



Attachment of articles from 8 to 22:

Voting on the transactions/contracts:

- Chairman Letter
- Limited Assurance Independent Auditor's Report

Date: 07/06/2021

Subject: **Related parties Transactions**

Gentlemen: Shareholders of the Mediterranean and Gulf Insurance and Reinsurance Company
(MEDGULF)

Greeting,,

As per Article 71 of the Companies Law which state that **“A Member of the Board of Directors shall not have any direct or indirect interest in the business and contracts that are made for the Company's account, except with an authorization from the Ordinary General Assembly, and in accordance with the regulations established by the competent authority. The Board member shall inform the Board of his direct or indirect interest in the business and the contracts that are made for the company's account. Such member shall not participate in the voting on the resolution issued in this regard in the Board of Directors and the General Assembly. The Chairman of the Board of Directors shall inform the Ordinary General Assembly at the time of its convening of the business and contracts for which a member of the Board has a direct or indirect interest therein. The notification shall be accompanied by a special report from the External Auditor of the Company”** therefor, the Board of Directors would like to submit its recommendation to the Shareholders General Assembly of the company for Mediterranean and Gulf Insurance and Reinsurance Company (MEDGULF) on the Related parties Transactions in which the Board members have a direct or indirect interest in order to obtain the APPROVAL OF the company Shareholders, with exception of those authorized by virtue of the authorization powers delegated to the Board by the General Assembly stipulated in paragraph (1) Article 71 of the Companies Law regarding the total transactions during the financial year that constitutes less than 1% of the company's revenues according to the latest audited financial statements and that they do not exceed 10 million SR as shown in the table below:

Company	Transaction Type	Transaction	Related parties
Abunayyan trading Co	Insurance Policies	4,992	Mr. Rakan Abu Nayyan
KSB Pumps Arabia	Insurance Policies	782	Mr. Rakan Abu Nayyan
Toray Membrane Middle East	Insurance Policies	984	Mr. Rakan Abu Nayyan
Industrial Instrumentation and Control System	Insurance Policies	532	Mr. Rakan Abu Nayyan
Citiscap	Insurance Policies	1,717	Mr. Rakan Abu Nayyan
Middle East agriculture	Insurance Policies	545	Mr. Rakan Abu Nayyan
Electronic and electric industry	Insurance Policies	241	Mr. Rakan Abu Nayyan
Arabian qudra	Insurance Policies	446	Mr. Rakan Abu Nayyan
Saudi Fransi Capital	Investment portfolio	288,600	Mr. Youssef Al-Yousifi
Tumpane jubar	Insurance Policies	837	Mr. Rakan Abu Nayyan
Alakaria	Insurance Policies	74	Mr. Rakan Abu Nayyan
Al Issa Group	Insurance Policies	118,472	Mr. Mohamed Bin Dawood
Vision International Investment Company	Insurance Policies	515	Mr. Rakan Abu Nayyan
Saudi Meter Company	Insurance Policies	179	Mr. Rakan Abu Nayyan
Saudi Tumpane Co	Insurance Policies	2,473	Mr. Rakan Abu Nayyan

Sincerely,

Rakan Abu Nayyan
Board Chairman

Limited Assurance Independent Auditor's Report
Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (MEDGULF)

TO: THE SHAREHOLDERS

Based on the intimation received from the Chairman of the board of director of **Mediterranean and Gulf Cooperative Insurance and Reinsurance Company ("Company")**, we have undertaken a limited assurance engagement to indicate whether anything has come to our attention that causes us to believe that the report detailed in the subject matter paragraph-mentioned below (the "Subject matter") has not been reported and presented fairly, in all material respects, in accordance with the applicable criteria ("Criteria"). mentioned below.

Subject matter

The subject matter relevant for the Limited Assurance engagement is the report of the Chairman of the Board of Directors on transactions with related parties submitted to the Ordinary General Assembly to report on activities and contracts carried out by the Company in which the members of Board of Directors of the Company that have direct or indirect interest.

Criteria:

1. Article (24) from of the Company's By-laws.
2. Article (71) of the Companies' Regulations endorsed in Kingdom of Saudi Arabia.

Management responsibility

Management of the Company is responsible for the preparation and fair presentation of the information contained in the above subject matter in accordance with the criteria. Management of the Company is also responsible for choosing the methods of applying those criteria. The Company's management is also responsible for establishing and maintaining adequate internal controls for the preparation and presentation of the Subject matter without material misstatements, whether due to fraud or error, as well as for selecting and applying appropriate standards, maintaining adequate records and making reasonable estimates according to the circumstances.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the above Subject matter in accordance with the International Standard for Assurance Engagements (3000) "Assurance engagements other than audits or reviews of historical financial information" as adopted in the Kingdom of Saudi Arabia, and the terms and conditions related to this engagement that has been agreed upon with the management of the company.

Our procedures are designed to obtain a limited level of assurance sufficient to provide a basis for expressing our conclusion, and accordingly, we have not obtained all the evidence required to perform the audit or review in accordance with the International Standards for Auditing or the International Standards for Review Engagements approved in the Kingdom of Saudi Arabia. The procedures implemented depend on our professional judgment, including the risk of material misstatement of the matter, whether due to fraud or error. We also took into account the effectiveness of internal control systems when determining the nature and extent of our procedures, and our engagement was not designed to provide assurance about the effectiveness of those systems.

Limited Assurance Independent Auditor's Report (continued)
Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (MEDGULF)
TO: THE SHAREHOLDERS

Our Independence and Quality Control

We have complied to the independence and other requirements of the Code of Professional conduct and ethics for Accountants issued by the board of International Code of Ethics for Professional Accountants, which is based on the basic principles of integrity, objectivity, professionalism, due diligence, confidentiality and professional conduct. We are also independent of the Company according to the relevant code of conduct and ethics in the Kingdom of Saudi Arabia.

We also implement the International Standard on Quality Control (1), thus maintaining a comprehensive quality control system including documented policies and procedures regarding adherence to ethical requirements, professional standards, and applicable statutory and regulatory requirements.

Summary of work performed:

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Our procedures include, but were not limited to the following:

- Matching the business disclosed in the report of the chairman of the board of directors about the transactions with related parties that have a direct or indirect personal interest for the members of the board of directors with the accounting records and transaction records.
- Ensure that the same is disclosed in the minutes of the meeting.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that report described in the subject matter paragraph is not prepared, and presented fairly, in all material respects, in accordance with the applicable criteria.

Restrictions on the use of our report

Our report was prepared upon the request of the Company's management to fulfill the requirements of the relevant regulations in relation to the activities and contracts that the company carried out during the fiscal year ended December 31, 2020, in which the members of the Board of Directors had a personal interest, directly or indirectly. The report must not be used for any other purpose or distributed to any other parties.



AlAzem, AlSudairy, AlShaikh & Partners
Certified Public Accountants



Abdullah M. AlAzem
License No, 335



Thank you