



Article one:

Voting on the Board Annual Report for the financial year ended on 31 December 2020.

The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (MEDGULF) BOD's Report For year 2020 G from 1/01/2020 G till 31/01/2020 G

Chairman's speech

The company faced the year of 2020 with high flexibility despite the challenging environment, locally and globally, due to the COVID 19 virus pandemic, the continuing process of change and restructuring.

The insurance industry in the Kingdom of Saudi Arabia has been enjoying remarkable growth driven by the regulatory requirements, continued spending in the non-oil and industrial economy, infrastructure projects, and customer needs for the development of services and technology. Yet, insurance penetration rates are still relatively low compared to emerging markets as well as developed markets, which in turns point to a continuation of positive and healthy growth in the coming years.

The strong regulatory environment and the competitive insurance landscape have resulted in higher costs and lower prices, which have put pressures on profit margins and thus affect the company's financial position. Conversely, economic changes, the fluctuating and low interest rate, digitalization and artificial intelligence are all major factors that will shape the future of the insurance market in the Kingdom and requires a careful attention and actions.

We do see the current industry dynamics as a favorable opportunity to think outside the box and move in a different way than usual in the strategy and the execution. The board of directors and the executive team are now working on developing a new vision and strategy that gives the company the agility, dynamism and the speed to enable a positioning that capitalizes and benefits from the economic and industry conditions in the medium and long term.

The rights issue is on progress to support the capital adequacy and the financial position enhancing our competitive position and supporting the company's business and expansions in the field of insurance and investments.

As part of the company's business restructuring plan and the efforts to raise the company's competitiveness and level of services, a medical claims department was created within the company to have in house controlled services and capabilities. This effort falls within the company's general strategic direction to develop and improve the quality of its relationship with all parties in the insurance ecosystem, on top of which are

our partners “our clients”. The company will continue to enhance its operational processes and procedures and improve its efficiency to reach the desired level of business results and modern customer service that reflects MEDGULF's stature and brand.

Many initiatives and programs that would raise the level of services were introduced during 2020 such as offering new products and promoting electronic and digital channels. The summary of the initiatives are as follows:

- The small and medium enterprises product "Pulse" was launched with the aim of expanding the company's sales and better serve this important segment.
- The introduction of the service to submit the motor insurance claims electronically, enabling our customers to manage and track claims in a convenient way.
- The automation of toll-free phone service, enabling our customers to access the services 24/7.
- Continuing the process of development and adding services to electronic channels, which cover sales and after-sales services around the clock, 24/7.
- Establishment of a customer experience unit that aims and works to meet the needs and expectations of our customers.

On the organizational structure front, the company has taken the following initiatives:

- The centralization of the company's operations at its headquarters, with the aim of raising the level of service quality and rationalize spending.
- The establishment of the investment department to manage the investment and treasury operations aiming to improve the management of the treasury business and maximize investment returns in line with the investment objectives and strategic directions of the company.

On the human resources front, MEDGULF celebrated the graduation of 38 of its employees and associates of the Insurance Leaders Program (Level 1) during its annual ceremony for the year 2020. To complement the efforts made to develop its human resources, the company launched the second level of the program, which includes a number of specialized majors such as insurance law, risk management, motor insurance, insurance and finance.

Financially, the company had a very good year as profits before zakat and tax increased by 186% from 18 million riyals in 2019 to 55 million riyals in 2020. The total written premiums increased as well by 5% in this year, and shareholders' equity increased by 7.5%, to reach 759 million riyals.

I would also like to be transparent with our shareholders and state that the company is still suffering from a low solvency that is less than the regulatory requirements, which we are working to solve through the increase of the capital. The company needs as well a significant development in its Information technology infrastructure and needs to enhance its capabilities in the aspects of cybersecurity, in which the company will invest and strengthen next year.

Lastly, on behalf of myself and the board of directors and the company, I would like to express our deep thanks and gratitude to the Custodian of the Two Holy Mosques and the Crown Prince for the great governmental support and help to improve the insurance sector in the Kingdom of Saudi Arabia. I also want to extend my thanks to the regulatory and supervisory bodies institutions namely, the Central Bank and the Council of Cooperative Health Insurance, who were the guides that support us in many matters. Thanks are due as well to the company's shareholders and our valued clients for the continued trust in MEDGULF, and we look forward to providing the best in the next fiscal year.

I would like finally to thank our greatest assets “the employees of MEDGULF” who did not save efforts to work in advancing the company to what it is now. As an example of such commitment and resilience, the company suffered from changes in the executive management and a decrease of 47% in gross written premiums during the third quarter of last year. Yet, our team faced the challenge with a great spirit and were able to replace it in the fourth quarter.

Rakan Abu Nayan

Chairman

About the Company

The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (MEDGULF) is a Saudi joint stock company registered in KSA under Commercial Registry No. 1010231925, established under the Council of Ministers' resolution No. 233 dated 16/9/1427H corresponding to 9/10/2006G, and leading to issuance of the Royal Decree No. 60 /M regarding the establishment on 18/9/1427H corresponding to 11/10/2006G.

The company exercises insurance activities under Saudi Central Bank License No. (3/200790/TMN) dated 29/08/1428H in the following types: General Insurance, Health Insurance, and Protection and Savings Insurance.

The company is one of the largest cooperative insurance companies in the Kingdom of Saudi Arabia and region exercising insurance activities with amount of capital SAR (800000,000). Providing business sector and individuals within KSA with the insurance services through (14) point of sale and (3) branches. Today, the company is proud of providing proper services to more than one million customers within Sector.

1. Company's Main Activities

a) Insurance Activity:

The company provides wide coverage of various insurance products, which are divided into three sectors as follows:

(1) Health Insurance, (2) Motor Insurance, (3) General Insurance.

The company exercises its activity in accordance with the Cooperative Insurance Companies Control Law, its Executive Regulation, and other laws and instructions applicable in KSA under the Saudi Central Bank supervision. All the company's products obtained final approval from the Saudi Central Bank (SAMA).

• Health Insurance

The health insurance covers health and medical costs and needs in accordance with the Council of Cooperative Health Insurance Laws.

The table below shows the health insurance provided by the company as of this report date:

Table.1: Health Insurance

Product Name	Product Details
Group Health Insurance	A wide range of products specially designed to meet the large and medium companies and small enterprise needs. Such products address the health benefits according to the Council of Cooperative Health Insurance’s standard document, as they cover the best hospitals and medical centers across the Kingdom and region. The Group Health Insurance is characterized by the direct and quick settlement of the medical costs and expenditures, insurance card for each individual, the company’s system guide of the eligible medical facilities, approval telephone hotline available around-the-clock to serve the medical emergencies whether inside or outside the kingdom, service telephone for participants to inquire and be assisted around-the-clock, browsing and managing the participant file via the website, and additional features and benefits that may be added to the policy.

- **Motor Insurance**

The Motor Insurance covers the losses resulted from road traffic accidents such as bodily injuries or death, and it covers physical damage by the way of repairing the damaged vehicles, for example. The company provides several products in relation to motor insurance such as Comprehensive Motor Insurance and Motor Third Party Liability Insurance (MTPL).

The table below shows the motor insurance products provided by the company as of this report date:

Table 2: Company’s Motor Insurance Products

Product Name	Product Details
Motor Third Party Liability Insurance (TPL)	Compulsory insurance covers compensations for third party bodily injuries inside or outside the vehicle, physical damage outside the vehicle, costs of transporting the body of the deceased person, and manslaughter blood money cost according to the Court’s ruling.
Comprehensive Motor Insurance	Voluntary insurance covers compensations for vehicle damage resulting from accident, fire, theft, or deliberate damage to any depicted vehicle by third party. This type of insurance: Covers the costs of treatment, hospitals, and medicine (first aid) for the driver, passengers, or the injured party due to an accident, providing financial compensation for disablement or death for driver, passengers, or injured party, as well as covers any damage to the third party property.

- **Other Insurance Products**

The company provides other insurance products that include sophisticated risks existing in the engineering, industrial, and aviation sectors, as well as property-related and medical risks.

The table below shows the company’s other insurance products as of this report date:

Table 3: Company’s Other Insurance Products

Product Name	Product Details
Protection and Savings Insurance.	This Insurance provides protection for employees in large and small companies and enterprises in various sectors, as it provides the insured or his family with a better future through access to several benefits such as compensation in case of a natural death or death due to accident or illness, compensation in case of permanent total or partial disablement resulted from accident or illness according to standard injuries table, weekly financial compensation, up to 104 weeks, i.e. two years, in case of temporary total disablement resulted from accident, and compensation in case of death or disablement resulted from indirect risks of war.
Travel Insurance	This product is tailored to meet the needs of customers willing to obtain an insurance policy to submit it to the embassies. It provides the customer with options to choose the extent of coverage with various prices according to the travel destination and the coverage term (number of days). The insurance covers expenses resulting from medical emergencies across most of the world around-the-clock, and provides the insured with compensation for the damage due to cancellation or delay in the take-off schedule or loss of baggage or other benefits.
Property Insurance	This insurance provides insurance protection for owned or leased property and its contents from risks or damages due to accident, natural disaster, or thefts, and covers the following: (1) Houses and its contents; (2) Stores’ contents and goods; (3) Building, factories, industrial facilities, and workshops. The property insurance includes fire and theft insurance, and all risks such as (fire, theft, lightning, water leakage, floods, earthquake, and other risks).
Engineering insurance	This insurance provides insurance protection for project equipment, erection all risks, electronic devices, contractors’ all risks, and machinery breakdown.
Contractors' all risks (CAR) insurance	This insurance covers construction projects during their implementation until delivery to their owners. This coverage may be extended to include subsequent maintenance work after the termination of the implementation period. The projects that may be covered by insurance are for example the construction of all

	<p>types of residential, administrative and recreational buildings, and other buildings such as hospitals hotels, and factories.</p> <p>The insurance protection covers physical losses resulting from fire, robbery, theft, explosion, incorrect implementation, and earthquake. It as well covers third party liability for all bodily and physical damages to third party due to implementation and construction of building and others.</p>
Machinery Breakdown Insurance	<p>This insurance covers equipment and machinery during their operation, rest periods, dismantling to be cleaned, or close examination, as well as in case of re-installation. These machines such as production equipment and machines in factories (power generators) and cold rooms' machines such as (refrigerators).</p> <p>Insurance protection covers physical losses resulting from faulty material, faulty operation, intentional damage by third party, electrical fault, and others.</p>
Deterioration of stock insurance	<p>The Deterioration of stock insurance policy shall be considered complementary to the Machinery Breakdown policy and may not be issued unless there is a valid Machinery Breakdown policy issued by the same company.</p> <p>The insurance protection covers loss or damage that may affect stored goods in the cold rooms and refrigerators due to refrigeration machines breakdown. These goods are for example fruits, meat, fish, dairy, and dairy products.</p>
Contractors' Equipment Insurance	<p>This insurance covers the contractor's machinery and equipment during their operation, rest periods, or dismantling to be cleaned, or a close examination, as well as in case of re-installation at work sites. This equipment is for example excavators, cement mixers, cranes, and others.</p> <p>Insurance protection covers losses resulting from fire, robbery, coup, earthquakes, and others. Can also be extended to cover the risk of transport and mobility outside the work site.</p>
Erection All Risks (EAR) Insurance	<p>This insurance covers construction projects during their implementation until delivery to their owners. It covers the same scope covered by Contractors' All Risk Insurance. Also this coverage may be extended to include periods of trials, tests and maintenance. Projects that could be covered are for example all types of machinery and equipment erection.</p> <p>The insurance protection covers risks resulting from fire, explosion, floods, storms, electrical hazards, and others. It either covers the third party liability for bodily and physical damages to third party due to erection, construction, and implementation of these projects.</p>
Electronic Device Insurance	<p>This insurance covers electronic devices such as electronic medical devices (radiology, magnetic resonance, and radiation devices), radar, receiver and transmitter devices relating to television stations, satellite stations, and others.</p> <p>Insurance protection covers unexpected losses or damages that affect electronic equipment due to fire, lightning, explosion, and others.</p>
Aviation and Air Transport	<p>This insurance covers damages regarding aircraft structure during the flight or while parking at the airport, third</p>

Insurance	party liability regarding damages to passengers while on board, the liability regarding air cargo due to an accident during loading, carriage, and unloading from/ to the aircraft, and third party liability and third party liability towards airport operators and others.
Money Insurance	This insurance covers all kinds of money such as banknotes, bank bonds, checks, mail orders, cash bonds or cash payment orders. Insurance coverage includes protection protection of funds from theft or damage, whether in a court safe or while being transferred from one place to another.
Comprehensive Bank Insurance	This insurance targets banks and other financial institutions that provide financial services, including coverage of the Bank's property against theft, losses directly resulting from acts involving breach of trust from bank's employee, bank's money during the transfer process, losses or damages to the bank's physical property, including furniture, equipment, safes, automatic teller machines, and others.
Fidelity Insurance	This type of insurance covers financial losses to employer's funds (insured) as a result of incident or embezzlement committed by the employee (insured) while performing his duties or as a result of reasons related to the employees who occupy a position that requires a degree of responsibility and confidence such as (financial managers, money changers, accountants, debt collection agents, sales representatives, warehouseman). The beneficiaries from this policy are entrepreneurs, corporate office owners, and factories owners. The insurance coverage includes any losses of cash or goods in kind incurred by the subscriber due to acts and conduct resulting from theft, embezzlement, forgery, fraudulent waste, manipulation of papers and documents that caused by insured employee or employees while performing their job duties
Personal Accidents Insurance	This type of insurance provides compensation in the event of an unexpected accident where the insured is compensated in the event of bodily injury resulting from unforeseen emergency and violent external means, compensation to the insured person or his family in the event of death, partial or total disability, weekly compensation and medical expenses as agreed and according to the injury schedule.
Professional Liability Insurance	This insurance protects all professionals such as physicians, engineers or lawyers , etc. against loss sustained by third party as a consequence of wrongful practices Insurance protection includes the amounts in which the insured becomes legally liable to pay , such as damages affected third party with regard to errors or omission of insured while performing his duties and within the limits of compensation permitted.
Product Liability Insurance	This type of insurance provides compensation to the insured against any sums for which he may be legally liable if the use of a particular product manufactured or marketed by the insured has caused accidental bodily injury (including death, illness, or burdens) to any person due to workmanship defects. The policy can be extended to include (product recovery insurance) which provides compensation for expenses

	<p>incurred in connection with product recall expenses related to products manufactured or distributed by the insured or his agents as a result of any decision taken by the insured during the insurance period.</p> <p>It may also cause the insured to incur legal liability if the use of any particular product causes accidental bodily injury (including death, illness or fatigue) to any person.</p>
Workers' Compensation and Employer Liability Insurance	<p>This type of insurance provides comprehensive insurance coverage for all the statutory requirements of employers, and the company bears all costs and expenses paid in accordance with the Saudi labor law, and indemnification for death. permanent total or partial disability and temporary disability of workers while they are in service.</p>
Marine Cargo Insurance	<p>This type of insurance provides different kinds of coverages, including trip insurance that covers a shipment of goods on a single trip from one place to another . The Land transit insurance covers the losses occurring to the goods during transport by road owing to an accident covered by the insurance, and the open cover policy provides the insured coverage for all cargo within the scope of the contract. Carrier Liability Insurance includes protection for the carrier against loss or damage to the goods in his custody and under his responsibility.</p>
Marine Hull Insurance	<p>This Insurance provides insurance coverage and protection against the risks to which the ship may be exposed to while on cruises between ports or during stop at the port and also during the construction or building process in a shipyard.</p> <p>The insurance covers marine risk, which is a risk arising from navigation or linked to the sea. It also covers the dangers of the sea, such as ship sinking, stranding and maritime collision due to bad weather conditions such as fire, explosion, and piracy, etc.</p>

b) Reinsurance Activity

Reinsurance is a process in which a reinsurer agrees to cover a portion of the risks insured or originally accepted by insurance company (the insurer). It is a necessary requirement to stabilize the results of the company's subscribed business and reduce volatility and therefore serve as an effective tool for growth and risk management.

The company works with a number of world's leading reinsurers with a higher credit rating than those recommended by regulators. Through strong relationship with reinsurers, the company can safely undertake its own risks and provide extensive coverage to its customers at any time.

Credit ratings indicate the strength of the reinsurance company's financial position and its efficiency in covering claims, in addition to the quality and strength of its reinsurance programs, as the company works to assign insurance risks during its normal business cycle with several reinsurance companies rated no less than BBB by S&P or rating B + by AM Best, as set forth in the chapter 3 of the reinsurance regulation issued by Saudi Central Bank If the company wishes to deal with non-accredited reinsurers by Saudi Central Bank, it shall obtain written consent from

Saudi Central Bank. It is important to note that assigned reinsurance agreements did not release company from its obligations towards insured. **Table 4: The impact of the main activities on the company's business volume and its contribution to the results as follows:**

Activities	Activity Revenue	%
Activity (Health Insurance)	1,821,324,036	72%
Activity (Motor Vehicles)	426,926,314	17%
Other insurance activities	286,250,197	11%
Total	2,534,500,547	100%

Chart 1: Total insurance premiums subscribed during 2020 for various insurance activities (SAR '000')

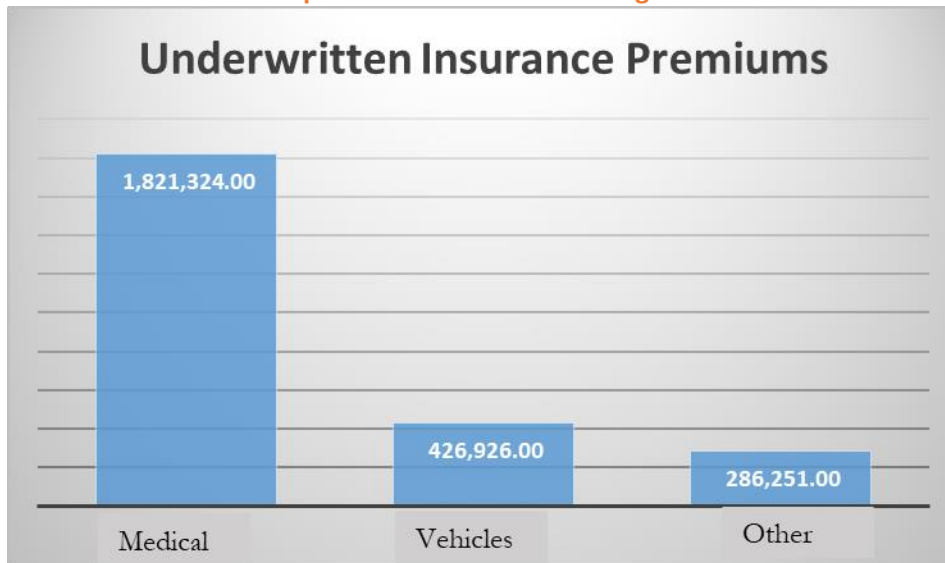


Chart 2: Total claims paid during 20 20 for various insurance activities (SAR '000')

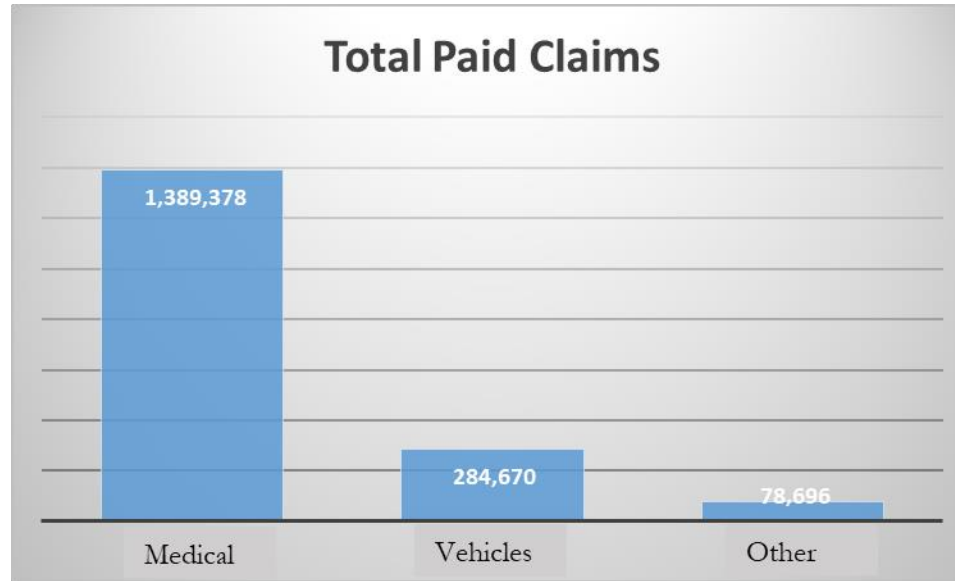
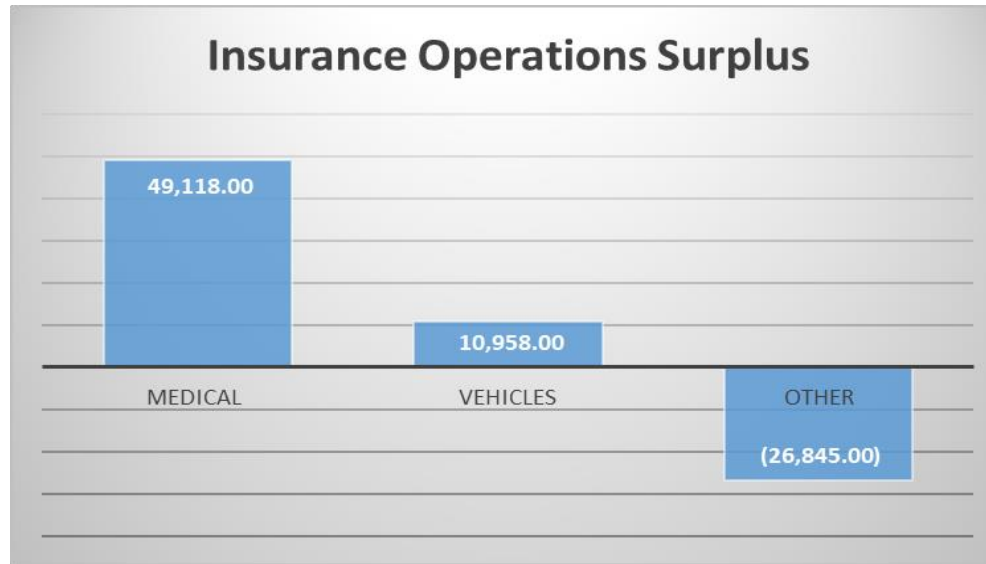


Chart 3: Insurance business surplus during 20 20 for various insurance activities (SAR '000')



2. Company's significant decisions and achievements, future expectations of the company's business, and the risks that may be faced

a) Significant Decisions and Developments

In continuation of the implementation of the company's strategy, we have been working on the implementation of several initiatives that will contribute to strengthening the financial position of the company to ensure the continuity and growth of its business, where it has developed the organizational and administrative structure to be more effective. Transformation goals have also been defined, as a wide range of procedures and services have been automated, in a way that effectively contributes to reaching the widest segment of customers and providing services to them in line with their diverse needs and keeping pace with technical development in the markets.

The following are the most important initiatives that have been implemented:

- Medical insurance claims department has been established instead of contracting with MediVisa to increase the efficiency of claims department.
- The SME product “Nabad” has been released to expand company’s sales to this segment.
- Smart phones application has been launched to improve customer experience.
- The centralization of company’s operation has been undertaken at its headquarter to raise the level of service quality and rationalization of expenditure.

b) Future Prospects for Company’s Business

MedGulf will continue to implement initiatives that will contribute to the development of the company's capabilities to manage its business more effectively, and will work to raise company’s capital and develop new strategic plan to expand company’s business.

c)The risks that company may face:

I. Human Resources Risks

The insurance market requires qualified personnel familiar with insurance activity that lead to increase the demand for qualified persons and expose the company to risk of movement of its qualified personnel, especially in the light of resettlement requirements. However, the company continues with a policy of training and serious qualification for its current and future employees, which is diverse to suit the different management levels in the company This determination comes despite the possibility of losing some human resources to competing parties, but they remain in the interest of the country in general. Accordingly, the focus and development of Saudi national competencies will continue in all departments and administrative levels of the company.

II. Market and Competition risks

Many insurance companies operate in the insurance industry, leading to a highly competitive environment that may affect the company's activity and future opportunities, which are expected to lead to intense competition in prices. With intense competition from other insurance companies, the company has taken a series of proactive actions based on offering competitive prices, based on statistical and actuary basis, ensuring the safety and success of technical capabilities for underwriting insurance policies, in addition to effective preventive programs that enable them to increase the ability to grow and achieve their objectives.

III. Information Technology Risks

The company relies on its information technology systems, and although the company takes security measures, its information systems may be exposed to unauthorized access, computer viruses, human errors, natural disasters, fires, loss of energy, communication errors, sabotage or terrorist operations. If there is major breakdown or recurrent failure, the revenues may be adversely affected, and huge costs may also be incurred as a result of those breakdowns or failures which may adversely affect financial results or levels of capital expenditures. In particular, the company faces the technical risks in terms of the obsolescence of used systems and the difficulty of developing them to keep pace with the enormous growth in modern technologies. Therefore, it is currently working on transition to an advanced technical system that serves all company units and works as an integrated system. The company has developed the performance and capabilities of information security within the department of technology and information. The company also saves all data in a backup location on a daily, weekly and monthly basis in addition to developing a plan that enables the company to continue its business from an alternative location, developing everything related to preparing, recovering and continuing work and disaster recovery and conducting its tests periodically.

IV. Insurance Risks

The insurance risks mean the risks related to the increase of actual claims due to contracting parties - regarding insured events over the book value of insurance liabilities. The company's objectives are ensure the availability of sufficient resources to cover these obligations, mainly focus on the following:

◆ Health Insurance

The company's health insurance strategy is designed to ensure that risks are well diversified in terms of the type of risk and the level of insured benefits. This may be achieved through the diversity of sectors and geographical areas in order to ensure that the prices take into account the current health conditions, the usual review of the actual claims and the price of the product - according to the pricing schedules of the actuary - as well as the detailed procedures for follow-up of claims. The company also follows a policy based on serious and active follow-up of claims in order to cover unforeseen future risks that may negatively affect the company.

◆ Motor Insurance

The main risks for motor insurance are claims for death, bodily injury and motor replacement or repair. In order to reduce such risks, the company issued comprehensive insurance policies only to owner or driver who is over 18 years old, and most vehicle insurance contracts relate to individuals, and when issuing these policies the company is committed to the pricing schedule of the actuary.

◆ Duplication and Amounts of Claims

Duplication and amounts of claims can be affected by many factors, and these operations are considered short-term insurance contracts. Claims payment is usually reported within one year of an insured incident, that would help reduce insurance risk.

◆ Sensitivity analysis:

The company believes that the amounts of outstanding claims according to the insurance contracts at the end of the year are considered adequate, however these amounts are not considered certain and may differ from the claims amounts presented in the financial statements. The insurance claim amounts are sensitive to several assumptions. It is not possible to determine the sensitivity of some variables, such as legislative changes or uncertainty in the evaluation process, as the insurance claims provision is affected by the above basic assumptions.

V. Reinsurance Risks

Like other insurance companies, during its normal business cycle, the company reinsures with third parties to reduce the potential financial losses that may arise from huge insurance claims. These arrangements secure wide variety in the business and enables management to control potential losses that may rise out of huge risks, and provide additional growth capabilities to reduce its exposure to the risks of huge losses arising from the bankruptcy of reinsurers. The company is keen to evaluate the financial position of insurance companies and deal with internationally ranked companies. Note that the assigned reinsurance agreements shall not release the company from its obligations towards policyholders, as the company is obligated towards policyholders with its share of outstanding reinsured claims to the extent that the reinsurance company did not fulfill its obligations under the reinsurance agreements.

VI. Risks of investment Returns

The company's financial results depend in part on its investment performance, and the company's returns from investment and therefore its profitability may be adversely affected from time to time as a result of circumstances that affect specific investments and in general as a result of market fluctuations and current economic conditions that are beyond the company's control. The company's activity also depends largely on the economic conditions in Saudi Arabia as well as global economic conditions.

VII. Credit Risks

Credit risk represents the inability of one party to meet its obligations, resulting in the other party incurring a financial loss, for all categories of financial assets acquired by the Company, where the company's maximum credit risk represents the book value disclosed in the financial

position list. The company carries out a number of policies and procedures to reduce the credit risk to which the company is exposed, including the following:

- ◆ All customers that the company intends to deal with are subject to credit verification and study. In addition, the amounts due under insurance and reinsurance contracts are monitored on an ongoing basis to reduce the company's exposure to bad debt risks.
- ◆ The Company shall reduce the risks associated with agents and brokers by setting credit limits for each agent and broker, and monitoring outstanding receivables.
- ◆ The company attaches great importance to the adherence to the credit policy and the collection of these amounts due to the company.
- ◆ The company's investment portfolio is managed by the investment officer in accordance with the investment policy adopted by the Investment Committee.
- ◆ The company enters into reinsurance contracts only with internationally recognized and ranked entities.
- ◆ With regard to credit risk arising from other financial assets, the company deals only with commercial banks with a strong financial position and good credit reputation.
- ◆ The company ensures that there are no concentrations of credit risk with any party

VIII. Regulatory and Legal Risks

Insurance products and operations conducted by the company are subjected to supervision and control by the Saudi Central Bank (SAMA) through the cooperative insurance control law and regulation and the Council of Cooperative Health Insurance (CCHI) executive regulation regarding to health insurance product. Generally, organization and supervision on insurance sector are particularly directed to the insured and investors interest. Future legislation and regulatory changes that may be imposed on the insurance sector may adversely affect the company's business, financial condition and results of operations. Therefore, these risks relate to the extent of the company's commitment to all legislation, regulations and laws issued by the regulatory and official authorities, taking into account the multiplicity of relevant regulatory and supervisory bodies, the speed of development of regulations and legislation and the extent of their applicability in the insurance market that may affect insurance companies in the event of non-compliance with changes in the regulations and laws, and to be applied as required. These regulations not only require approvals and control of activities, but may also impose limitations such as capital adequacy requirements to reduce the risk of deficit and bankruptcy by insurers and to enable them to fulfill their obligations. The company has a specialized department that monitors the company's compliance with the legislations to which it is subjected and puts in place the necessary procedures to comply with all current and future laws and regulations

IX. Liquidity Risks

Liquidity risks represent financial obligations the company can not properly fulfil in a timely manner without negatively affecting the company. The company monitors liquidity requirements periodically. It also ensures there is enough liquidity to fulfil its obligations as they arise. In addition, the company reviews capital requirements in order to maintain the required financial solvency rate required by statutory authorities.

X. Foreign Currency Risks

Currency risks represent risks resulting from the fluctuation of the value of a financial instrument due to changes in foreign exchange rate. The company's main transactions are conducted in Saudi Riyals (SAR); therefore, the management believes there are low risks of major loss as a result of the fluctuation in foreign exchange rate. Hence, the company does not cover foreign currency risks.

XI. Risks of Private Commission Rates

Risks of private commission rates arise out of discrepancies in value or future cash flows of a financial instrument, as a result of changes in private commission rates prevailing in the market. The company faces risks of private commission rates for some of its investments, cash, quasi cash, and term deposits. It reduces such risks by monitoring changes in private commission rates for currencies in which the company's investments are registered.

XII. Capital Management Risks

Saudi Central Bank defines and regulates capital requirements. The company sets other goals to maintain balanced capital ratios, in order to support the company and increase shareholders' interest. The company manages capital requirements by assessing shortage between the announced and required capital levels. All settlements shall be conducted based on the current capital levels, in accordance with the changes in the prevailing conditions in the market and risks characteristics of the company's activities, as well as maintaining or amending capital structure. No amendments were introduced to capital management operations, policies, and goals since the previous year.

XIII. Operational Risks

Operational risks are loss risks resulting from control or system failure, such as human errors or embezzlement. Such risks could lead to financial losses, reputation loss, regulatory and legal consequences. The company manages operations risks by applying suitable controls, segregation of duties, internal monitoring, and risk management. It is also keen on maintaining standard operational criteria, given the expansion of works.

XIV. Work Continuity Risks

The company is keen on sustaining work continuity and avoiding risks that are more likely to disrupt it. The company started developing an emergency plan to all departments, covering procedures and steps to be followed to ensure proper progress of key activities, in accordance with risk management regulation requirements issued by the Saudi Central Bank

XV. Underwriting Risks

Such risks are represented in pricing risks and geographical and qualitative concentration of underwritten risks which the company engages in. Accordingly, it developed precautionary plans that include following an informed actuarial approach in pricing. This approach is reviewed and updated periodically in conformity with rapid change in relevant laws. In addition to setting the company's vision and any other critical effects. The company also began setting an underwriting approach among different departments, reflecting its policy and technical vision to underwriting risks.

XVI. Fraud, Corruption, Financial Crimes Risks

Anti-fraud regulation issued by the Saudi Central Bank identifies fraud as one of the challenges facing financial facilities. It hinders performance, wastes money and rare resources, and causes damage to the facility, its reputation, and competitiveness. Accordingly, the company have shown special interest in this regard; therefore, it reinforced internal control procedures through periodic revision and striving to comply with Anti-fraud regulation issued by the Saudi Central Bank.

XVII. Judicial Risks

In the normal course of business, The company may be subject to cases against others; claims may also be filed against it. This could have a negative impact in the future on the company's financial position. The company has a department dedicated to dealing with cases and pleading cases before judicial and quasi-judicial authorities which are competent to grant rights to their rightful holders. It is also worth mentioning that on 26/11/2017G, the company filed a lawsuit at Riyadh Commercial Court against a previous CEO and managing director, to demand a refund against some of the company's funds that were unjustly obtained. The company also demanded a compensation against all losses resulting out of their harmful acts towards the company and its shareholders. As a result of that lawsuit, a primary judgment was issued on Thursday, 21/12/1440H in favor of the company, binding the respondent, previous CEO and managing director, to pay the company an amount of (SAR 152,697,441) one hundred fifty two million, six hundred ninety seven thousand, and four hundred forty one Saudi riyals. The respondent filed an appeal that resulted in issuing a judgment on 04/02/1442H by the Appellate Division in Riyadh commercial court to abolish the court's judgment dating 21/12/1440H due to the court's lack of jurisdiction over this case. Accordingly, the company filed a complaint at the Capital Market Authority. In case the parties did not reach an amicable solution, the lawsuit shall be referred to the Committee for Resolution of Securities Disputes.

3. Financial Results for the fiscal year 2020

The following table compares between the company's assets and liabilities and business results for the last seven years:

Table 5: Company's Financial Results for the year 2020.

	Statement of financial position (SAR '000')						
	2020	2019	2018	2017	2016	2015	2014
<u>Insurance operations assets</u>							
Investments and Cash in bank	361,935	359,696	737,246	807,957	740,934	853,332	1,013,922
Receivables-net	842,898	572,215	681,078	659,105	1,210,705	1,650,958	1,325,050
Other assets	1,837,093	1,819,637	1,332,950	1,640,255	1,595,028	1,943,262	2,038,344
Total insurance operations assets	3,041,926	2,751,548	2,751,274	3,107,317	3,546,667	4,447,552	4,377,316
<u>Shareholders' assets:</u>							
Investments and Cash in banks	821,327	831,106	598,841	365,740	533,627	566,830	625,416
Other assets	513,104	525,232	536,317	532,993	512,598	511,782	572,553
Total shareholder assets:	1,334,431	1,356,338	1,135,158	898,733	1,046,225	1,078,612	1,197,969
Total assets	4,376,357	4,107,886	3,886,432	4,006,050	4,592,892	5,526,164	5,575,285
<u>Insurance operations liabilities</u>							
Reinsurers' balance payable :	165,531	107,488	50,410	135,761	86,172	120,216	84,139
Technical reserves	2,414,418	2,269,831	2,269,989	2,561,167	3,034,945	3,809,901	3,836,630
Other liabilities	461,977	374,229	430,875	410,389	425,550	517,435	456,547
Total insurance operations liabilities	3,041,926	2,751,548	2,751,274	3,107,317	3,546,667	4,447,552	4,377,316
<u>Shareholders' equity and liabilities</u>							
Shareholder liabilities	569,731	645,205	449,071	387,947	126,775	199,551	21,898
Shareholders' Equity	764,700	711,113	686,087	510,786	919,450	879,061	1,176,071
Total Shareholder equity and liabilities	1,334,431	1,356,338	1,135,158	898,733	1,046,225	1,078,612	1,197,969
Total Liabilities	4,376,357	4,107,886	3,886,432	4,006,050	4,592,892	5,526,164	5,575,285

	Statement of Financial Income (SAR '000')						
	2020	2019	2018	2017	2016	2015	2014
Statement of insurance operations and surplus results							
Gross premiums written	2,534,501	2,421,277	2,069,473	2,665,838	3,194,334	4,001,934	4,415,993
Net premiums earned	1,477,042	1,996,495	1,790,687	2,322,862	2,945,626	3,467,313	3,127,187
Reinsurance commission	180,469	98,912	54,027	64,063	85,002	110,880	78,593
Other insurance revenues	0	0	0	0	0	0	0
Investment and other revenues	16,581	37,519	20,053	74,716	68,604	66,075	79,263
Total revenues	1,674,092	2,132,926	1,864,767	2,461,641	3,099,232	3,644,268	3,285,043
Total paid claims	1,752,744	1,989,336	2,060,113	2,542,871	3,104,021	3,557,372	3,541,412
Net incurred claims	1,137,610	1,659,384	1,619,463	2,063,582	2,464,995	3,268,702	2,621,673
Policy acquisition costs	100,135	117,785	123,776	160,677	190,970	227,317	162,691
Loss surplus insurance expenses	0	0	0	0	0	0	0
Other expenses	403,115	345,802	334,987	627,781	393,520	430,539	290,726
Total costs and expenses	1,640,860	2,122,971	2,078,226	2,852,040	3,049,485	3,926,558	3,075,090
Insurance operations surplus / deficit	33,233	9,955	-213,459	-390,399	49,747	-282,290	209,953
Net surplus / (deficit) after shareholders' share	3,323	995	0	0	4,975	0	20,995
Statement of Shareholder's Income							
Shareholders' share of net surplus / (deficit)	29,910	8,960	-213,459	-390,399	44,772	-282,290	188,958
Investment revenues and management fees	30,262	17,705	15,039	7,986	27,003	-1,218	8,122
Other revenues	0	0	0	0	0	0	0
General and administrative expenses	5,268	7,489	6,107	5,613	4,164	10,829	3,582

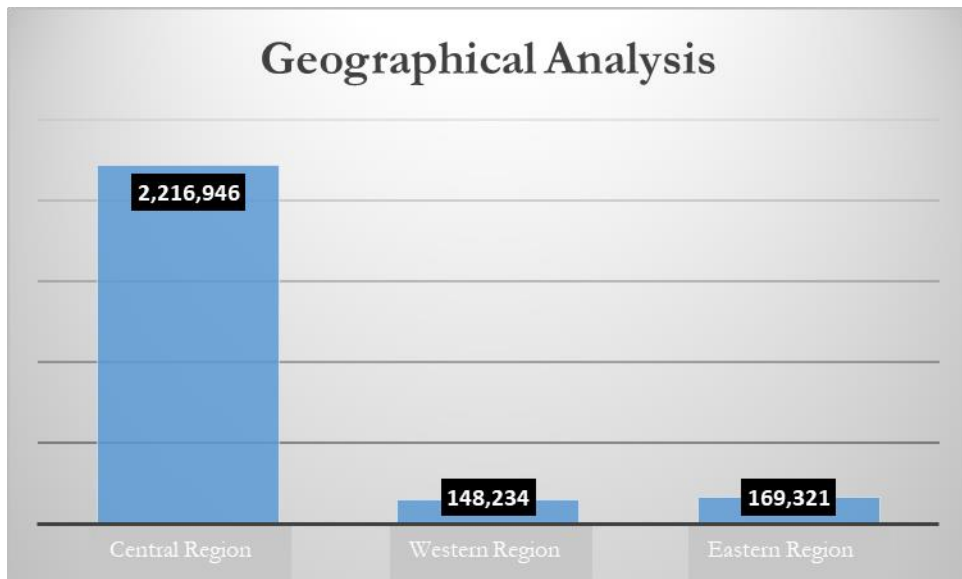
Net profit / (loss) before Zakat and Tax	54,904	19,176	-204,527	-388,026	67,611	-294,337	193,498
------------------------------------------	--------	--------	----------	----------	--------	----------	---------

4. Substantial discrepancies in the operating results

- Total underwritten insurance premiums (GWP) during 2020 amounted to SAR 2,534 million against an amount of SAR 2,421 million for the previous year, accounting for an increase by 4.7%.
- Net incurred claims in 2020 reached SAR 1,137 million against SAR 1,659 million for the previous year, accounting for a decrease by 31.5%.
- Net investment profits for policyholders during 2020 accounted for SAR 5 million, against an amount of SAR 16.8 million for the previous year, accounting for a decrease by 70.2%
- Total profit for 2020 reached 54.9 million, against a net profit of SAR 19.2 million for the previous year.
Insurance operations surplus in 2020 less policyholders investment revenue (Results of Operations) amounted to 28.1 million, against an amount of SAR 6.8 million for the deficit for the fiscal year 2019. This is a result of an increase in net underwriting income by 31.9% due to a decrease in the net incurred claims by 33.9% and an increase in reinsurance commission income by 82.5%, in addition to a decrease in premiums deficit reserves as recommended by the actuary.

5. Geographical analyses of the company's total revenues

Chart 4: Geographical analyses of the company's underwritten premiums between the company's headoffice and its branches: (SAR '000')



Central Region: SAR 2,216,946
Western Region: SAR 148,234
Eastern Region: SAR 169,321

6. Shareholders of the Company

Representing shareholders whose ownership percentage in the company’s shares is more than (5%) according to the table below.

Table 6: Substantial Shareholders Names:

Name	Ownership
The Saudi Investment Bank (SAIB)	19 %
The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (MEDGULF)	17.13 %
Abdullah Abunayyan Trading Corporation	9.99 %

7. Accounting standards adopted in financial statements.

The company prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) adopted in the KSA, along with other standards and permits issued by Saudi Organization for Certified Public Accountants (SOCPA) and companies regulations in the KSA.

8. Company’s profit distribution policy

Profit distribution policy identifies the company’s policy on distributing profits generated by business processes, in accordance with the company’s Bylaw, implementing applicable laws and regulations in the **KSA**:

- 1) Set aside the Zakat and income tax.
- 2) Set aside (20%) of the net profits to form a systematic reserve, Ordinary General Assembly may cease such deduction when the said reserve reaches the total paid-up capital.
- 3) Shareholders are entitled to receive their share of profits in accordance with the General Assembly resolution on this regard. General Assembly’s decision identifies the due date and date of distribution. Only the shareholder listed in the shareholders record can receive profits on the due date.

9. A description of any interest, contractual securities and underwriting rights that shall revert to the Board members, senior executives and their relatives in shares or instruments of debt or any of its subsidiaries and any change in that interest or these rights through the fiscal year 2020:

The following table demonstrates interests owned by Board members, senior executives and their relatives in company's shares, given that the company did not issue nor grant any instruments of debt.

Table 7: Board members ownership in the company's shares for the year 2020.

Name	Position	Number of shares at the beginning of the year	Ownership percentage at the beginning of the year	Net change in the number of Shares during the year	Change ratio during the year	Total shares at the end of the year
Mr. Rakan Abdullah Abunayyan	Chairman	3,400	0.004%	0	0.00%	3,400
Mr. Abdul Aziz Al-Abdul-Jabbar	Board Vice-Chairman	0	0.000%	0	0.00%	0
Mr. Mohamed Ben Omar Aloyaidi	BOD Chairman	0	0.000%	0	0.00%	0
Mr. Suliman Alobaid	BOD Chairman	0	0.000%	0	0.00%	0
Eng. Raad Al Barakati	BOD Chairman	0	0.000%	0	0.00%	0
Mr. Youssef bin Hamad Al Yousefi	BOD Chairman	0	0.000%	0	0.00%	0
Mr. Mohammed bin Saad bin Dawood	BOD Chairman	0	0.000%	0	0.00%	0
Dr. Ahmed bin Ahmed	BOD Chairman	4,900	0.615%	100	0.01%	5,000

Eng. Naser AlQahtani	BOD Chairman	700	0.088%	0	0.00%	700
Mr. Mohammed Almoqren	BOD Chairman	8	0.001%	0	0.00%	8

10. Board members and senior management ownership in the company

Board member Mr. Rakan Abunayan has an indirect ownership in the company through Abdullah Abunayyan Trading Corporation.

11. A description of any deal between the exporter and a related party, or any contracts or transicions in which the company is a party with a substantial interest for a related party, such as a major shareholder, a BOD member, CEO, Chief Financial Officer, or any person related to any of them:

✓ **Transicions and contracts for the previous period that paid or collected during year 2020**

- Business and Contracts to be concluded between the company and MediVisa Co., noting that the transactions made during 2020G are services fees amounting of 19,867 Thousand SAR . which is a subsidiary of one of the major shareholders in the company.
- Business and Contracts to be concluded between the company and MediVisa Co., noting that the transactions made during 2020G are insurance documents amounting to 1,870 Thousand SAR, which is a subsidiary of one of the major shareholders in the company.
- Business and Contracts to be concluded between the company and MediVisa Co. for managing medical claims (Egypt), noting that the transactions made during 2020G are services fees amounting of 81 Thousand SAR, which is a subsidiary of one of the major shareholders in the company.
- Business and Contracts to be concluded between the company and MediVisa Co. for managing medical claims, (Lebanon) noting that the transactions made during 2020G are services fees amounting of 654 Thousand SAR, which is a subsidiary of one of the major shareholders in the company.

- Business and Contracts to be concluded between the company and Addison Bradley Co., noting that the transactions made during 2020G are reconciliations of the re-insurers' share of paid claims, with a value of 453 Thousand SAR, which is a subsidiary.
- ✓ Transitions and contracts during 2020
- Business and Contracts to be concluded between the company and Waseel ASP Ltd. Co., noting that the transactions made during 2020G are services fees amounting of 6.485 Thousand SAR, which is a subsidiary.
 - Business and Contracts to be concluded between the company and the Saudi Investment Bank, noting that the transactions made during 2020G are current accounts with a value of SAR 173.000, and insurance documents for a year of 5,428 Thousand SAR, who is one of the major shareholders in the company and licensing it for a next year, in which the BOD member Mr. Sulaiman Al-Obaid has an indirect interest as he occupied an executive position in the bank, without any preferential conditions.
 - Business and contracts to be concluded between the company and Alistithmar Capital Co., noting that the transactions made during 2020G are current accounts with a value of 2,542 Thousand SAR, who is one of the major shareholders in the company and licensing it for a next year.
 - Business and Contracts to be concluded between the company and Abu Nayan Trading Company, noting that the transactions made during 2020G are an insurance policy for one year with a value of 4,992 Thousand SAR, which is an entity where the BOD member, Mr. Rakan Abunayan, has an indirect interest in which he is a BOD member, without any preferential conditions.
 - Business and Contracts to be concluded between the company and Industrial Instrumentation & Control Systems Ltd, noting that the transactions made during 2020G are an insurance policy for one year with a value of 532 Thousand SAR, which is an entity where the BOD member, Mr. Rakan Abunayan, has an indirect interest in which he is a BOD member, without any preferential conditions.
 - Business and Contracts to be concluded between the company and Cityscape Company, noting that the transactions made during 2020G are an insurance policy for one year with a value of 1,717 Thousand SAR, which is an entity where the BOD member, Mr. Rakan Abunayan, has an indirect interest in which he is a BOD member, without any preferential conditions.

- **Business and Contracts to be concluded between the company and Middle East Agriculture Company, noting that the transactions made during 2020G are an insurance policy for one year with a value of 545 Thousand SAR, which is an entity where the BOD member, Mr. Rakan Abunayan, has an indirect interest in which he is a BOD member, without any preferential conditions.**
- **Business and Contracts to be concluded between the company and Electric Industries Company, noting that the transactions made during 2020G are an insurance policy for one year with a value of 241 Thousand SAR, which is an entity where the BOD member, Mr. Rakan Abunayan, has an indirect interest in which he is a BOD member, without any preferential conditions.**
- **Business and Contracts to be concluded between the company and Arabian Qudra Company, noting that the transactions made during 2020G are an insurance policy for one year with a value of 446 Thousand SAR, which is an entity where the BOD member, Mr. Rakan Abunayan, has an indirect interest in which he is a BOD member, without any preferential conditions.**
- **Business and Contracts to be concluded between the company and Saudi Fransi Capital Co., noting that the transactions made during 2020G are an investment account with a value of 288,600 Thousand SAR, which is an entity where the BOD member, Mr. Youssef Al-Yousifi, has an indirect interest in which he is a BOD member, without any preferential conditions.**
- **Business and Contracts to be concluded between the company and Jubar International Contracting Co., noting that the transactions made during 2020G are an insurance policy for one year with a value of 837 Thousand SAR, which is an entity where the BOD member, Mr. Rakan Abunayan, has an indirect interest in which he is a BOD member, without any preferential conditions.**
- **Business and Contracts to be concluded between the company and Saudi Real Estate Co., noting that the transactions made during 2020G are an insurance policy for one year with a value of 74 Thousand SAR, which is an entity where the BOD member, Mr. Mohammed Saad Abdulaziz bin Dawood, has an indirect interest in which he is a BOD member, without any preferential conditions.**
- **Business and Contracts to be concluded between the company and Alissa Group Holding Co., noting that the transactions made during 2020G are an insurance policy for one year with a value of 118,472 Thousand SAR, which is an entity where the BOD member, Mr. Mohammed Saad Abdulaziz bin Dawood, has an indirect interest in which he is a BOD member, without any preferential conditions.**

- **Business and Contracts to be concluded between the company and International Vision Investment Co., noting that the transactions made during 2020G are an insurance policy for one year with a value of 515 Thousand SAR, which is an entity where the BOD member, Mr. Rakan Abunayan, has an indirect interest in which he is a BOD member, without any preferential conditions.**
- **Business and Contracts to be concluded between the company and Saudi Meter Company Ltd., noting that the transactions made during 2020G are an insurance policy for one year with a value of 179 Thousand SAR, which is an entity where the BOD member, Mr. Rakan Abunayan, has an indirect interest in which he is a BOD member, without any preferential conditions.**
- **Business and Contracts to be concluded between the company and Saudi Tambin Co. Ltd, noting that the transactions made during 2020G are an insurance policy for one year with a value of 2,473 Thousand SAR, which is an entity where the BOD member, Mr. Rakan Abunayan, has an indirect interest in which he is a BOD member, without any preferential conditions.**
- **Business and Contracts to be concluded between the company and Bayan Credit Bureau Co., noting that the transactions made during 2020G are an insurance policy for one year with a value of 663 Thousand SAR, which is a company where the CEO, Mr. Tariq Al-Naim has an indirect interest in which he is a BOD Chairman, without any preferential conditions.**
- ✓ **Mechanism for approving transactions of related party:** All transactions of BOD members, related parties and CEO have been reviewed and approved by BOD in accordance with the mandate granted to the Board by the General Assembly in accordance with the relevant controls and procedures, noting that the relevant party has been prohibited from voting on such item.

12. Mechanisms, addressing methods of any conflict of interest cases

In order to secure the best Governance Practices that guarantees the protection of shareholders' equity and the rights of shareholders, the company has developed a mechanism in order to regulate and address the potential conflicts of interest between BOD members and Executive Management officials on one hand and the company on the other hand, in accordance with the applicable legal regulations and guidelines issued by the Capital Market Authority and the **Saudi Central Bank**, where the company has set many internal organizational policies and regulations, such as Disclosure Policy, the Conflict of Interest Policy, and the company's Corporate Governance Regulation.

13. Due Regular Payments

The following table shows the value of due regular payments as at the end of 2020.

Table 8: Due Regular Payments as at the end of 2020.

Payments Types	Explaining reasons	Due paid payments until the end of 2020	Due unpaid payments until the end of 2020
Social Insurance	Participation fees for employees	17,778,715	0
Zakat and income tax	According to General Authority of Zakat & Tax Law	5,012,185	0
VAT	According to the Laws and regulations of General Authority of Zakat & Tax	101,341,163	20,447,201
Supervision and Control Costs, Saudi Central Bank	According to Laws and Regulations of Saudi Central Bank	2,110,826	2,998,176
Fees of the Council of Cooperative Health Insurance	According to the Laws and Regulations of the Cooperative Health Insurance	8,987,568	9,225,672

14. shall acknowledge the following

1. Account records were prepared appropriately.
2. The internal control system was well prepared and effectively implemented .
3. There is no doubt about its ability to continue practicing its activity.
4. The Company shall acknowledge that there’s no sanctions, penalties, or precautionary attachment imposed by any judicial, supervisory or regulatory authority on the any of BOD members, having a relationship with the company
5. There is no interest in category of eligible shares in voting belonging to persons (except BOD members, senior executives and their relatives) who informed the company of those rights under Article 68 of the Rules on the Offer of Securities and Continuing Obligations and any change in those rights during the fiscal year 2020.

6. There is no interest belongs to any of the Senior Executives and their relatives in the shares or debt instruments of the company.
7. There are no investments or other reserves created for the interest of company's employees.
8. There are no treasury shares held by the company.
9. There are no Waiver Agreements under which a shareholder waives any rights to profits.
10. There are no Waiver Agreements under which a BOD member of the company or one of its Senior Executives waived any salary or indemnity.
11. That it has not issued or granted any recoverable debt instruments.
12. That it has not issued or granted any transfer or subscription rights under convertible debt instruments, contractual securities, or subscription right requests during the fiscal year 2020.
13. That is it has not issued or granted any convertible debt instruments into shares, or any option rights, subscription right requests, or similar rights during the fiscal year 2020
14. It has not borrowed during 2020 and has not had any loans of any kind
15. That is has no subsidiary companies inside or outside KSA.
16. That it has no subsidiary companies inside or outside KSA, and therefore there are no shares and debt instruments issued by any subsidiary company.

15. Report of the Certified Public Accountant Al-Azem, Al-Sudairy and Al-Kharashi & Co. Certified Accountants and Auditors, reserved opinion:

We have audited the financial statements of The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company, (A Saudi Joint Stock Company) (the "Company"), which comprise of Statement of financial position as at 31 December 2020, statements of income, statements of comprehensive income and the statements of changes in shareholders' equity and cash flows for the year then ended, and the accompanying notes which form an integral part of these financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting

Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Certified Public Accountants (“SOCPA”).

Basis of Opinion:

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) as endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the professional code of conduct and ethics, as endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of MattersWe draw attention to note 2 to the accompanying financial statements, which details various communications from SAMA to the Company. The Company did not meet the solvency margin requirements as at 31 December 2020. The deficiency in solvency margin along with other matters as set forth in note 2 indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. However, the accompanying financial statements are prepared using the going-concern assumption based on management’s assessment on the company abilities to continue as a going concern. Our opinion is not modified with respect to this matter..

16. Appointment of External Auditors

After the members of the Audit Committee have reviewed the proposals provided by the external auditors to carry out the external audit of the company for the fiscal year 2020G, the Audit Members members have recommended to BOD and General Assembly of Shareholders to appoint Crowe Horwath (Al-Azm and Al-Sudairy) and Mazars (Al-Kharashi) as Legal Auditors to do the audit of the company's accounts for the fiscal year 2020G.

17. Actions taken by the BOD in order to inform its members of shareholders' especially non-executive proposals and feedback about the company and its performance:

- Emphasis all BOD members, especially non-executive members, to attend the General Assembly meetings to directly review the feedbacks and proposals of shareholders.
- Follow up on the communication channels of shareholder relations, to inform the company and BOD members of the feedbacks and proposals of shareholders.

- During the BOD meetings and during the meetings of its committees.

18. Number of requests recorder for shareholders register

Request date	Number of company requests of shareholder register	Request Reasons
01/07/2020	1	Company procedures
1/30/2020	1	Company procedures
6/30/2020	1	Company procedures
8/19/2020	2	Company procedures
10/11/2020	2	Company procedures
Total	7	

19. General Assemblies of Shareholders

During the year 2020G, the company has held one General Assembly, and the attendance register of the BOD members it was in accordance with the table below, “noting that a mark (✓) means his attendance, (x) means his absence, and (-) means the end or non-beginning of his membership”:

Name of the Board Member	First Meeting of General Assembly 12Th Ordinary General Assembly Held on 6/4/2020
	Eng. Raad Al Barakati
Mr. Mohammed Aloyaidi	✓
Mr. Mohammed bin Dawood	✓

Mr. Youssef Al Yousefi	✓
Mr. Rakan Abunyan	✓
Dr. Ahmed bin Ahmed	✓
Mr. Suliman Alobaid	✓
Eng. Naser AlQahtani	✓
Mr. Mohammed Almoqren	✓
Mr. Abdulaziz Alabdul Jabbar	✓

20. Names of BOD members, Committee members, and Executive Management, and their current and previous positions, qualifications and experiences

A. BOD Members

Name of the Board Member	Current Positions	Practical Qualifications	Practical Experiences
Mr. Rakan Abunyan	<ul style="list-style-type: none"> Chief Investment officer/ Abunyan Holding 	<ul style="list-style-type: none"> Bachelor's degree in accounting, King Saud University, KSA, 2001 Master's degree of Financial Management from University of Illinois at Urbana Champaign, 2005 American Legal Accountancy Fellowship from California Board of Accountancy, 2005 	<ul style="list-style-type: none"> Saudi Central Bank/ Economic Researcher From 2001 to 2003. Finance and economy lecturer at King Fahd University of Petroleum and Minerals (2003 to 2007). Corporate financing manager at MEFIC Capital (2007 to 2010).
Mr./ Abdulaziz	<ul style="list-style-type: none"> Founding partner in AlSaleh & AlAbdulJabbar Law Firm 	<ul style="list-style-type: none"> Master of International Business Law from The 	<ul style="list-style-type: none"> Partner in Clifford Chance Law Firm 2014-2016.

<p>AlAbdulJabbar * He resigned from BOD on 20/10/2020</p>	<p>from 2016 until now</p>	<p>American University Washington College of Law, Washington, D. C-USA 1993.</p> <ul style="list-style-type: none"> ▪ Bachelor's degree in Systems, King Saud University, KSA 1988. 	<ul style="list-style-type: none"> ▪ Partner in Al-Jadaan and Partners Law Firm, 1999-2013. ▪ Legal Adviser to Committee of Banking Disputes 1988 - 1998.
<p>Eng. Raad Al Barakati</p>	<ul style="list-style-type: none"> ▪ Vice chairman of strategic partnerships and business development- the Saudi Center for International Strategic Partnerships (SCISP) 	<ul style="list-style-type: none"> ▪ Bachelor's degree in industrial system engineering , year of 1997, from King Saud University-Kingdom of Saudi Arabia. 	<ul style="list-style-type: none"> ▪ The Banque Saudi Francsi (2005 to 2010). ▪ Tlol Constructions (2010 to 2015). ▪ The Saudi Investment Bank-Regional Head of the middle region-corporate banking at SAIB (2015 to December 2018). ▪ January 2019 to November 2019: General manager assistant-Financial structure department-corporate banking. SAIB.
<p>Mr. Youssef Al Yousefi</p>	<ul style="list-style-type: none"> ▪ CEO in JOA Financial Co. After CMA approval 	<ul style="list-style-type: none"> ▪ MBA in business administration, year of 2010, from Harvard University-USA. ▪ Bachelor's degree in electric engineering, year of 2003, from University of Colorado-USA. 	<ul style="list-style-type: none"> ▪ Founder and BOD Chairman at JOA Energy Company since 2013G, a limited liability company located in Riyadh, working in the field of energy services. ▪ Energy sector analyzer at Passport Capital, LLC, a limited liability company located in California-USA, it is specialized in providing investment consultation (2011 to 2012). ▪ Consultant at King Abdullah Petroleum Studies and Research Center (KAPSARC), non-profit institution (2010 to 2011). ▪ Joint official at private equity department, Jadwa Investment, a joint stock company located in Riyadh and specialized in financial services (May 2009 to August 2009).

			<ul style="list-style-type: none"> ▪ During 2008, consultant at BOOZ & CO, known recently as (&Strategy), a joint stock company located in the USA, working in the field of providing consultation. ▪ Petroleum engineer at Schlumberger Limited, a joint stock company located in Texas State, USA, working oil and gas sector and oil exploration and extraction (2004 to 2005). ▪ Communication engineer at Saudi Aramco that works in the oil and gas sector (2004 to 2005).
<p>Mr. Mohammed bin Dawood</p>	<ul style="list-style-type: none"> ▪ Mohammed bin Saad bin Dawood office for Financial and Administrative Consultations (August 2018 to date). 	<ul style="list-style-type: none"> ▪ Bachelor's degree in accounting, year of 1966, from King Saud University. 	<ul style="list-style-type: none"> ▪ Mohammed bin Saad bin Abdulaziz bin Dawood office for Financial and Administrative Consultations (2018 to date). ▪ Managing Director of Manafea Investment Company – (March 2018 to July 2018). ▪ CEO of Mohammed Abdulaziz Al-Rajhi and Sons Investment Company. (August 2014 to March 2018). ▪ General Manager, Corporate Banking Services – The Saudi British Bank (SABB) (July 2013 August 2014). ▪ Deputy General Manager, Corporate Banking Services – Arab National Bank (February 2004 to July 2013) ▪ Director of Commercial Banking Services in the Central Region – The Saudi British Bank (SABB) (2002 to February 2004). ▪ Senior Corporate Relationship Manager – Arab National Bank (1998 to 2002). ▪ Corporate Relationship Manager – (The

<p>Mr. Mohammed Aloyaidi</p>	<p>Aloyaidi Certified Public Accountants</p>	<ul style="list-style-type: none"> ▪ Bachelor's degree in Accounting, year of 2005, from King Saud University. ▪ MBA in Business Administration from Oklahoma City University-USA. ▪ Certified Public Accountants by the Saudi Organization for Certified Public Accountants (SOCPA). ▪ CPA New Hampshire Board of Accountancy, USA ▪ Certified economic establishment valuer by the Saudi Authority for accredited Valuers. 	<p>Saudi British Bank) (1996 to 1998).</p> <ul style="list-style-type: none"> ▪ Ernst & Young (2005 to 2009) ▪ World Bank (2009 to 2010) ▪ Capital Market Authority (2010 to 2015) ▪ KPMG Al Fozan & Partners (2015 to 2016) ▪ Imam Muhammad Ibn Saud Islamic University (2016 to 2017)
<p>Mr. Suliman Alobaid</p>	<ul style="list-style-type: none"> ▪ Chief Operating Officer at Samba Financial Group 	<ul style="list-style-type: none"> ▪ Bachelor's degree in computer information system, from King Saud University-Riyadh-Kingdom of Saudi Arabia. In 1997. 	<p>General manager, Information Technology and Common Services group at The Saudi Investment Bank from 2011 to 2019.</p> <ul style="list-style-type: none"> ▪ General manager at Al Rajhi Bank from 2007 to 2011. ▪ General Manager of Information

			<p>Technology and Common Services group at Al Rajhi Bank from 2005 to 2007.</p> <ul style="list-style-type: none"> ▪ Manager of information technology at Al Rajhi Bank from 2004 to 2005. ▪ Senior Director in Al Rajhi Bank from 2000 to 2004, and Financial Analyst from 1997 to 2000.
<p>Eng. Naser AlQahtani *Resigned from the board of directors on 14/06/2020.</p>	<ul style="list-style-type: none"> ▪ Chief Executive Officer of water and power sector at Abunayyan Holding. 	<ul style="list-style-type: none"> ▪ MBA in business administration from Strathclyde University in 2010. ▪ Master of electric engineering from Texas A&M University in 2002 ▪ Bachelor's degree in Electrical Engineering from the King Saud University in 1996. ▪ Certified financial analyzer, year of 2016 from CFA Institute. 	<ul style="list-style-type: none"> ▪ To date, he is the CEO of UNIGAZ-Abunayyan Holding. ▪ Deputy Governor of organizational affairs at Water and Electricity Regulatory Authority (2011-2017). ▪ Oil department head at Abqaiq laboratories-Saudi Aramco (1997-2011). ▪ Technical and administrative positions at Saudi Aramco (1997 to 2011), including engineering works, project management, operating, maintenance and continuous improvement processes in the fields of human resources, safety and reliability. ▪ Electrical engineer at Advanced Electronics Company Limited (1996-1997).
<p>Dr. Ahmed bin Ahmed</p>	<ul style="list-style-type: none"> ▪ Board member of Saudi Authority for Professional Doctors (Saudi Commission of Health Specialist). ▪ Palliative Care Medicine Fellowship Program Manager-King Abdulaziz 	<ul style="list-style-type: none"> ▪ Palliative care medicine specialized fellowship from the Saudi Commission of Health Specialist in 2004. ▪ Family medicine Arab fellowship from the Arab National Council in 2011. ▪ Family medicine Saudi fellowship from the Saudi 	<ul style="list-style-type: none"> ▪ Member of professional council for doctors at the Saudi Commission of Health Specialist in 2017. ▪ Consultant and director of Palliative Care Medicine Fellowship Program at King Abdulaziz Medical City in 2016. ▪ Joint consultant at King Abdulaziz Medical City in 2014. ▪ Consultant physician of family medicine at

	<p>Medical City.</p> <ul style="list-style-type: none"> ▪ Palliative Care Medicine Consultant-King Abdulaziz Medical City. 	<p>Commission of Health Specialist in 2010.</p> <p>Bachelor's degree medicine and surgery from King Saud University in 2004.</p>	<p>King Abdulaziz Medical City in 2010. .</p> <ul style="list-style-type: none"> ▪
Mr. Mohammed Almoqren	<ul style="list-style-type: none"> ▪ GDC Middle East (a Saudi Public Investment Fund (PIF) company) 	<p>Bachelor's degree in International Transport & Logistics from Arab Republic of Egypt in 2001.</p>	<ul style="list-style-type: none"> ▪ Recruitment Department Head at the company (2010 to 2011). ▪ HR department supervisor at Zamil Group (2008 to 2010). ▪ Recruitment specialist at Jacobs Engineering Group (2004 to 2008). ▪ Recruitment official at Saudi Services (2002 to 2004).

B. Audit Committee Members

The Name of Committee member	Current positions	Qualifications	Experience
Mr. Mohammed Aloyaidi	Aloyaidi Certified Puplic Accountants	<ul style="list-style-type: none"> ▪ Bachelor's degree in Accounting, year of 2005, from King Saud University. ▪ MBA in Business Administration from Oklahoma City University- USA. ▪ Certified Public Accountants by the Saudi Organization for 	<ul style="list-style-type: none"> ▪ Ernst & Young (2005 to 2009) ▪ World Bank (2009 to 2010) ▪ Capital Market Authority (2010 to 2015) ▪ KPMG Al Fozan & Partners (2015 to 2016) ▪ Imam Muhammad Ibn Saud Islamic University (2016 to 2017)

		<p>Certified Public Accountants (SOCPA).</p> <ul style="list-style-type: none"> ▪ CPA) New Hampshire Board of Accountancy, USA ▪ ▪ Certified economic establishment valuer by the Saudi Authority for accredited Valuers. 	
Mr. Abdulaziz Al-Babtain	<p>Chief Internal Auditor at the NSCSA "Bahari".</p> <p>-Audit Committee member at the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (MEDGULF)</p> <p>-Audit Committee Member at NCB Capital</p> <p>-Audit Committee member at King Faisal Specialist Hospital.</p> <p>- Audit Committee chairman at Saudi Real Estate Infrastructure Company (BINYAH).</p> <p>-Audit Committee member at the Saudi Authority for Intellectual Property.</p> <p>-Audit Committee member at Saudi Customs.</p>	<p>-Bachelor's degree in accounting from King Saud University-kingdom of Saudi Arabia.</p> <p>-MBA in finance from University of Portsmouth- the UK.</p>	<p>Senior Auditor at KPMG Company (2004 to 2008).</p> <p>Internal audit manager at Al-Rajihi in 2011.</p> <p>Internal audit manager at the Saudi Hollandi Bank.</p>
Mr. Abdulaziz Al-	-Retired Saudi Aramco CEO since	- MBA in business administration from	- Audit Committee member at The

<p>hashemi</p>	<p>2014.</p> <p>-Practical experience exceeds 34 years at Saudi Aramco, including the following:</p> <ul style="list-style-type: none"> • Leadership positions in financial and treasury affairs. • Leadership position in Human Resources affairs. • Internal Audit Department General Manager. <p>- Audit Committee member at the Saudi Aerospace Engineering Industries.</p> <p>- Audit Committee member at the Saudi Company for Investment for Information Exchange and Electronics Tabadul.</p> <p>- Audit Committee member at the Saudi Industrial Investment Company.</p>	<p>King Fahd University of Petroleum and Minerals in Dhahran in 1980.</p> <p>- Bachelor's degree in applied mechanical engineering from King Fahd University of Petroleum and Minerals in Dhahran in 1977.</p>	<p>National Energy Services Company (NESCO) Tarshid.</p>
<p>Mr. Fahad Al Zumaia *Resigned from the board of directors on 10/03/2020.</p>	<ul style="list-style-type: none"> ▪ Audit Committee member at Al-Rajhi Takaful (2012 to 2013). ▪ -Assigned as Audit Committee member at the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (MEDGULF) in 08/04/2019. 	<ul style="list-style-type: none"> ▪ MBA in accounting from University of Illinois at Urbana-Champaign in 2004. ▪ Bachelor's degree in administration and economy from King Saud University in 1996. ▪ CPA accounting from AICPA in 2004. 	<ul style="list-style-type: none"> ▪ CFO at Tatweer Education Holding (2013 to date). ▪ Audit Committee member at Al-Rajhi Takaful (2012 to 2013).

C.Nomination and Remuneration Committee Members

The Name of Committee member	Current positions	Qualifications	Experience
<p>Mr. Youssef Al Youssefi</p>	<ul style="list-style-type: none"> ▪ CEO in JOA Financial Co. After CMA approval 	<ul style="list-style-type: none"> ▪ MBA in business administration, year of 2010, from Harvard University-USA. ▪ Bachelor's degree in electric engineering, year of 2003, from University of Colorado-USA. 	<ul style="list-style-type: none"> ▪ Founder and BOD Chairman at JOA Energy Company since 2013G, a limited liability company located in Riyadh, working in the field of energy services. ▪ Energy sector analyzer at Passport Capital, LLC, a limited liability company located in California-USA, it is specialized in providing investment consultation (2011 to 2012). ▪ Consultant at King Abdullah Petroleum Studies and Research Center (KAPSARC), non-profit institution (2010 to 2011). ▪ Joint official at private equity department, Jadwa Investment, a joint stock company located in Riyadh and specialized in financial services (May 2009 to August 2009). ▪ During 2008, consultant at BOOZ & CO, known recently as (&Strategy), a joint stock company located in the USA, working in the field of providing consultation. ▪ Petroleum engineer at Schlumberger Limited, a joint stock company located in Texas State, USA, working oil and gas sector and oil exploration and extraction (2004 to 2005).

			Communication engineer at Saudi Aramco that works in the oil and gas sector (2004 to 2005).
<p>Eng. Naser AlQahtan i * He resigned from the committee in 14/06/2020.</p>	<ul style="list-style-type: none"> Chief Executive Officer of water and power sector at Abunayyan Holding. 	<ul style="list-style-type: none"> MBA in business administration from Strathclyde University in 2010. Master of electric engineering from Texas A&M University in 2002 Bachelor's degree in Electrical Engineering from the King Saud University in 1996. Certified financial analyzer, year of 2016 from CFA Institute. 	<ul style="list-style-type: none"> To date, he is the CEO of UNIGAZ-Abunayyan Holding. Deputy Governor of organizational affairs at Water and Electricity Regulatory Authority (2011-2017). Oil department head at Abqaiq laboratories-Saudi Aramco (1997-2011). Technical and administrative positions at Saudi Aramco (1997 to 2011), including engineering works, project management, operating, maintenance and continuous improvement processes in the fields of human resources, safety and reliability. Electrical engineer at Advanced Electronics Company Limited (1996-1997).
<p>Mr. Rakan Abunayyan</p>	<ul style="list-style-type: none"> Chief Investment officer/ Abunyan Holding 	<ul style="list-style-type: none"> Bachelor's degree in accounting from King Saud University in 2001. MBA in financial administration from University of Illinois at Urbana-Champaign in 2005. American Certified Public Accounting from California Board of Accountancy in 2005. 	<ul style="list-style-type: none"> Economy Researcher at the Saudi Central Bank. 2001 to 2003. Finance and economy lecturer at King Fahd University of Petroleum and Minerals (2003 to 2007). Corporate financing manager at MEFIC Capital (2007 to 2010).
<p>Dr. Ahmed bin Ahmed</p>	<ul style="list-style-type: none"> Board member of Saudi Authority for Professional Doctors (Saudi Commission of Health Specialist). Palliative Care Medicine 	<ul style="list-style-type: none"> Palliative care medicine specialized fellowship from the Saudi Commission of Health Specialist in 2004. Family medicine Arab fellowship 	<ul style="list-style-type: none"> Member of professional council for doctors at the Saudi Commission of Health Specialist in 2017. Consultant and director of Palliative Care Medicine Fellowship Program at King

	<p>Fellowship Program Manager-King Abdulaziz Medical City.</p> <ul style="list-style-type: none"> ▪ Palliative Care Medicine Consultant-King Abdulaziz Medical City. 	<p>from the Arab National Council in 2011.</p> <ul style="list-style-type: none"> ▪ Family medicine Saudi fellowship from the Saudi Commission of Health Specialist in 2010. <p>Bachelor's degree medicine and surgery from King Saud University in 2004.</p>	<p>Abdulaziz Medical City in 2016.</p> <ul style="list-style-type: none"> ▪ Joint consultant at King Abdulaziz Medical City in 2014. ▪ Consultant physician of family medicine at King Abdulaziz Medical City in 2010. .
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

D. Executive Committee members

Name of Committee member	Current positions	Qualifications	Experience
Mr. Rakan Abunayyan	<ul style="list-style-type: none"> ▪ Chief Investment officer/ Abunyan Holding 	<ul style="list-style-type: none"> ▪ Bachelor's degree in accounting from King Saud University in 2001. ▪ MBA in financial administration from University of Illinois at Urbana-Champaign in 2005. ▪ American Certified Public Accounting from California Board of Accountancy in 2005. 	<ul style="list-style-type: none"> ▪ Economy Researcher at the Saudi Central Bank. From 2001 to 2003. ▪ Finance and economy lecturer at King Fahd University of Petroleum and Minerals (2003 to 2007). ▪ Corporate financing manage at MEFIC Capital (2007 to 2010).
Eng. Raad Al Barakati	<ul style="list-style-type: none"> ▪ Vice chairman of strategic partnerships and business development- the Saudi Center for International Strategic Partnerships (SCISP) 	<ul style="list-style-type: none"> ▪ Bachelor's degree in industrial system engineering , year of 1997, from King Saud University-Kingdom of Saudi Arabia. 	<ul style="list-style-type: none"> ▪ The Banque Saudi Fransi (2005 to 2010). ▪ Tlol Constructions (2010 to 2015). ▪ The Saudi Investment Bank-Regional Head of the middle region-corporate banking at SAIB (2015 to December 2018). ▪ January 2019 to November 2019: General manager assistant-Financial structure department-corporate banking. SAIB.

<p>Dr. Tariq Al-Naeem</p> <p>* He resigned from the committee in 06/12/2020.</p>	<ul style="list-style-type: none"> ▪ Company CEO. Board of directors chairman of Bayan Credit Bureau 	<ul style="list-style-type: none"> ▪ Bachelor's degree in computer science from King Saud University-Kingdom of Saudi Arabia- in 1996. ▪ MBA in computer Science from King Saud University-Kingdom of Saudi Arabia-in 2001. ▪ PhD in information systems from UNSW University-USA-in 2006. 	<ul style="list-style-type: none"> ▪ The Capital Market Authority (Board member) 2016 to 2017. ▪ Undersecretary of internal trade at the Ministry of Commerce and Investment. 2014 to 2016. ▪ General Manager of Strategic Group at Al-Rajhi Bank. 2014 to 2016. ▪ General Manager of investment assets services at Tadawul. 2007 to 2012. ▪ Member of faculty staff at Prince Sultan University. 2006 to 2007. ▪ Payment Systems official at the Saudi Central Bank. 1996 to 2002.
<p>Mr.Suliman Alobaid</p>	<ul style="list-style-type: none"> ▪ Chief Operating Officer at Samba Financial Group 	<ul style="list-style-type: none"> ▪ Bachelor's degree in computer information system, from King Saud University-Riyadh-Kingdom of Saudi Arabia. In 1997. 	<ul style="list-style-type: none"> ▪ General manager, Information Technology and Common Services group at The Saudi Investment Bank from 2011 to 2019. ▪ General manager at Al Rajhi Bank from 2007 to 2011. ▪ General Manager of Information Technology and Common Services group at Al Rajhi Bank from 2005 to 2007. ▪ Manager of information technology at Al Rajhi Bank from 2004 to 2005. ▪ Senior Director in Al Rajhi Bank from 2000 to 2004, and Financial Analyst from 1997 to 2000.

E. Investment Committee Members

Name of Committee member	Current positions	Qualifications	Experience
<p>Mr. Mohammed bin Dawood</p>	<ul style="list-style-type: none"> ▪ Mohammed bin Saad bin Dawood office for Financial and Administrative Consultations (August 2018 to date). 	<ul style="list-style-type: none"> ▪ Bachelor's degree in accounting, year of 1966, from King Saud University. 	<ul style="list-style-type: none"> ▪ Mohammed bin Saad bin Abdulaziz bin Dawood office for Financial and Administrative Consultations (2018 to date). ▪ Managing Director of Manafea Investment Company – (March 2018 to July 2018). ▪ CEO of Mohammed Abdulaziz Al-Rajhi and Sons Investment Company. (August 2014 to March 2018). ▪ General Manager, Corporate Banking Services – The Saudi British Bank (SABB) (July 2013 August 2014). ▪ Deputy General Manager, Corporate Banking Services – Arab National Bank (February 2004 to July 2013) ▪ Director of Commercial Banking Services in the Central Region – The Saudi British Bank (SABB) (2002 to February 2004) . ▪ Senior Corporate Relationship Manager – Arab National Bank (1998 to 2002). ▪ Corporate Relationship Manager – (The Saudi British Bank) (1996 to 1998).

<p>Mr. Youssef Al Yousefi</p>	<ul style="list-style-type: none"> ▪ CEO in JOA Financial .Co After CMA approval 	<ul style="list-style-type: none"> ▪ MBA in business administration, year of 2010, from Harvard University-USA. ▪ Bachelor's degree in electric engineering, year of 2003, from University of Colorado-USA. 	<ul style="list-style-type: none"> ▪ Founder and BOD Chairman at JOA Energy Company since 2013G, a limited liability company located in Riyadh, working in the field of energy services. ▪ Energy sector analyzer at Passport Capital, LLC, a limited liability company located in California-USA, it is specialized in providing investment consultation (2011 to 2012). ▪ Consultant at King Abdullah Petroleum Studies and Research Center (KAPSARC), non-profit institution (2010 to 2011). ▪ Joint official at private equity department, Jadwa Investment, a joint stock company located in Riyadh and specialized in financial services (May 2009 to August 2009). ▪ During 2008, consultant at BOOZ & CO, known recently as (&Strategy), a joint stock company located in the USA, working in the field of providing consultation. ▪ Petroleum engineer at Schlumberger Limited, a joint stock company located in Texas State, USA, working oil and gas sector and oil exploration and extraction (2004 to 2005). ▪ Communication engineer at Saudi Aramco that works in the oil and gas sector (2004 to 2005).
--------------------------------------	-------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>Mr. Rakan Abunayyan</p>	<ul style="list-style-type: none"> ▪ Chif Investment officer/ Abunyan Holding 	<ul style="list-style-type: none"> ▪ Bachelor's degree in accounting from King Saud University in 2001. ▪ MBA in financial administration from University of Illinois at Urbana-Champaign in 2005. ▪ American Certified Public Accounting from California Board of Accountancy in 2005. 	<ul style="list-style-type: none"> ▪ Economy Researcher at the Saudi Central Bank. From 2001 to 2003. ▪ Finance and economy lecturer at King Fahd University of Petroleum and Minerals (2003 to 2007). ▪ Corporate financing manage at MEFIC Capital (2007 to 2010).
-----------------------------------	----------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

F. Risk Management Committee Members

The Name of Committee member	Current positions	Qualifications	Experience
<p>Mr. Mohamed Ben Omar Aloyaidi</p>	<p>Aloyaidi Certified Puplic Accountants</p>	<ul style="list-style-type: none"> ▪ Bachelor's degree in Accounting, year of 2005, from King Saud University. ▪ MBA in Business Administration from Oklahoma City University-USA. ▪ Certified Public Accountants by the Saudi Organization for Certified 	<ul style="list-style-type: none"> ▪ Ernst & Young (2005 to 2009) ▪ World Bank (2009 to 2010) ▪ Capital Market Authority (2010 to 2015) ▪ KPMG Al Fozan & Partners (2015 to 2016) ▪ Imam Muhammad Ibn Saud Islamic University (2016 to 2017)

		<p>Public Accountants (SOCPA).</p> <ul style="list-style-type: none"> ▪ CPA New Hampshire Board of Accountancy, USA ▪ ▪ Certified economic establishment valuer by the Saudi Authority for accredited Valuers. 	
Mr. Suliman Alobaid	<ul style="list-style-type: none"> ▪ Chief Operating Officer at Samba Financial Group 	<ul style="list-style-type: none"> ▪ Bachelor's degree in computer information system, from King Saud University-Riyadh-Kingdom of Saudi Arabia. In 1997. 	<p>General manager, Information Technology and Common Services group at The Saudi Investment Bank from 2011 to 2019.</p> <ul style="list-style-type: none"> ▪ General manager at Al Rajhi Bank from 2007 to 2011. ▪ General Manager of Information Technology and Common Services group at Al Rajhi Bank from 2005 to 2007. ▪ Manager of information technology at Al Rajhi Bank from 2004 to 2005. ▪ Senior Director in Al Rajhi Bank from 2000 to 2004, and Financial Analyst from 1997 to 2000.
<p>Eng./ Nasser AlQahtani</p> <p>* He resigned from the committee in 14/06/2020.</p>	<ul style="list-style-type: none"> ▪ Chief Executive Officer of water and power sector at Abunayyan Holding. 	<ul style="list-style-type: none"> ▪ MBA in business administration from Strathclyde University in 2010. ▪ Master of electric engineering from Texas A&M University in 2002 	<ul style="list-style-type: none"> ▪ To date, he is the CEO of UNIGAZ-Abunayyan Holding. ▪ Deputy Governor of organizational affairs at Water and Electricity Regulatory Authority (2011-2017). ▪ Oil department head at Abqaiq laboratories-

		<ul style="list-style-type: none"> ▪ Bachelor's degree in Electrical Engineering from the King Saud University in 1996. ▪ Certified financial analyzer, year of 2016 from CFA Institute. 	<p>Saudi Aramco (1997-2011).</p> <ul style="list-style-type: none"> ▪ Technical and administrative positions at Saudi Aramco (1997 to 2011), including engineering works, project management, operating, maintenance and continuous improvement processes in the fields of human resources, safety and reliability. ▪ Electrical engineer at Advanced Electronics Company Limited (1996-1997). ▪
--	--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

G. Governance Committee Members:

The Name of Committee member	Current position	Qualifications	Experience
Mr. Zaid Almufareh	Chief Executive Officer of Albilad Capital.	<ul style="list-style-type: none"> ▪ Bachelor of Business Administration and Information Science, Chubu University, Nagoya, Japan in 2003. ▪ Master of Economics, State University of New York, The United States of America in 2007. 	Capital Market Authority/ Manager of investment funds department. From 2007 to 2015.
Mr. Youssef Al Youssefi	<ul style="list-style-type: none"> ▪ CEO in JOA Financial Co. After CMA approval 	<ul style="list-style-type: none"> ▪ MBA in business administration, year of 2010, from Harvard University-USA. ▪ Bachelor's degree in electric engineering, year 	<ul style="list-style-type: none"> ▪ Founder and BOD Chairman at JOA Energy Company since 2013G, a limited liability company located in Riyadh, working in the field of energy services.

		<p>of 2003, from University of Colorado-USA.</p>	<ul style="list-style-type: none"> ▪ Energy sector analyzer at Passport Capital, LLC, a limited liability company located in California-USA, it is specialized in providing investment consultation (2011 to 2012). ▪ Consultant at King Abdullah Petroleum Studies and Research Center (KAPSARC), non-profit institution (2010 to 2011). ▪ Joint official at private equity department, Jadwa Investment, a joint stock company located in Riyadh and specialized in financial services (May 2009 to August 2009). ▪ During 2008, consultant at BOOZ & CO, known recently as (&Strategy), a joint stock company located in the USA, working in the field of providing consultation. ▪ Petroleum engineer at Schlumberger Limited, a joint stock company located in Texas State, USA, working oil and gas sector and oil exploration and extraction (2004 to 2005). <p>Communication engineer at Saudi Aramco that works in the oil and gas sector (2004 to 2005).</p>
<p>Mr. Abdulaziz AlAbduljabbar * He resigned from the committee in 20/10/2020.</p>	<ul style="list-style-type: none"> ▪ Founding partner in AlSaleh & AlAbduljabbar Law Firm from 2016 until now 	<ul style="list-style-type: none"> ▪ Master of International Business Law from The American University Washington College of Law, Washington, D. C-USA 1993. ▪ Bachelor's degree in Systems, King Saud University, KSA 1988. 	<ul style="list-style-type: none"> ▪ Partner in Clifford Chance Law Firm 2014-2016. ▪ Partner in Al-Jadaan and Partners Law Firm, 1999-2013. ▪ Legal Adviser to Committee of Banking Disputes 1988 - 1998.

<p>Dr. Ahmed bin Ahmed * appointed as Chairman of the committee in 01/12/2020.</p>	<ul style="list-style-type: none"> ▪ Board member of Saudi Authority for Professional Doctors (Saudi Commission of Health Specialist). ▪ Palliative Care Medicine Fellowship Program Manager-King Abdulaziz Medical City. ▪ Palliative Care Medicine Consultant-King Abdulaziz Medical City. 	<ul style="list-style-type: none"> ▪ Palliative care medicine specialized fellowship from the Saudi Commission of Health Specialist in 2004. ▪ Family medicine Arab fellowship from the Arab National Council in 2011. ▪ Family medicine Saudi fellowship from the Saudi Commission of Health Specialist in 2010. <ul style="list-style-type: none"> ▪ Bachelor's degree medicine and surgery from King Saud University in 2004. 	<ul style="list-style-type: none"> ▪ Member of professional council for doctors at the Saudi Commission of Health Specialist in 2017. ▪ Consultant and director of Palliative Care Medicine Fellowship Program at King Abdulaziz Medical City in 2016. ▪ Joint consultant at King Abdulaziz Medical City in 2014. ▪ Consultant physician of family medicine at King Abdulaziz Medical City in 2010. .
-----------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

H. Executive Management

Name	Current positions	Qualifications	Experiences
<ul style="list-style-type: none"> ▪ Dr. Tariq Abdullah Al-Naeem 	<ul style="list-style-type: none"> ▪ Chief Executive Officer 	<ul style="list-style-type: none"> ▪ Bachelor of Computer Science ▪ Master of Computer Science ▪ PhD in information systems 	<ul style="list-style-type: none"> ▪ General Manager at strategic group of Al Rajhi Bank from 2012 to 2014. ▪ Board Member at Bayan Credit Bureau (2016-2016). ▪ Chief Executive Officer of The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (MEDGULF).
<ul style="list-style-type: none"> ▪ Mr. Ahmed Mohamed Tarboosh 	<ul style="list-style-type: none"> ▪ Chief Financial Officer (CFO) 	<ul style="list-style-type: none"> ▪ Bachelor's degree in Accounting ▪ SOCPA in 2009 	<ul style="list-style-type: none"> ▪ Audit Manager at UHY- Al Bassam CPA's & Consultants from 2004 to 2011. ▪ Chief Financial Officer at Alfadhel Group

			<p>from 2011 to 2015.</p> <ul style="list-style-type: none"> ▪ Head of preparing Budget and Financial Reporting from 2016 to 2019. ▪ Acting Chief Financial Officer (CFO) in MEDGULF Company in 2019. ▪
<ul style="list-style-type: none"> ▪ Mr. Umar Abdul Rahman Al Mahmoud 	<ul style="list-style-type: none"> ▪ Acting CEO 	<ul style="list-style-type: none"> ▪ Bachelor Degree in information systems from King Fahd University. 	<ul style="list-style-type: none"> ▪ Programmer at Tawuniya Insurance Company from 2004 to 2007. ▪ Information Systems Manager at Tawuniya Insurance Company from 2011 to 2014. ▪ Vice Chairman at Takaful from 2014 to 2016.
<ul style="list-style-type: none"> ▪ Mr. Sohail Hayyan 	<ul style="list-style-type: none"> ▪ Chief Investment Officer 	<ul style="list-style-type: none"> ▪ Bachelor's Degree in Finance ▪ Post graduate diploma in Organizational leadership ▪ CFA ▪ CAIA ▪ CMT 	<ul style="list-style-type: none"> ▪ 2005-2007: Senior Financial Analyst at SAAD Group ▪ 2007 – 2018: Head of Asset Management at Alistithmar Capital ▪ 2018 – 2019: Head of Asset Management at FALCOM Financial Services
<ul style="list-style-type: none"> ▪ Mr. Yasser Abdullah Al-Ghaliqa 	<ul style="list-style-type: none"> ▪ Chief of Human Resources sector and executive management. 	<ul style="list-style-type: none"> ▪ Stratigic Officer of Human Capital, Human capital Institute, the United States of America, 10/2014 ▪ Stratigic Officer of Talent Acquisition, Human capital Institute, the United States of America, 6/2015. ▪ Certified Professional in Human Resources Department, (HRMP), The Society for Human Resource 	<ul style="list-style-type: none"> ▪ 2002-2004 IT relations Manager at Saudi Telecom Company. ▪ 2004-2005: ITIL Analyst at Saudi Telecom Company. ▪ 2005-2006: system designer at Saudi Telecom Company. ▪ 2006-2008: consultant of Business Development office at Saudi Telecom Company. ▪ 2008-2009: Human Capital strategy and

		<p>Management , the United States of America 3/2014.</p> <ul style="list-style-type: none"> ▪ Master of information systems, The American University, Washington, D.C, 2001. ▪ Bachelor Degree in computer information system, University of Detroit Mercy, Detroit, Michigan, 1999. 	<p>ploy at Saudi Telecom Company.</p> <ul style="list-style-type: none"> ▪ 2009-2010: Manager of Human Capital affairs at Saudi Telecom Company. ▪ 2010-2011: Director of Workforce Organization and Design at Saudi Telecom Company. ▪ 2011-2012: Human Capital strategy and ploicy at Saudi Telecom Company. ▪ 2012: system designer at Saudi Telecom Company. ▪ 2012-2013: Member of transfer office (line of the system)- special task at Saudi Telecom Company. ▪ 2013: Project Manager to redesign the structure of Saudi Telecom Company. ▪ 2013-2015: Human Resources strategy and policies Consulting at King Abdullah City for Atomic and Renewable Energy (K.A.CARE). ▪ 2015-2018: Director of Common Services at Mohammed I. Alsubeaei & Sons Investment company (MASIC). ▪ 2019: Head of Human Resources sector and executive management at MEDGULF Company.
<ul style="list-style-type: none"> ▪ Mr. Saleh Ali Al-Suqair 	<ul style="list-style-type: none"> ▪ Legal and Governance Affairs General Manager, Board Secretary. 	<ul style="list-style-type: none"> ▪ Bachelor's degree in administrative science from King Saud University. ▪ Master of Banking Law- America ▪ Master of Insurance Law- America 	<ul style="list-style-type: none"> ▪ Head of legal Department and The Board secretary- Samba Capital & Investment Management Company ▪ Specialist- Capital Market Authority from 2015 to 2018.

			<ul style="list-style-type: none"> ▪ Legal Researcher-Saudi Stock Exchange from 2007 to 2011.
<ul style="list-style-type: none"> ▪ Mr. Mansoor Saleh Alwadai. 	<ul style="list-style-type: none"> ▪ Internal Audit Acting general Manager 	<ul style="list-style-type: none"> ▪ Bachelor's degree in Accounting from King Saud University in 2013. 	<ul style="list-style-type: none"> ▪ Assistant Adviser, Internal Audit and Risk Management Consulting- KPMG Al Fozan & Partners from 2013 to 2014. ▪ An Adviser, Internal Audit and Risk Management Consulting- KPMG Al Fozan & Partners from 2014 to 2015. ▪ Principal Adviser, Internal Audit and Risk Management Consulting- KPMG Al Fozan & Partners from 2015 to 2016. ▪ Internal Audit and Risk Management Consulting Supervisor - KPMG Al Fozan & Partners from 2016 to 2017. ▪ Assistant Manager, Internal Audit and Risk Management Consulting- KPMG Al Fozan & Partners from 2017 to 2018. ▪ Internal Audit and Risk Management Consulting Manager- KPMG Al Fozan & Partners from 2018 to 2019. ▪ Internal Audit Manager 2019-2020 ▪ Acting general Manager of the Internal Audit Department up to date.
<ul style="list-style-type: none"> ▪ Mr. Ahmed Salem Al-Hamid 	<ul style="list-style-type: none"> ▪ Compliance General Manager 	<ul style="list-style-type: none"> ▪ Bachelor's degree in managing hospitals ▪ Sales Diploma 	<ul style="list-style-type: none"> ▪ Sales and Customer service at Abdulrehman Algozaibi Company from 2001 to 2003. ▪ Human Resources Coordinator at the Saudi Investment Bank (2008-2008). ▪ Insurance Policies Department Officer at MEDGULF Company (2009).

			<ul style="list-style-type: none"> General Manager of Compliance department at MEDGULF Company from 2019 to 2020.
<ul style="list-style-type: none"> Mr. Mishal Khaled AlRasheed 	<ul style="list-style-type: none"> Client Client General Manager 	<ul style="list-style-type: none"> LOMA Canada in 2014: Fellow, Life Management Institute (FLMI). EC-Montreal in 2013: English-language Diploma. Banking Institute in 2011: Insurance Foundation Certificate Exam (IFCE) American University in London (2009): Bachelor of Business Administration (BBA). University of Technology (2006): Computer Technology (Programming) Diploma. 	<ul style="list-style-type: none"> Takaful Sales Advisor at Al-Rajihi Takaful (2006-2008). Financial Planning Officer in SABB Bank (2008-2009). Unit Manager at Allianz Saudi Fransi (2011-2009). Assistant Branch Manager at Allianz Saudi Fransi (2011). Senior Manager at Allianz Saudi Fransi (2011-2012). Central Regional Retail Manager at MEDGULF Company (2015). 2015-2017: Retail sales operationa Manager at MEDGULF Company 2017-2019: The Head of sale points and Agents at MEDGULF Company. 2019-Now: General Manager of Client Care Department at MEDGULF Company.
<ul style="list-style-type: none"> Mr. Nawaf Aloreny 	<ul style="list-style-type: none"> Risk Management.General Manager 	<ul style="list-style-type: none"> Bachelor's degree in mechanical Engineering from the King Saud University, Riyadh. 	<ul style="list-style-type: none"> 1997-1999: Operations engineer, Vinnle Arabia, Riyadh. 1999-2000: Junior Official (executive development program) at SABB Bank, Riyadh. 2000-2004: Corporate Relationship Manager, The Saudi British Bank, Riyadh. 2004-2007: Corporate team leader, HSBC, Dubai, the United Arab Emirates.

			<ul style="list-style-type: none"> ▪ 2007-2008: Leader of the team affiliated to corporate Banking services manager, Jeddah. ▪ 2008-2011: Head of Corporate Banking Group, the Saudi Hollandi Bank. ▪ 2011-2013: Head of regional companies, The Saudi British Bank. ▪ 2014-2015 Senior Manger Wholesale and Markets Risk, SABB Bank. ▪ 2015-2019 Head of Credit Review and Risk Identification, SABB Bank. ▪ 2019: General Manager of Risk Management. ▪
<ul style="list-style-type: none"> ▪ Mr. Mohammed Al-Rasheed 	<ul style="list-style-type: none"> ▪ Strategic Planning General Manager 	<ul style="list-style-type: none"> ▪ Bachelor's Degree in Information Systems 	<ul style="list-style-type: none"> ▪ 2013-2015 Sales Manager at Arabian Shield Insurance Company. ▪ 2016-2017 Business Development Manager at Al-Rajih Takaful ▪ Sales and Marketing Manager

21. Board Functions

- Adopt and oversee the implementation of the company's trends, strategic plans, and main objectives, including the development of the company's overall strategy and main business plans, identification of the optimal capital structure and financial objectives of the company, supervision of the company's main capital expenditures, and the periodic review and approval of the company's organizational and functional structures.

- Develop policies and procedures that ensure the Company’s respect to laws and regulations, its obligation to disclose material information to shareholders, creditors and stakeholders.
- Develop a company governance law that does not conflict with the regulation provisions issued by the Capital Market Authority and the regulation issued by the Saudi Central Bank, in addition to supervise it, observe its effectiveness and amend it, if required.
- Follow an obvious and transparent policy regarding share dividend distribution in a manner that achieves stakeholders and the company interests meanwhile.
- Develop a written policy that regulates the relationship with Stakeholders to protect them and reserve their rights.
- Develop and oversee laws and controls for internal control, supervising them as well.
- Supervise, approve, review and update all written policies and main procedures at the company regularly.
- Adopt the committee recommendation regarding the appointment of CEOs at the main centers and ensure that the company has a proper policy to replace a suitable alternative person to be qualified to work and have the required skill.
- Supervise the senior management and monitor company performance against the performance goals set by the Board.

22. Board of Directors Formation and Categorization of its Members:

The following table shows the categorization of the Board of Directors members as independent, executive and non-executive members:

Name of the Board Member	Position	Membership categorization		
		Independent	Executive	Non-executive
Mr. Rakan Abdullah Abunayyan	Chairman			✓
Mr. Abdulaziz AlAbduljabbar	Board Vice-Chairman	✓		

Eng. Raad Ghaith Al Barakati	Member	✓		
Mr. Youssef Mohammed Al Yousefi	Member	✓		
Mr. Mohammed Saad bin Dawood	Member	✓		
Mr. Mohammed Omar Aloyaidi	Member	✓		
Mr. Mohammed Almoqren	Member	✓		
Eng. Naser AlQahtani	Member			✓
Mr. Suliman Alobaid	Member			✓
Dr. Ahmed bin Ahmed	Member	✓		

23. Number of Board Meetings and Attendance Record:

The Board has conducted seven meetings during the financial year 2020 and their attendance record was according to the below table, noted that (✓) is marked as attended, (x) as absent and (-) as his membership expiration or it has not started yet:

Name of the Board Member	First meeting 9/3/2020	Second Meeting 14/5/2020	Third Meeting 7/9/2020	Fourth meeting 27/9/2020	Fifth meeting 05/10/2020	Sixth meeting 25/10/2020	Seventh meeting 16/12/2020
Mr. Rakan Abunyan	✓	✓	✓	✓	✓	✓	✓
Mr. Abdulaziz Alabdul Jabbar	✓	✓	✓	✓	✓	-	-

Dr. Ahmed bin Ahmed	x	✓	✓	✓	✓	✓	✓
Mr. Suliman Alobaid	✓	✓	x	✓	✓	✓	✓
Eng. Raad Al Barakati	x	✓	✓	✓	✓	✓	✓
Eng./ Nasser AlQahtani	✓	✓	-	-	-	-	-
Mr. Mohammed Almoqren	✓	✓	✓	✓	✓	✓	✓
Mr. Youssef Al Yousefi	✓	✓	✓	✓	✓	✓	✓
Mr. Mohammed Aloyaidi	✓	✓	✓	x	✓	✓	✓
Mr. Mohammed bin Dawood	✓	✓	✓	✓	✓	✓	✓

24. Names of companies inside or outside KSA for which a BOD member is a member of their current or previous BOD or of their directors:

The following table shows the names of companies inside or outside KSA for which a BOD member is a member of their current or previous BOD or of their directors:

BOD Member Name	Names of companies inside or outside KSA for which a BOD member is a member of their current BOD.	Names of companies inside or outside KSA for which a BOD member is a member of their previous BOD.
<p>Mr. Rakan Abunyan</p>	<ul style="list-style-type: none"> ▪ Member of Executive Committee of International Vision Investment Company ▪ BOD member of Abdullah Abunayyan Trading Corporation (ATC) ▪ BOD member of Abunayyan Electric Corporation ▪ Venture Trading Company ▪ BOD member of Industrial Instrumentation & Control Systems Ltd ▪ BOD member of Jubar International Contracting Co ▪ BOD member of Cityscape planning Company ▪ BOD member of Middle East for Agriculture Company ▪ BOD member of Electronic and Electrical Industries Corporation ▪ BOD member of Arabian Qudra Company (AQC) ▪ BOD member of Saudi Meters Company Ltd ▪ Board member of Kima Oil Industrial Company (KIMA) 	<ul style="list-style-type: none"> ▪ BOD member of Saudi Tambin Co. Ltd ▪ BOD member of Ehata Financial Company
<p>Mr. Youssef Al Yousefi</p>	<ul style="list-style-type: none"> ▪ BOD member of Saudi Post Corporation since January 2020G ▪ BOD member of Post Corporation (SPL) since 2020 ▪ BOD member of Saudi Airlines Catering Company, a Saudi joint stock company located in Jeddah, since 2018G and a Chairman of the Nominations and Remuneration Committee. ▪ BOD member of Saudi Fransi Capital Co since 2017G, a Saudi closed joint stock company located in Riyadh, working in financial services, and a member of the 	<ul style="list-style-type: none"> ▪ BOD member of Leejam Sports Company, from 2017 to 2018G and (Chairman) of the Nominations and Remuneration Committee.

	<p>following committees:</p> <ul style="list-style-type: none"> ▪ Nomination and Remuneration Committee Chairman ▪ Risk Committee Member ▪ Investment Committee member of Saudi Venture Capital Company (SVC) since 2019G ▪ Partner of Future Generation Investment Company since 2015G, a limited liability company located in Riyadh, working in the field of strategic consulting. ▪ Investment Manager of Sada Holding Company since 2013G, a limited liability company located in Riyadh, working in the field of direct investment in private equity. ▪ Founder and BOD Chairman at JOA Energy Company since 2013G, a limited liability company located in Riyadh, working in the field of energy services. ▪ BOD member of MEDGULF , and Nomination and Remuneration Committee Chairman ▪ Member of the following committees in MEDGULF : ▪ Governance Committee Member ▪ Investment Committee Member 	
<p>Mr. Mohammed bin Dawood</p>	<ul style="list-style-type: none"> ▪ Investment Committee Chairman of Abdullatif Alissa Group Holding Co. ▪ Investment Committee Member of Real Estate Development Fund, Ministry of Housing. ▪ Executive Committee Member of Dar Al Tamleek Company ▪ Audit Committee Chairman of Mohammed Abdulaziz Al-Rajhi & Sons Investment Company 	<ul style="list-style-type: none"> ▪ Industrial Committee Member of Riyadh Chamber ▪ BOD Member of Al-Arabi Investment Company ▪ BOD Member of SABB Takaful Company ▪ BOD Member of Saudi Home Loans

	<ul style="list-style-type: none"> ▪ BOD Chairman of Manafea Investment Company ▪ BOD Chairman of Alpha Finance Company ▪ Executive Committee Member of Saudi Chemical Company Ltd. ▪ Executive Committee Member of Saudi Real Estate Company (SRECO) ▪ Executive Committee Member of Fiber Glass Oasis Company (FGOC) ▪ BOD Chairman of Aqalat limited <ul style="list-style-type: none"> ▪ Risk Committee Member of Saudi Ground Services ▪ Governance Committee Member of Thiqah Business Services 	<p>Company (SHL)</p> <ul style="list-style-type: none"> ▪ BOD Member of Al-Arabi Heavy Equipment Company ▪ BOD Member of Al Jazirah Home Appliances Co. Ltd ▪ BOD Member of Falcon Plastic Products Company ▪ Audit Committee Member of Al-Rajhi Steel Industries Limited Company (Rajhi Steel)
Mr. Mohammed Aloyaidi	<ul style="list-style-type: none"> ▪ Audit Committee Member of Saudi Real Estate Refinance Company ▪ Audit Committee Member of Batec Logistics Company (Audit Committee Member) ▪ Imam Muhammad bin Saud Islamic University (Accounting Advisory Department Council Member) ▪ Al-Ahly REIT Fund (Independent BOD Member) ▪ Saudi Organization for Certified Public Accountants in KSA (Auditing Standards Committee Member) 	<ul style="list-style-type: none"> ▪ Independent BOD Member and Audit Committee Chairman of Jazan Energy and Development Company from 2017 to 2018G ▪ Audit Committee Member of Al Sagr Insurance Company ▪ Saudi Organization for Certified Public Accountants in KSA (Member team of Updating Auditing Standards to International Standards)
Eng. Raad Al Barakati	None	<ul style="list-style-type: none"> ▪ CEO of Tlol Constructions Company, a Saudi limited liability company. ▪ BOD member and Chairman of Credit and Risk Committee and Investment Committee for Financial Investment, a

		Saudi closed joint stock company.
Mr. Suliman Alobaid	BOD member of American Express (Saudi) from 2013 to 2020G. General Manager of Information Technology and Common Services Group at Saudi Investment Bank from 2011 to 2019G.	

25. Means which the Board relied on while evaluating its performance and committees, members and the third party which conducted the evaluation process and its relation with the company, if any:

A. BOD’s Performance Evaluating

BOD member and committees shall be evaluated periodically to ensure that they comply with the standards and requirements defined in the specified procedures for membership in the BOD and ensure that they also comply with the requirements of all laws, regulations, and instructions issued by the Saudi Central Bank (SAMA) and the Capital Market Authority.

The Nomination and Remuneration Committee shall evaluate the BOD members and the entire Board periodically at a minimum once a year, and comply with the evaluation’s confidentiality. The evaluation process shall be through a periodic evaluation for each BOD member and the emanating committees, whereas the Nomination and Remuneration Committee members evaluate the BOD members and its committees. While the Chairman and other BOD members evaluate the Nomination and Remuneration Committee members who are part of BOD members.

B. Means which the Board relied on while evaluating its performance and committees, members and the third party which conducted the evaluation process and its relation with the company, if any:

The Nomination and Remuneration Committee applied the evaluation policy, as defined the highest standards for evaluating each member separately, and adopted updated forms to evaluate the BOD members and the emanating committees and the Board function as a whole.

26. Remuneration and Compensation paid to BOD members and Company’s Senior Executives (including the CEO and CFO)

I Remuneration policy and how to determine the remuneration of BOD members and the Executive Management

The Company's Ordinary General Assembly, held on 25/03/2019G, approved the remuneration and compensation policy for BOD members, emanating committees and executive management, which is consistent with Article 19 of the company's Articles of Association:

A: Board of Directors: Under Article 6 of the company's remuneration policy, the maximum total remuneration shall not exceed (500,000) SAR for the chairman and BOD members for their BOD membership and their participation in its duties, including remuneration in case that the member participates in the emanating committees as follows:

1. BOD Chairman, 260,000 SAR annually.
2. BOD Vice Chairman, 230,000 SAR annually.
3. BOD members, 200,000 SAR annually.
4. BOD's Meetings attendance allowance, 3000 SAR for the meeting, provided that the number of meetings shall not exceed 10 meetings a year and shall not include accommodation and travel costs.
5. As a part of benefits in kind, Provides the BOD member and his family with the health insurance for the occupational risks that they may face.
6. Travel and Accommodation Costs: Remuneration in kind according to the company's travel rules policy.
7. The annual remuneration value shall be divided into four (4) quarters, each quarter represents three months, and shall be paid to the BOD members on a quarterly basis.
8. Under Article five of the company's remuneration policy, which stipulates that if the remuneration from the company's dividends, it shall not exceed (10%) of the company's net profits after deducting of

reserves and distributing dividends to shareholders by at least 5% of the paid-in capital to the company, provided that this remuneration shall be in consistent with the number of meetings attended by the concerned BOD member.

B: BOD Committee: Under Article 6 of the company's remuneration policy, the maximum total remuneration shall not exceed (500,000) SAR for the chairman and BOD members for their BOD membership and their participation in its duties, including remuneration in case that the member participates in the emanating committees as follows:

1. Committee chairman, 100,000 SAR annually.
2. Committee members. 900,000 SAR annually.

3. Committee Meetings attendance allowance, 2000 SAR provided that the number of meeting shall not exceed 10 meetings a year and shall not include accommodation and travel costs.
4. As a part of benefits in kind, Provides the Committee member and his family with the health insurance for the occupational risks that they may face.
5. Travel and Accommodation Costs: Remuneration in kind according to the company's travel rules policy.
6. The annual remuneration value shall be divided into four quarters, each quarter represent three months, and shall be paid to the Committee members on a quarterly basis.

C. Executive Management:

According to the company's remuneration policy, the company shall pay a basic salary monthly and allowances, as necessary, and in accordance with the company's internal regulations. As well as an annual bonus based on the annual and performance evaluation for the individual at the BOD discretion.

II: Relationship between the paid Remuneration and applicable Remuneration Policy

Applicable Remuneration Policy which approved by General Assembly on 25/03/2019G was applied when they paid remuneration to BOD and Committee members, and there are no substantial irregularities. Whereas the total remuneration paid to each member of BOD and Committee did not exceed the (500,000) SAR annually, as stipulated in Article (19) of the Company's Articles of Association

III: BOD Members Remuneration

	Fixed Remuneration						Variable Remuneration						End-of-service award	Aggregate Amount	Expenses Allowance
	Specific amount	Allowance for attending Board meetings	Total Allowance for attending committee	In-kind benefits Remunerations for technical, managerial	Remunerations of the chairman, Managing Director or Secretary, if a	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
I Independent members															

Mohammed Al-Ayidi	200,000	18,000	-	-	218,000	-	-	-	-	-	-	-	-	-	-
Raad Al-Barakati	201,918	18,000	-	-	219,918	-	-	-	-	-	-	-	-	-	-
Mr. Mohammed bin Dawood	200,000	21,000	-	-	221,000	-	-	-	-	-	-	-	-	-	-
*Youssef Al-Yousifi	200,000	21,000	-	-	221,000	-	-	-	-	-	-	-	-	-	-
Abdulaziz Alabdul Jabbar	184,630	15,000	-	-	199,630	-	-	-	-	-	-	-	-	-	-
Ahmed bin Ahmed	200,000	18,000	-	-	218,000	-	-	-	-	-	-	-	-	-	-
Muhammad Al-Muqrin	200,000	21,000	-	-	221,000	-	-	-	-	-	-	-	-	-	-
II: Non-Executive members															
Mr. Rakan Abunyan	260,000	21,000	-	-	281,000	-	-	-	-	-	-	-	-	-	-
Mr./ Nasser AlQahtani	90,411	6,000	-	-	96,411	-	-	-	-	-	-	-	-	-	-
Mr. Suliman	200,000	18,000			218,000	-	-	-	-	-	-	-	-	-	-

Alobaid														
Total	1,936,959	177,000		2,113,959	-	-	-	-	-	-		-		-

IV Committee Members Remunerations

	Fixed Remuneration (for the allowance for attending Board meetings)	Allowance for attending Board meetings	Total
Audit Committee Members			
Mr. Abdulaziz Ababtain	90,000	18,000	108,000
Mr. Mohammed Aloyaidi	100,000	16,000	116,000
Mr. Abdulaziz Al-Hashemi	90,000	18,000	108,000
Mr. Fahad Al-Zamaie	17,014	-	17,014
Total	297,014	52,000	394,014
Executive Committee Members			
Tariq Al-Naim	90,000	12,000	102,000
Raad Al-Barakati	100,000	18,000	118,000
*Rakan Abunyan	90,000	18,000	108,000
Suleiman Al-Obaid	90,000	18,000	108,000

Total	370,000	66,000	436,000
Investment Committee Members			
*Mr. Rakan Abunyan	90,000	12,000	102,000
*Youssef Al-Yousifi	90,000	12,000	102,000
Mohammed bin Dawood	100,000	12,000	112,000
Total	370,000	36,000	460,000
Risk Management Committee Members			
Mohammed Al-Ayidi	90,000	12,000	102,000
Suleiman Al-Obaid	100,000	12,000	112,000
Nasser Al-Qahtani	40,685	6,000	46,685
Abdulaziz Al-Zimam	2712	-	2712
Total	233,397	30,000	263,397
Nomination and Remuneration Committee Members			
*Rakan Abunyan	90,000	20,000	110,000
Youssef Al-Yousifi	100,000	20,000	120,000
Nasser Al-Qahtani	40,685	8,000	48,685

Ahmed bin Ahmed	90,000	20,000	110,000
Total			
Governance Committee Members			
Zaid Al-Mufarah	90,000	6,000	96,000
Ahmed bin Ahmed	8,219	-	8,219
Abdulaziz Alabdul Jabbar	80,274	6,000	86,274
Youssef Al-Yousifi	90,000	6,000	96,000
Total	268,493	18,000	286,493

Fifth: Remunerations of five Senior Executives

Senior Executives	Fixed remuneration				Variable remuneration						End-ofservice award	Total remunerations for Board executives, if any	Total
	Salary	Allowance	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term promotional plans	Granted shares (insert the	Total			
Chief Executive Officer (CEO)	2,250,000	750,012	CAR	3,000,012	-	-	-	-	-	-	90,000	-	3,090,012
Chief Financial	797,782	279,229	-	1,077,011	-	-	-	-	-	-	-	-	1,077,011

Officer(CFO)														
Chief Human Resources and Administration Officer(CHRO)	800,004	280,008	-	1,080,012	-	-	-	-	-	-	-	-	-	1,080,012
Chief Tacincal Officer (CTO)	933,336	326,676	-	1,260,012	-	-	-	-	-	-	-	-	-	1,260,012
Chief Information Officer(CITO)	792,588	277,412	-	1,070,000	-	-	-	-	-	-	-	-	-	1,070,000
Total	5,573,710	1,913,337	-	7,487,047	-	-	-	-	-	-	-	-	-	7,487,047

*** As stipulated in article (19) of the company's Bylaw , The total Remunerations granted to each member of the Board of Directors and committees members and from it must not exceed SAR 500,000 per year.**

27. brief description of the committees' competencies and tasks

The Board of Directors has formed six committees to help it perform its duties effectively, which are the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, the Investment Committee, the Risk Committee and the Governance Committee. The Board of Directors follows up on the committees 'work periodically to verify that they are carrying out the tasks assigned to them. The committees also inform the Board of Directors periodically and with absolute transparency of what they do or reach from the results or take decisions. However, despite the formation of these committees, the final responsibility for the company remains with the board of directors. The following paragraphs will provide a brief description of the competencies of the aforementioned board committees, with the names of these committees, their chairmen, members and the number of their meetings mentioned.

1- Audit Committee:

A. The objectives and terms of reference of the Audit Committee

A. The objectives of the audit committee are as follows:

- Assisting the Board of Directors in fulfilling its responsibilities, and in particular assisting in verifying the adequacy of the internal control system and its effective implementation.
- Study the annual and interim financial statements before they are approved by the Board of Directors and published.
- Study the accounting policies adopted by the company before adopting them and any change in these policies.
- Verifying the adequacy of the design of the supervisory activities in the company, the efficiency of the supervisory apparatus and the internal audit.
- Supervising the investigation processes related to fraud, errors or fraud that occur in the company, or any other matters that the committee deems important to investigate.
- Study the reports and notes provided by the company's external auditor and external supervisory bodies such as the Central Bank of Saudi Arabia, the Zakat and Income Authority, the Ministry of Commerce and Investment, the Capital Market Authority, and other relevant authorities, in order to verify that appropriate measures have been taken to address the matters included in these reports and notes.
- Nominating the company's external auditors according to specific selection procedures in the committee's work rules.
- Verifying the professionalism and independence of the internal auditors, studying the internal audit work plan in the company, the scope of the examination and the reports issued by it, submitting any proposals that would confirm the independence of the internal auditors, and raising the efficiency of their work at a reasonable cost.
- Approving and implementing the company's system of regulatory control, supervising its business, submitting its recommendations to the Board of Directors and other statutory bodies, and ensuring the independence of the Compliance Department.

B. Members of the Audit Committee

Name of the committee member	Position	Membership rating		
		Independent	Executive	Non-executive
Mr / Mohammed Aloyaidi	Chairman of the Committee	✓		
Mr r / Abdulaziz Ababtain	A member from outside the board	✓		
Mr Abdulaziz Al-Hashemi	A member from outside the board	✓		
Mr / Fahad Al-Zumaiea	A member from outside the board	✓		

A. Audit committee meetings and attendance record

The committee maintained direct and continuous contact with the relevant departments of the company, such as the Internal Audit Department, the Compliance Department and other departments. During the fiscal year 2020 AD, the Audit Committee held nine meetings to follow up and implement the tasks assigned to it, and the attendance record was in accordance with the table below, noting that the mark (✓)

Name of the committee member	First meeting 02/01/2020	Second meeting 01/03/2020	Third meeting 30/03/2020	Fourth meeting 07/06/2020	Fifth meeting 13/07/2020	Sixth meeting 13/08/2020	Seventh meeting 01/10/2020	Eighth meeting 28/10/2020	Ninth meeting 09/12/2020
Mr./ Mohammed Aloyaidi	✓	✓	✓	✓	✓	✓	x	✓	✓
Professor / Abdulaziz	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ababtain									
Mr Abdulaziz Al-Hashemi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr / Fahad Al-Zumaiea	x	x	-	-	-	-	-	-	-

2- Nomination and Remuneration Committee:

I. Objectives and terms of reference of the Nomination and Remuneration Committee

A. The objectives of the Nomination and Remuneration Committee are as follows:

- Ensure that the Board of Directors maintains appropriate structure, size and skills to support the strategic goals and values of the company.
- Drawing up the remuneration policy and supervising it for the members of the Board of Directors and the executive management to motivate and keep them within the company.
- Supervising appointment procedures for leadership positions (including electoral processes) and succession plans.
- Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving the desired goals, as well as providing the necessary recommendations regarding remuneration policies and the framework for all company employees.
- Provide the necessary recommendations to the Board of Directors regarding the appointment of members of the Board and its committees in accordance with the regulatory requirements, policies and approved standards.
- Reviewing the appropriate skills requirements for membership of the Board of Directors and its committees, and preparing a comprehensive description of all capabilities and qualifications required for that membership, as well as determining the time that the member should allocate to the work of the Board of Directors and / or the committee, and this is done on an annual basis.
- Periodically assess the structure and composition of the Board and its committees, identify weaknesses, and recommend corrective measures to be taken to address them, as necessary.
- Evaluating the independence of board and committee members and ensuring that there is no conflict of interest, including ensuring on an annual basis the independence of independent board and committee members.
- Establishing clear compensation and remuneration policies for board members, committees, and senior management members and presenting those policies to the board (the committee must make sure that these compensation are related to performance and ensure their application within the company).

- Evaluate the performance of board members and committees on a regular basis.
- Submit the necessary recommendations to the Board regarding the appointment and dismissal of members of higher management.
- Establish succession policies and procedures for the CEO and senior members of senior management and monitor the implementation of succession plans and processes for them.
- Periodically review compensation plans for members of senior management.
- Provide the necessary recommendations to the Board of Directors on matters related to the nominations and remuneration of board members, committees and senior executives, in accordance with the approved policies.

B. Members of the Nomination and Remuneration Committee

Name of the committee member	Position	Membership rating		
		Independent	Executive	Non- executive
Mr / Yousef Al-Yousfi	Chairman of the Committee	✓		
Mr / Rakan Abu Nayan	member			✓
Mr / Ahmed bin Ahmed	member	✓		
II. Engineer / Nasser Al-Qahtani * His membership in the committee ended 06/14/2020	member			✓

III.

IV. Nomination and Remuneration Committee meetings and attendance record

During the fiscal year 2020 AD, the Nominations and Remuneration Committee held eleven meetings, and the attendance record was in accordance with the table below, noting that a mark (✓) means his attendance, a mark (x) means his absence, and a (-) sign means the end or non-start of his membership:

Name	Meeting 1 08/01/2020	Meeting2 03/02/2020	Meeting 3 26/04/2020	Meeting 4 11/05/2020	Meeting 5 13/07/2020	Meeting 6 16/09/2020	Meeting7 04/10/2020	Meeting 8 29/10/2020	meeting 9 08/11/2020	meeting 10 01/12/2020	meeting 11 27/12/2020
Mr / Yousef Al- Yousfi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr / Rakan Abu Nayan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr / Ahmed bin Ahmed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr / Nasser Al- Qahtani	✓	✓	✓	✓	-	-	-	-	-	-	-

3- Investment Committee:

A. The objectives and terms of reference of the Investment Committee

The objectives of the investment committee are as follows:

- Developing strategic plans for the company's investments and ensuring their compliance with the provisions and conditions of the regulations and systems in force, in addition to their conformity with the written policy that has been developed and duly approved by the Board of Directors.
- Supervising the implementation of the investment policy.
- Review the investment policy and guidelines periodically and issue new recommendations in line with market conditions.
- Giving written approval in cases that necessitate non-compliance with some conditions of the investment policy, and raising the issue, if necessary, to the Board of Directors.
- Approval of attracting investments and / or disposing of them.
- Approving the appointment of all asset managers to manage or advise on the company's assets.

- Review the report issued by the risk management department regarding the investment portfolio in order to ensure compliance with the approved policies and guidelines.
- Making final decisions regarding investments based on the recommendations of the Treasury Department.
- Monitor the performance of the company's investments, define the objectives and strategy of the investment, and set the necessary implementation plans for that.

B. Members of the Investment Committee and Classification of its Members:

Name of the committee member	Position	Membership rating		
		Independent	Executive	Non- executive
Mr / Mohammed bin Dawood	Chairman of the Committee	✓		
Mr / Youssef Al-Yousfi	member	✓		
Mr / Rakan Abu Nayan	member			✓

C. Investment committee meetings and attendance record

During the fiscal year 2020 AD, the Investment Committee held five meetings, and the attendance record was in accordance with the table below, noting that the sign (✓) means his attendance, the sign (x) means his absence, and the sign (-) means the end or non-beginning of his membership

Name of the committee member	First meeting 04/03/2020	Second meeting 23/04/2020	Third meeting 18/05/2020	Fourth meeting 14/07/2020	Fifth meeting 26/08/2020	Sixth meeting 14/12/2020
Mr / Mohammed bin Dawood	✓	✓	✓	✓	✓	✓
Mr / Youssef Al-Yousfi	✓	✓	✓	✓	✓	✓
Mr / Rakan Abu Nayan	✓	✓	✓	✓	✓	✓

4- The Executive Committee:

A. Objectives and terms of reference of the Executive Committee

The objectives of the Executive Committee are as follows:

- Periodic review of the Executive Committee's work regulations, assessing its adequacy, and issuing recommendations for its amendment to the Board of Directors.
- Setting the overall strategy and the main objectives of the company and overseeing its implementation (Mission, Vision and Objectives).
- Periodic review and approval of organizational and functional structures in the company (Organizational Chart).
- Reviewing the company's budget and financial plans prepared by the executive management before submitting them to the board of directors and recommending to the board of directors for approval.
- Study all matters referred to the committee regarding executive management and take appropriate recommendations in their regard.
- Conducting regular contacts and meetings with the executive management to follow up on its work.
- Maintain effective working relationships between the Board of Directors and the executive management of the company.

A. Members of the Executive Committee and Classification of its Members:

Name of the committee member	Position	Membership rating		
		Independent	Executive	Non-executive
Engineer / Raad Al-Barakati	President			✓
Professor / Rakan Abu Nayan	Member			✓
Dr. Tariq Al-Naeem * His membership in the committee ended on 12/06/2020	Member		✓	
Professor / Sulaiman Al-Obaid	Member			✓

B. Executive Committee meetings

During the fiscal year 2020 AD, the Executive Committee held nine meetings and the attendance record was in accordance with the table below, noting that the (✓) sign means his attendance, the (x) sign means his absence, and the (-) sign means the end or non-start of his membership:

Name of the committee member	First meeting 19/02/2020	Second meeting 14/04/2020	Third meeting 10/05/2020	Fourth meeting 16/07/2020	Fifth meeting 23/08/2020	Sixth meeting 21/09/2020	Seventh meeting 24/10/2020	Eighth meeting 25/11/2020	Ninth meeting 15/12/2020
Engineer / Raad Al-Barakati	✓	✓	✓	✓	✓	✓	✓	✓	✓
Professor / Rakan Abu Nayan	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Tariq Al-	✓	x	x	✓	✓	✓	✓	✓	-

Naeem									
Professor / Sulaiman Al- Obaid	✓	✓	✓	✓	✓	✓	✓	✓	✓

5- Risk Committee:

A. The objectives and terms of reference of the Risk Committee

The objectives and functions of the Risk Committee include the following:

1. Developing comprehensive risk management strategies and policies consistent with the nature and volume of the company's activities.
 2. Monitor the implementation of policies and strategies for risk management, audit and update them on the basis of relevant internal and external variables.
 3. Ensure that the company is exposed to risk at an acceptable limit and that this limit is not exceeded.
 4. Ensuring the continuity of the company's business.
 5. Ensure that the top management of the company continuously identifies the risks threatening the existence of the company, and determines its exposure to risk effectively on an annual basis.
 6. Supervising the company's risk management system and evaluating the effectiveness of this system and its mechanism in identifying and controlling the risks that threaten the company.
 7. Regularly reassess the company's ability to bear these risks.
 8. Advising members of the Board of Directors on matters related to risk management.
- Review any issues faced by the Audit Committee, other committees emanating from the Board of Directors, and the Board itself, which may affect.

B. Members of the Risk Committee and Classification of its Members:

Name of the committee member	Position	Membership rating		
		Independent	Executive	Non-executive
C. Mr / Mohammed Aloyaidi	member	✓		
D. Engineer / Nasser Al-Qahtani E. * His membership in the committee F. ended 14/06/2020	member			✓
Mr Suleiman Al-Obaid	Chairman of the Committee	✓		

G. Risk Committee meetings and attendance record

During the fiscal year 2020 AD, the Risk Committee held six meetings and the attendance record was in accordance with the table below, noting that a sign (✓) means his attendance, a sign (x) means his absence, and a sign (-) means the end or non-start of his membership:

Name of the committee member	First meeting 20/01/2020	Second meeting 31/02/2020	Third meeting 18/05/2020	Fourth meeting 13/10/2020	Fifth meeting 16/11/2020	Sixth meeting 22/11/2020
Mr / Sulaiman Al-Obaid	✓	✓	✓	✓	✓	✓
Mr / Muhammad Al-Aydi	✓	✓	✓	✓	✓	✓
Engineer / Nasser Al-Qahtani	✓	✓	✓	-	-	-

6- Governance Committee

A. Objectives and terms of reference of the Governance Committee:

1. Verify the company's compliance with the corporate governance rules and policies applicable in the Kingdom of Saudi Arabia in accordance with the company's internal regulations approved by the Board of Directors.
2. Reviewing and updating the company's corporate governance rules and policies in accordance with the changes in the statutory requirements and best practices.
3. Reviewing and developing the rules of professional conduct that represent the company's values, and other internal policies and procedures in order to fulfill the company's requirements related to governance in accordance with best practices.
4. Considering the issues referred to the committee by the Board of Directors, and making recommendations regarding them.

B. Governance Committee meetings and attendance record

Name of the committee member	Position	Membership rating		
		Independent	Executive	Non-executive
Dr. Ahmed bin Ahmed * He was appointed as Chairman of the Committee on 12/01/2020	Chairman of the Committee	✓		
Mr. Zaid Al-Moufarah	member	✓		
Mr / Abdulaziz Al-Abd Al-Jabbar * His membership in the committee ended on 20/10/2020	Chairman of the Committee	✓		
Mr / Youssef Al-Yousfi	member	✓		

C. Governance Committee meetings and attendance record

During the fiscal year 2020 AD, the Governance Committee held three meetings and the attendance record was in accordance with the table below, noting that a mark (✓) means his attendance, a mark (x) means his absence, and a mark (-) means the end or non-start of his membership:

Name of the committee member	First meeting 04/03/2020	Second meeting 10/05/2020	Third meeting 02/09/2020
Mr. Zaid Al-Moufarah	✓	✓	✓
Mr / Abdulaziz Al-Abd Al-Jabbar	✓	✓	✓
Mr / Youssef Al-Yousfi	✓	✓	✓

28. Penalties, penalties, precautionary measure or precautionary restriction imposed on the company by any supervisory, regulatory or judicial authority

Subject of the violation	Previous fiscal year		Current fiscal year	
	Number of executive decisions	The total amount of fines in Saudi riyals	Number of executive decisions	The total amount of fines in Saudi riyals
Violation of the institution’s supervisory and control instructions	0	0	3	10,000

Violating the institution's instructions for protecting clients	0	0	0	0
Violating SAMA's instructions for conducting due diligence in combating money laundering and terrorist financing	1	50,000	2	120,000

29. The results of the annual review of the effectiveness of the company's internal control procedures during the year 2020 AD, in addition to the audit committee's opinion on the adequacy of the company's internal control system.

A. Opinion of the Internal Audit Department:

- The scope of work of the Internal Audit Department includes examining and evaluating the adequacy and effectiveness of the company's internal control systems through the implementation of the annual internal audit plan that has been developed according to a methodology based on identifying and evaluating risks in accordance with international standards for the professional practices of internal auditing and based on the organizational rules of the internal audit department approved by Audit Committee and Board of Directors.
- During the year 2020 AD, the Internal Audit Department carried out the review processes according to the annual plan approved by the Audit Committee at the beginning of the year, and submitted its periodic reports to the Audit Committee after discussion with the concerned departments for the purpose of documenting the appropriate corrective measures to address the observations according to specific timetables. All internal audit reports have been shared with the company's executive management on a regular basis.
- In addition, the audit committee discusses these reports in its quarterly meetings to approve them or recommend appropriate measures to be taken to address any observations

B. Audit Committee Opinion:

1. The committee believes that the company still suffers from some deficiencies in the control systems for the IT environment.
2. There are still deficiencies in some aspects of corporate governance due to the absence or deficiency of some internal policies and procedures in the company.

3. Delay in implementing the scope of cybersecurity in the company according to the requirements of the Central Bank

First: Recommendation of the Audit Committee regarding the need to appoint an internal auditor

The committee directed the internal audit department to seek the assistance of an IT technical consultant to carry out the audit work on the IT environment and cybersecurity.

Second: The recommendations of the committee that there is a conflict between it and the decisions of the board of directors or which the board refused to take into account

There is no conflict between the committee's recommendations and the decisions of the Board of Directors regarding the appointment of the auditor.

30. What has been implemented from the Corporate Governance Regulations

A. Corporate Governance Regulations issued by the Capital Market Authority

In line with what was stipulated in the Corporate Governance Regulations issued by the Capital Market Authority, which requires the company to state what has been implemented of the provisions of the Corporate Governance Regulation and what has not been implemented, along with an explanation of the reasons for non-implementation in the report of its Board of Directors, the company's board of directors is pleased to note that the company applies all the provisions mentioned in the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the provisions listed below:

Article / Paragraph number	The text of the article / paragraph	Reasons for not applying
43 Paragraph No. (2)	The Board shall develop an explicit and written policy to deal with actual and potential conflicts of interest situations which may affect the performance of Board members, the Executive Management or any other employees of the Company when dealing with the	The policy is widely applied, as an updated conflict of interest policy was approved by the Board of Directors on 01/10/2018, but it did not include examples of conflict of interest cases, and it will be ensured that this is added to the company's

	<p>Company or other Stakeholders. This policy shall include the following in particular: 2- providing examples of conflicts of interest situations that are relevant to the nature of the Company's activity.</p>	<p>conflict of interest policy</p>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------

B. Corporate Governance Regulations and Insurance Companies Governance Regulations issued by the Central Bank of Saudi Arabia

In line with what was stipulated in the Insurance Companies Governance Regulations issued by the Central Bank of Saudi Arabia, which requires the company to state a statement about its compliance with the requirements of the Insurance Company Governance Regulations and the Company's Corporate Governance Regulations and the reasons for non-compliance with any of the requirements of the two regulations in its Board of Directors 'report, the Company's Board of Directors is pleased to note that the company applies all the provisions mentioned in the Corporate Governance Regulations issued by the Central Bank of Saudi Arabia, with the exception of the provisions listed below:

Article / Paragraph number	The text of the article / paragraph	Reasons for not applying
63	<p>Members of the Board shall endeavor to educate themselves on, and be regularly updated of, regulatory developments and to undergo periodic training, as needed, on relevant areas and topics, including but not limited to corporate governance, risk management, finance, solvency, insurance, internal control, law, regulatory compliance, and any other important topics.</p>	<p>Due to the circumstances of Coronavirus (Covid-19), the company was unable to hold a training for members of the Board of Directors during 2020 .</p>

* The company also wishes to note that the company's corporate governance regulation has been updated to comply with all the requirements contained in both the corporate governance regulation issued by the Capital Market Authority and the insurance corporate governance regulation issued by the Central Bank of Saudi Arabia, which was approved by the Board of Directors on 10/01/2018 and approved. In the General Assembly on 03/25/2019.

31. The company's social contribution:

Sensing responsibility towards society, the company has adopted many community service programs, the most prominent of which are:

- 1- Hosting a medical team from King Fahd Medical City to hold a blood donation campaign for the company's employees, January 2020
- 2- Medgulf Company contributed 3,000,000 riyals to support the champions of health and the safety of our beloved kingdom, April 2020
- 3- Supporting the Human Association to coincide with the National Day 90 October 2020 AD
- 4- Supporting the Association for Children with Disabilities, coinciding with the National Day 90 October 2020
- 5- Hosting students from Imam Muhammad bin Saud Islamic University, King Saud University, Yamamah University and the Institute of Administration. The visit also included a training program on the company's departmen