



شركة الأهلي للتكافل
ALAHLI TAKAFUL COMPANY

**ALAhli Takaful Company Invites Its
Shareholders to Attend the
Extraordinary General Assembly
Meeting
(*The first meeting*)**

Extraordinary General Assembly Meeting Agenda:

- 1- To vote on the Auditors Report for the fiscal year ending 31/12/ 2020.
- 2- To vote on the Financial Statements for the fiscal year ending 31/12/ 2020.
- 3- To vote on the Board Report for the fiscal year ending 31/12/ 2020.
- 4- To vote on absolving the Board of Directors of their responsibility for managing the Company for the fiscal year ending 31/12/ 2020.
- 5- To vote on the appointment of the External Auditor of the Company based on the Audit Committee's recommendation to audit the financial statements for the second, third and annual quarter of the fiscal year 2021 and the first quarter of the fiscal year 2022 and to approve their fees.
- 6- To vote of the Board member's remuneration at SR2,556,124 for the year ended 31/12/2020.
- 7- To vote on the transactions and contract that will be concluded between the company and the National Commercial Bank (Related Party) represented in various annual insurance contracts, which are for the members of the Board of Directors: Mr. Omar Mohammed Hashem and Mr. Khaled Mohammed Bashniny, have an indirect interest as representatives of the National Commercial Bank, noting that the nature of the transactions in the year 2020 consisted of various annual insurance contributions contracts with a total value of 79,055 (SR'000) and a total of paid claims amounted to 71,034 (SR'000), with no special or preferential conditions. *(Attached)*
- 8- To vote on the transactions and contract that will be concluded between ATC and the NCB Capital (Related Party) represented in the investment management contract for Policyholders in investment funds, in which the members of the Board of Directors: Mr. Omar Mohammed Hashem and Mr. Khaled Mohammed Bashniny, have an indirect interest as representatives of the National Commercial Bank, noting that the nature of the transactions in the year 2020 was the discount received on the investment funds management fees in the amount of 4,896 (SR'000) for the total value of the investments of the Policyholders in the investment funds of NCB Capital, with no special or preferential conditions. *(Attached)*
- 9- To vote on the transactions and contract concluded between the company and the Saudi Ground Services Company (Related Party) represented in an annual insurance contract for the Eng. Saleh Hefni is an indirect interest due to being a member of the Board of Directors in the Saudi Ground Services Company, noting that the nature of the transactions in the year 2020 consisted of an annual insurance subscription contract with a total value of 644 (SR'000) and a total of paid claims amounted to 534 (SR'000), with no special or preferential conditions. *(Attached)*
- 10- To vote on the appointment of Mr. Omar Hashem as Non-Executive Board Member (Representing the National Commercial Bank) effective from May 23, 2020 to continue the current term of the Board, which will end on July 31, 2022. To fill the previous member's position, AlSharif Khalid AlGhalib (a non-executive Board Member (Representing the National Commercial Bank). *(Attached)*

- 11- To vote on the changes in the Corporate Governance Code. *(Attached)*
- 12- To vote on the changes in Article 3 of the Company's By-Laws: Objectives of the Company *(Attached)*
- 13- To vote on the changes in Article 4 of the Company's By-Laws: Participation & Acquisition of Companies *(Attached)*
- 14- To vote on the changes in Article 5 of the Company's By-Laws : Head Office *(Attached)*
- 15- To vote on the changes in Article 7 of the Company's By-Laws: Investments of the Company *(Attached)*
- 16- To vote on the changes in Article 12 of the Company's By-Laws: Transfer of Shares *(Attached)*
- 17- To vote on the changes in Article 13 of the Company's By-Laws: Increase of Capital *(Attached)*
- 18- To vote on the changes in Article 14 of the Company's By-Laws: Decrease of Capital *(Attached)*
- 19- To vote on the changes in Article 15 of the Company's By-Laws : Management of the Company *(Attached)*
- 20- To vote on the changes in Article 16 of the Company's By-Laws: Termination of Membership *(Attached)*
- 21- To vote on the changes in Article 17 of the Company's By-Laws: Vacant Position in the Board *(Attached)*
- 22- To vote on the changes in Article 18 of the Company's By-Laws: Power and Authorities of Board of Directors *(Attached)*
- 23- To vote on the changes in Article 19 of the Company's By-Laws: Remuneration of Board Members, Chairman and Managing Director *(Attached)*
- 24- To vote on the changes in Article 20 of the Company's By-Laws: Power of the Chairman, Vice Chairman and Board Secretary *(Attached)*
- 25- To vote on the changes in Article 21 of the Company's By-Laws: Board Meetings *(Attached)*
- 26- To vote on the changes in Article 22 of the Company's By-Laws: Quorum of Board Meeting *(Attached)*
- 27- To vote on the changes in Article 24 of the Company's By-Laws: Agreements and Contracts, conflict of interest and competition *(Attached)*
- 28- To vote on the changes in Article 25 of the Company's By-Laws: Attending Assembly Meetings *(Attached)*
- 29- To vote on the changes in Article 26 of the Company's By-Laws: Constituent General Assembly *(Attached)*

- 30- To vote on the changes in Article 27 of the Company's By-Laws: Powers of the Constituent Assembly *(Attached)*
- 31- To vote on the changes in Article 28 of the Company's By-Laws: Ordinary General Assembly *(Attached)*
- 32- To vote on the changes in Article 30 of the Company's By-Laws: Invitations to General Assemblies *(Attached)*
- 33- To vote on the changes in Article 31 of the Company's By-Laws: Register of Attendance *(Attached)*
- 34- To vote on the changes in Article 32 of the Company's By-Laws: Quorum of the Ordinary General Assembly Meeting *(Attached)*
- 35- To vote on the changes in Article 33 of the Company's By-Laws: Quorum of the Extraordinary General Assembly Meeting *(Attached)*
- 36- To vote on the changes in Article 36 of the Company's By-Laws: Discussion in the General Assembly Meetings *(Attached)*
- 37- To vote on the changes in Article 37 of the Company's By-Laws: Presidency of General Assembly Meetings and meeting minutes *(Attached)*
- 38- To vote on the changes in Article 39 of the Company's By-Laws: Appointment of Auditors *(Attached)*
- 39- To vote on the changes in Article 41 of the Company's By-Laws: Obligations of the Auditors *(Attached)*
- 40- To vote on the changes in Article 43 of the Company's By-Laws: Financial Statements *(Attached)*
- 41- To vote on the changes in Article 45 of the Company's By-Laws: Zakat and Reserves *(Attached)*
- 42- To vote on the changes in Article 47 of the Company's By-Laws: Company Losses *(Attached)*
- 43- To vote on the changes in Article 49 of the Company's By-Laws: Liabilities of the Board of Directors *(Attached)*
- 44- To vote on the changes in Article 50 of the Company's By-Laws: Dissolution of the Company *(Attached)*
- 45- To vote on the changes in Article 51 of the Company's By-Laws: The Company's By-Laws *(Attached)*

Audit Committee Report for the AGM For the Year ended 31st December 2020

To ATC Shareholders

According to article 104 of the Companies Law, ATC Audit Committee (AC) would like to present its report for the year ended 31st December 2020:

A) Main AC Activities during 2020

During 2020, the AC preformed its tasks and responsibilities which includes the following:

1. Supervising the Compliance and Internal Audit functions and ensured their effectiveness by reviewing their reports and pursue the implementation of the corrective measures in respect of the comments included in them.
2. Reviewing External Auditors' offers and recommended to the Board and General Assembly their appointment for the coming year based on the required criteria.
3. Reviewing the External and Internal Auditors' audit plan as well as Compliance plan and made comments thereon.
4. Reviewing and discussing the External Auditors' comments and reports and followed up the actions taken about them.
5. Reviewing the interim and annual financial statements with management prior to presentation to the Board of Directors; and gave opinion and recommendations with respect thereto.
6. Reviewing the Actuary report to ensure the Company's compliance with the Actuary's proposals and recommendations.
7. Reviewing and discussing the results of SAMA annual supervisory visit report and followed up the actions taken about them.
8. Reviewing and discussing the Complaints reports.
9. Reviewing and discussing the Shariah findings and followed up the actions taken about them.
10. Follow up on the IFRS 17 Implementation plan.
11. Follow up on the VAT claim objection for the year 2018 and 2019 with the Tax Advisor.
12. Reviewing and discussed with the Board of Directors the most important AC activities, observations and recommendations
13. Approving the Committee action plan for 2021, which includes date of the meetings and proposed topics for each meeting. This is to ensure the achievement of the Committee's objectives and tasks. **See Annex A** for the action plan detail.

B) 2020 Meetings

In order to perform its duties, the Committee held 9 meetings during the year 2020:

1. AC meetings:

Meeting NO.	Date
1	3 rd February 2020
2	20 st February 2020
3	18 th May 2020
4	27 th July 2020
5	25 th October 2020
6	28 th October 2020

2. AC meetings with the Board of Directors:

Meeting NO.	Date
1	29 th April 2020
2	30 th September 2020
3	24 th November 2020

C) Conclusion

Based on what has been presented to the Committee by the External and Internal Auditors, Actuary as well as Senior Management reports, the Audit Committee do not foresee any significant impact on the company's business performance; and the internal control systems and risk management systems are sound in design and has been effectively implemented.

Date: 11 February 2021

Chairman of the Audit Committee

Dr. Salah Altaieb

Annex 1

Audit Committee 2021 Action Plan

Meeting No.	Date & Time*	Key Topics to be Discussed
1 (2021)	Thursday 11 th February 2021	<ol style="list-style-type: none"> 1. Review 2020 Actuary Annual Report 2. Review 2020 Risk Management Annual Report 3. Review Q.4 2020 Complaints, Compliance, IA Reports.
2 (2021)	Thursday 11 th March 2021	<ol style="list-style-type: none"> 1. Review 2020 Annual Financials 2. Review 2020 Audit Management Letter 3. Recommendation to Appoint External Auditors for Q.2 to Q.4 2021 & Q.1 2022 to the AGM
3 (2021)	Thursday 29 th April 2021	<ol style="list-style-type: none"> 1. Review Q.1 2021 Financials 2. Review Q.1 2021 Complaints, Compliance, IA Reports.
4 (2021)	Thursday 29 th July 2021	<ol style="list-style-type: none"> 1. Review Q.2 2021 Financials 2. Review Q.2 2021 Complaints, Compliance, IA Reports
5 (2021)	Thursday 28 th October 2021	<ol style="list-style-type: none"> 1. Review Q.3 2021 Financials 2. Review 2021 Audit Plan by External Auditors 3. Review Q.3 2021 Complaints, Compliance, IA Reports 4. Approval of 2022 Compliance & IA Plan 5. Approve AC 2022 Action Plan and review 2021 AC AGM Report
6 (2021)	TDB	Meeting with the Board.

*All meetings start at 10:00 AM.