

## BOD Annual Report

### For the period from 1 January 2021 to 31 December 2021

The Board of Directors of Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) is pleased to present to the honorable shareholders its annual report accompanied by audited financial statements and notes for the fiscal year ending on 31 December 2021, including the most significant developments, financial outcomes, operating activities, and disclosures in accordance with the By-laws and regulations.

#### 1. Company's Profile

Al-Rajhi Company for Cooperative Insurance "Al-Rajhi Takaful" (the Company) was established with a paid-up capital of 200 million Saudi riyals, which increased to 400 million Saudi riyals in 2015. It is a Saudi public joint-stock company that was established pursuant to the Royal Decree No.: R/35, dated 27/06/1429 AH, corresponding to 01/07/2008 AD and the Ministerial Resolution No. 182, dated 07/06/1429 AH. The Company was established in Riyadh with the Commercial Register No. 1010270371, dated 05/07/1430 AH-28/06/2009 AD, which is authorized to practice the insurance activities by the Saudi Central Bank under license No. (T N M/22/200911), dated 29/11/1430 AH - 17/11/2009 AD.

Al-Rajhi Takaful Company has provided the Saudi market over the past years with a variety of insurance services such as vehicle insurance, health insurance, property insurance, personal injury insurance, protection and savings insurance, and general insurance services, in addition to many other insurance products. The company also provides a range of innovative and renewable insurance solutions for individuals, small and medium enterprises and the corporate sector. Al-Rajhi Takaful is proud of its continuous commitment to the principles and values that enhance its excellence in customer care in all its dealings.

#### 2. Company's Strategy

Al-Rajhi Takaful is investing the promising opportunities within the market in light of the anticipated economic developments for the Kingdom's Vision 2030, and working to overcome the challenges in the market by harnessing all available resources, on top of which is the work team that has high and global experience in the field of insurance, enhanced by a range of distinctive insurance products, which have been marketed through multiple sales channels and keeping pace with the changes including the digital transformation and harnessing the technical capabilities in order to achieve the aspirations of customers, both individuals and corporate, to reach the desired goal to make Al-Rajhi Takaful the leading company in the field of insurance.

#### 3. Significant Developments during the fiscal year ended on 31 December 2021

##### a. Extraordinary General Assembly

The Extraordinary General Assembly was held for the fiscal year ending on 31/12/2020 on 23/09/1442 AH corresponding to 05/05/2021 AD, and tackled the following:

- 1- Approval of the Board of Directors' Report for the fiscal year ending 31/12/2020.
- 2- Approval of the Company's auditors' report for the fiscal year ending 31/12/2020.
- 3- Approval of the financial statements for the fiscal year ending on 31/12/2020.
- 4- Approval of the Board of Directors' quittance for the fiscal year ending 31/12/2020.
- 5- Approval of the remuneration of the Board of Directors for their membership for a total amount of (1,110,000 riyals) for the fiscal year ending 31/12/2020.



- 6- Approval of the following candidates for the next session for the Board of Directors, which starts effective of 30/05/2021 for three years ending on 29/05/2024.
  1. Abdullah Sulaiman Al Rajhi – non-executive
  2. Ahmed Samer bin Hamdi Al-Zaeem – non-executive
  3. Saud Abdullah Al-Rajhi– non-executive
  4. Naif Abdullah Al-Rajhi– non-executive
  5. Waleed Abdullah Al Mogbel - non executive (Representative of Al Rajhi Bank)
  6. Ali Hadi Hassan Al Mansour - independent member
  7. Muhannad Qusay Al-Azzawi - independent member
  8. Nabil Ali Shoaib - independent member
- 7- Approval of forming the Audit Committee, defining its tasks, working controls, and remuneration for its members for the new session, which starts from 30/05/2021 until the end of the session on 29/05/2024, with the following members:
  - I. Chairman: Nabil Ali Shoaib (independent Board Member)
  - II. Member: Fahd Mohammad Al Fawaz (Member from outside the Board)
  - III. Member: Mohammad Ali Al Mubark (Member from outside the Board)
- 8- Approval of appointing the Company's External auditors among the candidates and fixing their fees, based on the recommendation of the Audit Committee, to inspect, review and audit the financial statements for the second, third quarters and annual for the fiscal year 2021 and the first quarter of the fiscal year 2022.
  - a. Crowe Global / AlAzem, Alasdair, AlShaikh & Partners
  - b. AlKharashi & Co. Certified Accountants and Auditors
- 9- Approval of the amendment of Article No. (1) of the Company's Articles of Association related to incorporation.
- 10- Approval of the amendment of Article No. (3) of the Company's Articles of Association relating to the Company's objectives.
- 11- Approval of the amendment of Article No. (4) of the Company's Articles of Association relating to participation and ownership in companies.
- 12- Approval of the amendment of Article No. (7) of the company's articles of association, relating to the company's investments.
- 13- Approval of the amendment of Article No. (8) of the Company's Articles of Association relating to the capital.
- 14- Approval of the amendment of Article No. (9) of the Company's Articles of Association relating to subscription.
- 15- Approval of the amendment of Article No. (12) of the Company's Articles of Association relating to stock trading.
- 16- Approval of the amendment of Article No. (13) of the Company's Articles of Association relating to the capital increase.
- 17- Approval of the amendment of Article No. (14) of the Company's Articles of Association related to reducing the capital.
- 18- Approval of the amendment of Article No. (15) of the Company's Articles of Association relating to the management of the Company.
- 19- Approval of the amendment of Article No. (16) of the Company's Articles of Association relating to the expiry of the Board membership.
- 20- Approval of the amendment of Article No. (17) of the Company's Articles of Association relating to the vacant position in the Board.
- 21- Approval of the amendment of Article No. (18) of the Company's Articles of Association relating to the powers of the Board.
- 22- Approval of the amendment of Article No. (19) of the Company's Articles of Association relating to the remuneration of the Board Members.

- 23- Approval of the amendment of Article No. (20) of the Company's Articles of Association relating to the powers of the President, the Deputy, the Managing Director, and the Secretary.
- 24- Approval of the amendment of Article No. (21) of the Company's Articles of Association relating to Board meetings.
- 25- Approval of the amendment of Article No. (22) of the Company's Articles of Association relating to the quorum for the board meeting.
- 26- Approval of the amendment of Article No. (24) of the Company's Articles of Association relating to agreements and contracts.
- 27- Approval of the amendment of Article No. (25) of the Company's Articles of Association relating to attendance of assemblies.
- 28- Approval of the amendment of Article No. (26) of the Company's Articles of Association relating to the Constituent Assembly.
- 29- Approval of the amendment of Article No. (27) of the Company's Articles of Association relating to the competences of the constituent assembly.
- 30- Approval of the amendment of Article No. (28) of the Company's Articles of Association relating to the competences of the Ordinary General Assembly.
- 31- Approval of the amendment of Article No. (30) of the Company's Articles of Association relating to inviting assemblies.
- 32- Approval of the amendment of Article No. (32) of the Company's Articles of Association regarding the quorum of the Ordinary General Assembly meeting.
- 33- Approval of the amendment of Article No. (33) of the Company's Articles of Association regarding the quorum of the extraordinary general assembly meeting.
- 34- Approval of the amendment of Article No. (39) of the Company's Articles of Association regarding the appointment of the auditor.
- 35- Approval of the amendment of Article No. (41) of the Company's Articles of Association regarding the obligations of the auditor.
- 36- Approval of the amendment of Article No. (43) of the Company's Articles of Association relating to financial documents.
- 37- Approval of the amendment of Article No. (45) of the Company's Articles of Association relating to Zakat and reserves.
- 38- Approval of the amendment of Article No. (49) of the Company's Articles of Association, relating to the responsibility of the members of the Board of Directors.
- 39-39- Approval of the amendment of Article No. (50) of the Company's Articles of Association relating to the Company's cease.
- 40- Approval of the business and contracts between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and Al-Rajhi Bank, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, and the board member Mr. Saleh bin Abdullah Al-Zumae and the Vice Chairman Mr. Saud Abdullah Al-Rajhi and Board Member Mr. Naif Abdullah Al-Rajhi has an indirect interest, which are insurance policies, to be licensed for a coming year without any preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 720,610 riyals.
- 41- Approval of the business and contracts between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and the Saudi Co. For Mfg. Carpet Materials, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi and the Vice Chairman Mr. Saud Abdullah Al-Rajhi and Board Member Mr. Naif Abdullah AlRajhi has an indirect interest, which are insurance policies, to be licensed for a coming year without any preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 159 thousand riyals.
- 42- Approval of the business and contracts between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and Al-Rajhi Capital Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi and Board Member Mr. Saleh Abdullah Al Zumae and the Vice Chairman Mr. Saud Abdullah Al-Rajhi and Board Member Mr. Naif Abdullah Al-Rajhi has an indirect interest in, which are insurance policies, to be

- licensed for a coming year without any preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 1,032 thousand riyals.
- 43- Approval of the business and contracts between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and Al-Rajhi Capital Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi and Board Member Mr. Saleh Abdullah Al Zumae and the Vice Chairman Mr. Saud Abdullah Al-Rajhi and Board Member Mr. Naif Abdullah Al-Rajhi has an indirect interest, which are income and fees for investment funds, to be licensed for the next year without any preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 8,477 thousand riyals.
- 44- Approval of the business and contracts between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and Fursan Travel Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, Vice Chairman Mr. Saud Abdullah Al-Rajhi, and the Board member Mr. Naif Abdullah Al-Rajhi has an indirect interest, which are insurance policies, to be licensed for a coming year without any preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 1,154 thousand riyals.
- 45- Approval of the business and contracts between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and Fursan Travel Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, Vice Chairman Mr. Saud Abdullah Al-Rajhi, and the Board member Mr. Naif Abdullah Al-Rajhi has an indirect interest, which are travel services for the Company's staff, to be licensed for a coming year without any preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 850 thousand riyals.
- 46- Approval of the business and contracts between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and Al-Farabi Petrochemical Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi and the Vice Chairman Mr. Saud Abdullah Al-Rajhi and the Board Member Mr. Naif Abdullah Al-Rajhi has an indirect interest, which are insurance policies, to be licensed them for a coming year without any preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 8,090 thousand riyals.
- 47- Approval of the business and contracts between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and Al-Rajhi Takaful Agency, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi and the Board Member Mr. Saleh Abdullah Al- Zumae and the Vice Chairman Mr. Saud Abdullah Al-Rajhi and Board Member Mr. Naif Abdullah Al-Rajhi has an indirect interest, which are insurance policies and commissions, to be licensed for a coming year without any preferential terms or advantages, noting that the value of transactions during the year 2020 was 7,524 thousand riyals.
- 48- Approval of the business and contracts that will take place between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and Marami Food Industries Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi and the Vice Chairman Mr. Saud Abdullah Al-Rajhi and Board Member Mr. Naif Abdullah Al Rajhi has an indirect interest, which are insurance policies, to be licensed for a coming year without any preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 999 thousand riyals.
- 49- Approval of the business and contracts between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and Mada Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi and the Vice Chairman Mr. Saud Abdullah Al-Rajhi and Board Member Mr. Naif Abdullah Al-Rajhi has an indirect interest, which are insurance policies, to be licensed for a coming year without any preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 1,153 thousand riyals.
- 50- Approval of the business and contracts between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and the Digital Trip Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi and the Vice Chairman Mr. Saud Abdullah Al-Rajhi and the Board Member Mr. Naif Abdullah Al-Rajhi has an indirect interest, which are insurance policies, to be licensed for a coming year without any preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 99 thousand riyals.

- 51- Approval of the business and contracts between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and the Jubail Saudi Company for Geotextile, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi and the Vice Chairman Mr. Saud Abdullah Al-Rajhi and Board Member Mr. Naif Abdullah AlRajhi has an indirect interest, which are insurance policies, to be licensed for a coming year without any preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 41 thousand riyals.
- 52- Approval of the business and contracts between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and Sulaiman Al-Rajhi Real Estate Investments Company, in which the Chairman Mr. Abdullah Sulaiman Al-Rajhi, and the Vice Chairman Mr. Saud Abdullah Al-Rajhi and Board Member Mr. Naif Abdullah Al-Rajhi has an indirect interest, which are insurance policies, to be licensed for a coming year without any preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 189 thousand riyals.
- 53- Approval of the business and contracts between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and the Saudi Waterproofing Company, in which the Chairman of the Board of Directors Mr. Abdullah Sulaiman Al-Rajhi and the Vice Chairman Mr. Saud Abdullah Al-Rajhi and Board Member Mr. Naif Abdullah Al-Rajhi has an indirect interest, which are insurance policies, to be licensed for a coming year without any Preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 93 thousand riyals.
- 54- Approval of the business and contracts that will take place between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and the Green Vision Company, in which the Chairman of the Board of Directors Mr. Abdullah Sulaiman Al-Rajhi and the Vice Chairman Mr. Saud Abdullah Al-Rajhi and Board Member Mr. Naif Abdullah Al-Rajhi has an indirect interest, which are insurance policies, to be licensed for a coming year without any preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 75 thousand riyals.
- 55- Approval of the business and contracts between Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) and the Gulf Company for Packaging Industry Ltd., in which the Chairman of the Board of Directors Mr. Abdullah Sulaiman Al-Rajhi and the Vice Chairman Mr. Saud Abdullah Al-Rajhi and Board Member Mr. Naif Abdullah Al-Rajhi has an indirect interest in, which are insurance policies, to be licensed for a coming year without any preferential terms or advantages, noting that the value of transactions during the year 2020 amounted to 10 thousand riyals.

**b. Significant developments related to the Saudi Central Bank during the fiscal year ending on 31 December 2021:**

The company received the approval of the Saudi Central Bank (SAMA) to renew the license to practice insurance activity starting from the date of 11/27/1442 AH corresponding to 07/07/2021 for a period of three years ending on 11/26/1445 AH corresponding to 06/07/2024.

**c. Significant developments related to the Health Insurance Council during the fiscal year ending on 31 December 2021:**

The company received an email from the General Secretariat of the Council of Cooperative Health Insurance on 26/05/1443 AH corresponding to 30/12/2021, including the renewal of the company's qualification at the Council of Cooperative Health Insurance for a period of one year effective of 03/01/2021.

**d. Significant developments related to the strategic agreements concluded with the company during the fiscal year ending on 31 December 2021:**

1. The Company signed a contract with Al Rajhi Bank to provide insurance coverage to the clients of the real estate finance portfolio.
2. Contract awarding with the Social Development Bank to provide life insurance services for loan portfolio and motor insurance.
3. Renewing the contract of Abdul Latif Jameel United Finance Company Limited and United Installment Sales Company Limited to provide motor insurance services, the value of which exceeds 5% of the company's gross written premiums for the fiscal year 2021, for a period of one year starting from 01/01/2022.
4. Contract sign-off with Al Rajhi Bank to practice bank insurance business.

**e. Important developments related to the membership of the Board of Directors:**

1. Approval of the election of the following candidates for the Board of Directors for the current session, which started on 30/05/2021 for a period of three years ending on 29/05/2024:
  1. Abdullah Sulaiman Al Rajhi
  2. Ahmed Samer bin Hamdi Al-Zaeem
  3. Saud Abdullah Al-Rajhi
  4. Naif Abdullah Al-Rajhi
  5. Waleed Abdullah Al Mogbel
  6. Ali Hadi Hassan Al Mansour
  7. Muhannad Qusay Al-Azzawi
  8. Nabil Ali Shoaib
2. Approval of the formation of the Audit Committee, defining its tasks, its work controls, and the remuneration of its members for the new session, which began on 30/05/2021 and ends on 29/05/2024, with the following member:
  1. Nabil Ali Shoaib – Chairman
  2. Fahad Mohammad Al-Fawaz – Member
  3. Mohammad Ali Al-Mubarak – Member

**4. Description of major types of activities, plans, decisions and future expectations for the company's business**

The company has carried out the insurance activity in the Kingdom of Saudi Arabia according to the following classification:

- General insurance: It includes a number of products, including but not limited to, vehicle insurance, engineering insurance, fire, general accident policies, marine insurance, and insurance against medical errors;
- Health insurance: It includes providing health insurance programs for small, medium and large groups in line with the market needs and consistent with the Council of Cooperative Health Insurance system.
- Protection and savings insurance: It includes providing insurance and savings programs for individuals and groups, including but not limited to investment, education, retirement, group insurance and debt insurance.

A statement of results of these sectors and their impact on the volume of business and their contribution to the company's outcomes for the year 2021 is detailed as follows:

**Outcomes of the company's sectors for the year 2021 in thousands of Saudi riyals:**

Income Statement – Policyholders	General	Vehicles	Health	Protection and savings	Total
<b>Total subscribed Takaful contributions</b>	438,873	1,657,700	351,590	311,427	2,759,590
<b>Net subscribed Takaful contributions</b>	37,834	1,643,074	351,590	175,229	2,207,727
<b>Net earned Takaful contributions</b>	35,244	1,778,009	278,723	169,063	2,261,039
<b>Reinsurance commissions and other revenues</b>	35,076	3,723	)10(	3,525	42,314
<b>Total subscription revenues</b>	70,320	1,781,732	278,713	172,588	2,303,353
<b>Total paid-up claims</b>	(17,877)	(1,420,250)	(235,491)	(168,241)	(1,841,859)
<b>Net incurred claims</b>	(8,861)	(1,352,335)	(271,113)	(89,846)	(1,722,155)
<b>Subscription costs of insurance policies</b>	(13,100)	(147,899)	(20,239)	(9,789)	(191,027)
<b>Other expenses</b>	2,532	(12,615)	(584)	(52,994)	(63,661)
<b>Total claims and other expenses</b>	(19,429)	(1,512,849)	(291,936)	(152,629)	(1,976,843)
<b>Surplus of subscription operations for the period</b>	50,891	268,883	(13,223)	19,959	326,510
<b>Provision for doubtful debts</b>					5,748
<b>Investment income</b>					58,829
<b>Other revenues</b>					-
<b>Management fees related to operating activities</b>					(289,905)
<b>Net annual surplus</b>					101,182
<b>Management fees related to the operating activities of the shareholders</b>					(91,064)
<b>Net distributable surplus for policyholders</b>					10,118

The impact of these main activities on the company's business volume in thousands Saudi riyals and its contribution to the results is detailed as follows:

Type of insurance	Gross Written Premium	Percentage %
<b>General insurance</b>	438,873	15.9%
<b>Health insurance</b>	351,590	12.7%
<b>Protection and savings insurance</b>	311,427	11.3%
<b>Vehicle Insurance</b>	1,657,700	60.1%
<b>Total</b>	2,759,590	100.00 %

##### 5. Description of significant schemes, decisions, future expectations and risks of the company's business

In line with the general strategy of the company and the directives of the Board of Directors, the company's management exerts great efforts to enhance its technical capabilities, and develop human resources. In addition to work on e-business applications and raise the efficiency of the infrastructure in order to fulfill its technical capacity and increase its share in the local market, geographical spread, and improve performance

in the departments of subscription, claims, marketing and sales to ensure better outcomes. Additionally, the Human Resources Department has been concerned with attracting competencies in order to support the technical and administrative company's staff, along with adhering to the rates determined by the regulatory authorities regarding Saudization by virtue of a well-informed plan, with its application at all administrative levels of the company. Accordingly, the company anticipates encountering several future risks that could affect its business, namely:

#### a. Risks of Reinsurance

Throughout its business cycle, the company reinsures with other parties in order to reduce the potential financial losses that may arise from the massive insurance claims, as the entrusted reinsurance agreements do not exempt the company from its obligations towards policyholders. Hence, the company exerts its effort to reduce the risk of losses arising from the bankruptcy of reinsurance companies, which assisted on assessing the financial position for the reinsurance companies and control the credit risks resulting in geographical areas and activities and economic characteristics similar to reinsurance firms.

#### b. Capital Management Risks

Capital risk is determined by the Saudi Central Bank, with the purpose of providing sufficient liquidity in the event of the company's bankruptcy. The company also sets other objectives to maintain the balance of capital ratios in order to support the company's objectives and increase the interest in favor of the shareholders.

#### c. Risks related to Regulatory Requirements

The company's operations are subject to the requirements of the regulations applicable in the Kingdom of Saudi Arabia. As these regulations shall not only require obtaining approvals and control the company's activity, but also impose certain restrictions such as capital adequacy to decline the risks of deficit and bankruptcy by reinsurers and to enable them to pay their unexpected obligations when they arise.

### 6. Financial Outcomes

An analysis of the total assets, liabilities, income and expenses of the company's Takaful operations for the year 2021 in thousands Saudi riyals compared to previous years is detailed as follows:

6-1 List of Assets and Liabilities as in	2017	2018	2019	2020	2021
Takaful operations assets	2,416,264	2,857,512	2,618,488	3,056,016	3,181,959
Shareholders' assets	670,083	865,329	984,786	1,304,246	1,459,359
<b>Total assets</b>	<b>3,086,347</b>	<b>3,722,841</b>	<b>3,603,274</b>	<b>4,360,262</b>	<b>4,641,318</b>
Takaful operations liabilities	2,416,264	2,863,223	2,619,543	3,056,947	3,181,959
Shareholders' liabilities	72,023	91,217	108,512	190,934	191,798
Shareholders' equity	598,060	768,401	875,219	1,112,381	1,267,561
<b>Total shareholders' liabilities and equity</b>	<b>670,083</b>	<b>859,618</b>	<b>983,731</b>	<b>1,303,315</b>	<b>1,459,359</b>



<b>Total liabilities of Takaful operations and shareholders' liabilities and equity</b>	3,086,347	3,722,841	3,603,274	4,360,262	4,641,318
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<b>6-2 List of Takaful Operations' outcomes</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Total subscribed Takaful contributions</b>	3,193,474	2,973,594	2,569,804	2,732,873	2,759,590
<b>Net subscribed Takaful contributions</b>	3,073,018	2,863,003	2,436,136	2,316,152	2,207,727
<b>Net earned Takaful contributions</b>	2,787,337	2,861,229	2,639,011	2,332,958	2,261,039
<b>Reinsurance commissions and other revenues</b>	22,437	20,523	11,661	25,712	42,314
<b>Total subscribed revenues</b>	2,809,774	2,881,752	2,650,672	2,358,670	2,303,353
<b>Total paid claims</b>	(2,073,776)	(2,178,187)	(2,331,524)	(1,493,216)	(1,841,859)
<b>Net incurred claims</b>	(2,347,538)	(2,321,015)	(2,208,377)	(1,604,466)	(1,722,155)
<b>Costs of insurance policies subscription</b>	(94,456)	(109,522)	(110,352)	(149,515)	(191,027)
<b>Other expenses</b>	(38,670)	(50,946)	(49,261)	(63,742)	(63,661)
<b>Total claims and other expenses</b>	(2,480,664)	(2,481,483)	(2,367,990)	(1,817,723)	(1,976,843)
<b>Subscription surplus for the period</b>	329,110	400,269	282,682	540,947	326,510
<b>Provision of doubtful debts</b>	(5,317)	(50,528)	(17,759)	(44,143)	5,748
<b>Investments and other revenues</b>	38,816	70,918	72,738	62,805	58,829
<b>Management fees for managing Takaful operations</b>	(173,601)	(232,963)	(241,195)	(298,019)	(289,905)
<b>Net surplus for the period/year</b>	189,008	187,696	96,466	261,590	101,182
<b>Management fees relevant to the operating activities of the shareholders</b>	(170,108)	(168,926)	(86,819)	(235,431)	(91,064)
<b>Net surplus distributable to policyholders</b>	18,900	18,770	9,647	26,159	10,118

<b>6-3 List of Shareholders' Operations</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Management fees for managing Takaful operations</b>	173,601	232,963	241,195	298,019	289,905
<b>Management fees related to the operating activities of the shareholders</b>	170,108	168,926	86,819	235,431	91,064
<b>Investment and other revenues</b>	12,762	16,101	22,066	16,415	24,319
<b>Total revenue</b>	356,471	417,990	350,080	549,865	405,288
<b>General and administrative expenses</b>	(173,601)	(232,963)	(241,195)	(298,019)	(289,905)
<b>Net income for the period before Zakat</b>	182,870	185,027	108,885	251,846	115,383
<b>Zakat provision</b>	(15,500)	(19,500)	(22,700)	(24,800)	(16,912)
<b>Net income for the period after Zakat</b>	167,370	165,527	86,185	227,046	98,471
<b>Profit per share (SAR) after Zakat</b>	4.57	4.14	2.15	5.68	2.46



## 7. Auditors' reservations on the annual financial statements

The auditors' report clarifies that the financial statements are free from any material errors, and there are no reservations towards such financial statements.

## 8. Geographical analysis of the revenues of the company and its subsidiaries outside the Kingdom of Saudi Arabia

The company's activities are generally carried out within the Kingdom of Saudi Arabia; i.e. the written premiums are for favor of clients inside the Kingdom and there are no subsidiaries for it abroad. The following is the distribution of the subscribed premiums to the regions of the KSA for the year 2021:

Region	Subscribed premiums in thousands Saudi riyals
Central	2,531,339
Western	138,629
Eastern	89,622
Total	2,759,590

## 9. Operating Results and fundamental differences

1. The net profit before calculating Zakat during the year 2021 is 115,383 thousand Saudi riyals, compared to the net profit before Zakat, which amounted to 251,846 thousand Saudi riyals for the previous year, with a decrease of 54.19%.
2. Profitability per share during the year 2021 amounted to 2.64 Saudi riyals, compared to the sum of 5.68 Saudi riyals per share for the previous year, with a decrease of 56.69%.
3. The surplus of insurance operations with deducing the investment income of policyholders (operating results) during the year 2021 was 42,353 thousand Saudi riyals, compared to an amount of 198,785 thousand Saudi riyals for the previous year, with a decrease of 78.69%.
4. The Gross written premiums (GWP) during 2021 amounted to 2,759,590 thousand Saudi riyals, compared to 2,732,873 thousand riyals for the previous year, with an increase of 0.98%.
5. The net incurred claims during 2021 reached 1,722,155 thousand Saudi riyals, compared to an amount of 1,604,466 thousand Saudi riyals for the previous year; i.e. an increase of 7.34%.
6. The net investment profits of policyholders' investments during the year 2021 amounted to 58,829 thousand riyals, compared to 62,805 thousand riyals for the previous year; i.e. a decrease of 6.33%. While the net profits of investments of shareholders' funds during the year 2020 amounted to 23,291 thousand riyals, compared to a sum of 15,553 thousand riyals for the previous year, i.e. an increase of 49.75%.
7. The decrease in the net profit before Zakat to 136,463 thousand riyals at (54.19%), is mainly due to the decrease in the net earned contributions by an amount of 71,919 thousand riyals at (3.08%), and the increase in the net cost of claims for an amount of 117,689 thousand riyals at (7.34%), and an increase in the costs of underwriting insurance policies of 41,512 thousand riyals at (27.76%). The increase in costs was offset by a partial increase in Retakaful commissions with a value of 13,259 at (58.50%), and a decrease in general and administrative expenses for 8,114 thousand riyals, at a rate of (2.72%).

## 10. Accounting Standards applied to the financial statements

By virtue of the requirements of the Saudi Central Bank and the Capital Market Authority, the financial statements have been prepared as per the international standards of financial reporting and have not been prepared in accordance with the generally adopted accounting standards issued from the Saudi Organization for Certified Public Accountants (SOCPA). Accordingly, the company confirms that there are no material differences or financial impact on the financial statements as a result of preparing them in accordance with the international standards other than Saudi accounting standards.

## 11. Subsidiaries and their main activities

The company conducts the insurance business within the Kingdom of Saudi Arabia only, and it has no subsidiary companies, whether inside or outside the Kingdom, excluding its contribution to Najm Insurance Services Company, as follows:

Subsidiary Name	Najm Insurance Services Company
Legal entity	A closed Saudi joint stock company
Main activity	Insurance services
Headquarter State of its operations	Kingdom of Saudi Arabia
State of incorporation	Kingdom of Saudi Arabia
Capital	55,769,320 Saudi riyals
Company's share	3.45%

## 12. Number of the company's requests for the shareholders' register, the dates and reasons for those requests

Date of request	Reasons for request
01/12/2021	Company's procedures
01/11/2021	Company's procedures
04/10/2021	Company's procedures
05/09/2021	Company's procedures
08/06/2021	Company's procedures
05/05/2021	Company's procedures
05/04/2021	Company's procedures
15/02/2021	General assembly
24/01/2021	Company's procedures
<b>Total requests</b>	<b>9</b>

## 13. Dividend Policy

### • Dividends Distribution Mechanism:

The dividends payment is based on the assessment and recommendations of the company's Board of Directors, pursuant to Article (45) of the company's Articles of Association, after authorizing the Board of Directors by the ordinary General Assembly thereof, and this authorization is awarded annually after deducting all general expenses and other costs as follows:

1. Saving Zakat and prescribed income tax;
2. Saving 20% of net profits to form the company's statutory reserve. Thus, the Ordinary General Assembly may stop such saving when the said reserve amounts to 100% of the paid-off capital;

3. Cash dividends, which have to be distributed to shareholders, are deposited in their accounts connected to their investment portfolios, while the granted shares shall be deposited in shareholders' investment portfolios after declaring thereof on the Saudi Stock Exchange website (Tadawul);
4. When the decision to distribute interim profits is made, the company shall immediately disclose and declare thereof and provide the Authority with a copy of such decision upon its issuance.

- **Maturity of Dividends:**

The shareholder is entitled his share in the profits according to the General Assembly resolution issued in this regard depending on the recommendation by the Board of Directors, and the decision outlines the date of entitlement and the date of distribution. Moreover, dividends shall be due for the shareholders registered at the shareholders' records at the end of the day sets for maturity. The Profits that have to be distributed to shareholders shall be paid at the place and dates designated by the Board of Directors, in accordance with the instructions issued by the competent authority.

The shareholders' equity at the end of the year 2021 amounted to 1,270,416 thousand Saudi riyals compared to 1,112,381 thousand riyals for the last year, i.e. with an increase of 158,035 thousand riyals at 14.12%. Regarding the statutory reserve, it reached an amount of 178,186 thousand Saudi riyals compared with 158,491 thousand riyals for the last year, i.e. with an increase of 19,695 thousand riyals at 12.43%, while the retained earnings amounted to 595,551 thousand riyals comparing to 516,775 thousand riyals, i.e. with an increase of 78,776 thousand riyals at 15.24%. Given that the management wished to enhance and support the financial position and strengthen the solvency margin of the company, profits would not be distributed to shareholders for this year. In the future, the company would work to take the appropriate decision with respect to the distribution of profits to shareholders.



**14. Description of interest, and option, and subscription rights attributing to members of the Board, senior executives, their spouses and their minor children, in shares or debt instruments of the company or its subsidiaries**

Name of the Board Member	Position	(Beginning of the period)		(End of the period)		Ownership percentage in the company's shares	Number of shares owned by spouses and minor children
		Number of shares owned	Debt instruments	Number of shares owned	Debt instruments		
Abdullah bin Suliman Al-Rajhi (Represented by the share of Al-Rajhi Insurance Limited Company - Bahrain)	chairman	10,600,000	0	10,600,000	0	26.50%	0
Saud bin Abdullah Al-Rajhi	Vice chairman	600,000	0	600,000	0	1.5%	0
Ahmed Samer bin Hamdi Al-Zaeem	Board member	32,000	0	32,000	0	0.08%	0
Nasser bin Abdullah Al-Awfi <sup>1</sup>	Board member	0	0	0	0	0	0
Saleh Abdullah Al-Zamei (Representative of Al-Rajhi Bank) <sup>1</sup>	Board member	9,000,000	0	9,000,000	0	22.50%	0
Ali bin Hadi Al Mansour	Board member	0	0	0	0	0	0
Naif bin Abdullah Al-Rajhi	Board member	21,167	0	71,724	0	0.17931%	0
Balihad bin Nasser Al Balihad <sup>1</sup>	Board member	0	0	0	0	0	0
Nabil Ali Shoaib <sup>2</sup>	Board member	0	0	0	0	0	0
Waleed Abdullah Al Mogbel (Representative of Al-Rajhi Bank) <sup>2</sup>	Board member	9,000,000	0	9,000,000	0	22.50 %	0
Muhannad Qusay Al-Azzawi <sup>2</sup>	Board member	10	0	10	0	0.000025%	0

<sup>1</sup> Membership ended by end of the previous session on 29/05/2021

<sup>2</sup> Has become board member in the new session started 30/05/2021

#### 15. Description of any interest, contractual papers and subscription rights belonging to senior executives and their relatives in the company's shares or debt instruments

There is no interest, contractual papers and subscription rights of the senior executives and their relatives in the company's shares or debt instruments.

#### 16. Description of any interest, contractual papers and subscription rights of the board members and their relatives in the shares or debt instruments of the subsidiary

There is no interest, contractual papers and subscription rights of the Board members and their relatives in the shares or debt instruments of the subsidiary company.

#### 17. Description of any interest, contractual papers and subscription rights of senior executives and their relatives in the shares or debt instruments of the subsidiary

There is no interest, contractual papers and subscription rights of senior executives and their relatives in the shares or debt instruments of the subsidiary company.

#### 18. A Brief on the Senior Executive Employees in the Company

**Mahmoud Salim Dahduli:** The Chief Executive Officer, a Saudi National, holds a master's degree in Islamic Banking from the University of Wales in the United Kingdom and has held several leadership positions during his tenure of more than 18 years, the last of which was the Chief Strategy Officer in the company in 2019, before which he held several positions, including Head of the Retail Sector in the Real Estate Development Fund between 2018 and 2019.

**Robert Pereira:** Chief Financial Officer, Canadian national, has a Bachelor Degree in Accounting from Faculty of Commerce, Concordia University in Canada in 1987, holder of Chartered Accountant License from the Chartered Accountants Canadian Institute in 2005. He has also obtained General Accounting Diploma from McGill University in Canada in 1989. He has joined the company in 2016 and assumed many posts in the risk management and finance department in many companies, the latest thereof was in Oman Insurance Company in the United Arab Emirates until 2015.

**Miguel Colominas:** Chief Underwriting Officer, Spanish national. He has the Bachelor Degree in Economy and Actuarial Sciences from Barcelona University in Spain in 1991. He has joined the company in 2014, and assumed many posts including Motor Underwriting Manager in Schweiz Insurance from 1991 to 1996, in addition to some jobs in Zurich Insurance from 1996 to 2014; the latest thereof is the Head of the Personal Lines for the Middle East and Africa Territory.

#### 19. Meetings of Board of Directors

The Board of Directors convened four periodic meetings during the period from 1/1/2021 to 31/12/2021, hereunder is the attendance sheet of these meetings.

Member's Name	Meeting 53	Meeting 54	Meeting 55	Meeting 56	No. of meetings
	25/02/2021	30/05/2021	14/09/2021	22/12/2021	
Abdullah Bin Suleiman Al Rajhi	Present	Present	Present	Present	4
Saud Bin Abdullah Al Rajhi	Present	Present	Present	Present	4
Ahmed Samer Bin Hamdi Al Zaem	Present	Present	Present	Present	4
Ali Bin Hadi Al Mansour	Present	Present	Present	Present	4
Naif Bin Abdullah Al Rajhi	Present	Present	Present	Present	4



Naser Bin Abdullah Al Oufi <sup>1</sup>	Present	-	-	-	1
Saleh Abdullah Al Azmei <sup>1</sup>	Present	-	-	-	1
Balihad Bin Nasr Al Balihad <sup>1</sup>	Present	-	-	-	1
Nabil Ali Shoaib <sup>2</sup>	-	Present	Present	Present	3
Waleed Abdullah Al Mogbel <sup>2</sup>	-	Present	Present	Present	3
Muhannad Qusay Al-Azzawi <sup>2</sup>	-	Present	Present	Present	3

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<sup>1</sup> Membership ended by end of the previous session on 29/05/2021

<sup>2</sup> Has become board member in the new session started 30/05/2021



## 20. Contracts with the related Parties

- A. No Board member shall be engaged in any lease contracts for the company, as naturally, some of the Board Directors are engaged in the insurance contracts, as the company provides its insurance services for all society categories, with the full adherence to the Rules of the Saudi Central Bank.
- B. No contracts shall be concluded between the Chief Executive Officer and Chief Financial Officer, or with any person related to any thereof excluding employment contracts.
- C. During the fiscal year, there were some transactions where the company was a party, and it is for the interest of some Board of Directors members.

Hereunder the details of the main transactions with the related parties during the period from 1/1/2021 to 31/12/2021, as stated in the financial statements notes.

	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
1	<p><b>Al Rajhi Bank</b></p> <p>Stakeholders:</p> <p>1- Chairman/ Mr. Abdullah Al Rajhi</p> <p>2- Board Member/ Mr. Saleh Al Zumai. <sup>1</sup></p> <p>3- Board Member/ Mr. Waleed Al Muqbil <sup>2</sup></p> <p>4- Vice Chairman / Mr. Saud Al Rajhi</p> <p>5- Board Member/ Mr. Naif Al Rajhi</p>	<p>Chairman</p> <p>General Manager Digital and Payments</p> <p>Chief Executive Officer</p> <p>First Degree Relationship</p> <p>First Degree Relationship</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	709,180
2	<p><b>Saudi Co. For Mfg. Carpet Materials (Mattex)</b></p> <p>Stakeholder:</p> <p>1- Chairman/ Mr. Abdullah Al Rajhi</p> <p>2- Vice Chairman / Mr. Saud Al Rajhi</p>	<p>Chairman</p> <p>First Degree Relationship</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	60

<sup>1</sup> Membership ended by end of the previous session on 29/05/2021

<sup>2</sup> Has become board member in the new session started 30/05/2021



	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
	3- Board Member/ Mr. Naif Al Rajhi	First Degree Relationship					
3	<p><b>Al Rajhi Capital</b></p> <p>Stakeholder:</p> <ol style="list-style-type: none"> <li>Chairman/ Mr. Abdullah Al Rajhi</li> <li>Board Member/ Mr. Saleh Al Zumai <sup>1</sup></li> <li>Board Member/ Mr. Waleed Al Muqbil <sup>2</sup></li> <li>Vice Chairman / Mr. Saud Al Rajhi</li> <li>Board Member/ Mr. Naif Al Rajhi</li> </ol>	<p>Chairman</p> <p>A company owned by Al-Rajhi Bank, of which he is the General Manager Digital and Payments</p> <p>A company owned by Al-Rajhi Bank, of which he is the CEO</p> <p>First Degree Relationship</p> <p>First Degree Relationship</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	1,144
4	<p><b>Al Rajhi Capital</b></p> <p>Stakeholder:</p> <ol style="list-style-type: none"> <li>Chairman/ Mr. Abdullah Al Rajhi</li> <li>Board Member/ Mr. Saleh Al Zumai <sup>1</sup></li> <li>Board Member/ Mr. Waleed Al Muqbil <sup>2</sup></li> <li>Vice Chairman / Mr. Saud Al Rajhi</li> <li>Board Member/ Mr. Naif Al Rajhi</li> </ol>	<p>Chairman</p> <p>A company owned by Al-Rajhi Bank, of which he is the General Manager Digital and Payments</p> <p>A company owned by Al-Rajhi Bank, of which he is the CEO</p> <p>First Degree Relationship</p> <p>First Degree Relationship</p>	Investment	One calendar Year	Ordinary business without any preferential conditions or benefits	Investment funds Revenues  Paid investment management fee	5,380  3,352

<sup>1</sup> Membership ended by end of the previous session on 29/05/2021

<sup>2</sup> Has become board member in the new session started 30/05/2021



	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
5	<p><b><u>Fusran Travel</u></b></p> <p>Stakeholders:</p> <ol style="list-style-type: none"> <li>Chairman/ Mr. Abdullah Al Rajhi</li> <li>Vice Chairman / Mr. Saud Al Rajhi</li> <li>Board Member/ Mr. Naif Al Rajhi</li> </ol>	<p>Partner</p> <p>Partner</p> <p>Chief Executive Officer</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	1,108
6	<p><b><u>Fursan Travel</u></b></p> <p>Stakeholders:</p> <ol style="list-style-type: none"> <li>Chairman/ Mr. Abdullah Al Rajhi</li> <li>Vice Chairman / Mr. Saud Al Rajhi</li> <li>Board Member/ Mr. Naif Al Rajhi</li> </ol>	<p>Partner</p> <p>Partner</p> <p>Chief Executive Officer</p>	Travel services for the Company's staff	One calendar Year	Ordinary business without any preferential conditions or benefits	Travel costs of the Company's staff	1,447
7	<p><b><u>Farabi Petrochemicals</u></b></p> <p>Stakeholders:</p> <ol style="list-style-type: none"> <li>Chairman/ Mr. Abdullah Al Rajhi</li> <li>Vice Chairman / Mr. Saud Al Rajhi</li> <li>Board Member/ Mr. Naif Al Rajhi</li> </ol>	<p>Chairman</p> <p>First Degree Relationship</p> <p>Board Member</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	18,998
8	<p><b><u>Al Rajhi Takaful Agency</u></b></p> <p>Stakeholders:</p> <ol style="list-style-type: none"> <li>Chairman/ Mr. Abdullah Al Rajhi</li> <li>Board Member/ Mr. Saleh Al Zumai <sup>1</sup></li> <li>Board Member/ Mr. Waleed Al Muqbil <sup>2</sup></li> <li>Vice Chairman / Mr. Saud Al Rajhi</li> </ol>	<p>A company owned by Al-Rajhi Bank, of which he is the Chairman</p> <p>Chairman</p> <p>A company owned by Al-Rajhi Bank, of which he is the CEO</p> <p>First Degree Relationship</p>	Insurance policies and commissions	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	(7)

<sup>1</sup> Membership ended by end of the previous session on 29/05/2021

<sup>2</sup> Has become board member in the new session started 30/05/2021



	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
	5- Board Member/ Mr. Naif Al Rajhi	First Degree Relationship					
9	<p><b><u>Marami Food Industries</u></b></p> <p>Stakeholder:</p> <ol style="list-style-type: none"> <li>Chairman/ Mr. Abdullah Al Rajhi</li> <li>Vice Chairman / Mr Saud Al Rajhi</li> <li>Board Member/ Mr. Naif Al Rajhi</li> </ol>	<p>Partner</p> <p>First Degree Relationship</p> <p>Board Member</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	209
10	<p><b><u>Mada Industrial &amp; Commercial Investment Company</u></b></p> <p>Stakeholder:</p> <ol style="list-style-type: none"> <li>Chairman/ Mr. Abdullah Al Rajhi</li> <li>Vice Chairman / Mr Saud Al Rajhi</li> <li>Board Member/ Mr. Naif Al Rajhi</li> </ol>	<p>Partner</p> <p>First Degree Relationship</p> <p>First Degree Relationship</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	502
11	<p><b><u>Digital Trip</u></b></p> <p>Stakeholders:</p> <ol style="list-style-type: none"> <li>Chairman/ Mr. Abdullah Al Rajhi</li> <li>Vice Chairman / Mr Saud Al Rajhi</li> <li>Board Member/ Mr. Naif Al Rajhi</li> </ol>	<p>Partner</p> <p>First Degree Relationship</p> <p>General Manager</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	82
12	<p><b><u>Jubail Saudi Company for Geotextile</u></b></p> <p>Stakeholder:</p> <ol style="list-style-type: none"> <li>Chairman/ Mr. Abdullah Al Rajhi</li> <li>Vice Chairman / Mr Saud Al Rajhi</li> <li>Board Member/ Mr. Naif Al Rajhi</li> </ol>	<p>Chairman</p> <p>First Degree Relationship</p> <p>First Degree Relationship</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	25



	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
13	<p><b><u>Suliman Al-Rajhi Real Estate Investments</u></b></p> <p>Stakeholders:</p> <p>1- Chairman/ Mr. Abdullah Al Rajhi</p> <p>2- Vice Chairman/ Mr. Saud Al Rajhi</p> <p>3- Board Member/ Mr. Naif Al Rajhi</p>	<p>First Degree Relationship</p> <p>First Degree Relationship</p> <p>First Degree Relationship</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	19
14	<p><b><u>Saudi Waterproofing Company</u></b></p> <p>Stakeholders:</p> <p>1- Chairman/ Mr. Abdullah Al Rajhi</p> <p>2- Vice Chairman/ Mr. Saud Al Rajhi</p> <p>3- Board Member/ Mr. Naif Al Rajhi</p>	<p>Indirect ownership of a company that he chairs (Al Rajhi Holding Co.)</p> <p>First Degree Relationship</p> <p>First Degree Relationship</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	97
15	<p><b><u>Green Vision</u></b></p> <p>Stakeholder:</p> <p>1- Chairman/ Mr. Abdullah Al Rajhi</p> <p>2- Vice Chairman/ Mr. Saud Al Rajhi</p> <p>3- Board Member/ Mr. Naif Al Rajhi</p>	<p>Chairman</p> <p>First Degree Relationship</p> <p>First Degree Relationship</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	38
16	<p><b><u>Trio Mada</u></b></p> <p>Stakeholder:</p> <p>1- Chairman/ Mr. Abdullah Al Rajhi</p> <p>2- Vice Chairman/ Mr. Saud Al Rajhi.</p> <p>3- Board Member/ Mr. Naif Al Rajhi</p>	<p>Indirect ownership of a company that he chairs (Al Rajhi Holding Co.)</p> <p>First Degree Relationship</p> <p>First Degree Relationship</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	454



	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
17	<p><b><u>Takatuff Holding Group</u></b></p> <p>Stakeholder:</p> <p>1- Chairman/ Mr. Abdullah Al Rajhi</p> <p>2- Vice Chairman/ Mr. Saud Al Rajhi</p> <p>3- Board Member/ Mr. Naif Al Rajhi</p>	<p>Partner</p> <p>Partner</p> <p>Board Member</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	47
18	<p><b><u>Al Rajhi Holding Group Company</u></b></p> <p>Stakeholder:</p> <p>1- Chairman/ Mr. Abdullah Al Rajhi</p> <p>2- Vice Chairman/ Mr. Saud Al Rajhi</p> <p>3- Board Member/ Mr. Naif Al Rajhi</p>	<p>Chairman</p> <p>First Degree Relationship</p> <p>First Degree Relationship</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	192
19	<p><b><u>Green Hills Real Estate Development Company</u></b></p> <p>Stakeholder:</p> <p>1- Chairman/ Mr. Abdullah Al Rajhi</p> <p>2- Vice Chairman/ Mr. Saud Al Rajhi</p> <p>3- Board Member/ Mr. Naif Al Rajhi</p>	<p>First Degree Relationship</p> <p>Manager</p> <p>Manager</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	11
20	<p><b><u>Homeland Legacy Real Estate Development Company</u></b></p> <p>Stakeholder:</p> <p>4- Chairman/ Mr. Abdullah Al Rajhi</p> <p>5- Vice Chairman/ Mr. Saud Al Rajhi</p> <p>6- Board Member/ Mr. Naif Al Rajhi</p>	<p>Manager</p> <p>Manager</p> <p>First Degree Relationship</p>	Insurance policies	One calendar Year	Ordinary business without any preferential conditions or benefits	Written Contribution	286



	Related Party	Capacity	Activity	Contract Duration	Conditions	Illustration	Amount (SR '000)
21	<p><b><u>Jeddah Legacy Real Estate Development Company</u></b></p> <p>Stakeholder:</p> <p>7- Chairman/ Mr. Abdullah Al Rajhi</p> <p>8- Vice Chairman/ Mr. Saud Al Rajhi</p> <p>9- Board Member/ Mr. Naif Al Rajhi</p>	<p>First Degree Relationship</p> <p>Manager</p> <p>First Degree Relationship</p>	<p>Insurance policies</p>	<p>One calendar Year</p>	<p>Ordinary business without any preferential conditions or benefits</p>	<p>Written Contribution</p>	<p>3</p>

## 21. Statutory Payments & Debts

The company does not have any loans, debts, fees or amounts payable during the fiscal year 2021, while the following table shows the statutory payments and dues during the year.

Description	Amount in thousand Saudi riyals
Zakat and income paid in 2021	20,721
Supervision fees paid by SAMA, which are due for the year	13,914
Supervision fees by the Council of Cooperative Health Insurance in addition to the loading fees	3,666
Social insurance (The share of the company paid and charged to the year)	9,823
Costs of visas and passports	244
Labor office fees	1,585
VAT	303,684
Amount of tax withheld	8,242
Saudi Stock Exchange (Tadawul)	505
Total	362,384

## 22. Investments or reserves for the benefit of company employees

There are no investments made for the benefit of the company employees, while there is a provision for end of service benefits for company employees amounting to 24,635 thousand riyals, as well as protection insurance of 252 thousand riyals.

## 23. Declarations

The Company declares as follows:

- That the account records were properly prepared.
- That the internal control system was prepared on a sound basis and was effectively implemented.
- There is no doubt about the company ability to continue its activity.
- Al-Rajhi Takaful does not have any loans until the end of 2021.
- There are no convertible debt instruments and any contractual securities, subscription right notes or similar rights issued or granted by the company during the fiscal year 2021.
- There are no transfer or subscription rights under debt instruments convertible into contractual securities, subscription right notes or similar rights issued or granted by the company.
- There are no refunds, purchases or cancellations on the part of the company for any refundable debt instruments.

## 24. Corporate Governance Regulation

The company seeks, as part of its keenness on the interests of shareholders, to apply the highest levels of transparency, disclosure and participation in decision-making in a way that achieves the company objectives and the aspirations of its customers; so the company is committed to implementing the provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority.

With regard to the indicative provisions (which are not mandatory), the company is committed to fully implementing them, except for what the company is working on achieving in the future, which are:

Article No.	Article	Reasons for non-enforcement of article
-------------	---------	--

Forty one	(Evaluation) Evaluate the performance of the members of the Board and the subsidiary committees	Guide Article / The company internally evaluates the performance of board members and committees
Eighty seven	Social responsibility	Guide Article / The company contributes to social activities through some special events.
Ninety five	The formation of the Corporate Governance Committee	Indicative Article/the mandatory limit of board committees was formed

## 25.Sanctions and Penalties

- Executive decisions of the Saudi Central Bank:

Subject of Violation	Previous fiscal year 2020		Current fiscal year 2021	
	Number of executive decisions	The total amount of fines in Saudi riyals	Number of executive decisions	The total amount of fines in Saudi riyals
Supervisory violations of the Central Bank instructions	2	20,000	5	135,000
Violations of the Central Bank instructions for protecting customers	1	5,000	1	40,000
Violations of the Central Bank instructions regarding due diligence in combating money laundering and terrorist financing	1	170,000	0	0

### Ways to remedy the Central Bank violations:

With regard to fines related to the Central Bank, the company has updated its work policies and procedures in line with the requirements of the Saudi Central Bank.

### Other Violations:

#	Authority	Amount of Violation in riyals	Details of Violation	Ways of Remedy
1	ministry of municipal and rural affairs and housing	39,000	- No license - Lack of safety requirements - Use of the site for non-authorized uses	- The fine was paid by the owner - written undertakings to correct violations or vacate the site were signed. - The site has been vacated

## 26.Company Announcements

With regard to the company announcements that were published on Tadawul website during the year 2021, they are as follows:



#	Announcement Subject	Date of Announcement
1	Al-Rajhi Cooperative Insurance Company announces the signing of a contract with Abdul Latif Jameel United Finance Company and the United Installment Sale Company	03/01/2021
2	Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) announces the resignation and assignment of its CEO	04/01/2021
3	Al-Rajhi Cooperative Insurance Company announces the opening of candidacy for membership of the company's Board of Directors for the next session	17/01/2021
4	A supplementary announcement from Al-Rajhi Cooperative Insurance Company regarding opening of candidacy for membership of the company's Board of Directors for the next session	18/01/2021
5	Al-Rajhi Cooperative Insurance Company announces its annual financial statements for the period ending on 12-31-2020	03/03/2021
6	Al-Rajhi Cooperative Insurance Company announces to invite its shareholders to attend the Extraordinary General Assembly Meeting (First Meeting)	14/04/2021
7	Al-Rajhi Cooperative Insurance Company announces the results of the Extraordinary General Assembly meeting (first meeting)	06/05/2021
8	Al-Rajhi Cooperative Insurance Company announces its interim financial results for the period ending on 03-31-2021 (Three Months )	06/05/2021
9	Al-Rajhi Cooperative Insurance Company announcement within the agreement to sell mandatory travel insurance product for citizens	10/05/2021
10	Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) announces the appointment of a CEO for the company	21/07/2021
11	Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) announces that it has obtained the approval of the Saudi Central Bank to its license renewal to practice insurance activity.	22/07/2021
12	Al-Rajhi Cooperative Insurance Company announces the appointment of the Chairman and Vice-Chairman	03/01/2021
13	Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) announces the signing of a contract with Al-Rajhi Bank to provide insurance coverage to clients of the real estate finance portfolio	02/08/2021
14	Al Rajhi Cooperative Insurance Co. announces its interim financial results for the period ending on 06-30-2021 ( Six Months )	11/08/2021
15	Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) announces the award of a contract with the Social Development Bank to provide life insurance services for the loan portfolio and motor insurance	27/09/2021
16	Al-Rajhi Cooperative Insurance Company announces its interim financial results for the period ending on 30-09-2021 ( Nine Months )	03/11/2021
17	Al-Rajhi Cooperative Insurance Company announces the signing of a contract with Al-Rajhi Bank	17/11/2021
18	Al-Rajhi Cooperative Insurance Company (Al-Rajhi Takaful) announces that it has maintained the Insurance Financial Strength Rating (IFSR) at Category A3 from Moody's with a stable outlook.	03/01/2021
19	Al-Rajhi Cooperative Insurance Company announces the signing of a contract with Abdul Latif Jameel United Finance Company and the United Installment Sale Company	03/01/2021

**27.A list of the dates of the general assemblies of shareholders held during the last fiscal year and the names of the members of the board of directors attending these assemblies**

The Ordinary General Assembly of the shareholders was held on 05/05/2021 through the means of modern technology and was attended by Abdullah bin Sulaiman Al-Rajhi (Chairman), Naser bin Abdullah Al-Oufi

(Member), Ahmad Samer bin Hamdi Al-Zaeem (Member), Saleh Abdullah Al-Zume'i (member), Ali bin Hadi Al Mansour (member), Saud bin Abdullah Al-Rajhi (Vice Chairman) and Naif bin Abdullah Al-Rajhi (member), while Blayhid bin Naser bin Blayhid (member) was absent.

### 28.Actions taken by the Board of Directors to inform its members - especially non-executives - of shareholders' proposals and comments about the company and its performance

The Secretary of the Board of Directors is responsible for receiving all proposals and notes about the company and its performance and submitting them to the members of the Board of Directors for discussion during the periodic meetings.

### 29.Audit Committee's recommendations that conflict with the decisions of the Board of Directors, or which the Board refused to take into account regarding the appointment and dismissal of the company auditor, determining his fees and evaluating its performance or appointing the internal auditor, the rationale for those recommendations, and the reasons for not taking them into account

There are no recommendations of the audit committee that contradict the decisions of the board of directors, and the board of directors has not rejected any recommendations regarding the appointment of an auditor for the company, dismissal thereof, determination of fees and evaluation of his performance.

### 30.Board of Directors

The company is managed by a board of directors consisting of (8) members, and the board was reconstituted at the Ordinary General Assembly meeting on 30/05/2018 for a period of three years as of 30/05/2018. The elected board of directors in accordance with the requirements of Article 16 of the Corporate Governance Regulations is formed as follows:

Name	Membership Category		
	Executive	Non-executive	Independent
Abdullah bin Sulaiman Al-Rajhi		✓	
Saud bin Abdullah Al-Rajhi		✓	
Ahmad Samer bin Hamdi Al-Zaeem		✓	
Naser bin Abdullah Al-Oufi <sup>1</sup>			✓
Saleh bin Abdullah Al-Zume'i (representative of Al-Rajhi Bank) <sup>1</sup>		✓	
Ali bin Hadi Al Mansour			✓
Naif bin Abdullah Al-Rajhi		✓	
Blaihid bin Naser Al Blaihid <sup>1</sup>			✓
Nabil Ali Shoaib <sup>2</sup>			✓
Waleed Abdullah Al Mogbel (representative of Al-Rajhi Bank) <sup>2</sup>		✓	
Muhannad Qusay Al-Azzawi <sup>2</sup>			✓

<sup>1</sup> Membership ended by end of the previous session on 29/05/2021

<sup>2</sup> Has become board member in the new session started 30/05/2021

**31. Names of companies inside or outside the Kingdom of which a member of the company board of directors is a member of its current and previous boards of directors or of its managers**

Member's name	Names of companies in which a member of the board of directors is a member of their current boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/Unlisted Joint Stock/Limited Liability Company)	Names of companies in which a member of the board of directors was a member of their previous boards of directors or of their managers	Inside/outside the Kingdom	Legal Entity (Listed Joint Stock/ Unlisted Joint Stock/ Limited Liability Company)
Abdullah bin Sulaiman Al-Rajhi	Al-Rajhi Bank	Inside the Kingdom	Listed joint stock	Al-Rajhi Bank (CEO)	Inside the Kingdom	Listed joint stock
	Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)		Listed joint stock	Saudi Company for Manufacturing Carpet Materials		Limited liability company
	Al-Rajhi Capital Co.		Unlisted joint stock	Mattex Geosynthetic Factory of Jubail Saudi Company For Geotextile Solutions		Limited liability company
	Al-Rajhi Holding Group Company		Unlisted joint stock	Green Vision Co.		Limited liability company
	Farabi Petrochemicals Co.		Unlisted joint stock	Farabi Investment Co.		Limited liability company
	Indoor and outdoor flooring tissue solutions holding company		Unlisted joint stock	Farabi Yanbu Petrochemicals Co.		Limited liability company
	Al-Ajjal Holding Co.		Limited liability company	Farabi Converting Industries Co.		Limited liability company
	Homeland Legacy Real Estate Development Company		Limited liability company			



	Najez Investment Holding Company		Limited liability company			
	Mirath Holding Company		Limited liability company			
	IIB Investment Co.	Outside the Kingdom	Limited liability company	Al Tawfiq for Plastic Industries & Woven Sacks Co.	Inside the Kingdom	Limited liability company
Saud bin Abdullah Al-Rajhi	Al Fursan Travel Co.	Inside the Kingdom	Limited liability company	Hopper Co. Ltd	Inside the Kingdom	Limited liability company
	Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)	Inside the Kingdom	Listed joint stock			
	SEMARK	Inside the Kingdom	Limited liability company			
	Takatof Holding Co.	Inside the Kingdom	Limited liability company			
	The National Association of the Blind (Kafeef)	Inside the Kingdom				
Ahmad Samer bin Hamdi Al-Zaeem	Seera Holding Group	Inside the Kingdom	Listed joint stock	Saudi Modern Company for Specialized Electrical Cables & Wires Industry	Inside the Kingdom	Closed joint stock
	Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)		Listed joint stock			
	Saudi Modern Company for Metals, Cables and Plastic		Closed joint stock			
	Riyadh Cables Group Company		Closed joint stock			
	Saudi Company for the Manufacture of Telephone Cables		Closed joint stock			
	International Trading Company for Ceramics		Limited liability company			



	and Building Materials Ltd.					
	Gulf International Company for Home Supplies		Limited liability company	Riyadh Cables Co.		Closed joint stock
	Saudi Modern Cables Company Ltd.		Limited liability company			
	Lighting Technologies Co., Ltd.		Limited liability company			
	Gulf International Company for Contracting and Real Estate Investment Ltd.		Limited liability company			
	Natural Unified Trading Company		Limited liability company			
	Silver Crown Co.		Limited liability company			
Naser bin Abdullah Al-Oufi <sup>1</sup>	United Cement Industrial Co.	Inside the Kingdom	Unlisted joint stock	Al-Jouf Agricultural Co.	Inside the Kingdom	Listed joint stock
	SASCO	Inside the Kingdom	Listed joint stock	Food Products Co. (WAFRAH currently)	Inside the Kingdom	Listed joint stock
	Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)	Inside the Kingdom	Listed joint stock			
Saleh bin Abdullah Al-Zume'i (representative of Al-Rajhi Bank) <sup>1</sup>	Al-Rajhi Bank	Inside the Kingdom	Listed joint stock	Al-Rajhi Bank	Inside the Kingdom	Listed joint stock
	Al-Rajhi Services Company		Limited liability company			
	Al-Rajhi Real Estate Development Company		Limited liability company			
<sup>1</sup> Membership ended by end of the previous session on 29/05/2021						

	Emkan Finance Co.		Closed joint stock			
	Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)		Listed joint stock			
Ali bin Hadi Al Mansour	Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)	Inside the Kingdom	Listed joint stock			
Naif bin Abdullah Al-Rajhi	Digital Trip Co. Ltd	Inside the Kingdom	Limited liability company			
	Takatof Holding Co.	Inside the Kingdom	Limited liability company			
	Al Fursan Travel Co.	Inside the Kingdom	Limited liability company			
	Farabi Petrochemicals Co.	Inside the Kingdom	Unlisted joint stock			
	SEMARK	Inside the Kingdom	Limited liability company			
	Marami Food Industries Company	Inside the Kingdom	Limited liability company			
	Riyadh Chamber of Commerce	Inside the Kingdom	Non-profit government			
	Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)	Inside the Kingdom	Listed joint stock			
Blayhid bin NaserBlayhid <sup>1</sup>	Ejadah Management Co.	Inside the Kingdom	Limited liability company	National Bank	Inside the Kingdom	Listed joint stock
	Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)	Inside the Kingdom	Listed joint stock	Al Ahli Takaful Co.	Inside the Kingdom	Listed joint stock

<sup>1</sup> Membership ended by end of the previous session on 29/05/2021

Waleed Abdullah Al Mogbel (representative of Al-Rajhi Bank) <sup>1</sup>	Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)	Inside the Kingdom	Listed joint stock	Simah	Inside the Kingdom	Closed joint stock
Nabil Ali Shoaib <sup>2</sup>	Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful)	Inside the Kingdom	Listed joint stock	SABB Takaful	Inside the Kingdom	Listed joint stock
				Simah	Inside the Kingdom	Unlisted joint stock
				HSBC Saudi Arabia	Inside the Kingdom	Closed joint stock
Muhannad Qusay Al-Azzawi <sup>2</sup>	General Authority of Civil Aviation	Inside the Kingdom	General Authority			
	Saudi Contractors Authority	Inside the Kingdom	General Authority			
	Saudi Golf Federation	Inside the Kingdom	General Authority			
	Merrill Lynch Kingdom of Saudi Arabia	Inside the Kingdom	Closed Joint Stock			
	Binladin International Holding Group	Inside the Kingdom	Closed Joint Stock			
	GIB Saudi Arabia - Gulf International Bank	Inside the Kingdom	Closed Joint Stock			
	Golf Saudi	Inside the Kingdom	Closed Joint Stock			
	Taiba Investment	Inside the Kingdom	Listed joint stock			

<sup>1</sup> Has become board member in the new session started 30/05/2021

<sup>2</sup> Has become board member in the new session started 30/05/2021

## About the BOD Members

**Abdullah bin Sulaiman Al Rajihi:** The Chairman of BOD, a Saudi national, holds BA of Business Administration from King Abdulaziz University, Kingdom of Saudi Arabia. He currently holds several positions, including Chairman of the Board of Directors of Al-Rajhi Bank, Chairman of Al-Rajhi Capital, Chairman of the Board of Directors of Farabi Petrochemicals Company, and the Chairman of the Board of Directors of Al-Rajhi Holding Group Company. Prior to that he held several positions in Al-Rajhi Bank, including CEO, Managing Director, Chairman of the Executive Committee and Vice Chairman of the Board of Directors.

**Saud bin Abdullah Rajhi:** The Vice Chairman of the Board of Directors, a Saudi national, holds a Bachelor's Degree in Financial Management from the American University in the United Arab Emirates in 2017. He currently holds several positions, including Managing Director of Takatuf Holding Group Company, Chairman of the Board of Directors of IIB Management Company in Singapore, Member of the Board of Directors of Al Fursan Travel Company, the Chairman of Al-Tawfiq for Plastic Industries & Woven Sacks Ltd., the Chairman of the Board of Directors of the Saudi Event Management & Marketing Company, and the Chairman of the Board of Directors of the Kafef Organization in Riyadh. Prior to that he held several positions, including Director of the Mada Textile Factory Project, and Financial Director for the Industrial Department of Al-Rajhi Holding Group Company.

**Ahmad Samer bin Hamdi Al Zaeem:** A member of the Board of Directors, a Saudi national, holds a Bachelor's Degree in Public Administration from the American University in Lebanon in 1987 AD, as well as a Bachelor's Degree in Economics from the State University of New York, in the United States of America in 1992. He currently holds several positions, including the Chairman of the Saudi Company for the Manufacture of Telephone Cables, Vice Chairman of the Board of Directors of Seera Holding Group, a member of the Board of Directors of the Riyadh Cables Group Company, the Chairman of the Board of Directors of the Saudi Modern Company for Metals, Cables, and Plastic. Prior to that he held several positions, including a member of the Industrial Committee in the Chamber of Commerce in Riyadh.

**Naser bin Abdullah Al Oufi:** A member of the Board of Directors, Saudi national, holds a Bachelor's Degree in Accounting from King Saud University in the Kingdom of Saudi Arabia in 1979, and a Master's Degree in both Accounting and Business Administration from Southern New Hampshire University in the United States of America in 1985. He currently holds several positions, including Chairman of the Audit Committee in the Saudi Ceramics Company and Al-Jouf Agricultural Company, a member of the Board of Directors and Chairman of the Audit Committee in the United Cement Industrial Company and SASCO. As well as a member of the Board of Directors of United Cement Industrial Company, and before that he held several positions, including membership of the Audit Committee for several companies, including Mulkia Investment Company, Al-Jouf Agricultural Company, Al Ahleia Insurance Company, Taiba Holding Company, Knowledge Economic City Company. In addition to Chairman of the Audit Committee in Taiba Holding Company, member of the Board of Directors of Al-Jouf Agricultural Company and member of the Board of Directors and Chairman of the Audit Committee in the Food Products Company (WAFRAH currently).

**Saleh bin Abdullah Al Zamei:** A member of the Board of Directors, Saudi national, holds a Bachelor's Degree in English from Imam Muhammad bin Saud Islamic University in 1997. He currently holds several positions, including Digital & Payments General Manager at Al-Rajhi Bank, and Chairman of the Board of Directors at Al-Rajhi Takaful Agency, and before that, he held several positions In Al-Rajhi Bank, including the head of investments in the Treasury Department.

**Ali bin Hadi Al Mansour:** Member of the Board of Directors, a Saudi national, holds a Bachelor's Degree in Finance from the University of North California in the United States of America in 2002, and a Master's Degree in Business Administration from King Fahd University of Petroleum and Minerals in the Kingdom of Saudi Arabia in 2008. He currently holds the position of Executive Director of AlAwal Invest Company. Prior to that

he held several positions including the Chief Executive Officer of Al-Ra'idah Investment Company, the Investment Management Consultant at Jadwa Investment Company and Head of Portfolio Management at Saudi Aramco.

**Naif Bin Abdullah Al Rajhi:** Member of the Board of Directors, a Saudi national, holds a Bachelor's Degree in Financial Management from University of San Francisco, United States of America in 2012. He currently holds several positions, including CEO of Fursan Travel Company, General Manager and Vice-Chairman of the Board of Directors of Digital Trip Ltd Company, Board of Directors member of Takatuf Holding Company, Fursan Travel, Farabi Petrochemicals Company and Saudi Event Management & Marketing Company (SEMARK), and Marami food Industries Company. As well, he is the Vice Chairman of Board of Directors in the Riyadh Chamber & Chairman of the Tourism Committee in the Riyadh Chamber & Chairman of the Tourism committee of the council of Saudi Chamber.

**Balihad Bin Nasser Balihad:** Member of the Board of Directors, Saudi national, holder of Bachelor's Degree in Business Administration from Heritage College in the United States of America in 1983, he currently holds several positions, including membership of Nomination and Remuneration Committee of Bank Albilad and General Manager of Ejadah Management Consultancy company. He also previously held several positions, including advisor of the Chairman of the Board of Directors of National Bank, Vice Chairman for Human Resources of National Bank and Chairman of the Board of Directors of AlAhli Takaful Company.

**Waleed Bin Abdullah Almogbel:** Member of the Board of Directors, a Saudi national, holds a Bachelor's Degree in Accounting from King Saud University in the Kingdom of Saudi Arabia, in 1995, a Master Degree in Financial Accounting from the University of Southampton in the United States of America, in 2003, and a Ph.D. Degree in Accounting and Auditing from Cardiff University, in the United Kingdom in 2006. He is currently the CEO of Al Rajhi Bank, and previously held several positions, including Chairman of the Operations Group and Finance Director at Al Rajhi Bank.

**Nabil Ali Shoab:** Member of the Board of Directors, a Saudi national, holds a general certification of Education from London in 1980. He is currently a member of the Audit Committee at the National Finance Company. Prior to that, he held several positions, including a member of the board of directors in both SABB Takaful and the Saudi Credit Information Company (SIMAH), and one of his most prominent professional positions was the Managing Director of HSBC Amanah (Islamic Banking), General Manager of Internal Audit at SABB Bank, Chief Operating Officer and Executive Vice President of HSBC Saudi Arabia, and the General Secretary at SABB Bank.

**Muhannad Qusay Al-Azzawi:** Member of the Board of Directors, a Saudi national, holds a Bachelor's degree in Engineering from King Saud University in the Kingdom of Saudi Arabia in 1993. He is currently the Chief Executive Officer of the Saudi Industrial Construction and Engineering Projects Company Limited, the Chief Executive Officer of the Saudi Technology and Trade Co. Ltd., and the Chief Executive Officer Brokers Company for Development.

### 32. Board of Directors' Committees

The company's Board of Directors exercises its functions through the main committees, including:

### 33. Executive Committee

The Committee consists of the Chairman of the Board of Directors, Mr. Abdullah Suleiman Al-Rajhi, Chairman and the membership of Dr. Waleed Abdullah Al Mogbel and Vice Chairman of the Board of Directors, Mr. Saud Bin Abdullah Al-Rajhi. The Committee was reformed for the new session, which began on 30/05/2021. The Committee makes recommendations to the Board of Directors on critical issues such as strategic and actions plans related to business processes. The Board authorizes the Executive Committee to perform its functions in some cases. The Executive Committee held six meetings during 2021.

Executive Committee members	25/02/2021	21/03/2021	16/05/2021	10/06/2021	14/09/2021	08/12/2021
Abdullah Bin Suleiman Al-Rajhi - Chairman of the Board of Directors - non-executive	Present	Present	Present	Present	Present	Present
Waleed Almogbel - Non-Executive	Present	Present	Present	Present	Present	Present
Saud bin Abdullah Al Rajhi – Vice Chairman of the Board of Directors - non-executive	Present	Present	Present	Present	Present	Present

#### Brief on Executive Committee members:

**Abdullah Bin Suleiman Al-Rajhi:** Chairman of the Executive Committee, a Saudi national, holds BA of Business Administration from King Abdulaziz University, Kingdom of Saudi Arabia. He currently holds several positions, including Chairman of the Board of Directors of Al-Rajhi Bank, Chairman of Al-Rajhi Capital, Chairman of the Board of Directors of Farabi Petrochemicals Company, and the Chairman of the Board of Directors of Al-Rajhi Holding Group Company. Prior to that he held several positions in Al-Rajhi Bank, including CEO, Managing Director, Chairman of the Executive Committee and Vice Chairman of the Board of Directors.

**Waleed Bin Abdullah Almogbel:** Executive Committee member, a Saudi national, holds a Bachelor's Degree in Accounting from King Saud University in the Kingdom of Saudi Arabia, in 1995, a Master Degree in Financial Accounting from the University of Southampton in the United States of America, in 2003, and a Ph.D. Degree in Accounting and Auditing from Cardiff University, in the United Kingdom in 2006. He is currently the CEO of Al Rajhi Bank, and previously held several positions, including Chairman of the Operations Group and Finance Director at Al Rajhi Bank.

**Saud bin Abdullah Al Rajhi:** Executive Committee member, a Saudi national, holds a Bachelor's Degree in Financial Management from the American University in the United Arab Emirates in 2017. He currently holds several positions, including Managing Director of Takatuf Holding Group Company, Chairman of the Board of Directors of IIB Management Company in Singapore, Member of the Board of Directors of Al Fursan Travel Company, the Chairman of Al-Tawfiq for Plastic Industries& Woven Sacks Ltd., the Chairman of the Board of Directors of the Saudi Event Management & Marketing Company, and the Chairman of the Board of Directors of the Kafeef Organization in Riyadh. Prior to that he held several positions, including Director of the Mada Textile Factory Project, and Financial Director for the Industrial Department of Al-Rajhi Holding Group Company.

#### 34. Investment Committee

The Committee consists of the Vice Chairman of the Board of Directors, Mr. Saud bin Abdullah Al Rajhi as the Chairman; and the membership of Mr. Abdurrahman bin Abdullah Al-Fadda and Mr. Ali bin Hadi Al-Mansour. The Committee was reformed at its new session, which began on 30/05/2021. The Committee makes recommendations to the Board of Directors on investment plans, asset control, and investment policy risk

control. The Board authorizes the Investment Committee to perform its functions in some cases. The Investment Committee held six meetings during 2021.

Investment Committee members	22/02/2021	05/04/2021	28/06/2021	06/09/2021	06/10/2021	22/11/2021
Saud bin Abdullah Al Rajhi – Vice Chairman of the Board of Directors - non-executive	Present	Present	Present	Present	Present	Present
Abdurrahman bin Abdullah Al-Fadda- independent member- outside the Board of Directors	Present	Absent	Present	Present	Present	Present
Ali bin Hadi Al-Mansour- independent Board Member	Present	Present	Present	Present	Present	Present

#### Brief on Investment Committee:

**Saud bin Abdullah Al Rajhi:** Chairman of Investment Committee, a Saudi national, holds a Bachelor's Degree in Financial Management from the American University in the United Arab Emirates in 2017. He currently holds several positions, including Managing Director of Takatuf Holding Group Company, Chairman of the Board of Directors of IIB Management Company in Singapore, Member of the Board of Directors of Al Fursan Travel Company, the Chairman of Al-Tawfiq for Plastic Industries& Woven Sacks Ltd., the Chairman of the Board of Directors of the Saudi Event Management & Marketing Company, and the Chairman of the Board of Directors of the Kafeef Organization in Riyadh. Prior to that he held several positions, including Director of the Mada Textile Factory Project, and Financial Director for the Industrial Department of Al-Rajhi Holding Group Company.

**Abdurrahman bin Abdullah Al-Fadda:** Investment Committee member, Saudi national, holds a Bachelor's Degree in Electrical Engineering from King Fahd University of Petroleum and Minerals in the Kingdom of Saudi Arabia, 1996. He is currently the CFO at Al Rajhi Bank, and previously held several positions, including Director-General of Treasury and Investment at Saudi Investment Bank, member of the Board of Directors of Amlak International for Real Estate Finance Company, Director of Trading at National Commercial Bank and Director of Trading at Samba Financial Group.

**Ali bin Hadi Al-Mansour:** Investment Committee member, a Saudi national, holds a Bachelor's Degree in Finance from the University of North California in the United States of America in 2002, and a Master's Degree in Business Administration from King Fahd University of Petroleum and Minerals in the Kingdom of Saudi Arabia in 2008. He currently holds the position of Executive Director of AlAwal Invest Company. Prior to that he held several positions including the Chief Executive Officer of Al-Ra'idah Investment Company, the

Investment Management Consultant at Jadwa Investment Company and Head of Portfolio Management at Saudi Aramco.

### 35. Nomination and Remuneration Committee

The Committee consists of Mr. Ali bin Hadi Al-Mansour as Chairman, and membership of Mr. Balihad bin Nasser Balihad and Mr. Ahmed Samer bin Mohammed Hamdi Al-Zaeem. The Committee was reformed at its new session which began on 30/05/2021 of Mr. Ali bin Hadi Al-Mansour as Chairman, and membership of Mr. Muhannad Qusay Al-Azzawi and Mr. Naif Bin Abdullah Al Rajhi. The Committee carries out its tasks in accordance with its executive regulations, most importantly: recommendation to the Board of Directors to nominate for membership in the board or committees, or to hold leadership positions in accordance with approved policies and criteria as well as annual review of appropriate skills requirements for Board membership, review the structure of the Board of Directors, identify weaknesses and strengths and make recommendations thereon, develop clear compensations and remunerations policies for board members and top executives of the company. In addition to raising the annual proposal to the Board of Directors of the Annual Budget for Rewards and Incentives for top executives. The Committee held four meetings during 2021.

Nomination and Remuneration Committee	03/02/2021	08/04/2021	24/06/2021	29/12/2021
Ali bin Hadi Al-Mansour- board member-independent	Present	Present	Present	Present
Balihad bin Nasser Balihad- board member-independent <sup>1</sup>	Present	Present	-	-
Ahmed Samer bin Mohammed Hamdi Al-Zaeem-independent Board member <sup>1</sup>	Present	Present	-	-
Muhannad Qusay Al-Azzawi - independent Board member <sup>2</sup>	-	-	Present	Present
Naif Bin Abdullah Al Rajhi – Non-executive Board member <sup>2</sup>	-	-	Present	Present

#### Brief on Nomination and Remuneration Committee members:

**Ali bin Hadi Al-Mansour:** Head of Nomination and Remuneration Committee, Saudi national, holds a Bachelor's Degree in Finance from the University of North California in the United States of America in 2002, and a Master's Degree in Business Administration from King Fahd University of Petroleum and Minerals in the Kingdom of Saudi Arabia in 2008. He currently holds the position of Executive Director of AlAwal Invest Company. Prior to that he held several positions including the Chief Executive Officer of Al-Ra'idah Investment Company, the Investment Management Consultant at Jadwa Investment Company and Head of Portfolio Management at Saudi Aramco.

<sup>1</sup> Membership ended by end of the previous session on 29/05/2021

<sup>2</sup> Has become a committee member in the new session started 30/05/2021

**Ahmed Samer bin Hamdi Al-Zaeem:** Nomination and Remuneration Committee member, a Saudi national, holds a Bachelor's Degree in Public Administration from the American University in Lebanon in 1987 AD, as well as a Bachelor's Degree in Economics from the State University of New York, in the United States of America in 1992. He currently holds several positions, including the Chairman of the Saudi Company for the Manufacture of Telephone Cables, Vice Chairman of the Board of Directors of Seera Holding Group, a member of the Board of Directors of the Riyadh Cables Group Company, the Chairman of the Board of Directors of the Saudi Modern Company for Metals, Cables, and Plastic. Prior to that he held several positions, including a member of the Industrial Committee in the Chamber of Commerce in Riyadh.

**Balihad bin Nasser Balihad:** Nomination and Remuneration Committee member, a Saudi national, holds a Bachelor's Degree in Financial Management from Heritage College in the United States of America in 1983, he currently holds several positions, including membership of nomination and remuneration committee of Bank Albilad and Director-General of Ejadah Management Consultancy. He also previously held several positions, including adviser to the Chairman of the Board of Directors of National Bank, Vice Chairman for Human Resources of National Bank and Chairman of the Board of Directors of AlAhli Takaful Company.

**Muhannad Qusay Al-Azzawi:** Nomination and Remuneration Committee member, a Saudi national, holds a Bachelor's degree in Engineering from King Saud University in the Kingdom of Saudi Arabia in 1993. He is currently the Chief Executive Officer of the Saudi Industrial Construction and Engineering Projects Company Limited, the Chief Executive Officer of the Saudi Technology and Trade Co. Ltd., and the Chief Executive Officer Brokers Company for Development.

**Naif Bin Abdullah Al Rajhi:** Nomination and Remuneration Committee member, a Saudi national, holds a Bachelor's Degree in Financial Management from the University of San Francisco, United States of America in 2012. He currently holds several positions, including CEO of Fursan Travel Company, General Manager and Vice-Chairman of the Board of Directors of Digital Trip Ltd Company, Board of Directors member of Takatuf Holding Company, Fursan Travel, Farabi Petrochemicals Company and Saudi Event Management & Marketing Company (SEMARK), and Marami food Industries Company. As well, he is the Vice Chairman of Board of Directors in the Riyadh Chamber & Chairman of the Tourism Committee in the Riyadh Chamber & Chairman of the Tourism committee of the council of Saudi Chamber.

### 36. Audit Committee

The Committee consists of three members, Mr. Naser bin Abdullah Al-Oufi as Chairman, and membership of both Mr. Mohammed Mosaif and Mr. Mohammed bin Ali Al-Mubarak. The Committee was reformed at its new session which began on 30/05/2021 of Mr. Nabil Ali Shoaib as Chairman, and membership of both Mr. Fahad Al-Fawaz and Mr. Mohammed bin Ali Al-Mubarak. The Audit Committee plays a major and important role in assisting the Board of Directors in carrying out oversight and governance responsibilities with regard to the integrity of the Company's financial statements, the effectiveness of the internal control system in light of the risks encountered by the company, and the efficiency, independence and performance of external and internal auditors. In addition, it works to improve and develop control systems and thus protect the rights of shareholders and investors through a number of tasks, including examining, expressing opinions and submitting recommendations regarding financial statements, accounting policies used and internal control system. As well as oversight of internal audit management, examining its reports and verifying its effectiveness and independence, the recommendation to the Board of Directors to appoint external auditors, examine their plans, dismiss them and determine their fees. The Committee held eighteen meetings in 2021 including the International Financial Reporting Standard (IFRS17) meetings.



Audit Committee members	27/01	17/02	24/02	28/02	02/03	14/03	23/03	14/04	20/04	28/04	07/07	08/08	29/08	05/09	07/09	01/11	30/11	21/12
Naser bin Abdullah Al-Oufi - independent board member <sup>1</sup>	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	-	-	-	-	-	-	-	-
Mohammed Musaif - Independent member from outside the BOD <sup>1</sup>	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	-	-	-	-	-	-	-	-
Nabil Ali Shoaib - Independent member from outside the BOD <sup>2</sup>	-	-	-	-	-	-	-	-	-	-	Present	Present	Present	Present	absent	Present	Present	Present
Fahad Al-Fawaz - Independent member from outside the BOD	-	-	-	-	-	-	-	-	-	-	Present	Present	Present	Present	Present	Present	Present	Present
Mohammed bin Ali Al-Mubarak - Independent member from outside the BOD <sup>3</sup>	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	absent	absent

<sup>1</sup> His membership in the committee ended by the end of the previous session on 29/05/2021

<sup>2</sup> Has become a committee member in the new session started 30/05/2021

<sup>3</sup> His membership in the committee continued after re-formation for the new session

#### Brief on Members of Audit Committee:

**Nabil Ali Shoaib:** Member of the Board of Directors, a Saudi national, holds a general certification of Education from London in 1980. He is currently a member of the Audit Committee at the National Finance Company. Prior to that, he held several positions, including a member of the board of directors in both SABB Takaful and the Saudi Credit Information Company (SIMAH), and one of his most prominent professional positions was the Managing Director of HSBC Amanah (Islamic Banking), General Manager of Internal Audit at SABB Bank, Chief Operating Officer and Executive Vice President of HSBC Saudi Arabia, and the General Secretary at SABB Bank.

**Nasser bin Abdullah Al-Oufi:** Member of the Board of Directors and Chairman of the Audit Committee, Saudi national, holds a Bachelor's Degree in Accounting from King Saud University, Kingdom of Saudi Arabia in 1979, and a Master's Degree in both Accounting and Business Administration from the University of Southern New Hampshire in the United States of America in 1985. Currently, he holds several positions, including Chairman of the Audit Committee in the Saudi Ceramic Company and Al-Jouf Agricultural Company, a member of the Board of Directors and Chairman of the Audit Committee in the United Cement Industrial Company and the Saudi Automotive Services Company and a member of the Board of Directors of United Cement Industrial Company. And before that he held several positions, including membership of the Audit Committee for several companies, including Royal Investment Company, Al-Jouf Agricultural Company, National Insurance Company, Taiba Holding Company, Knowledge Economic City Company, Chairman of the Audit Committee in Taiba Holding Company. In addition to a member of the Board of Directors of Al-Jouf Agricultural Company, member of the Board of Directors and Chairman of the Audit Committee in the Food Products Company (currently known as Wafra Company).

**Mohamed Omar Mosaif:** Member of the Audit Committee, a Moroccan National, holder of a Bachelor's Degree in Economics from the Faculty of Law and Economics, King Mohammed V University in Rabat in 1973, and an attendance certificate for the first and second years in a Master's Degree program in Economics in 1974 and 1975 from the same school. And before that he held several positions including an executive director of the Arab Insurance Group - Bahrain.

**Fahad Al-Fawaz:** Member of the Audit Committee, a Saudi national, holds a Master's degree in Business Administration from the University of Surrey in Britain and a Bachelor of Science in Industrial Management from King Fahd University of Petroleum and Minerals. He is currently the CEO of the National Tourism Company. Previously, he held several positions, including a member of the Executive Committee of Abdulaziz and Saad Al Mojil Trading Company, a member of the Board of Directors and a member of the Audit Committee of the Fiberglass Oasis Company.

**Mohamed bin Ali Al-Mubarak:** member of the Audit Committee, Saudi national, holds a Bachelor's Degree in Accounting from King Fahd University for Petroleum and Minerals in the Kingdom of Saudi Arabia in 2007. He currently holds the position of Head of Local Assets in Public Investment Fund, and before that, he held several positions, including Director of Audit in Edda Co. & Ernst & Young office and Senior Manager in the Internal Audit Group at Alinma Bank.

#### 37.Risk Management Committee

The committee consisted of Mr. Abdulaziz bin Saad Al-Rusais as Chairman, and the membership of each of Mr. Ahmed Samer Al-Zaeem and Mr. Bahihad bin Nasser Al-Balihad during the expired session on 29/05/2021. The committee was reformed at its new session that began on 30/05/2021 of Mr. Ahmed Samer Al-Zaeem as Chairman and membership of Mr. Abdulaziz bin Saad Al-Rusais and Mr Nabil Ali Shoaib. The committee identifies the risks that the company may encounter; it also supervises the risk management system, assesses its effectiveness thereof, and develops a comprehensive risk management strategy. The Risk Management Committee held four meetings during 2021.

Members of Risk Management Committee	22/03/2021	14/07/2021	13/09/2021	22/12/2021
Ahmed Samer Al-Zaeem- Non-executive member of the Board of Directors <sup>1</sup>	Present	Present	Present	Present
Abdulaziz bin Saad Al-Rusais- A member from outside the BOD <sup>2</sup>	Present	Present	Present	Present
Balihad bin Nasser Al-Balihad - independent member of the Board of Directors <sup>3</sup>	Present	-	-	-
Nabil Ali Shoaib - independent member of the Board of Directors <sup>4</sup>	-	Present	Present	Present

#### Brief on Risk Management Committee:

**Ahmed Samer bin Hamdi Al-Zaeem:** Nomination and Remuneration Committee member, a Saudi national, holds a Bachelor's Degree in Public Administration from the American University in Lebanon in 1987 AD, as well as a Bachelor's Degree in Economics from the State University of New York, in the United States of America in 1992. He currently holds several positions, including the Chairman of the Saudi Company for the Manufacture of Telephone Cables, Vice Chairman of the Board of Directors of Seera Holding Group, a member of the Board of Directors of the Riyadh Cables Group Company, the Chairman of the Board of Directors of the Saudi Modern Company for Metals, Cables, and Plastic. Prior to that he held several positions, including a member of the Industrial Committee in the Chamber of Commerce in Riyadh.

**Abdulaziz bin Saad Al-Rusais:** Chairman of Risk Management Committee, a Bahraini national, holds a Bachelor's Degree in Financial Management and Marketing from Portland University, USA in 1999, and a Master's Degree in Business Administration from DePaul University, USA in 2004. He is currently the CRO at Al-Rajhi Bank; previously, he held several positions, including Vice Chairman of Risk Management at Mubadala GA Capital, and Investment Manager at Tharwat Investment Company.

**Balihad bin Nasser Al-Balihad:** Member of the Board of Directors, Saudi national, holds a Bachelor's Degree in Financial Management from Heritage College in the United States of America in 1983, he currently holds several positions, including membership of nomination and remuneration committee of Bank Albilad and Director-General of Ejadah Management Consultancy. He also previously held several positions, including adviser to the Chairman of the Board of Directors of National Bank, Vice Chairman for Human Resources of National Bank and Chairman of the Board of Directors of AlAhli Takaful Company.

**Nabil Ali Shoaib:** Member of the Board of Directors, a Saudi national, holds a general certification of Education from London in 1980. He is currently a member of the Audit Committee at the National Finance Company. Prior to that, he held several positions, including a member of the board of directors in both SABB Takaful and the Saudi Credit Information Company (SIMAH), and one of his most prominent professional positions was the Managing Director of HSBC Amanah (Islamic Banking), General Manager of Internal Audit at SABB Bank, Chief Operating Officer and Executive Vice President of HSBC Saudi Arabia, and the General Secretary at SABB Bank.

<sup>1</sup> Has become the Chairman of the Committee for the new session effective 30/05/2021 after had been member

<sup>2</sup> Has become member of the Committee for the new session effective 30/05/2021 after had been the Chairman

<sup>3</sup> His membership in the committee continued after re-formation for the new session

<sup>4</sup> Has become a committee member for the new session effective 30/05/2021

### 38.Sharia Board

Consists of Dr. Saleh Mansour Al-Jarbou, as a chairman, and a membership of Dr. Saleh Abdullah Al-Lohaidan and Dr. Yousef Abdullah Al-Shebaili, the Board supervises the company's commitment to Sharia provisions in all transactions, and supervision and authentication of developing insurance products adhering to Islamic Sharia, the Board held six (5) meetings during 2021:

Member	Meeting 147	Meeting 148	Meeting 149	Meeting 150	Meeting 151
	04/05/2021	10/06/2021	14/07/2021	05/10/2021	13/12/2021
Member's Name	Present	Present	Present	Present	Present
Dr. Saleh Mansour Al-Jarbou	Present	Present	Present	Present	Present
Dr. Saleh Abdullah Al-Lohaidan	Present	Present	Present	Present	Present
Dr. Yousef Abdullah Al-Shebaili	Present	Present	Present	Present	Present
Attendance Remuneration for each member	5,000	5,000	5,000	5,000	5,000

#### Brief on Sharia Board members:

**Dr. Saleh bin Mansour Al-Jarbou:** Chairman of the Sharia Board, Saudi national, holds a PhD Degree in Comparative Jurisprudence from Imam Muhammad bin Saud Islamic University in 2006, and a Master's Degree in Law from the American University in Washington DC in 1994, and is currently presiding the Sharia Board of Al-Rajhi Financial Services Company. A licensed lawyer from 2007 to date, and he previously held several positions, including Director of the Legal Affairs and Compliance Control Department of Al-Rajhi Banking and Investment Corporation.

**Dr. Saleh bin Abdullah Al-Lohaidan:** A member of the Sharia Board, Saudi national, holds a PhD Degree in Islamic Jurisprudence from the Higher Judicial Institute in Riyadh in 1994. Currently, he is working as a contracted professor at the Imam Muhammad bin Saud Islamic University and the General Director of the Sharia Group at Al-Rajhi Bank, and a member and a secretary of the Sharia Board at Al-Rajhi Bank. He also held the position of a member of the Scientific Council at Imam Muhammad bin Saud Islamic University, and participated in a number of scientific committees inside and outside the university.

**Dr. Yousef bin Abdullah Al-Shebaili:** A member of the Sharia Board, Saudi national, holds a PhD Degree from the Higher Judicial Institute at Imam Muhammad bin Saud Islamic University in 2001. Currently, he works as a professor at Imam Muhammad bin Saud Islamic University, and many memberships in Sharia bodies in financial and economic institutions inside and outside the Kingdom. Previously, he held the position of Deputy for the Comparative Jurisprudence Department at the Higher Judicial Institute in 1998.

No.	Members of Sharia Board	Annual Remunerations	Meetings attendance Remuneration	Total
1	Dr. Saleh Al-Jarboua	SR 60,000	SR 30,000	SR 90,000
2	Dr. Saleh Al-Lohaidan	SR 60,000	SR 30,000	SR 90,000
3	Dr. Yousef Al-Shebaili	SR 60,000	SR 30,000	SR 90,000
<b>Total</b>		<b>SR 270,000</b>		

### 39. Details of Remuneration and Compensation for Board of Directors and Committees Members and Five Top Executives

#### **First:**

1- Remunerations and compensation for members of the Board of Directors for the previous session expired 29/05/2021:

In accordance with the remuneration policy for members of the Board of Directors and the sub-committees, the members of the board of directors of the company receive an annual remuneration of 180,000 SAR for the Chairman of the board of directors. As well as 120,000 SAR for a member of the board of directors for their membership in the board, and they receive attendance remuneration of 3,000 SAR for each Board meeting.

2- Based on the remuneration policy for members of the committees stemming from the Board of Directors:

- A member of the sub-committee of the board of directors receives an annual remuneration of 60,000 SAR in consideration of his membership in the committee.
- A member of the committee also receives 1,500 SAR for each meeting of the committees stemming from the Board of Directors he attends.

#### **Second:**

1- Remunerations and compensation for members of the Board of Directors for the current session started 30/05/2021:

In accordance with the remuneration policy for members of the Board of Directors and the sub-committees, the Chairman and members of the board of directors of the company receive an annual remuneration of SAR 200,000, and they receive an attendance remuneration of 3,000 SAR for each Board meetings.

2- Based on the remuneration policy for members of the committees stemming from the Board of Directors:

- A member of the Audit Committee receives an annual remuneration of 100,000 SAR in consideration of his membership in the committee.
- A member of all other sub-committees receives an annual remuneration of 80,000 SAR in consideration of his membership in the committee.
- A member of all committees receives 1,500 SAR for each meeting for the sub-committees of the Board of Directors attended.

3- Mechanisms for determining and paying remunerations and compensations:

- Remuneration and compensations due to members of the board of directors and members from outside the board are calculated on an annual basis, approved by the Board and ratified by the General Assembly.
- Attendance allowance is paid annually based on attendance records of Board and Committees Meetings.

4- Remunerations and compensations for top executives: The remuneration is calculated based on the annual appraisal and company's outcomes based upon the targets set at the beginning of the Gregorian year.

The following is a statement showing salaries, compensations, allowances and annual remunerations received by members of Board of Directors, the Committees, and five senior executives of the company, who



received the highest remunerations and compensations including the CEO, and Chief Financial Officer, for the period from 01/01/2021 to 31/12/2021:

Description	Members of Board of Directors and Committees	Top 5 Senior Executives including CEO and Chief Financial Officer
Salaries and Compensations	0	8,391,411
Allowances	336,000	377,003
Periodic and annual remunerations	1,962,412	3,250,420
<b>Total</b>	<b>2,262,412</b>	<b>12,018,834</b>



Independent members

Non- Executive Members

		Independent members			Total	Non- Executive Members					Total
		Nasser bin Abdullah Al-Oufi	Balihad bin Nasser Al-Balihad	Ali bin Hadi Al-Mansour		Abdullah bin Soliman Al-Rajhi	Ahmed bin Samer Al-Zaeem	Saleh bin Abdullah Al-Zumaie	Saud bin Abdullah Al-Rajhi	Naif bin Abdullah Al-Rajhi	
Variable remuneration	Percentage of profits	0	0	0	0	0	0	0	0	0	0
	Periodic remuneration	0	0	0	0	0	0	0	0	0	0
	Short-term incentive plans	0	0	0	0	0	0	0	0	0	0
	Long-term incentive plans	0	0	0	0	0	0	0	0	0	0
	Awarded Shares (value to be entered)	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0
	End of service indemnity	0	0	0	0	0	0	0	0	0	0
	Expense allowance	0	0	0	0	0	0	0	0	0	0
	Grand Total	51,986	51,986	51,986	<b>155,958</b>	76,479.45	51,986.30	51,986.30	51,986.30	51,986.30	<b>284,424.65</b>

Remunerations of members of the Board of Directors from 01/01/2021 to 29/05/2021 (Current Session)

	Independent members				Non- Executive Members						
	Nabil Ali Shoaib	Muhannad Qusay Al-Azzawi	Ali bin Hadi Al-Mansour	Total	Abdullah bin Sulaiman Al-Rajhi	Ahmed bin Samer Al-Zaeem	Waleed Bin Abdullah Almogbel	Saud bin Abdullah Al-Rajhi	Naif bin Abdullah Al-Rajhi	Total	
Fixed remuneration	Annual Remuneration	118,356.16	118,356.16	118,356.16	<b>355,068.49</b>	118,356.16	118,356.16	118,356.16	118,356.16	118,356.16	<b>591,780.80</b>
	Allowance for attending Board meetings	9,000	9,000	9,000	<b>27,000</b>	9,000	9,000	9,000	9,000	9,000	<b>45,000</b>
	Non-monetary advantages	0	0	0	0	0	0	0	0	0	0
	A statement of what the members of the Board received as employees or administrators, or what they received in consideration of their technical, administrative, or consultancy work	0	0	0	0	0	0	0	0	0	0
	Remuneration for the Chairman of the Board, the Managing Director or the Secretary if he is a member	0	0	0	0	0	0	0	0	0	0
	<b>Total</b>	127,356.16	127,356.16	127,356.16	<b>382,068.48</b>	127,356.16	127,356.16	127,356.16	127,356.16	127,356.16	<b>636,780.80</b>

Independent members

Non- Executive Members

	Independent members				Non- Executive Members						
	Nabil Ali Shoaib	Muhannad Qusay Al-Azzawi	Ali bin Hadi Al-Mansour	Total	Abdullah bin Soliman Al-Rajhi	Ahmed bin Samer Al-Zaeem	Waleed Bin Abdullah Almogbel	Saud bin Abdullah Al-Rajhi	Naif bin Abdullah Al-Rajhi	Total	
Variable remuneration											
Percentage of profits	0	0	0	0	0	0	0	0	0	0	0
Periodic remuneration	0	0	0	0	0	0	0	0	0	0	0
Short-term incentive plans	0	0	0	0	0	0	0	0	0	0	0
Long-term incentive plans	0	0	0	0	0	0	0	0	0	0	0
Awarded Shares (value to be entered)	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0
End of service indemnity	0	0	0	0	0	0	0	0	0	0	0
Expense allowance	0	0	0	0	0	0	0	0	0	0	0
Grand Total	127,356.16	127,356.16	127,356.16	<b>382,068.48</b>	127,356.16	127,356.16	127,356.16	127,356.16	127,356.16	127,356.16	<b>636,780.80</b>



Remunerations of Committees' Members

Committees' Members	Fixed remuneration (excluding sessions attendance allowance)		Sessions attendance allowance		Total
	To 29/05/2021 <sup>1</sup>	From 30/05/2021 <sup>2</sup>	To 29/05/2021	From 30/05/2021	
<b>Executive Committee</b>					
Abdullah bin Sulaiman Al-Rajhi	-	-	4,500	4,500	9,000
Waleed bin Abdullah Al-Mogbel	24,493	-	4,500	4,500	33,493
Saud bin Abdullah Al-Rajhi	-	-	4,500	4,500	9,000
<b>Total</b>	<b>24,493</b>		<b>13,500</b>	<b>13,500</b>	<b>51,493</b>
<b>Investment Committee</b>					
Saud bin Abdullah Al-Rajhi	-	-	1,500	6,000	7,500
Abdulrahman bin Abdullah Al-Fada	24,493	47,342	3,000	6,000	80,835
Ali bin Hadi Al-Mansour	-	-	3,000	6,000	9,000
<b>Total</b>	<b>24,493</b>	<b>47,342</b>	<b>7,500</b>	<b>18,000</b>	<b>97,335</b>
<b>Nomination &amp; Remuneration Committee</b>					
Ali bin Hadi Al-Mansour	-	-	3,000	3,000	6,000
Balihad bin Nasser Al-Balihad	-	-	3,000	-	3,000
Ahmed Samer Al-Zaeem	-	-	3,000	-	3,000
Muhannad Qusay Al-Azzawi	-	-	-	3,000	3,000
Naif bin Abdullah Al-Rajhi	-	-	-	3,000	3,000
<b>Total</b>	-	-	<b>9,000</b>	<b>9,000</b>	<b>18,000</b>
<b>Audit Committee</b>					
Nasser bin Abdullah Al-Oufi	24,493	-	15,000	-	39,493
Mohamed Musaif	24,493	-	15,000	-	39,493
Nabil Ali Shoaib	-	59,178	-	10,500	69,678

<sup>1</sup> The expiry date of the previous session

<sup>2</sup> The start date of the current session



Committees' Members	Fixed remuneration (excluding sessions attendance allowance)		Sessions attendance allowance		Total
	To 29/05/2021 <sup>1</sup>	From 30/05/2021 <sup>2</sup>	To 29/05/2021	From 30/05/2021	
Fahad Al Fawaz	-	59,178	-	12,000	71,178
Mohammad Ali Al-Mubarak	24,493.15	59,178	15,000	9,000	107,671
<b>Total</b>	<b>73,479</b>	<b>177,534</b>	<b>45,000</b>	<b>31,500</b>	<b>327,513</b>
<b>Risk Committee</b>					
Ahmed Samer Al-Zaeem	-	-	1,500	4,500	6,000
Balihad bin Nasser Al-Balihad	-	-	1,500	-	1,500
Nabil Ali Shoaib	-	-	-	4,500	4,500
Abdulaziz bin Saad Al-Rusais	24,493	47,342	1,500	4,500	77,835
<b>Total</b>	<b>24,493</b>	<b>47,342</b>	<b>4,500</b>	<b>13,500</b>	<b>89,835</b>

<sup>1</sup> The expiry date of the previous session

<sup>2</sup> The start date of the current session

#### 40. Waiver of interests by shareholders, board members, or senior executives

- There are no arrangements or agreements regarding any member of the Board of Directors or the senior executives to waive any salaries, remunerations or compensations.
- There are no arrangements or agreements regarding any of the shareholders' waiver of their rights in profits.

#### 41. Evaluation of the performance of the Board of Directors' members and its committees

The Board of Directors is keen to involve all its members in the tasks, responsibilities and sub-committees, and the Board is keen to review its decisions and recommendations. In addition to the recommendations of the committees stemming from it periodically to ensure their results and their implications on the performance of the Board and the committees stemming from it and the general performance of the company.

#### 42. Results of the annual review of the effectiveness of the company's internal control procedures

The internal control system has been prepared on firm and sound foundations and its effectiveness is strengthened through the following:

- There are specialized departments in the field of auditing and compliance monitoring.
- There is a Board Audit Committee in line with the governance regulation, which contributes to strengthening the independence of internal and external auditors, and reports are submitted to it about the units and activities that are audited on a quarterly basis, in order to provide a continuous evaluation of the internal control system and its effectiveness.
- The adequacy and effectiveness of the internal control system is reviewed by the Internal Audit Department according to an annual plan approved by the Audit Committee. Some aspects of internal control are reviewed by the external auditors, and periodic reports are submitted to the Audit Committee according to its predetermined meeting dates, which in turn submits reports including its observations and correction procedures to the Board of Directors to discuss and approve the necessary recommendations. The Internal Audit Committee also reflects the effectiveness of the company's internal control procedures, and it has not made any substantive observations about them.
- The results of reviewing the internal control system and the adequacy and effectiveness of some control procedures are being considered very seriously, where any remarks should be followed up, corrected, and controls put in place to ensure that they are not repeated.
- Accordingly, and based on the results of the internal control system evaluation work, Al Rajhi Takaful has an adequate internal control system that works appropriately and is monitored and strengthened on an ongoing basis, bearing in mind that any internal control system, regardless of the level of its design and effectiveness, cannot provide absolute assurances.

#### 43. The Audit Committee's opinion on the adequacy of the company's internal control procedures

The Audit Committee indicated the adequacy of the company's internal control procedures, and the committee has not found any essential issues with a significant impact that require disclosure for the year 2021.



#### 44.External Auditors

The General Assembly, held on 05/05/2021, approved the proposal of the Board of Directors based on the recommendation of the Audit Committee to appoint Crowe Global / AlAzem, Alasdair, AlShaikh & Partners and AlKharashi & Co. Certified Accountants and Auditors to play a joint role as auditors for the company's accounts for the fiscal year 2021.

#### Conclusion

The Company's Board of Directors is pleased to extend its thanks and appreciation to the Saudi Central Bank, the Financial Market Authority and the General Secretariat of the Cooperative Health Insurance Council, for their continuous support and directives in support of the business and activities of the insurance sector in general. The Company's Board of Directors is pleased to extend its thanks and appreciation to the shareholders for their trust in the company, its officials and employees for their constant efforts.

Allah is the guarantor of success.