



## Report of the Board of Directors of ALETIHAD Cooperative Insurance Company (ALETIHAD) for the year 2023

The Board of Directors of Al-EtiHAD Cooperative Insurance Company (ALETIHAD) is pleased to present the Board of Directors' report for the year 2023 to the company's shareholders, as the report includes all developments and achievements during the year 2023 and future plans in addition to the company's financial and technical results for the past five years.

### First: Important developments during the year 2023

1. Al Etihad Cooperative Insurance Company announced on 04-12-2023 the receipt of the notice of judgment on 19/05/1445H corresponding to 03/12/2023G for the case filed with the Bahrain Chamber for Dispute Resolution, as follows:  
First: Dismiss the defense raised by the opponents with the Bahrain Courts international lack of jurisdiction to the case.  
  
Second: Dismiss the defense raised by the opponents with the Bahrain Chamber for Dispute Resolution lack of authority to attend the case.  
  
Third: Dismiss the case raised by the company against the opponents (1 to 6) due to irrelevance and oblige the company to pay an amount of BHD 100 for attorney fees.  
  
Fourth: Dismiss the case raised by the company against the opponents (7 to 12) due to disagreement with basis of dispute and oblige the company to pay case fees and attorney fees requested by the opponents, which is estimated to BHD 3,000 in addition to translation fees of BHD 376 and obliged all parties to pertain the assigned expert fees respectively
2. Al Etihad Cooperative Insurance Company announced on 07/08/2023 the Board of Directors' recommendation to increase the company's capital from SAR 450,000,000 to SAR 500,000,000 by granting shares to support and strengthen the capital base and future activities of the company, noting that the Insurance Authority has issued no objection on 10/02/2024 to increase the company's capital.
3. Al Etihad Cooperative Insurance Company announced that it has received on 07 May 2023 a notification of license requalification from the Council of Health Insurance (CHI) via electronic gate services. The requalification is for 3 years period starting from 08/05/2023.
4. Al Etihad Cooperative Insurance Company announced on 20/09/1445H corresponding to 11/04/2023G that it had received the Sharia review report dated 10/04/2023G, in which it confirms the completion of the review process of the company's activities during the year 2022 by Shariyah Review Bureau ("SRB") in its capacity as the company's Sharia advisor, and the report indicated that the company's business and activities during the mentioned period are in accordance with Sharia provisions and controls, and that the necessary cleansing amount for each share is 0.001 SAR.
5. Al Etihad Cooperative Insurance Company (Al Etihad) announced on 01/02/2023 the signing of a comprehensive insurance agreement with Saudi National Bank which provides comprehensive insurance coverage for financial leasing vehicles to individuals.
6. Al Etihad Cooperative Insurance Company (Al Etihad) announced on 18/01/2023 the signing of a comprehensive insurance agreement with Abdul Latif Jameel Financing Company which provides comprehensive insurance coverage for financial leasing vehicles to individual.



## **Second: Description of the company's operational activity**

The main activity of the company is summarized in providing insurance services for all types of general insurance, medical insurance, protection insurance and savings, based on the principles of cooperative insurance and in accordance with the monitoring cooperative insurance companies law and its executive regulations and under the supervision of the Insurance Authority as the main body responsible for monitoring the insurance sector, and since this activity is considered the main activity of the company, it has a fundamental impact on the volume of the company's business, knowing that the results of the company's main activity constitute the largest share of the company's total results.

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

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

30. Machinery Breakdown (MB)
31. Electronic Equipment (EE)
32. Loss of Profit following Machinery Breakdown (LOP)
33. Deterioration of Stock (DOS)
34. Contractors' Plant and Machinery (CPM)
35. Boiler and Pressure Vessel
36. Motor Comprehensive – Commercial
37. Comprehensive – Private Motor
38. Aman Al Etihad Motor Insurance – Corporate
39. Aman Al Etihad Motor Insurance - Individual
40. Motor Third Party Liability
41. Travel Protect
42. Medical Insurance
43. Visitor's Policy
44. UAS Operators Liability Insurance
45. Extended Warranty for White Goods
46. Professional Indemnity Insurance for Accredited Valuers & Assessors
47. Event Cancellation and Abandonment Insurance
48. PARCEL INSURANCE
49. Craftsman Liability
50. Clubs and Societies
51. Sports Personal Accident
52. Professional Indemnity for Auditors
53. Employees Against Institutions Default
54. Group Credit Life and Personal Accident Insurance
55. Domestic Labor – Corporate
56. Trip Cancellation
57. Protection & Indemnity

In addition to the main activity referred to above, the company practices the investment activity of the shareholders' funds in addition to investing the policyholders' funds in accordance with a conservative investment policy in addition to trying to achieve the highest possible return on investment where this activity is considered non-main activity,

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

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

1. Creating new insurance products that meet market needs and keep pace with changes in the Kingdom.
2. Continuing the company's expansion in using and innovating new technical channels in production to achieve the company's strategic objective, which is digital transformation.
3. Raising the level of reliance on modern technical means in serving the company's customers to improve the level of service on one hand and reach the customers' needs in an easier and faster way on the other hand.
4. Expanding the work of the bancassurance by concluding new agreements with local banks to provide the appropriate insurance coverage for their customers through them.
5. Expanding the electronic link base with insurance brokers and banks to diversify production sources for producers of vehicle insurance for individuals and medical insurance for small and medium businesses.
6. Develop relationships with major insurance brokers and intensify visits to existing and direct customers to increase production in the general insurance branch.
7. Continuing the company's policy of qualifying employees, providing them with appropriate training, employing good cadres, and focusing on Saudi national experiences within the company's leadership positions, to ensure an increase in the percentage of Saudization in the company at all administrative levels.
8. Continuing to adopt a conservative investment policy that takes into account the quality of the investment, the rate of return from it and the level of risk related to it.
9. Continuing to raise the level of the information security environment by keeping pace with the application of the highest standards of information security.
10. Continuing to develop and implement a risk management policy that aims to protect the company from the risks it faces or reduce their impact, as the company faces some risks, the most important of which have been mentioned below, Where the company exerts the necessary effort in taking the necessary measures and setting the necessary policies and procedures to prevent the impact of these risks or reduce their impact on the company as much as possible and to monitor and follow them diligently:
  - Insurance risks: the risks that may result from all insurance operations including risk assessment and acceptance (underwriting process), pricing, reinsurance, compensation settlement, allotment of necessary provisions and other

operations related to the company's main activity. To manage these risks, the company has developed and applied sound underwriting rules and studied foundations for settling compensation and monitoring provisions, in addition to dealing with reinsurers with high credit ratings from international rating agencies.

- Market risks: These are risks that may result from fluctuations in the investments owned by the company, including fluctuations in the Saudi financial market. As well as fluctuations in interest rates. The company follows a conservative investment policy that limits the impact of these risks.
- Credit Risk: It is the risk that may result from the inability of the other party to fulfill its obligations towards the company, whether from the company's clients, insurance and reinsurance companies, banks and others who have an obligation to the company. The company has adopted a conservative credit policy to limit the impact of these risks, in addition to dealing with reinsurers with high credit ratings from international rating agencies.
- Non-compliance risks: These are risks that may result from non-compliance with the laws, regulations, and instructions issued by all the regulatory and governmental duties to which the company is subject, as the company implements all laws and instructions issued and follows up on any new instructions to comply with them. The company also has control departments (compliance management, internal audit management, and a risk management) that perform its oversight role in this regard.
- The risk of losing clients: It is the risk resulting from the loss of the company's clients, whether due to the failure to provide good service or as a result of raising insurance prices to match the volume of the subscribed risk and the client's non-acceptance of that. Where the company is constantly evaluating the services provided to its customers to ensure their continuity with the company. In addition to adopting a reasonable pricing mechanism for risk without exaggeration within sound technical rules.
- The risk of the company's systems being exposed to electronic attacks: the risk that the company's technical systems will stop working or the company's information will be lost as a result of the systems being exposed to electronic attacks that fail the work of the systems and delete the stored information, as the company has developed an integrated framework for information security that includes all relevant policies and procedures in addition to the technical aspect in this regard. The company is conducting a periodic review of this framework to ensure that it keeps pace with the development taking place in it.
- The risk that the company's business is concentrated in certain types of insurance or through certain production sources: It is the risk that the company's business is concentrated mainly in the vehicle and medical insurance producers and its concentration in a specific number of production sources. Where the company is striving to develop the marketing tools necessary to diversify its insurance portfolio, whether in terms of the source of production or the type of production.
- Strategic risk: It is the risks associated with the company's inability to achieve its strategic objectives. These risks are considered general, such as lowering the financial solvency than the permissible limit, the impact of competition, the

impact of prices on the market, the general economic situation, the lack of qualified people, and the absence of strategic planning, in addition to many reasons that hinder the company from achieving its results. The company annually reviews its strategic plan in line with changes in the financial situation, the market situation and the economic situation in order to achieve its strategic objectives.

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

#### Fourth: Financial and Technical Indicators

Statement of financial position (amounts in thousands/ SAR)

Statement	2023	2022	*2021	*2020	2019*
<b>financial position (in thousands)</b>	<b>SAR</b>	<b>SAR</b>	<b>SAR</b>	<b>SAR</b>	<b>SAR</b>
<b>Insurance operations assets</b>					
Investments and cash in banks	994,259	744,594	662,419	603,230	671,499
Premium & reinsurance receivables	-	-	164,107	197,769	180,494
Insurance contract assets	2,834	866	-	-	-
Reinsurance contract assets	111,670	121,782	-	-	-
Other assets	142,071	105,761	237,755	217,809	170,800
<b>Total insurance operations assets</b>	<b>1,250,834</b>	<b>973,003</b>	<b>1,064,281</b>	<b>1,018,808</b>	<b>1,022,793</b>
<b>Less: interoperation elimination</b>	<b>(23,681)</b>	<b>(29,359)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total insurance operations assets after deducting interoperations eliminations</b>	<b>1,227,153</b>	<b>943,644</b>	<b>1,064,281</b>	<b>1,018,808</b>	<b>1,022,793</b>
<b>Shareholders' assets</b>					
Investments and cash in banks	585,859	510,820	513,751	389,712	414,405

Other assets	134,913	87,396	73,566	155,622	98,752
<b>Total Shareholders' assets</b>	<b>720,772</b>	<b>598,216</b>	<b>587,317</b>	<b>545,334</b>	<b>513,157</b>
Less: interoperation elimination	(78,112)	(26,401)	(22,577)	(104,155)	(49,047)
<b>Total Shareholders' operations assets after deducting interoperations eliminations</b>	<b>642,660</b>	<b>571,815</b>	<b>564,740</b>	<b>441,179</b>	<b>464,110</b>
<b>Total Assets</b>	<b>1,869,813</b>	<b>1,515,459</b>	<b>1,629,021</b>	<b>1,459,987</b>	<b>1,486,903</b>

<b>Insurance operations liabilities</b>					
Reinsurance payables	-	-	12,946	7,390	12,085
Technical reserves	-	-	844,018	757,412	818,426
Insurance contract liabilities	1,093,272	818,320	-	-	-
Reinsurance contract liabilities	7,075	205	-	-	-
Other liabilities	152,007	155,569	207,317	254,006	192,282
<b>Total insurance operations liabilities</b>	<b>1,252,354</b>	<b>974,094</b>	<b>1,064,281</b>	<b>1,018,808</b>	<b>1,022,793</b>
Less: Interoperations eliminations	(78,112)	(26,401)	(22,577)	(104,155)	(49,047)
<b>Total policyholders Liabilities after deducting interoperations eliminations</b>	<b>1,174,242</b>	<b>947,693</b>	<b>1,041,704</b>	<b>914,653</b>	<b>973,746</b>
<b>Shareholders' Equity and Liabilities</b>					
Shareholders' liabilities	23,951	31,152	32,956	32,778	32,867
Shareholders' equity	671,620	536,614	554,361	512,556	480,290
<b>Total shareholders' liabilities and equity</b>	<b>695,571</b>	<b>567,766</b>	<b>587,317</b>	<b>545,334</b>	<b>513,157</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,869,813</b>	<b>1,515,459</b>	<b>1,629,021</b>	<b>1,459,987</b>	<b>1,486,903</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 the years 2023 and

2022, but regarding the previous years the company does not have the data in the same way of presentation, accordingly it was presented based on the old standards.

Income Statement (Amounts in thousands\ SAR)

Statement	2023	2022	2021	2020	2019
<b>Statement of insurance operations results and surplus</b>					
Gross written premium	-	-	865,478*	741,665*	861,936*
Net earned premium	-	-	740,886*	725,515*	793,520*
Additional premium reserves	-	-	(3,909) *	11,816*	(5,536) *
Other insurance revenues	-	-	23,752*	2,248*	160*
<b>Total revenues</b>	-	-	<b>760,729*</b>	<b>739,579*</b>	<b>788,144*</b>
Total paid claims	-	-	(540,950) *	(524,594) *	(682,767) *
Net incurred claims	-	-	(560,439) *	(481,677) *	(611,732) *
Policy acquisition costs	-	-	(55,077) *	(40,452) *	(43,650) *
Other expenses	-	-	(120,127) *	(101,723) *	(78,266) *
<b>Total costs and expenses</b>	-	-	<b>(735,643) *</b>	<b>(623,852) *</b>	<b>(733,648) *</b>
<b>Insurance operations surplus</b>	-	-	<b>25,086*</b>	<b>115,727*</b>	<b>54,496*</b>
(surplus)\ deficit transferred to shareholders operations	-	-	(22,577) *	(104,154) *	(49,046) *
Net surplus after shareholders' attribution	-	-	2,509*	11,573*	5,450*
Accumulated surplus at the end of the period	-	-	2,509*	11,573*	5,450*
<b>Shareholders' income statement</b>					
Investments income & other revenues	-	-	27,909*	(61,688) *	17,211*
Shareholders' attribution from net surplus	-	-	22,577*	104,155*	49,046*
General and administrative expenses and establishment expenses	-	-	(2,054) *	(2,353) *	(1,949) *

<b>Statement of insurance operations results</b>					
<b>Insurance revenue</b>	1,202,169	1,072,869	-	-	-
<b>Insurance service expenses</b>	(1,089,714)	(1,025,295)	-	-	-
<b>Insurance service result before reinsurance contracts held</b>	112,455	47,574	-	-	-
<b>Allocation of reinsurance premiums</b>	(89,781)	(67,556)	-	-	-
<b>Amounts recoverable from reinsurers for incurred claims</b>	11,154	40,887	-	-	-
<b>Net income from reinsurance contracts held</b>	(78,627)	(26,669)	-	-	-
<b>Insurance service result</b>	33,828	20,905	-	-	-
<b>Interest revenue calculated using the effective interest method</b>	36,128	14,292	-	-	-
<b>Other investment revenue (Dividend income)</b>	105	1,224	-	-	-
<b>Net impairment loss on financial assets</b>	(130)	-	-	-	-
<b>Investment return</b>	36,103	15,516	-	-	-
<b>Net Finance (expenses) / income from insurance contracts issued</b>	(10,363)	557	-	-	-
<b>Net Finance income / (expenses) from reinsurance contracts held</b>	2,880	(623)	-	-	-
<b>Net insurance finance results</b>	(7,483)	(66)	-	-	-
<b>Net insurance and investment result</b>	62,448	36,355	-	-	-
<b>Non-attributable General and administrative expenses</b>	(10,322)	(10,049)	-	-	-
<b>Finance cost</b>	(257)	(253)	-	-	-
<b>Other income</b>	26,244	346	-	-	-

<b>TOTAL OTHER OPERATING EXPENSES</b>	15,665	(9,956)	-	-	-
<b>Income for the year before Zakat and income tax</b>	78,113	26,399	-	-	-
<b>Income for the year attributable to the Shareholders</b>	(78,113)	(26,399)	-	-	-
<b>Shareholders' income statement</b>					
<b>Shareholders' attribution from net surplus</b>	78,113	26,399	-	-	-
<b>Interest revenue calculated using the effective interest method</b>	15,042	7,446	-	-	-
<b>Net fair value gains / (loss) on financial assets at fair value through profit or loss</b>	13,844	(2,999)	-	-	-
<b>Other investment revenue (Dividend income)</b>	2,063	3,600	-	-	-
<b>Net impairment loss on financial assets</b>	(70)	-	-	-	-
<b>General and administrative expenses</b>	(5,096)	(3,244)	-	-	-
<b>Net profit (loss) before zakat and income tax</b>	103,896	31,202	48,432*	40,114*	64,308*

\* 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 the years 2023 and 2022, but regarding the previous years the company does not have the data in the same way of presentation, accordingly it was presented based on the old standards.

Details of insurance operations revenues and expenses for 2023 (Amounts in thousands\ SAR)

<b>Statement</b>	<b>Motor</b>	<b>Medical</b>	<b>Property and casualty</b>	<b>Total</b>
<b>Insurance revenue</b>	652,270	464,207	85,692	1,202,169
<b>Insurance service expenses</b>	(654,752)	(411,261)	(23,701)	(1,089,714)
<b>Insurance service result before reinsurance contracts held</b>	<u>(2,482)</u>	<u>52,946</u>	<u>61,991</u>	<u>112,455</u>
<b>Allocation of reinsurance premiums</b>	(20,857)	(5,769)	(63,155)	(89,781)

Amounts recoverable from reinsurers for incurred claims	1,221	4,964	4,969	11,154
Net income from reinsurance contracts held	<u>(19,636)</u>	<u>(805)</u>	<u>(58,186)</u>	<u>(78,627)</u>
Insurance service result	<u>(22,118)</u>	<u>52,141</u>	<u>3,805</u>	<u>33,828</u>
Interest revenue calculated using the effective interest method				51,170
Net fair value gains / (loss) on financial assets at fair value through profit or loss				13,844
Other investment revenue (Dividend income)				2,168
Net impairment loss on financial assets				(200)
Investment return				<u>66,982</u>
Net Finance (expenses) / income from insurance contracts issued	(3,189)	(3,464)	(3,710)	(10,363)
Net Finance income / (expenses) from reinsurance contracts held	124	118	2,638	2,880
Net insurance finance results	<u>(3,065)</u>	<u>(3,346)</u>	<u>(1,072)</u>	<u>(7,483)</u>
Non-attributable General and administrative expenses				(15,418)
Finance cost				(257)
Other income				26,244
Total (expenses) / other operating revenues				<u>10,569</u>
Income for the year before Zakat and income tax				<u>103,896</u>
Zakat and income tax expense				(10,000)
Income for the year attributable to the Shareholders				<u>93,896</u>

Insurance operations assets for the year 2023, (Amounts in thousands / SAR)

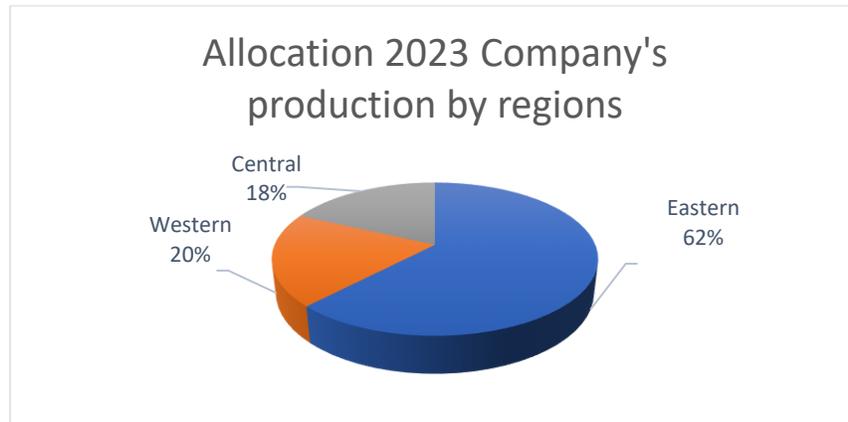
Statement	Motor	Medical	Property and casualty	Total
Insurance contract assets	-	2,834	-	2,834
Reinsurance contract assets	(97)	3,938	107,829	111,670
Unallocated assets				1,112,649
<b>Total insurance operations assets</b>	<b>(97)</b>	<b>6,772</b>	<b>107,829</b>	<b>1,227,153</b>

Insurance operations liabilities for the year 2023, (Amounts in thousands / SAR)

Statement	Motor	Medical	Property and casualty	Total
Insurance contract liabilities	687,780	230,233	175,259	1,093,272
Reinsurance contract liabilities	7,061	-	14	7,075
Unallocated liabilities				73,895
<b>Total liabilities</b>	<b>694,841</b>	<b>230,233</b>	<b>175,273</b>	<b>1,174,242</b>

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

The company does not have any branches or subsidiaries outside the territory of the Kingdom, and the company does not have subsidiaries inside the Kingdom. The following chart shows the distribution of insurance premiums for the year 2022, which represents the major item of the company's revenue by regions in the Kingdom.



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

(Amounts in thousands / SAR)

Statement	2023	2022	Change Amount	Change Percentage	Major Differences
Insurance revenue	1,202,169	1,072,869	129,300	12%	The increase in Insurance revenues by 12% in the current year compared to previous year is mainly attributed to the increase in insurance premiums, especially Motor insurance segment, which witnessed a significant growth during 2023 by 58% compared to the previous year.
Result of Insurance Services	112,455	47,574	64,881	136%	The increase is due to the reasons mentioned above regarding insurance revenue, in addition to a relatively smaller increase in insurance services expenses amounting to 64 million riyals (6%).
Net Profit (Loss) of The Insurance Results	33,828	20,905	12,923	62%	The reason for the increase is attributed to the increase in the result of insurance services by SAR 64.8 million (136%). This was offset by an increase in the net expenses from reinsurance contracts held of 51.9 million riyals.

Investment return	66,982	23,563	43,419	184%	The Increase in Investment return is mainly attributed to the increase in the deposit and Sukuk returns during the year 2023 compared to the previous year.
Total Share Holders Equity (After Deducting the Minority Equity)	93,896	12,702	81,194	639%	The increase in net income after Zakat of current year compared to previous year by SAR 81.2 Million (639%) is due mainly to the increase in net insurance service results by SAR 12.9 Million (62%), and the noticeable increase in net investment return amounted SAR 43.4 Million (184%) compared to the previous year, in addition to the increase in other income amounted to SAR 26 Million as a result of reclassifying the income earned from industry pools for year 2023 to other income instead of insurance services results, and the decrease in Zakat and income tax provision by SAR 8.5 Million compared to the previous year. These increases in profits and revenues were offset by an increase in net financing expenses by SAR 7.4 million and an increase in non-attributable expenses by SR 2 million.
Total Comprehensive Income	135,006	13,894	121,112	872%	The increase in comprehensive income of current year compared to last year is due to the above-mentioned reasons in addition to booking increase in the fair value of company's investment in Najm insurance service company (Najm).
Total Share Holders Equity (After Deducting the Minority Equity)	671,620	536,614	135,006	25%	The increase in Shareholders Equity of current year compared to last year is due to the above-mentioned reasons in addition to booking increase in the fair value of company's investment in Najm insurance service company (Najm).



Profit (Loss) per Share	2.09	0.28			
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**Seventh: A clarification of any difference from the accounting standards issued by the Saudi Organization for Certified Public Accountants.**

International accounting standards are applied in the company, which are the standards approved by the Saudi Organization for Certified Public Accountants, and there is no difference from the accounting standards issued by the Saudi Organization for Certified Public Accountants in the 2023 lists.

**Eighth: Subsidiaries** “The company does not have any subsidiaries.

**Ninth: Shares and debt instruments of subsidiaries:** The company does not have any associated companies and therefore there are no shares and debt instruments issued to it.

**Tenth: Company's policy in distributing profits**

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

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

Taking into consideration that the company did not distribute any profits during the year 2023. The company's board of directors decided in its meeting held on 06/08/2023 to recommend to the company's general assembly to raise the company's capital by 50 million Saudi riyals, so that the company's capital would be 500 million Saudi riyals with the percentage of capital increase 11.11% by granting one bonus share for every nine shares to strengthen the company's capital base and support its future activities and that after obtaining the approval of all the relevant regulatory authorities, noted that the company received on 10/02/2024 the approval of Insurance Authority on raising capital through The increase shall be through the capitalization of 50 million SAR of retained profits.

**Eleventh:** The company was not informed by any person of any description or interest in the class of shares entitled to vote under Article (45) of the registration and listing rules issued by the Capital Market Authority or any change in those rights During the fiscal year 2023.

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

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

Total ownership percentage at the end of the year	Total shares at the end of the year	Change ratio during the year	Net change in the number of shares during the year	Ownership ratio at the beginning of the year	Number of shares at the beginning of the year	Name	No.
%22.36	10,062,000	%0	0	%22.36	10,062,000	Al Etihad Holding Company B.S.C. (c) represented by Mr. Yousef Bin Saad Al Saad – Chairman	1
%10	4,499,999	%0	0	%10	4,499,999	Al Ahlia Insurance Company K.S.C.C. represented by :  - Mr. Yousef Saad Al-Saad / Board Member - Mr. Tariq Fahad Bouresli / Board Member - Mr. Fahad Sulaiman Al-Dalali / Board Member	2
%0.18	81,817	%0	0	%0.18	81,817	.Amlak National Investment Company represented by Mr .Nayef Saud Al-Tariri (Vice Chairman)	3
%0.01	4908	%0	0	%0.01	4908	Mr. Nayef Saud Al-Tariri – in his personal capacity – Vice Chairman of the Board of Directors	4
%0.005	2400	%0	0	%0.005	2400	Mr. Ahmed Abdulrahman Almohsen	5
%0	0	%0	0	0%	0	Mr. Eyad Abdulrahman Al-Benyan (Board Member)	6
0.12%	54000	29.73%	12,375	%0.09	41,625	Mr. Hussam Abdulaziz Al-Gannas (CEO)	7

%0	0	%0	0	%0	0	Mr. Hussain Abdulmohsen Al-Rashed (Chief Financial Officer)	8
%0	0	%0	0	%0	0	Mr. Amir Abdulmohsen Al-Sinan (Chief Technical Officer)	9
0%	0	%0	0	%0	0	Mr. Ahmed Ali Namazi (Chief Information Officer)	10
0%	0	%0	0	%0	0	Mr. Faisal Ali Almissfer (Chief Marketing & Sales Officer)	

### Thirteenth: Acknowledgments

- There are no loans on the company, during either the reporting period or previously, and the company does not have any associated companies.
- The company did not issue or grant any convertible debt instruments, any contractual securities, subscription right memoranda, or similar rights during the year 2022.
- The company did not issue or grant any transfer or subscription rights under convertible debt instruments, contractual securities, option rights, subscription right memoranda, or any similar rights during the year 2022.
- The company has not redeemed, purchased or canceled any redeemable debt instruments, and the company does not have any associated companies.
- There was no business competition with the company that is being practiced or that was practiced by members of the Board of Directors for any of the branches of activity practiced by the company.

### Fourteenth: Board meetings

The following is a table showing the number of Board meetings during the year 2023 and the record of attendance at each meeting:

		Number of actual meetings (7) meetings					
.Meeting No 6 2023/11/01	.Meeting No 5 2023/11/01	Meeting No. 4 2023/08/06	.Meeting No 3 2023/06/13	.Meeting No2 - Complementary 28/4/2023	Meeting No. 2 21/03/2023	.Meeting No 1 05/1/2023	Board Member Name
Attended	Attended	Attended	Attended	Attended	Attended	Attended	Mr. Yousef Saad Al-Saad – Chairman of the Council
Attended	Attended	Attended	Attended	Attended	Attended	Attended	Mr. Nayef Saud Al-Tariri – Vice President
Attended	Attended	Attended	Attended	Attended	Attended	Attended	Mr. Tariq Fahad Bouesli – Member
Attended	Attended	Attended	Attended	Attended	Attended	Attended	Mr. Fahad Sulaiman Al-Dalali - Member
Attended	Attended	Attended	Attended	Attended	Attended	Attended	Mr. Eyad Abdulrahman Al-Benyan – Member
Attended	Attended	Attended	Attended	Attended	Attended	Attended	Mr. Ahmed Abdulrahman Al Mohsen – Member



Attended	Attended	Attended	Attended	Attended	Attended	Attended	Mr. Ahmed Yousef Bushnaq – Member
Date of the last meeting of the General Assembly 13/06/2023							

In addition to the actual meetings above, during the year 2023, the Board of Directors authorized (2) resolutions by correspondence, as all of these decisions were approved by all members of the Board.

**Fifteenth: Dates of the shareholders' general assembly's meetings held during the year 2022, and the names of the board of directors' members who attended such assemblies:**

Two ordinary general assembly meetings were held, one on 05/01/2023, where the assembly meeting was attended by the following previous members of the Board of Directors:

1. Mr. Sulaiman Hamad Al-Dalali – Chairman of the Council
2. Mr. Nayef Saud Al-Tariri – Vice President
3. Mr. Yousef Saad Al Saad – Member
4. Mr. Tariq Fahad Bouresli – Member
5. Mr. Eyad Abdulrahman Al-Benyan – Member (Online)
6. Mr. Mohammed bin Abdullah Al Muammar – Member

Mr. Hani Suleiman Al-Saleh – Member Did Not Attend.

The second was on 13/06/2023, where the meeting of the General Assembly was attended by all the following members of the Board of Directors:

1. Mr. Yousef Saad Al-Saad – Chairman of the Council
2. Mr. Nayef Saud Al-Tariri – Vice President
3. Mr. Tariq Fahad Bouresli – Member
4. Mr. Fahad Sulaiman Al-Dalali – Member
5. Mr. Eyad Abdulrahman Al-Benyan – Member (Online)
6. Mr. Ahmed Abdulrahman Almohsen – Member (Online)
7. Ahmed Yousef Bushnaq - Member

**Sixteenth: Acknowledgments**

1. There are no deals between the company and a related party during the year 2023.
2. The business and contracts in which the company was a party and in which there was an interest for a member of the board of directors, the chief executive officer, the financial Director, or any person related to any of them during the year 2023 were as follows:



- Kuwait Reinsurance Company (Kuwait Re), where Mr. Yousef Saad Al-Saad - Chairman of the Board – is the Chairman of the Board of Directors of the Kuwait Reinsurance Company (Kuwait Re), And Mr. Tariq Fahad Bouresli and Mr. Suleiman Hamad Al-Dalali ( previous Chairman of the Board), Members of the Board of Directors of the Kuwait Reinsurance Company (Kuwait Re) - which the business is represented by attributing reinsurance premiums with an amount of (3,228,662) Saudi riyals and a reinsurance share of paid claims amounting to (494,380) Saudi riyals, without special conditions or benefits for these businesses that are carried out annually in accordance with the company's business requirements.
  - Al Ahlia Insurance Company - Kuwait, represented in the Al-Etihad Cooperative Insurance Company by Mr. Yousef Saad Al-Saad -a member of the Board of Directors- and Mr. Tariq Fahd Bouresli - a member of the Board of Directors- and Mr. Fahad Sulaiman Al-Dalali – Member – and Mr. Suleiman Hamad Al-Dalali ( previous Chairman of the Board), Which the business is represented by attributing reinsurance premiums amounting to (102,464) Saudi riyals without special conditions or benefits for these businesses that are carried out annually in accordance with the company's business requirements.
  - National Amlak Investment Company, Mr. Nayef Saud Al-Tariri, Vice Chairman of the Board of Directors, It is a variety of insurance policies according to the approved company policies without conditions or special benefits and its duration is one Gregorian year and the company's premiums amounted to (206,598) Saudi riyals.
  - Mr. Hani Suleiman Al-Saleh (previous member of the Board), which is a variety of insurance policies in the name of each of Mr. Suleiman Abdul Rahan al-Saleh - father of Mr. Hani Suleiman al-Saleh ( previous member of the Board), and it is according to the approved company policies without conditions or special benefits and its duration is one Gregorian year. Its premiums amounted to (39,397) Saudi riyals.
3. There are no arrangements or agreements a member of the Board of Directors or a senior executive has under them waived any salary, compensation or bonuses during the fiscal year 2023.
  4. There is no arrangement or agreement one of the company's shareholders has under them waived any rights to profits.

**Seventeenth: A statement of the value of the regular payments due to pay any zakat, taxes, fees or any other dues, with a brief description of such payments and a statement of their reasons. (Amounts in thousands – SAR)**

Statement of reasons	Brief description of such payments	2023	Statement

		Due until the end of the year and has not been paid	Paid	
Regulatory requirement	<ul style="list-style-type: none"> <li>- The amount paid is for the return submitted for Zakat and Income Tax for the year 2022.</li> <li>- The amount due represents the provision for Zakat and income tax for the year 2023 in addition to the differences in Zakat for the objected years.</li> </ul>	18,960	14,104	Zakat and Income Tax
Regulatory requirement	<ul style="list-style-type: none"> <li>- The amount paid represents the withholding tax paid to the Zakat, Tax and Customs Authority during 2023 , at the rate of 5% of the amounts paid to the external suppliers.</li> <li>- The amount due represents the share of the month12/2023 and was paid during the month of 1/2024.</li> </ul>	511	4,363	withholding tax
Regulatory requirement	<ul style="list-style-type: none"> <li>- The amount paid represents the value-added tax paid to the Zakat, Tax, and Customs Authority during 2023 at the rate of 15% of taxable revenues, minus input tax on taxable expenses, in addition to the amounts of VAT re-assessment for the years 2020, 2021 and 2022.</li> <li>- The amount due represents the share of the month12/2023 and was paid during the month of 1/2024.</li> </ul>	12,284	167,469	Value Added Tax (VAT)
Regulatory requirement	<ul style="list-style-type: none"> <li>- The amount paid for GOSI (employee share + company share) during 2023.</li> <li>- The amount due represents the share of the month12/2023 and was paid during the month of 1/2024</li> </ul>	779	8,001	General Organization for Social Insurance
Regulatory requirement	<ul style="list-style-type: none"> <li>- The amount paid for supervision fees to the Saudi Central Bank during the year 2023 for the periods of the fourth quarter 2022 and the first, second and third quarters of 2023.</li> <li>- The amount due represents the share of the fourth quarter and was paid during the month of 1/2024 to the 2023 Insurance Authority, after transferring the powers of insurance supervision to the Authority</li> </ul>	2,216	6,442	Insurance Authority Supervision Fees (formerly Saudi Central Bank)
Regulatory requirement	<ul style="list-style-type: none"> <li>- The amount paid for supervision fees to the Council of Health Insurance during the year 2023, (including the share of the fourth quarter 2022 and the first, second and third quarters 2023).</li> <li>- The amount due represents the share of the fourth quarter and was paid during the month of 1/2024</li> </ul>	946	4,502	The financial fees due for the services and works specified in accordance with the

				provisions of the cooperative health insurance law
Regulatory requirement	- Rehabilitation of the company at the Council of Health Insurance for one year	-	150	Rehabilitation Renewal Fees – Council of Health Insurance
Listing Requirements – Annual Subscription	- Registration fees at the Securities Depository Center for the year 2023	-	300	Securities Depository Center Fees

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

**Nineteenth: Acknowledgments**

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

**Twentieth: Auditor's Report**

- The auditor's report does not contain any reservations about the annual financial statements for the year 2023.
- The Board of Directors does not issue any recommendation to replace the auditor before the end of the period for which the auditor was appointed.

**Twentieth One: General rights of shareholders**

Shareholders have all rights related to the share stipulated under the Corporate Governance regulation issued by the Capital Market Authority, the Authority's Law and the Saudi Companies Law and their implementing regulations, and in particular the right to obtain a share of the profits to be distributed in cash or by issuing shares. Shareholders have the right to obtain a share of the company's assets upon liquidation, and the right to attend shareholders' assemblies, participates in their deliberations



and vote on its decisions, the right to dispose of the shares, the right to inquire and to request access to the company's books and documents, the articles of incorporation and the articles of association, the right to monitor the work of the Board of Directors, hold the members accountable, file a liability claim against the members of the Board, nominate and elect the members of the Board of Directors, and give priority to subscribing to new shares and registering its shares in the shareholders register and the right to request information in a manner does not harm the interests of the company and does not conflict with the Capital Market Law and its implementing regulations.

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

The company applies all provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority  
The company also applies all provisions contained in the Corporate Governance Regulations issued by Insurance Authority.

## Twenty- Third: Board of Directors and Sub-Committees

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

Experiences	Qualifications	Previous Positions	Current Positions	Name	
17 years in insurance and investment	Bachelor of Finance	Credit Manager – Al Ahli Bank of Kuwait	CEO & Board Member of Al Ahlia Insurance Company - Kuwait	– Mr. Yousef Saad Al-Saad Chairman of the Committee	1
22 years in banking and investment	Bachelor of Business Administration	Chief Executive Officer of Amlak National Investment Company	Chief Executive Officer of Amlak National Investment Company	- Mr. Nayef Saud Al-Tariri Member	2
28 years in insurance and investment	Bachelor of Accounting	Investment Manager – Al Ahlia Insurance Company – Kuwait	Vice President for Financial and Administrative Affairs – Al Ahlia Insurance Company – Kuwait	– Mr. Tariq Fahad Boursesli Member	3
18 years in investment and consulting	Master of Finance and Investment  Bachelor of Mechanical Engineering	Vice President – Moise & Company	Partner at Cornerstone	- Mr. Fahad Sulaiman Al-Dalali Member	4
21 years in real estate investment and development	Bachelor of Architecture Engineering	CEO & Managing Director - ALARGAN Projects Company	CEO & Managing Director - ALARGAN Projects Company	– Eyad Abdulrahman Al-Benyan Chairman of the Committee	5
20 years in Finance and Insurance	Master of Business Administration  Bachelor of Accounting	Director of Financial Control Department – Al Rajhi Bank – Jordan Branches	Chief Financial Officer – Al Rajhi Capital	Mr. Ahmed Abdulrahman Almohsen – Member	6
20 years in consulting and the financial sector	Master of Entrepreneurship  Bachelor of Electrical Engineering	Managing Director - Emaar Al Madina Economic Company	Partner at Cornerstone  Partner at Moise & Company	- Mr. Ahmed Yousef Bushnaq Member	7

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

Experiences	Qualifications	Previous Positions	Current Positions	Member Name	Committee	
17 years in insurance and investment	Bachelor of Finance	Credit Manager – Al Ahli Bank of Kuwait	CEO & Board Member of Al Ahlia Insurance Company - Kuwait	Mr. Yousef Saad Al-Saad – Chairman of the Committee	Executive Committee	1
22 years in banking and investment	Bachelor of Business Administration	Chief Executive Officer of Amlak National Investment Company	Chief Executive Officer of Amlak National Investment Company	Mr. Nayef Saud Al-Tariri - Member		
28 years in insurance and investment	Bachelor of Accounting	Investment Manager – Al Ahlia Insurance Company – Kuwait	Vice President for Financial and Administrative Affairs – Al Ahlia Insurance Company – Kuwait	Mr. Tariq Fahad Boursesli - Member		
17 years in insurance and investment	Bachelor of Finance	CEO & Board Member of Al Ahlia Insurance Company - Kuwait	CEO & Board Member of Al Ahlia Insurance Company - Kuwait	Mr. Yousef Saad Al-Saad – Chairman of the Committee	Investment Committee	2
22 years in banking and investment	Bachelor of Business Administration	Chief Executive Officer of Amlak National Investment Company	Chief Executive Officer of Amlak National Investment Company	Mr. Nayef Saud Al-Tariri - Member		
18 years in investment and consulting	Master of Finance and Investment  Bachelor of Mechanical Engineering	Vice President – Moise & Company	Partner at Cornerstone	Mr. Fahad Sulaiman Al-Dalali - Member		
28 years in insurance and investment	Bachelor of Accounting	Investment Manager – Al Ahlia Insurance Company – Kuwait	Vice President for Financial and Administrative Affairs – Al Ahlia Insurance Company – Kuwait	Mr. Tariq Fahad Boursesli - Member	Risk Management Committee	3
20 years in Finance and Insurance	Master of Business Administration  Bachelor of Accounting	Director of Financial Control Department – Al Rajhi Bank – Jordan Branches	Chief Financial Officer – Al Rajhi Capital	Mr. Ahmed Abdulrahman Almohsen - Member		
20 years in consulting and the financial sector	Master of Entrepreneurship	Managing Director - Emaar Al Madina Economic Company	Partner at Cornerstone  Partner at Moise & Company	Mr. Ahmed Yousef Bushnaq - Member		

	Bachelor of Electrical Engineering					
21 years in real estate investment and development	Bachelor of Architecture Engineering	CEO & Managing Director - ALARGAN Projects Company	CEO & Managing Director - ALARGAN Projects Company	Eyad Abdulrahman Al-Benyan – Chairman of the Committee	Nomination and Remuneration Committee	4
20 years in Finance and Insurance	Master of Business Administration Bachelor of Accounting	Director of Financial Control Department – Al Rajhi Bank – Jordan Branches	Chief Financial Officer – Al Rajhi Capital	Mr. Ahmed Abdulrahman Almohsen - Member		
18 years in investment and consulting	Master of Finance and Investment  Bachelor of Mechanical Engineering	Vice President – Moise & Company	Partner at Cornerstone	Mr. Fahad Sulaiman Al-Dalali - Member		
22 years in finance banking	Master of Business Administration  Bachelor of Accounting	General Manager – Al Rajhi Bank	Senior Manager and Partner of Arkan Al Ebdaa Company for Plastic Tools and Materials	Adnan Abdullah Al-Olayan – Chairman of the Committee	Audit Committee	5
13 years in audit, insurance and finance	Bachelor of Accounting	Director of Compliance Department – Al-Jabr Finance Company	Director of Governance and Risk for the Eastern Sector – National Water Company	Shadi Shaker Al-Shabaan – Member		
20 years in consulting and the financial sector	Master of Entrepreneurship  Bachelor of Electrical Engineering	Managing Director - Emaar Al Madina Economic Company	Partner at Cornerstone  Partner at Moise & Company	Mr. Ahmed Yousef Bushnaq - Member		

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

Legal entity (listed shareholding/unlisted contribution/limited (...)/liability	Inside the Kingdom / Outside the Kingdom	Names of companies in which the board member is a member of the previous board of directors or one of its directors	Legal entity (listed shareholding/unlisted contribution/limited liability/...)	Inside the Kingdom / Outside the Kingdom	Names of companies in which the board member is a member of the current board of directors or one of its directors	Member Name	#
Public shareholding listed	Outside the Kingdom	Al Ahlia Insurance Company – Kuwait	Public shareholding listed	Outside the Kingdom	Al Ahlia Insurance Company - Kuwait	Mr. Yousef Saad Al-Saad	1
Bahraini Closed Contribution	Outside the Kingdom	Trade Union Holding Company	Bahraini Closed Contribution	Outside the Kingdom	Trade Union Holding Company		
Public Shareholding	Outside the Kingdom	Iraq International Insurance Company – Iraq	Unlisted Joint Stock Company	Outside the Kingdom	Meezan Bank - Pakistan		
Locked contribution	Inside the Kingdom	Amlak National Investment Company – Saudi Arabia,	Locked contribution	Inside the Kingdom	Amlak National Investment Company – Saudi Arabia,	Mr. Nayef Saud Al-Tariri	2
Locked contribution	Inside the Kingdom	Gulf Development Company – Saudi Arabia,	Locked contribution	Inside the Kingdom	Gulf Development Company – Saudi Arabia,		
Closed Joint Stock Company	Inside the Kingdom	Al-Khamasiya Company for Feed and Animal Production – Saudi Arabia.	Closed Joint Stock Company	Inside the Kingdom	Al-Khamasiya Company for Feed and Animal Production – Saudi Arabia.		
Locked contribution	Inside the Kingdom	Awqaf Investment Company	Locked contribution	Inside the Kingdom	Awqaf Investment Company		
Public Shareholding	Outside the Kingdom	Al Ahlia Insurance Company – Kuwait	Public shareholding listed	Outside the Kingdom	Al Ahlia Insurance Company - Kuwait	Mr. Tariq Fahad Bouresli	3

Bahraini Closed Contribution	Outside the Kingdom	Trade Union Holding Company	Bahraini Closed Contribution	Outside the Kingdom	Trade Union Holding Company		
Public shareholding listed	Outside the Kingdom	Kuwait Reinsurance Company – Kuwait,	Public shareholding listed	Outside the Kingdom	Kuwait Reinsurance Company – Kuwait		
Locked contribution	Outside the Kingdom	Industrial Electrical Projects Co. – Kuwait	Locked contribution	Outside the Kingdom	Industrial Electrical Projects Co. - Kuwait		
Public Shareholding	Outside the Kingdom	Kuwait Airways Company	Closed Public Shareholding	Outside the Kingdom	Al Mulla Kuwait Finance Company	Mr. Fahad Sulaiman Al-Dalali	4
Locked contribution	Inside the Kingdom	ALARGAN Projects Company	Locked contribution	Inside the Kingdom	ALARGAN Projects Company		
Public Shareholding	Inside the Kingdom	Union Cooperative Insurance Company	-	-	-		
	-	-	Public shareholding listed	Inside the Kingdom	Al Hokair Group	Mr. Eyad Abdulrahman Al-Benyan	5
Public Shareholding	Inside the Kingdom	Wafra Company for Industry and Development	Public shareholding listed	Inside the Kingdom	Wafra Company for Industry and Development		
	-	-	Public shareholding listed	Inside the Kingdom	National Gas and Industrialization Company	Mr. Ahmed Abdulrahman Almohsen	6
Locked contribution	Inside the Kingdom	King Abdullah Port Company	-	-	-		
Public Shareholding	Inside the Kingdom	Emaar Economic City Company	-	-	-	Mr. Ahmed Yusef Bushnaq	7

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

Name	Membership Tier	No.
Mr. Yusef Saad Al Saad	Non-Executive Directors	1
Mr. Nayef Saud Al-Tariri		2
Mr. Tariq Fahad Bouresli		3
Mr. Fahad Sulaiman Al-Dalali		4
There isn't any	Executive Directors	-
Mr. Eyad Abdulrahman Al-Benyan	Independent Board Members	5
Mr. Ahmed Abdulrahman Almohsen		6
Mr. Ahmed Yusef Bushnaq		7

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

**1. Executive Committee:**

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

The Executive Committee is composed of Gentlemen:

- |                         |          |
|-------------------------|----------|
| 1. Youssef Saad Al-Saad | Chairman |
| 2. Nayef Saud Al-Tariri | Member   |
| 3. Tariq Fahad Bouresli | Member   |

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

#	Member Name	Membership Type	Meeting No. 1 19/03/2023	Meeting No. 2 13/6/2023	Meeting No. 3 21/06/2023	Meeting No. 4 03/08/2023	Meeting No. 5 29/10/2023	Meeting No. 6 06/12/2023
1	Youssef Saad Al-Saad	Chairman	Attend	Attend	Attend	Attend	Attend	Attend
2	Nayef Saud Al-Tariri	Member	Attend	Attend	Attend	Attend	Attend	Attend
3	Tariq Fahad Bouresli	Member	Attend	Attend	Attend	Attend	Attend	Attend

Attend

Absent

## 2. Audit Committee:

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

The Audit Committee is composed of Gentlemen:

1. Adnan Abdullah Al-Olayan Chairman (outside the Board of Directors)
2. Shadi Bin Shaker Al-Shabaan Member (outside the Board of Directors)
3. Ahmed Yousef Bushnaq Member (from within the Board of Directors)

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

#	Member Name	Membership Type	Meeting No. 1 16/03/2023	Meeting No. 2 12/04/2023	Meeting No. 3 25/5/2023	Meeting No. 4 11/6/2023	Meeting No. 5 03/08/2023	Meeting No. 6 31/10/2023
1	Adnan Abdullah Al-Olayan	Chairman	Attend	Attend	Attend	Attend	Attend	Attend
2	Shadi Bin Shaker Al-Shabaan	Member	Attend	Attend	Attend	Attend	Attend	Attend
3	Ahmed Yousef Bushnaq	Member	Attend	Attend	Attend	Attend	Absent	Attend

Attend Absent

### 3. Nomination and Remuneration Committee

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

The Nomination and Remuneration Committee is composed of Gentlemen:

- |    |                             |          |
|----|-----------------------------|----------|
| 1. | Iyad Abdul Rahman Al-Bunyan | Chairman |
| 2. | Fahad Suleiman Aldlali      | Member   |
| 3. | Ahmed Abdulrahman Almohsen  | Member   |

The Committee held (2) meetings during the period related to the subject of the report to carry out the tasks entrusted to it as follows:

#	Member Name	Membership Type	Meeting No. 1 15/08/2023	Meeting No. 2 27/12/2023
1	Iyad Abdul Rahman Al-Bunyan	Chairman	Absent	Attend
2	Fahad Suleiman Aldlali	Member	Attend	Attend
3	Ahmed Abdulrahman Almohsen	Member	Attend	Attend

Attend

Absent

#### 4. Investment Committee

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

The Committee is composed of Gentlemen:

1. Yousef Saad Al Saad Chairman
2. Nayef Saud Al-Tariri Member
3. Fahad Sulaiman Al dlali Member

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

#	Member Name	Membership Type	Meeting No. 1 19/03/2023	Meeting No. 2 13/06/2023	Meeting No. 3 03/08/2023	Meeting No. 4 29/10/2023
1	Yousef Saad Al Saad	Chairman	Attend	Attend	Attend	Attend
2	Nayef Saud Al-Tariri	Member	Attend	Attend	Attend	Attend
3	Fahad Sulaiman Al dlali	Member	Attend	Attend	Absent	Attend

Attend

Absent

#### 5. Risk Management Committee

The committee determines the risks to which the company may be exposed and maintains an acceptable level of risk for the company. The committee also supervises the company's risk management system and evaluates its effectiveness, in addition to

developing a comprehensive risk management strategy and following up on its implementation, reviewing and updating it based on the company's internal and external variables. The Committee submits detailed reports to the Board of Directors on exposure to risks and the proposed steps to manage these risks.

The Risk Management Committee is composed of Gentlemen:

- |    |                            |          |
|----|----------------------------|----------|
| 1. | Tariq Fahd Bouresli        | Chairman |
| 2. | Ahmed Abdulmohsen Almohsen | Member   |
| 3. | Ahmed Yousef Boushnaq      | Member   |

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

#	Member Name	Membership Type	Meeting No. 1 20/03/2023	Meeting No. 2 12/06/2023	Meeting No. 3 03/08/2023	Meeting No. 4 30/10/2023
1	Tariq Fahd Bouresli	Chairman	Attend	Attend	Attend	Attend
2	Ahmed Abdulmohsen Almohsen	Member	Attend	Attend	Attend	Attend
3	Ahmed Yousef Boushnaq	Member	Attend	Attend	Attend	Attend

Attend                      Absent

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

**Remunerations and compensations' Members of the Board of Directors:**

According to the company's articles of association, the minimum annual remuneration for the chairman and members of the Board of Directors is (200,000) two hundred thousand Saudi riyals, and the maximum amount is (500,000) five hundred thousand Saudi riyals annually for their membership in the Board of Directors and their participation in its work. Including the additional rewards in the event, the member participates in any of the committees emanating from the Board of Directors, within the limits stipulated in the Companies Law and its regulations.

In the event that the company achieves profits, a percentage equivalent to (10%) of the rest of the net profit may be distributed after deducting the reserves decided by the General Assembly in the application of the provisions of the Co-operative Insurance Control Law and after distributing a profit to shareholders of no less than (5%) of the capital Paid company, provided that the

entitlement to such remunerations is proportional to the number of sessions the member attended. Any assessment to the contrary is void.

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

Note that the annual remuneration of the members of the Board referred to below represents the remuneration of the members paid in the year 2023. the Board of Directors decided that the remuneration policy for the members of the Board and its committees emanating from it during the year 2023 will be as follows:

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

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

#### Remuneration and compensation for board members: (Amounts in thousands/SAR)

	Fixed Rewards					Variable rewards	Indemnity	Total	expense allowance
	Allowance for attending council sessions	Total allowance for attending committee sessions	Annual bonus	Any other amounts, whether fixed or in kind, or in exchange for technical or administrative services, or consultancy, or any other amounts paid	Total				
<b>First: the independent members</b>									
Ahmed Al Mohsen	15	7.5	200	-	222.5	-	-	222.5	-

Iyad Abdul Rahman Al-Bunyan	15	-	200	-	215	-	-	215	-
Ahmed Boushnaq	15	21	250	-	286	-	-	286	-
<b>Second: Non-executive members</b>									
Youssef Saad Al-Saad	15	13.5	200,000	-	228.5	-	-	228.5	-
Naif Al Turayri	15	13.5	200,000	-	228.5	-	-	228.5	-
Tariq Fahad Bouresli	15	13.5	200,000	-	228.5	-	-	228.5	-
Fahad Al Dalai	15	6	200,000	-	221	-	-	221	-
<b>Third: the executive members</b>									
N/A	-	-	-	-	-	-	-	-	-

#### Remuneration of Board Committee Members:

(Amounts in thousands / SAR)

Total	Allowance for attending sessions	Fixed remuneration (excluding session attendance allowance)	
<b>Audit Committee Members</b>			
121	21	100	1. Adnan Abdullah Al-Olayan
121	21	100	2. Shadi Shaker Al , Shabaan
65	15	50	3. Ahmed Yousef Bushnaq
<b>Members of the Nomination and Remuneration Committee</b>			
-	-	-	1. Eyad Abdulrahman Albenyan
1.5	1.5	-	2. Fahad Suleiman Aldlali
1.5	1.5	-	3. Ahmed Abdul rahman Almohsen
<b>Investment Committee Members</b>			
6	6	-	1. Yousef Saad Muhammad Alsaad
6	6	-	2. Nayef Saud Ibrahim al, Tariri

4.5	4.5	-	3. Fahad Suleiman Aldlali
Members of the Executive Committee			
7.5	7.5	-	1. Yousef Saad Muhammad Alsaad
7.5	7.5	-	2. Nayef Saud Ibrahim al, Tariri
7.5	7.5	-	3. Tariq Fahad Mohammed Bouresli
Members of the Risk Management Committee			
6	6	-	1. Tariq Fahad Mohammed Bouresli
6	6	-	2. Ahmed Abdul rahman Almohsen
6	6	-	3. Ahmed Yousef Bushnaq

**Remuneration and compensation for senior executives:**

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

(Amounts in thousands / SAR)

	Fixed Rewards				Variable Rewards	Indemnity (2023 movement)	Total executive remuneration for the board, if any	Total
	Fixed salaries and bonuses	Allowance	benefits	Total				
The senior executives during the year 2023, including the CEO and CFO	5,364	77	-	5,441	2,966	308	-	8,715

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

Ways to treat them and avoid their occurrence in the future	The signatory of the violation	Reasons for Violation / Restriction	Penalty / Precautionary Measure / Reserve Entry / Other
- Correction of the violation	Civil Defense	Violation of safety instructions	A fine of SAR 2,000
- Corrective plan	Insurance Authority	Violation of the instructions of the Insurance Supervisory and Supervisory Authority	SAR 40k fine
- Corrective plan	Insurance Authority	Violation of the instructions of the Insurance Supervisory and Supervisory Authority	SAR 100,000 fine

**Twenty-sixth-b: Executive decisions of the Insurance Authority:**

Total Violations	Previous fiscal year		Current fiscal year	
	Executive decisions	Total fines / SR	Executive decisions	Total fines / SR
Violating the Insurance Authority's supervisory and oversight instructions	2	80,000 SR	2	140,000 SR

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

During the year 2023, the company did not receive any proposal or substantive note from shareholders about the company and its performance, bearing in mind that the company has clear, written procedures approved by the Board of Directors on how to deal with any note or suggestion received from shareholders about the company, as all members of the Board of Directors are immediately informed of this note. To be discussed in the first meeting of the Board of Directors to be held after receiving this note to be studied, evaluated and answered accordingly.

**Twenty-eighth: Methods applied by Board of Directors in evaluating its performance and the performance of its committees and members:**

During the year 2023, the performance of the Board of Directors and its committees and members was evaluated based on internal means without resorting to an external party to carry out this task, as this was done through:

1. Nominations and Remunerations Committee: The Committee evaluated the composition of the Board and its committees, identified weaknesses in them during 2023 and suggested the necessary steps to address them. The Committee also evaluated the performance of Board members and committees for the year 2023, where the Committee adopted the following criteria in evaluating the performance of Board members:
  - Attending board meetings and giving sufficient time for the tasks required of him as a board member.
  - The extent of interaction and participation in the discussion during the meetings of the Board of Directors.
  - The extent of the response to the decisions of the Board of Directors by passing.
  - Attend the meetings of the committees emanating from the Council.
  - The extent of communication with the executive management, whether directly or indirectly.
  - The results of the measurement indicators related to the extent to which the company's strategic objectives are achieved and the adequacy of the internal control and risk management systems.
2. Self-evaluation: All members of the board and sub-committees conducted a self-assessment by answering the questions of the self-assessment questionnaire, which includes all the necessary aspects to determine the performance and the needs required to improve and raise the level of efficiency of the members.

**Twenty-ninth: Annual review of the effectiveness of the company's internal control procedures during the year 2023.**

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

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

The Board of Directors reviewed the minutes of the Audit Committee's meetings on a regular basis. The results of the audit also resulted in the presence of observations related to the management of vehicle claims, as well as the management of medical

insurance claims, the management of customer care, and the processes of developing the technical system, including recommendations and notes on the performance of the mentioned departments that need to increase procedures to achieve the strategic goals of the company.

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

**During the year 2023, the Audit Committee made several main and specific recommendations to the Board of Directors, aimed at improving the supervision and internal control processes to meet the current and future needs of the company in the best way. These efforts can be summarized in the following points:**

1. Approval of the internal audit plan for the year 2023
2. Follow up the development of the company's technical system, accounting system and asset management
3. Continuity of work to follow up on the corrective measures taken by the company, especially with regard to claims, customer care, and vehicle underwriting
4. Continuity of follow-up development of the human resources system and policy.
5. A number of (6) meetings of the Audit Committee were held

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

#### **Thirtieth: External Auditors**

The Audit Committee received the offers submitted by the major external auditing companies regarding the audit of the company's accounts for the year 2023, where a comparison was made between the offers submitted by the Audit Committee on multiple bases, the most important of which is the work plan proposed by the external auditor, reputation and experience in the Saudi insurance market, fees and practical experience, and the committee concluded by recommending to the company's general assembly the selection of Suleiman Abdullah Al-Kharashi Company (Al-Kharashi & Co. Accountants and Legal Auditors) in cooperation with the external auditor, Mr. Al-Ayouti & Co. Certified Public Accountants, in order to examine, review and audit the financial statements for the second, third quarters and the full year 2023 And the first quarter of 2024, and the Assembly agreed

to that, as the external auditors elected by the General Assembly completed their work for the year 2023 completely without replacing any of them during the year.

**Thirty-first: Senior management**

	Name	Current Jobs	previous jobs	Experience	Qualifications
1	Hussam Abdulaziz Al-kannas	Chief Executive Officer	Chief Executive Officer	25 years in supervision, insurance and investment	MBA, Fellowship of the Chartered Insurance Institute from British Chartered Institute
2	Hussain Abdulmohsen alrashed	Chief Financial Officer	Chief Financial Officer	15 years in insurance	Bachelor's degree in Accounting Master's degree in Accounting
3	Ameer Al Sinan	Chief Technical Officer	Chief Operating Officer at Total Care Saudi company.	19 years in insurance, development, and operations.	Bachelor of Business Administration, Diploma of the Institute of Public Administration in Dammam, CII Certificate from British Chartered Institute
4	Muneerah Majed Alqahtani	Risk Department Director	Senior Risk Manager, GIG	10 years in insurance	Bachelor of Insurance and Finance and Master of Business Administration (Finance)
5	Ahmed Ali Namazi	Chief Information Technology Officer	Director of Information Technology	19 years in Information Technology	Bachelor of Computer Science Master of Business Administration.
6	Ahmad Sulaiman Al Mohaimeed	Director of Human Resources and Administration Department	Director of Human Resources and Administration Department	21 years in human resource management	Bachelor's degree in English
7	Ahmed Mamdouh Al Rayes*	Director of Compliance and Anti-Money Laundering and Terrorist Financing Department - Secretary of the Board of Directors - Secretary of the Audit Committee	Director of Compliance Department at a finance company	13 years in finance and compliance	Master of Business Administration
8	Muhannad Muhammad Khalaf	Director of Customer Care Department	Director of Customer Care Department	16 years in insurance	Aviation Academy Diploma
9	Wael Abdel Rahman Haroun	Director of the Reinsurance Department	Director of the Reinsurance Department	19 years in insurance	Actuarial Science Diploma

10	Abdulaziz Mohammed Al-Dakhil	Director of the internal audit department	Director of the internal audit department	24 years in banking and insurance	Bachelor's degree in accounting and Higher Diploma in Insurance
11	Bander Abdullah Almalki	Motor Claims Director	Motor Claims Director	19 years in claims management	Bachelor Degree in International Business.
12	Faisal Ali Almissfer	Chief Marketing & Sales Officer	VP Assistant - Commercial Brokerage	23 years in insurance	Bachelor's degree in Marketing
13	Ahmad Sami Abulebdeh	Finance Director	Finance Manager	15 years, in finance, audit and insurance	Master's degree in accounting, CPA, CMA
14	Noman Noor Mohammed	Actuarial Director	Chief Operating Officer in	19 Years in Insurance & Consultation	Bachelor degree in Actuarial Science, Fellowship of FSA.

\* Until 28/12/2023

### Thirty-second: Major Shareholders

The table below shows the list of the company's major shareholders who own 5% or more as on 31/12/2023

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

### Thirty-third: The Company's Social Contributions:

During the year 2023, the company made many social contributions out of its belief in social responsibility. The contributions are summarized as follows:

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

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

Company's requests for the shareholders' register	Date of application	Record date	Reasons for request
1	04/01/2023	05/01/2023	General Assembly
2	12/06/2023	13/06/2023	General Assembly



**Thirty-fifth: Treasury Shares:** The company does not hold treasury shares

**Conclusion**

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