

شركة ملاذ للتأمين التعاوني  
س.ت. ١٠٢٣١٧٨٧

Malath Cooperative Insurance Co.  
C.R. No. 1010231787



## The Audit Committee Report for the fiscal year ended on 31/12/2025G.

## Annual report of Audit Committee to the General Assembly for FY 2025

Date: 9 April 2026

Messrs. Shareholders of Malath Cooperative Insurance Company

Honorable

Greetings,

### Introduction:

The General Assembly of Malath Cooperative Insurance Company entrusted the Audit Committee with the responsibility of overseeing and independently monitoring the performance of the Company's control functions, as well as reviewing the interim and annual financial statements of the Company and its internal control systems. Accordingly, the Committee carried out its duties and responsibilities as detailed in the Audit Committee Charter, the Corporate Governance Charter published on the Company's website, the instructions and regulations issued by the regulatory and supervisory authorities, and its approved authorities.

During 2025, the Audit Committee held a total of eight meetings, of which three meetings were conducted by the previous Audit Committee, while the remaining meetings were held by the current Committee, including the annual meeting with the Board of Directors, in fulfilment of its mandated responsibilities.

Information classification (Confidential)

### **Activities and achievements in 2025:**

During 2025, the Audit Committee held a total of eight meetings, of which three meetings conducted by the previous Committee, while the current Committee held the remaining meetings, including the annual meeting with the Board of Directors. The Committee carried out several key activities within the scope of its mandate, including the following:

- Discussing the Audit Committee's plan for the year 2025, which was prepared to align with governance requirements and the requirements of other supervisory authorities and to fulfil the Committee's responsibilities, duties and the company's working conditions, in addition to following up on its implementation according to the specified timeline.
- Approving the risk-based audit plan submitted by the Internal Audit Department for the fiscal year 2025, after discussing it and following up on its implementation according to the specified schedule.
- Recommending the appointment of Ecovis AI Sabti to conduct a review of the Company's information technology operations.
- Discussing the results of the Internal Audit Department's activities on a periodic basis, including analyzing the risks that the Company may be exposed to, studying their impact and modifying them accordingly.
- Reviewing the Internal Audit Department's evaluation of the Company's internal control procedures, financial controls, and risk management system.
- Recommending the approval of the updated Internal Audit Charter.
- Recommending the approval of the updated Internal Audit policies and procedures.
- Assessing the efficiency, effectiveness and objectivity of work performed by the internal audit and compliance departments and ensuring their independence and that there were no restrictions on their scope of their work.
- Approving the compliance plan for the fiscal year 2025 and following up on its implementation.
- Studying the reports of compliance, governance and AML/CTF.
- Recommending the approval of the updated Compliance policies and procedures.
- Discussing and following up on the reports issued by the supervisory and control entities and recommending the enhancement of the compliance with the relevant regulations and instructions to achieve the highest levels of compliance.
- Following up with the compliance department on a periodic basis to ensure the company's compliance with the bylaws and regulations issued by the Insurance Authority and other legislative bodies.



**Activities and achievements in 2025- continued:**

- Recommending the appointment of the Company's external auditors and determining their fees from among the nominated firms to audit the Company's financial statements for the second quarter of 2025 through to the end of the first quarter of 2026, whereby the Committee recommended appointing Al-Bassam and Al-Kharashi offices.
- Reviewing the audit plan for external auditors.
- Following up on the work of the Company's external auditors, ensuring the continuity of their independence, ensuring that there were no obstacles affecting the progress of their work and evaluating the level of efficiency and effectiveness of their performance.
- Discussing the annual and quarterly financial statements and recommendation to the Board of Directors for their approval after reviewing and discussing them with the company's Executive Management and external auditors and then submitting them to the General Assembly for approval.
- Reviewing the observations received from the company's internal and external auditors and following up on their implementation according to the timeline agreed upon with the Company's Management.
- Following up on the implementation of the Committee's recommendations and observations during its previous meetings.
- Discussing receivables' balances and following up their collection with the management.
- Reviewing the actuary reports and recommending compliance with the suggestions and recommendations of the appointed actuary.
- Following up on the important lawsuits filed by or against the Company and reasons of their current states and make recommendation on what should be taken in this regard.

**Audit committee's opinion on the adequacy of the Company's internal control system:**

Based on the foregoing results of the annual review of the internal control procedures, the opinion of the Audit Committee on the adequacy of the Company's internal control system, the work performed by internal audit and compliance departments in accordance with the plan approved by the Audit Committee for the year 2025, the reports and observations submitted by the internal and external auditors and reviewed with the Executive Management, the Committee did not find a material weakness in the Company's internal control procedures that requires attention, while the Committee keeps on recommending to the Company's management to follow up continuously to improve the efficiency and effectiveness of internal controls and continually update the Company's policies and procedures in line with the nature of the Company's activity and businesses and the developments and updates from the supervisory authorities related to the Company's activity and taking what the current circumstances require in consideration.

Committee Chairman

Independent – External

Mr. Said Al Ghamdi

Committee Member

Independent – External

Mr. Mishal Al Shrihi

Committee Member

Independent – External

Mr. Abdulla Al Omair

Committee Member

Independent – External

Mr. Bashair Al Turkey

**Item #1:**

**To review and discuss the Board of Directors' Report for the  
fiscal year ended on 31/12/2025G.**

# Annual Report 2025

Your safe haven...  
We build a safe tomorrow..

Subject to the Supervision and  
Regulation of the Insurance Authority

مالاث  
التأمين  
malath  
insurance

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



The Custodian of the Two Holy Mosques

**King Salman Bin Abdulaziz Al Saud**

May Allah protect him

My first goal is for our country to be a successful and pioneering model in the world in all fields, and I will work with you to achieve that.

May Allah support him



His Royal Highness  
Crown Prince and Prime Minister

**Mohammad Bin Salman Al Saud**

May Allah protect him

Our ambition is to build a more prosperous nation in which every citizen finds what they aspire to. The future of our nation, which we build together, we will accept nothing less than making it among the leading countries of the world.

May Allah protect him

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# Board Chairman Statement

**Mr. Badr bin Ali Al-Ali**

Chairman of the Board of Directors

## Dear Shareholders and Partners,

On behalf of myself and the members of the Board of Directors, I am pleased to present to you the annual report of Malath Cooperative Insurance Company for the fiscal year 2025, a year rich with achievements and qualitative transformations that have solidified Malath's position and affirmed the strength of its strategy.

We embarked on this year with a clear vision based on solid foundations of governance and transparency, focused on achieving sustainable growth and maximizing value for shareholders through a balanced strategy built on business expansion and maintaining the strength of the corporate portfolio. This strategy has proven its success through the positive indicators achieved in the company's continued profitability. Furthermore, Malath's flexibility and ability to adapt to market variables and keep pace with the rapid transformations in the insurance sector were evident, thanks to its proactive vision and the efficiency of its team.

Amidst the rapid regulatory developments in the insurance sector, the company continued to address several challenges related to enhancing governance and updating policies and procedures that support transparency and decision-making efficiency.

The Board also paid special attention to strengthening strategic partnerships and expanding the distribution base, which contributed to increasing the company's sales during the year.

The Board monitored the company's credit rating, as

the company obtained an "A-" rating with a stable outlook from SAMA Ratings in March 2025. On the financial indicators front, the company succeeded in reducing accumulated losses to 17.3% of capital by the end of the year, which demonstrates the strength of the company's financial position and its ability to generate returns for its shareholders. Within the framework of the company's strategy aimed at developing insurance solutions that meet customer aspirations, the company recently obtained approval from the Insurance Authority to sell and market the Contractors All Risks Insurance product for inherent defects, which is expected to contribute to meeting customers' insurance needs, in addition to supporting the diversification of income sources and enhancing the company's revenue growth in the coming period.

The achievements realized in 2025 are the fruit of a clear vision and the concerted efforts of all parties. We, on the Board of Directors, look to the future with confidence and optimism, affirming that our priorities will remain focused on maintaining the company's profitability, enhancing our presence in promising markets, and developing digital products and services.

In conclusion, on behalf of the members of the Board of Directors and all employees of Malath Cooperative Insurance Company, it is my pleasure to extend my highest gratitude and appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and to His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince and Prime Minister – may Allah protect them – for their ambitious vision and unlimited support, which have provided the private

sector with an environment conducive to growth and prosperity, and opened up broad horizons for creativity and excellence. We also extend our sincere thanks to the Insurance Authority, the Saudi Central Bank, and all regulatory bodies for their support and cooperation, which contribute to enhancing the stability and development of the sector.

Our thanks are also extended to my colleagues, the Board members, for their support, active participation, and ambitious vision, and to all Malath employees, who are its pillars. By the grace of Allah, and through their sincere efforts, these achievements have been realized. We also express our sincere appreciation and gratitude to our esteemed shareholders for their precious trust, to our dear customers for their loyalty, and to our strategic partners for their fruitful cooperation. We look forward to further successes in the coming years to continue, Allah willing, strengthening Malath's position as the leading and preferred insurance company in the Kingdom.

**May peace, mercy, and blessings of Allah be upon you,**

# CEO and Board Member Statement

**Mr. Fawaz bin**

**Abdul Rahman Al-Hajji**

CEO and Board Member

## Dear Shareholders,

Peace, mercy, and blessings of Allah be upon you.

The year 2025 represents a pivotal strategic milestone in the journey of “Malath Insurance,” as we successfully transitioned from the phase of building and development to the phase of consolidating operational efficiency and achieving sustainable returns. With the support and guidance of the Board of Directors, we were able to implement qualitative initiatives that strengthened our financial position and enhanced our competitive readiness, cementing the company’s position as a leading model of balanced growth and disciplined performance in the Saudi market.

In this context, the financial results for 2025 reflected the strength of our business model. Insurance revenues reached **ﷲ** 1,445 million, a growth of %43, while net profit after zakat recorded **ﷲ** 21.7 million. These figures are a direct result of improved risk management efficiency, strict underwriting policies, and controlled operational expenses.

Driven by our commitment to keeping pace with market developments and meeting customer needs, the company worked on developing a range of innovative insurance products targeting vital sectors, most notably:

- Domestic Workers Insurance (Health): To

organize coverage for this vital category.

- “Munshaat Plus” Product: To support the small and medium enterprises sector as an economic pillar.
- Inherent Defects Insurance: Which is nearing its final launch to strengthen our presence in the real estate development sector.

The company also continued to invest in digital transformation and the development of technical solutions to enhance customer experience and improve operational efficiency. The most prominent features of this transformation include:

- Launching the updated version of the electronic application, with over 12 million visits to the website.
- Achieving superior response through instant approvals, reaching %80 for dental insurance and %100 for eyeglasses insurance.
- Enhancing corporate communication; our digital platforms saw follower growth exceeding %58 on LinkedIn, and the number of followers on platform X reached 87.6 thousand followers.

On the operational front, over 107,000 vehicle claims and 2.2 million health claims were settled. In parallel, we invested in our national workforce through 25 training programs,

and successfully maintained the Platinum Band with a Saudization rate of %75, while increasing the representation of Saudi women to %32.

The company also pays great attention to strengthening the governance, compliance, and risk management framework, in addition to developing the technical infrastructure and enhancing cybersecurity systems. This ensures data protection and maintains business continuity in accordance with best practices and approved regulatory standards.

In the upcoming phase, we look forward to deepening our reach further, innovating qualitative insurance solutions, and building strategic partnerships that ensure maximizing added value, while continuing to invest in digital transformation and developing second-tier leadership to ensure the continuity of success.

I would like to express my sincere gratitude to our customers for their loyalty, to our employees for their dedication and hard work, and to our shareholders for their trust and support. I am confident that together we will continue to achieve exceptional results, enhance growth, and leave a sustainable positive impact on the communities we serve.

**And Allah is the Grantor of success.**



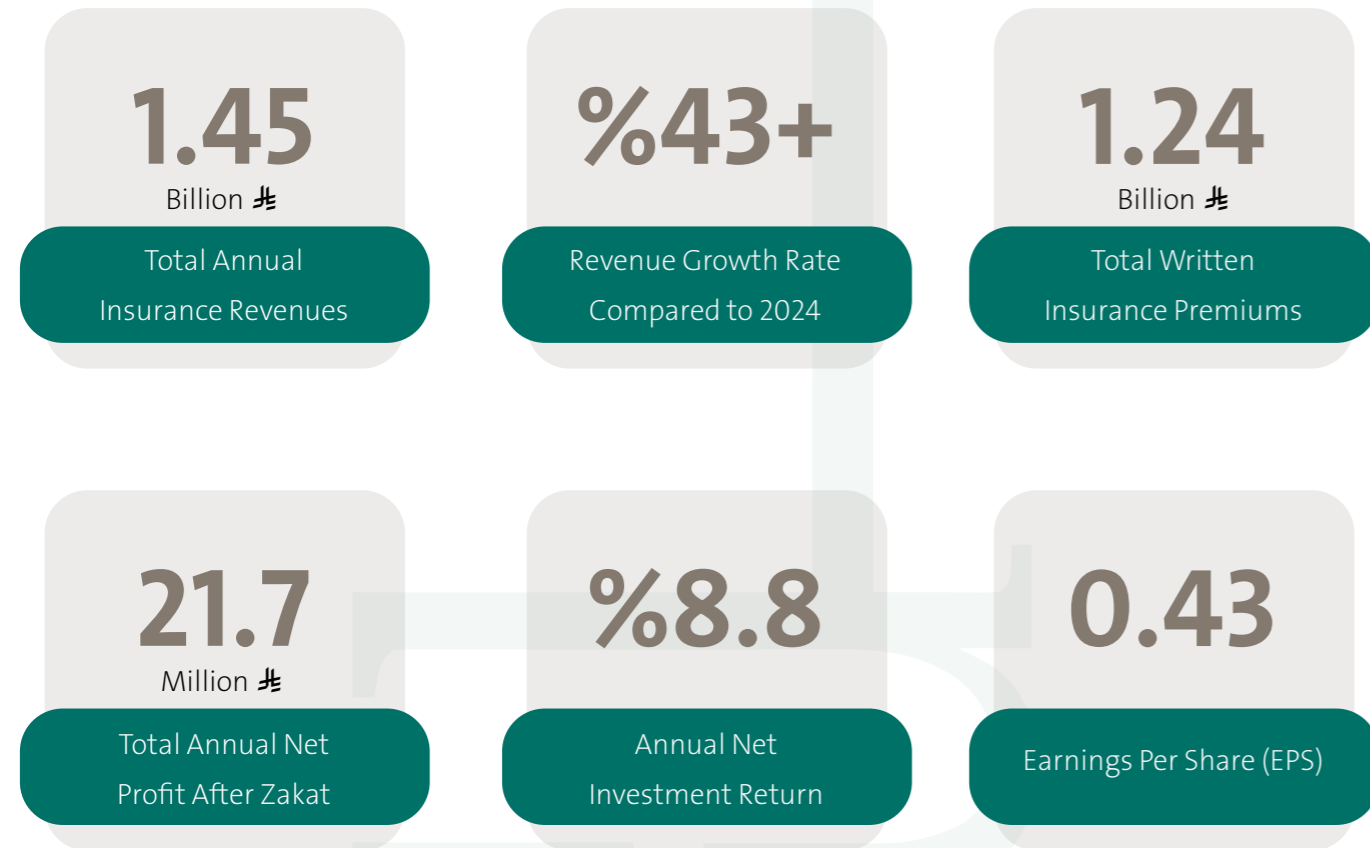
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**2025 Summary**

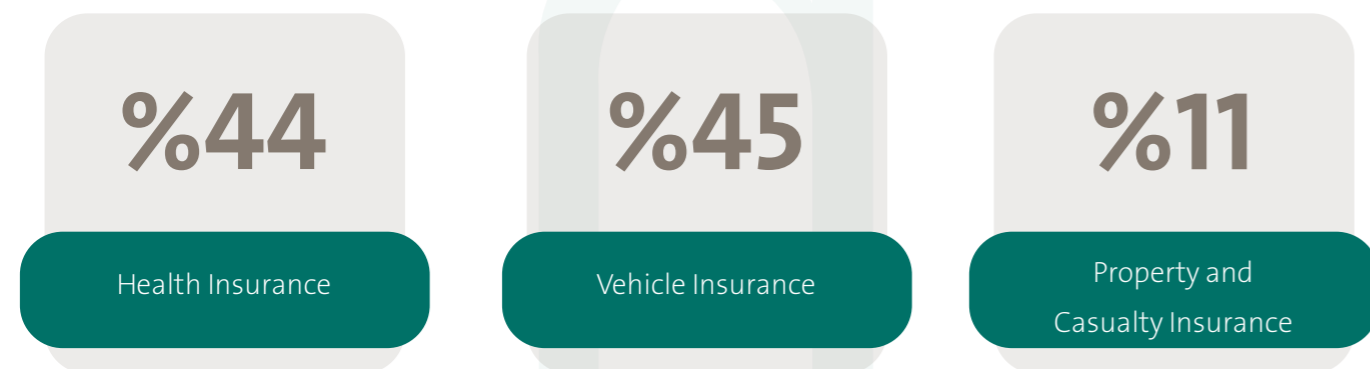


**Key Performance Indicators and Achievements in 2025**

**Financial Indicators**



**Written Premium Ratios**



**Operational and Digital Indicators**



Operational and Digital Indicators

**+2.2**  
Million

Claims Settled in  
Health Insurance

**3**

New Insurance Products

**+12**  
Million

Website Visitors

**+143**  
Thousand

App Downloads

**87**

New Employees  
During the Year

Human Capital

**389**

Number of Malath Employees

**5.78**

Average Training  
Hours Per Employee

**745**

Total Training Hours

**25**

Training Programs

Health, Safety, and Cybersecurity

**0**

Zero Work Injuries

**0**

Significant Cyber Incidents  
During the Year

## Digital Transformation Initiatives



Launch of the new version of the Malath smart-phone application on July 17, 2025, featuring a modern user interface and integrated customer experience.



An online portal for viewing medical approvals.



Issuance and inquiry of vehicle insurance policies.



Electronic submission of claims and easy tracking of their status for all types of insurance.



## Key Company Plans and Decisions for 2025 and Any Announced Forecasts

### Key Highlights of 2025:-

Invitation from the Board of Directors of Malath Cooperative Insurance Company to Shareholders to Attend the Extraordinary General Assembly Meeting (Third Meeting).

Announcement of the Annual Financial Results for the Period Ended 31/12/2024

Invitation from the Board of Directors of Malath Cooperative Insurance Company to Shareholders to Attend the Ordinary General Assembly Meeting (First Meeting) via Modern Technology

Malath Announces Decrease of Accumulated Losses to 19.64% of Capital

<b>2</b> January	<b>8</b> January	<b>30</b> January	<b>4</b> March	<b>5</b> March	<b>8</b> May	<b>11</b> May	<b>15</b> May	<b>4</b> June
Announcement of Non-Convening of the Extraordinary General Assembly of the Company (Second Meeting).		Announcement of the Results of the Extraordinary General Assembly Meeting (Third Meeting)		Malath Obtains "A-" Credit Rating with "Stable" Outlook from SAMA Ratings		Announcement of the Preliminary Financial Results for the Period Ended 31/03/2025 (Three Months)		Issuance of the Board of Directors' Resolution to Use the Fair Value Model for Measuring Properties and Investment Properties
	Appointment of Audit Committee Members		Receipt of Two Letters from the Insurance Authority Regarding the Suspension of Two Members of the Company's Board of Directors		Appointment of Mr. Badr bin Ali Al-Ali (Independent Member) as Chairman of the Board of Directors		Appointment of Mr. Amr bin Abdul Razzaq Alnemari (Independent Member) as Vice Chairman of the Board of Directors	Announcement of the Preliminary Financial Results for the Period Ended 30/09/2025 (Nine Months)
<b>17</b> June	<b>27</b> July	<b>31</b> July	<b>20</b> August	<b>21</b> August	<b>1</b> September	<b>7</b> September	<b>28</b> September	<b>1</b> October
Announcement of the Results of the Ordinary General Assembly Meeting (First Meeting)		Announcement of the Preliminary Financial Results for the Period Ended 30/06/2025 (Six Months)		Announcement of the Latest Developments on the Signing of a Memorandum of Understanding with Liva Insurance Company		Resignation of a Board Member		Appointment of a Member to the Vacant Seat on the Board of Directors and Formation of Board Committees
								<b>4</b> November

## Future Outlook for the Company's Activities

Malath expects to continue achieving positive results in its business during the upcoming period, based on the following factors:



Expansion in the small and medium enterprises sector and attracting new customer segments in insurance products, alongside the launch of new innovative products including health insurance for domestic workers, insurance for small and medium enterprises, and completing procedures for launching the inherent defects insurance product.



Keeping pace with changes in the insurance sector and seizing available market opportunities to support performance sustainability and strengthen the company's competitive position.



Investing in information technology solutions and digital applications, developing distribution channels, and enhancing cybersecurity infrastructure to support digital transformation and improve customer experience.



Enhancing operational efficiency, developing claims management procedures, and continuing to improve the quality of services provided to customers.



Investing in human capital and developing national competencies, and creating a stimulating work environment that contributes to retaining talent and enhancing productivity.



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**Company Overview**

## Company Overview

# 2007

The First Chapter of the Journey from Riyadh

# 500

Million ر.س

Company Capital

With an ambitious strategic vision, Malath Cooperative Insurance has, since its launch in Riyadh in 2007, solidified its position as one of the insurance pioneers in the Kingdom of Saudi Arabia. It operates as a public joint-stock company listed on the Saudi Stock Exchange “Tadawul” under the umbrella of the Insurance Authority, capitalizing on the significant development in the business environment in the Kingdom in general and the insurance sector in particular.

It is distinguished by the diversity of its product and service lines, offering a wide range of cooperative insurance solutions that include individual customers as well as small, medium, and large enterprises.

Today, it takes pride in its diverse achievements, looking forward with optimism and confidence towards further successes, thanks to its employees, who represent the company’s true assets and knowledge wealth. It contributes to supporting the government’s ongoing efforts to establish the concept of quality of life in society as one of the most prominent goals of the Kingdom’s Vision 2030.

### Vision

Malath Cooperative Insurance strives to be the most preferred and distinguished insurance company in the Kingdom of Saudi Arabia through its insurance solutions and digital services provided to its customer base, and to contribute to development and digital transformation in the Saudi insurance sector. The company aspires to make digital cooperative insurance the most prominent feature of its future vision.

### Mission

The company’s mission revolves around a commitment to improving the lives of its customers through innovative cooperative insurance solutions. This entails continuous improvement in its services, products, and operations, and ensuring they meet the evolving needs of customers.

## Core Values



### Customer Focus

Placing the customer at the heart of all decisions and processes.



### Flexibility

The ability to adapt to changing customer needs.



### Teamwork

Passion for performance and collaboration to achieve shared goals.



### Integrity

Commitment to ethical conduct in all dealings.

## Objective

To provide diverse, innovative, and competitive insurance products and services that add value to customers and shareholders.

## Insurance Solutions and Advanced Products

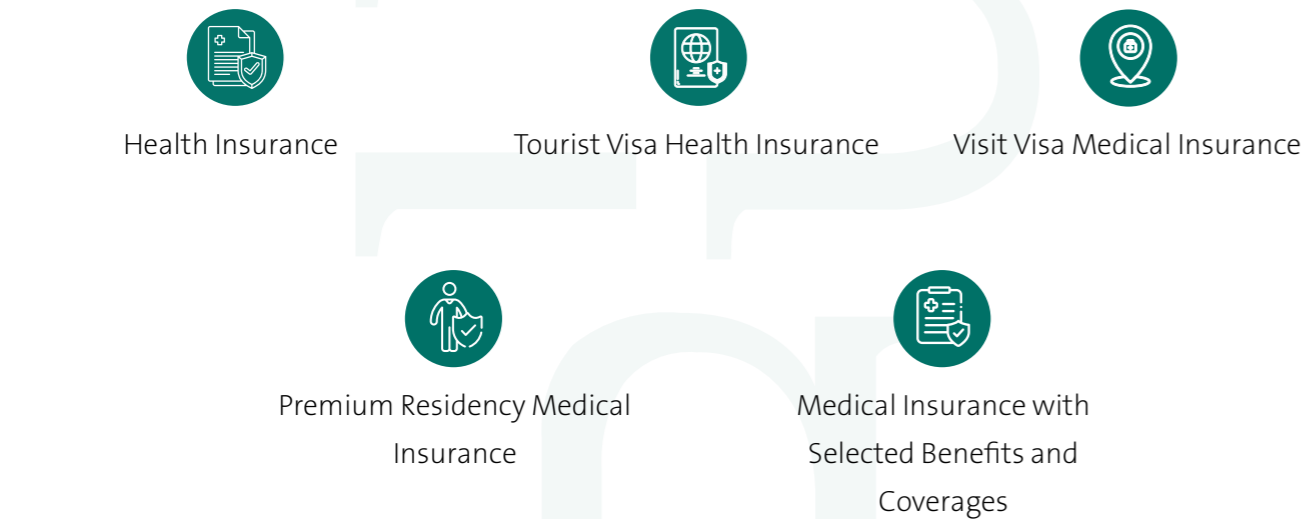
### Insurance Solutions for Various Categories:



We have succeeded in building an integrated portfolio of innovative insurance solutions, based on our extensive expertise and deep understanding of market requirements and growing customer needs. Our products and programs are distinguished by their quality and suitability for all sectors, whether for individuals or companies of various sizes.

Proceeding from our commitment to providing an exceptional experience, we have made our services and solutions available through advanced digital platforms that ensure ease of access and benefit with complete convenience and smoothness, contributing to improving the quality of life and aligning with the goals of the Kingdom's Vision 2030.

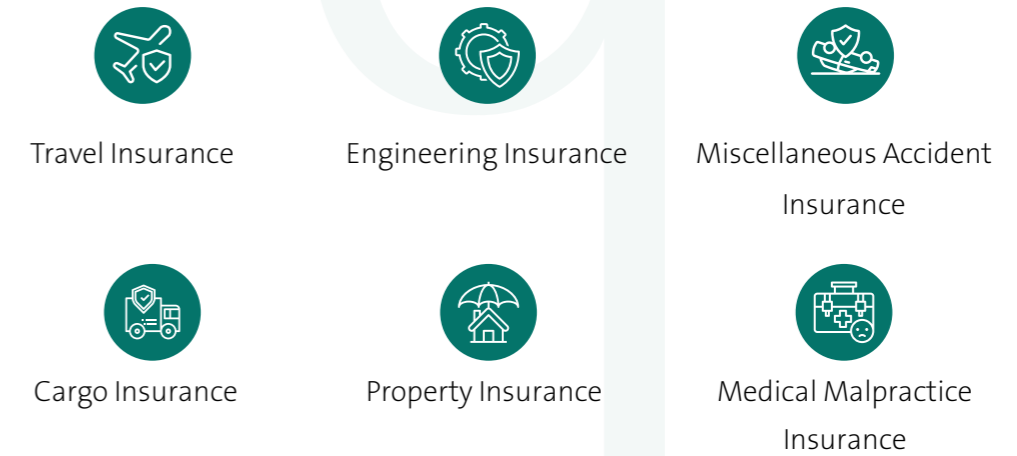
### 1- Health Insurance Sector



### 2- Motor Insurance



### 3- Property and Casualty Insurance



### Domestic Workers Insurance



### Health Insurance

The health insurance program is designed in accordance with the rules and regulations of the Council of Health Insurance (CHI), taking into account customer needs in terms of coverage scope and quality of services provided.

#### Scope of Coverage

The program provides three levels of insurance coverage:



**Customer Service**

We are committed to providing exceptional service to our customers through:



**Key Accounts Team**

Dedicated teams in three main regions of the Kingdom to ensure customer needs are met according to the highest standards.



**Call Center**

Available throughout the week for guidance and responding to inquiries.

**Digital Solutions**

Building on our leadership in digital insurance services, we offer innovative electronic solutions including:

**Malath App**

View the medical network and submit claims for all types of insurance, in addition to tracking claim status for all types of insurance.



**Online Registration Platform**

Enables members to be added and removed digitally.



**Facilitating Access to Healthcare**

In the health insurance sector, we provide streamlined solutions for our customers:



**Prescription Service**

Enables patients to obtain their chronic medications through more than 1,500 pharmacies without the need to visit a doctor.



**Medication Delivery Service**

Enables patients to order their medications and have them delivered to their homes.

**Motor Insurance Sector**

The motor insurance sector at Malath offers a variety of insurance solutions designed to meet the needs of both individual and corporate customers, supported by advanced operational capabilities and established relationships with vehicle-related service providers, which has contributed to achieving a distinguished market share in this sector.

**Types of Coverage**

The program provides three types of insurance coverages:

**Third-Party Liability Insurance**

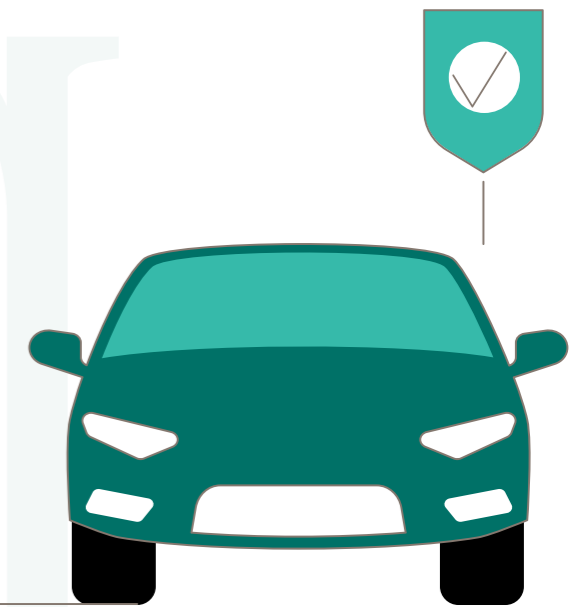
Provides the basic protection required by law.

**Comprehensive Insurance**

Offers extensive coverage including damage to the insured's vehicle and the other party.

**ZID Insurance**

An innovative product that covers vehicle damage with high flexibility.



### Competitive Advantages

The motor insurance sector at Malath is distinguished by several competitive factors including:



Diverse insurance programs suitable for various segments and needs.



Advanced capabilities in claims management and efficient processing.



Three specialized centers for receiving and processing claims.



24/7 roadside assistance service.

### Digital Solutions

Malath enables its customers to complete their transactions digitally through multiple channels including the mobile application, website, and self-service kiosks. These platforms provide the following services:



Issuance and inquiry of vehicle insurance policies.



Easy submission and tracking of claims.



Requesting roadside assistance service.

### Property and General Accident Insurance

This sector offers a comprehensive range of insurance solutions designed to protect assets and properties and cover various liabilities, meeting the needs of both companies and individuals.

### Engineering Insurance

Engineering insurance specializes in insuring projects, equipment, machinery, and devices, covering all risks that may affect the contract works or insured equipment of various types and nature of work. This type of insurance provides broad coverage for civil works, in addition to covering legal liability towards third parties, with the possibility of extending coverage to include compensation for loss of profit or increase in business expenses according to the policy terms and conditions.

#### Engineering Insurance Products (For Companies):



Contractors All Risks Insurance (CAR).



Erection All Risks Insurance (EAR)



Contractors Plant and Machinery Insurance (CPM)



Deterioration of Stock Insurance (DOS)



Machinery Breakdown Insurance (MB)



Machinery Loss of Profit Insurance (MLOP)



Boiler and Pressure Vessel Insurance (BPV)



Electronic Equipment Insurance (EEI)



### Property Insurance

This sector provides a wide range of insurance solutions for protecting property and covering it against loss or damage resulting from accidents or disasters. Property insurance policies are suitable for the nature of commercial, industrial, and private residential businesses, through comprehensive coverages that ensure compensation for all losses and expenses resulting from risks according to the policy terms and conditions.

#### Property Insurance Products:

 <b>For Companies</b>	 <b>Fire and Allied Perils Insurance</b>	 <b>Property All Risks and Business Interruption Insurance</b>	 <b>All Risks Insurance</b>	 <b>Fire Insurance Policy</b>
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 <b>Home Insurance</b>	 <b>For Individuals</b>
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### Miscellaneous Accident Insurance

This sector provides protection against various accident risks through a specialized set of insurance policies that offer compensation for losses, costs, or liabilities incurred by the policyholder. Miscellaneous accident policies are distinguished by their comprehensiveness and adaptability to various risks according to the policy terms and conditions.

#### Miscellaneous Accident Insurance Products:

 <b>For Companies</b>	 <b>General Third-Party Liability Insurance</b>	 <b>Work Injuries and Employers' Liability Insurance</b>	 <b>Fidelity Guarantee Insurance</b>	 <b>Money Insurance</b>	 <b>Products Liability Insurance</b>
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 <b>Travel Insurance</b>	 <b>For Individuals</b>
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### Marine Insurance

Marine insurance provides comprehensive protection for goods shipped by land, sea, and air, through policies covering risks such as sinking, fire, water damage, breakage, or damage caused by marine collision and others.

#### Marine Insurance Products (For Companies):

 <b>Marine and/or Air Cargo Insurance (Single Voyage)</b>	 <b>Marine and/or Air Cargo Insurance (Open Policy)</b>	 <b>Carrier's Liability Insurance</b>	 <b>Land Transit Insurance.</b>
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### Liability Insurance

The specialized lines include multiple critical coverages for companies and individuals, meeting the needs of various sectors and providing advanced protection for professional and operational liabilities.

#### Specialized Insurance Products:

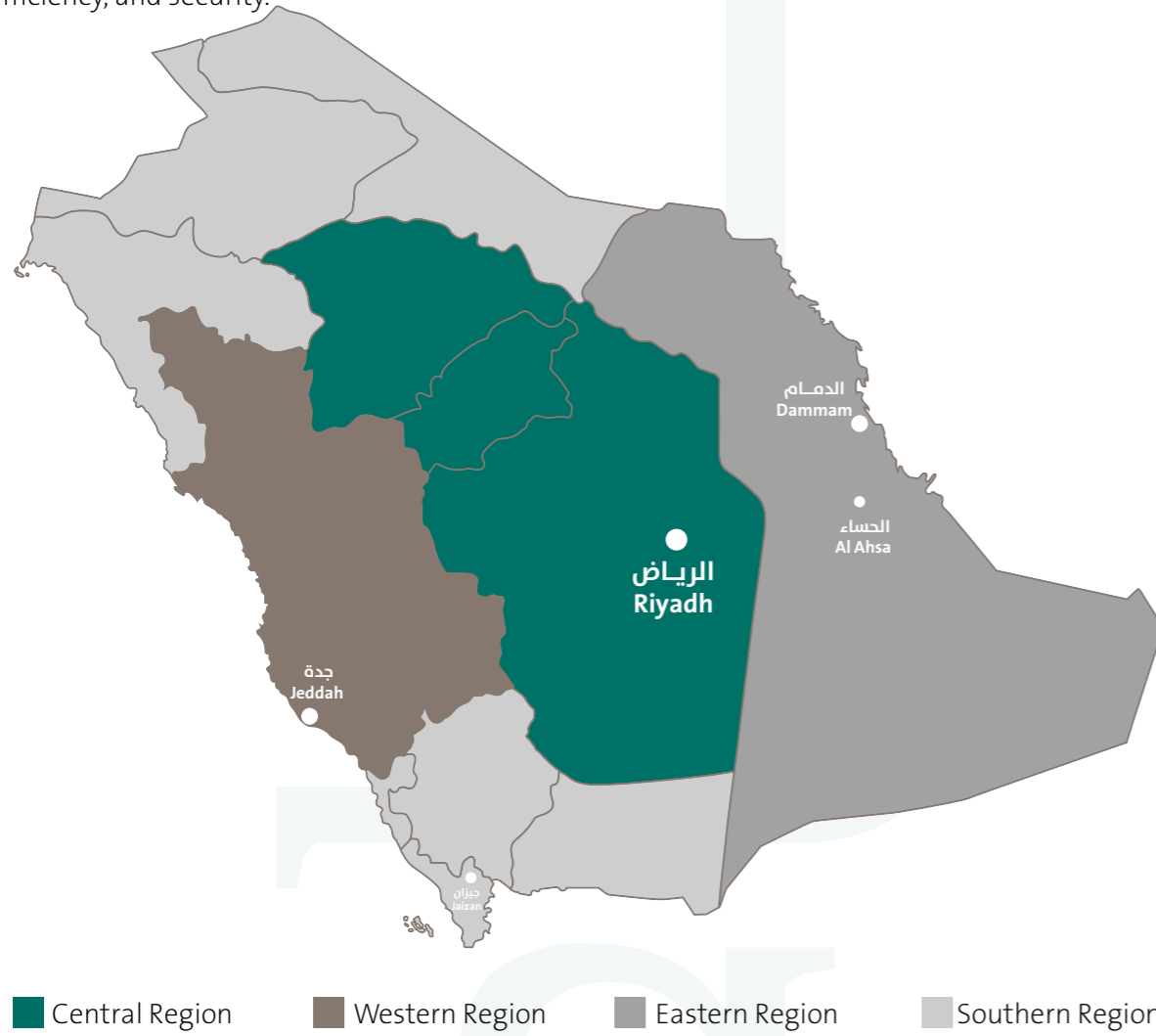
 <b>For Companies</b>	 <b>Political Violence Insurance</b>	 <b>Event Cancellation and Public Liability Insurance</b>	 <b>Directors and Officers Liability Insurance</b>	 <b>Professional Liability Insurance</b>	 <b>Drone Operators Liability Insurance</b>
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 <b>Medical Malpractice Insurance</b>	 <b>For Companies and Individuals</b>
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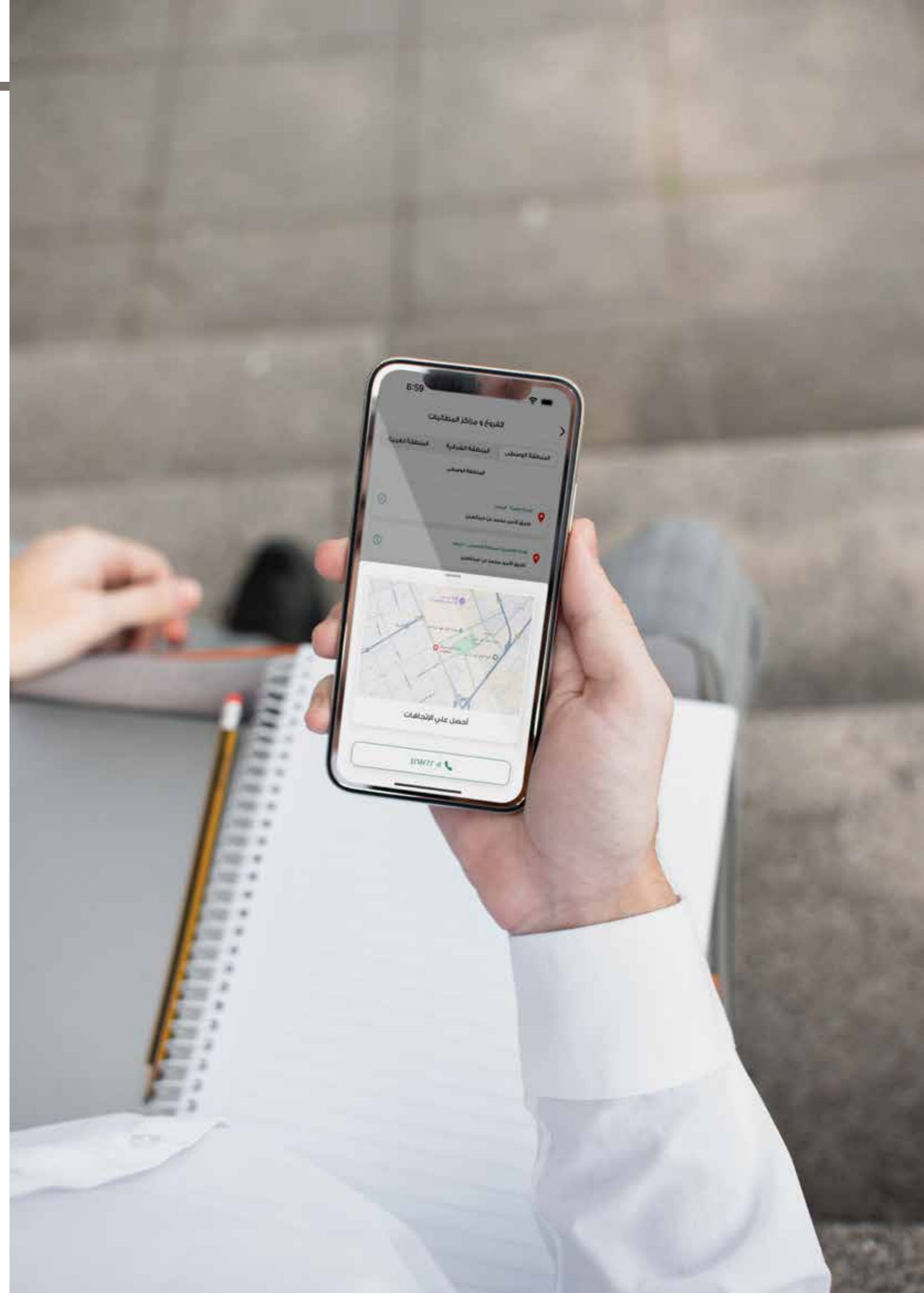
 <b>For Individuals</b>	 <b>Domestic Worker Contract Insurance</b>
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### Geographical Scope

Within our development strategy, we seek to expand our customer base and provide the best insurance solutions through a network of branches spread across the Kingdom. We continue to develop our electronic services according to the latest digital systems to provide a seamless customer experience characterized by quality, efficiency, and security.



Region	City	Branch Type
Central	Riyadh	Head Office - General Administration
		Central Region Regional Administration
Western	Jeddah	Western Region Regional Administration
Eastern	Dammam	Eastern Region Regional Administration
	Al-Ahsa	Sales Office
Southern	Jazan	Branch and Sales Office





# 3

## Strategic Highlights

**Strategy**

Our strategy is based on achieving stable growth and sustainable profitability through a careful balance between expansion in the small and medium enterprises sector and maintaining the strength of the corporate portfolio. We place leadership in innovative digital solutions at the forefront of our priorities, as it drives the transformation towards advanced digital solutions that reshape the customer experience, raise operational efficiency, and accelerate the pace of transaction completion. Believing that true competitive advantage is created by competencies, we pay exceptional attention to investing in human capital and empowering employees with the necessary knowledge and skills, to be true partners in the journey of excellence and leadership in the Saudi insurance sector.

**Strategic Pillars**



**Expansion in the Small and Medium Enterprises Sector**

Focus on individual products and the small and medium enterprises sector.



**Maintaining the Corporate Portfolio**

Continue attracting companies and exploiting viable opportunities, as they constitute the largest market share.



**Investment in Information Technology**

Enhancing the technical infrastructure and developing digital systems to support operational efficiency and improve customer experience.



**Marketing Expansion**

Strengthening the expansion process in the small and medium enterprises sector through targeted marketing campaigns.



**Strengthening Human Capital**

Developing and attracting human competencies and enhancing the work environment.

**Strategic Initiatives Implemented During 2025**



Enhancing Claims Efficiency



Adding New Products



Improving Customer Experience Through Digital Solutions



Developing the Infrastructure of the Company's Systems

**Flexibility and Adaptation to Market Variables**

The insurance sector in the Kingdom is witnessing rapid transformations and increasing competition, and Malath has proven its ability to adapt to these variables by focusing on service quality and product innovation. It has distinguished itself by providing specialized insurance solutions that meet the growing market needs. Most notably reflecting this direction is the launch of the company’s new product, which provides integrated coverages to protect construction works from inherent defects, in accordance with regulatory requirements and standards.

In the motor insurance sector, precise analysis of market data has enabled the company to continuously improve pricing mechanisms and performance monitoring, to ensure a balance between competitiveness and sustainable profitability.

The company seeks to achieve balance between growth in profitable sectors and continuing to improve financial performance compared to previous years, by providing a distinguished level of service, maintaining the performance of the corporate portfolio, and raising operational efficiency.

The company also pursues a strategy of diversifying revenue sources through expansion in profitable sectors, to reduce the impact of investment return fluctuations and enhance its financial stability. The company pays great attention to developing its human resources and providing an attractive work environment, in preparation for moving to its new headquarters, which will represent a qualitative leap in the work environment.

**Malath’s Strategic Alignment with the Kingdom’s Vision 2030**

Malath Cooperative Insurance Company derives its corporate strategy in light of the goals of the Kingdom’s Vision 2030, believing that the insurance sector represents a fundamental pillar in supporting the national economy and enhancing financial and social stability. Through its initiatives and development plans, the company seeks to be an active partner in achieving the three pillars of the vision: A Vibrant Society, a Thriving Economy, and an Ambitious Nation.

In the field of digital transformation and building a knowledge-based economy, Malath continues its investments in adopting the latest technical solutions and developing digital channels, with the aim of improving customer experience and providing innovative insurance services that meet their aspirations. These efforts have resulted in the launch of an integrated online platform that enables customers to complete their transactions easily and conveniently, from electronic policy issuance, through claims management, to benefiting from value-added services. This direction supports the National Transformation Program aimed at raising government performance efficiency and digitizing services, contributing to a competitive digital economy.

In the axis of developing human capital and empowering national competencies, Malath places the Saudi citizen at the forefront of its priorities, by attracting young talents and qualifying them according to the highest professional standards. We work on developing our employees’ skills through specialized training programs and career succession plans aimed at preparing national leaders for supervisory and executive positions, affirming our commitment to achieving Saudization targets and enhancing Saudi women’s participation in the labor market, which positively reflects on sustainable growth and productivity enhancement.

In terms of social responsibility and promoting a culture of compliance, Malath is keen to consolidate the principles of transparency, integrity, and sound governance in all its operations, stemming from its responsibility towards shareholders, customers, and society.

In the context of supporting major projects and product development, Malath contributes to meeting the needs of the development and mega projects witnessed in the Kingdom, by providing integrated insurance solutions that suit the size and complexities of these projects. We also work on launching new insurance products that take into account economic and social variables, and respond to renewed market requirements, within the framework of supporting insurance inclusion and enhancing protection for all segments of society.

**Strategic Aspirations**

**The company intends to continue implementing its strategy based on stable growth while maintaining sustainable profitability. The expansion plans for the coming years include:**

**The company plans to launch a range of new products, including:**



Expansion in the small and medium enterprises sector and attracting new customer segments.



Maintaining the corporate clients portfolio and strengthening the relationship with them.



Launching new and innovative products and services.

The company plans to launch a range of new products



## Malath's Digital Transformation Strategy

And Delivery of a High Level of Service

**Malath Company has provided an integrated set of digital services, including:**

- Submission and follow-up of claims.
- Review of coverages and benefits.
- Purchase of insurance policies.
- Issuance of insurance certificates.
- Submission and follow-up of complaints.



## Cybersecurity Strategy



### Vision

Enabling Malath Insurance to operate within a secure and reliable cyber environment that supports growth, sustainability, and digital transformation.

Proceeding from Malath's commitment to implementing the cybersecurity strategy, and complying with regulatory requirements issued by the Insurance Authority, the Saudi Central Bank (SAMA), and the controls and standards issued by the National Cybersecurity Authority (NCA), and the Personal Data Protection Law (PDPL), the company continued to consolidate the approved maturity levels in cybersecurity practices, reflecting the development of the governance and operational framework, and supporting the achievement of the company's strategic objectives. This approach has contributed to:

- Enhancing the protection of customer data through the application of security controls that ensure the confidentiality and integrity of information across digital systems and channels.
- Raising the readiness of systems and insurance services to support business continuity and limit the impact of potential cyber incidents.
- Enhancing integration between the company's departments by involving relevant parties in cybersecurity risk management and consolidating the concept of shared responsibility.



### Mission

Protecting Malath Insurance's data and assets, aligning cybersecurity controls with business priorities, complying with regulatory requirements, and enhancing readiness to face cyber risks.

- Enhancing customer and partner confidence by providing a secure digital environment that supports expansion in digital services and technological transformation.
- Enabling cybersecurity management through administrative support and provision of necessary resources, including approved budgets for implementing priority initiatives.
- By providing a secure digital environment that supports expansion in digital services and technological transformation in the insurance sector.

## Strengths and Competitive Advantages

We possess a set of elements that enhance our competitive position in the Saudi insurance market, and enable us to achieve sustainable growth and provide added value to our customers and stakeholders:

### A Trusted Brand

We have built a solid reputation in the Saudi insurance market based on commitment and credibility in providing insurance services.

### Leadership in Digital Solutions

We have adopted modern technologies and developed integrated digital platforms that facilitate the customer experience.

### Flexibility and Quick Responsiveness

We are distinguished by our ability to quickly adapt to market requirements and meet changing customer needs with high efficiency.

### Excellence in Insurance Solutions

We offer a diversified portfolio of insurance products and programs designed to meet the needs of various customer segments, both individuals and companies.



# 4

**Operational  
Performance**

## Operational Capabilities with Specialized Teams

### Distribution Network and Innovative Insurance Solutions

Malath Cooperative Insurance Company continues to strengthen its presence in the Saudi market through a diversified distribution network and a specialized sales team, with a focus on improving customer experience and providing innovative insurance solutions that meet the needs of various segments.

Sector	Received	Settled
Motor Insurance	112,062	107,648
Health Insurance	2,216,518	2,213,239
Property and Casualty	329	191

### New Products Launched in 2025

During the year, we launched a new package of our qualitative products that expanded the scope of coverages and filled important gaps in the market.

#### Health Insurance Product for Domestic Workers and Similar Categories (Individuals)

In response to the growing needs in the Saudi market, we launched in May 2025 the health insurance product for domestic workers, providing comprehensive health coverage for this broad segment. The product aims to enhance peace of mind for heads of households by ensuring that those working in their homes receive appropriate healthcare when needed, in a step that reflects the company's keenness to expand the umbrella of insurance protection to include wider community segments.

#### Contractor's Works Insurance Product for Inherent Defects (Companies and Individuals)

In line with the legislative and regulatory developments in the real estate development and contracting sector in the Kingdom, we developed the Contractor's Works Insurance product for inherent defects, to meet the needs of specialized developers and contractors. The mandatory Contractor's Works Insurance product for inherent defects targets all types of buildings, including residential and commercial buildings, with a coverage period of up to ten years. It is directed towards property owners, contractors, and real estate developers, aiming to cover any defect in construction works, their protective elements, or the mechanical, electrical, and plumbing installations within the structural elements, implemented according to the Saudi Building Code.

### Small and Medium Enterprise Insurance Product - Plus (Companies)

Contributing to enabling the small and medium enterprises sector, we launched during 2025 the "Small and Medium Enterprise Insurance - Plus" product, affirming our commitment to enhancing insurance inclusion and supporting a fundamental pillar of the national economy. The product offers flexible insurance solutions specifically designed to suit the nature of these enterprises' business and operational needs by adding new categories, contributing to supporting their sustainability and growth in a competitive business environment.

#### Operational Excellence in Sales and Enhancing Competitiveness of Insurance Solutions

**The sales sector during 2025 witnessed a number of variables that required redirecting priorities and flexibility in operations management, where each situation was handled in a way that achieves performance stability and enhances the competitiveness of services.**

Given the concentration of a large market share in specific companies exceeding %57, operational effort was directed towards the small and medium enterprises segment by developing more flexible communication channels and service solutions suitable for the nature of their business, which expanded the customer base and balanced portfolio distribution. Pressures related to price competition were met with a disciplined shift in pricing policy, whereby offers were redirected to be based on the actual value of the product, by highlighting the quality of coverages and efficiency of claims processing, thus maintaining profit margins without the need to engage in intense price competition.

With increasing customer awareness and their tendency to compare, the advisory role of sales teams was enhanced, with focus now on explaining the technical differences between products and raising insurance awareness, making the purchase decision based on understanding the coverage rather than price alone. On the technical side, direct coordination between the sales and underwriting sectors contributed to overcoming operational issues related to high-risk activities, by designing customized insurance solutions that align with risk standards without compromising product appeal.

In terms of digital services, the sector witnessed continuous development in communication channels and customer experience, especially in issuance and renewal procedures, in line with digital transformation and raising transaction completion efficiency. Seeking to ensure continuity of customer relationships, advanced retention programs were adopted based on periodic follow-up and proactive handling of feedback.

### Marketing Campaigns Implemented During 2025

During 2025, we implemented a range of diverse marketing campaigns aimed at enhancing awareness of the company's products and reaching new customer segments. These campaigns were distinguished by their diverse marketing channels and innovation in delivering awareness messages, achieving positive results reflected in increased demand and strengthening the company's position in the market.

#### Inherent Defects Insurance Campaign for Residential and Commercial Buildings

The company launched this campaign through social media channels, in addition to a prominent and distinctive presence through advertising on the façade of the Kingdom Tower in Riyadh, aiming to raise the level of insurance awareness among individuals and real estate developers about the importance of insuring residential and commercial projects to ensure building quality and protect their real estate investments.

#### Results Achieved:

- Widespread interaction and positive resonance among the target audience of individuals and real estate developers.
- Significant increase in the level of awareness about the importance of inherent defects insurance for buildings.
- Increased rates of inquiries and demand for the product.
- Enhancement of the company's position as a leading provider of real estate insurance solutions in the Saudi market.



### “ZID” Motor Damage Insurance Campaign

The company implemented this campaign through social media channels with the aim of spreading awareness about the importance of obtaining additional insurance that complements third-party insurance from any Saudi insurance company, to protect vehicle owners from the high financial costs of repairing their vehicles when traffic accidents occur.

#### Results Achieved:

- Significant interaction from the target audience with the campaign content.
- Success in conveying the message about the importance of additional motor insurance.
- Increased demand for the “ZID” product and higher subscription rates.
- Enhanced community awareness of comprehensive motor insurance culture.

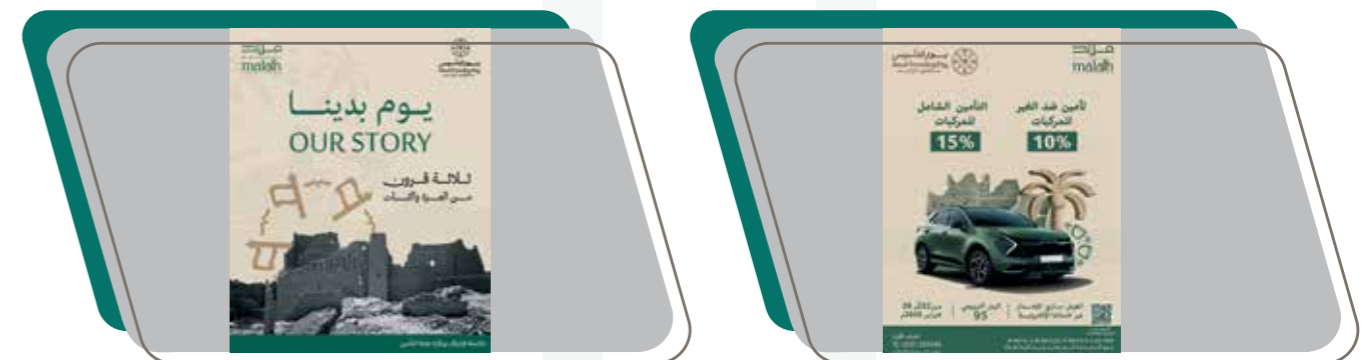


### Founding Day Discount Campaign

Celebrating Founding Day, the company launched this campaign on platform X to offer exclusive and distinctive discounts on a selected group of individual insurance products, expressing its appreciation for its customers and sharing this cherished national occasion with them.

#### Results Achieved:

- Achievement of the campaign's set sales objectives.
- Increase in sales of targeted products during the campaign period.
- Enhanced customer interaction and increased engagement rates on the platform.
- Consolidation of the brand's association with national occasions.



### 95th National Day Discount Campaign

On the occasion of the 95th National Day of the Kingdom of Saudi Arabia, the company launched this campaign on platform X to share with customers the joy of this dear occasion by offering a package of distinctive discounts on individual insurance products.

#### Results Achieved:

- Success in stimulating sales and exceeding set targets.
- Enhanced customer loyalty to the brand.
- Increased follower base and engagement on social media platforms.
- Consolidation of the company's image as a national partner that celebrates the nation's achievements with its customers.



### Diverse Campaigns for Insurance Products and Services

The company implemented a range of diverse marketing campaigns on platform X, aimed at introducing its portfolio of various insurance products and services and reaching the largest segment of potential customers, contributing to enhancing sales and consolidating brand awareness.

#### Results Achieved:

- Achieving positive growth in sales of targeted products.
- Increased awareness of the diversity of the company's services and insurance solutions.
- Expanding the base of potential customers and attracting new segments.
- Enhancing the company's digital presence and increasing engagement rates.



## Electronic Services and Digital Transformation

Malath Cooperative Insurance continues to enhance its leading position in digital transformation, by developing an integrated package of digital products and services that focus on empowering customers and simplifying their insurance experience in the health, motor, and general insurance sectors. This direction stems from a firm belief that technological innovation constitutes the fundamental pillar for providing faster and more efficient services, which has been embodied in the development of electronic platforms to cover all stages of the insurance cycle, from instant policy issuance to smooth and seamless claims settlement.

**The following is a summary of the most prominent digital products and services available to our customers:**

Category	Medical	Motor	General
Policy Management	—	<ul style="list-style-type: none"> <li>Issuance of a new insurance policy.</li> <li>Renewal of a valid insurance policy.</li> <li>Retrieve a quotation.</li> </ul>	<ul style="list-style-type: none"> <li>Issuance of new policies (Travel, Home, Domestic Labor, Medical Malpractice).</li> </ul>
Services	<ul style="list-style-type: none"> <li>Medical services.</li> <li>Tracking medical approval status.</li> <li>Inquiry about the certified provider network.</li> <li>Reviewing benefits and coverages.</li> <li>Reviewing the benefit limit.</li> </ul>	<ul style="list-style-type: none"> <li>Adding coverages to the policy.</li> <li>Inquiry / Print insurance policy (Individuals).</li> <li>Printing the leasing finance policy.</li> <li>Insurance surplus.</li> </ul>	<ul style="list-style-type: none"> <li>Submitting policy endorsements.</li> <li>Submitting additional documents for the endorsement.</li> <li>Inquiry / Print insurance policy.</li> <li>Inquiry / Payment (Medical Malpractice).</li> </ul>
Claims Digitization	<ul style="list-style-type: none"> <li>Submitting a new medical claim.</li> <li>Submitting additional documents for the claim.</li> <li>Inquiry about a medical claim status.</li> </ul>	<ul style="list-style-type: none"> <li>Submitting a claim.</li> <li>Submitting additional documents for the claim.</li> <li>VAT refund.</li> <li>Inquiry about claim status.</li> </ul>	<ul style="list-style-type: none"> <li>Submitting a new claim (Travel, Home, Labor, Medical Malpractice).</li> <li>Submitting additional documents.</li> <li>Inquiry about claim status.</li> </ul>
Policy Cancellation	—	<ul style="list-style-type: none"> <li>Request for insurance policy cancellation.</li> <li>Inquiry / Submitting documents for cancellation request.</li> </ul>	<ul style="list-style-type: none"> <li>Submitting an insurance policy cancellation request.</li> <li>Inquiry / Submitting additional documents for cancellation request.</li> </ul>
Optional Coverages	—	<ul style="list-style-type: none"> <li>Adding geographical extension.</li> <li>Adding a driver.</li> </ul>	—
Value-Added Services	<ul style="list-style-type: none"> <li>Telehealth consultation (Sanar App).</li> <li>Medication refill.</li> <li>Home vaccination service.</li> <li>Comprehensive home check-up.</li> </ul>	—	—

### Launch of the New Malath Application

Within the framework of its continuous pursuit of leadership in digital transformation and providing an exceptional experience for its customers, Malath Cooperative Insurance Company launched the new version of its smartphone application on July 17, 2025. This launch comes in response to growing customer aspirations and a keenness to keep pace with the latest technologies in the digital insurance sector.

The new application has been fully developed according to the latest technical standards, to provide a modern and easy-to-use user interface that enables customers to complete their insurance transactions with ease and smoothness. The application reflects the company's commitment to simplifying procedures and reducing the time and effort required to complete operations, in line with the Kingdom's directions towards digital transformation and Vision 2030.

#### Most Prominent Features of the Application:

- Modern User Interface: A completely new design characterized by simplicity, clarity, and ease of navigation between services.
- Integrated User Experience: An enhanced customer journey from start to finish ensuring easy access to all services.
- Advanced Technology: A modern technical infrastructure ensuring speed, security, and stability in performance.
- Notifications Management: An intelligent notification system that keeps customers constantly informed of the status of their policies and claims.
- Electronic Claims Submission: The ability to submit and track claims completely through the application without the need to visit branches.
- Profile Management: Full control over personal data and insurance policies from one place.

**The new version of the Malath application represents a qualitative leap in the level of digital services provided by the company, and confirms its commitment to placing the customer at the core of its priorities and providing advanced digital channels that meet their needs around the clock.**



### Strategic Marketing Partnerships

The company has strategic partnerships with a number of leading entities in various sectors, aiming to provide added value to customers and expand the scope of services provided:

#### Banking Sector



#### Telecommunications and Loyalty Sector



## Cybersecurity at Malath

Malath Insurance is working to establish a culture of cybersecurity as a fundamental pillar within the corporate work system, based on its awareness of the importance of protecting customer data, enhancing the reliability of insurance services, and ensuring business continuity. The company has paid special attention to developing an integrated cybersecurity system based on clear governance of roles and responsibilities, and integration of efforts between departments, in line with the accelerated growth in digital services. In this context, Malath has adopted the regulatory and technical frameworks and standards issued by legislative and international bodies, and worked on developing its capabilities in the areas of systems and data protection, cyber threat monitoring, and effective incident response, contributing to reducing potential cyber risks, protecting customer rights and personal data, and supporting the stability of operational processes.

### Most Prominent Cybersecurity Achievements for 2025

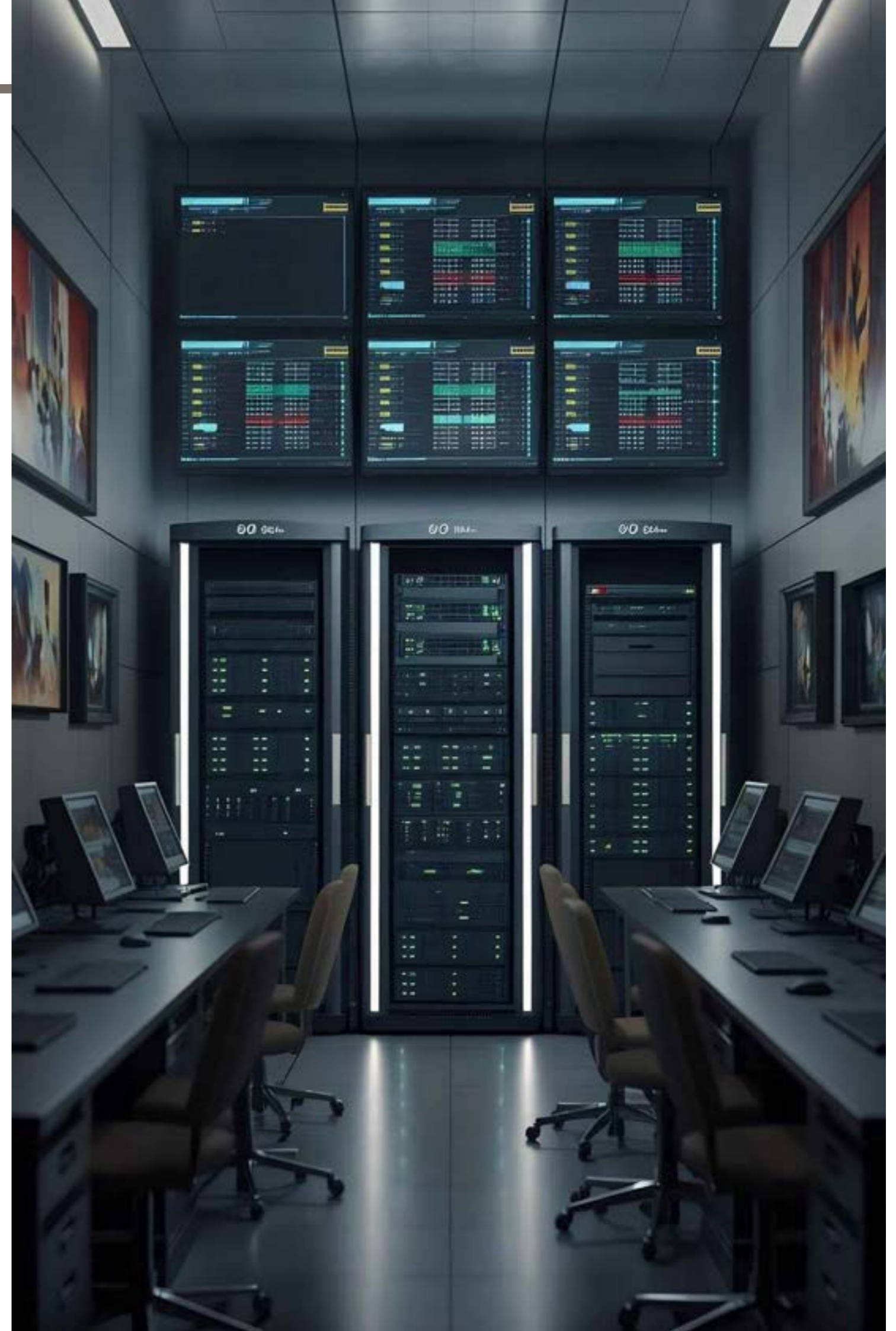
Maintaining the required maturity levels in compliance with the cybersecurity framework issued by SAMA.

No significant cyber incidents recorded during 2025.

Implementation and operation of security controls and technical tools supporting the protection of systems and data.

Comprehensive employee participation in cybersecurity awareness and training programs.

Regular meetings of the Cybersecurity Supervisory Committee and follow-up on related challenges and initiatives.





5

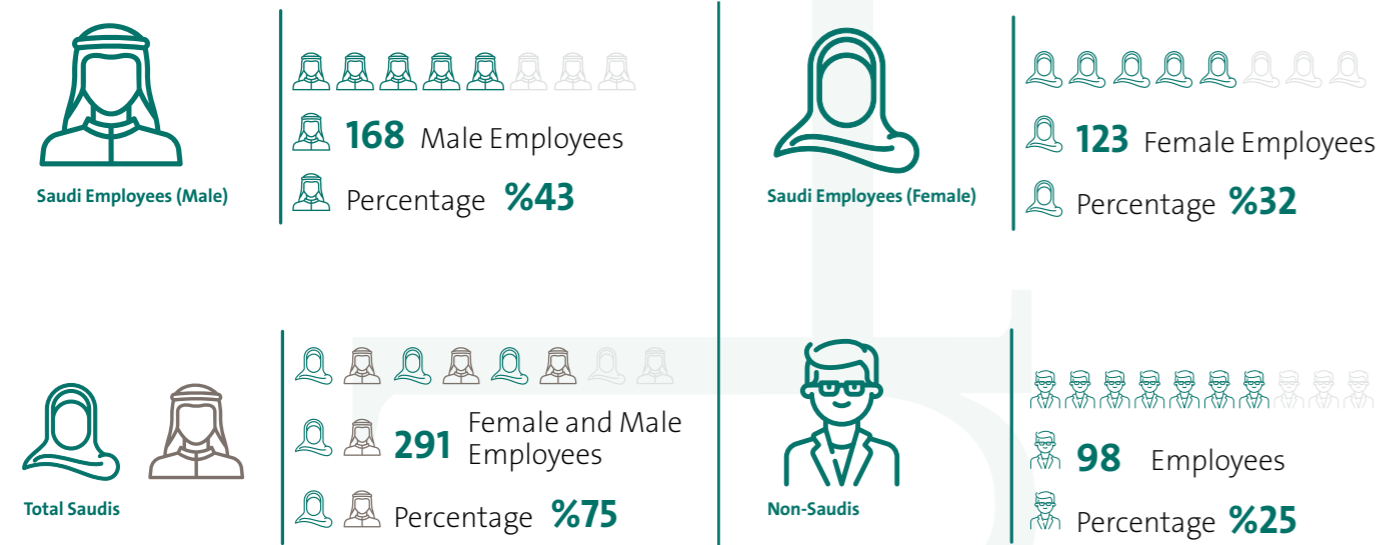
**Human Capital**

### Human Capital

Malath attaches strategic importance to human capital as the fundamental pillar for achieving growth and operational excellence, through a stimulating work environment, effective Saudization policies, and integrated professional development programs, based on attracting, qualifying, and empowering national competencies, in line with the goals of national transformation and enhancing the company's competitiveness in the insurance market.

#### Workforce Statistics

The total number of the company's employees by the end of 2025 reached 389 male and female employees, distributed as follows:



#### Saudization and Localization

The total Saudization rate reached %75 of the total workforce, and the company is classified within the Platinum Band in the Nitaqat program according to the classification of the Ministry of Human Resources and Social Development.

The total number of employees by the end of 2025 reached (389) male and female employees, distributed as follows:

Year	Total Employees	Saudization Percentage
2025	389	%75

#### Saudization Initiatives Implemented During 2025:

- Attracting and qualifying male and female graduates through cooperative training and Tamheer programs.
- Implementation of gradual replacement plans for operational, supervisory, and leadership positions.
- Implementation of professional and leadership development programs targeting Saudi employees to enable them to occupy leadership and supervisory positions in the future.

### Training and Development



#### Recruitment and Hiring

87 new employees were appointed during 2025 in various departments of the company, according to approved growth plans and the needs of operational departments.

#### Leadership Positions Succession Planning:

On October 30, 2025, the company adopted the policy and procedures for succession planning and replacement, aiming to regulate and codify replacement plans for leadership positions (Executive Management and Senior Management). The program is based on two stages:

1. Identifying rising leaders according to criteria including qualifications, performance, experience inside and outside the company, leadership skills, behavior, and age, with the preparation of comprehensive evaluation reports and approval of candidates by the CEO.
2. Preparing and implementing succession plans by assessing candidates' readiness, and developing individual development plans including job rotation, leadership training programs, and assignment to strategic projects.

#### Performance and Job Stability

The employee turnover rate reached %15 during 2025, and the company continues to implement retention initiatives and improve the work environment with the aim of reducing this rate and enhancing job stability.

## Measures Taken to Address Operational Challenges

- Review of the salary scale and linking it to market averages in order to attract specialized competencies.
- Targeted training and qualification programs to address critical skill gaps in some departments.
- Redistribution of human resources, and implementation of phased recruitment plans according to priorities to alleviate work pressure and avoid staff shortages in some specializations.

## Work Environment

### Employee Satisfaction:

The results of the 2025 employee satisfaction survey showed a positive level of satisfaction in the areas of work environment, professional relationships, and internal communication, while identifying opportunities for improvement in the areas of career path development, incentive programs, recognition programs, and events. Work is underway to address them within approved improvement plans.

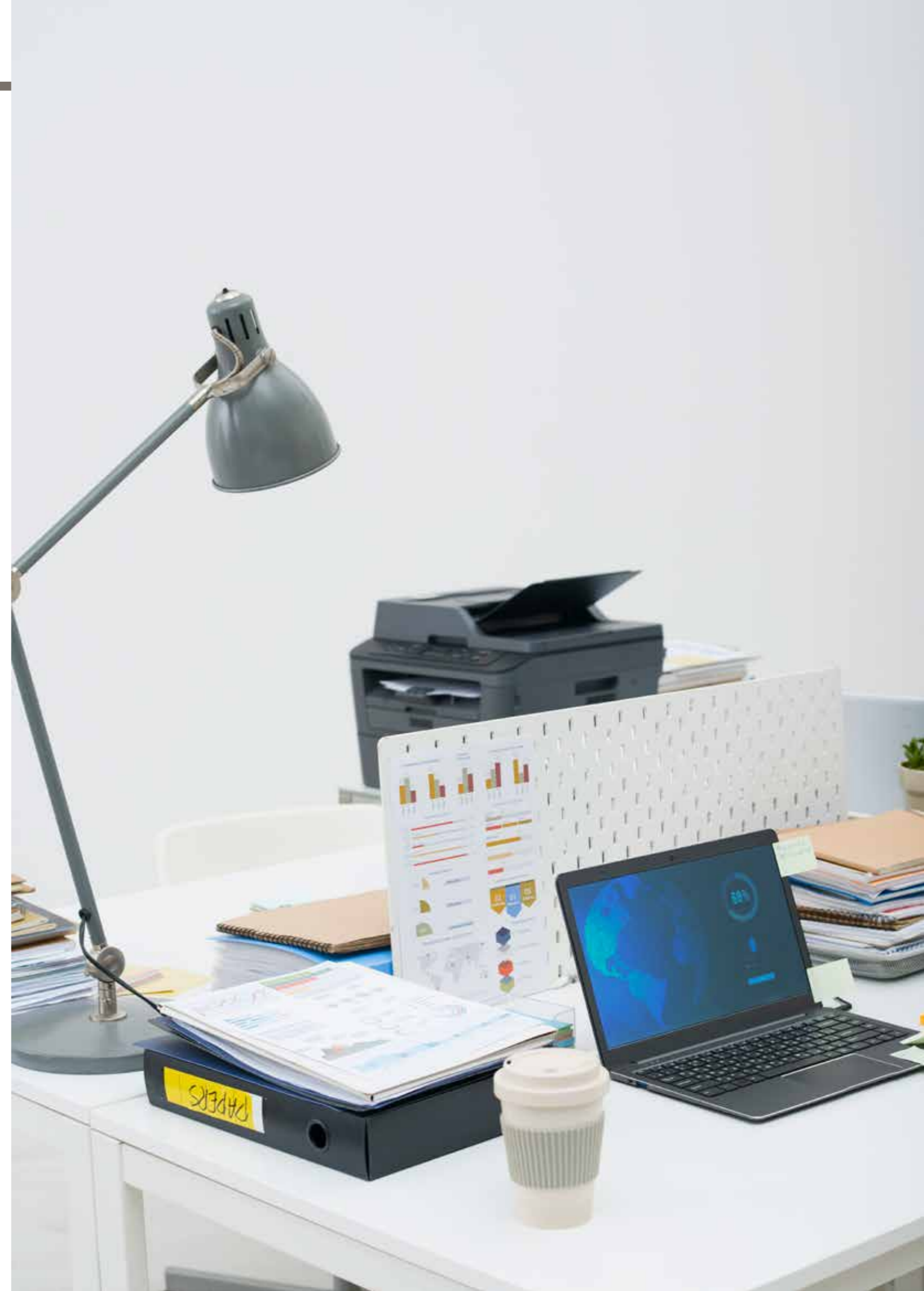
### Work Environment Improvement Initiatives:

Development of retention and incentive programs.

Development of retention and incentive programs.

Implementation of recognition programs.

Support for work-life balance.





# 6

## **Sustainability and Social Responsibility**

## Sustainability

Malath Cooperative Insurance Company dedicates sustainability at the core of its corporate strategy, by integrating social and economic dimensions into its operations and decisions, and actively contributing to achieving the goals of the Kingdom's Vision 2030. Investing in human capital, enhancing diversity and inclusion, and establishing a healthy and supportive work environment are at the forefront of its priorities to build sustainable value for shareholders, customers, employees, and society.

### Talent Development and Investment in Human Capital

25

Number of Training Programs

745

Total Training Hours

5.78

Average Training Hours Per Employee

Within the framework of ensuring the sustainability of national leadership, Malath adopted an institutional framework for succession planning for leadership positions (Executive Management and Senior Management), aiming to qualify Saudi competencies and empower them to lead the future growth path.

The company also implemented job rotation programs and career path building to enhance job readiness and retain competencies, along with launching a suggestions box to enable employees to participate in developing the work environment and human resources services.

### Human Capital Development Initiatives:

- Designing and implementing specialized training and development programs to cover knowledge and technical needs, in line with work requirements and the company's strategic objectives.
- Implementing job rotation programs and career path building, contributing to skills development, enhancing job readiness, and retaining competencies.

## Diversity, Inclusivity, and Job Localization

Malath continues to achieve national Saudization targets, with the percentage of Saudis reaching %75 of the total workforce, and the company is classified within the Platinum Band in the Nitaqat program. Saudi women represent %32 of the total employees, while Saudi competencies occupy all senior leadership positions.

389

Total Employees

%75

Total Saudization Percentage

%32

Percentage of Saudi Female Employees

%43

Percentage of Saudi Male Employees

Platinum Band

Nitaqat Classification

## Occupational Health, Safety, and Quality of Work Life

### Occupational Safety Statistics:

None

Number of Work  
Injuries

## Benefits and Compensations Granted to Employees

### Malath offers an integrated package of competitive benefits aimed at enhancing job stability and improving quality of life for employees, most notably:

- Maternity Allowance: Disbursed from ﷲ 500 to ﷲ 1,000 according to approved policies.
- Additional Allowances: Disbursed according to the nature and requirements of the work.
- Savings Plan: An optional program to enhance financial stability.
- Motor Insurance Discounts: Exclusive discounts for company employees.
- Loans and Housing Support System: Facilitated programs for financing needs.
- Annual Travel Tickets Allowance (for Saudis): Cash allowance disbursed according to approved policy.
- Annual Travel Tickets (for Non-Saudis): Disbursed for the employee and his family members (maximum of three dependents).
- Annual Remuneration: Granted based on annual performance according to specific controls.
- Total Disability and Death Insurance: Comprehensive insurance coverage.
- Education Allowance for Executive Positions: Granted according to specific controls and conditions.

### Incentive Program:

There is currently no employee share program, and it is compensated by annual incentive plans built on the nature and requirements of the work, according to approved policies and controls.

## Poverty Alleviation

Malath Cooperative Insurance Company leverages its position as a national insurance company and a major employer to contribute to enhancing social inclusion and empowering community members. Based on its belief in the symbiotic relationship between business success and social progress, the company affirms its commitment to its collective social responsibility, particularly in the field of poverty alleviation.

In line with the goals of the Kingdom's Vision 2030, Malath participates in many initiatives aimed at enhancing women's participation in the labor market, supporting national reforms aimed at reducing unemployment rates, and integrating charitable work within the scope of its institutional activities. The company also coordinates with a number of government initiatives aimed at eradicating poverty, by providing training and qualification programs that enable individuals to enter and effectively integrate into the labor market.

## Corporate Governance Framework and Transparency

In line with its commitment to serving its interests and all related parties with the highest standards of efficiency and quality, Malath Cooperative Insurance Company adheres to a set of rules and standards for managing its operations and enhancing sound governance practices, through the integrated application of corporate governance rules along with other relevant best institutional practices, while monitoring the performance of existing governance activities. This aims to ensure and protect the rights of shareholders and other stakeholders. Malath also seeks to achieve balance among all concerned parties, including shareholders, customers, employees, and the community in which it operates, by adopting a robust governance system that allows shareholders the right to hold the Board of Directors accountable, which in turn exercises oversight over executive management.

The governance system at Malath is distinguished by its precise and integrated design that guides the company's course according to approved rules and practices. Among its most prominent governance principles is achieving balance between the objectives of stakeholders, including shareholders, senior management, customers, and suppliers. During 2025, Malath paid great attention to disclosing information honestly, accurately, and in a timely manner, to ensure equal opportunities for all shareholders to access it, which enhances Malath's commitment to the principles of compliance, objectivity, consistency, timeliness, interactivity, and fairness.

## Progress Achieved in Governance

- Alignment of the company's articles of association with the new Companies Law.
- Update of the internal governance regulations to align with relevant laws and regulations.
- Update of the policy for nominating and appointing members of the Board of Directors.
- Review of the effectiveness of the company's internal executive committees.

### **Commitment to Transparency and Integrity Towards Shareholders**

Malath seeks to achieve the highest levels of transparency, accuracy, and integrity in preserving the rights of its shareholders and ensuring all their other rights, through the immediate publication of all material announcements in the market, along with providing the opportunity for shareholders to participate in general assembly meetings, vote, express opinions, and take their observations into account.

### **Enterprise Risk Management for Sustainable Growth**

We at Malath aim to achieve leadership in the insurance sector by developing our risk management system. We seek to create a balance between risks and returns, which supports sustainable growth by identifying risks, assessing them, and reducing their impact. We also work to align our risk management approach with global developments in business management.

Recognizing that risk management forms an integral part of the company's success, we have adopted an integrated institutional risk management system, aimed at improving work frameworks and procedures. We believe that risk control is the key to sustainable growth and achieving leadership among Saudi insurance companies. We also work on formulating an advanced system for managing insurance risks, and implementing precise mechanisms to deal with them.

We continue to strengthen our risk management system, improve the organizational structure, establish policies and procedures, and define responsibilities to reduce systemic risks, while integrating comprehensive risk management concepts into all our operations.

### **Enhancing Integrity and Combating Fraud**

Malath gives high priority to combating fraud, and ensuring compliance with the code of ethical conduct in the company's management. It applies internal management rules to all employees, including the conflict of interest policy and anti-fraud procedures.

Malath also regularly organizes training courses in the field of fraud, to ensure compliance with anti-fraud rules. Malath's Code of Conduct stipulates strict adherence to customer information security, conflict of interest rules, and regulations related to dealing with confidential information.



**Social Responsibility**

We realize that business leadership is coupled with community leadership, hence we give high priority to our social responsibilities, harnessing our capabilities and expertise to support the sustainable development path. Through our diverse initiatives, we seek to be an active partner in empowering community members, enhancing quality of life, and contributing to achieving the desired national transformation according to the Kingdom's Vision 2030.

**Participation in Exhibitions and Events**

In line with its keenness to have an active presence in specialized events and exhibitions, Malath participated as a main sponsor in the Real Estate Future Forum, which was held in Riyadh during the period January 27-29, 2025 . The forum witnessed wide participation exceeding 120 countries, with the presence of more than 500 speakers from the government and private sectors, along with an elite group of prominent figures locally and internationally . This participation embodies the company's keenness to support the real estate development sector and provide innovative insurance solutions that meet its evolving needs.





# 7

## **Risk Management and Business Continuity**

### Risk Management

Malath is keen to continue improving its risk framework and unified procedures, and adopts qualitative and quantitative methodologies for risk management, adopting a proactive approach focused on predicting risks and developing preventive measures before they occur, and establishing a strong risk management culture supported by an effective governance structure according to best practices. The company has adopted the Three Lines of Defense plan, which raises the level of flexibility and sustainability and enhances the ability to respond effectively.

#### Approved Risk Management Policies

Malath believes that the success of its business depends on the extent of harmony and interaction between its departments, and the presence of a risk management department with a clear and effective strategy that enables it to continue on its path of success, as it gains insightful vision and helps it form and draw the road-map for its investments to determine its goals for facing risks and avoiding crises.

Malath continues to strengthen its risk management system and raise its efficiency through an integrated proactive approach that included:

- Developing the organizational structure and formulating unified risk management policies and guidelines.
- Establishing specialized committees to support governance and risk management.
- Periodic updates to internal policies and procedures to ensure their continuous compliance with regulatory authority regulations.
- Regular submission of regulatory reports to committees emanating from the Board of Directors to support transparency and enhance the effectiveness of supervision, control, and decision-making.
- Implementing workshops and awareness programs for employees to enhance an institutional culture aware of risks.

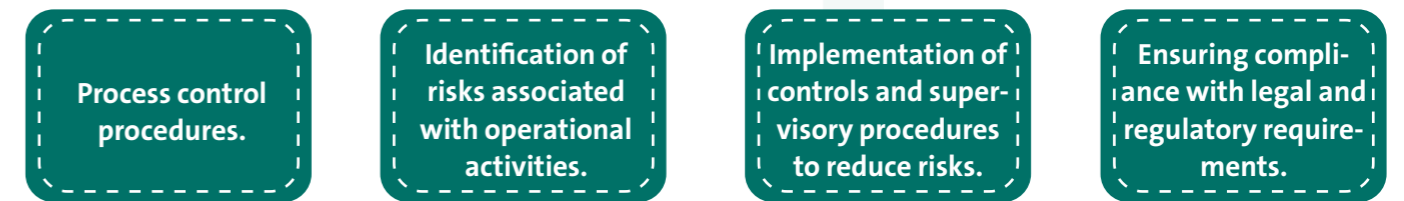


### Risk Governance Framework and the Three Lines of Defense

Malath Company has strengthened its risk governance structure in line with leading best practices in the field of risk governance, by adopting the Three Lines of Defense framework as an essential part of its comprehensive risk governance framework, as follows:

#### First Line of Defense

It consists of operational departments / business units responsible for the comprehensive management of the risks they have, and includes the following:



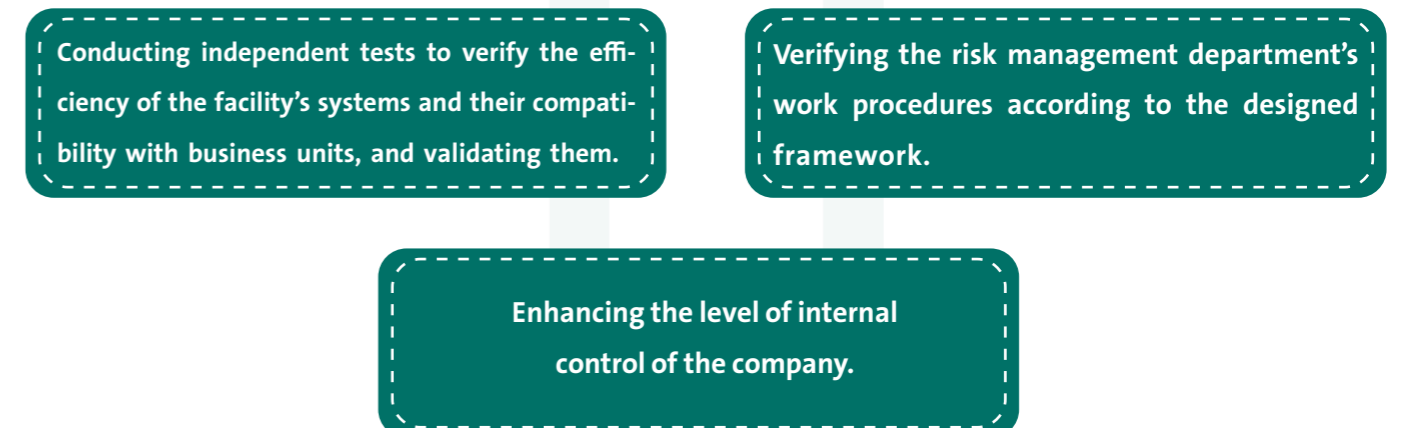
#### Second Line of Defense

It consists of compliance and risk departments that provide oversight and evaluation of the risk management activities of the first line. It includes the following:



#### Third Line of Defense

It consists of internal audit, which provides independent assurance to the Board of Directors regarding the design, governance, and internal control processes. It includes the following:



## Risk Management and Controls

Malath has continuously worked to identify and assess various types of risks and evaluate the effectiveness of controls to mitigate them, and has been keen to develop and implement an integrated risk management framework that aligns with its culture, and provides a comprehensive, high-level view of its approach to risk management, while ensuring the enhancement of risk management activities to ensure compliance with the laws and regulations of legislative and regulatory authorities in the Kingdom of Saudi Arabia.

### Types of Risks We May Face

#### 1. Strategic Risks

Strategic risks involve the misalignment of strategy with market dynamics and company capabilities. Malath adopts a robust risk management framework that analyzes macroeconomic conditions, regulatory implications, and market shifts, ensuring the alignment of strategic directions with external and internal variables, and achieving rapid response to any developments that may affect the growth path.

#### 2. Liquidity Risks

We manage liquidity risk by regularly assessing liabilities related to financial obligations such as outstanding claims, reinsurance balances, and creditors. Through a comprehensive liquidity risk policy, we monitor these requirements monthly, ensuring the availability of sufficient financial liquidity to meet obligations in a timely manner. Liquid assets, including cash and cash equivalents and investments, form a strategic element in Malath's approach to effectively dealing with liquidity challenges.

#### 3. Credit Risks

Credit risks involve potential losses resulting from a decline in asset values, particularly loans and bonds, caused by the financial deterioration of the counterparty. Malath addresses credit concentration risk by conducting underwriting operations exclusively within the Kingdom of Saudi Arabia. Rigorous transaction scrutiny, credit limit determination, and continuous monitoring ensure the mitigation of excessive credit concentration. The company benefits from statistical analysis to calculate potential risks and losses in its overall portfolio, enhancing its ability to deal with challenging financial conditions of other parties regarding credit risk.

#### 4. Market Risks

Market risks involve potential losses from declines in asset and liability values due to interest rates, exchange rates, or stock price fluctuations. Malath manages these risks by setting investment limits for various assets and monitoring those limits with a focus on diversifying different asset classes. Using statistical analysis, the company calculates the amount of potential risks and losses to ensure they fall within acceptable limits. Malath also works on establishing policies, limits, and strategic asset allocation as a trend towards centralizing risk management and maintaining consistency in portfolio construction.

#### 5. Operational Risks

Malath's robust operational risk management framework works to identify and monitor risks resulting from the failure of internal processes, technological systems, human errors, or external events. The company mitigates operational risks by establishing clear procedures, training employees, implementing advanced technological systems, and continuously monitoring processes, with contingency plans to ensure business continuity.

## 6. Reinsurance Risks

Reinsurance risks involve the possibility of reinsurers failing to fulfill their contracts. In order to minimize financial exposure resulting from large claims, the company regularly engages in reinsurance agreements. Reinsurance risk mitigation measures include setting effective limits for risks retained internally, evaluating reinsurer information in accordance with established regulations, and internally classifying reinsurers based on their creditworthiness. These measures ensure that risks are transferred to financially stable reinsurers and that the company maintains regulatory compliance.

## 7. Cybersecurity Risks

Cybersecurity risks are risks associated with digital systems, applications, data, networks, and technical infrastructure, which may affect the integrity, confidentiality, and availability of information, or the continuity of operations and services. To ensure readiness and effective handling of any potential cyber incident, the company links cybersecurity risks to business continuity plans and incident response plans, and conducts periodic tests to verify their effectiveness.

## 8. Human Resources Risks

Human resources risks include possibilities that affect the company's ability to attract, develop, and retain the competencies necessary to achieve its objectives. The human resources department plays an important role in organizational development and setting recruitment, qualification, and training goals, as well as providing a positive employee experience that enhances job loyalty and supports the continuity of competencies.

## 9. Claims Management Risks

Claims management risks in the company include possibilities of inaccuracy or inadequacy of reserves, delays in settlements, low quality of service provided, or exaggeration in claims processing costs. In order to effectively confront these risks, Malath adopts clear policies and procedures, adheres to laws and regulations, and works to settle claims on time. These practices contribute to enabling the company to confront claims management risks more effectively.

## 10. Regulatory and Legal Requirements Risks

Malath's insurance operations are subject to supervision and control by the Insurance Authority through its regulations. These regulations ensure approvals, activity monitoring, and adherence to standards including capital adequacy. Compliance with these regulations reduces the risks of financial deficit and bankruptcy, enabling the timely settlement of sudden obligations. Accordingly, Malath is committed to continuously developing its internal systems to align with the evolution of regulatory standards, recognizing the importance of preserving the interests of both policyholders and investors, and operating within an organized insurance environment.

## 11. Terrorism Financing and Money Laundering

To avoid the company being exposed to money laundering, terrorist financing, or financing of weapons proliferation operations, the company's exposure to these risks has been assessed from all aspects (products - customers - channels - geographical areas - operations). Based on this assessment, the company has adopted the risk document and policies and procedures for combating money laundering, terrorist financing, and financing of weapons proliferation to ensure the company is not exposed to any suspicious operations, along with continuous monitoring of the company's operations through the automated system.

## 12. Competitiveness Risks

Malath's operations in the Saudi market are affected by the competitive landscape formed by licensed insurance companies, and the entry of foreign companies into the insurance market increases the strength of competition in this field, which affects the company's activity and future opportunities. To confront competition risks, Malath has strengthened the expansion of its sales channels, including electronic sales, and also works to adopt innovation in sales, claims systems, and customer service in order to keep pace with technological advancement and customer requirements, ensuring its reach to all citizens and residents and enhancing its market share.

## 13. Fair Value Risk of Investment Properties

The Company's investment property consists of a plot of land held for capital appreciation as of 31 December 2025. This investment is measured at fair value, with any changes in fair value recognized in the statement of profit or loss.

The fair value of the land is exposed to real estate market risks, which may arise from several factors, including:

- Changes in land prices in the market
- Fluctuations in supply and demand for land and real estate
- Changes in market yield rates and inflation rates
- Changes in regulatory requirements and zoning or permitted land uses
- General economic conditions

As the Company's investment property comprises a single plot of land, its valuation is primarily dependent on the market prices of comparable land. Accordingly, the Company's results may be affected by changes in fair value, as any increase or decrease in fair value is recognized in the statement of profit or loss.

The Company determines fair value through independent, qualified valuers in order to mitigate valuation risk and ensure the objectivity of the assumptions and estimates used.

### Sensitivity Analysis

The fair value is primarily based on market prices of comparable land on a per square meter basis. A sensitivity analysis has been performed on the price per square meter, assuming an increase or decrease of 10%, while holding all other variables constant.

### Reinsurance Strategy

Malath Cooperative Insurance Company adopts a balanced reinsurance strategy aimed at enhancing solvency and efficiently distributing risks, supporting the sustainability of operations and the company's ability to fulfill its obligations towards customers. This strategy is based on the following foundations:

- Adopting a balanced reinsurance strategy that achieves optimal protection at an appropriate economic cost.
- Designing distinguished reinsurance programs in terms of competitive upper limits, rewarding commissions, and flexible contractual terms.
- Limiting dealings to high credit rating reinsurers (not less than BBB according to S&P classification or equivalent).
- Building long-term strategic partnerships based on transparency, balance, and mutual benefit.
- Diversifying reinsurance instruments to include proportional and non-proportional agreements commensurate with the diversity of the portfolio.
- Full commitment to all regulatory requirements issued by the Insurance Authority.

## Principal Reinsurers

Company	Rating	Rating Agency
Swiss Reinsurance Company Ltd	AA-	Standard & Poor's
Saudi Reinsurance Company	A-	Standard & Poor's
Munich Reinsurance Company	AA-	Standard & Poor's
Hannover Re	A-	Standard & Poor's
Helvetia Swiss Insurance Company Ltd	A+	Standard & Poor's
Odyssey Re	A-	Standard & Poor's

## Business Continuity Management

Malath Cooperative Insurance Company launched the Business Continuity Management System (BCMS) project, seeking to ensure the reduction of any potential disruptions to the company's operations and supporting facilities. The main objective of this project is to ensure the continuity of work smoothly even in the event of a disaster.

Malath has an integrated contingency plan within its risk management system, including a detailed framework for disaster response, through the implementation of evacuation procedures, communication protocols, risk mitigation strategies, backup plans, and data recovery.

Malath realizes the great importance of having a proactive plan to ensure the continued success of the company. In this regard, the company has taken a proactive approach to identifying potential risks and mitigating their impacts, by conducting regular risk assessments and implementing appropriate measures to reduce the impact of any disruptions to the company's operations. Malath affirms its commitment to ensuring the safety and well-being of its employees and customers, and maintaining the delivery of the highest levels of service under any unforeseen circumstances.

### Business Continuity and Cyber Readiness

Within the framework of enhancing operational resilience, Malath Insurance continued to align cybersecurity practices with business continuity requirements, by developing related plans and procedures, and implementing periodic tests to verify the readiness of systems and concerned teams to deal with potential cyber scenarios, ensuring the continuity of service delivery and minimizing operational impact. The implemented efforts also included carrying out continuous assessment and improvement activities, such as security vulnerability tests, reviewing technical controls, updating systems, and raising the level of maturity in monitoring and response mechanisms, supporting the continuous improvement of the cyber system.

# 8

## Financial Performance

Financial figures are presented in thousands of Saudi Riyals.

### Analysis of the Financial Performance of Malath Cooperative Insurance Company Over the Last Five Years:

- For the years from 2022 to 2025, the income statement is presented according to IFRS 17, while for the fiscal year 2021, the income statement is presented according to IFRS 4.

Statement	2025	2024	2023	2022
Insurance Service Revenue	1,445,363	1,010,723	934,712	973,092
Insurance Service Expenses	(1,477,561)	(976,030)	(844,801)	(981,587)
Total Insurance Service Before Reinsurance Contracts	(32,198)	34,693	89,911	(8,495)
Allocation of Reinsurance Premiums	(60,200)	(64,121)	(62,013)	(66,732)
Amounts Recoverable from Reinsurance	79,337	25,229	(10,448)	36,268
Net Expenses from Reinsurance Contracts	19,137	(38,892)	(72,461)	(30,464)
Insurance Service Result	(13,061)	(4,199)	17,450	(38,959)
Investment Income from Financial Assets at Amortized Cost	31,461	22,469	20,716	21,976
Investment Income from Financial Assets at Fair Value Through Profit or Loss	(68)	14,229	19,664	8,450
Net Credit Impairment Losses on Financial Assets	86	(1)	(24)	22
Other Investment Income	-	-	114	1,072
Fair Value Gains on Investment Properties	21,463	-	-	-
Net Investment Income	52,942	36,697	40,470	31,520
Finance Expenses from Issued Insurance Contracts	(17,689)	(14,174)	(15,830)	(8,681)
Finance Income from Reinsurance Contracts Held	5,346	3,977	3,488	2,455
Net Insurance Finance Expenses	(12,343)	(10,197)	(12,342)	(6,226)
Net Result of Insurance Services and Investments	27,538	22,301	45,578	(13,665)
Other Operating Expenses	(34,895)	(31,080)	(18,341)	(23,899)
Other Income	37,158	45,172	19,951	6,474
Net Income Attributable to Shareholders Before Zakat	29,801	36,393	47,188	(31,090)
Zakat Expense Charged to the Year	(8,100)	(9,504)	(9,000)	(10,288)
Net Income Attributable to Shareholders' Operations	21,701	26,889	38,188	(41,378)
Basic and Diluted Earnings Per Share	0.43	0.54	0.76	(0.83)
Weighted Average Number of Shares Issued During the Year (In Thousands)	50,000	50,000	50,000	50,000

Statement	2021
Revenues	
Gross Written Premiums	942,107
Ceded Reinsurance Premiums:	
Local	(4,823)
International (Includes premiums reinsured through a local broker)	(45,640)
	(50,463)
Local	-
International	-
Loss Expense Surplus	(14,257)
Net Written Premiums	877,387
Changes in Unearned Premiums, Net	(98,675)
Net Earned Premiums	778,712
Earned Reinsurance Commission	8,322
Other Underwriting Revenue	1,016
Total Revenues	788,050
Underwriting Costs and Expenses	
Gross Claims Paid	(733,914)
Reinsurers' Share of Claims Paid	16,848
Net Claims Paid	(717,066)
Changes in Outstanding Claims, Net	30,310
Changes in Incurred But Not Reported (IBNR) Claims, Net	(10,949)
Changes in Additional Premium Reserves	11,225
Changes in Other Technical Reserves	(768)
Net Incurred Claims	(687,248)
Insurance Policy Acquisition Costs	(65,830)
Other Underwriting Expenses	(21,003)

Statement	2021
Total Underwriting Costs and Expenses	(774,081)
Net Underwriting Income	13,969
Other Income/ (Expenses)	
Provision for Doubtful Debts	(7,046)
Salaries and Employee-Related Costs	(75,150)
Other General and Administrative Expenses	(45,546)
Investment Income	30,394
Other Income	10,529
Reversal of Impairment in Value of Available-for-Sale Investments	-
Total Other Expenses	(86,819)
Net Loss Before Zakat	(72,850)
Zakat Expense Charged to the Year	(12,810)
Net Loss for the Year Attributable to Shareholders	(85,660)
Basic and Diluted Loss Per Share	(1.71)
Weighted Average Number of Issued Shares During the Period (In Thousands)	50,000

### Company Statement of Financial Position

(All amounts in ₺ Thousands unless otherwise stated)

Statement	2025	2024	2023	2022	2021
<b>Assets</b>					
Cash and Cash Equivalents	194,204	172,975	110,571	342,270	479,381
Term Deposits	363,089	523,258	329,372	155,126	129,113
Reinsurance Contract Assets	140,527	130,480	107,591	436,294	370,004
Insurance Contract Assets	7,320	-	-	-	-
Investments	257,400	205,014	179,135	181,232	181,350
Property Investments	64,018	-	-	-	-
Prepaid Expenses and Other Assets	117,763	83,923	113,243	167,301	104,857
Property and Equipment	2,189	3,028	4,042	4,114	4,846
Right-of-Use Assets	227	688	1,995	-	-
Accrued Income on Statutory Deposit	688	5,285	3,205	10,778	10,167
Statutory Deposit	74,996	74,986	74,986	75,000	75,000
Total Assets	1,222,421	1,199,637	924,140	1,372,115	1,354,718
<b>Liabilities</b>					
Accrued Expenses and Other Liabilities	40,052	54,627	39,179	118,429	94,763
Insurance Contract Liabilities	659,250	653,353	433,522	822,019	811,509
Reinsurance Contract Liabilities	3,035	-	2,274	43,659	29,297
Zakat Provision	24,662	23,663	30,587	23,631	17,252
Lease Liabilities	231	701	1,550	-	-
Employee Benefits Obligation Provision	32,172	29,233	23,733	17,149	20,154
Accrued Commission Payable to the Insurance Authority	688	5,285	3,205	10,778	10,167
Total Liabilities	760,090	766,862	534,050	1,035,665	983,142

Statement	2025	2024	2023	2022	2021
<b>Equity</b>					
Share Capital	500,000	500,000	500,000	500,000	500,000
Statutory Reserve	2,131	2,131	2,131	2,131	2,131
Accumulated Losses	(86,359)	(108,060)	(134,949)	(148,723)	(120,408)
Fair Value Reserve for Investments	67,697	57,596	37,942	(7,513)	529
Employee Benefits Obligation Remeasurement Reserve	(21,138)	(18,892)	(15,034)	(9,445)	(10,676)
<b>Total Equity</b>	<b>462,331</b>	<b>432,775</b>	<b>390,090</b>	<b>336,450</b>	<b>371,576</b>
<b>Total Liabilities and Equity</b>	<b>1,222,421</b>	<b>1,199,637</b>	<b>924,140</b>	<b>1,372,115</b>	<b>1,354,718</b>

### The impact of the main activities on the company's business volume and their contribution to the financial results for the year 2025

Activity Type	Product	Percentage of Total Gross Written Premiums for the Year 2025
Health Insurance	Group Health Insurance	%44
	Individual and Small Group Health Insurance	
Motor Insurance	Compulsory Third-Party Liability Insurance	%45
	ZID - Comprehensive Vehicle Insurance	
	Comprehensive Insurance	
General Insurance	Property Insurance	%11
	Engineering Insurance	
	Marine Insurance	
	Other Insurances	
	Latent Defects Insurance	

### Breakdown of Annual Revenues

Statement	Year	Health	Motor	Property	Engineering	Marine	Other	Total
Insurance Service Revenues	2025	567,322	726,212	29,153	17,539	2,950	102,187	1,445,363
Insurance Service Revenues	2024	541,714	375,999	29,129	16,214	13,117	34,550	1,010,723
Changes (+ or -)	-	25,608	350,213	24	1,325	(10,167)	67,637	434,640
Change Percentage	-	%5	%93	%0	%8	-78	%196	%43

### Geographical Analysis of Gross Written Premiums

Statement	Year	Western Region	Eastern Region	Central Region	Other Regions of the Kingdom	Total
Insurance Underwriting Premium Revenues	2025	73,170	119,824	1,048,178	-	1,241,240
Insurance Service Revenues	2024	46,631	160,933	1,198,672	-	1,406,236
Changes (+ or -)	-	26,539	(41,109)	(150,494)	-	(164,996)
Change Percentage	-	%57	%26-	%13-	-	%12-

## Statement of Changes in Equity

Statement	Share Capital	Statutory Reserve	Accumulated Losses	Fair Value Reserve for Investments	Employee Benefits Obligation Remeasurement Reserve	Total Equity
Balance as at 31 December 2023	500,000	2,131	(134,949)	37,942	(15,034)	390,090
Net Income for the Year Attributable to Shareholders	-	-	26,889	-	-	26,889
Change in Fair Value of Financial Investment at Fair Value Through Other Comprehensive Income	-	-	-	19,654	-	19,654
Remeasurement Loss on Employee Benefits	-	-	-	-	(3,858)	(3,858)
Total Comprehensive Income	-	-	26,889	19,654	(3,858)	42,685
Balance as at 31 December 2024	500,000	2,131	(108,060)	57,596	(18,892)	432,775
Net Income for the Year Attributable to Shareholders	-	-	21,701	-	-	21,701
Change in Fair Value of Financial Investment at Fair Value Through Other Comprehensive Income	-	-	-	10,101	-	10,101
Remeasurement Loss on Employee Benefits	-	-	-	-	(2,246)	(2,246)
Total Comprehensive Income	-	-	21,701	10,101	(2,246)	29,556
Balance as at 31 December 2025	500,000	2,131	(86,359)	67,697	(21,138)	462,331

## Material Differences in Operational Results from Previous Results or Any Forecasts Announced by the Company During the Year 2025

Statement	2025	2024	Change Value (+)/(-)	Change Rate
Insurance Service Revenues	1,445,363	1,010,723	434,640	%43
Insurance Service Expenses	(1,477,561)	(976,030)	(501,531)	%51
Total Insurance Service Before Reinsurance Contracts	(32,198)	34,693	(66,891)	%193-
Allocation of Reinsurance Premiums	(60,200)	(64,121)	3,921	%6-
Amounts Recoverable from Reinsurance	79,337	25,229	54,108	%214
Net Expenses from Reinsurance Contracts	19,137	(38,892)	58,029	%149-
Insurance Service Result	(13,061)	(4,199)	(8,862)	%211
Investment Income from Financial Assets at Amortized Cost	31,461	22,469	8,992	%40
Investment Income from Financial Assets at Fair Value Through Profit or Loss	(68)	14,229	(14,297)	%100-
Net Credit Impairment Losses on Financial Assets	86	(1)	87	%8,700-
Fair Value Gains on Property Investments	21,463	-	21,463	%100
Net Investment Income	52,942	36,697	16,245	%44
Finance Expenses from Issued Insurance Contracts	(17,689)	(14,174)	(3,515)	%25
Finance Income from Reinsurance Contracts Held	5,346	3,977	1,369	%34
Net Insurance Finance Expenses	(12,343)	(10,197)	(2,146)	%21
Net Insurance Service and Investment Result	27,538	22,301	5,237	%23
Other Operating Expenses	(34,895)	(31,080)	(3,815)	%12
Other Income	37,158	45,172	(8,014)	%18-
Net Income Attributable to Shareholders Before Zakat	29,801	36,393	(6,592)	%18-
Zakat Expense Charged to the Year	(8,100)	(9,504)	1,404	%15-
Net Income Attributable to Shareholders' Operations	21,701	26,889	(5,188)	%19-
Basic and Diluted Earnings Per Share	0.43	0.54	(0.10)	%19-
Weighted Average Number of Issued Shares During the Year (In Thousands)	50,000	50,000	-	%0

### Explanation of Any Differences from Accounting Standards Approved by the Saudi Organization for Auditors and Accountants for the Year 2025

All statements, information, and financial tables for the year 2025 have been prepared in accordance with the accounting standards approved by the Saudi Organization for Auditors and Accountants.

### Evaluation of the Company's Strategy from a Financial Perspective

During the year 2025, the Company successfully achieved its strategic financial targets. This achievement reflects the effectiveness of financial planning and the precise implementation of approved policies, which contributed to enhancing financial performance and increasing returns.

### Statement of Statutory Payments to Government Entities During the Year 2025

Statement	2025		Brief Description thereof	Statement of Reasons
	Paid	Outstanding as at the end of the annual financial period and not yet paid.		
Zakat	7,100,906	8,100,000	Zakat payments for the year 2024 amounting to 7,100,906 ٮ were settled in 2025 with the Authority. Meanwhile, the Zakat provision for the year 2025, amounting to 8,100,000 ٮ, is due in April 2026.	Regulatory requirement.
Tax	122,693,205	714,124	The amount paid relates to withholding tax and value-added tax for the period from January to November 2025. The VAT for December 2025 is due on 31 January 2026.	Regulatory requirement.
Insurance Authority	20,768,141	2,721,771	The provision for supervisory fees for the fourth quarter of 2025, payable in January 2026.	Regulatory requirement.
General Organization for Social Insurance (GOSI)	9,211,643	780,150	The amount payable to the Organization relates to December 2025 contributions, which are due on 15 January 2026.	Regulatory requirement.
Visa and Passport Fees	139,891	-	Visa issuance costs for non-Saudi employees – settled.	Regulatory requirement.
Ministry of Labor Fees	756,600	-	Work permit fees for non-Saudi employees – settled.	Regulatory requirement.

Thousand ٮ

### Statement of Violations and Statutory Penalties Incurred by the Company During 2025

Current Financial Year 2025				Previous Financial Year 2024			
Subject of Violation	Number of Executive Decisions	Financial Fines ٮ	Total Financial Fines ٮ	Subject of Violation	Number of Executive Decisions	Financial Fines ٮ	Total Financial Fines ٮ
Violation of Supervisory and Regulatory Instructions	1	69,000	81,000	Violation of Supervisory and Regulatory Instructions Related to Actuarial Work Controls	1	20,000	318,498
				Violation of Supervisory and Regulatory Instructions Related to Controls for Verifying Customers of Financial Technology Companies	1	216,000	
Violation of Instructions Related to Cybersecurity Risks	1	-	81,000	Violation of Supervisory and Regulatory Instructions Related to the Cooperative Health Insurance Council System	1	40,000	318,498
Ministry of Labor Fines	2	6,000		Violation of Supervisory and Regulatory Instructions	1	40,000	
-	-	-	-	Withholding Tax Declaration Delay Penalty	-	2,498	-

A financial penalty amounting to ٮ 81,000 (Eighty-one thousand) was imposed on the Company for violating supervisory and regulatory instructions.

A warning was received regarding a violation of instructions related to cybersecurity risks, and Ministry of Labor fines.

#### The total number of executive decisions for the year 2025 reached (4):

Including fines and warning notices, compared to the decisions of the year 2024, which amounted to 4 executive decisions that included fines and warning notices.

#### Methods for Remediating Violations

All procedures and measures have been taken, and appropriate programs have been developed to rectify the observed violations and prevent their recurrence in the future.



# 9

## Governance and Compliance

## Corporate Governance

“Malath Cooperative Insurance” Company is committed to adhering to the best professional practices in governance, in addition to its commitment to implementing all regulations, rules, and instructions issued by relevant official bodies related to the Company’s work and activity. This enhances the level of confidence of shareholders and stakeholders in the Company’s performance level and its achievement of strategic objectives. This report has been prepared and published in accordance with the Corporate Governance Regulations issued by the Capital Market Authority and the Insurance Companies Governance Regulations.

### Governance Practices Framework

“Malath Cooperative Insurance” Company is committed to applying the principle of governance within a comprehensive framework according to best practices and in accordance with relevant regulations and rules, within the following main axes:

1. Protecting the rights of the Company’s shareholders in a manner that ensures the best interest for them and the Company.
2. Protecting the rights of all stakeholders and providing stability and job sustainability through the Company’s sound financial performance.
3. Providing accurate and comprehensive disclosures within the specified timeframe to the Company’s shareholders, related parties, and relevant regulatory authorities.
4. Identifying, reporting, disclosing, and dealing with conflicts of interest that may arise between the Company and stakeholders, which could negatively impact the interests of the Company and its shareholders.
5. Enabling employees to report any concerns or misconduct observed within the Company by providing a reporting and investigation mechanism that is objective, confidential, and independent until appropriate corrective action is taken.
6. Regulating transactions with related parties, whether between the Company and its employees, the Company and its Board members, executive management, subsidiaries, or other concerned parties.
7. Establishing reliable communication channels with investors.

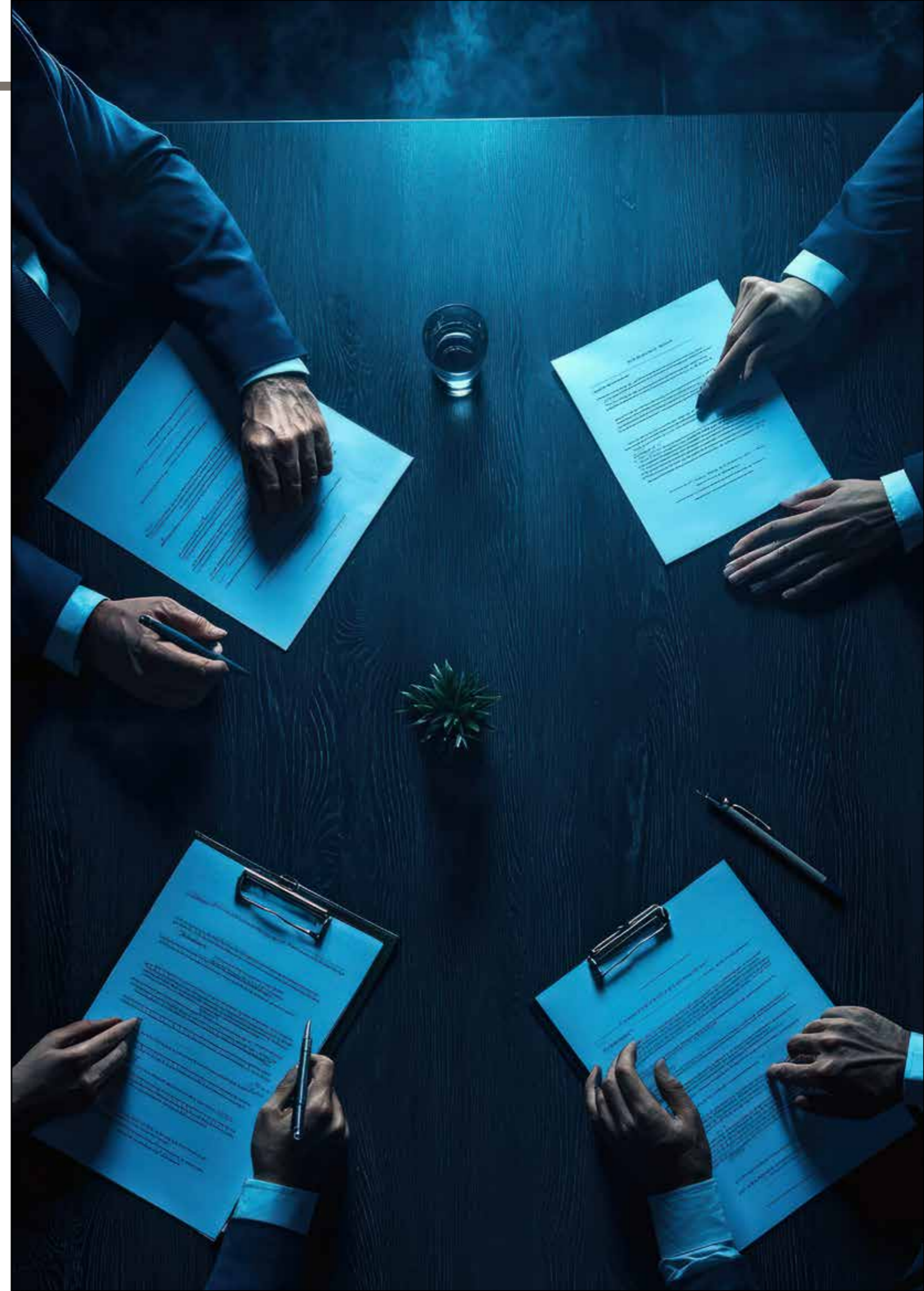
## Provisions of the Corporate Governance Regulations that have been implemented, those that have not been implemented, and the reasons for non-implementation

“Malath Cooperative Insurance” Company affirms its implementation of all provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority and the Insurance Companies Governance Regulations, with the exception of the following:

Item/Paragraph No.	Item/Paragraph Wording	Reason for Non-Implementation	Notes
Paragraphs 1,2,3 of Article No. 82 of the Corporate Governance Regulations issued by the Capital Market Authority, titled Employee Incentives.	The Company shall establish development and incentive programs for employee participation and performance, which shall specifically include the following: 1. Forming committees and holding specialized workshops to listen to employees' opinions and discuss with them matters and issues subject to important decisions. 2. Programs granting employees shares in the Company or a share of its profits, retirement programs, and establishing an independent fund for expenditure on these programs. 3. Establishing social institutions for the Company's employees.	Guideline article, not mandatory	Guideline article, not mandatory
Article No. 84 of the Corporate Governance Regulations issued by the Capital Market Authority, titled Social Responsibility.	The Ordinary General Assembly shall – based on a proposal from the Board of Directors – establish a policy that ensures a balance between its objectives and the objectives the community aspires to achieve, for the purpose of developing the social and economic conditions of the community.	Guideline article, not mandatory	Guideline article, not mandatory
Paragraphs 1,2,3,4 of Article No. 85 of the Corporate Governance Regulations issued by the Capital Market Authority, titled Social Work Initiatives.	The Board of Directors shall develop programs and determine the necessary means for presenting the Company's initiatives in the field of social work. This includes the following: 1. Developing measurement indicators linking the Company's performance to its social work initiatives, and comparing this with other companies engaged in similar activities. 2. Disclosing the social responsibility objectives adopted by the Company to its employees and raising their awareness and education about them. 3. Disclosing plans for achieving social responsibility in periodic reports related to the Company's activities. 4. Developing community awareness programs to introduce the Company's social responsibility.	Guideline article, not mandatory	Guideline article, not mandatory

Item/Paragraph No.	Item/Paragraph Wording	Reason for Non-Implementation	Notes
Article No. 92 of the Corporate Governance Regulations issued by the Capital Market Authority, titled Formation of a Governance Committee.	If the Board of Directors forms a committee specialized in corporate governance, it must delegate to it the competencies stipulated under Article Ninety-One of these Regulations. This committee shall follow up on any matters concerning governance applications and provide the Board of Directors at least annually with the reports and recommendations it reaches.	Guideline article, not mandatory, and there is a department specialized in governance and compliance.	Guideline article, not mandatory, and there is a department specialized in governance and compliance.
Paragraph (a-4) of Article No. 90 of the Corporate Governance Regulations issued by the Capital Market Authority, titled Disclosure of Remuneration.	a) The Board of Directors is committed to the following: 4) Stating the necessary details regarding remunerations and compensations paid to each of the following individually: b. Five of the top executives who received the highest remunerations from the Company, including the CEO and CFO.	(1)	(1)
Paragraph (5) of Article No. 80 of the Corporate Governance Regulations issued by the Capital Market Authority, titled Organizing the Relationship with Stakeholders.	The Board of Directors shall establish clear and written policies and procedures for organizing the relationship with stakeholders with the aim of protecting them and preserving their rights, which shall specifically include the following: -5 The Company's social contribution	Guideline article, not mandatory	Guideline article, not mandatory
Paragraph (c) of Article No. 51 of the Corporate Governance Regulations issued by the Capital Market Authority, titled Formation of the Audit Committee.	c) The Chairman of the Audit Committee must be an independent member.	Guideline article, not mandatory	Guideline article, not mandatory
Paragraph (b) of Article No. 51 of the Corporate Governance Regulations issued by the Capital Market Authority, titled Formation of the Audit Committee.	b) At least one independent member must be among the members of the Audit Committee.	On 24/07/2025, the Company received the Insurance Authority's non-objection to the Audit Committee members being from outside the Board of Directors only.	On 24/07/2025, the Company received the Insurance Authority's non-objection to the Audit Committee members being from outside the Board of Directors only.

(1) The Company discloses the elements and remunerations of senior executives in aggregate, in accordance with the regulatory requirements stipulated in Paragraph (a-4/b) of Article No. 90 of the Corporate Governance Regulations. In order to protect the interests of the Company, its shareholders, and its employees, and to avoid any potential harm that may result from detailed disclosure by job titles according to position, the details have not been presented, based on Paragraph (b) of Article 63 of the Rules on the Offer of Securities and Continuing Obligations.



# Board of Directors

## Board of Directors

According to Article (15) of the Company's Bylaws, the Company is managed by a Board of Directors composed of nine members elected by the Ordinary General Assembly. The composition of the Board of Directors must reflect appropriate representation of independent members. In all cases, the number of independent board members shall not be less than two members or one-third of the board members, whichever is greater. The new term Board members were elected at the Ordinary General Assembly meeting held on 20/12/1446H corresponding to 16/06/2025, which commenced as of 17/06/2025 and continues for three years, ending on 16/06/2028.

### Primary Duties and Roles of the Board of Directors

Based on the Governance Regulations issued by the Capital Market Authority (Articles 21, 22, and 24) and taking into account the competencies of the General Assembly, the Company's Board of Directors assumes all necessary powers and authorities for its management. The ultimate responsibility for the Company remains with the Board even if it forms committees or delegates some of its work to other parties or individuals. The Board must avoid issuing general or indefinite delegations. The Board of Directors exercises the following duties and responsibilities:

1. Strategic leadership of the Company, setting objectives, and formulating strategic plans.
2. Supervising the implementation of strategic plans and main operations, determining the optimal capital structure for the Company, overseeing major capital expenditures and asset ownership therein, and periodically reviewing and approving the organizational and functional structures of the Company.
3. Approving, reviewing, and regularly updating main policies and procedures.
4. Establishing and monitoring the Company's internal control system and ensuring its efficiency and effectiveness.
5. Establishing and monitoring the Company's risk management system to continuously assess, manage, and monitor risks.
6. Selecting and changing executive employees in key positions (when necessary), and ensuring that the Company has an appropriate policy for replacing them with suitable alternates who are qualified to work and possess the required skills.
7. Supervising senior management and monitoring the Company's performance against the performance objectives set by the Board.
8. Ensuring the integrity and soundness of the reporting and financial statements system and the appropriateness of the disclosure mechanism.
9. Ensuring the protection of policyholders' interests at all times.
10. Advancing the level and standards of governance in the Company and ensuring compliance with relevant regulations and rules at all times.
11. Promoting a culture of governance in the Company and adopting high ethical standards.

## Board Composition

The Board of Directors is composed and its members are classified as follows (Executive Board Member - Non-Executive Board Member - Independent Board Member)

**First: Members of the Board of Directors for the current term commencing on 17/06/2025, whose election was approved by the Ordinary General Assembly held on 16/06/2025**

Member Name	Position	Membership Classification
Badr bin Ali Al-Ali <sup>1</sup>	Chairman of the Board of Directors	Independent
Amr bin Abdul Razzaq Alnemari <sup>2</sup>	Vice Chairman of the Board of Directors	Independent
Fawaz bin Abdul Rahman Al-Hajji	Board Member	Executive
Amr bin Abdullah bin Shalhoub	Board Member	Independent
Mohammed bin Ali Al Ammari <sup>3,4</sup>	Board Member	Non-Executive
Muhammad bin Abdullah Al-Jumaa <sup>4</sup>	Board Member	Independent
Yasser bin Rashid Al-Rasheed	Board Member	Independent
Salman bin Nasser Al-Hawawi	Board Member	Independent
Muhannad bin Abdulaziz Al-Qasim	Board Member	Independent

(1) The Insurance Authority's non-objection was received on 01/09/2025 regarding the appointment of Mr. Badr bin Ali Al-Ali as Chairman of the Board of Directors.

(2) The Insurance Authority's non-objection was received on 25/09/2025 regarding the appointment of Mr. Amr bin Abdul Razzaq Alnemari (Independent Member) as Vice Chairman of the Board of Directors.

(3) The Company's Board Member, Mr. Mohammed bin Ali Al Ammari, submitted his resignation on Thursday 04/09/2025, which became effective as of Sunday 07/09/2025. The member stated that the reasons for resignation were due to personal circumstances.

(4) On 20/08/2025, two letters were received from the Insurance Authority stating the issuance of its decision to suspend Board members Mr. Mohammed bin Ali Al Ammari and Mr. Muhammad bin Abdullah Al-Jumaa from working on the Company's Board of Directors effective from that date.

**Second: Board Member Appointed to the Vacant Seat to Complete the Current Term of the Board of Directors**

Member Name	Position	Membership Classification
Mamdouh bin Saud Al Sharhan <sup>5</sup>	Board Member	Independent

(5) The Company's Board of Directors resolved by circulation dated 7 September 2025 to appoint Mr. Mamdouh bin Saud Al Sharhan as a member to the vacant seat on the Board of Directors to complete the current term of the Board of Directors ending on 16/06/2028. The Company obtained the Insurance Authority's non-objection to the appointment on 30/09/2025. Please note that the Board of Directors' approval of the member's appointment to fill the vacant seat on the Board is not final, and this appointment will be presented to the first General Assembly meeting for ratification.

**Third: Members of the Board of Directors for the Term Ended on 16/06/2025**

Member Name	Position	Membership Classification
Mr. Badr bin Ali Al-Ali	Chairman of the Board of Directors	Independent
Mr. Mohammed bin Ali Al Ammari	Vice Chairman of the Board of Directors	Non-Executive
Mr. Amr bin Abdul Razzaq Alnemari	Board Member	Independent
Mr. Amr bin Abdullah bin Shalhoub	Board Member	Independent
Mr. Fawaz bin Abdul Rahman Al-Hajji	Board Member	Executive
Mr. Mamdouh bin Saud Al Sharhan	Board Member	Independent
Mr. Yasser bin Rashid Al-Rasheed	Board Member	Independent
Mr. Abdul-Hamid bin Abdulaziz Al-Ohali	Board Member	Independent
Mr. Muhammad bin Abdullah Al-Jumaa	Board Member	Independent

## Names of Board Members, Committee Members, and Executive Management, their Current and Previous Positions, Qualifications, and Experience:

### First: Biographies of Board of Directors Members

#### Mr. Badr bin Ali Al-Ali <sup>1</sup>

Chairman of the Board of Directors, Chairman of the Executive Committee, and Member of the Nominations and Remuneration Committee

#### Academic Qualifications

- Master of Business Administration (MBA) - Australia
- Bachelor's Degree in Computer Science - United States

#### Current Positions

- Chairman of the Board of Directors of Malath Cooperative Insurance Company
- Chairman of the Executive Committee and Member of the Nominations and Remuneration Committee at Malath Cooperative Insurance Company

(1) The Insurance Authority's non-objection was received on 01/09/2025 regarding the appointment of Mr. Badr bin Ali Al-Ali as Chairman of the Board of Directors.

- Advisor to the Chairman of the Board at The National Support Company for Financing Services

#### Previous Positions

- Vice Chairman of Malath Cooperative Insurance Company
- Chief Executive Officer of Najm Insurance Services Company
- Chief Executive Officer of National Support Company for Financial Services

#### Mr. Amr bin Abdul Razzaq Alnemari <sup>2</sup>

Vice Chairman of the Board of Directors, and Chairman of the Risk Committee

#### Academic Qualifications

- Bachelor's Degree in Accounting from King Abdulaziz University

#### Current Positions

- Vice Chairman of the Board of Directors of Malath Cooperative Insurance Company
- Chairman of the Risk Management Committee at Malath Cooperative Insurance Company
- Vice President of the Sports Boulevard Foundation

#### Previous Positions

- Chief Financial Officer of the National Company for Real Estate In-Kind Registration Services
- Chief Financial Officer at King Abdullah Financial District Management and Development Company
- Financial Operations Manager at BAE Systems Saudi Arabia
- Chairman of the Audit Committee at Malath Cooperative Insurance Company

(2) The Insurance Authority's non-objection was received on 25/09/2025 regarding the appointment of Mr. Amr bin Abdul Razzaq Alnemari (Independent Member) as Vice Chairman of the Board of Directors.

## Mr. Fawaz bin Abdul Rahman Al-Hajji

Board Member, Chief Executive Officer, Member of the Investment Committee, and Member of the Executive Committee

### Academic Qualifications

- Executive Master of Business Administration (MBA) specializing in Financial Services and Insurance from the University of St. Gallen, Switzerland

### Current Positions

- Mr. Fawaz Al-Hajji holds the position of Board Member and Chief Executive Officer of Malath Cooperative Insurance Company, in addition to his membership on the Investment Committee and the Executive Committee of the Company.

### Previous Positions

- Mr. Fawaz Al-Hajji has an extensive record of leadership positions. He served as Managing Director of Malath Cooperative Insurance Company and as Vice Chairman of the Board of Manaseh Insurance Services Company. He also chaired the Risk and Cybersecurity

Committee and was a member of the Nominations and Remuneration Committee at the same company. Additionally, he was a board member of Najm Insurance Services Company and held several executive roles in the insurance sector, including First Deputy CEO for Motor Insurance at both Malath and the Cooperative Insurance Company. He chaired the General Committee of Directors General and the Executive Committee for Insurance, in addition to leading the Subcommittee for Motor Insurance in the Kingdom of Saudi Arabia. He is also a member of the Board of the Arab Insurance Federation and the Technical Committee for Insurance at the Gulf Insurance Union.

## Mr. Amr bin Abdullah bin Shalhoub

Board Member, Member of the Executive Committee, and Member of the Risk Committee

### Academic Qualifications

- Bachelor's Degree in Business Administration – United States

### Current Positions

- Board Member of Malath Cooperative Insurance Company
- Member of the Executive Committee and Member of the Risk Committee at Malath Cooperative Insurance Company
- Chief Executive Officer of the Czech Center for Physical and Rehabilitative Therapy

### Previous Positions

- Subscriptions Department Manager at Executive Offices Company
- Deputy Central Region Manager for

Executive Offices at Civil Aviation Holding Company

- Individual Sales Unit Manager at Allianz Saudi Fransi Insurance Company
- General Manager of Wa'ad Insurance Agency Services Company
- Individual Sales Manager at Amana Insurance Company
- Senior Product Manager at Riyadh Bank Insurance Agency
- Senior Product Management Department Manager at Executive Offices Company
- Member of the Investment Committee at Malath Cooperative Insurance Company

**Mr. Mohammed bin Ali Al Ammari<sup>1</sup>**

Board Member

**Academic Qualifications**

- Bachelor's Degree in Physics and Mathematics – College of Science, King Saud University
- Course in Banking from Chase Manhattan Bank – United States of America

**Current Positions**

- Board Member of Malath Cooperative Insurance Company until 07/09/2025

**Previous Positions**

- Vice Chairman of the Board of Directors of Malath Cooperative Insurance Company

- Member of the Executive Committee at Malath Cooperative Insurance Company
- Chairman of the Board and Managing Director of Asmak Tabuk Company
- Board Member of Tabuk Cement Company
- Chairman of the Board of Directors of Wajeev Insurance Brokerage Services Company

(1) The Company's Board Member, Mr. Mohammed bin Ali Al Ammari, submitted his resignation on Thursday 04/09/2025, which became effective as of Sunday 07/09/2025. The member stated that the reasons for resignation were due to personal circumstances.

**Mr. Muhammad bin Abdullah Al-Jumaa**

Board Member

**Academic Qualifications**

- Master of Laws (LLM), University of East London – United Kingdom
- Certified Governance, Risk, and Compliance Auditor, Compliance and Ethics Group Organization, USA
- Senior Governance, Risk, and Compliance Officer Certificate, Compliance and Ethics Group Organization, USA

**Current Positions**

- Board Member of Malath Cooperative Insurance Company
- Partner – Asas Al-Amal Law Firm and Legal Consultancy

**Previous Positions**

- Chairman of the Nominations and Remuneration Committee at Malath Cooperative Insurance Company
- Legal Advisor for Governance and Board Affairs at Saudi Telecommunications Company (stc)

## Mr. Yasser bin Rashid Al-Rasheed

Board Member and Chairman of the Investment Committee

A financial expert with over 20 years of professional experience in banking, real estate finance, insurance, real estate development, and capital markets.

5 years of experience with the World Bank Group in Washington, D.C.

10 years of experience with the Saudi Central Bank (SAMA) (formerly the Saudi Arabian Monetary Agency)

3 years of experience with the Saudi Real Estate Refinance Company (wholly owned by the Public Investment Fund)

2 years of experience with the Ministry of Culture

3 years of experience with Al Soudah Development Company (wholly owned by the Public Investment Fund)

### Academic Qualifications

- Certified Public Accountant (CPA), American Institute of Certified Public Accountants (AICPA), USA
- Certified Public Accountant, Saudi Organization for Auditors and Accountants (SOCPA), Kingdom of Saudi Arabia
- Bachelor's Degree in Accounting from King Saud University
- Master of Business Administration (MBA) specializing in Financial Management from the University of Denver, USA
- International Financial Reporting Standards (IFRS) Certificate, Association of Chartered Certified Accountants (ACCA), UK

### Current Positions

- Board Member of Malath Cooperative Insurance Company
- Chairman of the Investment Committee at Malath Cooperative Insurance Company
- Board Member and Chairman of the Audit Committee at Middle East Specialized Cables Company (MESCC)
- Member of the Risk and Governance Committee at Middle East Specialized Cables Company (MESCC)
- Chief Financial Officer (CFO) at Alsawadah Development Company
- Board Member and Chairman of the Audit Committee at Saudi Advanced Industries Company
- Board Member at Masar Alnema for Finance
- Member of the Risk and Credit Committee at Masar Alnema for Finance
- Member of the Audit Committee at the Equestrian Authority

### Previous Positions

- Banking Controller, then Senior Insurance Controller at the Saudi Central Bank (SAMA) (formerly the Saudi Arabian Monetary Agency).
- Senior Investment Analyst at the World Bank Group in Washington, D.C.
- Senior Finance Specialist at the Federal Home Loan Mortgage Corporation (Freddie Mac) in Washington, D.C.
- Deputy Minister for Shared Services at the Royal Institute of Arts, Ministry of Culture
- Chief Financial Officer (CFO) at the Saudi Real Estate Refinance Company
- Member of the Nominations and Remuneration Committee at Malath Cooperative Insurance Company

## Mr. Salman bin Nasser Al-Hawawi

Board Member

### Academic Qualifications

- Bachelor's Degree in Accounting from King Saud University
- Professional License to Practice Financial Consulting Services (for non-securities) – Saudi Organization for Auditors and Accountants (SOCPA)

### Current Positions

- Board Member of Malath Cooperative Insurance Company
- Chief Executive Officer of Baraia Financial Consulting Office

### Previous Positions

- Financial and Economic Advisor – Ministry of Environment, Water and Agriculture

- Board Member, Vice Chairman of the Board, Chairman of the Risk Committee, and Member of the Investment Committee at Malath Cooperative Insurance Company – Previous Term
- Board Member, Member of the Investment Committee, and Chairman of the Nominations and Remuneration Committee at Saudi Advanced Industries Company
- Board Member and Member of the Audit Committee at Saudi Real Estate Company
- Group Investor Relations Manager at Almarai Company
- Group Financial Statements Division Manager at Saudi Telecom Company (stc)

## Mr. Muhannad Al-Qasim

Board Member and Member of the Risk Committee

### Academic Qualifications

- Bachelor's Degree in Business Administration from King Saud University
- Master of Business Administration (MBA) – Middle Tennessee State University – United States of America

### Current Positions

- Senior Corporate Banking Manager at Saudi Awwal Bank (SAB)
- Board Member of Malath Cooperative Insurance Company
- Member of the Risk Committee at Malath Cooperative Insurance Company

### Previous Positions

- Customer Relations Manager at Arab National Bank
- Senior Relationship Manager at Bank AlJazira

## Mr. Mamdouh bin Saud Al Sharhan <sup>1</sup>

Board Member and Chairman of the Nominations and Remuneration Committee

### Academic Qualifications

- Master's Degree in Financial Science, United States
- Master's Degree in Banking Management, Institute of Public Administration
- Bachelor's Degree in Accounting, King Saud University

### Current Positions

- Board Member of Malath Cooperative Insurance Company
- Managing Director and Chairman of the Finance Committee at Masco Mohammed Ali Al-Suwailem Contracting Company
- Board Member of Asbar for Financial Assets Company
- Chairman of the Board of Directors of Intaaj Industrial Company

- Vice Chairman of the Board of Directors of Juman Al Sharqiya for Real Estate Development
- Board Member and Member of the Audit Committee at Al Diar Al Arabia for Real Estate Development
- Board Member of Itqan Murabaha and Sukuk Fund
- Vice Chairman of the Board of Directors at O'tan Industrial Company
- Chairman of the Board of Directors of Mubadala Bum for Project Management
- Chairman of the Nominations and Remuneration Committee at Malath Cooperative Insurance Company

### Previous Positions

- Member of the Nominations and Remuneration Committee at Malath Cooperative Insurance Company
- Chairman of the Board of Directors of Malath Cooperative Insurance Company and Chairman of the Executive Committee
- Board Member of Hail Cement Company
- Chief Executive Officer of Saudi Real Estate Company
- Member of the Audit Committee at Saudi Real Estate Infrastructure Company
- Board Member of Namaa for Petrochemical Industries Company
- Chief Executive Officer of Al Mutlaq for Real Estate Investment Company

(1) The Company's Board of Directors resolved by circulation dated 7 September 2025 to appoint Mr. Mamdouh bin Saud Al Sharhan as a member to the vacant seat on the Board of Directors to complete the current term of the Board of Directors ending on 16/06/2028. The Company obtained the Insurance Authority's non-objection to the appointment on 30/09/2025. Please note that the Board of Directors' approval of the member's appointment to fill the vacant seat on the Board is not final, and this appointment will be presented to the first General Assembly meeting for ratification.

## Second: Biographies of Audit Committee Members from Outside the Board of Directors

### Mr. Saeed Al-Ghamdi

Chairman of the Audit Committee from Outside the Board of Directors

#### Academic Qualifications

- Bachelor's Degree in Accounting from King Saud University
- Master's Degree in Accounting from the University of Hartford - United States
- Essential Requirements for the Certificate in Financial Science from the University of Hartford - United States

#### Current Positions

- Chairman of the Audit Committee at Malath Cooperative Insurance Company
- Executive General Manager of Al-Hadir Financial Consulting
- Member of the Audit Committee at the Saudi Company for Private Laboratories (Motabaka)

- Board Member of the Bani Kabir Agricultural Investment Cooperative Association
- Board Member of the Bani Kabir Housing Cooperative Association

#### Previous Positions

- Board Member of Intigral (a subsidiary of Saudi Telecom Company)
- Member of the Audit Committee at Intigral (a subsidiary of Saudi Telecom Company)
- Member of the Audit Committee at Alahli Takaful Company

### Mr. Mishal Al-Shuraihy

Member of the Audit Committee from Outside the Board of Directors

#### Academic Qualifications

- Bachelor's Degree in Accounting from King Saud University, Saudi Arabia
- Master of Science in Accounting from the University of Illinois Urbana-Champaign, USA
- Master of Science in Finance from the University of Illinois Urbana-Champaign, USA
- Saudi Fellowship in Accounting
- American Fellowship in Accounting (CPA)

#### Current Positions

- Deputy Chief Executive Officer - Chief Financial Officer (CFO) at Bank Albilad
- Member of the Audit Committee at Malath Cooperative Insurance Company
- Member of the Audit Committee at Injaz Company
- Member of the Audit Committee at Dafa

Company

- Board Member of Sumamah Holding Company
- Chairman of the Audit Committee at Sumamah Holding Company

#### Previous Positions

- Head of Management Reporting at Bank Albilad
- Senior Financial Control Manager at National Water Company
- Member of the Audit Committee at Sumamah Holding Company

## Mr. Abdullah Al-Omair

Member of the Audit Committee from Outside the Board of Directors

### Academic Qualifications

- Bachelor's Degree in Financial Management from King Fahd University of Petroleum and Minerals (KFUPM)
- Master of Business Administration (MBA) from the University of Southern California, USA
- Certified Internal Auditor (CIA) from the Institute of Internal Auditors (IIA)

### Current Positions

- Member of the Audit Committee at Malath Cooperative Insurance Company
- General Manager of Internal Audit at Saudi Telecom Company (stc)

- Member of the Audit and Risk Committee at Sarar Company (a subsidiary of Saudi Telecom Company)

### Previous Positions

- General Manager of Internal Audit at Etihad Etisalat Company (Mobily)
- Audit Manager at Saudi Arabian Oil Company (Saudi Aramco)
- Internal Auditor at Saudi Arabian Oil Company (Saudi Aramco)
- Member of the Audit Committee at Al-Wosoom Al-Arabia Trading Company

## Ms. Bashayer Abdullah Al-Turki

Member of the Audit Committee from Outside the Board of Directors

### Academic Qualifications

- Master of Business Administration (MBA) from the University of Salford
- Fellowship in Internal Audit – Certified Internal Auditor (CIA)
- Certificate in Governance, Risk, and Compliance from the University of Cambridge
- Certificate in Internal Audit Leadership from Harvard University

### Current Positions

- Chairman of the Audit Committee at the Federation of Saudi Chambers
- Member of the Audit Committee at Malath Cooperative Insurance Company
- General Manager of the Internal Audit Department at the General Authority for Custody of Minors' Funds and Their Counterparts
- Member of the Audit Committee at the Ministry of Culture (Haraf Company)

### Previous Positions

- General Manager of the Internal Audit Department at the King Abdulaziz Project for Public Transport (Riyadh Metro)
- Senior Operational Audit Manager at the Royal Commission for Riyadh City
- Senior Internal Audit Specialist at the Saudi Agricultural and Livestock Investment Company (SALIC) – (Public Investment Fund)
- Senior Internal Audit Specialist at the National Development Fund
- Member of the Audit Committee at National Grain Company
- Secretary of the Audit Committee at Salik Ukraine Company

### Third: Biographies of Investment Committee Members from Outside the Board of Directors

#### Mr. Qussai bin Abdullah Al-Saif

Member of the Investment Committee from Outside the Board of Directors

• Qussai bin Abdullah Al-Saif is a venture capitalist, executive leader, and board member with over sixteen years of experience in venture capital and corporate governance, during which he contributed to shaping and developing the venture capital and private equity ecosystem in the Kingdom and the region. He currently serves as CEO and Co-Founder of Sadu Capital, and CEO of the Saudi Venture Capital and Private Equity Association (SVCA). Throughout his career, he has led investment decisions involving hundreds of millions of dollars, founded and structured several investment funds, and contributed to supporting the growth and governance of high-growth companies at various stages. He holds board memberships in several companies, including chairing the board of one of these companies, and serves on investment committees representing venture capital

firms, family offices, and a listed company on the Saudi stock market. He previously held leadership positions at the Saudi Industrial Development Fund (SIDF) and Riyadh Capital. He holds an MBA from Queen's University and a Bachelor's degree in Finance from King Saud University, in addition to executive programs from Harvard Business School, Wharton School, London Business School, and the University of California, Berkeley. Qussai Al-Saif works closely with founders, board members, and regulatory bodies in the areas of strategy, governance, and long-term value creation, and is known for his vision of building a globally connected and sustainable investment ecosystem that contributes to empowering entrepreneurs and supporting economic growth in the region.

#### Academic Qualifications

- Bachelor's Degree in Financial Management, King Saud University
- Master of Business Administration (MBA), Queen's University

#### Current Positions

- Chief Executive Officer and Co-Founder, Sadu Capital
- Chief Executive Officer, Saudi Venture Capital and Private Equity Association (SVCA)
- Chairman of the Board, Scalars
- Founding Board Member, Riyadh Angel Investors
- Board Member, Bab Rizk Jameel (Bab) Venture Capital Fund
- Member of the Investment Committee, Malath Cooperative Insurance Company
- Member of the Investment Committee, Sadu Capital

#### Previous Positions

- Board Member, Sure International Technology Company
- Board Member, Foodics
- Board Member, Arabot
- Board Observer, Unifonic
- Board Member, B8ak
- Member of the Investment Committee, Aldowayan Holding
- Portfolio Manager, Private Equity, Riyadh Capital
- Credit Advisor, Saudi Industrial Development Fund (SIDF)
- Senior Credit Analyst, Saudi Industrial Development Fund (SIDF)
- Credit Analyst, Saudi Industrial Development Fund (SIDF)

#### Fourth: Biographies of Nominations and Remuneration Committee Members from Outside the Board of Directors

##### Mr. Hamad Al-Malik

Member of the Nominations and Remuneration Committee from Outside the Board of Directors

##### Academic Qualifications

- Bachelor's Degree in Business Administration from Chapman University

##### Current Positions

- Member of the Nominations and Remuneration Committee at Malath Cooperative Insurance Company
- Acting Human Resources Manager at Burj Al-Tatweer Real Estate Development Company (a subsidiary of the Public Investment Fund)

##### Previous Positions

- Talent Acquisition Manager at Burj Al-Tatweer Real Estate Development Company (a subsidiary of the Public Investment Fund)
- Talent Acquisition Manager at General Organization for Social Insurance (GOSI)
- Talent Acquisition and Employee Experience Manager at the General Secretariat of the Cabinet of Ministers
- Talent Acquisition Manager at Diriyah Gate Development Authority
- Senior Talent Acquisition Analyst at the Public Investment Fund (PIF)
- Talent Acquisition Specialist at the General Authority for Culture
- Talent Acquisition Officer at Banque Saudi Fransi

#### Fifth: Biographies of Board of Directors Members and Committee Members whose Membership Ended with the Expiration of the Previous Term on 16/06/2025 – Not Present in the Current Board Term

##### Mr. Abdul-Hamid bin Abdulaziz Al-Ohali

Former Board Member until the end of the previous Board term on 16/06/2025

##### Academic Qualifications

- Bachelor's Degree in Industrial Management (Marketing) from King Fahd University of Petroleum and Minerals (KFUPM)

##### Current Positions

- Member of the Board of Trustees of Abdulaziz Al-Ohali Charity Foundation for Community Development
- Board Member and Chairman of the Audit Committee at Al Yamamah Steel Industries Company
- Board Member of Kayan Holding Company
- Board Member of Ajwad Holding Company

##### Previous Positions

- Board Member of United Electronics Company (Extra)
- Board Member of Malath Cooperative Insurance Company
- Board Member of United Home Supplies Company
- Board Member of Amgal Real Estate Development Company
- Chief Executive Officer of United Electronics Company (Extra)
- Board Member of Al Fozan for Metals Company
- Chairman of the Risk Management Committee and Member of the Nominations and Remuneration Committee at Malath Cooperative Insurance Company

## Mr. Saad Al Tayyar

Former Member of the Audit Committee from Outside the Board of Directors until the end of the previous Board term ended on 16/06/2025

### Academic Qualifications

- Master's Degree in Accounting – Fellowship of the Saudi Organization for Auditors and Accountants (SOCPA)

### Current Positions

- Retired

### Previous Positions

- Financial Controller at Alinma Tokio Marine Company (previously Alinma for Cooperative and Takaful Insurance, previously Alinma for Insurance and Reinsurance, previously Alinma Tokio Marine)
- Financial Reporting Manager at Al Rajhi Banking Corporation
- Financial Manager at National Air Services Company
- Deputy Chief Executive Officer - Chief Financial Officer at Saudi Authority for Industrial Cities and Technology Zones (MODON)
- Chief Financial Officer at Saudi Investment Bank (SAIB)

## Mr. Tariq bin Mohammed Alshoqiran

Former Member of the Audit Committee from Outside the Board of Directors until the end of the previous Board term ended on 16/06/2025

### Academic Qualifications

- Master's Degree in Applied Finance

### Current Positions

- Head of Financial Reporting at Saudi Investment Bank (SAIB)

### Previous Positions

- Manager of Information Systems Department in the Financial Management Division at Al Rajhi Bank
- Practical experience at the Saline Water Conversion Corporation (SWCC), Al Fozan & Partners, and KPMG

## Mr. Saleh Al-Samaeel

Former Member of the Audit Committee from Outside the Board of Directors until the end of the previous Board term ended on 16/06/2025

### Academic Qualifications

- Master's Degree in Business Administration

### Current Positions

- Retired, Licensed Administrative Consultant

### Previous Positions

- General Manager of Financial and Administrative Affairs at the General Secretariat of the Gulf Cooperation Council (GCC) (Minister Plenipotentiary)
- Several leadership positions at the Institute of Public Administration (IPA), most recently General Manager of Financial and Administrative Affairs
- Licensed Certified Public Accountant from the Saudi Organization for Auditors and Accountants (SOCPA)
- Membership in several specialized committees and professional associations
- Author of specialized guides and publication of the book "Principles of Accounting"

## Sixth: Biographies of Executive Management Members

### Mr. Fawaz bin Abdul Rahman Al-Hajji

Board Member and Chief Executive Officer

### Academic Qualifications

- Executive Master of Business Administration (MBA) specializing in Financial Services and Insurance from the University of St. Gallen, Switzerland

### Current Positions

- Mr. Fawaz Al-Hajji holds the position of Board Member and Chief Executive Officer of Malath Cooperative Insurance Company, in addition to his membership on the Investment Committee and the Executive Committee of the Company.

### Previous Positions

- Mr. Fawaz Al-Hajji has a track record of leadership positions, having served as Managing Director of Malath Cooperative Insurance Company. He also held the position of Vice Chairman of the Board of Directors of Manafez for Insurance Services, in addition

to chairing the Risk and Cybersecurity Committee and serving as a member of the Nominations and Remuneration Committee at the same company. He served as a member of the Board of Directors of Najm Company. He also held several executive positions in the insurance sector, including First Vice President of the CEO for Motor Insurance at both Malath and Alinma Tokio Marine Companies. He also chaired the General Committee of General Managers and the Insurance Executive Committee, in addition to chairing the Subcommittee for Motor Insurance in the Kingdom of Saudi Arabia, and served as a member of the Board of Directors of the General Arab Insurance Federation (GAIF) as well as the Technical Insurance Committee of the Gulf Insurance Federation.

### Experience

- He possesses over 28 years of experience in the insurance sector.

## Mr. Ahmed bin Mohamed Al-Rakaf \*

### Academic Qualifications

- Bachelor's Degree in Financial Management from King Saud University
- Master's Degree in Human Resources Management from Al Yamamah University

### Current Positions

- First Vice President - Health and Life Insurance at Malath Cooperative Insurance Company
- First Vice President - Property and Casualty (Acting) at Malath Cooperative Insurance Company
- Secretary of the Nominations and Remuneration Committee at Malath Cooperative Insurance Company

### Previous Positions

- Executive Director of Product Development and Quality Assurance at Malath Cooperative Insurance Company

### Experience

- Over 14 years of experience in the insurance sector

\* Mr. Tariq bin Saleh Al-Ghamdi resigned from the position of First Vice President - Property and Casualty, and Mr. Ahmed Al-Rakaf was appointed to the position of First Vice President - Property and Casualty (Acting).

## Mr. Abdullah Karali

### Current Positions

- Financial Controller at Malath Cooperative Insurance Company

### Previous Positions

- Chief Financial Officer (Acting) at Malath Cooperative Insurance Company
- Senior Financial Controller at National Insurance Company
- Financial Reporting Manager at Malath Cooperative Insurance Company
- Senior Auditor at PricewaterhouseCoopers (PWC)
- Senior Auditor at KPMG
- Audit Assistant at Deloitte

### Academic Qualifications

- Certified Public Accountant (CPA), United States of America
- Bachelor's Degree in Accounting from Middle Tennessee State University, United States of America
- Diploma in Accounting from the Institute of Public Administration

### Experience

- Over 8 years of experience in external auditing and financial management

## Names of Companies Inside or Outside the Kingdom in which a Member of the Company's Board of Directors is a Current or Former Member of their Boards of Directors or among their Managers

First: For the Current Term Commencing on 17/06/2025

Member Name	Companies in which the Board Member is a Current Member of its Board of Directors or among its Managers	Inside / Outside the Kingdom of Saudi Arabia	Legal Entity of the Company		Companies in which the Board Member is a Former Member of its Board of Directors or among its Managers	Inside / Outside the Kingdom of Saudi Arabia	Legal Entity of the Company
Mr. Badr bin Ali Al-Ali	Malath Cooperative Insurance Company (Chairman of the Board of Directors, Chairman of the Executive Committee, and Member of the Nominations and Remuneration Committee).	Inside the Kingdom	Listed Joint Stock Company		Vice Chairman of the Board of Directors of Malath Cooperative Insurance Company.	Inside the Kingdom	Listed Joint Stock Company
	The National Support Company for Financing Services (Advisor to the Chairman of the Board).		Closed Joint Stock Company		Najm Najm for Insurance Services Company for Insurance Services (Chief Executive Officer).		Closed Joint Stock Company
					The National Support Company for Financing Services (Chief Executive Officer).		Closed Joint Stock Company
Mr. Amr bin Abdul Razzaq Alnemari	Malath Cooperative Insurance Company (Vice Chairman of the Board of Directors, and Chairman of the Risk Committee).	Inside the Kingdom	Public Listed Joint Stock Company		The National Company for Real Estate In-Kind Registration Services (Chief Financial Officer).	Inside the Kingdom	Closed Joint Stock Company
	Sports Boulevard Foundation (Vice President).		Government Institution		King Abdullah Financial District Management and Development Company (Chief Financial Officer).		Closed Joint Stock Company
					BAE Systems (Financial Operations Manager).		Non-Joint Stock Company
Mr. Fawaz bin Abdul Rahman Al-Hajji	Malath Cooperative Insurance Company (Board Member, Chief Executive Officer, Member of the Investment Committee and the Executive Committee).	Inside the Kingdom	Public Listed Joint Stock Company		Malath Cooperative Insurance Company (Managing Director of Malath Cooperative Insurance Company).	Inside the Kingdom	Public Listed Joint Stock Company
					Manafez for Insurance Services Company (Vice Chairman of the Board, Chairman of the Risk and Cybersecurity Committee, and Member of the Nominations and Remuneration Committee).		Closed Joint Stock Company
					Malath Cooperative Insurance Company (First Vice President - CEO for Motor Insurance).		Public Listed Joint Stock Company
					The Company for Cooperative Insurance (Tawuniya) (First Vice President - CEO for Motor Insurance).		Public Listed Joint Stock Company
					Najm for Insurance Services Company (Board Member).		Closed Joint Stock Company
Mr. Amr bin Abdullah bin Shalhoub	Malath Cooperative Insurance Company (Board Member, Member of the Executive Committee, and Member of the Risk Committee).	Inside the Kingdom	Public Listed Joint Stock Company		Executive Offices Company (Senior Product Management Department Manager).	Inside the Kingdom	Limited Liability Company
	Chief Executive Officer of the Czech Rehabilitation Center.		Private Establishment		Civil Aviation Holding Company (Deputy Central Region Manager for Executive Offices).		Holding Company

Member Name	Companies in which the Board Member is a Current Member of its Board of Directors or among its Managers	Inside / Outside the Kingdom of Saudi Arabia	Legal Entity of the Company	Companies in which the Board Member is a Former Member of its Board of Directors or among its Managers	Inside / Outside the Kingdom of Saudi Arabia	Legal Entity of the Company
Mr. Salman Al-Hawawi	Malath Cooperative Insurance Company (Member of the Board of Directors)	Inside the Kingdom	Listed Joint Stock Company	Almarai Company – Group Investor Relations Manager.	Inside the Kingdom	Listed Joint Stock Company
	Chief Executive Officer of Bara'a Financial Consulting Office		Inactive Sole Proprietorship	Saudi Advanced Industries Company – Member of the Board of Directors and Member of the Investment Committee and Chairman of the Nominations and Remuneration Committee.		Listed Joint Stock Company
				Saudi Real Estate Company – Member of the Board of Directors and Member of the Audit Committee.		Listed Joint Stock Company
				Malath Cooperative Insurance Company – Member of the Board of Directors and Vice Chairman of the Board and Chairman of the Risk Committee and Member of the Investment Committee.		Listed Joint Stock Company
				STC – Group Financial Statements Division Manager.		Listed Joint Stock Company
Mr. Mamdouh bin Saud Al Sharhan	Malath Cooperative Insurance Company (Member of the Board of Directors and Chairman of the Nominations and Remuneration Committee).	Inside the Kingdom	Public Listed Joint Stock Company	Malath Cooperative Insurance Company (Chairman of the Board of Directors and Chairman of the Executive Committee).	Inside the Kingdom	Public Listed Joint Stock Company
	Itqan Fund for Murabahat & Sukuk (Member of the Board of Directors).		Public Listed Joint Stock Company	Saudi Real Estate Company (Chief Executive Officer).		Public Listed Joint Stock Company
	Otan Industrial Company (Vice Chairman of the Board of Directors).		Closed Joint Stock Company	Almutlaq Real Estate Investment Company (Chief Executive Officer).		Closed Joint Stock Company
	Mubadalah BOM Project Management Company (Chairman of the Board of Directors).		Limited Liability Company	Nama Chemicals Company (Member of the Board of Directors).		Public Listed Joint Stock Company
	Arabian Dyar Real Estate Development Company (Member of the Board of Directors, Member of the Audit Committee).		Closed Joint Stock Company	Hail Cement Company (Member of the Board of Directors).		Public Listed Joint Stock Company
	Juman Alsharqia Real Estate Development Company (Vice Chairman of the Board of Directors).		Closed Joint Stock Company	Saudi Korean Company for Maintenance (Chairman of the Board of Directors).		Limited Liability Company
	Intaj Industrial Company (Chairman of the Board of Directors).		Holding Company	Saudi Real Estate Infrastructure Company (Member of the Audit Committee).		Closed Joint Stock Company
	MASCO – Mohammed Al Ali Al Sulaim (Managing Director and Chairman of the Financial Committee).		Closed Joint Stock Company	Mubadala Investment Gateway Company (Vice Chairman of the Board of Directors).		Limited Liability Company
	Asbar Financial Assets Company (Member of the Board of Directors).		Closed Joint Stock Company			

Member Name	Companies in which the Board Member is a Current Member of its Board of Directors or among its Managers	Inside / Outside the Kingdom of Saudi Arabia	Legal Entity of the Company	Companies in which the Board Member is a Former Member of its Board of Directors or among its Managers	Inside / Outside the Kingdom of Saudi Arabia	Legal Entity of the Company
Mr. Yasser bin Rashid Al-Rasheed	Malath Cooperative Insurance Company (Member of the Board of Directors, and Chairman of the Investment Committee).	Inside the Kingdom	Public Listed Joint Stock Company	Malath Cooperative Insurance Company (Member of the Nominations and Remuneration Committee).	Inside the Kingdom	Public Listed Joint Stock Company
	Soudah Development Company (Chief Financial Officer).		Closed Joint Stock Company	Saudi Real Estate Refinance Company (Chief Financial Officer).		Closed Joint Stock Company
	Saudi Advanced Industries Company (Member of the Board of Directors, Chairman of the Audit Committee).		Public Listed Joint Stock Company	Saudi Central Bank – formerly Saudi Arabian Monetary Agency – (Bank Controller, then Senior Insurance Controller).		Outside the Kingdom
				World Bank Group in Washington, D.C. (Senior Investment Analyst).	International Governmental Organization	
				Fannie Mae in Washington, D.C. (Senior Finance Specialist).	Listed Joint Stock Company	
	The Royal Institute of Traditional Arts at the Ministry of Culture (Shared Services Deputy).		Inside the Kingdom	Government Entity		
	Massarah Growth Finance Company (Member of the Board of Directors and Member of the Risk and Credit Committee).		Closed Joint Stock Company			
Middle East Specialized Cables Company (Member of the Board of Directors and Chairman of the Audit Committee, Member of the Risk and Governance Committee).	Listed Joint Stock Company					
Equestrian Authority (Member of the Audit Committee).	Government Entity					
Mr. Muhannad Al-Qasim	First Saudi Bank (Senior Director of Corporate Banking).	Inside the Kingdom	Public Listed Joint Stock Company	Arab National Bank (Customer Relationship Manager).	Inside the Kingdom	Public Listed Joint Stock Company
	Malath Cooperative Insurance Company (Member of the Board of Directors and Member of the Risk Committee).		Public Listed Joint Stock Company	Bank AlJazira (Senior Relationship Manager).		Public Listed Joint Stock Company
Mr. Muhammad bin Abdullah Al-Jumaa	Malath Cooperative Insurance Company (Member of the Board of Directors).	Inside the Kingdom	Public Listed Joint Stock Company			

Member Name	Companies in which the Board Member is a Current Member of its Board of Directors or among its Managers	Inside / Outside the Kingdom of Saudi Arabia	Legal Entity of the Company	Companies in which the Board Member is a Former Member of its Board of Directors or among its Managers	Inside / Outside the Kingdom of Saudi Arabia	Legal Entity of the Company
Mr. Mohammed bin Ali Al Ammari*	Malath Cooperative Insurance Company (Board Member of Malath Cooperative Insurance Company until 07/09/2025).	Inside the Kingdom	Listed Joint Stock Company	Tabuk Fisheries Company (Chairman of the Board of Directors and Managing Director).	Inside the Kingdom	Closed Joint Stock Company
				Malath Insurance Company (Vice Chairman of the Board of Directors, and Member of the Executive Committee).		Public Listed Joint Stock Company
				Malath Insurance Company (Chairman of the Board of Directors).		Public Listed Joint Stock Company
				Tabuk Cement Company (Member of the Board of Directors).		Public Listed Joint Stock Company
				Wajeef Insurance Brokerage Services Company (Chairman of the Board of Directors).		Limited Liability Company

\* The Company's Board Member, Mr. Mohammed bin Ali Al Ammari, submitted his resignation on Thursday 04/09/2025, which became effective as of Sunday 07/09/2025. The member stated that the reasons for resignation were due to personal circumstances.

**Second: For the Term Ended on 16/06/2025 (For Members Whose Membership Ended – Not Present in the Current Board Term)**

Member Name	Companies in which the Board Member is a Current Member of its Board of Directors or among its Managers	Inside / Outside the Kingdom of Saudi Arabia	Legal Entity of the Company		Companies in which the Board Member is a Former Member of its Board of Directors or among its Managers	Inside / Outside the Kingdom of Saudi Arabia	Legal Entity of the Company
Mr. Abdul-Hamid bin Abdulaziz Al-Ohali	Malath Cooperative Insurance Company (Former Board Member until the end of the previous Board term on 16/06/2025).	Inside the Kingdom	Public Listed Joint Stock Company		United Electronics Company "Extra" (Chief Executive Officer).	Inside the Kingdom	Public Listed Joint Stock Company
	Al Yamamah Steel Industries Company (Board Member, and Chairman of the Audit Committee).		Public Listed Joint Stock Company		United Electronics Company "Extra" (Board Member).		Public Listed Joint Stock Company
	Kayan Holding Company (Board Member).		Limited Liability Company		Al Fozan for Metals Company (Board Member).		Limited Liability Company
	Ajwad Holding Company (Board Member).		Holding Company		Malath Cooperative Insurance Company (Chairman of the Risk Committee and Member of the Nominations and Remuneration Committee).		Public Listed Joint Stock Company

### Board of Directors Meetings: For the period from 01/01/2025 to 31/12/2025

During the year 2025, the Board of Directors held (12) meetings, one meeting in the previous term ended on 16/06/2025, and eleven meetings in the current term commencing on 17/06/2025 and ending on 16/06/2028, as recorded in the attendance register in the table below:

Member Name	Remarks	First Meeting 26/02/2025	Second Meeting 18/06/2025	Third Meeting 24/06/2025	Fourth Meeting 23/07/2025	Fifth Meeting 20/08/2025	Sixth Meeting 07/09/2025	Seventh Meeting 13/11/2025	Eighth Meeting 23/11/2025	Ninth Meeting 30/11/2025	Tenth Meeting 18/12/2025	Eleventh Meeting 28/12/2025	Twelfth Meeting 29/12/2025
Badr bin Ali Al-Ali	(1)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Amr Abdul Razzaq Alnemari	(2)	✓	✓	✓	X	✓	✓	✓	X	✓	✓	✓	✓
Fawaz Abdul Rahman Al-Hajji		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Amr Abdullah bin Shalhoub		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mohammed bin Ali Al Ammari	(3).(4)	✓	✓	✓	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Muhammad bin Abdullah Al-Jumaa	(3)	✓	✓	✓	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Yasser bin Rashid Al-Rasheed		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Salman bin Nasser Al-Hawawi	(5)	Not Applicable	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Muhannad bin Abdulaziz Al-Qasim	(6)	Not Applicable	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mamdouh bin Saud Al Sharhan	(7).(8)	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	✓	✓	✓	✓	✓	✓
Abdul-Hamid Al-Ohali	(9)	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

- (1) The Insurance Authority's non-objection was received on 01/09/2025 regarding the appointment of Mr. Badr bin Ali Al-Ali as Chairman of the Board of Directors.
- (2) The Insurance Authority's non-objection was received on 25/09/2025 regarding the appointment of Mr. Amr bin Abdul Razzaq Alnemari (Independent Member) as Vice Chairman of the Board of Directors.
- (3) On 20/08/2025, two letters were received from the Insurance Authority stating the issuance of its decision to suspend Board members Mr. Mohammed bin Ali Al Ammari and Mr. Muhammad bin Abdullah Al-Jumaa from working on the Company's Board of Directors effective from that date.
- (4) The Company's Board Member, Mr. Mohammed bin Ali Al Ammari, submitted his resignation on Thursday 04/09/2025, which became effective as of Sunday 07/09/2025. The member stated that the reasons for resignation were due to personal circumstances.
- (5) The membership of Mr. Salman bin Nasser Al-Hawawi for the current Board term commenced on 17/06/2025.
- (6) The membership of Mr. Muhannad bin Abdulaziz Al-Qasim for the current Board term commenced on 17/06/2025.
- (7) The membership of Mr. Mamdouh bin Saud Al Sharhan ended with the expiration of the previous Board term on 16/06/2025.
- (8) The Company's Board of Directors resolved by circulation dated 7 September 2025 to appoint Mr. Mamdouh bin Saud Al Sharhan as a member to the vacant seat on the Board of Directors to complete the current term of the Board of Directors ending on 16/06/2028. The Company obtained the Insurance Authority's non-objection to the appointment on 30/09/2025. Please note that the Board of Directors' approval of the member's appointment to fill the vacant seat on the Board is not final, and this appointment will be presented to the first General Assembly meeting for ratification.
- (9) The membership of Mr. Abdul-Hamid Al-Ohali ended with the expiration of the previous Board term on 16/06/2025.

### Measures Taken by the Board of Directors to Keep Members, Especially Non-Executive Members, Informed of Shareholders' Proposals and Comments Regarding the Company and Its Performance

The Company has a dedicated Shareholder Relations Unit responsible for responding to all inquiries, complaints, opinions, and suggestions from shareholders via telephone or email correspondence. All Board members, including non-executive members, are kept informed of shareholders' proposals and comments regarding the Company and its performance by sharing such comments with the Board when received. Notably, during the year 2025, the Shareholder Relations Unit did not receive any comments regarding the Company and its performance.

#### Mechanism for Communicating with Shareholders

📞 **Telephone:** Ext. 1213 0114168222

✉️ **Email :** investor.relation@malath.com.sa

🌐 **Website:** www.malath.com.sa/ar/investorrelations

📦 **P.O. Box and Postal Code:** P.O. Box 99763 Riyadh 11625

📠 **Fax:** 0114168333

### Means Used by the Board of Directors to Evaluate Its Performance and the Performance of Its Committees and Members

The performance of the Board of Directors, its committees, and its members was evaluated by the Governance Department using several criteria and special evaluation methods, focusing on performance indicators for members, committees, and the Board, as well as evaluating the Chairman of the Board.



# Board of Directors Committees

## **1. Audit Committee**

The Audit Committee is responsible for monitoring the Company's operations. For this purpose, it has the right to review the Company's records and documents and to request any clarifications or statements from members of the Board of Directors or Executive Management. It may also request the Board of Directors to call for a General Assembly meeting if the Board obstructs its work or if the Company suffers significant damages or losses.

### **Powers and Responsibilities of the Audit Committee**

- Supervising the Company's Internal Audit Department to ensure its effectiveness in carrying out its activities and the duties specified by the Board of Directors.
- Reviewing internal audit procedures, preparing written reports on such audits, and submitting recommendations thereon to the Board of Directors.
- Reviewing the audit plan submitted by internal and external auditors and expressing any views thereon.
- Studying regulatory compliance reports or the compliance officer's reports and submitting recommendations thereon.
- Reviewing reports of the Internal Audit Department or the internal auditor and submitting recommendations thereon to the Board of Directors.
- Reviewing observations of the Insurance Authority and other relevant supervisory and regulatory bodies regarding any regulatory violations or required corrective actions, and submitting recommendations thereon to the Board of Directors.
- Reviewing interim and annual financial statements before presenting them to the Board of Directors and expressing opinions and recommendations thereon.
- Discussing the audited annual financial statements and unaudited quarterly financial statements with the external auditors and the Company's senior management before their publication.
- Evaluating the level of efficiency, effectiveness, and objectivity of the work of the external auditors, the Internal Audit Department, and regulatory compliance.
- Ensuring that a written code of professional conduct is in place, approved by the Company's Board of Directors, to ensure that the Company's activities are conducted fairly and ethically.
- The Audit Committee meets with the Board of Directors and submits important reports to the Board of Directors periodically.

## Audit Committee Meetings

During the year 2025, the Audit Committee held (8) meetings, including three meetings in the previous term ended on 16/06/2025, and four meetings in the current term commencing on 17/06/2025 and ending on 16/06/2028, in addition to the Audit Committee meeting with the Board of Directors, as recorded in the attendance register in the table below:

Member Name	Position	First Meeting 2025/01/16	Second Meeting 2025/02/27	Third Meeting 2025/05/06		Fourth Meeting 2025/07/29	Fifth Meeting 2025/09/17	Sixth Meeting 2025/11/02	Seventh Meeting 2025/12/18	Eighth Meeting <sup>3</sup> 2025/12/29
		Previous Term of the Board of Directors Ended on 16/06/2025				Current Term of the Board of Directors Commencing on 17/06/2025				
Mr. Amr Abdul Razzaq Alnemari <sup>1</sup>	Committee Chairman	✓	✓	✓		Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mr. Saleh Abdul Rahman Al-Samaeel <sup>1</sup>	External Member	✓	✓	✓		Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mr. Saad bin Saud Al Tayyar <sup>1</sup>	External Member	✓	✓	✓		Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mr. Tariq Alshoqiran <sup>1</sup>	External Member	✓	✓	✓		Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mr. Saeed Al-Ghamdi <sup>2</sup>	Committee Chairman for the Current Term	Not Applicable	Not Applicable	Not Applicable		✓	✓	✓	✓	✓
Mr. Mishal Al-Shuraihy <sup>2</sup>	External Member	Not Applicable	Not Applicable	Not Applicable		✓	✓	✓	✓	✓
Mr. Abdullah Al-Omair <sup>2</sup>	External Member	Not Applicable	Not Applicable	Not Applicable		✓	✓	✓	✓	✓
Ms. Bashayer Al-Turki <sup>2</sup>	External Member	Not Applicable	Not Applicable	Not Applicable		✓	✓	✓	✓	✓

(1) The membership of Mr. Amr Abdul Razzaq Alnemari, Mr. Saleh Abdul Rahman Al-Samaeel, Mr. Saad bin Saud Al Tayyar, and Mr. Tariq Alshoqiran on the Audit Committee ended with the expiration of the previous Board term on 16/06/2025.

(2) The Insurance Authority's non-objection was received on 24/07/2025 regarding the appointment of Mr. Saeed Al-Ghamdi, Mr. Mishal Al-Shuraihy, Mr. Abdullah Al-Omair, and Ms. Bashayer Al-Turki as members of the Audit Committee. The Insurance Authority's non-objection to the appointment of Mr. Saeed Al-Ghamdi as Chairman of the Audit Committee was received on 28/07/2025.

(3) The eighth meeting was the Audit Committee meeting with the Board of Directors.

## 2. Executive Committee

The duties and responsibilities of the Executive Committee include the following:

- Recommending to the Board of Directors regarding strategic and operational plans, budgets, and business plans, and taking necessary actions thereon.
- Making decisions on matters delegated to it by the Board that fall outside the authority of the Company's Chief Executive Officer, including matters related to capital expenditures and purchases within the limits granted to the Committee by the Board.
- Reviewing the details of the Company's business strategy and submitting recommendations to the Board of Directors for approval.
- Reviewing the details of the Company's business plans and budget, and regularly monitoring progress made in business plans and the budget.
- Supervising the activities of the Company's Chief Executive Officer.
- Supporting and assisting the Chief Executive Officer as needed to address specific needs or tasks.
- Reviewing cases of alliances, mergers, acquisitions, and other strategic agreements, and submitting recommendations thereon to the Board of Directors for approval.
- Taking any other action or assuming any other powers and responsibilities that may be assigned or delegated to the Committee from time to time by the Board.

## Executive Committee Meetings

During the year 2025, the Executive Committee held (6) meetings, including two meetings in the previous term ended on 16/06/2025, and four meetings in the current term commencing on 17/06/2025 and ending on 16/06/2028, as recorded in the attendance register in the table below:

Member Name	Position	First Meeting 2025/02/18	Second Meeting 2025/04/21	Third Meeting 2025/10/09	Fourth Meeting 2025/11/27	Fifth Meeting 2025/12/10	Sixth Meeting 2025/12/28
		Previous Term of the Board of Directors Ended on 16/06/2025		Current Term of the Board of Directors Commencing on 17/06/2025			
Mr. Badr bin Ali Al-Ali <sup>1</sup>	Committee Chairman	✓	✓	✓	✓	✓	✓
Mr. Mohammed bin Ali Al Ammari <sup>2</sup>	Committee Member	✓	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mr. Fawaz bin Abdul Rahman Al-Hajji <sup>1</sup>	Committee Member and CEO of the Company	✓	✓	✓	✓	✓	✓
Mr. Amr bin Abdullah bin Shalhoub <sup>1</sup>	Committee Member	✓	✓	✓	✓	✓	✓

(1) The Insurance Authority's non-objection was received on 30/09/2025 regarding the appointment of Mr. Badr bin Ali Al-Ali, Mr. Fawaz bin Abdul Rahman Al-Hajji, and Mr. Amr bin Abdullah bin Shalhoub as members of the Executive Committee, and the appointment of Mr. Badr Al-Ali as Chairman of the Committee.

(2) The membership of Mr. Mohammed Al Ammari on the Executive Committee ended with the expiration of the previous Board term on 16/06/2025.

### 3. Nominations and Remuneration Committee

The duties and responsibilities of the Nominations and Remuneration Committee include the following:

- Recommending to the Board of Directors nominations for membership on the Board of Directors and its committees in accordance with regulatory requirements, policies, and approved criteria. The Committee shall ensure not to nominate any person previously convicted of a crime involving moral turpitude or breach of trust for Board membership.
- Preparing a description of the capabilities and qualifications required for membership on the Board of Directors and its committees, including the time a member should dedicate to the work of the Board and its committees.
- Establishing procedures to be followed in the event of a vacancy in the position of a Board member or senior executive.
- Annually reviewing the required needs for appropriate skills for membership on the Board of Directors and its committees and executive management positions, and preparing a description of the capabilities and qualifications required for Board and committee membership.
- Developing succession policies and procedures for the Board of Directors and its committees.
- Periodically reviewing the structure and composition of the Board and its committees, identifying weaknesses therein, and proposing necessary steps to address them, as well as developing job descriptions for executive members, non-executive members, independent members, and senior executives.
- Evaluating and monitoring the independence of Board members and its committees at least annually, and ensuring there is no conflict of interest in cases where a member serves on the board of another company.
- Establishing clear policies for compensation and remuneration of Board members, its subcommittees, and executive management members.
- Ensuring that an annual review of compensation plans for executive management members is conducted. Making recommendations regarding the appointment and dismissal of senior management members.
- Recommending to the Board on matters related to nominations and remuneration.
- The Nominations and Remuneration Committee shall evaluate the performance of Board members (the performance of the Board as a whole and the individual performance of its members) and its committees periodically, at least on an annual basis.
- Supervising the orientation program and ongoing training for Board members.

### Nominations and Remuneration Committee Meetings

During the year 2025, the Nominations and Remuneration Committee held (5) meetings, including three meetings in the previous term ended on 16/06/2025, and two meetings in the current term commencing on 17/06/2025 and ending on 16/06/2028, as recorded in the attendance register in the table below:

Member Name	Position	First Meeting 2025/02/12	Second Meeting 2025/03/06	Third Meeting 2025/03/23	Fourth Meeting 2025/10/12	Fifth Meeting 2025/12/08
		Previous Term of the Board of Directors Ended on 16/06/2025			Current Term of the Board of Direc- tors Commencing on 17/06/2025	
Mr. Muhammad bin Abdullah Al-Jumaa <sup>1</sup>	Committee Chairman	✓	✓	✓	Not Applicable	Not Applicable
Mr. Badr bin Ali Al-Ali <sup>2</sup>	Committee Member	✓	✓	✓	✓	✓
Mr. Yasser bin Rashid Al-Rasheed <sup>1</sup>	Committee Member	✓	✓	✓	Not Applicable	Not Applicable
Mr. Mamdouh Al Sharhan <sup>2</sup>	Committee Member - Committee Chairman for the Current Term	✓	✓	✓	✓	✓
Mr. Abdul-Hamid Al-Ohali <sup>1</sup>	Committee Member	✓	✓	✓	Not Applicable	Not Applicable
Hamad Fahad Al-Malik <sup>2</sup>	Committee Member	Not Applicable	Not Applicable	Not Applicable	✓	✓

(1) The membership of Mr. Muhammad bin Abdullah Al-Jumaa, Mr. Yasser bin Rashid Al-Rasheed, and Mr. Abdul-Hamid Al-Ohali on the Nominations and Remuneration Committee ended with the expiration of the previous Board term on 16/06/2025.

(2) The Insurance Authority's non-objection was received on 30/09/2025 regarding the appointment of Mr. Badr bin Ali Al-Ali, Mr. Mamdouh Al Sharhan, and Mr. Hamad Fahad Al-Malik as members of the Nominations and Remuneration Committee, and Mr. Mamdouh Al Sharhan was appointed as Chairman of the Nominations and Remuneration Committee.

#### 4. Risk Management Committee

The duties and responsibilities of the Risk Management Committee include the following:

- Identifying the risks the Company may be exposed to and maintaining an acceptable level of risk for the Company.
- Determining the criteria and scope of the Company's risk appetite and submitting a recommendation to the Board of Directors in this regard.
- Determining a comprehensive risk management strategy for the Company, supervising its implementation, and reviewing and updating it on an annual basis, taking into account the Company's internal and external developments, including global best practices.
- Ensuring the availability of adequate resources and systems for risk management.
- Reviewing the organizational structure for risk management and making recommendations thereon before its approval by the Board of Directors.
- Reviewing matters raised by the Audit Committee that may affect the Company's risk management.
- Reviewing the reinsurance cession structure and strategy on a periodic basis.
- Reviewing underwriting policies and regulations.
- Evaluating and reviewing the Company's underwriting performance.
- Supervising the Company's risk management system and evaluating its effectiveness.
- Developing a comprehensive risk management strategy, following up on its implementation, and reviewing and updating it based on the Company's internal and external variables.
- Reviewing risk management policies.
- Periodically reassessing the Company's risk tolerance and exposure (for example, through conducting stress tests).
- Submitting detailed reports to the Board of Directors regarding risk exposure and proposed steps to manage these risks.

#### Risk Management Committee Meetings

During the year 2025, the Risk Management Committee held (3) meetings, including two meetings in the previous term ended on 16/06/2025, and one meeting in the current term commencing on 17/06/2025 and ending on 16/06/2028, as recorded in the attendance register in the table below:

Member Name	Position	First Meeting 17/02/2025	Second Meeting 27/03/2025	Third Meeting 09/10/2025
		Previous Term of the Board of Directors Ended on 16/06/2025		Current Term of the Board of Directors Commencing on 17/06/2025
Mr. Abdul-Hamid Al-Ohali <sup>1</sup>	Committee Chairman	✓	✓	Not Applicable
Mr. Amr Abdullah bin Shalhoub <sup>2</sup>	Committee Member	✓	X	✓
Mr. Amr Abdul Razzaq Alnemari <sup>2</sup>	Committee Member - Committee Chairman for the Current Term	✓	✓	✓
Mr. Muhannad Abdulaziz Al-Qasim <sup>2</sup>	Committee Member	Not Applicable	Not Applicable	✓

(1) The membership of Mr. Abdul-Hamid Al-Ohali on the Risk Management Committee ended with the expiration of the previous Board term on 16/06/2025.

(2) The Insurance Authority's non-objection was received on 30/09/2025 regarding the appointment of Mr. Amr Abdullah bin Shalhoub, Mr. Amr Abdul Razzaq Alnemari, and Mr. Muhannad Abdulaziz Al-Qasim as members of the Risk Management Committee, and the appointment of Mr. Amr Abdul Razzaq Alnemari as Chairman of the Risk Management Committee.

## 5. Investment Committee

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

- Ensuring that the Company's investment policy has been prepared in accordance with the Company's overall work strategy and regulatory controls.
- Obtaining the Board's approval for the investment policy.
- Reviewing and formulating the investment strategy on a quarterly basis, taking into account changes in business requirements and market conditions.
- Appointing investment managers, evaluating their services, terminating their assignments, and determining their fees.
- Recommending to the Board of Directors the appointment and dismissal of the investment advisor.
- Authorizing a subcommittee, selected from or by the management team, to implement Investment Committee decisions when necessary.
- Issuing decisions to implement the strategy for each segment of the investment portfolios, and ensuring they are managed locally or by external managers through separate delegations or investment funds.
- Appointing investment managers, evaluating their services, terminating their assignments, and determining their fees.
- Reviewing decisions made by the management team and the investment advisor(s).
- Submitting reports to the Board on the performance of the Company's investments in terms of risk, investment returns, allocations, and any relevant major developments.
- Ensuring that all investment-related activities comply with the requirements of the Investment Regulations issued by the Insurance Authority and the requirements of other relevant regulations and rules.

### Investment Committee Meetings

During the year 2025, the Investment Committee held (4) meetings, including one meeting in the previous term ended on 16/06/2025, and three meetings in the current term commencing on 17/06/2025 and ending on 16/06/2028, as recorded in the attendance register in the table below:

Member Name	Position	First Meeting 2025/03/20	Second Meeting 2025/10/12	Third Meeting 2025/11/03	Fourth Meeting 2025/12/29
		Previous Term of the Board of Directors Ended on 16/06/2025	Current Term of the Board of Directors Commencing on 17/06/2025		
Mr. Yasser bin Rashid Al-Rasheed <sup>1</sup>	Chairman of the Committee	✓	✓	✓	✓
Mr. Fawaz bin Abdul Rahman Al-Hajji <sup>1</sup>	Committee Member	✓	✓	✓	✓
Mr. Amr Abdullah bin Shalhoub <sup>2</sup>	Committee Member	✓	Not Applicable	Not Applicable	Not Applicable
Mr. Qussai Abdullah Al-Saif <sup>1</sup>	Committee Member	Not Applicable	✓	✓	✓

(1) The Insurance Authority's non-objection was received on 30/09/2025 regarding the appointment of Mr. Yasser bin Rashid Al-Rasheed, Mr. Fawaz Al-Hajji, and Mr. Qussai Al-Saif as members of the Investment Committee, and the appointment of Mr. Yasser Al-Rasheed as Chairman of the Investment Committee.

(1) The membership of Mr. Amr Abdullah bin Shalhoub on the Investment Committee ended with the expiration of the previous Board term on 16/06/2025.

## Remuneration of Board Members, Committee Members, and Executive Management

### Remuneration Policy for Board Members, Subcommittees, and Executive Management

The General Assembly of shareholders approved on 06/05/2024 the amendments to the Remuneration Policy for Board Members, Subcommittees, and Executive Management. The Remuneration Policy for the Board, its Committees, and Executive Management aims to establish clear criteria for the remuneration of Board members, its subcommittees, and Executive Management, and to determine all remuneration due to them, thereby motivating them to perform their duties to the fullest extent, in accordance with the provisions of the Company's Bylaws and relevant regulations and rules.

### Remuneration of Board Members is as follows:

1. The minimum annual remuneration for the Chairman and members of the Board of Directors of Malath Cooperative Insurance Company is ₪ (200,000) two hundred thousand, and the maximum is ₪ (500,000) five hundred thousand, in consideration of their membership on the Board of Directors and participation in its work, including additional remuneration in the event a member participates in any committee established by the Board of Directors.
2. If the Company achieves profits, a percentage equivalent to (%10) of the remaining net profit may be distributed after deducting the reserves decided by the General Assembly in application of the provisions of the Cooperative Insurance Companies Control Law, and after distributing a profit to shareholders of no less than (%5) of the Company's paid-up capital, provided that entitlement to this remuneration is proportionate to the number of sessions attended by the member, and any contrary estimate shall be void.
3. In all cases, the total remuneration and financial or in-kind benefits received by a Board member shall not exceed the amount of ₪ (500,000) five hundred thousand annually.
4. The maximum limit for attendance allowance for Board and committee sessions is ₪ (5,000) five thousand j per session, excluding travel and accommodation expenses.
5. Each Board member, including the Chairman, shall be paid the actual expenses they incur for attending meetings of the Board or its subcommittees, including travel, accommodation, and subsistence expenses.

# Remuneration of Board, Committee, and Executive Management Members

### Controls for Determining and Disbursing Board Member Remuneration

1. Remuneration shall be fair and proportionate to the member's competencies, duties, and responsibilities undertaken by Board members, in addition to the objectives set by the Board of Directors to be achieved during the financial year.
2. Remuneration shall be based on the recommendation of the Nominations and Remuneration Committee.
3. Remuneration shall be proportionate to the Company's activity and the skill required to manage it.
4. Consideration shall be given to the sector in which the Company operates, its size, and the experience of Board members.
5. Remuneration shall be reasonably sufficient to attract, motivate, and retain Board members with appropriate competence and experience.
6. The Board of Directors shall propose the remuneration of Board members to the General Assembly for approval of its disbursement, based on the recommendation of the Nominations and Remuneration Committee, in accordance with relevant regulations, rules, and instructions, and with conditions approved by the General Assembly. No remuneration or compensation for Board members shall be approved except after the General Assembly's approval thereof. Board members shall not vote on the item concerning Board member remuneration at the General Assembly meeting.

### Remuneration of Members of Subcommittees Established by the Board of Directors

Members of the Audit Committee and all Board committees, whether they are Board members or external members, are remunerated as follows:

1. An amount of 100,000 (one hundred thousand) for their duties as committee members, regardless of the number of committees assigned to them.
2. An amount of 5,000 (five thousand) for attending each committee meeting.
3. Each committee member shall be paid the actual expenses they incur for attending meetings and performing their duties as committee members.

### Remuneration of Executive Management Members

1. The Company pays basic salaries, benefits, and other allowances to Executive Management based on the job grade structure, salary levels, and internal policies, which are approved by the Board of Directors. Any additional benefits or advantages are proposed by the Chief Executive Officer, then discussed with the Nominations and Remuneration Committee to be recommended to the Board of Directors for approval and endorsement.
2. The Board of Directors may, at its discretion, approve the allocation of a financial amount to be distributed to Executive Management members as an incentive. This incentive is subject to a specific mechanism approved by the Board of Directors to ensure fairness and equity.
3. The Nominations and Remuneration Committee may grant a salary increase to Executive Management members in cases it deems justified, in accordance with the Company's internal policies.



## Remuneration Granted to Board Members, its Committees, and Senior Executives for the Year 2025

For the period from 01/01/2025 to 31/12/2025

Member Name	Fixed Remuneration							Variable Remuneration							End-of-Service Benefit	Total	Expense Allowance
	Specific Amount*	Board Session Attendance Allowance	Total Committee Session Attendance Allowance	In-Kind Benefits	Remuneration for Technical, Administrative and Consultative Work	Remuneration of the Chairman, Managing Director, or Secretary if a Member	Total	Percentage of Profits	Periodic Remuneration (Committee Membership Remuneration)	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares (Value to be entered)	Total				
<b>First: Independent Members</b>																	
Mr. Badr bin Ali Al-Ali	285,000	60,000	55,000	-	-	-	400,000	-	100,000	-	-	-	100,000	-	500,000	-	
Mr. Mamdouh bin Saud Al Sharhan***	190,909	35,000	25,000	-	-	-	250,909	-	100,000	-	-	-	100,000	-	350,909	-	
Mr. Amr Abdul Razzaq Alnemari	286,363	50,000	30,000	-	-	-	366,363	-	100,000	-	-	-	100,000	-	466,363	-	
Mr. Amr bin Abdullah bin Shalhoub	300,000	60,000	40,000	-	-	-	400,000	-	100,000	-	-	-	100,000	-	500,000	-	
Mr. Muhammad bin Abdullah Al-Jumaa	95,454	20,000	15,000	-	-	-	130,454	-	-	-	-	-	-	-	130,454	-	
Mr. Yasser bin Rashid Al-Rasheed	305,000	60,000	35,000	-	-	-	400,000	-	100,000	-	-	-	100,000	-	500,000	-	
Mr. Salman bin Nasser Al-Hawawi	350,000	40,000	-	-	-	-	390,000	-	-	-	-	-	-	-	390,000	-	
Mr. Muhannad bin Abdulaziz Al-Qasim	340,000	55,000	5,000	-	-	-	400,000	-	100,000	-	-	-	100,000	-	500,000	-	
Mr. Abdul-Hamid bin Abdulaziz Al-Ohali**	-	5,000	25,000	-	-	-	30,000	-	-	-	-	-	-	-	30,000	-	
<b>Total</b>	<b>2,152,726</b>	<b>385,000</b>	<b>230,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,767,726</b>	<b>-</b>	<b>600,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>600,000</b>	<b>-</b>	<b>3,367,726</b>	<b>-</b>	
<b>Second: Non-Executive Members</b>																	
Mr. Mohammed bin Ali Al Ammari <sup>3</sup>	95,454	20,000	10,000	-	-	-	125,454	-	-	-	-	-	-	-	125,454	-	
<b>Total</b>	<b>95,454</b>	<b>20,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,454</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,454</b>	<b>-</b>	
<b>Third: Executive Members</b>																	
Mr. Fawaz bin Abdul Rahman Al-Hajji	290,000	60,000	50,000	-	-	-	400,000	-	100,000	-	-	-	-	-	500,000	-	
<b>Total</b>	<b>290,000</b>	<b>60,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400,000</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>-</b>	

\*Remuneration for Board membership is subject to approval by the General Assembly.

\*\* The membership of Mr. Abdul-Hamid Al-Ohali ended with the expiration of the previous Board term on 16/06/2025.

\*\*\* The Company's Board of Directors resolved by circulation dated 7 September 2025 to appoint Mr. Mamdouh bin Saud Al Sharhan as a member to the vacant seat on the Board of Directors to complete the current term of the Board of Directors ending on 16/06/2028. The Company obtained the Insurance Authority's non-objection to the appointment on 30/09/2025. Please note that the Board of Directors' approval of the member's appointment to fill the vacant seat on the Board is not final, and this appointment will be presented to the first General Assembly meeting for ratification.

## Remuneration of Members of Committees Established by the Board of Directors for the Year 2025

For the period from 01/01/2025 to 31/12/2025

Member Name	Remuneration of Committee Members (٬)		
	Fixed Remuneration (excluding attendance allowance)	Attendance Allowance	Total
<b>Members of the Executive Committee</b>			
Mr. Badr bin Ali Al-Ali	**	30,000	
Mr. Fawaz bin Abdul Rahman Al-Hajji	**	30,000	
Mr. Mohammed bin Ali Al Ammari*	-	10,000	
Mr. Amr bin Abdullah bin Shalhoub	**	30,000	
Total		100,000	
<b>Members of the Audit Committee</b>			
Mr. Amr Abdul Razzaq Alnemari*	-	15,000	15,000
Mr. Saleh Abdul Rahman Al-Samaeel*	-	15,000	15,000
Mr. Saad bin Saud Al Tayyar*	-	15,000	15,000
Mr. Tariq bin Mohammed Alshoqiran*	-	15,000	15,000
Mr. Saeed Al-Ghamdi	100,000	25,000	125,000
Mr. Mishal Al-Shuraihy	100,000	25,000	125,000
Mr. Abdullah Al-Omair	100,000	25,000	125,000
Ms. Bashayer Al-Turki	100,000	25,000	125,000
Total	400,000	160,000	560,000
<b>Members of the Nominations and Remuneration Committee</b>			
Mr. Muhammad bin Abdullah Al-Jumaa*	-	15,000	
Mr. Abdul-Hamid Al-Ohali*	-	15,000	
Mr. Yasser bin Rashid Al-Rasheed*	-	15,000	
Mr. Mamdouh Al Sharhan	**	25,000	
Mr. Badr bin Ali Al-Ali	**	25,000	
Mr. Hamad Fahad Al-Malik	100,000	10,000	
Total		105,000	

Member Name	Remuneration of Committee Members (٬)		
	Fixed Remuneration (excluding attendance allowance)	Attendance Allowance	Total
<b>Members of the Risk Management Committee</b>			
Mr. Abdul-Hamid bin Abdullah Al-Ohali*	-	10,000	
Mr. Amr bin Abdullah bin Shalhoub	**	10,000	
Mr. Amr Alnemari	**	15,000	
Mr. Muhannad Abdulaziz Al-Qasim	**	5,000	
Total		40,000	
<b>Members of the Investment Committee</b>			
Mr. Yasser bin Rashid Al-Rasheed	**	20,000	
Mr. Amr bin Abdullah bin Shalhoub*	-	5,000	
Mr. Fawaz bin Abdul Rahman Al-Hajji	**	20,000	
Mr. Qussai Abdullah Al-Saif	100,000	15,000	
Total		60,000	

\* The new term of the Board of Directors commenced on 17/06/2025. Accordingly, the subcommittees were reconstituted, and the membership of members in the subcommittees of the previous Board term ended with the expiration of the previous Board term on 16/06/2025.

\*\* The remuneration of members of subcommittees from within the Board of Directors is included in the Board of Directors' remuneration table.

## Remuneration of Senior Executives for the Year 2025

For the period from 01/01/2025 to 31/12/2025

Remuneration of Five Senior Executives, Including the Chief Executive Officer and the Chief Financial Officer <sup>1</sup>		Amount (ﷲ)
Fixed Remuneration	Salaries	6,148,674
	Allowances	100,000
	In-Kind Benefits	Health insurance for employees and their dependents, and insurance for employees in the event of death and personal accidents, in accordance with the Company's policy.
<b>Total</b>		<b>6,248,674</b>
Variable Remuneration	Periodic Remuneration	1,286,533
	Profits	-
	Short-Term Incentive Plans	-
	Long-Term Incentive Plans	-
	Granted Shares	-
<b>Total</b>		<b>1,286,533</b>
End-of-Service Benefit		499,442
Total Remuneration of Executives for the Board, if any <sup>2</sup>		**
<b>Grand Total</b>		<b>8,034,649</b>

(1) The Company complied with disclosing the elements and remuneration of senior executives in aggregate, in accordance with the regulatory requirements stipulated in Paragraph (a-4/b) of Article No. 90 of the Corporate Governance Regulations. In order to protect the interests of the Company, its shareholders, and its employees, and to avoid any potential harm that may result from detailed disclosure by job titles according to position, the details have not been presented, based on Paragraph (b) of Article 63 of the Rules on the Offer of Securities and Continuing Obligations.

(2) Senior executives' remunerations related to the Board are mentioned in the Board Members' Remuneration Table under the item 'III. Executive Members'.

## Statement of Any Arrangements or Waiver Agreements by Which a Member of the Company's Board of Directors or a Senior Executive Waives Any Remuneration:

Board Member Mr. Salman bin Nasser Al-Hawawi waived half of his remuneration for attending Board of Directors sessions starting from the seventh Board of Directors meeting held on 13/11/2025, according to the details set out below:

Member Name	Member Classification	Type of Remuneration	Total Remuneration Amount Before Waiver	Method of Remuneration Waiver
Mr. Salman bin Nasser Al-Hawawi	Independent Member	Attendance Allowance for Board of Directors Meetings	ﷲ 5,000 per Board of Directors meeting	Waiver of half of the attendance allowance for Board of Directors meetings, representing ﷲ 2,500, in light of the Company's business results and as a contribution to reducing its expenses

### Statement of General Assembly Meetings of Shareholders Held During the Year 2025 and Attending Board Members

During the year 2025, two General Assembly meetings were held. One was an Ordinary General Assembly meeting and one was an Extraordinary General Assembly meeting, as recorded in the attendance register in the table below:

Member Name	Position	Extraordinary General Assembly Meeting dated 29/01/2025	Ordinary General Assembly Meeting dated 16/06/2025
		Attendance	Attendance
Mr. Badr bin Ali Al-Ali	Chairman of the Board of Directors	✓	✓
Mr. Mohammed bin Ali Al Ammari	Vice Chairman of the Board of Directors	✓	✓
Mr. Amr bin Abdul Razzaq Alnemari	Board Member	✓	✓
Mr. Amr bin Abdullah bin Shalhoub	Board Member	✓	✓
Mr. Fawaz bin Abdul Rahman Al-Hajji	Board Member	✓	✓
Mr. Mamdouh bin Saud Al Sharhan	Board Member	✓	✓
Mr. Yasser bin Rashid Al-Rasheed	Board Member	✓	✓
Mr. Abdul-Hamid bin Abdulaziz Al-Ohali	Board Member	✓	✓
Mr. Muhammad bin Abdullah Al-Jumaa	Board Member	✓	✓

### Number of the Company's Requests for the Shareholders Register, the Dates of Those Requests, and the Reasons Therefor

Date	Reasons
23/01/2025	Corporate Actions
13/05/2025	Corporate Actions
28/05/2025	Corporate Actions
02/12/2025	Corporate Actions

# Shareholders' Information

## Change in Shareholders' Equity for the Year 2025

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Statement	Share Capital	Statutory Reserve	Accumulated Losses	Fair Value Reserve for Investments	Employee Benefits Obligation Remeasurement Reserve	Total Equity
Balance as at 31 December 2023	500,000	2,131	(134,949)	37,942	(15,034)	390,090
Net Income for the Year Attributable to Shareholders	-	-	26,889	-	-	26,889
Change in Fair Value of Financial Investment at Fair Value Through Other Comprehensive Income	-	-	-	19,654	-	19,654
Remeasurement Loss on Employee Benefits	-	-	-	-	(3,858)	(3,858)
Total Comprehensive Income	-	-	26,889	19,654	(3,858)	42,685
Balance as at 31 December 2024	500,000	2,131	(108,060)	57,596	(18,892)	432,775
Net Income for the Year Attributable to Shareholders	-	-	21,701	-	-	21,701
Change in Fair Value of Financial Investment at Fair Value Through Other Comprehensive Income	-	-	-	10,101	-	10,101
Remeasurement Loss on Employee Benefits	-	-	-	-	(2,246)	(2,246)
Total Comprehensive Income	-	-	21,701	10,101	(2,246)	29,556
Balance as at 31 December 2025	500,000	2,131	(86,359)	67,697	(21,138)	462,331



### Dividend Distribution Policy

The dividend distribution policy of “Malath Cooperative Insurance” Company is based on achieving rewarding returns and gains for investors in the Company’s shares, with the impact of such returns and gains extending to include the following aspects:

1. Distribution of rewarding cash dividends to shareholders, taking into account the various factors existing at the time of distribution, including the Company’s financial position, working capital requirements, distributable profits, available credit limits of the Company, in addition to the general economic situation.
2. Granting bonus shares to shareholders in the event that the conditions and requirements related to retained earnings and components of shareholders’ equity in the Company’s financial positions and statements are met.
3. Entitlement to dividends, whether cash dividends or bonus shares, shall be for shareholders registered in the records of the Depository Center at the Saudi Stock Exchange Company at the end of trading on the day of the General Assembly meeting.
4. The Company shall implement the General Assembly’s resolution regarding the distribution of dividends to registered shareholders within (15) working days from the date such dividends become due as specified in the General Assembly’s resolution.

### Announcement of Dividend Distribution

The decision regarding the announcement and payment of distributions, including the decision on the amount of distributions and the procedures for their payment, shall be made by the General Assembly of shareholders based on the recommendations of the Board of Directors.

The decision regarding the announcement and payment of distributions shall be a separate item on the agenda of the General Assembly of shareholders.

The decision to determine the amount of distributions and the procedures for their payment shall be made by the Board of Directors at its meeting when the initial distribution of the Company’s net profit for the year is approved, and shall be recommended to the General Assembly of shareholders. The decision regarding the announcement of distributions for shares shall be made in accordance with the Company’s Bylaws.

### Description of any Interests, Contractual Instruments, and Subscription Rights of Board Members and their Relatives in the Company’s Shares or Debt Instruments for the Year 2025

Name of Person to Whom the Interest, Contractual Instruments, or Subscription Rights Belong	Beginning of the Year		End of the Year		Net Change	Change Percentage
	Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
Badr bin Ali Al-Ali	20	-	20	-	-	-
Mamdouh bin Saud Dakhil Al Sharhan	98	-	0	-	-98	%100-
Amr bin Abdullah bin Shalhoub	100	-	100	-	-	-
Fawaz bin Abdul Rahman Al-Hajji	4500	-	4500	-	-	-
Amr bin Abdul Razzaq Alnemari	1000	-	11250	-	+10250	%1025
Yasser bin Rashid Hamad Al-Rasheed	1000	-	1000	-	-	-
Muhannad bin Abdulaziz Al-Qasim	90	-	90	-	-	-
Salman bin Nasser Al-Hawawi	5000	-	5000	-	-	-
Muhammad bin Abdullah Al-Jumaa	1	-	0	-	1-	%100-

### Description of any Interests, Contractual Instruments, and Subscription Rights of Senior Executives and their Relatives in the Company's Shares or Debt Instruments for the Year 2025

Name of Person to Whom the Interest, Contractual Instruments, or Subscription Rights Belong	Beginning of the Year		End of the Year		Net Change	Change Percentage
	Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
Fawaz bin Abdul Rahman Al-Hajji	4500	-	4500	-	-	-
Ahmed Al-Rakaf	0	-	0	-	-	-
Abdullah Karali	0	-	0	-	-	-

### Share and Debt Instrument Activities

During the period ended 31 December 2025, there are no debt instruments issued by the Company, and there is no interest in the class of voting shares belonging to any persons. There are no interests, options, or subscription rights belonging to Board members, senior executives, or their family members in the Company's shares. There are also no debt instruments convertible into shares, option rights, subscription rights certificates, or similar rights issued or granted by the Company during that period. Likewise, there are no conversion or subscription rights under debt instruments convertible into shares, option rights, or similar rights certificates issued or granted by the Company during that period. There is no redemption, purchase, or cancellation by the Company of any redeemable debt instruments. Furthermore, there are no arrangements or waiver agreements by any shareholders waiving any rights to profits.

### Statement of the Value of any Investments or Reserves Established for the Benefit of the Company's Employees

The Company has employee savings programs under which a specific percentage is deducted from employees' salaries. The employee savings program obligations amounted to **ﷲ** 4.1 million as of the end of the year 2025.

### Description of Transactions with Related Parties

Description of transactions or contracts between the Company and related parties in which a current or former interest exists for any Board member, senior executive, or any of their relatives, including the names of the persons and their relationship to such businesses and contracts, as well as the nature of the businesses or contracts, their terms, durations, and value.

Malath Company confirms that there are no preferential transactions and that dealings are conducted according to the terms and conditions applied by the Company with all customers.

Related Parties	Member Name	Insurance Policy Amount (Annually)	Claims Amount (Annually)
Purchase of personal insurance policies for Board members	Amr Abdul Razzaq Hassan Alnemari Mohammed bin Ali Al Ammari Fawaz bin Abdul Rahman Al-Hajji Mamdouh bin Saud bin Dakhil Al Sharhan Yasser Al-Rasheed Salman Nasser Al-Hawawi	<b>ﷲ</b> 16,937.21	<b>ﷲ</b> 3,450
Farm of Board Member Mr. Abdul-Hamid bin Abdulaziz Al-Ohali	Abdul-Hamid bin Abdulaziz Al-Ohali	<b>ﷲ</b> 8,682.50	-
Purchase of personal insurance policies for Executive Management members	Tariq bin Saleh Al-Ghamdi* Ahmed bin Mohammed Al-Rakaf Abdullah bin Yousef bin Abdullah Karali	<b>ﷲ</b> 14,852.01	<b>ﷲ</b> 30,426

\*Mr. Tariq bin Saleh Al-Ghamdi resigned from the position of First Vice President - Property and Casualty, and Mr. Ahmed Al-Rakaf was appointed to the position of First Vice President - Property and Casualty (Acting).

# Internal Audit

## Results of the Annual Review of Internal Control Procedures, and the Audit Committee's Opinion on the Adequacy of the Company's Internal Control System

The General Assembly of Malath Cooperative Insurance Company authorized the Audit Committee to undertake the responsibility of independent supervision and oversight of the performance of the Company's control bodies, and to study the Company's interim and annual reports and internal control systems. Accordingly, the Committee has performed its duties and responsibilities as detailed in the Audit Committee Charter and the Governance Regulations published on the Company's website, and in accordance with the instructions and regulations issued by regulatory and supervisory authorities, and within its approved terms of reference.

In accordance with the requirements of work during the year 2025, the Audit Committee held (8) meetings, of which (3) meetings were held by the previous committee, while the current committee held the remaining meetings, including the annual meeting of the Audit Committee with the Board of Directors, in implementation of the Company's work requirements.

### Work and Achievements for the Year 2025

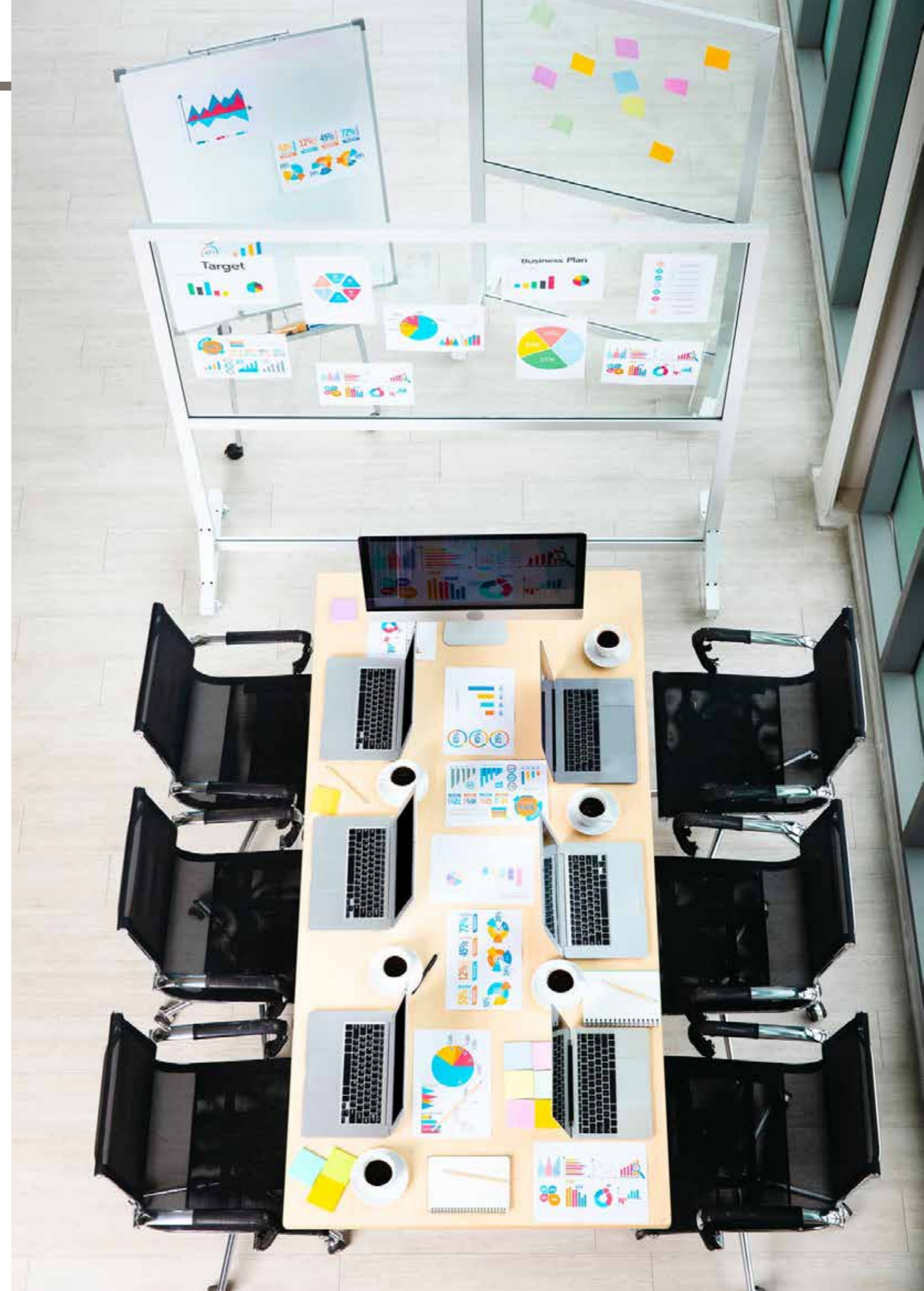
**During the year 2025, the Audit Committee held (8) meetings, of which (3) meetings were held by the previous committee, while the current committee held the remaining meetings, including the annual meeting of the Audit Committee with the Board of Directors. The meetings covered the most important work within its scope, most notably:**

1. Discussing the Audit Committee's plan for the year 2025, which was prepared to align with governance requirements and other regulatory requirements, to meet the Committee's responsibilities and duties and the Company's work conditions, and following up on its implementation according to the specified timeline.
2. Approving the audit plan submitted by the Internal Audit Department for the year 2025, based on the Company's risk assessment, after discussing it and following up on its implementation according to the specified timeline.
3. Recommending the appointment of Saad Saleh Al-Subaie & Partners to audit the Company's information technology operations.
4. Periodically discussing the results of the Internal Audit Department's work, analyzing the risks the Company may face, studying their impact, and adjusting them accordingly.
5. Reviewing the Internal Audit Department's assessment of the Company's internal and financial control procedures and the risk management system.
6. Recommending the approval of the updated Internal Audit Department Charter.
7. Recommending the approval of the updated Internal Audit Department policies and procedures.
8. Evaluating the efficiency, effectiveness, and objectivity of the work of the Internal Audit and Compliance Departments, and ensuring their independence and that there are no restrictions on their work.
9. Approving the Compliance Department's plan for the year 2025 and following up on its implementation.

10. Studying reports from the Compliance, Governance, and Anti-Money Laundering and Counter-Terrorism Financing Departments.
11. Recommending the approval of the updated Compliance Department policies and procedures.
12. Discussing and following up on observations received by the Company from regulatory and supervisory authorities, and recommending the enhancement of compliance with the regulations and instructions issued by them to achieve the highest levels of compliance.
13. Periodically monitoring the Compliance Department to ensure the Company's compliance with the regulations issued by the Insurance Authority and other legislative bodies.
14. Recommending the appointment of the Company's external auditors and determining their fees from among the candidates to audit the Company's accounts from the second quarter of 2025 until the first quarter of 2026, where the Committee recommended the appointment of Al Bassam & Al Khuraishi.
15. Studying the audit plan of the external auditors.
16. Monitoring the work of the Company's external auditors, ensuring their continued independence, ensuring there are no obstacles affecting their work, and evaluating the level of efficiency and effectiveness of their performance.
17. Discussing the annual and quarterly financial statements and recommending to the Board of Directors their approval after reviewing and discussing them with Executive Management and the external auditors, and submitting them to the General Assembly for ratification.
18. Studying the observations received from the Company's internal and external auditors and following up on their completion according to the agreed timeline with the Company's management.
19. Following up on the implementation of the Committee's recommendations and observations from its previous meetings.
20. Discussing receivable balances and following up with management regarding collection.
21. Discussing actuarial reports and recommending adherence to the implementation of the actuary's proposals and recommendations.
22. Following up on significant legal claims filed by or against the Company, their causes, to ascertain their current status and recommending the necessary actions to be taken regarding them.

### **The Audit Committee's Opinion on the Adequacy of the Company's Internal Control System**

Based on the aforementioned results of the annual review of internal control procedures, and the Audit Committee's opinion on the adequacy of the Company's internal control system, and based on the work performed by the Internal Audit and Compliance Departments in accordance with the plan approved by the Audit Committee for the year 2025, and reviewing the reports and observations submitted to it by the internal and external auditors and discussing them with Executive Management, the Audit Committee has not identified any material weakness in the Company's internal control procedures that requires attention. The Committee continues to recommend that the Company's management continuously strive to improve the efficiency and effectiveness of internal controls and continuously update the Company's policies and procedures in a manner consistent with the nature of the Company's activities and business, and with the developments and updates from the supervisory authorities related to the Company's activities, taking into account what current circumstances necessitate.



## Board of Directors' Declarations

The Board of Directors of "Malath Cooperative Insurance" Company declares the following:

1. The accounting records have been properly prepared.
2. The control system has been established on sound foundations and effectively implemented.
3. There is no significant doubt about the Company's ability to continue its operations.
4. There are no loans owed by the Company (whether due or otherwise).
5. There is no conflict between any recommendations of the Audit Committee and the decisions of the Board of Directors, and there are no recommendations from the Audit Committee that the Board has rejected regarding the appointment of the Company's external auditor, its dismissal, determination of its fees, evaluation of its performance, or appointment of the internal auditor.
6. There is no qualification in the external auditor's report containing reservations on the annual financial statements.
7. There is no shareholder in the Company holding %5 or more of the Company's share capital that requires separate disclosure.
8. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in accordance with the Company's regulations and its Bylaws regarding the preparation and publication of financial statements.
9. There are no differences between the standards approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and the International Financial Reporting Standards (IFRS).
10. There are no arrangements or waiver agreements through which any of the Company's shareholders waive their rights to profits.
11. The Company does not hold any treasury shares.
12. There is no material deviation between the remuneration granted and the applicable remuneration policy.
13. There are no businesses or activities conducted by the Company or any of its business branches that compete or have competed with any member of the Board of Directors, including the names of those involved in competing businesses and the nature and terms of such businesses.
14. There is no recommendation from the Board of Directors to change the external auditor before the end of the term for which it was appointed.
15. There is no subsidiary company of "Malath Cooperative Insurance" Company.
16. Except for the disclosed shares owned by the Board of Directors and Executive Management, the Company has not been notified of any interest in voting shares belonging to persons (other than Board members, senior executives, and their relatives) in accordance with the Rules on the Offer of Securities and Continuing Obligations, nor any change in such rights during the last financial year.
17. There are no loans or subscriptions under convertible debt instruments, contractual securities, subscription rights certificates, or similar rights issued or granted by the Company.
18. There are no transactions between the Company and a related party.

# Board of Directors' Declaration



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