthen our positions in profitable segments, underwrite larger GI-driven accounts, and establish ourselves as a reputable corporate underwriter. This approach is crucial for reducing our dependency on the retail sector, which remains highly volatile and often lacks retention.

A significant aspect of our strategy has been prioritizing our existing business's retention. This focus has proven effective, allowing us to secure %62 of our renewals last year—a remarkable achievement. However, our goal is to increase this retention rate to %80.

As we move forward, we will continue to implement these strategies to enhance our corporate dependency and ensure sustainable growth. Our commitment is to achieve these targets and adapt to the dynamic market environment effectively.



## Marketing and Communication :

In the marketing and communication department, we placed significant emphasis on utilizing social media for the periodic marketing of our products. This included creating posts related to the insurance products offered by Salama, as well as launching paid campaigns on social media for general insurance, medical insurance, and motor insurance. We also participated in campaigns launched by Najm and special discounts for Founding Day.



Additionally, we launched seasonal campaigns for travel season and another for winter.



Celebrations included National Day festivities held within the company and across all branches, along with promotional campaigns on social media. Moreover, we made sure to keep up with international awareness days, positively impacting internal communication and fostering connections among employees and departments.

By the end of 2024, Salama was committed to enhancing its market image, witnessing significant growth compared to the previous year. The company developed comprehensive marketing strategies that included making advertising messages more appealing and aligned with customer needs. We launched promotional programs targeting various community segments, which helped expand our customer base and increase brand awareness.



## Operation Department

### Insurance Products:

SALAMA Cooperative Insurance Company has 34 insurance products that keep pace with the changes and developments in the Saudi insurance market to meet the different segments of customers and to achieve financial inclusion and provide insurance products compatible with the needs of customers and the company's strategy

### General Insurance:

Salama Cooperative Insurance Company provides integrated insurance solutions in the field of cooperative insurance, and the operational plan has been developed to increase productivity in general insurance products while maintaining appropriate loss ratios to ensure profitability, and where Salama Cooperative Insurance Company carries out all its activities in accordance with the rules and regulations in force in cooperative insurance in the Kingdom of Saudi Arabia and authorized by the Insurance Authority.

## Health Insurance:

It is worth noting that Salama Cooperative Insurance Company aims to provide medical service and health care with the highest standards of quality and professionalism, as it seeks, in turn, with the Medical Claims Management Company GlobeMed to ensure that the required services are met for all target segments, and as the company has developed its products to meet the demands of the owners of institutions and small, medium and large companies in line with the terms and conditions of the product.

## Motors Insurance:

The motor insurance management team has sufficient experience and competence to assess the insurance risks facing individuals and commercial fleets and meet the needs of various categories of customers, including the comprehensive insurance product in its typical form stipulated by the Insurance Authority and the compulsory motor insurance product (third-party insurance) in its official form issued by the Insurance Authority, and the Motor Insurance Department applies the best practices compatible with the Saudi market and provides its services to customers through most channels, including electronic channels, to facilitate the process of customer access. For insurance services and products appropriate to their needs, the Motor Insurance Department works to automate work systems to increase productivity and raise the efficiency of national cadres in the field of motors insurance.

## Reinsurance

The Company renewed reinsurance agreements with a group of the best international reinsurance companies with high credit ratings, as shown in the table. The Company succeeded in increasing its capacity by concluding several reinsurance agreements, enabling it to provide outstanding support and services to the Subscription Department and to promptly respond to the requirements of the local market.

Treary Reinsurers	Credit Ratings	Rating Agency	Facultative Reinsurers	Credit Ratings	Rating Agency
SCOR	A+	Fitch	Swiss Re	AAA	S&P
Daudi Re	A+	Fitch	Saudi Re	A+	Fitch
Swiss Re	AAA	S&P	Liberty	A+	Fitch
Echo Re	A+	S&P	CCR	AA	S&P
Hannover Re	AA-	S&P	Lloyd's	AA-	S&P
Helvetia	A+	S&P	Zurich Insurance	AA-	S&P

## Information Technology Department

The Information Technology Department at SALAMA Cooperative Insurance Company is an enabler and development of the technical future of all insurance requirements in the Kingdom of Saudi Arabia to reach a peak and beyond, through different stages of digital transformation and continuous change to adopt the volatile Saudi insurance market that meets the requirements of the Insurance Authority and beyond.

The objectives of information technology in Salama Cooperative Insurance Company lie in the following:

- Develop an effective practical environment to adopt variables
- Automate and optimize all workflows
- Manifestation to achieve the customer's goal
- Achieving Vision 2030 to the fullest



## Cybersecurity Department

Salama Cyber Security main objective is to maintain the CIA (Confidentiality, Integrity & Availability) triad in a 365/7/24 scale, as well as ensuring that all related policies and procedures are well-communicated with strong enforcement in alignment with SAMA CSF (Cyber Security Framework) to meet a certain maturity level. In addition, we bring the best-of-breed security solutions to protect all tangible and intangible assets of SALAMA along with qualified and high caliber professionals to mitigate the risk of emerging cyber threats.



Lastly, cyber security works diligently with all stakeholders to educate all SALAMA employees as they are our first line of defense and provide them with the robust and sensible cyber security awareness training to protect themselves, their families and SALAMA in general against any types of cyber threats.



### **Customer Care Department:**

The Customer Care Department is interested in keeping pace with the developments of the Saudi insurance market, at the level of the legislator (Insurance Authority) and competing insurance companies, and due to the high importance of the customer to the company, we are working to enable our team to compete fairly through the services provided. The Customer Care segment includes two departments: Call Center and Complaints. It specializes in providing distinguished services to customers to receive all customer requests, inquiries and complaints through it, and work to solve them with the highest quality standards applied to us.

The values of the sector's identity are framed in the success triangle of our mission:

### Sustainability

We sustain through our radical solutions

### Empowerment

We empower by hearing the voice of our employees

### Care

We take care of our employees, clients, and procedures

All support was provided to the sector represented by attracting young talented employees, who were trained and qualified to carry out the tasks due to them, and from the technical side, the company provided an electronic system to complete customer requests, to ensure the safety of customer service with the required speed and quality.

We have made qualitative leaps in meeting the desires of our customers, which resulted in achieving the performance standards set by legislators, our ambition is limitless in customer care, and we will continue to develop our performance to achieve the satisfaction of our customers and achieve the company's goals alike.

## Internal Audit:

"The Internal Audit Department serves as the company's third line of defense, providing independent and objective assurance alongside value-added consulting services. Its core mission is to enhance the company's operations by fostering continuous improvement, promoting accountability, and supporting sound decision-making. Through a systematic and disciplined approach, the department evaluates and strengthens the effectiveness of the company's risk management, internal controls, and governance processes, ensuring alignment with organizational goals and regulatory standards. To maintain its independence and objectivity, the Internal Audit Department reports functionally to the Audit Committee, providing direct and transparent audit reports. For administrative matters, it reports to the Chief Executive Officer, ensuring seamless coordination within the organization's leadership framework".



## Compliance

The Compliance (AML/CTF) Department at Salama Cooperative Insurance Company is responsible for monitoring the company's adherence to all regulations, laws, and guidelines issued by relevant regulatory authorities, such as the Insurance Authority and the Capital Market Authority. The department works to implement necessary measures to enhance regulatory compliance and ensure the company's swift and effective response to regulatory requirements in a timely manner.

The Compliance Department also aims to highlight the risks of non-compliance to the executive management, helping to mitigate operational and legal risks that the company may face. Additionally, it is committed to raising awareness and educating employees on the importance of compliance by integrating a culture of compliance into daily operations, ensuring transparency and safeguarding the interests of both the company and its clients.

The Compliance Department reports directly to the Audit Committee, granting it the necessary authority and responsibility to effectively carry out its duties. Its functions include oversight of AML/CTF efforts, internal compliance auditing, managing relationships with regulatory authorities, and developing policies and procedures to ensure ongoing adherence to global best practices.

As part of its AML/CTF efforts, the department implements strict policies and procedures to ensure compliance with anti-money laundering requirements, including the enforcement of Know

Your Customer (KYC) procedures, monitoring financial transactions to detect suspicious activities, and preparing suspicious transaction reports (STRs) for submission to the relevant authorities. Furthermore, the department works to develop advanced technological systems that enhance the company's ability to analyze and detect financial risks at an early stage. Additionally, it conducts regular training programs for employees to increase awareness of regulatory procedures and controls.

Salama Cooperative Insurance Company's commitment to upholding the highest standards of compliance and transparency reflects its dedication to building trust among shareholders and clients while ensuring the sustainability of its operations in accordance with best legal and regulatory practices.





## Governance and Legal Management

In 2024, the Governance and Legal Department were merged, to ensure an effective basis for the governance framework and ensure the rights of shareholders, stakeholders, and the insured persons to achieve better returns for shareholders. The Company is also interested in disclosure and transparency of all matters of interest to all shareholders and related parties to ensure the continuity and sustainability of the Company's business, in compliance with the application of all regulations and laws issued by the regulatory and supervisory authorities

and the best practices in the field of governance. The Company seeks to maximize its assets through the optimal application of corporate governance. The Legal Department also follows up on the progress of all the Company's legal procedures, including the reviewing of contracts, providing legal advice, pleading in cases filed by third parties against the Company or by the Company against others, and providing guidance in their regard. The Department of Legal Affairs also handles various types and degrees of legal cases or quasi-judicial cases (committees on the adjudication of insurance disputes and violations - conciliation committees) and gives the necessary due diligence in defenses to find fair and appropriate solutions for each case with complete impartiality, in order to reach fair settlements or reconciliation.



## Fraud Department

Fraud poses a significant challenge to insurance companies globally, impacting various types of insurance. As part of Salama Cooperative Insurance Company's commitment to protecting shareholders' rights and the company's assets, we take this issue seriously.

We reaffirm our commitment to adopting best practices and the latest technologies in combating fraud, including strengthening control systems, intensifying internal and external awareness programs, and investing in advanced technological solutions. Furthermore, we strive to enhance collaboration with regulatory authorities and partners to ensure a transparent and secure work environment. These efforts contribute to improving the company's overall performance and building sustainable trust with all stakeholders.

## Investment

SALAMA owns %3.45 of the capital of Najm, which has a capital of 200 Million Saudi Riyals. Otherwise, there is no subsidiary of SALAMA Cooperative Insurance Company inside or outside the Kingdom.

SALAMA invests in Sukuks amounted 90 Million Saudi Riyals including Governmental Saudi Sukuk at an amount of 80 Million Riyals.

As for the rest of the investments, they are Islamic investment funds, DPM and deposits with local banks and financial institutions, with a value of 201 Million Saudi Riyals.

Salama Cooperative Insurance Company confirms that there are no loans on the company and there are no amounts paid by the company in repayment of loans during the year

## Risk Management Department

SALAMA defines a risk as an event with either a positive or negative impact on SALAMA business, which may have internal or external sources and vary in complexity.

SALAMA operates by implementing a common approach to risk management across the company. Increases risk awareness. It ensures proper risk management through the participation of all individuals in the company in the risk management process.

### Expected Future Risks

As Salama is operating in the insurance and investment, Salama may face various types of risks, such as:

Insurance Risk	It is the risk related to the assessment and acceptance of insurance risk.
Reinsurance Risks	It is the risk associated with when a reinsurer fails to meet its obligations.
Product development Risk	Risk related to changes to an existing product. These changes may affect product coverage and requirements.

Claims Management Risk	It is the risk related to the payment of claims to policyholders on the basis of policy coverage.
Pricing Risk	It is the risk related to the inability to liquidate assets quickly enough without sacrificing part of the value of the assets.
Liquidity Risk	It is the risk related to the inability to liquidate assets quickly enough without sacrificing part of the value of the assets.
IT Risk	It is the risk caused by the technology used by the company to operate its core operations such as sales, insurance and claims management.
Cybersecurity Risks	It is any risk that causes a defect or damage to the reputation of the organization from data breaches and the security of its information.
Outsourcing Risk	It is the Risk associated with outsourcing typically fall into four general categories: loss of control, loss of innovation, loss of organizational trust, and higher-than-expected transaction costs.
Corporate Governance Risks	Risks related to rules that dictate how rights and responsibilities are shared between different shareholders of companies, directors, core directors and other financial shareholders.
Business Continuity Risk	It is the risk related to business interruption due to fire or failure of systems and lack of readiness to restore them in sufficient time to avoid losses.
Non-Compliance Risk	The risk of regulatory sanctions, as a result of its failure to comply with laws and regulations.





## Corporate Governance

Peace And Blessings M/S Shareholders of Salama Cooperative Insurance Company, Greetings, The Company's Board of Directors provide you with the Annual Report for the Financial Year ending on 31/12/2024, including the most important developments, financial results, operating activities and disclosures, accompanied by the audited financial statements, clarifications, and the report of the external auditors, in accordance with the provisions of the Company's Articles of Association and according to the rules and regulations.

We expect the Saudi insurance market to regain its balance in 2025 and create good opportunities for the growth of insurance companies during the coming period. All this will ensure that we have a good share of the Saudi insurance market.

We thank our shareholders for their trust and the members of the Board of Directors and its committees, and we promise our valued customers more achievements.

# 4

## The Board of Directors and Committees

Members of the current Board of Directors as of 11/9/2022 to 10/9/2025



**Mr. Montaser Mohammed Foudah**

### Independent Member

#### Current Positions:

Chairman of Board of Directors at Salama Cooperative Insurance Company

Chairman of the executive committee at Salama Cooperative Insurance Company

Member of the risk committee at Salama Cooperative Insurance Company

Chief Governance and Compliance officer – sedco capital

#### Previous Positions:

Head of Governance, Compliance & MLR- NBK Wealth Management Company

Head of Risk, Compliance & MLR and Secretary of the Board- NBK Wealth Management Company

Head of Custody and Awqaf Division - Alkhabeer Capital

Deputy Chief Risk and Compliance officer - Alkhabeer Capital

Head of Compliance and Governance department. - Alkhabeer Capital Vice president – Wealth Management -

Alkhabeer Capital

Senior Client Advisory Manager – The National Commercial Bank

Client Advisory Manager – The National Commercial Bank Investment Marketing officer – Riyadh Bank

#### Qualifications:

Bachelor of Science Degree in Business Administration – King Abdulaziz University 1999

#### Experience:

Head of Custody and Awqaf Division - Alkhabeer Capital 2016 - 2007

Deputy Chief Risk and Compliance Officer - Alkhabeer Capital 2016 - 2007

Head of Compliance and Governance department. - Alkhabeer Capital - 2007 2016

Vice president – Wealth Management - Alkhabeer Capital 2016 - 2007

Senior Client Advisory Manager – The National Commercial Bank 2007 - 2003

Client Advisory Manager – The National Commercial Bank 2007 -2003

Investment Marketing Officer – Riyadh Bank 2003 - 1999



## Mr. Adnan Jameel Khoja

### Non-Executive Member

#### Current Positions:

Vice chairman of the Board of Directors at Salama Cooperative Insurance Company

Chairman of the risk committee at Salama Cooperative Insurance Company

Member of the nomination and remuneration committee at Salama Cooperative Insurance Company

Insurance Consultant in Al Mamoon Overseas Insurance Broker Co.

#### Previous Positions:

Insurance Consultant Cigalah Company

Manager Medical Underwriting at Tawuniya Insurance Company

Insurance Coordinator in Saudi Aramco

Insurance Coordinator in SAMREC  
Assistant Legal Advisor in  
Petromin Jet Company

#### Qualifications:

Bachelor of Political Science – king Abdulaziz University 1986

#### Experience:

Insurance Consultant Cigalah Company 2011 -2004

Manager Medical Underwriting at Tawuniya Insurance Company 2003 -1994

Insurance Coordinator in Saudi Aramco 1994 -1994

Insurance Coordinator in SAMREC 1993 -1991

Assistant Legal Advisor in Petromin Jet Company 1991 -1987



## Mr. Bader Khalid Alanzi

### Executive Member

#### Current Positions:

Member of the Board of Directors at Salama Cooperative Insurance Company

Member of the executive committee at Salama Cooperative Insurance Company

Member of the investment committee at Salama Cooperative Insurance Company

Chief Executive Officer – Salama Cooperative Insurance Company

#### Previous Positions:

Chief Executive Officer (CEO) - Solidarity Saudi Takaful Company 2021-2016

Deputy CEO & Chief Financial Officer (CFO) - Solidarity Saudi Takaful Company 2016-2013

Accounts Payable Manager - MAADEN 2013 -2012

Payables Management Manager - Tawuniya Insurance Company 2012-2010

Financial Controller & Treasury Analyst - Saudi Telecom Company (STC) -2002

2005

Operations Officer - Riyadh Bank

#### Qualifications:

Master of Science in Accounting, Oklahoma City University – United State Bachelor's in accounting, Kuwait University 2008

Certified Insurance Diploma - London, Certified Insurance Institute 2000

#### Experience:

Chief Executive Officer (CEO) - Solidarity Saudi Takaful Company 2021-2016

Deputy CEO & Chief Financial Officer (CFO) - Solidarity Saudi Takaful Company 2016-2013

Accounts Payable Manager – MAADEN 2013 -2012

Payables Management Manager - Tawuniya Insurance Company 2012-2010

Financial Controller & Treasury Analyst - Saudi Telecom Company (STC) -2002

2005  
Operations Officer - Riyadh Bank 2001



## Mr. Khalid Mohammed Salem Bajnaid

### Independent Member

#### Current Positions:

Member of the Board of Directors at Salama Cooperative Insurance Company  
Chairman of the investment committee at Salama Cooperative Insurance Company  
Member of the executive committee at Salama Cooperative Insurance Company  
Member of the audit committee – Saudi bio acids company

#### Previous Positions:

CFO – Arch capital company  
Deputy CFO at Salama Cooperative Insurance Company  
Deputy of Finance operation & Custody Departments – Alawwal Capital Company  
Financial Controller – Saudi Economic & Development Company (SEDCO)  
AVP For Financial & Administration Department – Project Management & development Co.

Accounting Manager – Saudi Research & Publication Company  
Senior Expert at Arthur Anderson Financial Audit & Advisory- Arthur Andersen & Co

#### Qualifications:

Bachelor of Economics & Administration: Accounting – king Abdulaziz University 1993

#### Experience:

CFO – Arch capital company  
Deputy CFO at Salama Cooperative Insurance Company  
Deputy of Finance operation & Custody Departments – Alawwal Capital Company  
Financial Controller – Saudi Economic & Development Company (SEDCO)  
AVP For Financial & Administration Department – Project Management & development Co.  
Accounting Manager – Saudi Research & Publication Company  
Senior Expert at Arthur Anderson Financial Audit & Advisory- Arthur Andersen & Co



## Mr. Abdullah Adel Sultan

### Independent Member

#### Current Positions:

Member of the Board of Directors at Salama Cooperative Insurance Company  
Member of the nomination and remuneration committee at Salama Cooperative Insurance Company  
Member of the investment committee at Salama Cooperative Insurance Company  
Chief Executive Officer - Kingdom Brokerage for Insurance

#### Previous Positions:

Chief Executive Officer – Ittihad Insurance Brokers  
Chief Executive Officer – Authorized Policy Insurance Brokers  
Chief Operation Officer – Authorized Policy Insurance Brokers  
Head of Corporate Sales – Deputy of Chief Sales Officer – Salama Cooperative Insurance Company  
Head of Non-Motors – Deputy Chief Operation Officer – Salama Cooperative Insurance Company  
Head of Medical Insurance – Salama Cooperative Insurance Company  
Senior underwriting Officer – Salama Cooperative Insurance Company  
Senior underwriting Officer - Salama

Cooperative Insurance Company  
Underwriting Officer Al-Ahlia Cooperative Insurance Company

#### Qualifications:

Bachelor of Economics & Administration: Insurance - king Abdulaziz University

#### Experience:

Chief Executive Officer – Ittihad Insurance Brokers  
Chief Operation Officer – Authorized Policy Insurance Brokers 2022 -2020  
Head of Corporate Sales – Deputy of Chief Sales Officer – Salama Cooperative Insurance Company 2020 -2019  
Head of Non-Motors – Deputy Chief Operation Officer – Salama Cooperative Insurance Company 2019 -2019  
Head of Medical Insurance - Salama Cooperative Insurance Company 2019 -2017  
Western Regional Manager – WAFA Cooperative Insurance Company 2017 -2015  
Senior underwriting Officer - Salama Cooperative Insurance Company 2015 -2014  
Underwriting Officer Al-Ahlia Cooperative Insurance Company 2014 -2011



## Mr. Mohammed Taha Al-Safi

### Independent Member

#### Current Positions:

Member of the Board of Directors at Salama Cooperative Insurance Company  
Chairman of the audit committee at Salama Cooperative Insurance Company  
Founder & CEO - TasHeel Arabia Co.  
Partner & Cofounder – Sea Star Network Co.

#### Previous Positions:

Consultant for Chairman & Board Member – International Recruitment Co. (IRC)  
Administrative Consultant for CEO & Managing Director – Saudi Freyssintet Co.  
HR Director – Almajal – G4S Company  
General Manager, Shared Services Center (SSC) – KAB Holding Company  
General Manager for Group Administration – Mahmood Saeed Collective Co.  
Branch Manager – Arab National Bank  
Acting Branch Manager – Arab National Bank  
Credit Officer - Arab National Bank  
Executive trainee - Arab National Bank  
Co-op trainee - Arab National Bank

#### Qualifications:

Bachelor of Management Information System. – King Fahd University of Petroleum & Minerals (KFUPM) 1993

#### Experience:

Consultant for Chairman & Board Member – International Recruitment Co. (IRC) -2013 2014  
Administrative Consultant for CEO & Managing Director – Saudi Freyssintet Co. 2012 -2007  
HR Director – Almajal – G4S Company -2007 2016  
General Manager, Shared Services Center (SSC) – KAB Holding Company 2006 -2001  
General Manager for Group Administration – Mahmood Saeed Collective Co. 2001 -1997  
Branch Manager – Arab National Bank 2001-1993  
Acting Branch Manager – Arab National Bank 2001-1993  
Credit Officer - Arab National Bank 2001-1993  
Executive trainee - Arab National Bank 2001-1993  
Co-op trainee - Arab National Bank 2001-1993



## Mr. Wael Abdulrahman Al-bassam

### Independent Member

#### Current Positions:

Senior Advisor to His Excellency the Minister of Human Resources and Social Development  
Member of the Board of Directors at Salama Cooperative Insurance Company  
Member of the Board of Directors at Saudi Tourism Projects Company (SHAMS)  
Chairman of the nomination and remuneration committee at Salama Cooperative Insurance Company  
Member of the risk committee at Salama Cooperative Insurance Company

#### Previous Positions:

VP for Development and Education at Bank AlJazira

VP of Shared Services at Al-Rasheed Group

#### Qualifications:

Master of Business Administration – University College of Bahrain 2006  
Bachelor of Art English Literature 1997  
Advanced Training in Leadership in digital Age 2018

#### Experience:

Consultant and Head of Human Resources in several companies  
VP for Development and Education at Bank AlJazira  
VP of Shared Services at Al-Rasheed Group

# 5

## The Board Committees

### Executive Committee

### Risk Committee

### Audit Committee

### Investment Committee

### Risk Committee

## Executive Committee

	Name	Membership Nature	Number of Meeting 6					
			First 27/02/2024	Second 18/04/2024	Third 26/06/2024	Fourth 10/09/2024	Fifth 20/11/2024	Sixth 08/12/2024
Current Executive Committee Member as of 11/9/2022 to 10/9/2025	Montaser Mohammed Foudah	Committee Chairman, Independent Member	✓	✓	✓	✓	✓	✓
	Bader Khalid Alanzi	Executive Member	✓	✓	✓	✓	✓	✓
	Khalid Mohammed Salem Bajnaid	Independent Member	✓	✓	✓	✓	✓	✓

### Brief Description of the Competence of the Executive Committee:

- Subject to any instructions set by the Saudi Central Bank or the Board of Directors, the Executive Committee exercises all the powers determined by the Saudi Central Bank or the Board, and the Executive Committee shall cooperate with the CEO and Managing Director.
- The Committee exercises all the powers granted to it to carry out its duties related to the meetings of the Board of Directors, and its members have the right to access confidential information of the Company.
- The Committee formulates, reviews, reports and manage the Company's strategy in relation to the interests of shareholders, customers, employees and other stakeholders.
- The Committee discusses and makes decisions related to urgent issues that require urgent decision-making.
- The Committee approves the amendments to the budget items and grants final approval of the capital expenditure items according to the powers of the Committee stipulated in the Authority Matrix.
- The Committee approves of the Company's business policies and procedures.
- The Committee monitors the performance of the CEO and senior management and makes recommendations in this regard.

- The Committee performs the tasks listed below, which are related to the Company's strategy:

- Reviewing the Company's strategic planning procedures and processes in cooperation with the CEO.
- Ensuring the completion of strategic plans that achieve the Company's goals.
- Reviewing the CEO's recommendations regarding the allocation of the Company's resources aimed at achieving alignment between the Company's strategic plans and its long-term operational objectives.
- Periodically reviewing the strategic plans and operational objectives of the Company and its subsidiaries (if any) to ensure their consistency with the Company's objectives.
- Monitoring the implementation of the policies and procedures of the Board of Directors.

- The Committee prepares recommendations to the Board of Directors regarding the Company's operational priorities and the relevant strategies.
- The Company performs the tasks listed below, which are related to the Company's financial planning:

- Preparing and reviewing annual and long-term financial objectives and strategies and making the necessary recommendations to the Board of Directors.
- Reviewing the financial aspects of the Company, in cooperation with the Company's executive management and the Audit Committee.
- Preparing and reviewing dividend distribution policies and how to implement them and making recommendations thereon to the Board of Directors.
- Periodically reviewing the actual capital expenditures to match them with the budgets approved by the Board of Directors.

- The Committee submits a periodic report at least once every six (6) months on its work to the Board of Directors.
- Notifying the Board of Directors in the event of the existence or emergence of any conflict of interest as a result of the decisions made by the Committee.
- Preparing an annual audit and evaluation of the activities of the Committee and its members.
- The Board shall be provided with all the meetings minutes related to the Committee.

## Risk Committee

### Brief Description of the Competence of the Risk Committee:

- Determining the risks that the Company may face and maintaining an acceptable level of risks related to the Company.
- Supervising risk management systems and evaluating their effectiveness.
- Verifying the feasibility of the Company's sustainability and the successful continuation of its activity, along with identifying the risks that threaten its continuation during the next twelve months.
- Developing a comprehensive risk management strategy for the Company, supervising its implementation, and periodically reviewing and updating it, considering the relevant internal and external variables.
- Reviewing risk management policies.
- Reviewing and reassessing, on a regular basis, the Company's level of risk appetite and the extent of its risk exposure.
- Submitting detailed reports to the Board of Directors about potential risks and making recommendations on how to manage them.
- Providing advice to the Board of Directors regarding risk management.
- Ensuring the availability of adequate resources and systems to manage risks.

	Name	Membership Nature	Number of Meeting (3)		
			First 27/06/2024	Second 26/09/2024	Third 08/12/2024
Current Risk Committee	Adnan Jamel Khoja	Committee Chairman non-executive Member	✓	✓	✓
	Montaser Mohammed Foudah	Independent Member	✓	✓	✓
	Wael Abdulrahman Albassam	Independent Member	✓	✓	✓



Name	Membership Nature	Current Audit Committee as of 2023/11/20							
		Number of Meeting (8)							
		First 06/03/2024	Second 21/04/2024	Third 09/05/2024	Fourth 30/07/2024	Fifth 28/08/2024	Sixth 30/09/2024	Seventh 30/10/2024	Eighth 10/12/2024
Mohammed taha alsafi	Committee Chairman Independent Member	✓	✓	✓	✓	✓	✓	✓	✓
Ghassan Omar Shuaibs	External Member	✓	✓	✓	✓	✓	✓	✓	✓
Salah Muhammad Barbara	External Member	✓	✓	✓	✓	✓	✓	✓	✓
Noha Abdulgani Slimani	External Member	✓	✓	✓	✓	✓	✓	✓	X

#### Brief Description of the Competence of the Audit Committee:

- The members of the Audit Committee shall be responsible before the Saudi Central Bank, the Company's shareholders, and the Company's Board of Directors for implementing the provisions of this regulations, and for implementing the action plan of the Audit Committee issued by a resolution of the Board of Directors.
- Committee members, while performing their duties, shall give priority to the Company's interest over any other considerations that may affect their actions and decisions.
- The Audit Committee has the right to directly communicate with the Board of Directors and senior management in the Company, all employees, committees, legal advisors, internal and external auditors in the Company's headquarters and branches, as well as other parties related to the Company, and it has the right to access all records and private and confidential documents necessary for the performance of its duties. The Audit Committee may seek the assistance of any advisory body from outside the Company to carry out specific tasks in order to assist it in performing its duties.

- All members of the Audit Committee shall maintain the confidentiality of matters relating to the work of the Audit Committee, even after they cease to be members of the Committee.
- A member of the Audit Committee may not have a direct or indirect interest in the business and contracts that are made for the Company.
- A member of the Audit Committee may not participate in any business that would compete with the Company, or trade in the activities practiced by the Company, and the Company may claim compensation for any damage incurred by it as a result of such act or conduct.
- The Company shall not issue or renew any insurance policy for any of the members of the Audit Committee or the parties related to it before paying the full due premium. If any of the members of the Audit Committee submits a claim for compensation for an insurance policy issued to him/her by the Company, such claim shall be dealt with according to the procedures set out in the regulations applicable to customer claims and without preferential treatment, and the statutory controller shall be notified of any compensation due to the member.

## Investment Committee

	Name	Membership Nature	Number of Meeting (2)	
			First 26/02/2024	Second 25/09/2024
Current Investment Committee Member	Khaled Muhammed Salem Bajnaid	Committee Chairman, Independent Member	✓	✓
	Abdullah Adel Sultan	Independent Member	✓	✓
	Bader Khalid Alanzi	Executive Member	✓	✓

### Brief Description of the Competence of the Investment Committee:

- Subject to any instructions set by the Saudi Central Bank or the Board of Directors, the Investment Committee exercises all the powers delegated to it by the Board of Directors, and the Committee cooperates with the CEO and the Managing Director regarding the investment decisions.
- The Committee exercises all the powers granted to it to carry out its duties towards its shareholders and the Company's strategy.
- The Committee is responsible for preparing the Company's investment Policy, which shall be presented to the Saudi Central Bank, and obtains approval on it.
- The Committee prepares and formulates the Company's Investment Policy, follows up on its implementation, and annually obtains the Board of Directors approval on it. This Policy may be amended only after obtaining the approval of the Board of Directors on any amendment.
- The Committee supervises the implementation of the Investment Policy and the operations of the Company's investment portfolios within the stable practical frameworks of strategy and risks.
- The Committee reviews policies, objectives, and special investment plans, and makes recommendations thereon.

- The Committee takes the necessary steps to inform the concerned employees, directly and indirectly, of investment activities and ensures that they understand them.
- The Committee conducts the strategic allocation of assets to major investment categories.
- The Committee reviews the performance of each asset category.
- The Committee sets limits for the allocation of assets according to geographical areas, financial markets, relevant sectors, securities, and currencies.
- The Committee defines and identifies illiquid assets and sets restrictions on investing in them.
- The Committee continuously monitors the performance of the Company's investment portfolios and submits reports on a quarterly basis.
- The Committee periodically follows up on and monitors investment risks.
- The Committee's responsibilities include making investment-related decisions as per the delegation of authority granted by the Board of Directors.
- The Committee comprehensively reviews, on an annual basis, the adequacy of the general Investment Policy in light of the Company's activities, the general risk tolerance, the requirements for the return on long-term risks and the solvency ratio.
- The Committee reviews the due diligence reports prepared by external asset managers or any third-party providing investment-related services.
- The Committee conducts a comprehensive evaluation of investment and asset management service providers and external parties related to investment on an annual basis to ensure the stability of the conditions on the basis of which such entities are appointed and that there are no fundamental changes that may lead the Company reconsidering its dealings with such entities.
- The Committee recommends the appointment of investment or asset managers, or a portfolio manager licensed by the Capital Market Authority or any other authority or regulatory authority if the investments are outside the Kingdom.
- The Committee manages the relationship between the Company and the officially appointed asset managers.
- The Committee ensures that the Company's investments comply with the investment regulations issued by the Saudi Central Bank.

- The Committee monitors the performance of the CEO and senior management in relation to the Company's investments and makes recommendations in this regard.
- The Committee submits a quarterly periodic report on its work and on the performance of investment portfolios to the Board of Directors.
- The Committee notifies the Board of Directors in the event of the existence or emergence of any conflict of interest as a result of the decisions made by the Committee.
- The Committee prepares an annual review and evaluation of the activities of the Committee and its members.
- The Board shall be provided with all the meetings minutes related to the Committee.

## Nomination and Remuneration Committee

	Name	Membership Nature	Number of Meetings (4)			
			First	Second	Third	Four
			03/03/2024	09/05/2024	22/08/2024	18/12/2024
Current Committee Member 11/09/2022 to 10/09/2025	Wael Abdulrahman Albassam	Committee Chairman, Independent Member	✓	✓	✓	✓
	Abdullah Adel Sultan	Independent Member	✓	✓	✓	✓
	Adnan Jamel Khoja	Non-Executive Member	✓	✓	✓	✓

### Brief Description of the Competence of the Nomination and Remuneration Committee:

- The duties and responsibilities of the Nomination and Remuneration Committee are as follows:  
Proposing clear policies and criteria for membership in the Board of Directors and Senior Executive Management.
- Recommending, to the Board of Directors, the nomination for membership of the Board of Directors and its committees in accordance with the legal requirements and approved policies and standards.

- Developing job descriptions for executive members, non-executive members, independent members, and senior executives.
- Conducting annual review of the required appropriate skills for membership of the Board of Directors and its committees; preparing a description of the capabilities and qualifications required for filling the positions of the Senior Executive Management and the membership of the Board of Directors and its committees; determining the time that the member allocates for the work of the Board or its committees; evaluating the structure and composition of the Board and its committees; determining the relevant weaknesses on a regular basis; and proposing necessary steps for addressing them.
- Evaluating and monitoring the independence of the members of the Board of Directors and its committees, and ensuring the absence of conflict of interest, including checking, on an annual basis, the independence of the independent members.
- Developing clear policies for the compensation and remuneration of members of the Board of Directors, its committees, and members of Senior Management, and submitting them to the Board of Directors for approval by the General Assembly, taking into account that such policy follows performance-related standards, disclosing and verifying their implementation.
- Periodically reviewing the Remuneration Policy and evaluating its effectiveness in achieving the desired objectives.
- Clarifying the relationship between the remuneration granted and the applicable remuneration policy and identifying any substantial deviation from this Policy.
- Periodically supervising the evaluation of the performance of the Board members and committees. Making recommendations regarding the appointment and dismissal of senior management members.
- Establishing special procedures if a position of a member of the Board of Directors or a senior executive becomes vacant.
- Proposing succession policy and procedures to the CEO and senior members of the senior management and monitoring the implementation of their succession plans and procedures.
- Reviewing compensation plans for senior management members.
- Supervising the induction program and periodic training for the members of the Board of Directors.
- Making recommendations to the Board on issues related to nominations and remuneration of Board members, its committees, and senior executives of the Company in accordance with the approved policy.

# 6

## Executive Management



### Bader Khaled Dhaar Al-Anzi

CEO of Salama Cooperative Insurance Company, as of December 1, 2021

#### Positions:

Chief Executive Officer - Solidarity Saudi Takaful Company - September 2016-March 2021  
Deputy CEO & Chief Financial Officer - Solidarity Saudi Takaful Company - May 2013-April 2016  
Accounts Payables Manager - Saudi Arabian Mining Company (Ma'aden) - July 2012 - April 2013  
Director of Payables Department - Tawuniya Insurance Company May 2010-June 2012  
Financial Controller and Treasury

Analyst - Saudi Telecom Company (STC) - September 2010-2002  
Operations Manager, Riyad Bank, 2002-2001

#### Qualifications:

Master of Science in Accounting, Oklahoma University, 2008  
Bachelor of Accounting, Kuwait University, 2000  
Professional Insurance Diploma 2017



## Ammar Ahmed Hamza Ghurab

Chief of Operations, Salama Cooperative Insurance Company

### Positions:

Head of Technical Affairs at Salama Cooperative Insurance Company from 2017 until now

General Manager of Motor Insurance from 2011 to 2014 at SALAMA Cooperative Insurance Company

Director of Vehicle Claims Department from 2003 to 2011 at SALAMA Cooperative Insurance Company

### Qualifications:

Bachelor of Business Administration, King Abdulaziz University, 1998  
Insurance Diploma from Bahrain Institute of Banking and Finance in 2011



## Hani Ghazi Saeed Bahadi

Head of Sales, Salama Cooperative Insurance Company

### Positions:

Head of Sales at Salama Cooperative Insurance Company since 2023/05/01 until now

Regional Manager for the Western Region (Alinma Tokio Marine Company) for the period from February 2014 to April 2023.

Business Development Manager (Alinma Tokio Marine Company) for

the period from November 2013 to February 2014.

Branch Manager (Al Rajhi Takaful Company) for the period from October 2011 to October 2013 -

### Qualifications:

Bachelor of Marine Physical Sciences.



## Christopher Andrew Radcliffe

Internal Actuary Expert Cooperative Insurance Company

### Positions:

2011 – 2010: Oriental Consultants, seconded to Ministry of Municipalities and Urban Planning, Doha, Qatar. Economic and Demographic studies: 2016 – 2011: Actuarial Analyst, Mercer, Leeds, UK. Actuarial Consulting Services 2017 – 2016: Associate Actuary, Aon, Leeds, UK. Actuarial Consulting Services 2021 – 2017: Chief Actuary, Takaad, Bahrain. Investment Services Company

2023 – 2021: Senior Actuarial Manager, GIG Gulf, Bahrain. Motor, Medical and P&C Insurance. IFRS17 implementation. 2023– present Salama Cooperative Insurance Company, Head of Actuarial. Motor, Medical and P&C Insurance. IFRS17 implementation.

### Qualifications:

Fellow of the Institute and Faculty of Actuaries, UK. Fellow of the Society of Actuaries, USA. BSc (Hons)



## Mohammed Nasser Abdul Aziz Al-Wahbi

Customer Care Manager, Salama Cooperative Insurance Company

### Positions:

Customer Care Manager at SALAMA Cooperative Insurance Company since 2016-11-20 until now Retail Sales Branch Manager at Al Rajhi Takaful Company 2016-2010 Branch Manager The Saudi Investment Bank 2010-2004 Head of the Support Services Department in the Department of Patient Affairs at Prince Abdulaziz bin Fahd bin Abdulaziz Al Saud Office

2004-2000

Supervisor of the Inpatient Office at Dallah Hospital 2000-1999

### Qualifications:

Bachelor of Business Administration from King Faisal University BIC Investment Principles Certificate



## Noman Jamil Idris Bente

Chief Information Officer, Salama Cooperative Insurance Company

### Positions:

\*Director of Digital Information Department at SALAMA Cooperative Insurance Company - March 2023 - on the job

\*Director of Information Technology at The Red Sea Cruise Company - January 2021 – February 2023

\* Director of the Master's Program in Information Systems at Dar Al-Hekma University - August 2018 - December 2020

\*Director of Digital Information at SALAMA Cooperative Insurance Company - June 2016 – February 2018

\*Blacksmith Company June 2012 – May 2016

Director of Organizational Change Management in SAP

Director of Information and Communication Technology Service Manager

\* Jeddah Municipality May 2009 – May 2012

IT Manager for Technical Units  
Director of Information Technology for Governorates and Sub-Municipalities

\*Telecom Services Company October 2007 – December 2008

Acting General Manager

Chief Information Technology Officer at Kent State University, USA - March 2000 - December 2006

\*Senior Network Engineer at IBM Saudi Arabia - August 1996 – December 1999

\* Second Technical Analyst at the Presidency of Civil Aviation - August 1994 - July 1996

### Qualifications:

PhD in Computer Science

Master in Computer Science

Bachelor of Computer Science

Bachelor of Mathematics



## Ali Jaafar Ahmed Altaifa

Chief Finance Officer, Salama Cooperative Insurance Company

### Positions:

Chief Financial Officer at Salama Cooperative Insurance Company since 2023-08 until now

Finance Manager, NextCare Saudi Arabia, November 2021 - July 2023

Finance Director, Middle East and North Africa, Olayan Saudi Holding Company, Food sector Mar 2021 - Nov 2021

Director of Finance and Accounting, Najm Insurance Services Company, November 2018 – March 2021

Senior Accountant and Financial Manager Saudi Technical Institute for Electricity Services APR 2015 – Oct2018

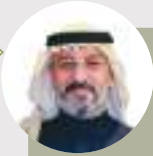
Credit Controller General Company for Equipment and Trading Jul2013 – Mar2015

Payments Manager Algosaibi Hotel Apr2012 – Jul2013

### Qualifications:

Bachelor of Finance, Master of Business Administration and Certified Financial Manager





## Shaker Bin Faisal Mustafa Alkhanani

Chief Risk Officer, Salama Cooperative Insurance Company

### Positions:

He held several positions in different sectors for more than 18 years, the most important of which are:  
Compliance & Risk Manager at Independent Insurance Brokerage Services  
Chief Risk Officer at Salama Cooperative Insurance Company for the period 2019-2014  
Chief Risk Officer at Al Sagr Cooperative Insurance Company  
Chief Risk Officer at United Cooperative Insurance Company  
General Manager of Risk and Business Continuity Department at Najm Insurance Services Company

Chief Risk Officer at Salama Cooperative Insurance Company for the current period

### Qualifications:

Computer Programming Diploma  
Bachelor of Business Administration – Marketing from the University of Business and Technology UBT  
MSc - Financial Services Management from the University of Salford  
He holds several accredited certificates, the most important of which are:  
Internal Audit, ISO Analysis, Harvard Strategic Management Program, National Transformation Leadership Program 2020 (one of the Vision 2030 programs), Risk Management, Compliance and Governance.



## Turki Awad Ahmed Mbarki

Internal Audit Manager, Salama Cooperative Insurance Company

### Positions:

Audit Manager at Salama Insurance Company 2023-Present  
Audit Manager at Alinma Bank-2023-2021  
Assistant Audit Manager at Bank Albilad-2021-2019  
Chief Branch Auditor at Bank Albilad 2018-2017  
Senior Auditor at Al Rajhi Bank 2013-2006

### Qualifications:

Certified Internal Auditor (CIA) 2024  
Master of Professional Accounting 2011  
Bachelor of Accounting 2005  
Certificate of Fundamentals of Insurance IFCE.



## Hassan Ahmed Hassan Al, Zahrani

Chief of Compliance and Anti-Money Laundering and Combating the Financing of Terrorism, Salama Cooperative Insurance Company

### Positions:

Chief of Compliance and Anti-Money Laundering and Combating the Financing of Terrorism - Salama Cooperative Insurance Company since 2024/09/01 until now  
Regulatory Compliance Manager – Al Jazira Takaful Company – October 2022 to September 2024  
Secretary of the Nomination and Remuneration Committee – SALAMA Cooperative Insurance Company – December 2021 to October 2022  
Compliance Manager – SALAMA Cooperative Insurance Company – November 2021 to October 2022  
Assistant Compliance Manager – SALAMA Cooperative Insurance Company – May 2021 to November 2021  
Senior Compliance Officer – SALAMA Cooperative Insurance Company – January 2018 to May 2021  
Compliance Officer – SALAMA Cooperative Insurance Company –

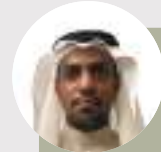
2015 to January 2018

### Qualifications:

Bachelor of Business Administration – Arab Open University – July 2020 – Ongoing  
High School – Ibn Hazm High School – 2014-2013

### Professional Qualifications:-

Certified Anti-Money Laundering Specialist CAMS – Financial Academy – 2024  
Analysis and risk management in insurance companies – Financial Academy - 2024  
Certified Compliance Officer (CCO) – Financial Academy – 2018  
Compliance Officer in Insurance Companies – Financial Academy – 2023  
Fundamentals of Insurance IFCE – Financial Academy – 2016



## Essam Ibrahim Ali Khattarsh

Anti-Fraud Manager, Salama Cooperative Insurance Company

### Positions:

Anti-Fraud Manager at Salama Cooperative Insurance Company since 2016/02/01 until now  
Objections and Anti-Fraud Officer at Najm.2016-2014  
Traffic accident investigator at Najm.2014-2013  
Public Relations Officer at Abha Private Hospital.2009 - 2007

### Qualifications:

Diploma in Health Management from the International Academy of Health Sciences.

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companies inside or outside the kingdom wherein a member of the company's board of directors is a member of its current of directors or one of its directors.

Names of the current board of directors as of 11-09-2022 to 10-09-2025	current membership in board of directors of other companies	Inside /outside the kingdom	Legal entity	Membership in the previous boards or position as a director	Inside \outside the kingdom	Legal entity
<b>Montaser Mohammed Foudah</b>	Member of the Board of director at Salama Cooperative insurance company Secretary of the board at Watani Wealth Management	Inside the kingdom	(Open Joint-Stock Company)	—	—	—
<b>Adnan Jamel Khoja</b>	Member of the Board of director at Salama Cooperative insurance company Member of the Board of Directors of Waj Development Company	Inside the kingdom Inside the kingdom gdom	(Open Joint-Stock Company) Closed shareholding	—	—	—
<b>Bader Khalid Alanzi</b>	Member of the Board of director at Salama Cooperative insurance company Manafez company	Inside the kingdom	(Open Joint-Stock Company) Closed shareholding	Najam for Insurance services	Inside the kingdom	Closed shareholding
<b>Khaled MuhammedSalem Bajnaid</b>	Member of the Board of director at Salama Cooperative insurance company	Inside the kingdom	(Open Joint-Stock Company)	—	—	—
<b>Abdullah Adel Sultan</b>	Member of the Board of director at Salama Cooperative insurance company	Inside the kingdom	(Open Joint-Stock Company)	—	—	—
<b>Mohammed Taha Al-Safi</b>	Member of the Board of director at Salama Cooperative insurance company	Inside the kingdom	(Open Joint-Stock Company)	—	—	—
<b>Wael Abdulrahman Albassam</b>	Member of the Board of Directors of the Saudi Tourism Projects Company (Shams) Member of the Board of director at Salama Cooperative insurance company	Inside the kingdom	(Open Joint-Stock Company)	Member of the board of director in Saudi paper manufacturing company	Inside the kingdom	Closed shareholding

## 8

## Composition of the Board of Directors and Classification of its Members

Composition of the current Board of Directors 2025/11/10 -2022/11/9

Member's Name	Membership Classification
Mountasar Mohammed Foudah	Independent
Adnan Jamel Khoja	Non-executive
Bader Khalid Alanzi	Executive
Khaled Mohammed Salem Bajnaid	Independent
Abdullah Adel Sultan	Independent
Mohammed Taha Al-Safi	Independent
Wael Abdulrahman Albassam	Independent

## 9

## Action taken by the board of directors to inform its members of the shareholders' Recommendations and comments regarding the company and its performance

The company received inquiries, suggestions and observations from its shareholders via e-mail and phone call, and all inquiries, suggestions and observations of shareholders about the company were answered during the general assembly meetings in the presence of all members of Board of Directors.

## Penalties imposed on the company by the authority or any supervisory authority.

Fiscal year 2023					Fiscal year 2024				
	Subject and reason of the violation	Number of executive decisions	Total amount of fines Saudi riyals	Ways of remedying it and avoiding its occurrence in the future	Subject and reason of the violation	Number of executive decisions	Total fines amount in Saudi riyals	Ways to treat and avoid its occurrence in the future	
Insurance Authority	Violation of supervisory and regulatory instructions regarding the application of certain verification controls for clients of financial technology companies.	1	45,000 SAR	The company implemented corrective programs, supervised by the CEO, to address violations and prevent recurrence in the future.	Violation of supervisory and regulatory instructions regarding the requirements of the Cooperative Insurance Companies Control System and its executive regulations.	1	360,000 SAR	The company implemented corrective programs, supervised by the CEO, to address violations and prevent recurrence in the future.	
					Violation of supervisory and regulatory instructions regarding the application of certain verification controls for clients of financial technology companies.	1	210,000 SAR		

## Ownership of major shareholders and members of the board of directors

Major shareholder	Board of directors
None	Wael Abdulrahman Albassam

# 10

## Disclosure of the Remunerations of the Members of the Board of Directors, its committees, and the Executive Management

"The current session started from 11/09/2022 till 10/09/2025"

Current Executive Committee	Nature of membership	Membership Status	Fixed remuneration (except meeting attendance fees)	Membership Status	Total
Mountasar Mohammed Foudah	Chairman	Independent	-	12000	12000
Bader Khalid Alanzi	Member	Independent	-	12000	12000
Khaled Mohammed Salem Bajnaid	Member	Executive	-	12000	12000
Total			-	36000	36000

"The current session started from 11/09/2022 till 10/09/2025"

Current Investment Committee	Nature of membership	Membership Status	Fixed remuneration (except meeting attendance fees)	Membership Status	Total
Khaled Mohammed Salem Bajnaid	Chairman	Independent	-	4,000	4,000
Bader Khalid Alanzi	Member	Independent	-	4,000	4,000
Abdullah Adel Sultan	Member	Executive	-	4,000	4,000
Total			-	12,000	12,000

"The current session started from 11/09/2022 till 10/09/2025"

Current Risk Committee	Nature of membership	Membership Status	Fixed remuneration (except meeting attendance fees)	Membership Status	Total
Adnan Jamel Khoja	Chairman	Non executive	-	6,000	6,000
Mountasar Mohammed Foudah	Member	Independent	-	6,000	6,000
Wael Abdulrahman Albassam	Member	Independent	-	6,000	6,000
Total			-	18,000	18,000

"The current session started from 11/09/2022 till 10/09/2025"

Current Nomination and Remuneration Committee	Nature of membership	Membership Status	Fixed remuneration (except meeting attendance fees)	Membership Status	Total
Wael Abdulrahman Albassam	Chairman	Independent	-	8000	8000
Abdullah Adel Sultan	Member	Non executive	-	8000	8000
Adnan Jamel Khoja	Member	Independent	-	8000	8000
Total			-	24000	24000

"The previous session started on 02/08/2023 and ended on 20/11/2023."

Previous Audit Committee	Nature of membership	Membership Status	Fixed remuneration (except meeting attendance fees)	Membership Status	Total
Mohammed Taha Alsafi	Chairman	Independent	58,333	-	58,333
Mater Saud Alenazi (*)	Member outside the Board	Independent	46,664	-	46,664
Ayed Mater Al Githami	Member outside the Board	Independent	58,333	-	58,333
Total			163,330	-	163,330

(\*) He submitted his resignation on Thursday, 13/03/1445H, corresponding to 28/09/2023, and the Board of Directors approved the resignation on Thursday, 13/03/1445H, corresponding to 28/09/2023.

The current session started from 20/11/2023 till 10/09/2025 (\*\*)

Current Audit Committee	Nature of membership	Membership Status	Fixed remuneration (except meeting attendance fees)	Membership Status	Total
Mohammed Taha Alsafi	Chairman	Independent	11,667	16,000	27,667
Noha Abdulghani Suleimani	Member outside the Board	Independent	11,667	14,000	25,667
Ghassan Omar Shoibe	Member outside the Board	Independent	11,667	16,000	27,667
Salah Mohammed Baraba	Member outside the Board	Independent	11,667	16,000	27,667
Total			46,668	62,000	108,668

(\*\*) Their membership started on 20/11/2023 after obtaining a non-objection from the Saudi Central Bank on 06/05/1445H corresponding to 20/11/2023.



## Current board of Directors

Fixed Remunerations					Amount received by the board members under their capacity as employees and administrators, or amount received by the board member due their technical, administrative or consulting works.	Remuneration to the Board Chairman, Managing Director or Board Secretary, if he is a member (*)	Total	Variable Remunerations						End of service indemnity	Gross Total	Expenses allowance reimbursement	
Member name	Nature of membership	Specified amount	Total committees attendance fees	In kind benefits				Percentage from income	Periodic rewards	Short term incentive plans	Long term incentive plans	Granted shares	Total				
A - Independent board members																	
Mountasar Mohammed Foudah	Chairman	-	18,000	18,000	-	-	300,000	336,000	-	-	-	-	-	-	336,000	3,915	
Abdullah Adel Sultan	Member	-	18,000	12,000	-	-	200,000	230,000	-	-	-	-	-	-	230,000	34,827	
Khaled Mohammed Salem Bajnaid	Member	-	18,000	16,000	-	-	200,000	234,000	-	-	-	-	-	-	234,000	-	
Wael Abdulrahman Albassam	Member	-	18,000	14,000	-	-	200,000	232,000	-	-	-	-	-	-	232,000	2,920	
Mohammed Taha Alsafi	Member	-	18,000	16,000	-	-	200,000	234,000	-	-	-	-	-	-	234,000	-	
total			90,000	76,000	-	-	1,100,000	1,266,000	-	-	-	-	-	-	1,266,000	41,663	
B - Non executive board members																	
Adnan Jameel Khoja	Member	-	18,000	14,000	-	-	200,000	232,000	-	-	-	-	-	-	232,000	-	
Total		-	18,000	14,000	-	-	200,000	232,000	-	-	-	-	-	-	232,000	-	
C - Executive board members																	
Bader Khalid Alanzi	Member	-	18,000	16,000	-	-	234,000	200,000	-	-	-	-	-	268,428	502,428	-	
Total	-	-	18,000	16,000	-	-	234,000	200,000	-	-	-	-	-	268,428	502,428	-	
Gross total	-	-	126,000	106,000	-	-	1,500,000	1,732,000	-	-	-	-	-	268,428	2,000,428	41,663	

## Executive Management Remuneration

Description	Fixed Remuneration				Variable Remuneration						End of service indemnity	Total executive remuneration for the board, if any	Total Summation
	Salaries	Allowances	Benefits in kind	Total	Periodic remuneration	Profits	Short-term incentive plans	Long-term incentive plans	Granted Shares (value is entered)	Total			
Remunerations and compensations received by five of the company's senior executives, including the Chief Executive Officer and Chief Financial Officer	5,628	0	Health insurance for the employee and their dependents, and life insurance for the employees in the event of death and personal accidents, according to the company's policies	5,628	1,265	-	-	-	-	1,265	268	234	7,395

(\*) It represents bonus paid during the year 2024 that pertain to the year 2023.

**The remunerating and nominating committee is specialized in rewarding the members of the council, the members of the committees and the senior executives in the company according to the approved standards as follows**

- 1- The reimbursement is to be inconsistent with the activities of the company and the skills needed to manage it.
- 2- The variable part of the remuneration is to be linked with the long-term performance of the receiver.
- 3- The company is to take into account how coherent the remunerations are with the strategy of the company, its goals, and the nature and magnitude of the risk that might arise from its potential risks.
- 4- The company is to take into account the practices of other companies and the norm of the market regarding the determination of the remunerations. It is also to avoid what might arise due to this, such as overpricing and compensations.
- 5- It is to be prepared in coordination with the committee of remunerating and nominating when it comes to new recruitment.
- 6- The remunerations are to be determined based on the post's level, the duties, responsibilities of the rewards, academic qualifications, practical experiences, skills, and performance of the remunerated.
- 7- The remunerations are to be fair and incoherent with the specialty of the member and the duties of the members of the Board of Directors or the committees and the goals specified by the Board of Directors that were meant to be achieved throughout the financial year.
- 8- The sector to which the company belongs, and the size and experience of the Board of Directors are also to be taken into account.
- 9- The remuneration is to be of enough magnitude to grab the attention of competent and experienced members of the Board of Directors and to stimulate them and assure they remain interested in the job.
- 10- The remunerations of the members of the Board of Directors can vary if it reflects the amount of experience and how specialized each member is and how good they are at doing their job, and how independent they are,

in addition to how many meetings they attend and other considerations. 11- If inaccurate information fed by a member of the Board of Directors or the executive management leads to a member being reimbursed, then the remunerations are to be stopped or regained in order to prevent any exploitation of status to get undeserved indemnified.

12- In case a program is to be developed to allow members of the Board of Directors, the executive management, or their staff to take shares in the company, whether these shares were new editions or claims that the company had bought. This procedure is to be performed under the committee's supervision of remunerating and nominating, and under the central guidelines, systems, company regulations, and the related capital market.

## **The Relationship between the Remunerations Granted and the Remunerations Policy**

**The remunerations were distributed based on the approved Remuneration Policy without any substantial deviation.**

# 13

## Annual Audit of the Effectiveness of the Company's Internal Control Procedures

### First:

The control procedures in the company are reviewed on an ongoing basis by the internal audit department by adopting a systematic and structured methods based on risks methodology to ensure the efficiency of the control procedures and to provide the necessary recommendations for improvement in order to enhance and protect the value of the company and help it to reach its objectives. The audit committee and the board of directors receive periodic reports on the results of the review that are

### Second: External Audit and Financial Reports

The Audit Committee, within the scope of its duties, reviews the periodic reports prepared by the company's internal audit department, as well as discusses and reviews the results of the external auditor's work. The committee also engages with the company's management to evaluate the company's internal control procedures in terms of their design and implementation. Additionally, the committee follows up the recommendations provided by the internal audit department and the external auditor to address observations and monitor their resolution, particularly regarding the fairness of financial statements. Considering that any internal control system, regardless of how sound its design and effectiveness of its

application is, cannot provide absolute assurance about the effectiveness of the applied internal control systems.

Accordingly, the committee did not observe any material weakness in the company's internal control systems, though there remains a need to improve certain aspects of effectiveness in the internal control system compared to the previous financial year.

# 14

## The Company's Social Contributions

In terms of social responsibility, Salama participated in several initiatives, including a visit to the University of Business and Technology aimed at raising awareness about the insurance sector among students. During another visit, we organized an interactive workshop providing comprehensive information on job opportunities in insurance, discussing necessary skills in the field. Experts from within the company shared their experiences and advice, inspiring students to explore their career paths in insurance.

This initiative is part of Salama's efforts to strengthen ties with the academic community and equip the new generation with the knowledge needed for success in the job market. Such participation reflects the company's commitment to sustainable development and raising community awareness about the importance of insurance as a tool for protecting individuals and communities.

In another initiative, we distributed Ramadan baskets to promote cooperation and community engagement, equipping the baskets with essential food items to support needy families during the holy month. This initiative went beyond providing food necessities, fostering values of giving and sharing among community members, thereby reflecting our commitment to social responsibility and enhancing human connections during this blessed month



15

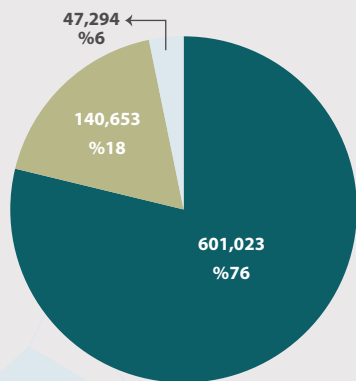
The General Assemblies of Shareholders Held during the Financial Year and the Names of the Board Members Attending these General Assemblies

General Assembly		
Attendance Record	First meeting 2024/06/13	Second meeting 2024/12/11
Mountasar Mohammed Foudah	Attended	Attended
Adnan Jamel Khoja	Attended	Attended
Bader Khalid Alanzi	Attended	Attended
Khaled MohammedSalem Bajnaid	Attended	Attended
Abdullah Adel Sultan	Attended	Attended
Mohammed Taha Alsafi	Attended	Attended
Wael Abdulrahman Albassam	Attended	Attended

## 16

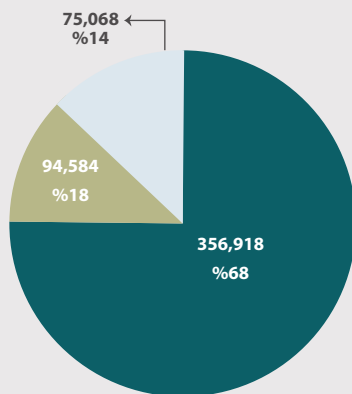
## Description of the Main Activities of the Company

Activity	Total GWP for the year 2024 (Thousands of Saudi Riyals)	Percentage %	Total GWP for the year 2023 (Thousands of Saudi Riyals)	Percentage %
Activity (1) Motor insurance	356,918	%68	601,023	%76
Activity (2) Medical insurance	94,584	%18	140,653	%18
Activity (3) Other insurances	75,068	%14	47,294	%6
<b>Total</b>	<b>526,570</b>	<b>%100</b>	<b>788,970</b>	<b>%100</b>

Total revenues for the year 2023  
(Thousands of Saudi Riyals)

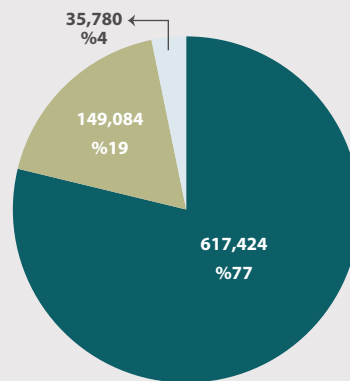
Total 788,970

■ Motor insurance ■ Medical insurance ■ Other insurances

Total revenues for the year 2024  
(Thousands of Saudi Riyals)

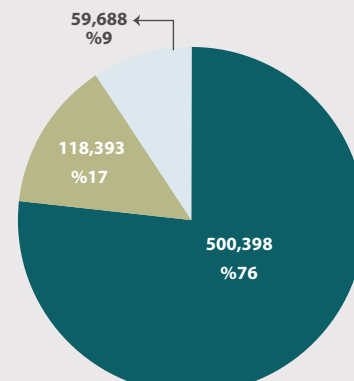
Total 526,570

Activity	Total revenues for the year 2024 (Thousands of Saudi Riyals)	Percentage %	Total revenues for the year 2023 (Thousands of Saudi Riyals)	Percentage %
Activity (1) Motor insurance	500,398	%74	617,424	%77
Activity (2) Medical insurance	118,393	%17	149,084	%19
Activity (3) Other insurances	59,688	%9	35,780	%4
<b>Total</b>	<b>678,479</b>	<b>%100</b>	<b>802,288</b>	<b>%100</b>

Total revenues for the year 2023  
(Thousands of Saudi Riyals)

Total 802,288

■ Motor insurance ■ Medical insurance ■ Other insurances

Total revenues for the year 2024  
(Thousands of Saudi Riyals)

Total 678,479

# 17

## The Company's Important Plans and Decisions

- Implementing new system.
- Reducing administrative and general expenses.
- Reducing corporate sales of loss-record activities and focusing on profitable corporate sales.

- Capital increase by:

Capital before increase	200,000,000 SAR
Capital after increase	300,000,000 SAR
Capital raising method	Issuance and listing of rights issue shares for (10,000,000) ordinary shares at the rate of (1) shares for every (2) shares
The reason for the capital increase	To meet the minimum requirements of the Insurance Authority.

## Future Outlook for the Company's Business

- Completing the transformation of the Company's internal systems
- Expanding and increasing the volume of electronic sales.
- Increasing sales of insurance on financial leasing vehicles.
- Increasing diversity in the Company's portfolios by introducing new insurance products with high profitability.
- The Company's share of general insurance products increased.
- Developing the employee training program and attracting talents.

## Workshops and Courses for Members of Board of Directors:

- Anti- Money Laundering and Terrorist Financing workshop.

# 18

## The Company's Risks

### ○ Technology and Business Continuity Risks

Salama Company is keen to achieve its objectives. In support of the Saudi Vision 2030; to enhance the reliability and continuity of electronic services; in view of the rapid changes and current events surrounding the operations of the Company; and although the Company takes appropriate security measures, information systems may be exposed to hacking operations, viruses, or human errors that could directly or indirectly affecting the continuity of its business, negatively affecting the Company's financial results and the experience of its beneficiaries. Therefore, the Company has updated procedures that would increase its flexibility to respond to crises and restore its services in a flexible and smooth manner to ensure business continuity.

### ○ Competition

Due to the high intensity of competition in the Saudi insurance market and the high number of insurance companies licensed and listed in the market, the opportunities and business of the Company may be affected in the future. Therefore, the Company has developed sales channels and is keen to gain the satisfaction of its customers.



### ○ Application of the International Standard (IFR17)

The insurance sector has long been a special case in terms of financial reporting, and the complexity of insurance in terms of its long-term nature and the implied difficulty in determining “the return” as found in any other business makes it different. This leads to a difference in the financial statements of the insurance company from any other statements. 2021 witnessed the start of the application of IFRS 17 aiming to standardize insurance accounting at the global level in order to improve the comparison process and raise the degree of transparency.

### ○ Spread of Epidemics

Out of concern for the health of the Company's employees, Salama Company takes all precautionary and preventive measures necessary to create a healthy work environment, ensure the progress of work and commit to serving its customers to the fullest.



## 19

### The Company's Assets and Liabilities

1- Net profit for the period amounted to SAR 30,123 thousand, and loss per share amounted to SAR 1.23 per share.

2- The Company achieved Gross Written Premiums (GWP) of SAR 526,570 thousand.

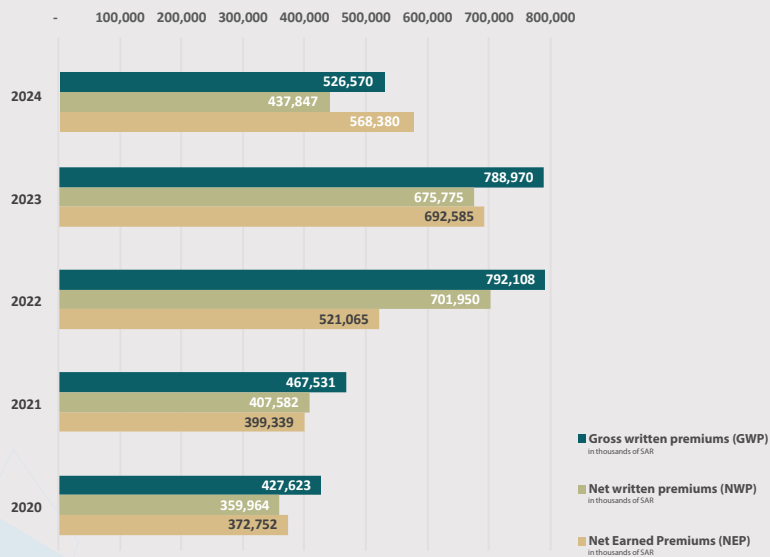
3- Net earned premiums (NEP) amounted to SAR 568,380 thousand.

4- Net claims incurred during the period amounted to SAR 412,982 thousand.

## Comparison of business results or a assets and liabilities of the company in a graph:

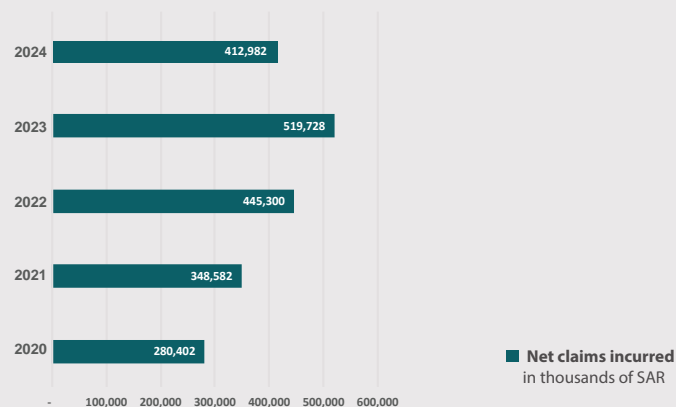
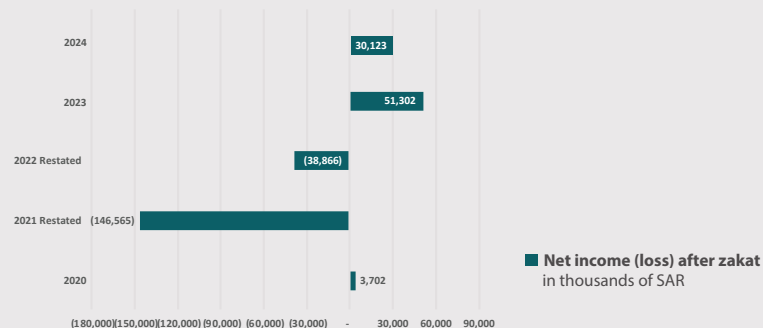
in thousands of SAR

	2024	2023	2022	2021	2020
Gross written premiums (GWP)	526,570	788,970	792,108	467,531	427,623
Net written premiums (NWP)	437,847	675,775	701,950	407,582	359,964
Net Earned Premiums (NEP)	568,380	692,585	521,065	399,339	372,752



Numbers are in thousands of riyals

	2020	2021	2022	2023	2024
Net claims incurred	280,402	348,582	445,300	519,728	412,982
Net income (loss) after zakat	3,702	(146,565)	(38,866)	51,302	30,123



in accordance with IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments) currently implemented

Statement of business results (Statement of Income)	Numbers are in thousands of riyals		
	2024	2023	2022 (Restated)
Insurance Revenues	678,479	802,288	598,351
Result of Insurance Services	(19,547)	78,322	(30,646)
Net Profit (Loss) of The Insurance Results	33,872	38,037	(38,004)
Net Profit (Loss) of The Investment Results	26,155	27,510	19,248
Net Insurance Financing Expenses	(3,220)	(1,994)	367
Net Profit (Loss), Before Zakat, Attributable To Shareholders	28,620	55,302	(35,866)
Net Profit (Loss), After Zakat, Attributable To Shareholders	30,123	51,302	(38,866)
Total Comprehensive Income (Loss)	49,347	54,369	(36,585)
Total Shareholders' Equity	253,597	205,813	60,997
Profit (Loss) per Share	1.23	3.25	(2.55)

in accordance with IFRS 4 (previously applied)

Statement of business results (Statement of Income)	Numbers are in thousands of riyals	
	2021	2020 (Restated)
Gross premiums written	467,531	427,623
Net premiums written	407,582	359,964
Net premiums earned	399,339	372,752
Net claims incurred	348,582	280,402
Surplus (Deficit) from insurance operations	(22,681)	76,794
Net Profit (Loss), Before Zakat, Attributable To Shareholders	(106,410)	12,050
Net Profit (Loss), After Zakat, Attributable To Shareholders	(112,410)	6,050
Total Comprehensive Income (Loss)	(112,110)	6,798
Total Shareholders' Equity	96,236	208,646
Profit (Loss) per Share	(11.24)	0.24

The Company has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standard. Therefore, International Financial Reporting Standard 17 (Insurance Contracts) and International Financial Reporting Standard 9 (Financial Instruments) were applied retrospectively to the statement of business results (statement of income) for the year 2022 only. whereas the previous years 2021 and 2020, are presented in accordance with the previously applied International Financial Reporting Standard 4.

**In accordance with IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments) currently implemented**

Numbers are in thousands of riyals

Statement of assets (Statement of Financial Position)	2024	2023	2022 (Restated)	2021 (Restated)
<b>Insurance operations assets:</b>				
Cash and cash equivalents	142,660	324,082	134,733	123,527
Reinsurance contract assets	164,133	62,331	75,029	63,348
Other assets	150,294	87,691	297,258	190,934
<b>Total insurance operations assets</b>	<b>457,087</b>	<b>474,104</b>	<b>507,020</b>	<b>377,809</b>
<b>Shareholders' operations assets:</b>				
Cash and cash equivalents	90,143	91,003	32	489
Other assets	198,276	241,142	159,758	192,568
<b>Total shareholders' operations assets</b>	<b>288,419</b>	<b>332,145</b>	<b>159,790</b>	<b>193,057</b>
<b>Total assetst</b>	<b>745,506</b>	<b>806,249</b>	<b>666,810</b>	<b>570,866</b>

**in accordance with IFRS 4 (previously applied)**

Numbers are in thousands of riyals

Statement of assets (Statement of Financial Position)	2020 (Restated)		2020 (Restated)
Insurance operations assets:		Shareholders' operations assets:	
Cash and cash equivalents	309,231	Cash and cash equivalents	167,207
Premiums and reinsurers' receivable – net	40,896	Other assets	41,353
Other assets	152,645	total shareholders' operations assets	208,560
Total insurance operations assets	502,772	Total assets	711,332

The Company has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standard. Therefore, International Financial Reporting Standard 17 (Insurance Contracts) and International Financial Reporting Standard 9 (Financial Instruments) were applied retrospectively to the statement of Financial Position for the years 2022 and 2021, whereas the previous year 2020 is presented in accordance with the previously applied International Financial Reporting Standard 4.

**In accordance with IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments) currently implemented**

Numbers are in thousands of riyals

Statement of assets (Statement of Financial Position)	2024	2023	2022 (Restated)	2021 (Restated)
<b>Insurance operations liabilities:</b>				
Insurance contract liabilities	410,741	508,116	524,418	389,729
Other liabilities	46,754	54,684	45,994	52,180
<b>Total insurance operations liabilities</b>	<b>457,495</b>	<b>562,800</b>	<b>570,412</b>	<b>441,909</b>
<b>Shareholders' liabilities:</b>				
Shareholders' operation liabilities	33,685	38,470	35,542	31,516
<b>Total shareholders' liabilities</b>	<b>33,685</b>	<b>38,470</b>	<b>35,54</b>	<b>31,516</b>
<b>Total liabilities</b>	<b>491,180</b>	<b>601,270</b>	<b>605,954</b>	<b>473,425</b>
<b>Equity:</b>				
Insurance operations equity	729	(834)	(141)	248
Shareholders' equity	253,597	205,813	60,997	97,193
<b>Total shareholders' liabilities and equity</b>	<b>254,326</b>	<b>204,979</b>	<b>60,856</b>	<b>97,441</b>
<b>Total liabilities and equity</b>	<b>745,506</b>	<b>806,249</b>	<b>666,810</b>	<b>570,866</b>

The Company has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standard. Therefore, International Financial Reporting Standard 17 (Insurance Contracts) and International Financial Reporting Standard 9 (Financial Instruments) were applied retrospectively to the statement of Financial Position for the years 2022 and 2021, whereas the previous year 2020 is presented in accordance with the previously applied International Financial Reporting Standard 4.

in accordance with IFRS 4 (previously applied)

Numbers are in  
thousands of riyals

Satatement of Liabilities and Equity (Statement of Financial Position)		2020 (Restated)		
Insurance operations liabilities:			Equity:	
Reinsurers' balances payabl, Technical reserves and Insurance operation surplus distribution payable	394,429		Insurance operations equity	(52)
Other liabilities	73,510		Shareholders' equity	208,646
<b>Total insurance operations liabilities</b>	<b>467,939</b>		<b>Total shareholders' liabilities and equity</b>	<b>208,594</b>
Shareholders' liabilities:			<b>Total liabilities and equity</b>	
Shareholders' operation liabilities	34,799			711,332
<b>Total shareholders' liabilities</b>	<b>34,799</b>			
<b>Total liabilities</b>	<b>502,738</b>			

The Company has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standard. Therefore, International Financial Reporting Standard 17 (Insurance Contracts) and International Financial Reporting Standard 9 (Financial Instruments) were applied retrospectively to the statement of Financial Position for the years 2022 and 2021. whereas the previous year 2020 is presented in accordance with the previously applied International Financial Reporting Standard 4.

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## Geographical Analysis of the Total Revenues of the Company and its Subsidiaries

### Schedule of the distribution of gross written premiums according to the geographical regions of the Kingdom of Saudi Arabia

Figures in thousands of Saudi riyals

Region	2024	2023
Eastern Region	37,303	40,146
Central Region	313,031	482,063
Western Region	159,091	250,027
Other Regions	17,145	16,734
<b>Total</b>	<b>526,570</b>	<b>788,970</b>

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## The Substantial Differences in Operational Results

### Statement of insurance operations: Figures in thousands of Saudi riyals

#### Revenues :

	2024	2023	Change Percentage
Insurance revenue from contracts	678,479	802,288	(15)%
Insurance service expenses	(698,026)	(723,966)	(4)%
Net expense from reinsurance contracts	53,419	(40,285)	(233)%
Insurance service result from Company's directly written business	33,872	38,037	%11
Share of surplus from insurance pool	2,281	13,166	(83)%
<b>Total insurance service result</b>	<b>36,153</b>	<b>51,203</b>	<b>%29</b>
Commission income from financial assets not measured at FVTPL	19,115	18,845	%1
Net gains on financial assets measured at FVTPL	(574)	5,375	(111)%
Net (impairment losses) / reversal of impairment losses on financial assets	17	(83)	(120)%
Net investment income	18,558	24,137	(23)%
Finance (costs) / income from insurance contracts issued	(3,573)	(2,728)	%31
Finance income / (costs) from reinsurance contracts held	353	734	%52
Net insurance finance (costs) / income	(3,220)	(1,994)	%61
<b>Net insurance and investment result</b>	<b>51,491</b>	<b>73,346</b>	<b>%30</b>

Other income	149	1,222	(88)%
Other operating expenses	(29,746)	(22,263)	%34
<b>Net surplus from Operations</b>	<b>21,894</b>	<b>52,305</b>	<b>%58</b>
<b>Surplus transfer to shareholders</b>	<b>(21,894)</b>	<b>(52,305)</b>	<b>%58</b>

### Statement of shareholder operations:

Figures in thousands of Saudi riyals

	2024	2023	Change Percentage
Shareholders 'share in surplus / (deficit) from insurance operations	21,894	52,305	%58
Commission income from financial assets not measured at FVTPL	7,573	3,285	%131
Net income on financial assets measured at FVTPL	91	170	(46)%
Net (impairment losses) / reversal of impairment losses on financial assets	(67)	(82)	(18)%
Net investment income	7,597	3,373	%125
Other operating expenses	(871)	(376)	(100)%
<b>Profit / (loss) for the year attributable to the shareholders before zakat</b>	<b>28,620</b>	<b>55,302</b>	<b>%48</b>
Zakat expense	1,503	(4,000)	(138)%
<b>NET PROFIT / (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS</b>	<b>30,123</b>	<b>51,302</b>	<b>%41</b>
<b>Basic and diluted earnings / (losses) per share (expressed in Saudi Riyals per share)</b>	<b>1.23</b>	<b>3.25</b>	<b>%54</b>

Net profit before Zakat for the current year reached to SAR 35,299 thousand, compared to SAR 55,302 thousand for the previous year, with a decrease of %36.

Net profit after Zakat for the current year reached to SAR 32,360 thousand, compared to SAR 51,302 thousand for the previous year, with a decrease of %37 due to the following main reasons:

- A decrease of total gross written premiums for the current year amounted to SAR 526,572 thousand, compared to SAR 788,970 for the previous year, with a decrease of %33.

- A decrease in insurance service results for the current year, which amounted to SAR (-14,458) thousand compared to SAR 78,332 thousand for the previous year. This is mainly due to the providing additional reserve for outstanding claim during the current year, amounting to SAR 140 million, with a net financial impact on the Company of SAR 1.5 million after reinsurance, which is related to the initial assessment of losses from the fire incident at the Jeddah International Market located in the Al-Rawdah District in Jeddah, which was previously announced on the Tadawul website on October 2024 ,7, based on the preliminary loss assessment report received from the appointed loss adjustor.

- A decrease in share of surplus from insurance pool which includes Haj and Umrah portfolio and IDI portfolio which amounted to SAR 2,281 thousand for the current year, compared to SAR 13,166 for the previous year, with a decrease of %83.



## Description of the Company's Policy in Distributing Dividends

Article (45) of the Company's Articles of Association states that: The Company shall:

1- The Ordinary General Assembly, when determining the share of shares in net profits, may decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to shareholders. The Assembly may also deduct amounts from the net profits to achieve social purposes for the company's employees.

2- The General Assembly shall determine the percentage that must be distributed to shareholders from the net profits after deducting reserves, if any.

3- To avoid %20 of net profits as a regular reserve, the General Assembly may suspend such avoidance when the total reserve (%100) of the paid capital is reached.

Article (46) of the Company's Articles of Association states that: The Company shall:

The contributor shall be entitled to its share of profits in accordance with the General Assembly resolution in this regard, and the decision shall indicate the due date and the date of distribution. The profit entitlement is for the owners of the shares registered in the shareholder's records at the end of the scheduled day. The company shall inform the Financial Market Authority without delay of any decisions to distribute or recommend the profits and pay the dividends to be distributed to the shareholders in the place and the dates set by the Board of Directors, in accordance with the instructions issued by the competent authority, subject to the prior written approval of the Insurance Authority of Saudi Arabia.

Board of Directors Meetings (6)							Total
Member's Name	First 10/03/2024	Second 18/03/2024	Third 03/07/2024	Fourth 17/10/2024	Fifth 19/09/2024	Sixth 25/12/2024	
Mountasar Mohammed Foudah	✓	✓	✓	✓	✓	✓	6
Adnan Jameel Khoja	✓	✓	✓	✓	✓	✓	6
Bader Khalid Alanzi	✓	✓	✓	✓	✓	✓	6
Khaled MohammedSalem Bajnaid	✓	✓	✓	✓	✓	✓	6
Abdullah Adel Sultan	✓	✓	✓	✓	✓	✓	6
Mohammed Taha Al-Safi	✓	✓	✓	✓	✓	✓	6
Wael Abdulrahman Albassam	✓	✓	✓	✓	✓	✓	6



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## The Number of the Company's Requests Related to the Shareholders' Register, the Dates and Reasons for such Requests

Number of Request	Date of Request	Reasons for Request
1	2024/12/16	Company Procedures
2	2024/12/10	General Assembly
3	2024/12/05	General Assembly
4	2024/11/13	Company Procedures
5	2024/11/13	Company Procedures
6	2024/10/13	General Assembly
7	2024/06/10	Company Procedures
8	2024/06/03	Company Procedures
9	2024/05/19	Company Procedures
10	2024/04/23	Company Procedures
11	2024/04/21	Company Procedures

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## RELATED PARTY TRANSACTIONS

### Related Party Transactions

Related parties represent major shareholders, directors and key management personnel [Key Management Personnel includes all directors, executive and non-executive, and senior management] of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors.

		Amount of transactions For the year ended 31 December	
Party Name	Nature of transactions	2023	2022
In thousands of Saudi riyals			
Entities controlled, jointly controlled or significantly influenced by member of board of directors			
Al Mamoon Insurance Brokers	Commissions incurred	1,261	311
Ittihad Insurance Brokers	Commissions incurred	-	375
Najm for Insurance Services*	Najm fees	28,292	34,934

\* No transactions are disclosed for the comparative period as these are from the date of appointment of related director i.e. May 2023

**Related Parties Balances**  
(Payable) / receivable to the related parties

Al Mamoon Insurance Brokers		631	441
Ittihad Insurance Brokers		-	-
Najm for Insurance Services		-	3,510
<b>Total</b>		<b>631</b>	<b>3,951</b>

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise top management executives including the Chief Executive Officer and the Chief Financial Officer of the Company

The following table shows the compensation to Board, committees and the key management personnel for the year ended :

	2023	2022
<b>Compensation to the key management personnel</b>	In thousands of Saudi riyals	
Salaries and other allowances	5,628	4,423
End of service indemnities	268	266
<b>Total</b>	<b>5,896</b>	<b>4,689</b>

	2023	2022
<b>Compensation to Board, committees and to those charged with governance</b>	In thousands of Saudi riyals	
Remuneration and attendance fees to the Board and to those charged with governance – Board of Directors	1,732	1,032
Remuneration and attendance fees to the Board Committees and to those charged with governance Board Committees	396	242
<b>Total</b>	<b>2,128</b>	<b>1,274</b>

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## Statement of the Value of the Statutory and Due Payments

Numbers are in thousands of riyals

Description	Amount paid	Due until the end of the annual fiscal period and has not been paid	Brief Description	Reasons
Zakat	1,572	30,367	Provision provided during the year	Mandatory
Value Added Tax	58,511	3,813	Value added tax	Mandatory
Withholding Tax	858	96	Withholding tax on foreign transfers	Mandatory
General Organization for Social Insurance	4,629	389	Subscription fees	Mandatory
Supervision Fees of Insurance Authority - IA	4,086	770	Supervision fees	Mandatory
"Costs of visas, passports, labour office fees, and other government expenses"	534	-	Payment of governmental fees	Mandatory
Sudi Exchange (Tadawul) service fees	923	-	Subscription fees	Mandatory

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

**Opinion**

We have audited the financial statements of Salama Cooperative Insurance Company (the "Company"), which comprise the statement of financial position as at 31 December 2024, the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policy information 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 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, 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).

**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), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is 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.**

The Board of Directors expresses its thanks and appreciation to the Company's valued customers for their valuable trust and is pleased to express sincere thanks and gratitude to all the shareholders, whose shares have played a major role in enhancing the Company's leadership in the Saudi insurance market. The Board also appreciates the Company's management and employees for their sincere efforts during the year.

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## Statements

1-The Account records have been properly prepared.

2-The internal control system has been prepared on sound foundations and is being implemented effectively.

3- There is no doubt about the ability of SALAMA Company to continue its activity

4- No loans on the company.

5- Application of the articles of Corporate Governance Regulations from the Insurance Authority. Salama Cooperative Insurance Company has applied all articles of the Corporate Governance Regulation issued by the Insurance Authority and the Corporate Governance Regulations issued by the Capital Market Authority (CMA), except for the following articles:

Article 90(4/B): Five Senior Executives who have received the highest remuneration from the Company, provided that the chief executive officer and chief -financial officer are among them. This is partially complied. The company committed to disclose the total elements of the remuneration of the senior executive management in accordance with the statutory requirements of Article 90(4-b) of the Corporate Governance Regulations.

## البند الثاني

التصويت على تقرير مراجعي حسابات الشركة الخارجيين عن العام المالي المنتهي في 2024/12/31  
بعد مناقشته.

### Item 2.

To vote on the company's auditor's report for the fiscal year ending 12/31/2024.



P.O Box 16415  
Jeddah 21464  
Kingdom of Saudi Arabia



Crowe Solutions for Professional Consulting  
Member Crowe Global

P.O Box 10504  
Riyadh 11443  
Kingdom of Saudi Arabia

## *Independent auditors' report to the shareholders of Salama Cooperative Insurance Company*

### *Report on the audit of the financial statements*

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#### *Opinion*

We have audited the financial statements of Salama Cooperative Insurance Company (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policy information 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 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, 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).

#### *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), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is 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 matters*

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.



## Independent auditors' report to the shareholders of Salama Cooperative Insurance Company (continued)

### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of liability for incurred claims and loss component</b></p> <p>The estimation of the liability for incurred claims and loss component involves a significant degree of judgment. This entails estimating the present value of future cash flows and risk adjustment for non-financial risk (forming part of liability for incurred claims) and loss component (forming part of liability for remaining coverage). The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils its obligations under insurance contracts. The present value of future cash flows is based on the best-estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not. The loss component is recognised if at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous. Such loss component is remeasured at each reporting date as the difference between the amounts of the fulfilments cash flows determined under the general measurement model relating to the future service and the carrying amount of the liability for remaining coverage without the loss component.</p> <p>As at 31 December 2024, the estimates of present value of future cash flows, risk adjustment for non-financial risk and loss component amount to Saudi Riyals 222.6 million, Saudi Riyals 9.3 million and Saudi Riyals 6.5 million respectively, as disclosed in Note 9 to the financial statements.</p> <p>Accordingly, the complexity arises from calculating the actuarial best estimate using historical data which is sensitive to external inputs, as well as the actuarial methodology that is applied and the assumptions on current and future events.</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>• Evaluated the competence, capabilities and objectivity of the management's appointed actuary based on their professional qualifications and experience and assessed their independence;</li> <li>• Performed substantive procedures, on a sample basis, on the amounts recorded for claims notified and paid; including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of the ultimate expected claims;</li> <li>• Assessed the integrity of data used as inputs into the actuarial valuations by testing on sample basis, the accuracy of underlying claims data used by management's appointed actuary in estimating the present value of the future cash flows, risk adjustment for non-financial risk and loss component by tracing it to the accounting and other records;</li> <li>• Engaged our internal actuarial specialists to assess the Company's methods and assumptions and evaluate the Company's actuarial practices and provisions established, including the actuarial report issued by management's appointed actuary, by performing the following:             <ul style="list-style-type: none"> <li>(i) Evaluated whether the Company's actuarial methodologies were consistent with generally accepted actuarial practices and with prior years. We sought justification for any significant differences; and</li> </ul> </li> </ul>





## *Independent auditors' report to the shareholders of Salama Cooperative Insurance Company (continued)*

### *Key audit matters (continued)*

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<i>Valuation of liability for incurred claims and loss component (continued)</i> <p>We have considered this as a key audit matter due to the inherent estimation uncertainty, complexity and subjectivity involved in the valuation of the estimates of present value of future cash flows, risk adjustment for non-financial risk and loss component arising from insurance contracts.</p> <p>Refer to Notes 3 and 4 for the material accounting policies and significant accounting judgements, estimates and assumptions related to insurance contract liabilities.</p>	<p>(ii) Assessed the appropriateness of key actuarial assumptions including expected loss ratios. We tested these assumptions by comparing them with the Company's historical experience, and our own industry knowledge. We also performed reprojections of the present value of future cash flows, risk adjustment for non-financial risk and loss component for significant product lines based on these assumptions and methods and compared them with the amounts recorded by the management.</p> <ul style="list-style-type: none"><li>Assessed the adequacy and appropriateness of the related disclosures in the financial statements.</li></ul>

### *Other information*

Management is responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial statements and our auditors' report thereon. The Company's 2024 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 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 Company's 2024 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### *Responsibilities of 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 International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and 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.

## *Independent auditors' report to the shareholders of Salama Cooperative Insurance Company (continued)*

### *Responsibilities of management and those charged with governance for the financial statements (continued)*

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 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, 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:

- 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 management.
- Conclude on the appropriateness of 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.





## Independent auditors' report to the shareholders of Salama Cooperative Insurance Company (continued)

### Auditors' responsibilities for the audit of the financial statements (continued)

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 PricewaterhouseCoopers

Mufaddal A. Ali  
Certified Public Accountant  
License No. 447

#### For Crowe Solutions for Professional Consulting

Abdullah M. AlAzem  
Certified Public Accountant  
License No. 335

Jeddah: 10 Ramadan 1446H  
Corresponding to: 10 March 2025

