جدول أعمال الجمعية

1. Voting on the Board of Directors Report for the fiscal year ending 31/12/2020G. (Attached)
2. Voting on the Auditors Report on the Company's account for the fiscal year ending 31/12/2020G. (Attached)
3. Voting on the financial statements for the fiscal year ending 31/12/2020G. (Attached)
4. Voting on appointing the auditors for the Company from among the candidates based on the Audit Committee's recommendation. The appointed auditors shall examine, review and audit the quarterly financial statements (quarter 2, quarter 3, and annual financial statement of 2021 and the 1st quarter of 2022., and the determination of the auditors' remuneration.
5. Voting on the business and contracts that will be concluded between the Company and the Managing Director Mr. Khalid Allagany and renew it for further year which consist of motor insurance contracts for his vehicles as per the company approved insurance policies and as per market terms in addition to the discounts provided to the company employees as per company's policy and authorize them for the next year. The value of this transaction in 2020 amounts to SR 2,500. (Attached)

1. التصويت على تقرير مجلس الإدارة للعام المالي المنتهي في 2020/12/31م. (مرفق)
2. التصويت على تقرير مراجعي حسابات الشركة عن العام المالي المنتهي في 2020/12/31م. (مرفق)
3. التصويت على القوائم المالية عن العام المالي المنتهي في 2020/12/31م. (مرفق)
4. التصويت على تعيين مراجعي حسابات الشركة من بين المرشحين بناءً على توصية لجنة المراجعة، وذلك لفحص ومراجعة وتدقيق القوائم المالية للربع الثاني والثالث والسنوي من العام المالي 2021م، والربع الاول من العام المالي 2022م وتحديد أتعابهم.
5. التصويت على الأعمال والعقود التي ستتم بين الشركة والعضو المنتدب الأستاذ/ خالد جعفر اللقاني والمتمثلة في عقود تأمين مركباته الخاصة والتي تمت حسب وثائق الشركة المعتمدة ووفق شروط السوق والتخفيض الخاص المطبق على موظفي الشركة، علمًا أن قيمة التعامل في عام 2020م بلغت 2,500 ريال. (مرفق)
6. التصويت على الأعمال والعقود التي ستتم بين الشركة وبنك الرياض والتي لعضوي مجلس الإدارة الأستاذ/ عبدالعزيز يوسف بن يوسف والأستاذ/ خالد محمد حريري مصلحة غير مباشرة فيها باعتبارهما ممثلي لبنك الرياض على مستوى مجلس إدارة الشركة. وهي عبارة عن عقود تأمينية حسب وثائق

6. Voting on the business and contracts that will be concluded between the Company and with Riyad Bank. The Board Members Mr. Abdulaziz Yousef Bin Yousef and Mr. Khalid Hariry have an indirect interest as they are representatives of Riyad Bank at the Board of the Company. These businesses and contracts are Insurance contracts as per the company approved insurance policies with no special treatment. The total value of this transaction during 2020G amounts to SR 5,144,512 (Attached)
7. Voting on the business and contracts that will be concluded between the Company and with Riyad Company for Insurance Agency owned by Riyad bank, These businesses and contracts are consist of General accident insurance contracts issued to the customers of Riyad Company for Insurance Agency as per the agency contract signed on 29/03/2013G per the company approved insurance policies with no special treatment. The Board Member Mr. Abdulaziz Yousef Bin Yousef has an indirect interest as a representative of Riyad Bank on the Board of the company. The Board Member Mr. Khalid Hariry has an indirect interest as the representative of Riyad Bank on the Board of the company and Member of the Administration Committee of the Agency. The total Gross Written Premium value of these business and contracts during 2020G amounts to SR 47.981.488 and a total commission of SR 4.167.821 has been earned by the Agency. (Attached)
8. Voting on the business and contracts that will be concluded between the Company and with Riyad Company for Insurance Agency owned by

الشركة المعتمدة ولا يوجد أي شروط تفضيلية. علمًا أن قيمة التعامل في عام 2020م بلغ 5,144,512 ريال. (مرفق)

7. التصويت على الأعمال والعقود التي ستتم للشركة من خلال شركة الرياض لوكالة التأمين المملوكة من قبل بنك الرياض، وهي عبارة عن عقود تأمين الحوادث العامة تصدر لعملاء شركة الرياض لوكالة التأمين وفق العقد المبرم مع الوكالة بتاريخ 2013/03/29م وبنك الرياض وذلك حسب وثائق الشركة المعتمدة ولا يوجد أي شروط تفضيلية، ولعضو مجلس الإدارة الأستاذ/ عبدالعزيز يوسف بن يوسف مصلحة غير مباشرة باعتباره ممثل بنك الرياض على مستوى مجلس إدارة الشركة، ولعضو مجلس الإدارة الأستاذ/ خالد محمد حريري مصلحة غير مباشرة باعتباره ممثل بنك الرياض على مستوى مجلس إدارة الشركة ومجلس مديرين شركة الرياض لوكالة التأمين. علمًا أن قيمة التعاملات في سنة 2020م بلغت 47.981.488 ريال وتم دفع عمولة للوكالة بمبلغ 4.167.821 ريال. (مرفق)

8. التصويت على الأعمال والعقود التي ستتم للشركة من خلال شركة الرياض لوكالة التأمين المملوكة من قبل بنك الرياض، وهي عبارة عن عقود تأمين الممتلكات تصدر لعملاء شركة الرياض لوكالة التأمين وفق العقد المبرم مع الوكالة بتاريخ 2013/03/29م وبنك الرياض وذلك حسب وثائق الشركة المعتمدة ولا يوجد أي شروط تفضيلية، ولعضو مجلس الإدارة الأستاذ/ عبدالعزيز يوسف بن يوسف مصلحة غير مباشرة باعتباره ممثل بنك الرياض على مستوى مجلس إدارة الشركة، ولعضو مجلس الإدارة الأستاذ/ خالد محمد حريري مصلحة غير مباشرة باعتباره ممثل بنك الرياض على مستوى مجلس إدارة الشركة ومجلس مديرين شركة الرياض لوكالة التأمين. علمًا أن

Riyad bank, These businesses and contracts are consist of Property insurance contracts issued to the customers of Riyad Company for Insurance Agency as per the agency contract signed on 29/03/2013G per the company approved insurance policies with no special treatment with no special treatment. The Board Member Mr. Abdulaziz Yousef Bin Yousef has an indirect interest as a representative of Riyad Bank on the Board of the company. The Board Member Mr. Khalid Hariry has an indirect interest as the representative of Riyad Bank on the Board of the company and Member of the Administration Committee of the Agency. The total Gross Written Premium value of these business and contracts during 2020G amounts to SR 5.709.848 and a total commission of SR 491.321 has been earned by the Agency. (Attached)

9. Voting on the business and contracts that will be concluded between the Company and with Riyad Company for Insurance Agency owned by Riyad bank, These businesses and contracts are consist of Marine insurance contracts issued to the customers of Riyad Company for Insurance Agency as per the agency contract signed on 29/03/2013G per the company approved insurance policies with no special treatment. The Board Member Mr. Abdulaziz Yousef Bin Yousef has an indirect interest as a representative of Riyad Bank on the Board of the company. The Board Member Mr. Khalid Hariry has an indirect interest as the representative of Riyad Bank on the Board of the company and Member of the Administration Committee of the Agency. The total Gross Written

قيمة التعاملات في سنة 2020م بلغت 5.709.848 ريال وتم دفع عمولة للوكالة بمبلغ 491.321 ريال. (مرفق)

9. التصويت على الأعمال والعقود التي ستتم للشركة من خلال شركة الرياض لوكالة التأمين المملوكة من قبل بنك الرياض، وهي عبارة عن عقود التأمين البحري تصدر لعملاء شركة الرياض لوكالة التأمين وفق العقد المبرم مع الوكالة بتاريخ 2013/03/29م وبنك الرياض وذلك حسب وثائق الشركة المعتمدة ولا يوجد أي شروط تفضيلية، ولعضو مجلس الإدارة الأستاذ/ عبدالعزيز يوسف بن يوسف مصلحة غير مباشرة باعتباره ممثل بنك الرياض على مستوى مجلس إدارة الشركة، ولعضو مجلس الإدارة الأستاذ/ خالد محمد حريري مصلحة غير مباشرة باعتباره ممثل بنك الرياض على مستوى مجلس إدارة الشركة ومجلس مديرين شركة الرياض لوكالة التأمين. علمًا أن قيمة التعاملات في سنة 2020م بلغت 1.992.782 ريال وتم دفع عمولة للوكالة بمبلغ 172.892 ريال. (مرفق)

10. التصويت على الأعمال والعقود التي ستتم بين الشركة ومجموعة رويال أند صن اللايانس للتأمين (الشرق الأوسط) للتأمين ش.م.ع. ولأعضاء مجلس الإدارة الأستاذ/ مارتن رويج، الأستاذ/ جونثان كوب، الأستاذ/ كريستوفر فيليب دولي والأستاذ/ خالد جعفر مصطفى اللقاني مصلحة غير مباشرة باعتبارهم ممثلي رويال آند صن اللاينس (الشرق الأوسط) ش.م.ب.م. على مستوى مجلس إدارة الشركة، وهي على النحو التالي: ترتيبات إعادة تأمين مع مجموعة رويال أند صن اللاينس للتأمين (الشرق الأوسط) من خلال إمضاء عقود إعادة التأمين دون وجود أي شروط تفضيلية. علمًا أن قيمة التعامل في عام 2020م بلغ 42.751.783 ريال سعودي تمثل أقساط إعادة تأمين

Premium value of these business and contracts during 2020G amounts to SR 1.992.782 and a total commission of SR 172.892 has been earned by the Agency. (Attached)

10. Voting on the business and contracts that will be concluded between the Company and with RSA Insurance Group plc. The Board Members Mr. Martin Rueegg, Mr. Jonathan Cope, Mr. Christopher Philip Dooley and Mr. Khalid Jaafar Mostafa Allagany have an indirect interest as they are representatives of Royal and Sun Alliance Insurance (Middle East) BSC (c) Bahrain (a subsidiary RSA Insurance Group plc) at the Board of the Company, with no special treatment. These transactions are as follows: Reinsurance arrangements through re-insurance treaties. The total value of these transactions during 2020G amounts to SR 42.751.783 which represent reinsurance premium further to which the company has registered a reinsurance commission income amounting to SR 16.946.574 during the same period. (Attached)
11. Voting on the business and contracts that will be concluded between the Company and with RSA Insurance Group plc. The Board Members Mr. Martin Rueegg, Mr. Jonathan Cope, Mr. Christopher Philip Dooley and Mr. Khalid Jaafar Mostafa Allagany have an indirect interest as they are representatives of Royal and Sun Alliance Insurance (Middle East) BSC (c) Bahrain (a subsidiary RSA Insurance Group plc) at the Board of the Company, as per market terms. These transactions are as follows: Technical Services Provided to the company as per the Technical Services

وحصلت الشركة على دخل يمثل عمولة إعادة تأمين وقدره 16.946.574 ريال سعودي خلال نفس الفترة. (مرفق)

11. التصويت على الأعمال والعقود التي ستتم بين الشركة ومجموعة رويال أند صن اللايانس للتأمين (الشرق الأوسط) ولأعضاء مجلس الإدارة الأستاذ/ مارتن رويج، الأستاذ/ جونثان كوب، الأستاذ/ كريستوفر فيليب دولي والأستاذ/ خالد جعفر مصطفى اللقاني مصلحة غير مباشرة باعتبارهم ممثلي مجموعة رويال آند صن اللاينس (الشرق الأوسط) ش.م.ب.م. على مستوى مجلس إدارة الشركة. وهي على النحو التالي: خدمات فنية مقدمة من قبل مجموعة رويال أند صن اللايانس للتأمين (الشرق الأوسط) ش.م.ع للشركة في مختلف مجالات الأعمال بموجب اتفاقية أعمال فنية. علمًا أن قيمة التعامل في عام 2020م بلغ 6.919.357 ريال سعودي. (مرفق)
12. التصويت على الأعمال والعقود التي ستتم بين الشركة ومجموعة رويال أند صن اللايانس للتأمين (الشرق الأوسط). ولأعضاء مجلس الإدارة الأستاذ/ مارتن رويج، الأستاذ/ جونثان كوب، الأستاذ/ كريستوفر فيليب دولي والأستاذ/ خالد جعفر مصطفى اللقاني مصلحة غير مباشرة باعتبارهم ممثلي مجموعة رويال آند صن اللاينس (الشرق الأوسط) ش.م.ب.م. على مستوى مجلس إدارة الشركة. وهي على النحو التالي: حقوق استخدام العلامة التجارية لمجموعة رويال أند صن اللاينس للتأمين (الشرق الأوسط). علمًا أن قيمة التعامل في عام 2020م بلغ 30,100 ريال. (مرفق)
13. التصويت على إبراء ذمة أعضاء مجلس الإدارة عن العام المالي المنتهي في 2020/12/31م.
14. التصويت على توصية مجلس الإدارة بعدم توزيع أرباح الأسهم للسنة المنتهية في 2020/12/31م.

Agreement. The total value of these services during 2020G amounts to SR 6.919.357. (Attached)

12. Voting on the business and contracts that will be concluded between the Company and with RSA Insurance Group plc. The Board Members Mr. Martin Rueegg, Mr. Jonathan Cope, Mr. Christopher Philip Dooley and Mr. Khalid Jaafar Mostafa Allagany have an indirect interest as they are representatives of Royal and Sun Alliance Insurance (Middle East) BSC (c) Bahrain (a subsidiary RSA Insurance Group plc) at the Board of the Company, as per market terms. These transactions are as follows: The branding fees of RSA group. The total value of the transaction during 2020G amounts to SR 30,100. (Attached)
13. Voting on the discharge the Directors from their liabilities for the financial period ended on 31/12/2020G
14. Voting on the Board of Directors recommendation to not distribute dividends for the year ended 31/12/2020G.
15. Voting on paying an amount of SR 900,000 as remuneration to the Board members for the fiscal year ending on 31/12/2020G in accordance with article 19 of the Company articles of association. (Attached)
16. Voting on the amendment of Article (3) of the Company's Bylaws relating to the Purposes of Company (attached).
17. Voting on the amendment of Article (4) of the Company's Bylaws relating to the Participation and Acquisition (attached).

15. التصويت على صرف مبلغ 900.000 ريال كمكافآة لأعضاء مجلس الإدارة عن العام المالي المنتهي في 2020/12/31م وفقاً لنص المادة (19) من النظام الأساس للشركة. (مرفق)
16. التصويت على تعديل المادة (3) من نظام الشركة الاساس، المتعلقة بأغراض الشركة (مرفق).
17. التصويت على تعديل المادة (4) من نظام الشركة الاساس، المتعلقة بالمشاركة والتملك في الشركات (مرفق).
18. التصويت على تعديل المادة (7) من نظام الشركة الاساس، المتعلقة باستثمارات الشركة (مرفق).
19. التصويت على تعديل المادة (12) من نظام الشركة الاساس، المتعلقة بتداول الأسهم (مرفق).
20. التصويت على تعديل المادة (13) من نظام الشركة الاساس، المتعلقة بزيادة رأس المال (مرفق).
21. التصويت على تعديل المادة (14) من نظام الشركة الاساس، المتعلقة بتخفيض رأس المال (مرفق).
22. التصويت على تعديل المادة (15) من نظام الشركة الاساس، المتعلقة بإدارة الشركة (مرفق).
23. التصويت على تعديل المادة (16) من نظام الشركة الاساس، المتعلقة بإنتهاء عضوية المجلس (مرفق).
24. التصويت على تعديل المادة (17) من نظام الشركة الاساس، المتعلقة بالمركز الشاغر في المجلس (مرفق).
25. التصويت على تعديل المادة (18) من نظام الشركة الاساس، المتعلقة بصلاحيات المجلس (مرفق).

18. Voting on the amendment of Article (7) of the Company's Bylaws relating to the Company's Investments (attached).
19. Voting on the amendment of Article (12) of the Company's Bylaws relating to the Trading of shares (attached).
20. Voting on the amendment of Article (13) of the Company's By-Laws relating to the Increasing capital (attached).
21. Voting on the amendment of Article (14) of the Company's By-Laws relating to the Reducing Capital (attached).
22. Voting on the amendment of Article (15) of the Company's By-Laws relating to the Company's Management (attached).
23. Voting on the amendment of Article (16) of the Company's By-Laws relating to the Expiry of Board Membership (attached).
24. Voting on the amendment of Article (17) of the Company's By-Laws relating to the Membership Vacancy (attached).
25. Voting on the amendment of Article (18) of the Company's By-Laws relating to the Powers and Authorities of the Board (attached).
26. Voting on the amendment of Article (19) of the Company's By-Laws relating to the Remuneration of the Board of Directors, Chairman of the Board and Managing Director (attached).
27. Voting on the amendment of Article (20) of the Company's By-Laws related to the Authorities of the Chairman and position tenure, Vice Chairman, Managing Director, and the Board Secretary (attached).

26. التصويت على تعديل المادة (19) من نظام الشركة الاساس، المتعلقة بمكافأة أعضاء المجلس والمكافأة الخاصة برئيس مجلس الإدارة والعضو المنتدب (مرفق).
27. التصويت على تعديل المادة (20) من نظام الشركة الاساس، المتعلقة بصلاحيات رئيس مجلس الإدارة ومدة عضويته، وعضوية نائبه والعضو المنتدب وأمين السر (مرفق).
28. التصويت على تعديل المادة (22) من نظام الشركة الاساس، المتعلقة بنصاب اجتماع المجلس (مرفق).
29. التصويت على تعديل المادة (24) من نظام الشركة الاساس، المتعلقة بالاتفاقيات والعقود (مرفق).
30. التصويت على تعديل المادة (25) من نظام الشركة الاساس، المتعلقة بحضور الجمعيات (مرفق).
31. التصويت على تعديل المادة (26) من نظام الشركة الاساس، المتعلقة بالجمعية التأسيسية (مرفق).
32. التصويت على تعديل المادة (27) من نظام الشركة الاساس، المتعلقة باختصاصات الجمعية التأسيسية (مرفق).
33. التصويت على تعديل المادة (30) من نظام الشركة الاساس، المتعلقة بدعوة الجمعيات (مرفق).
34. التصويت على تعديل المادة (31) من نظام الشركة الاساس، المتعلقة بسجل حضور الجمعيات (مرفق).
35. التصويت على تعديل المادة (32) من نظام الشركة الاساس، المتعلقة بنصاب اجتماع الجمعية العامة العادية (مرفق).

28. Voting on the amendment of Article (22) of the Company's By-Laws relating to the Quorum at Meetings and Decisions of the Board (attached).
29. Voting on the amendment of Article (24) of the Company's By-Laws relating to the Agreements, Contracts and Conflict of Interests (attached).
30. Voting on the amendment of Article (25) of the Company's By-Laws relating to the Attending Meetings (attached).
31. Voting on the amendment of Article (26) of the Company's By-Laws relating to the Incorporating Assembly (attached).
32. Voting on the amendment of Article (27) of the Company's By-Laws relating to the Competencies of Incorporating Assembly (attached).
33. Voting on the amendment of Article (30) of the Company's By-Laws relating to the Invitation of the General Assemblies (attached).
34. Voting on the amendment of Article (31) of the Company's By-Laws relating to the General Assembly Attending Register (attached).
35. Voting on the amendment of Article (32) of the Company's By-Laws relating to the Quorum at the Ordinary General Meeting (attached).
36. Voting on the amendment of Article (33) of the Company's By-Laws relating to the Quorum at Extraordinary General Meeting (attached).
37. Voting on the amendment of Article (36) of the Company's By-Laws relating to the Deliberations in the Assemblies (attached).
38. Voting on the amendment of Article (39) of the Company's By-Laws relating to the Appointment of the Auditor (attached).

36. التصويت على تعديل المادة (33) من نظام الشركة الاساس، المتعلقة بنصاب اجتماع الجمعية العامة غير العادية (مرفق).
37. التصويت على تعديل المادة (36) من نظام الشركة الاساس، المتعلقة بالمناقشة في الجمعيات (مرفق).
38. التصويت على تعديل المادة (39) من نظام الشركة الاساس، المتعلقة بتعيين مراجع الحسابات (مرفق).
39. التصويت على تعديل المادة (41) من نظام الشركة الاساس، المتعلقة بالتزامات مراجع الحسابات (مرفق).
40. التصويت على تعديل المادة (43) من نظام الشركة الاساس، المتعلقة بالوثائق المالية (مرفق).
41. التصويت على تعديل المادة (45) من نظام الشركة الاساس، المتعلقة بالزكاة الاحتياطي (مرفق).
42. التصويت على تعديل المادة (49) من نظام الشركة الاساس، المتعلقة بمسؤولية أعضاء مجلس الإدارة (مرفق).
43. التصويت على تعديل المادة (50) من نظام الشركة الاساس، المتعلقة بانقضاء الشركة (مرفق).
44. التصويت على تعديل دليل الحوكمة الخاص بالشركة (مرفق).

39. Voting on the amendment of Article (41) of the Company's By-Laws relating to the Obligations of Auditor (attached).
40. Voting on the amendment of Article (43) of the Company's By-Laws relating to the Financial Documents/Instruments (attached).
41. Voting on the amendment of Article (45) of the Company's By-Laws relating to the Zakat, Reserve and distribution of dividends (attached).
42. Voting on the amendment of Article (49) of the Company's By-Laws relating to the Liability of Board Members (attached).
43. Voting on the amendment of Article (50) of the Company's By-Laws relating to the Dissolution of the Company (attached).
44. Voting on amending the company's Corporate Governance Manual (attached).

Al Alamiya for Cooperative Insurance Company

Board of Directors’ Report 2020G

The Board of Directors of Al Alamiya For Cooperative Insurance Company (hereinafter referred to as the “Company” or "Al Alamiya") have great pleasure in presenting to our Shareholders the Annual Report for the year ended 31-12-2020 G.

The year 2020 witnessed continued challenging circumstances in the market as well as the operating environment with the COVID 19 Pandemic also adversely impacting the overall economy and the insurance industry. The challenging environment also have adversely impacted the Company leading to a decline in the gross written premium by SR 28.77 Million from SR 219.94 Million in 2019 to SR 191.17 Million in 2020 and to incur a Comprehensive Loss after Zakat and Tax of SR 4.03 Million compared to a Comprehensive Income after Zakat and Tax of SR 19.05 Million in 2019.

Recognizing the potential implications of the reduction in the gross written premium over the past 2 years, Al Alamiya has introduced new revenue streams through the digital channel to rebuild its revenues in a sustainable manner and by balancing the twin objectives of growth and profitability. A focus on quality of revenue will remain important as the Company seeks to review its business segments, distribution channels and products and refine them as needed. AL Alamiya is also in the process of implementing a new target operating model to ensure that an optimal and cost-effective operating platform is in place to support its strategic objectives.

Key regulators such as the Central Bank (SAMA) and the Capital Markets Authority (CMA) also continued to further strengthen the regulatory environment and the corporate governance standards. Al Alamiya in keeping with its culture of ensuring compliance with regulatory requirements, views these changes as positive developments that will help the insurance sector as a whole by enabling a level playing field, improving transparency, and protecting the consumers. One area where Al Alamiya has made significant changes is in Cyber Security. Al Alamiya has appointed a Cyber Security officer and a Committee on Cyber Security to oversee the actions that are required in respect of the capability maturity that is targeted by the key regulators.

Another area of focus for Al Alamiya in 2020 and going forward is IFRS 17. The introduction of the new accounting standard IFRS 17 is expected to significantly change the manner in which Insurance Companies measure their incomes from insurance contracts and the assets and liabilities arising therefrom as well as the manner in which these are presented and disclosed in the financial statements. SAMA has taken an active role in guiding the insurance sector in KSA in its implementation of this new accounting standard which is due to be effective from 1st Jan 2023. Al Alamiya is well positioned in its journey of preparedness for this event given through its internal effort supported through by its association with the Royal & Sun Alliance Insurance "RSA Group" and the technical expertise and support that is available from the Royal & Sun Alliance Insurance "RSA Group" in this regard.

A. BUSINESS PERFORMANCE AND PLANS FOR THE FUTURE

(i) Principal Activities

The Company is licensed by SAMA to transact insurance and reinsurance business in the Kingdom of Saudi Arabia in the classes of General Insurance, Medical Insurance, and Protection and Savings Insurance. The split of the activities between the lines of business and the major business segments is as follows:

Turnover and contribution to trading results by lines of business

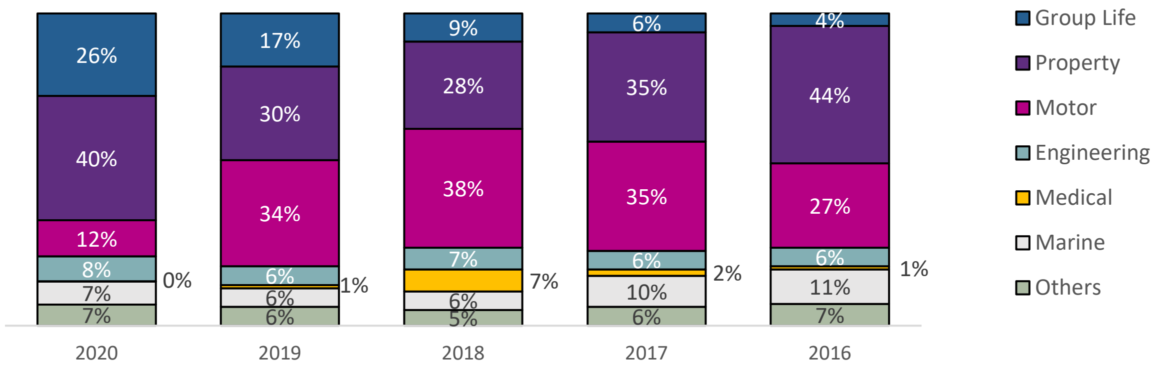
SR Million

Description	Year	Property	Motor	Engineering	Medical	Marine	Group Life	Others	Total
Gross Premiums Written	**2020G**	76.18	22.16	15.16	0.16	14.09	50.46	12.96	191.17
	2019G	65.91	74.69	13.45	2.88	11.95	38.26	12.79	219.94
	2018G	81.88	110.37	20.47	20.62	19.07	27.20	13.92	293.53
	2017G	91.65	91.65	17.02	4.99	26.00	16.87	15.19	263.37
	2016G	136.19	84.35	18.73	2.36	34.61	13.17	21.34	310.75
Net Premiums Written	**2020G**	7.11	20.92	2.07	0.16	1.86	15.68	5.79	53.59
	2019G	1.58	72.93	1.76	1.26	2.91	15.43	6.54	102.41
	2018G	16.39	108.58	3.30	3.62	7.28	10.57	7.68	157.42
	2017G	27.89	89.95	0.70	2.34	10.47	5.76	9.24	146.37
	2016G	38.26	83.12	2.57	0.88	15.81	4.81	15.15	160.60
Net Premiums Earned	**2020G**	4.88	37.28	2.01	0.45	1.75	15.65	5.48	67.50
	2019G	9.60	84.10	2.11	4.14	3.96	15.51	6.32	125.74
	2018G	26.31	94.42	3.54	1.69	8.44	10.26	7.79	152.45
	2017G	32.35	86.00	0.92	1.71	11.41	6.28	11.64	150.31
	2016G	41.88	122.70	2.66	0.92	16.86	7.19	15.09	207.30
Net Underwriting Result*	**2020G**	9.82	22.50	3.77	-0.32	5.12	1.99	4.28	47.16
	2019G	10.30	25.47	4.35	1.80	6.29	4.58	5.31	58.11
	2018G	34.76	23.40	5.94	0.23	10.11	2.55	8.99	85.98
	2017G	37.65	31.68	8.34	0.42	17.13	(5.42)	10.76	100.56
	2016G	34.86	28.93	4.90	(0.38)	15.00	7.06	11.33	101.70
Un-allocated Operating (Expenses)/Income	**2020G**								(51.28)
	2019G								(40.83)
	2018G								(57.37)
	2017G								(55.53)
	2016G								(55.27)
Insurance operations' Total income for the year	**2020G**								**(4.12)**
	2019G								**17.28**
	2018G								**28.62**
	2017G								**45.03**
	2016G								**46.43**

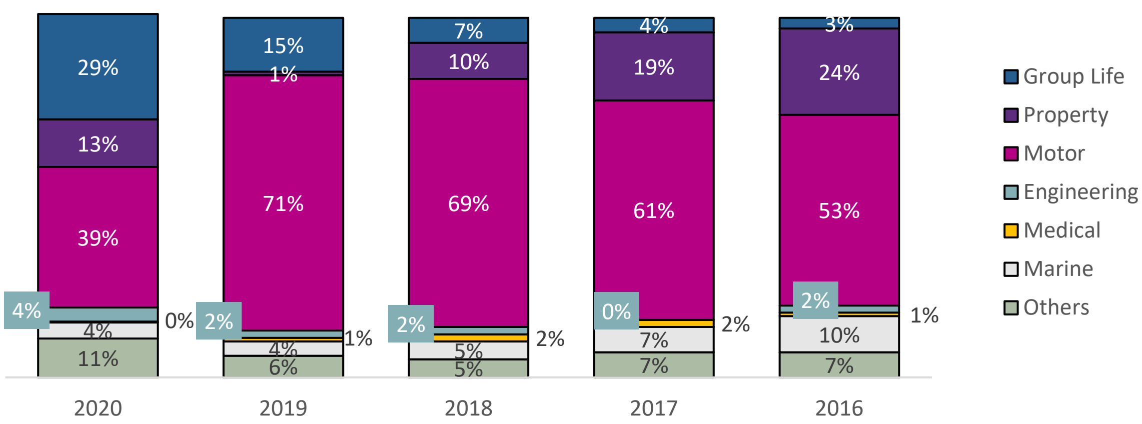
*Net Underwriting Result excludes the unallocated Other Underwriting Expenses.

Lines of Business

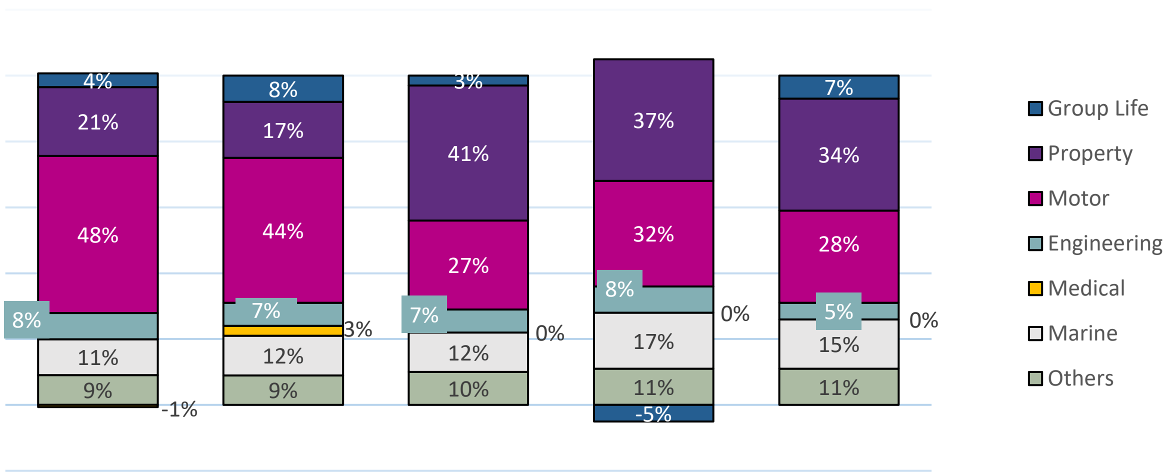
Gross Written Premiums



Net Written Premiums



Net Underwriting Result*



**Net Underwriting Result excludes the unallocated Other Underwriting Expenses.*

(ii) Plans for the future

While the economy continues to remain resilient and strong, economic growth in the Kingdom of Saudi Arabia has slowed down due to the COVID-19 pandemics following the drop in oil prices. The Government has made significant efforts to diversify the economy and reduce dependence on oil which is expected to bring in significant investments in the non-oil sector as well as infrastructure development, which in turn are expected to be key drivers of future growth in the general insurance business in the Kingdom of Saudi Arabia.

The demand for insurance in Saudi Arabia is still primarily driven by government legislation where medical and motor insurance dominate the insurance market in term of Growth Premium Written. Recently, the digital platforms through which products and services are provided are on the rise and customers are increasingly preferring to interact digitally with their insurance company, hence digitally advanced insurers will have greater advantage.

To take advantage of this significant potential, the Company is gearing itself to address the insurance needs of the customer by focusing on Personal Lines and Small and Micro Business through the digital channel while the Company will continue to partner with brokers, affinity partners, and customers to create a platform from which Al Alamiya can consistently deliver sustainable and profitable growth. This strategy will allow Al Alamiya to gain market share.

The company has undertaken significant strategic change and will focus on 3 key priority areas to achieve profitable growth:

- Grow in Personal Line the digital channel
- Expansion into SME
- Progress affinity with affinity partners

The Company will also continue to maintain its efforts to effectively service and retain its key accounts. It will also continually develop the skill sets of its people and invest in technology and build a lean and efficient operating environment without compromising on any of the strong internal controls in the business operations.

iii) Summary Statements of Financial Position, Comprehensive Income, and Changes in Shareholders' Equity

The Company's Statement of Financial Position as at 31-12-2020G, the Statement of Comprehensive Income for the financial year ended 31-12-2020G, and the Statement of Changes in Shareholders' Equity are shown in the tables below:

Summary Statement of Financial Position as at 31-12-2020G

SR Million

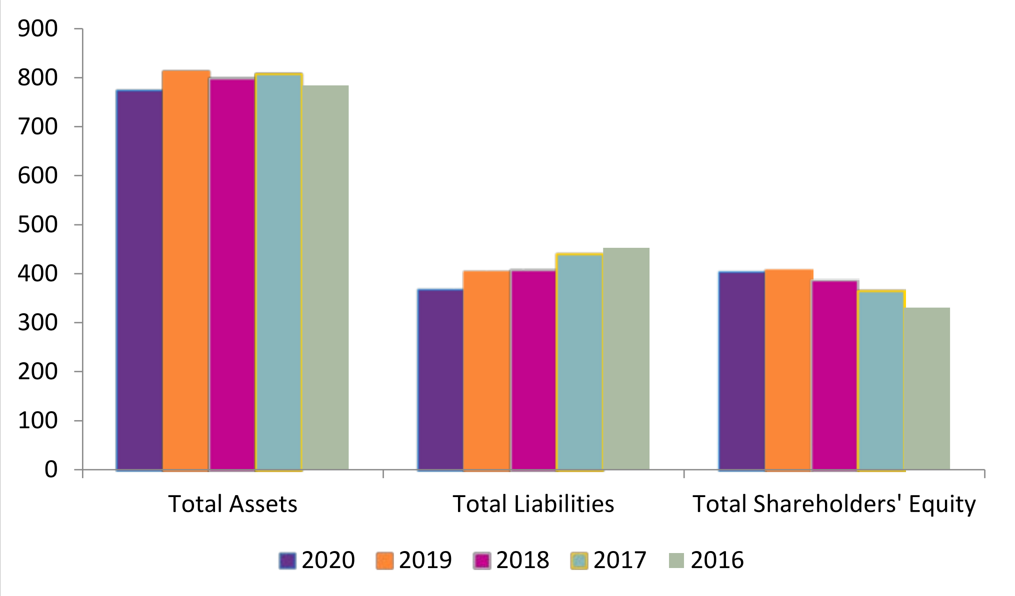
Summary Statement	2020G	2019G	2018G (Restated)	2017G	2016G
Insurance Operations' Assets	374.88	422.39	416.11	403.14	411.34
Shareholders' Operations' Assets	398.20	390.01	382.37	404.13	372.62
Total Assets	**773.08**	**812.40**	**798.48**	**807.27**	**783.96**

SR Million

Summary Statement	2020G	2019G	2018G (Restated)	2017G	2016G
Insurance Operations' Liabilities	308.24	351.18	363.89	403.14	411.34
Shareholders' Operations' Liabilities	61.16	53.52	45.93	37.27	41.66
Total Liabilities	**369.40**	**404.69**	**409.82**	**440.41**	**453.01**
Total Shareholders' Equity	**403.68**	**407.71**	**388.66**	**366.86**	**330.96**

Statement of Financial Position Key Indicators

SR Million



Summary Statement of Comprehensive Income - Insurance Operations for the Year Ended 31-12-2020G

SR Million

Comprehensive Income - Insurance Operations	2020G	2019G	2018G (Restated)	2017G	2016G
Gross Premiums Written	191.17	219.94	293.53	263.37	310.75
Net Premiums Written	53.59	102.41	157.42	146.37	160.6
Net Premiums Earned	67.50	125.74	152.45	150.31	207.3
Net Claims Incurred	(22.58)	(62.25)	(59.99)	(46.62)	(101.70)
Net Underwriting Income	**45.78**	**56.99**	**85.98**	**99.18**	**100.12**
General & Administrative Expenses	(61.16)	(50.35)	(59.95)	(57.10)	(57.18)
Insurance Operations' Total Income for the Year	**(4.12)**	**17.28**	**28.62**	**45.03**	**46.43**
Total Income for the Year Attributed to the Insurance Operations	-	**1.73**	**2.86**	**4.50**	**4.64**

Summary Statement of Comprehensive Income - Shareholders' Operations for the Year Ended 31-12-2020G

SR Million

Comprehensive Income - Shareholders' Operations	2020G	2019G	2018G (Restated)	2017G	2016G
Shareholders' appropriation from insurance operations' Surplus/(Deficit)	(9.77)	7.45	25.75	40.53	41.78
Investment income	7.02	9.60	7.32	5.76	6.30
General & Administrative Expenses	(1.46)	(1.49)	(1.81)	(1.81)	(1.73)
Total Income before Zakat and Income Tax for the Year Attributable to Shareholders	1.45	23.66	31.26	44.49	46.35
Total Comprehensive Income/(Loss) before Zakat	3.05	27.50	30.45	44.31	46.94
Total Comprehensive Income/(Loss) after Zakat	(4.03)	19.05	20.73	35.90	38.49
Basic and Diluted Earnings/(Loss) per share (Saudi Riyals)	(0.15)	0.38	0.54	1.11	1.16

Summary Statement of Changes in Shareholders' Equity

SR Million

Changes in Shareholders' Equity	2020G	2019G	2018G (Restated)	2017G	2016G
Share Capital	400.00	400.00	400.00	400.00	400.00
Retained earnings/ (Accumulated losses)	(0.34)	5.80	(9.22)	(32.27)	(68.36)
Fair value reserve for available for sale investments	3.77	2.17	(1.67)	(0.86)	(0.68)
Actuarial reserve for employee benefits	0.26	(0.26)	(0.46)	-	-
Total	**403.68**	**407.71**	**388.66**	**366.87**	**330.96**

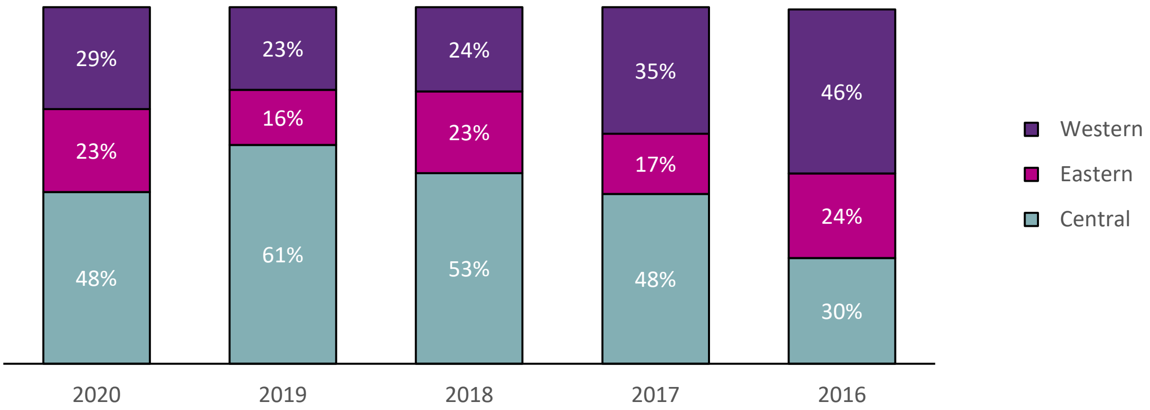
(iv) Geographical Analysis and Material Variations from Previous Year

a) Geographical Analysis

The Company operates solely within the Kingdom of Saudi Arabia. Geographical details of Gross Written Premiums for the various financial reporting periods for the last 5 years up to 2020G are given below:

SR Million

Gross Written Premiums by Region	2020G	2019G	2018G	2017G	2016G
Central	92.17	134.97	156.99	125.43	92.05
Eastern	44.50	34.14	67.30	44.59	73.94
Western	54.50	50.83	69.25	93.35	144.76
Total KSA	**191.17**	**219.94**	**293.53**	**263.37**	**310.75**



The Company does not have any subsidiaries in any jurisdiction.

b) Highlights of Variances in Operating Results

The information presented in the above tables cover the most recent five reporting annual periods. The analysis below explains the differences in the operating results of the year ended 31-12-2020G and the prior year (i.e. year ended 31-12-2019G). As there has been no forecast published by the company relating to the period from 01-01-2020G to 31-12-2020G, no comparison is made between actual results and forecast.

The Company's Gross Premiums Written are SR 191.17 Million in 2020G compared to SR 219.94 Million in 2019G reflecting a decline of 13.1%. The decline is mainly driven by Motor which is 70.3% lower in 2020G while other major portfolios have higher premium compared to 2019G. The overall decline in Gross Premiums Written has resulted in lower Net Premiums Written and lower Net Premium Earned which decreased by 47.7% and 46.3% respectively compared to 2019G.

Net Claims Incurred decreased by 63.7% from SR 62.2 Million in 2019G to SR 22.6 Million in 2020G mainly due to lower claims costs in Property, Motor, Medical and Other portfolios partially offset by higher claims costs in the Group Life portfolio.

The Net Underwriting Income decreased by 19.7% from SR 56.99 Million in 2019 to SR 45.78 Million in 2020G mainly due to lower Premium Earned partially offset by lower Total Underwriting Costs and Expenses.

Policyholders' investment income of SR 3.58 Million in 2020G decreased by 45.6% from SR 6.58 Million in 2019G primarily due to decreased average investment yield on term deposit placed with local banks.

General and Administrative Expenses under Insurance Operations increased by 4.4% from SR 57.18 Million in 2019 to SR 59.71 Million in 2020. Furthermore, a decrease in collections partially impacted by COVID 19 and the slowdown resulting from the pandemic led to the adverse impact on doubtful debts by SR 1.1 Million in 2020G compared to a reversal of SR 6.8 Million in 2019G.

Total Loss for the Year under Insurance Operations for 2020G is SR 4.12 Million compared to Total Income of SR 17.28 Million in 2019G. The decrease in the income for the period compared with the same period of the previous year is primarily due to lower Earned Premiums, lower investment income and higher expenses partially offset by lower claims cost and an increase in Other Income.

Shareholders' Investment Income decreased from SR 9.60 Million in 2019G to SR 7.02 Million in 2020G mainly due to lower investment returns on term deposit partial offset by an increase in investments in Saudi Arabia Government Sukuks which carries a higher average investment yield compared to term deposits.

The Total Comprehensive Loss for 2020G is SR (4.03) Million compared to the Total Comprehensive Income of SR 20.78 Million in 2019G.

The Loss per Share in 2020G was SR (0.15) versus Earning per share of SR 0.38 in 2019G.

(v) Basis of Reporting

The financial statements for the year ended December 31, 2020G have been prepared in accordance with:

- International Financial Reporting Standard (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization of Certified Public Accountants (SOCPA) (collectively referred to as "IFRS as endorsed in KSA").
- The requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As required by Saudi Arabian Insurance Regulations, the Company maintains separate book of accounts for Insurance Operations and Shareholders' Operations. The physical custody of all assets related to the Insurance Operations and Shareholders' Operations are held by the Company. Revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of other revenue and expenses from joint operations is determined by the management and Board of Directors.

The statement of financial position, statement of income and statement of comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in note 25 of the financial statement have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by SAMA implementing regulations. SAMA implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the Insurance Operations and the Shareholders Operations. Accordingly, the statements of financial position, statements of income, comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred below in note 25 reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

In preparing the Company-level financial information in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealized gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the Insurance Operations and Shareholders Operations are uniform for like transactions and events in similar circumstances. Surplus from insurance operations' and actuarial reserves from employee benefits are shown separately as Accumulated Surplus in the statement of financial position and as Actuarial reserve for employee benefits in the statement of equity.

The Company is required to distribute 10% of the net surplus from insurance operations to policyholders and the remaining 90% is to be allocated to the shareholders of the Company in accordance with the Insurance Law and Implementation Regulations issued by SAMA. Any deficit arising on insurance operations is transferred to the shareholders' operations in full.

The Company's statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, term deposits, premiums and reinsurers' receivable, net, reinsurance share of unearned premiums, reinsurance share of outstanding claims, deferred policy acquisition costs, prepaid expenses and other assets and investments with the exception of available for sale investments in insurance operations. The following balances would generally be classified as non-current property and equipment and intangible assets, statutory deposit, accrued commission income on statutory deposit and available for sale investments in insurance operations.

The basis of presentation of the financial statements and the significant accounting policies are explained in greater detail under Notes 2 and 3 of the Notes to the Financial Statements for the year ended December 31, 2020G.

(vi) Dividend Policy

The Company intends to pay annual dividends on the Shares based on the level of required capital to support the Company's operations. However, the Company gives no assurance that any dividend will actually be paid thereafter, not does it give any assurance as to the amount which will be paid in any given year.

In accordance with Article 44 of the By-Laws of the Company, 10% of the net surplus from Policyholders' operations shall be distributed to the Policyholders, and the balance of 90% shall be carried forward to the Shareholders' Income Statement.

From time to time, dividends will be paid to the Shareholders from the net profits subject to the following limitations contained in Article 45 of the By-Laws and Article 70 of the SAMA Implementing Regulation for the Law on Supervision of Cooperative Insurance Companies:

1. The decreed Zakat and income tax shall be set aside;
2. 20 percent of the net profits shall be allocated to form the statutory reserve. The ordinary General Assembly may discontinue this allocation when the said reserve reaches one hundred percent of the Company's paid-up capital;
3. The ordinary General Assembly may, at the recommendation of the Board, set aside a specific percentage of the annual net profits to build up additional reserves allocated for a specific purpose or purposes as determined by the General Assembly;
4. The balance shall be distributed as a first payment in the amount of at least five percent of paid-up capital to the Shareholders;
5. The remaining balance shall be distributed to the Shareholders as a share in the profits or to be transferred to the retained profits account; and
6. The Board may issue a decision to distribute periodical profits to be deducted from annual profits specified in paragraph 4 above in accordance with the rules and regulations issued by the competent authorities.

Any declaration of dividends will be dependent upon the Company's earnings, its financial condition, the condition of the markets, the general economic climate and other factors, including the Company's analysis of investment opportunities and reinvestment needs, cash and capital requirements, business prospects, as well as other legal and regulatory considerations.

The Company shall immediately inform the public and the Capital Market Authority (the "CMA") of any resolutions or recommendations for distribution of profit. Any profits so proposed for distribution shall be paid to the Shareholders at the place and time specified by the Board pursuant to the instructions issued by the Ministry of Commerce & Industry and subject to SAMA written approval.

(vii) Risks Facing the Company

The Company has established a risk management framework to effectively manage the various risks facing the Company. For this purpose, the company has adopted the concept of three lines of defense involving all levels in the organization in the management of the risks as follows:

- 1st line of defense: this involves all the business units who are directly responsible for the management of the risks the company faces. They are required to implement the necessary controls and the 1st line assurance processes (which include reporting and reviews);
- 2nd line of defense: this includes the control functions which are Risk Management and Compliance. Risk Management is responsible to ensure that the controls and assurances processes around all types of risks are being effectively implemented by the 1st line of defense. This is done through specific reporting on the various types of risks. Compliance function is responsible for the management and oversight of the regulatory risk through the development of a dedicated annual strategy and program for the purpose. The compliance function is fully independent from the management and reports to the Audit Committee of the company.
- 3rd line of defense: this line is managed by the Internal Audit Department which provides independent assurance over the effectiveness of the control system to the Audit Committee of the company.

The company has also set up a Risk Committee reporting to the Board of Directors and chaired by a non-executive Board Member. The Committee is responsible for the oversight of all the risk management arrangements of the company. All risks faced by the company are discussed within this forum and actions are defined and agreed on how to mitigate those.

The 2nd line and 3rd line of defense present their reports to the Audit Committee on a quarterly basis.

The company has also developed:

1- A Risk Appetite approved by the Board of Directors which sets risk indicators and limits against all the risks and compliance with this is reported on a quarterly basis to the Risk and Audit Committees.
2- A set of policies that have been implemented across the business and meant to manage the risks throughout the organization.
3- A delegated authorities framework which aims to clearly define the financial, operational and technical approval processes and limits.

The risks faced by the Company can be categorized as follows:

A) Financial risk:

The Company's principal financial instruments are receivables arising from insurance and reinsurance contracts, cash and cash equivalents, deposits with banks and investments in bonds and Sukuks. The Company does not enter into derivative transactions.

1. Credit risk: The Company seeks to limit credit risk with respective counter parties (i.e. customers, intermediaries and reinsurers) through a structured credit policy which defines the parameters for setting counter party credit limits as well as for the selection of reinsurance counter parties.
2. Liquidity risk: Liquidity requirements are monitored on a regular basis and action taken to ensure that sufficient liquid funds are available to meet current and future commitments as and when they arise.
3. Market price risk: The Company limits market price risk through a conservative investment policy.
4. Investment rate risk: The Company limits investment rate risk by monitoring changes in investment rates in which its cash and investments are denominated.
5. Foreign currency risk: The Company does not have any significant foreign currency risk due to the limited transactions in foreign currencies.

B) Strategic risk:

Strategic risk is actively managed through a structured process of setting and reviewing the strategic direction of the Company, based on a careful study of the macroeconomic environment, developments in the insurance market, competitor analysis and the Company's own evaluation of its risk appetite. The Company also benefits from inputs on global perspectives that it receives from RSA Group.

C) Operational risk:

Significant resources are devoted to maintaining an efficient and effective operating environment through deployment of modern technology and a policy framework that addresses areas such as corporate responsibility, business ethics, and code of conduct. The Company's Executive Team actively oversees aggregate operational risk exposure and presents reports to the Risk & Audit Committee and the Board.

D) Regulatory risk:

The Company has appointed a Compliance Officer with an appropriate level of independence, reporting into the Audit Committee. A comprehensive framework has been put in place to manage regulatory risks and to ensure compliance with applicable regulatory requirements and to track and monitor regulatory changes and enable the Company to remain compliant with regulatory changes as well as the necessary transparency in the related reporting to the Board of Directors.

E) Insurance risk:

The Company's portfolio of business is 'short tail' in nature. The Company adopts a policy of pricing its risks based on technical factors and also coordinates with the RSA Group on technical aspects as and when it deems required. It also undertakes a periodic review of all of its key portfolios under the different lines of business to assess their performance and take corrective action where required. The Company also has a clearly stated risk appetite and closely monitors its aggregate risk exposures. It has put in place appropriate reinsurance arrangements to manage the potential impact of large claims and catastrophe.

F) Reputational risk:

The company has put in place measures to proactively manage the reputational risk with key focus on serving customers and brokers well.

B. SHARES, CONTRACTUALLY BASED SECURITIES, SUBSCRIPTION RIGHTS, DEBT INSTRUMENTS

i) Interest in a class of voting Shares held by persons (other than Issuer's Directors, Senior Executives and their spouses and minor children)

There is no individual person who has more than 5% interest in a class of voting Shares of the Company. The significant (non-individual) shareholders and their ownership in the Company are as follows:

Royal & Sun Alliance Insurance (Middle East) BSC (c)	**50.07%**
Riyad Bank	**19.92%**

ii) Interest, contractually based securities and subscription rights of the Company's Directors, Senior Executives and their spouses and minor children in the shares or debt instruments of the Company or any of its Subsidiaries.

None of the spouses or minor children of the Members of the Board of Directors have any interest in the shares of the company. Also, none of the Senior Executives, their spouses or minor children have any interest in the Shares of the Company.

The Company does not have any debt instruments or contractually based securities that it has issued, nor does the Company have any subsidiaries operating inside or outside the Kingdom of Saudi Arabia.

iii) Borrowings, Issue/ Redemption of Securities

The Company has neither borrowed any funds, nor has it issued any convertible or redeemable debt instruments, contractually based securities, warrants or any other rights of a similar nature. It has also not made any repayment of any loan or redeemed or converted any redeemable or convertible debt instruments during the period and does not have any outstanding loans or redeemable or convertible debt instruments or contractually based securities or warrants or any other rights of a similar nature as at the end of the period.

C. RELATED PARTY TRANSACTIONS

Transactions with the RSA Group

- Intellectual Property Agreement

The intellectual property agreement has been signed with RSA Group and been renewed on 11/03/2014G. The duration of the agreement is not defined and is dependent on the shareholding of RSA Group in Al Alamiya through Royal & Sun Alliance Middle East. During the period from 01-01-2020G to 31-12-2020G the Company had incurred a total charge of SR 30,100 in its Statement of Shareholders' Comprehensive Income towards branding fees payable to RSA Insurance Group plc.

- Reinsurance Agreements

The Company made reinsurance arrangements on market terms with RSA Insurance Group PLC., by entering into reinsurance treaties which started on 01-01-2020G and ending 31-12-2020G. Based on these reinsurance contracts, the company has ceded SR 42.75 Million representing Reinsurance premiums and earned Reinsurance commission income of SR 16.95 Million.

- Technical Services Agreement

The Company has entered into a Technical Services Agreement with the RSA Insurance Group PLC which has been approved by SAMA and renewed on 21/09/2014G. Through this agreement, RSA Insurance Group PLC provides technical services to the Company. During the period from 01-01-2020G to 31-12-2020G, the company incurred a charge of SR 6.92m in its Statement of Insurance Operations for technical services received in various areas of the business under the above-mentioned Technical Services Agreement.

RSA Insurance Group PLC is a related party to Al Alamiya through one of its major shareholders, Royal & Sun Alliance Insurance (Middle East) B.S.C (c) and the following members on the Board represent Royal & Sun Alliance Insurance (Middle East) B.S.C (c) on the Board of Directors of the company:

- Christopher Philip Dooley
- Khalid Jaafar Mostafa Allagany
- Martin Rueegg
- Jonathan Cope

Transactions with Riyad Bank and its Subsidiaries

Transactions with Riyad Bank

- **Insurance contracts**

During the period 01-01-2020G to 31-12-2020G the Company entered into annual Insurance Contracts on market terms with one of its shareholders, Riyad Bank, covering insurance of the Bankers Blanket Bond insurance with a total amount of SR 5.14 Million representing Gross Written Premiums, details of which are as follows:

Description of Contract	Line of Business	Date of Contract	Gross Written Premiums
Insurance	General Accident (Bankers Blanket Bond)	Annual Policy renewed on 07-07-2020G for a period of one year.	**5,144,512**
Total			**5,144,512**

Transactions with the subsidiaries of Riyad Bank

- **Insurance contracts through Riyad Company for Insurance Agency**

The Company has entered into an agency agreement with Riyad Company for Insurance Agency (a subsidiary of Riyad Bank) on 29/07/2013G to market and sell the company's insurance products. A total gross written premium of SR 55.68 Million has been realized through this channel during the period 01-01-2020G to 31-12-2020G and SR 4.83 Million of commissions has been earned by the Agency, as follows:

Description of Contract	Line of Business	Date of Contract	Customer	Gross Written Premiums	Commission Earned by Agency
Insurance	General Accident (Group Life)	A number of insurance policies issued from 01-01-2020G to 31-12-2020G as per insurance policy renewed on 01/05/2020G for a period of one year and expires on 30-04-2021G.	Riyad Bank mortgage scheme	**47,981,488**	**4,167,821**
Insurance	Property	A number of insurance policies issued from 01-01-2020 to 31-12-2020G as per insurance policy renewed on 01/05/2020G for a period of one year and expires on 30-04-2021G.	Riyad Bank mortgage scheme	**5,709,848**	**491,321**
Insurance	Marine	The agency contract has been signed on 29-07-2013G. A number of insurance policies issued from 01-01-2020G to 31-12-2020G	Customers of Riyad Company for Insurance Agency	**1,992,782**	**172,892**
Total				**55,684,118**	**4,832,034**

Riyad Bank is one of the main shareholders in the Company holding 19.92% of the shares in the Company. The following members on the Board represent Riyad bank:

- Khalid Mohammed Ali Hariry
- Mohammed Ali Al Shakwan (Resigned on 05-03-2020G)
- Abdulaziz Yousef Bin Yousef (Appointed on 05-05-2020G)

Transactions with Board Members and Top Executives

- Insurance contracts

During the reporting period the Company entered into Insurance Contracts at arm's length and on market terms directly or with business establishments having direct interest of the Company's Board of Directors, the CEO and CFO, the details of which are below:

Name	Position	Name of Establishment	Line of Business	Period From / To	Gross Written Premiums for the period
Khalid Jaafar Mostafa Allagany	Managing Director and CEO	N/A	Motor	10- May-2020G to 09-May-2021G	**2,500**
Fadi Aboul Hosn	Chief Financial Officer	N/A	Motor	09- May-2020G to 08-July-2021G	**1,500**

Besides the above there were no transactions or contracts entered into by the Company pertaining to its operations and activities related thereto, in which Directors or the Chief Executive Officer, Chief Financial Officer or any associate had a material interest.

D. OUTSTANDING STATUTORY DUES AND PAYMENTS MADE TO GOVERNMENT AUTHORITIES

i) The Company does not have any outstanding statutory dues as on 31-12-2020G, except for the following:

SR

Description	31-12-2020G	31-12-2019G
GOSI for the month of December 2020*	198,673	210,772
SAMA Supervision Fees payable for Q4 2020 **	268,605	257,908
Department of Zakat & Income Tax – Withholding Tax ***	682,505	397,404
Department of Zakat & Income Tax – VAT ***	666,176	180,322
Zakat & Income Tax (Provision)****	7,593,797	8,639,795
Total	**9,409,756**	**9,686,201**

** GOSI payable is part of the other accrued expenses in Note 13 to the financial statements*

*** SAMA supervision fees are part of Accrued supervision fees in Note 13 of the financial statements.*

****Withholding tax and VAT payable is included in the Accrued Withholding Tax amount and value added tax payable in Note 13 to the financial statements. In addition to this balance there are other withholding tax provisions which are not yet due for payment and have been accrued in the financial statements.*

***** Zakat & Income Tax provision is shown above for the years 2020 and 2019 standalone liability recorded in the financial statements of the Company (Please refer to note 15) to the financial statements). The total provision in respect of Zakat and Income tax is for a total amount of SR 50,916 thousand at the end of 2020 and SR 44,267 thousand at the end of 2019 (Please refer to note 15 to the financial statements)*

ii) Statement of Payments made to Government Authorities during the period from 01-01-2020G to 31-12-2020G

SR

Description	2020G	2019G
Department of Zakat & Income Tax (zakat and corporate tax)	953,796	1,968,765
Department of Zakat & Income Tax (VAT and withholding tax)	18,750,212	9,874,982
GOSI	2,757,133	3,129,358
Ministry of Interior, Labor Office, Chamber of Commerce, Municipality, SAGIA	359,826	350,910
SAMA Supervision Fees quarterly payments	920,482	1,235,827
CMA payments – Fines	0	20,000
CCHI License Renewal payments	150,000	50,000
CCHI Supervision Fees payments	0	214,189
Total	**23,891,449**	**16,844,031**

E. EMPLOYEE BENEFITS

The Company did not make any investments or set up any reserves for the benefit of the employees other than those required for payment of performance bonus and end of service benefits in the normal course of business

F. STATEMENTS

i) The Company has maintained proper books of accounts.
ii) The system of internal control is sound in design and has been effectively implemented.
iii) There are no significant doubts concerning the ability of the Company to continue as a going concern.

G. EXTERNAL AUDITORS' REPORT

The external auditors have issued an unqualified opinion and their report did not contain any reservation on the financial statements. In their audit report they stated that, in their opinion, the financial statements taken as a whole:

- Present fairly, in all material respects, the financial position of the Company as at 31 December 2020G, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants (SOCPA) (collectively referred to as "IFRS as endorsed in KSA").
- The auditors' have their audit in accordance with the International Standards on Auditing (ISAs) that are endorsed in the Kingdom of Saudi Arabia. Their responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of the report.
- They are independent of the Company in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Company's financial statements, and they have fulfilled their other ethical responsibilities in accordance with these requirements. Auditors' believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
- The key Audit Matter which was of most significance to their audit of the financial statements was The Valuation of Ultimate Claim Liability Arising from Insurance Contract due to significance of the amount involved and the exercise of significant judgment by management in the process for determination of outstanding claims.

Refer to the "Independent Auditors' Report" section reflected in the Financial Statements and Independent Auditors' Report for the Year Ended on 31-12-2020G for more details.

H. CONTINUATION OF EXTERNAL AUDITORS

The Board has accepted the recommendations of the Audit Committee relating to the appointment, and determination of the remuneration of the external auditors.

The Board of Directors has not recommended that the external auditors should be changed before their current term elapses.

The Board through the Board Audit Committee shall consider the appointment of external auditors for 2021 and make recommendations to the Shareholders for consideration at the Annual General Assembly Meeting.

I. CORPORATE GOVERNANCE

i) Compliance with Rules and Regulations

a. Compliance with the Corporate Governance Regulations Issued by the CMA

The Company complies with the CMA's Corporate Governance Regulations with the exception of the provisions listed below:

Article	Sub-Article	Paragraph	Reason for not compliant
39	-	Training and preparation of the Board members and the Executive Management	Guiding Article
41	-	The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management	Guiding Article
85	-	Employee Incentives	Guiding Article
87	-	Social Responsibility	Guiding Article
88	-	Social Initiatives	Guiding Article
89	3	The Company's website shall include all information required to be disclosed and any details or other information that may be published through other disclosure methods;	Guiding Paragraph

Numbers of company's requests of shareholders records, dates and reasons thereof:

Number	Date	Reason
1	12/02/2020	For Company usage
2	19/05/2020	General Assembly
3	17/11/2020	For Company usage

ii) Board of Directors

Composition of the Board of Directors

The Company's By-Laws provide that the Company shall be managed by a Board of Directors consisting of nine (9) members appointed by the ordinary General Assembly for a term not exceeding three years. The current three-year term of the board expires on 09 October 2021G.

During the year the following changes took place in the Board of Directors.

- Mohammed Ali AL- Shakwan resigned from his position on the Board and the Board Risk Committee on 05-03-2020G and Abdulaziz Yousef Bin Yousef was appointed to fil this vacancy with effect from 05-05-2020G.

All the above changes have been notified to the regulators as required under regulation and has been presented to the Shareholders for ratification at the General Assembly Meeting held on 08-06-2020G.

The position of membership of the Board, following the above change is as follows:

	Name of Director	Position	Classification
1.	Abdulaziz Abdulmohsin Bin Hasan	Chairman	Independent Director
2.	Tariq Zaid Abdullah Alkhayyal	Vice Chairman	Independent Director
3.	Dr. Saleh Hamad Saleh Al Shinifi	Director	Independent Director
4.	Khalid Mohammed Ali Hariry	Director	Non-Executive Director, Riyad Bank Nominee
5.	Abdulaziz Yousef Bin Yousef	Director	Non-Executive Director, Riyad Bank Nominee
6.	Jonathan Cope	Director	Non-Executive Director, RSA Nominee **
7.	Christopher Philip Dooley	Director	Non-Executive Director, RSA Nominee **
8	Martin Rueegg	Director	Non-Executive Director, RSA Nominee **
9.	Khalid Jaafar Mostafa Allagany	Managing Director	Executive Director, RSA Nominee **

*** RSA means Royal & Sun Alliance Insurance (Middle East) B.S.C (c)*

Name(s) of Joint Stock Company(s) in which Members of the Company's Board of Directors act as a Member of the Board of Directors.

Name of Director	Board or other positions held in other Company(s) inside or outside KSA	Position	Entity Type / Domicile
Abdulaziz Abdulmohsin Bin Hasan	Al Faisaliah Group	Member of the Board of Directors	Conglomerate
	Saudi France Capital	Member of the Board of Directors	Capital Markets
	Arab National Bank	Member of the Audit Committee	Banking
Tariq Zaid Abdullah Alkhayyal	Diyar Alkhayyal Real Estate Development Co	Board Member and MD	Realestate development
Dr. Saleh Hamad Saleh Al Shinifi	SAAFAH Foundation	Secretary General & Member Board of Director	Welfare Foundation
	Altayar group	Member, Audit Committee	Listed Company
	Al Darah Medical	Member Board of Directors, Chairman of Audit Committee	Saudi Listed Joint Stock Company, KSA
Abdulaziz Yousef Bin Yousef	Riyad Bank	Senior Vice President – Head of Retail Assets	Saudi Listed Joint Stock Company, KSA
	Riyad Insurance Agency company	Board member	Limited Liability
	Fay United Real-estate Co.	Chairman	Limited Liability
Khalid Mohammed Ali Hariry	Riyad Company for Insurance Agency	Board member	Limited Liability Company owned by Riyad Bank
	Riyad Bank	Senior Vice President Mgr., Enterprise PMO Dept	Saudi Listed Joint Stock Company, KSA
Martin Rueegg	Royal & Sun Alliance Insurance (Middle East) BSC (c)	Managing Director and member of Nomination & Remuneration Committee	Closed Joint Stock Company, Bahrain
	AL Ahlia Insurance Co SAOG, Oman	Board Member and member of Audit & Risk Committee and Nomination Remuneration & Investment Committee	Public Listed Company in Sultanate of Oman
Christopher Philip Dooley	Royal & Sun Alliance Insurance (Middle East) BSC (c)	Non Executive Director and member of Nomination & Remuneration Committee	Closed Joint Stock Company, Bahrain
	Al Ahlia Insurance CO, SAOG	Non Executive member of the Board and Chair of the Nomination, Remuneration & Investment Committee.	Listed Joint Stock Company, Oman
	Execme Ltd	Founding Director & Executive Coach	Private Limited Co, UK
Jonathan Cope	RSA Insurance Group, UK	Head of Legal, UK & International	Plc Company, UK
	Al Ahlia Insurance CO, SAOG	Deputy Chairman of the Board and member of Nomination Remuneration & Investment Committee	Listed Joint Stock Company, Oman
	Royal & Sun Alliance Property Services Limited	Director	UK Private Limited Company. (Part of RFSA Group)
	Royal Insurance (UK) Limited	Director	UK Private Limited Company. (Part of RFSA Group)
	RSA Accident Repairs Limited	Director	UK Private Limited Company. (Part of RFSA Group)
Khalid Jaafar Mostafa Allagany	Al Alamiya For Cooperative Insurance co	Chief Executive Officer	Saudi Listed Joint Stock Company, KSA

Functions

The Board is responsible for the direction and oversight of the Company on behalf of the Shareholders and is accountable to them for all aspects of the Company's business. It is the Board's responsibility to adopt strategic plans, monitor operational performance, ensure that an effective risk management strategy is in place and all applicable legislation and regulation is complied with. The Board operates the following Board Committees to assist in discharging its duties:

- The Executive Committee;
- The Investment Committee;
- The Disclosure Committee;
- The Audit Committee;
- The Risk Committee and
- The Nomination & Remuneration Committee.

The Company is committed to implementing a sound corporate governance framework through which the objectives of the Company are set and the means of attaining these objectives and monitoring performance is determined. To achieve this, the Company operates within a set of corporate governance principles which, together with the roles and responsibilities of the Board are set out in the form of a Board Governance Manual.

Chairman and Managing Director

The division of responsibilities between the Chairman and the Managing Director are clearly defined by the Board and are in compliance with applicable laws and regulations in the Kingdom of Saudi Arabia. The Chairman is not involved in the day-to-day management of the Company or its business, whereas the Managing Director has direct responsibility for the management of the Company.

Meetings

During the financial year 2020 the Board of Directors held 6 meetings. Given the circumstances and travel restrictions triggered by the pandemic, attendance at these meetings was enabled through electronic video conference. The attendance at these meetings has been as follows:

	Date of Meeting						
	04-03-2002G	08-06-2020G	28-07-2020G	29-09-2020G	29-10-2002G	08-12-2020G	Remarks
Abdulaziz Abdulmohsin Bin Hasan	Y	Y	Y	Y	Y	Y	
Tariq Zaid Abdullah Alkhayyal	Y	N	Y	Y	Y	Y	
Dr. Saleh Hamad Saleh Al Shinifi	Y	Y	Y	Y	Y	Y	
Abdulaziz Yousef Bin Yousef*	NA	Y	Y	Y	Y	Y	Appointed on 05-05-2020G
Khalid Mohammed Ali Hariry	Y	Y	Y	N	Y	N	Represented by Mohammed Al Shakwan at the meting on 04-03-2020G
Christopher Philip Dooley	Y	Y	Y	Y	Y	Y	
Jonathan Cope	Y	Y	N	Y	Y	Y	
Martin Rueegg	Y	Y	Y	Y	Y	Y	
Khalid Jaafar Mostafa Allagany	Y	Y	Y	Y	Y	Y	
Mohammed Ali Al Shakwan *	Y	NA	NA	NA	NA	NA	Resigned from the board on 05-03-2020G

Y – Attended in person or by proxy.
N – Did not attend
NA – Had either resigned or was not appointed at that time.
** Appointed during the period*
 # Resigned during the period

Board & Committee's Performance Assessment

The Board in conjunction with the Nomination & Remuneration Committee has put in place a two-stage process for the review of the performance of the performance of the board. In stage-1, the board secretary circulates a questionnaire to the members inviting them to provide their responses to a range of parameters covering the board's constitution, structure, activities and performance. These responses are summarized by the board secretary and presented to the Nomination & Remuneration Committee. The Chairman of the Committee then provides an update to the board on the self-assessment responses of the board members highlighting key observations as applicable. Stage-2 provides an avenue for the Chairman to have confidential one to one discussions with other members of the board as requested by a member or as considered necessary by him, which provides a two-way platform for providing feed back to the respective members on their performance and contributions and receiving suggestions and feedback from them.

The board Committees at the end of each year carry out a discussion based self-assessment, facilitated by the secretary, against their respective duties as set out in the Committee's terms of reference. The conclusions are captured in the form of a memo from the Committee Chairman and shared with the Nomination & Remuneration Committee and the board.

iii) Shareholder Meetings

During the financial year 2020G the Company held one (1) shareholder general assembly meetings as below.

At these meeting, the Company took all the necessary steps to provide the Shareholders the opportunity to exercise their rights, raise questions or clarifications and provide suggestions or remarks to the board members. Following these meetings, the Company uploaded the minutes of the meetings as required on Tadawul and the Chairman shared with other board members any suggestions or remarks received from or made by the shareholders.

The date and attendance by board members at the meeting were as follows

Date	Type of Meeting	Attendance by Board Members
08-06-2020G	Annual General Assembly & Ordinary General Assembly	• Khalid Jaafar Mostafa Allagany • Abdulaziz Abdulmohsin Bin Hassan • Tariq Zaid Abdullah Alkhayyal • Chris Philip Dooley • Khalid Mohammed Ali Hariry • Dr. Saleh Hamad Saleh Al Shinifi • Christopher Philip Dooley • Martin Rueegg • Abdulaziz Yousef Bin Yousef

iii) Board Committees:

Executive Committee:

A. Composition

The Executive Committee shall comprise of a minimum of three and a maximum of five members. The current composition of the committee is as follows:

Name Designation	Designation	Role in Committee
Khalid Jaafar Mostafa Allagany	Managing Director and Chief Executive Officer	Chairman
Fadi Aboul Hosn	Chief Financial Officer	Member
Russell Tong #	Technical Director	Resigned on 30-11-2020G

 # Resigned during the period

B. Functions

The purpose of the committee is to assist the Chief Executive Officer in the performance of his duties, including:
- The development and implementation of strategy, operational plans, policies, procedures and budgets;
- The monitoring of operating and financial performance;
- The assessment and control of risk;
- The prioritization and allocation of resources; and
- Monitoring competitive forces in each area of operation.

C. Meetings

The Committee held six meetings during the period from 01-01-2020G up to 31-12-2020G. The dates of the meetings and the attendance were as follows

	Date of Meeting						Remarks
	10-02-2020G	20-04-2020G	15-07-2020G	19-08-2020G	14-10-2020G	20-12-2020G	
Khalid Jaafar Mostafa Allagany	Y	Y	Y	Y	Y	Y	
Fadi Aboul Hosn	Y	Y	Y	Y	Y	Y	
Russell Tong #	Y	N	Y	Y	Y	NA	Resigned on 30-11-2020G

Y – Attended in person
N – Did not attend
NA – Had either resigned or was not appointed at that time
 # Resigned during the period

Investment Committee:

A. Composition

The Investment Committee shall comprise of a minimum of three and a maximum of five members. The current composition of the committee is as follows:

Name Designation	Designation	Role in Committee
Abdulaziz Abdulmohsin Bin Hassan	Chairman of the Board	Chairman
Tariq Zaid Abdullah Alkhayyal	Deputy Chairman of the Board	Member
Khalid Mohammed Ali Hariry	Non-Executive Director, Riyad Bank Representative	Member

B. Functions

The purpose of the committee is to manage all aspects of the investment assets held by the Company subject to adherence to the terms of the Investment Directives and the Committee Dealing Limits and in line with the applicable laws of the Kingdom of Saudi Arabia.

C. Meetings

The Committee held four meetings during the period from 01-01-2020G up to 31-12-2020G. The dates of the meetings and the attendance were as follows

	Date of Meeting				Remarks
	03-03-2020G	04-06-2020G	22-09-2020G	07-12-2020G	
Abdulaziz Abdulmohsin Bin Hassan	Y	Y	Y	Y	
Tariq Zaid Abdullah Alkhayyal	Y	N	Y	Y	
Khalid Mohammed Ali Hariry	N	Y	Y	Y	

Y – Attended in person
N – Did not attend

Disclosure Committee:

A. Composition

The Disclosure Committee shall comprise of a minimum of three and a maximum of five members. The current composition of the committee is as follows:

Name Designation	Designation	Role in Committee
Khalid Jaafar Mostafa Allagany	Managing Director and Chief Executive Officer	Chairman
Christopher Philip Dooley	Non-Executive Director, RSA Representative*	Member
Fadi Aboul Hosn	Chief Financial Officer	Member

** RSA means Royal & Sun Alliance Insurance (Middle East) B.S.C (c).*

B. Functions

The purpose of the committee is to ensure the Company's compliance with all legal and regulatory requirements relating to announcements, notifications, submissions, filings and approvals arising from its listing on the Tadawul. In line with its Terms of Reference, the committee can hold meetings through electronic means.

C. Meetings

The committee held meetings through electronic means to review and approve the company's announcements on Tadawul website. The committee held Fifteen of these meetings during the period from 01-01-2020G up to 31-12-2020G.
All Committee members participated in all these meetings through electronic means in line with its terms of reference.

Audit Committee:

A. Composition

The Audit Committee shall comprise of a minimum of three and a maximum of five members. The current composition of the committee is as follows:

Name Designation	Designation	Role in Committee
Dr. Saleh Hamad Saleh Al Shinifi	Independent Board Member	Chairman
Ayman Saleh Al Ghamdi	Independent Member on the Committee	Member
Dr. Ahmed Mohammed Al Salman	Independent Member on the Committee	Member

B. Functions

The purpose of the Committee is to review the compliance function and assess the Company's processes relating to its risk, compliance and internal control systems. Furthermore, the Committee will review the Company's financial statements and the effectiveness of the external audit process and internal audit functions.

C. Meetings

The Committee held a total of six meetings during the period from 01-01-2020G up to 31-12-2020G. The dates of the meetings and the attendance were as follows;

Physical (Face to Face) Meetings

	Date of Meeting	Remarks
	03-03-2020G	
Dr. Saleh Hamad Saleh Al Shinifi	Y	
Ayman Saleh Al Ghamdi	Y	
Dr. Ahmed Mohammed Al Salman	Y	

Y – Attended in person

Telephone Meetings

Due to pandemic situation after March 2020 meeting, all subsequent five meetings were held over the phone. The Audit Committee has also put in place a process of holding specific meetings, for management to present to the Committee members the interim and annual financial statements, in accordance with the regulatory timelines. The Audit Committee reviews the interim financial statements during these meetings and makes recommendations on the same to the Board of Directors. The Company's external and internal auditors also participate in these meetings providing responses to any queries that the members may raise.

	Date of Meeting					Remarks
	04-06-2020G	27-07-2020G	28-09-2020G	28-10-2020G	07-12-2020G	
Dr. Saleh Hamad Saleh Al Shinifi	Y	Y	Y	Y	Y	
Ayman Saleh Al Ghamdi	Y	Y	Y	Y	Y	
Dr. Ahmed Mohammed Al Salman	Y	Y	Y	Y	Y	

Y – Attended

Risk Committee:

A. Composition

The Risk Committee shall comprise of at least three (3) members and not more than five (5) members headed by a non-executive member. The current members are as follows:

Name Designation	Designation	Role in Committee
Christopher Philip Dooley	Non-Executive Director, RSA Representative	Chairman
Khalid Allagany	Managing Director and Chief Executive Officer	Member
Fadi Aboul Hosn	Chief Financial Officer	Member
Jonathan Cope	Non-Executive Director, RSA Representative	Member
Mohammed Al Shakwan #	Non-Executive Director, Riyad Bank Representative	Resigned 05-03-2020G
Abdulaziz Yousef Bin Yousef	Non-Executive Director, Riyad Bank Representative	Appointed 05-05-2020G

**RSA means Royal & Sun Alliance Insurance (Middle East) B.S.C (c)*
 # Resigned during the period

B. Function

The Committee has the responsibility to oversee the Company's risk management arrangements ensuring the risk appetite is appropriate and adhered to and that key risks are identified and managed.

C. Meetings

The Committee held four meetings during the period from 01-01-2020G up to 31-12-2020G. The dates of the meetings and the attendance were as follows:

	Date of Meeting				Remarks
	04-03-2020G	08-06-2020G	29-09-2020G	08-12-2020G	
Chris Dooley	Y	Y	Y	Y	
Khalid Jaafar Mostafa Allagany	Y	Y	Y	Y	
Fadi Aboul Hosn	Y	Y	Y	Y	
Abdulaziz Yousef Bin Yousef	NA	Y	Y	Y	Appointed on 05-05-2020G
Jonathan Cope	Y	Y	Y	Y	
Mohammed Ali Al Shakwan #	Y	NA	NA	NA	Resigned on 05-03-2020G

Y – Attended
N – Did not attend
NA – Had either resigned or was not appointed at that time
 # Resigned during the period

Nomination and Remuneration Committee:

A. Composition

The Nomination and Remuneration Committee shall comprise of a minimum of three and a maximum of five members. The current composition of the Committee is as follows:

Name Designation	Designation	Role in Committee
Tariq Zaid Abdullah Alkhayyal	Independent Director	Chairman
Abdulaziz Abdulmohsin Bin Hassan	Independent Director	Member
Khalid Mohammed Ali Hariry	Non-Executive Director, Riyad Bank Representative	Member
Martin Rueegg	Non-Executive Director, RSA Representative *	Member

**RSA means Royal & Sun Alliance Insurance (Middle East) B.S.C (c)*

B. Functions

The purpose of the committee is to ensure transparency in the procedures for the selection, appointment and removal of Directors. All appointments and removals are to be ratified by the General Assembly. The committee will also be responsible for establishing policies regarding the indemnity and remuneration of Directors and Senior Managers.

C. Meetings

The committee held four meetings during the period from 01-01-2020G up to 31-12-2020G. The dates of the meetings and the attendance were as follows:

	Date of Meeting				Remarks
	04-03-2020G	08-06-2020G	29-09-2020G	08-12-2020	
Tariq Zaid Abdullah Alkhayyal	Y	N	Y	Y	
Abdulaziz Abdulmohsin Bin Hassan	Y	Y	Y	Y	
Khalid Mohammed Ali Hariry	N	Y	N	Y	
Martin Rueegg	Y	Y	Y	Y	

Y – Attended
N – Did not attend
NA – Had either resigned or was not appointed at that time

iv) Compensation paid to Board members, Board Committee Members and Senior Executives

A. Board Members

The remuneration payable to the Chairman and the Directors of the Company, including the fees for attendance at Board and Committee meetings, is in line with the By-Laws of the Company. Accruals have been made in the Financial Statements in accordance with these provisions, after considering the waiver by the non-independent members of the Board of their rights to remuneration as explained below.

The details of remuneration payable to the Chairman and the Independent Directors for the period from 01-01-2020G up to 31-12-2020G for which provisions has been made in the financial statements are as follows:

Board Remuneration

SR

	Fixed remunerations							Variable remunerations								
	Specific amount	Allowance for attending Board	Total Allowance for attending committee meetings committee	In-kind benefits	Remuneration of the technical, management and consultative work	Remuneration of the chairman, Management Directors or Secretary, if a member	Total	Percentage of the profits	Periodic remuneration	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total	End-of-service award	Aggregate Amount	Expenses Allowance
First: Independent Directors																
Abdulaziz Abdulmohsin Bin Hassan	180,000	3,000	12,000	0	0	0	**210,000**	0	0	0	0	0	0	0	0	0
Tariq Zaid Abdullah Alkhayyal	120,000	3,000	9.000	0	0	0	**144,000**	0	0	0	0	0	0	0	0	0
Dr. Saleh Hamad Saleh Al Shinifi	120,000	3,000	0	0	0	0	**138,000**	0	0	0	0	0	0	0	0	0
Total	**420,000**	**9,000**	**21,000**	**0**	**0**	**0**	**492,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Second: Non-Executive Directors																
Mohammed Ali Al Shakwan*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Khalid Mohammed Ali Hariry*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Christopher Philip Dooley*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Abdulaziz Yousef Bin Yousef*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jonathan Cope*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tariq Abdullah Al Ghaziri*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Martin Rueegg*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

**The Non-Independent Directors on the Board (i.e. the nominees of Riyad Bank and Royal & Sun Alliance Insurance (Middle East) B.S.C(c) have waived their rights to remuneration and fees for the attendance of Board and Committee meetings.*

Committee Members

Independent members on the Company's are paid an annual remuneration of Saudi Riyals SR 120,000 per annum and attendance fees of SR 1,500 per meeting. In the event that they are required to attend any of the Board meetings they are eligible to the Board Meeting attendance fees of Saudi Riyals 3,000 per meeting, for such attendance.

	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending Board meetings	Total
Audit Committee Members			
Dr. Saleh Hamad Saleh Al Shinifi	120,000	9,000	129,000
Ayman Saleh Al Ghamdi	120,000	9,000	129,000
Dr. Ahmed Mohammed Salman	120,000	9,000	129,000
Total	**360,000**	**27,000**	**387,000**
Remuneration & Nomination Committee Members			
Tariq Zaid Abdullah Alkhayyal	0	4,500	4,500
Abdulaziz Abdulmohsin Bin Hassan*	0	6,000	6,000
Khalid Mohammed Ali Hariry*	0	0	0
Martin Rueegg*	0	0	0
Total	**0**	**10,500**	**10,500**
Risk Committee Members			
Christopher Philip Dooley*	0	0	0
Khalid Jaafar Mostafa Allagany*	0	0	0
Jonathan Cope*	0	0	0
Fadi Aboul Hosn*	0	0	0
Abdulaziz Yousef Bin Yousef*	0	0	0
Total	**0**	**0**	**0**
Executive Committee			
Khalid Jaafar Mostafa Allagany*	0	0	0
Fadi Aboul Hosn*	0	0	0
Russell Tong*	0	0	0
Total	**0**	**0**	**0**

Investment Committee:			
Abdulaziz Abdulmohsin Bin Hassan	0	6,000	6,000
Tariq Zaid Abdullah Alkhayyal	0	4,500	4,500
Khalid Mohammed Ali Hariry*	0	0	0
Total	**0**	**10,500**	**10,500**

The Non-Independent Directors on the Board (i.e. the nominees of Riyad Bank and Royal & Sun Alliance Insurance (Middle East) B.S.C(c) have waived their rights to remuneration and fees for the attendance of Board and Committee meetings.

B. Senior Executives

Compensation and remuneration paid to the top five executives (including the Chief Executive Officer and the Chief Financial Officer who are within the top five) during the period was SR **7,359,135** as follows:

	Particulars Of Compensation	Amount (SR)	
		2020G	2019G
i)	Salaries and Compensation	4,499,585	4,452,053
ii)	Allowances	1,265,622	1,249,813
iii)	Periodical and annual bonuses	920,721	1,289,891
iv)	Other compensation or benefits paid on a monthly or annual basis	673,207	759,383
	Total	**7,359,135**	**7,751,140**

v) Confirmation

During the period of the report, the Company paid a penalty of SR 10,000 to the SAMA for non-compliance with COVID-19 procedure.

vi) Results of the Annual Review of the Internal Control Systems of the Company

The Board of Directors have formed an Audit Committee to support the Board in the discharge of its responsibilities in respect of supervising the Company's financial reporting processes, evaluating the adequacy and effectiveness of the Company's audit arrangements, and overseeing the Company's overall control environment.

The Audit Committee has conducted an overall review of the internal and external auditors' assessment of the Company's system of internal controls during 2020G and no significant issues were identified.

The internal and external auditors and the Company's Compliance function have conducted several reviews during 2020, which provide a reasonable degree of assurance on the Company's ability to meet its strategic objectives. The results of these reviews have been considered by the Audit Committee in reviewing the effectiveness of the internal control systems of the company. The Committee has also gained a reasonable degree of satisfaction with respect to the actions taken by the management to address the observations and recommendations arising from the reviews. Based on the above, the Audit Committee believes that there were no material control weaknesses which might result in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or conditions.

All the issues arising from the review have been reported to the Board of Directors with recommendations on actions to be implemented by the management of the Company.

During the period from 01-01-2020G to 31-12-2020G the Audit Committee held six meetings. During these meetings the Committee amongst other activities:

- Reviewed the internal and external audit arrangements and, assessed their independence.
- Reviewed and approved the internal audit plans as well as the adequacy of internal audit resources to execute the plans.
- Assessed the effectiveness of the internal audit function and reviewed the findings reported within the audit reports and the management actions to address them
- Ensured that the external auditors had access to all information and explanations required by them for carrying out their audit and expressing their audit opinion
- Reviewed the interim and final financial statements prior to their approval by the Board and publication
- Reviewed the activities of the compliance department in developing and implementing mitigating actions and managing the regulatory risks identified.
- Reviewed the arrangements in place to achieve compliance with applicable regulations.

vii) Profiles of Board Members and Audit Committee Members

Abdulaziz Abdulmohsin Bin Hassan, Chairman

Qualifications
- Bachelor of Arts in Law, King Saud University, Riyadh – 1991G.
- Strategic Alignment Program, Oxford University Saïd Business School – 2020G

Professional Experience:
A banking professional with over 26 years of experience in various positions in leading banks and financial institutions in the Kingdom of Saudi Arabia
- Mar 2019G till date – Independent Board member and Member of Investment Committee Al Faisaliah Group
- August 2010G to Feb 2019G - Chief Executive Officer and Managing Director of Credit Suisse, Riyadh, KSA
- March 2010G to August 2010G - Chief Executive Officer and Managing Director of Rana Investments, Riyadh, KSA
- March 2008G to May 2009G - Chief Executive Officer, Arabian Capital, Riyadh, KSA
- June 2006G to March 2008G - Vice President, Head of Treasury & Investment, Bank Muscat, Riyadh, KSA
- 1994G to June 2006G in various positions as below with SAMBA Financial group, Riyadh, KSA
  - Alternative Investments Division Manager (2004G-2006G)
  - Portfolio Manager, Treasury (1998G-2001G)
  - Money Market Manager (1997G-1998G)
  - Treasury Marketing Unit (1994G-1997G)
- 1992G to 1994G - Corporate Dealer, Riyad Bank, Riyadh, KSA

Other Positions:
- Board Member and Member of the Investment Committee Al Faisaliah Group
- Board Member and Chairman of the Audit Committee and Chairman of the compliance Committee Saudi Fransi Capital
- Member of The Audit Committee Arab National Bank

Tariq Zaid Abdullah Al Khayyal, Deputy Chairman

Qualifications
- Bachelor of Arts from Tufts University, Boston, MA.
- Majored in International Relations, History and Theology.

Professional Experience:
An entrepreneur with interests in real estate development and thirteen years' experience in banking
- 2008G to present, Founder and MD of Diyar Alkhayyal Real Estate Development Co.
- 1995G to 2008G, Various position with The National Commercial Bank as below
- Country Head, Corporate Service Centers (CSC), Operations Group (2007G)
- Area Manger/Senior International Banker, International Division (2003G-2006G)
- Manager, Payment services, Alternative Distribution (2000G-2003G)
- Customer Relations Manager, Consumer Banking Sector Head (1999G-2000G)
- Payroll Product Manager, Retail Marketing Unit (1998G-1999G)
- Relationship Manager, Private Banking (1997G-1998G)

Dr. Saleh Hamad Saleh Al Shinifi, Independent Non-Executive Director, Chairman Audit Committee

Qualifications
- Ph.D. in Business Administration / Major Financial Accounting and Auditing, Florida Atlantic University, USA
- Master of Business Administration (MBA), Major Accounting, Saint Louis University, USA
- Bachelor of Economics and Business (Accounting), King Saud University (KSU), The Kingdom of Saudi Arabia

Professional Experience:
- 2003G-present Associate Professor of Accounting, King Saud University, Riyadh
- 2008G- present Secretary General of SAAFAH Foundation & Member Board of Director, Riyadh, The Kingdom of Saudi Arabia

Khalid Mohammed Ali Hariry, Non-Executive Director

Qualifications
- BCs business administration, King Faisal University

Professional Experience:
- Riyad Bank, KSA
    - Senior Vice President, Manager Enterprise PMO department- October 201G9 till date
    - Senior Vice President, Manager Business Performance Management Department, May 2018G to September 2019G
    - Senior Vice President, Head of Customers and Products Management, June 2016G – April 2018G
    - Senior Vice President, Head of Product and Services, July 2014G – May 2016G
- MasterCard, KSA
    - Area Manager, Saudi Arabia, Bahrain And Yemen – MasterCard, May 2012G – May 2014G
- Banque Saudi Fransi, KSA
    - Deputy of Retail Banking Head - Head of Retail Operations and Consumer Assets Division, August 2008 – February 2012
    - Head of Regional Retail Banking Division, July 2005 – August 2008
    - Head of Retail Network and Retail Activity Divisions, October 2000 – July 2005
    - Head of Card Services and Operations Department, June 1996 – October 2000
    - Head of Merchant Services and Card Issuance, March 1993 – June 1996
    - Branch Front Office Staff (teller And Customer Services), July 1991 – March 1993

Khalid Jaafar Mostafa Allagany, Managing Director

Qualification:
- Bachelor of Business Administration in Risk Management from Almeda University, U.S.A, in 2002

Professional Experience:
- Managing Director and CEO Al Alamiya for Cooperative Insurance Company, KSA, from 2012 to present (after a brief term a Deputy CEO in 2012)
- Managing Director of Qeema Investments, KSA, from 2011 to 2012
- Chief Executive Officer of Al-Ahli Takaful Company, from 2007 to 2011
- Insurance Business Group Head of the National Commercial Bank, from 2004 to 2007
- Head of Insurance & Bancassurance of Saudi Hollandi Bank, from 2001 to 2004
- Head of Insurance of Banque Saudi Fransi, from 1995 to 2001
- Underwriting Officer of The National Company for Cooperative Insurance, from 1993 to 1995

Christopher Phillip Dooley, Non-Executive Director

Qualification:
- Chartered Insurer - Chartered Insurance Institute, UK.
- Bachelor of Arts (Honors) Degree - (University of Wolverhampton) 1982
- Diploma in Direct Marketing (Institute of Direct Marketing UK) 1999
- Professional Certificate in Coaching - Henley 2020

Professional Experience:
- CEO of the UAE and Bahrain Operations of Royal & Sun Alliance Insurance (Middle East), from 2011 up to 30th June 2019 retirement.
- CEO of RSA Insurance Hong Kong, from 2010 to 2011
- Director and Chief Executive Officer Insurance Australia Group (Thailand), from 2005 to 2010
- Director & Chief Executive Officer, Royal & Sun Alliance Insurance (Thailand), from 2003 to 2005
- Director Corporate Partners, Customers & People, Asia, Royal & Sun Alliance Insurance Asia Regional Team, Singapore, from 1999 to 2002
- Regional Manager, Asia (Brokers & Customers), Royal & Sun Alliance Insurance Global Risks Asia, from 1997 to 1999
- Development Manager, Asia, Royal Insurance International Hong Kong, from 1995 to 1997

Other Positions:
- Board Member of Royal & Sun Alliance Insurance (Middle East), a closed joint stock company in Bahrain operating in the insurance sector, since 2011 and Managing Director 2012-2019
- Chairman of Al Ahlia Insurance Company SAOG, a public listed joint stock company in Oman operating in the insurance sector, from October 2017 up to May 202. Since then continues to eb Non Executive Director on the Board of Al Ahlai Insurance Co SAOG.
- Founder and Director - Execme Ltd (Executive Coaching & Consulting) 2019 - 2020.

Jonathan Cope, Non-Executive Director

Qualifications
- Master's degree (MA) from Edinburgh University
- Post-graduate qualifications in Law (PGD, LPC) from BPP Law School in London.
- ICSA – Qualified Company Secretary with the Institute of Chartered Secretaries and Administrators

Professional Experience:

- Has sixteen years of experience in various capacities with law firms in the UK. Having joined the RSA Group in the UK in 2013 he is now Head of Legal, UK & International
- Head of Legal, UK & International, RSA Group from 2017 till date
- Managing Counsel, RSA Group UK, from March 2016 to Feb 2017
- Legal Counsel, RSA Group UK from June 2013 to March 2016
- Other board positions held

Other Positions:

- Deputy Chairman and member of Nomination, Remuneration & Investment Committee of Al Ahlia Insurance Co SAOG Oman.
- Director, Royal & Sun Alliance Property Services Limited
- Director, RSA Accident Repairs Limited
- Director, Royal Insurance (UK) Limited

Martin Rueegg, Non-Executive Director

Qualification:

- Academic Baccalaureate, Insurance Business Administration, Winterthur Business School- 1994 to 1997
- Chartered Public Accountant, Winterthur Business School – 1998- 2001

Professional Experience:

- Martin has more than 20 years of experience in the general insurance industry, of which 10 years were in Senior Leadership level positions in Europe and Emerging Markets in Asia.
- CEO of the UAE and Bahrain Operations of Royal & Sun Alliance Insurance (Middle East), from September 2019 till date.
- Chief Executive Officer of AXA Corporate Solutions, Hong Kong from 2018 up to August 2019
- Managing Director AXA General Insurance Hong Kong Limited from 2018 up to August 2019
- Chief Executive Officer, AXA Insurance Thailand from 2013 to 2017
- Chief Business Officer, AXA Insurance Singapore from 2012 to 2013
- Chief Operating Officer, AXA Insurance Singapore from 2010 to 2012
- Chief Executive Officer, AXA Corporate Solutions, Hong Kong from 2007 to 2010
- Chief Executive officer, Swiss Pool for Aviation Insurance, Zurich from 2005 to 2007
- Managing Director, Customer Economical Organization, Winterthur from 2001 to 2004

Other Positions:

- Managing Director on the board of Royal & Sun Alliance Insurance (Middle East), a closed joint stock company in Bahrain operating in the insurance sector.
- Member of Board Investment Committee of Royal & Sun Alliance Insurance (Middle East),

Ayman Saleh Al Ghamdi, Member Audit Committee

Qualifications

- Master’s Degree (Science of Accounting) King Saud University, Riyadh Saudi Arabia
- Bachelor of Accounting, King Saud University, Riyadh, Saudi Arabia

Professional Experience:

- Chief Internal Audit, Saudi Ceramics Company, 2018 – present.
- Chief Financial Officer (CFO), Real Estate Development Fund, (Transformation Project) Riyadh, Saudi Arabia. April 2017 – Dec 2017
- Chief Financial Officer (CFO), National Water Company, Riyadh, Saudi Arabia. 2014 – April 2017
- Financial Audit Senior Manager, Internal Audit, National Water Company, Riyadh, Saudi Arabia. 2009 – 2014
- Acting Director, Financial Services, King Faisal Specialist Hospital and Research Centre, Riyadh, Saudi Arabia, 2007 – 2009
- Manager, Accounting Policies & Financial Regulations Division, Saudi Telecom Company, Riyadh, Saudi Arabia, 2006 – 2007
- Director of Finance, Medical Supervision Department, Embassy of Saudi Arabia, Berlin, Germany, 2004 – 2006
- Accounting Manager, Finance Department, Sultan Bin Abdulaziz Humanitarian City, Riyadh, Saudi Arabia, 2002 – 2004
- Supervisor, Accounts Payable, Financial Affairs, King Faisal Specialist Hospital & Research Center. Riyadh, Saudi Arabia, 1994-2002

Dr. Ahmed Mohammed Al Salman, Member Audit Committee

Qualifications
- Ph.D. Accounting, Florida Atlantic university, USA, 2003
- Master of Business Administration (Accounting concentration), St. Louis University, USA, 1994
- Bachelor of Accounting, Kind Saud University, Qassim Branch, 1989.

Professional Experience (Teaching):
- Assistant Professor at the Accounting Department - College of Business and Economics - Qassim University (2003-Current)
- Adjunct faculty at the school of Accounting, college of Business, Florida Atlantic University USA 2001-2002
- Lecturer, Department of Accounting college of Business and Economics, King Saud University - Qassim Branch (1997)
- Teacher assistant, Department of Accounting- College of Business and Economics, King Sa University - Qassim Branch (1990 & 1991)

Professional Experience:
- Member of the Audit Committee of the National Poultry Company (from 1439H till now)
- Chairman of the Organizing Committee for the conference of Forensic accow1ting and financial fraud that will be held in 1440 at the College of Business and Economics, Qassim University
- Member of the Organizing Committee for the International Financial Reporting Standards Conference (IFRS): Opportunities and Challenges, College of Business and Economics, Qassim University
- Chairman of the Committee for the Preparation Forum for Accounting Profession - College of Business and Economics, Qassim University
- Member of the Council of the College of Business and Economics 1433H - until now
- Member of the Board of Accounting Department, College of Business and Economics 1424H - till now
- Chairman of the committee of lecturers and lecturers at the College of Business and Economics 1437H until now
- Chairman of the Higher Methodologies Committee, College of Business and Economics, 1437H till now
- Chairman of the Committee for the Evaluation of Educational Objectives and Emphasis of Learning in the College of Business and Economics, Qassim University -from 1437 AH and now
- Chairman of the appointments committee at the College of Business and Economics, Qassim University -from 1437 to now
- Member of the Board of Directors of Al-Wafa Oasis Association for the Elderly -from 1439 till now
- Member of the Committee of business and economics Specialties in the Ministry of Education to evaluate the private colleges and universities
- Member of the establishment of the program of Accounting Doctor at the University of Al-Faisal
- Member of the Journal of Accounting Research - Editorial Board
- Member of a committee of measurement at the National Center for Measurement and Evaluation of the arbitration of accounting programs in the Kingdom and the development of tests
- Member of several academic committees within the department.
- Member of the Board of Directors of Al Qarawi Car Maintenance Company -1434H-1436H
- Sport Supervisor, College of Business and Economics -1427H-1431H.
- Member of the establishment of investment and finance - College of Business and Economics, Qassim University -1431 H.
- Member of the Standing Committee for the Ethics of Scientific Research in the Deanship of Scientific Research - Qassim University (1431 H - 1433).
- Member of the Standing Committee for Development in the Deanship of Community Service, Qassim University -1427H – 1429H
- Vice Dean of the College of Business and Economics, Qassim University -from 1437H to now.
- Head of Accounting Department, College of Business and Economics, Qassim University -from 1433H till now.
- Director of the Center for Research and Development of Human Resources - College of Business and Economics, Qassim University - 1428 H – 1433H.

Abdulaziz Yousef Bin Yousef, Non-Executive Director

Qualifications
- Bachelor's in business administration specialized in information Systems, 2012, Arab Open University, Riyadh, KSA.

Professional Experience:
- Riyad Bank - Senior Vice President, Head of Retail assets March 2019 till date
- Bidaya Home Finance
    - Whole Sales Director, March 2018 – Feb 2019
    - Head of Products, March 2016 – March 2018
- Fay United Real estate company - CEO, April 2014 – March 2016
- Bank Al-Bilad - Real Estate finance Business Head, May 2012- March 2014
- Emirates NBD, KSA - Product manager – March 2010 – May 2012
- Arab Experts Capital - Riyadh Branch manager – Oct 2008 – Feb 2010
- Emirates NBD, KSA
    - Assistant Product Manager – Jan 2007 – Sep 2008
    - Marketing Officer, Jan 2006-Dec 2006
    - Trainee, March 2005 – Jan 2006
- Dar Al-Yousefia Group - Admin assistant, March 2002 – Feb 2005

viii) Profiles of Management Team

Khalid Jaafar Mostafa Allagany

Date of birth: 20/02/1967G
Nationality: Saudi
Position: Managing Director and Chief Executive Officer (CEO)

Qualification:

- Bachelor of Business Administration in Risk Management from University of ALMEDA, USA, 2002.

Professional Experience:

- Managing Director and CEO of Al Alamiya, since 2012 to present
- Deputy CEO of Al Alamiya for Cooperative Insurance Company, a public joint stock company in the KSA operating in the insurance sector, from 2012 to end of 2012
- Managing Director of Qeema Investments, KSA, a limited liability company in the UAE operating in the investment sector, from 2011 to 2012
- Chief Executive Officer of Al-Ahli Takaful Company, a public joint stock company in the KSA operating in the insurance sector, from 2007 to 2011
- Insurance Business Group Head of the National Commercial Bank, a closed joint stock company in the KSA operating in the banking sector, from 2004 to 2007
- Head of Insurance & Bancassurance of Saudi Hollandi Bank, a public joint stock company in the KSA operating in the banking sector, from 2001 to 2004
- Head of Insurance of Banque Saudi Fransi, a public joint stock company in the KSA operating in the banking sector, from 1995 to 2001
- Underwriting Officer of The National Company for Cooperative Insurance, a public joint stock company in the KSA operating in the insurance sector, from 1993 to 1995)

Fadi Aboul Hosn

Date of birth: 23/11/1970G
Nationality: Canadian
Position: Chief Financial Officer (CFO)

Qualifications:

- Master of Business Administration (MBA) with concentration in Finance and strategic management from the Strathclyde Graduate School of Business, the University of Strathclyde, UK, 2003.
- Bachelor of Science in Business Administration with an option in Accounting, California State University, USA, 1994.
- Award in Financial Planning from the Chartered Insurance Institute (CII), UK, 2009.

Professional Experience:

- Chief Financial Officer of Al Alamiya, A publicly listed insurance company in the Kingdom of Saudi Arabia, 2013 to present.
- Member of the Finance sub-committee of the Saudi Arabia Insurance Industry Executive Committee (IEC), 2013 to present.
- Director of Finance and Administration at Wehbe Insurance Services, An Insurance broker operating in the United Arab Emirates, 2004 to 2012.
- Group Financial Controller at GET Group\Global Information Technology, a limited liability company operating in the IT and the Secured Documents sector operating in the USA and UAE, 1999 to 2004.
- Business and IT Consultant at High Tech Computer Associates, a partnership operating in the IT Service sector in the USA, 1996 to 1999.
- Accounting and Finance Manager at Royal Fortune Inc., a public partnership operating in the trading sector in the USA, 1990 to 1996.

Abdulmalik Ali AlHojairi*

Date of birth: 09/03/1977G
Nationality: Saudi
Position: Claims Director

Qualification:

- High Diploma of English Language

Professional Experience:

- Sales and Marketing Officer at Generation Skills Company.
- Corporate Sales Officer at Al Fardan Jewelry Company.
- Claims Management Service - Group Leader at Tawuniya Insurance Company.
- Support Unit Manager at Malath Insurance and reinsurance Company.
- Head of Claims Department at Allianz Saudi Fransi Cooperative Insurance Company.
- Senior Manager - Motor Claims at Malath Insurance and reinsurance Company.
- Senior Manager - Quality and Development at Medgulf Insurance Company.

* Resigned on 30-11-2020G

Bader Attaalah Alenazi
Date of birth: 27/05/1979G
Nationality: Saudi
Position: Head of Regulatory Compliance

Qualification:
- High School 1997

Professional Experience:
- Head of Regulatory Compliance at Al Alamiya for Cooperative Insurance from to 09/2017 to present
- Head of Customer Care Department at Al Alamiya for Cooperative Insurance from 03/2017 to 09/2017
- Compliance Analyst & Complaints Manager at Al Alamiya for Cooperative Insurance from 01/2014 to 03/2017
- Claims Initiatives Manager - Motor & Casualty at Al Alamiya for Cooperative Insurance from 09/2011 to 12/2013
- Motor Claims Handler - Motor & Casualty at AXA for Cooperative Insurance from 04/2005 to 08/2011
- Customer Account Executive at ALJ- Abdul Latif Jameel Co. Ltd. from 01/1999 to 03/2005

Russell Tong*
Date of birth: 15/05/1959G
Nationality: Trinidad and Tobago
Position: Technical Director

Qualification:
- Fellow of the Chartered Insurance Institute.
- Associate in Risk Management Diploma of the Insurance Institute of America (IIA).
- Associate in Claims Diploma of the IIA.

Professional Experience:
- Senior Energy Underwriter at Elseco Limited, Dubai.
- Senior Vice President - Operations at Q-Re LLC, Doha.
- Senior Vice President - Energy Unit at Qatar Insurance Company.
- Senior Technical Manager at Al Khazna Insurance Company, Abu Dhabi.
- Property Underwriter at The National Company for Cooperative Insurance, Riyadh.
- Risk and Insurance Administrator at The Trinidad and Tobago Electricity Commission.
- Manager, Property Insurance and training Officer at The National Company for Cooperative Insurance, Riyadh.

* Resigned on 30-11-2020G

Akhtar Abdulghafour Abbas
Date of birth: 16/12/1979G
Nationality: Pakistani
Position: Head of Audit

Qualification:
- Bachelor of Commerce degree from University of the Punjab, Pakistan, in 1999
- Associate of the Institute of Chartered Accountants of Pakistan since 2006
- Certified Financial Services Auditor - 2013

Professional Experience:
- Head of Audit of Al Alamiya, from 2012 to present
- Financial Controller of Service Sales Corporation (Private) Limited, a limited liability company operating in the retail sector in Pakistan, from 2010 to 2012
- Group Head – Internal Audit of IGI Financial Services, a group of public joint stock companies operating in the financial services sector in Pakistan, from 2006 to 2010.
- Trainee member with Price Waterhouse Coopers (PwC), a limited liability firm operating in the field of assurance, advisory and consultancy in Pakistan, from 2002 to 2006

Waleed Najeeb Almasri *
Date of birth: 22/11/1968G
Nationality: Saudi
Position: HR Director

Qualification:
- Bachelor’s Degree in Applied Mechanical Engineering from KFUPM Dhahran KSA, obtained in 1995

Professional Experience:
- HR Director for Al Alamiya from September 2016 to present.
- Group HR and Admin Manager for Alraha Group for Technical Services (RGTS) from May 2014 to May 2016 in Riyadh.
- General Director Human Resources at SAMA from July 2013 May 2014, in Riyadh.
- VP Human Resources at JPMorgan Chase Bank N A Riyadh Branch, from June 2010 to May 2013.

- Senior Manager Human Resources at Emaar Economic City, Jeddah, from October 2008 to June 2010.
- Group HR Manager for Rubaiyat, Jeddah, from January 2008 to September 2008.
- Saudi Arabian Airlines Catering (Riyadh and Jeddah) from November 1996 to December 2007 in three positions (Assistant Manager HRD, Technical Manager Riyadh Catering Unit, Outsourcing Manager).

* Resigned on 30-11-2020G

Riyadh Abbas Aldakheel

Date of birth: 07/09/1982G
Nationality: Saudi
Position: IT and Operations Director

Qualification:

- bachelor's Degree on Computer Engineering from KFUPM, Dhahran, in 2007.

Professional Experience:

- IT and Ops Director at Al Alamiya from November 2016 to present.
- IT Manager at Saudi Indian Coop Insurance Co. (WAFA), Riyadh, from October 2013 to November 2016.
- Assistant IT Manager at Alrajhi Takaful, Riyadh, from December 2010 to October 2013.
- IT Application Analyst at AXA Insurance Saudi Arabia, Riyadh, from February 2007 to December 2010.

Laila Mohammed Alaithan

Date of birth: 12/09/1986G
Nationality: Saudi
Position: Head of Customer Care

Qualification:

- High Diploma in Computer Sciences
- High Diploma in General Nursing

Professional Experience:

- Head of Customer Care in Al Alamiya 2017
- Quality Assurance Supervisor in Al Alamiya 2017
- Customer Service Supervisor in Alissa Group 2014
- Customer Service Agent and Commander in NAJM 2011
- Admin Secretary in Almoosa General Hospital 200

Nasser Salman Alsuhaim*

Date of birth: 09/06/1982G
Nationality: Saudi
Position: Sales and Marketing Director

Qualification:

- High School, Riyadh, Saudi Arabia 1419H

Professional Experience:

- Sales and Marketing Director Al Alamiya for Cooperative Insurance Company June 2020 to November 2021
- Chief Commercial Officer MEDGULF From August 2018 to June 2020
- Brokers Relationship Country Manager MEDGULF From July 2016 to August 2018
- Sr. Manager (Acting Head), B2G Relationship, Corporate Sales Bupa Arabia From August 2015 to July 2016
- Sr. Manager, Business Development, Corporate Sales Bupa Arabia From Mar 2015 to August 2015
- Broker Channel Manager Tawuniya From Sep 2011 to Mar 2015
- Statistic, Billing & Distribution Manager Tawuniya From May 2010 to Sep 2011
- Group Leader for Operations & Quality Tawuniya From Jan 2010 to May 2010
- Customers Relation Executive Tawuniya From Nov 2006 to Jan,2010

* Resigned on 02-11-2020G

Mohammed Mahmoud Ali

Date of birth: 21/02/1982G
Nationality: Saudi
Position: Head of Risk for KSA and ME

Qualification:

- Master of Risk Management Glasgow Caledonian University, UK 2011
- Bachelor Industrial Engineering & Management Arab Academy for Science, Technology and Maritime Transport, Egypt 2006

Professional Certification:

- Chartered Insurance Institute (CII) Advanced Diploma Q4,2020
- Insurance Foundation Certificate Exam (IFCE) 2019

Professional Experience:

- Head of Risk for KSA and ME Al Alamiya for Cooperative Insurance Company from June 2020 till date
- CHIEF RISK OFFICER (CRO) Gulf General Cooperative Insurance Company (GGI) from May 2019 to June 2020.
- COUNTRY RISK MANAGER Ghassan Ahmed Al Sulaiman Furniture Trading Co. Ltd (IKEA KSA) from March 2015 to April 2019
- RISK MANAGER Saudi Enaya Cooperative Insurance Company from July 2014 to February 2015
- SENIOR RISK OFFICER (RETAIL BANKING GROUP) The National Commercial Bank (NCB) from September 2012 to June 2014
- RISK CONTROL OFFICER (CONSUMER FINANCE) The National Commercial Bank (NCB) from October 2008 to November 2009
- TECHNICAL SERVICES ENGINEER Rabigh Arabian Water Electricity Company (RAWEC) from April 2007 to September 2008

Khurram Amin

Date of birth: 10/07/1974G
Nationality: Pakistani
Position: Appointed Actuary - Head of Actuarial Function

Qualification:

- Fellow of Society of Actuaries, USA 2006G

Professional Certification:

- Fellowship in Actuarial Science 2005G

Professional Experience:

- Appointed Actuary and Head of Actuarial Function, Al Alamiya Cooperative Insurance from March 2015G till date.
- VP and Actuary at Oman Insurance Company, UAE from June 2012G to March 2015G
- Regional Valuation Actuary, ACE Life, UAE from October 2010G to June 2012G
- General Manager, Group Benefit Department, EFU Life Assurance Ltd., Pakistan from June 2005G to September 2010G
- Manager, Actuarial, State Life Insurance Corporation of Pakistan, Pakistan from February 1994G to June 2005G

For and on behalf of the Board of Directors

Abdulaziz Abdulmohsin Bin Hassan
Chairman of the Board of Directors

Khalid Jaafar Mostafa Allagany
CEO and Managing Director

Independent auditors' report

To the Shareholders of Al Alamiya for Cooperative Insurance Company

Opinion

We have audited the financial statements of **Al Alamiya for Cooperative Insurance Company** (the "Company"), which comprise the statement of financial position as at 31 December 2020 and the related statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

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 its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA").

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing ("ISAs") that are 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 that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Company's 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.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditors' report

To the Shareholders of Al Alamiya for Cooperative Insurance Company (continued)

Key Audit Matter (continued)

Key audit matter	How the matter was addressed in our audit
<u>Valuation of ultimate claim liability arising from insurance contract</u> As at 31 December 2020, the gross outstanding claims including claims Incurred but Not Reported (IBNR) and other technical reserves amounted to SR 105,711,000 (2019: SR 123,677,000) as reported in Note 9.1 of the financial statements. The valuation of ultimate insurance contract liabilities is the key judgmental area for management given the level of subjectivity inherent in estimating the impact of claim events that have occurred for which the ultimate outcome remains uncertain. The Company uses a range of actuarial methodologies to estimate these claims. This requires significant judgments relating to factors and assumptions such as inflation, claims development pattern and regulatory requirements. Due to significance of amount involved and the exercise of significant judgment by management in the process for determination of ultimate insurance contract liabilities, we have determined it to be a key audit matter. *Refer to note 2 (e)(i) which which contains the disclosure of critical accounting judements, estimates and assumptions relating to the ultimate liability arising from claims under insurance contracts and note 3 which discloses accounting policies for claims.*	• We assessed the design and implementation and tested the operating effectiveness of key controls over management's processes for claims processing and payment, including controls over the completeness and accuracy of the claim estimates recorded. • We tested on a samples basis the amounts recorded for claims notified and paid; including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of outstanding claim reserves. • We engaged our actuarial specialist to assess the methodologies and assumptions used by the management in determining the reserves for incurred but not reported claims. We have also reviewed the actuarial reserve report issued by the Company's appointed actuary. • We evaluated the completeness and accuracy of data used by management in their calculation of ultimate insurance contract liabilities and evaluated the results of liability adequacy test. • We assessed the adequacy and appropriateness of the related disclosures in the financial statements.

Independent auditors' report

To the Shareholders of Al Alamiya for Cooperative Insurance Company (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's 2020 annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRSs as endorsed in KSA, the applicable requirements of the Regulations for Companies, and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endosred in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

KPMG Al Fozan & Partners
Certified Public Accountants

Ibrahim Ahmed Al-Bassam & Co
Certified Public Accountants - Al-Bassam & Co.
(member firm of PKF International)

Independent auditors' report

To the Shareholders of Al Alamiya for Cooperative Insurance Company (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of the Company.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For KPMG Al Fozan & Partners
Certified Public Accountants
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Riyadh 11663
Kingdom of Saudi Arabia

Hani Hamzah A. Bedairi
Certified Public Accountant
License No. 460

For Al-Bassam & Co.
P. O. Box 69658
Riyadh 11557
Kingdom of Saudi Arabia

Ibrahim A. Al-Bassam
Certified Public Accountant
License No. 337

3 Shaban1442H
16 March 2021

كي - بي - ام - جي الفوزان وشركاه
محاسبون ومراجعون قانونيون
C.R. 46 KPMG س.ت.م رقم ٤٦
Certified Public Accountants
KPMG Al Fozan & Partners

البسام وشركاؤه
محاسبون قانونيون
رقم الترخيص ٥٢٠/١١/٣٢٣
C.R.1010385804
license 520/11/323
Al-Bassam & Co.
Certified Public Accountants

Memorandum To: The Shareholders of Al Alamiya

From: The Chairman of the Audit Committee

Subject: Report to Shareholders on the Company's Control Environment

Date: 07 April 2021G

مذكرة إلى/ مساهمي "شركة العالمية للتأمين التعاوني

من: رئيس لجنة المراجعة

الموضوع: تقرير للمساهمين حول بيئة الرقابة للشركة

التاريخ: 7 إبريل 2021م

Background

Article 104 of Commercial Companies Law requires that a report on internal controls needs to be submitted and read during the Annual General Assembly meeting. Further, the CMA listing rules require the following statements / confirmations to be included in the annual Board of Directors' Report of the company:

1) Accounting ledgers were prepared correctly
2) The system of internal control is sound in design and has been effectively implemented; and
3) There are no significant doubts concerning the issuer's ability to continue as a going concern.

In addition, the CMA Corporate Governance regulations require that the Board of Directors' Report also includes a statement on "the Results of the annual audit of the effectiveness of the internal control procedures of the company." The same is also reflected under Article (19) of the new SAMA Corporate Governance Regulations.

مقدمة

استنادًا إلى المادة رقم (104) من نظام الشركات يتوجب تقديم وقراءة تقرير حول الرقابة الداخلية للشركة في إجتماع الجمعية العامة السنوية. كما تتطلب قواعد الإدراج الصادرة عن هيئة السوق المالية تضمين الإقرارات التالية في تقرير مجلس الإدارة السنوي للشركة:

1) سجلات الحسابات أعدت بالشكل الصحيح.
2) نظام الرقابة الداخلية أعد على أسس سليمة ونفذ بفاعلية.
3) لا يوجد أي شك يذكر في قدرة الشركة على مواصلة نشاطها.

إضافة إلى ذلك، فإن لائحة حوكمة الشركات الصادرة عن هيئة السوق المالية تتطلب أن يحتوي تقرير مجلس الإدارة على بيان حول "نتائج المراجعة السنوية لفعالية إجراءات الرقابة الداخلية للشركة" . كما أن ذلك متطلب أيضاً بموجب المادة (19) من لائحة حوكمة شركات التأمين الصادرة عن البنك المركزي السعودي.

Statement for 2020

Following the activities of the Committee for the year 2020 and considering the information, explanations, assurances and confirmations provided by the management with respect to the internal controls as well as the controls with respect to Financial Statements preparation and reporting, the Committee conveys it's no objection to the following statements being used to present to the Shareholders at the Annual General Assembly as required under article (104) of the Commercial Companies Law:

ملخص الأنشطة الرئيسية للجنة

قامت لجنة المراجعة خلال عام 2020م وعلى ضوء المعلومات، التوضيحات والتأكيدات التي تقدمت بها الإدارة فيما يتعلق بالضوابط الداخلية وكذلك الإجراءات المتعلقة بإعداد البيانات المالية وتقاريرها، وعليه فإن اللجنة تبدي بهذا عدم ممانعتها عن البيانات التالية، للتقدم بها للمساهمين في إجتماع الجمعية العامة السنوية بموجب المادة (104) من نظام الشركات:

"The Board of Directors have formed an Audit Committee to support the Board in the discharge of its responsibilities in respect of supervising the Company's financial reporting processes, evaluating the adequacy and effectiveness of the Company's audit arrangements, and overseeing the Company's overall control environment.

The Audit Committee has conducted an overall review of the internal and external auditors' assessment of the Company's system of internal controls during 2020 and no significant issues were identified.

The internal and external auditors and the Company's Compliance function have conducted a number of reviews during 2020, which provide a reasonable degree of assurance on the Company's ability to meet its strategic objectives. The results of these reviews have been considered by the Audit Committee in reviewing the effectiveness of the internal control systems of the company. The Committee has also gained a reasonable degree of satisfaction with respect to the actions taken by the management to address the observations and recommendations arising from the reviews. Based on the above, the Audit Committee believes that there were no material control weaknesses which might result in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or conditions.

All the issues arising from the review have been reported to the Board of Directors with recommendations on actions to be implemented by the management of the Company.

The management (CEO and CFO) have confirmed to the Audit Committee that the Internal Control System has been designed and implemented to provide assurance on the achievement of objectives including effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

لقد قام مجلس الإدارة بتشكيل لجنة المراجعة لمساندة المجلس في أداء مسؤولياته فيما يتعلق بالإشراف على عمليات إعداد تقارير الشركة، وتقييم كفاية وفاعلية أنشطة المراجعة الداخلية للشركة والإشراف على بيئة الرقابة.

لقد قام كل من المراجع الداخلي والخارجي وإدارة الإلتزام للشركة بعدد من أعمال المراجعة والتدقيق خلال العام 2020م، والتي توفر درجة معقولة من التأكيد على قدرة الشركة في الإيفاء بأهدافها الإستراتيجية.
لقد قامت لجنة المراجعة بدراسة نتائج أعمال المراجعة والتدقيق تلك فيما يتعلق بمراجعة فعالية الرقابة الداخلية للشركة. كما توصلت اللجنة إلى درجة معقولة من الرضا فيما يختص بالإجراءات المتخذة من قبل الإدارة للتعامل مع الملاحظات والتوصيات الناتجة عن أعمال المراجعة.
وبناءً على ما ذكر أعلاه، تعتقد لجنة المراجعة بأنه لم تكن هنالك عناصر ضعف جوهرية للرقابة يمكن أن ينتج عنها نتائج غير متوقعة أو حالات طارئة او يمكن أن يكون لها أثر جوهري مستقبلاً على الأداء أو الوضع المالي للشركة.

تم الإبلاغ عن جميع الملاحظات الناشئة عن المراجعة إلى مجلس الإدارة مع توصيات بشأن الإجراءات التي يتعين على إدارة الشركة تنفيذها.

أكدت الإدارة (الرئيس التنفيذي والمدير المالي) للجنة المراجعة أن نظام الرقابة الداخلية قد تم تصميمه وتنفيذه لتوفير ضمانات بشأن تحقيق الأهداف بما في ذلك فعالية وكفاءة العمليات، وموثوقية التقارير المالية، والامتثال للقوانين واللوائح المعمول بها.

During the period from 01/01/2020 G to 31/12/2020G the Audit Committee held six meetings. During these meetings the Committee amongst other activities:

- Reviewed the internal and external audit arrangements and, assessed their independence.
- Reviewed and approved the internal audit plans as well as the adequacy of internal audit resources to execute the plans.
- assessed the effectiveness of the internal audit function and reviewed the findings reported within the audit reports and the management actions to address them.
- ensured that the external auditors had access to all information and explanations required by them for carrying out their audit and expressing their audit opinion
- reviewed the interim and final financial statements prior to their approval by the Board and publication.
- Reviewed the activities of the compliance department in developing and implementing mitigating actions and managing the regulatory risks identified.
- Reviewed the arrangements in place to achieve compliance with applicable regulations."

خلال الفترة من 2020/01/01م وحتى2020/12/31م عقدت لجنة المراجعة ستة إجتماعات، حيث قامت اللجنة خلال تلك الإجتماعات بالتالي:

- مراجعة اجراءات المراجعة الداخلية والخارجية وتقييم إستقلاليتها وحياديتها.
- مراجعة وإعتماد خطط المراجعة الداخلية وكفاية مواردها لتنفيذ تلك الخطط.
- تقييم فعالية إدارة المراجعة الداخلية ومراجعة النتائج المضمنة في تقاريرها وإجراءات الإدارة للتعامل معها.
- تأكدت اللجنة من أن للمراجع الخارجي إمكانية الحصول على كافة المعلومات والتوضيحات المطلوبة منه لتنفيذ أعمال المراجعة وابداء الرأي المبني على المراجعة التي تمت.
- مراجعة البيانات المالية السنوية وربع السنوية قبل إعتمادها من قبل مجلس الإدارة لنشرها.
- مراجعة أنشطة إدارة الإلتزام في تطوير وتطبيق إجراءات تخفيف وإدارة المخاطر الرقابية التي تم التعرف عليها.
- مراجعة الاجراءات المعمول بها لتحقيق الإلتزام بالأنظمة واللوائح.

رئيس لجنة المراجعة

الدكتور/ صالح بن حمد الشنيفي

25 Shaban 1442H

06 April 2021 G

Dear Shareholders of Al Alamiya for Cooperative Insurance Company

Peace be upon you and God's mercy and blessings

Based on the requirements of Article No. (71) (69 previously) of the Companies Law, which requires that a member of the Board of Directors be informed of his direct or indirect personal interest in the business and contracts that are concluded with the company, the Board of Directors wishes to inform your esteemed association of the dealings with related parties Which the members of the company's board of directors had an interest in, which are as follows:

a. Transactions with members of the Board of Director

Related party	Member of the Board of Directors with interest	The nature of the interest for a member of the Board of Directors	The nature of the transactions	Transaction value during the year 2020
Mr. Khalid Allagany Chief Executive Officer	Mr. Khalid Allagany Chief Executive Officer	In his personal name	Motor insurance policy for his vehicles	2,500 SR

B. Transactions with Riyad Bank and its subsidiaries

Dealings with Riyad Bank

No.	Member of the Board of Directors with an interest (representative of Riyad Bank at the company's board)	The nature of the interest for a member of the Board of Directors	The nature of the transactions	Transaction value during the year 2020
1	Mr. Khalid Hariry Mr. Abdulaziz Yousef Bin Yousef	Riyad Bank employees	General accident insurance policy (bank cover insurance). These transactions are Insurance contracts as per the company approved insurance policies and as per market terms.	5,144,512 SR

Dealings with the Riyadh Insurance Agency

No.	Member of the Board of Directors with an interest (representative of Riyad Bank at the company's board)	The nature of the interest for a member of the Board of Directors	The nature of the transactions	Transaction value during the year 2020	The value of commissions paid to the
1	Mr. Khalid Hariry Mr. Abdulaziz Yousef Bin Yousef	Riyad Bank employee and a member of the Board of Directors of the Riyadh Insurance Agency Riyad Bank employee	General accident insurance policy (Group life insurance) Mortgage as per the company approved insurance policies and as per market terms.	47,981,488 SR	4.167.821 SR
2	Mr. Khalid Hariry Mr. Abdulaziz Yousef Bin Yousef	Riyad Bank employee and a member of the Board of Directors of the Riyadh Insurance Agency Riyad Bank employee	Property insurance policy (mortgage) as per the company approved insurance policies and as per market terms.	5.709.848 SR	491.321 SR
3	Mr. Khalid Hariry Mr. Abdulaziz Yousef Bin Yousef	Riyad Bank employee and a member of the Board of Directors of the Riyadh Insurance Agency Riyad Bank employee	Marine Insurance policy for clients of Riyadh Insurance Agency as per the company approved insurance policies and as per market terms.	1.992.782 SR	172.892 SR

C. Dealings with Royal & Sun Alliance (Middle East)

RSA Insurance Group is a related party to Alamiya for Cooperative Insurance Company through one of its major shareholders, Royal & Sun Alliance (Middle East).

No.	Member of the Board of Directors with an interest (representative of Royal & Sun Alliance (Middle East) at the company's board)	The nature of the interest for a member of the Board of Directors	The nature of the transactions	Transaction value during the year 2020	The value of reinsurance commissions paid to the company during the year 2020
1	Mr. Martin Rueegg Mr. Jonathan Cope Mr. Christopher Philip Dooley Mr. Khalid Allagany	Representatives of Royal & Sun Alliance (Middle East) at the board of directors	Reinsurance contracts as per market terms.	42.751.783 SR	16.946.574 SR

No.	Member of the Board of Directors with an interest (representative of Royal & Sun Alliance (Middle East) at company's board)	The nature of the interest for a member of the Board of Directors	The nature of the transactions	Transaction value during the year 2020
1	Mr. Martin Rueegg Mr. Jonathan Cope Mr. Christopher Philip Dooley Mr. Khalid Allagany	Representatives of Royal & Sun Alliance (Middle East) at the level of the company's board of directors	Technical services provided by RSA Insurance Group to the company in various business areas under a technical services agreement as per market terms.	6.919.357 SR
2	Mr. Martin Rueegg Mr. Jonathan Cope Mr. Christopher Philip Dooley Mr. Khalid Allagany	Representatives of Royal & Sun Alliance (Middle East) at company's board.	The RSA Group trademark usage rights are in accordance with the Trademark Use Agreement as per market terms.	30,100 SR

I would like to inform you that the Board has taken all the necessary legal procedures and made sure that there is no preference for the companies / individuals mentioned above in the contracts and transactions that took place between the company and each of them. After the review, it became clear that the transactions were done in accordance with the statutory policies and procedures. The Board ensures that no losses have occurred to shareholders as a result of these relationships.

The board proposes to your esteemed association to approve these transactions for the year 2020 and authorize them for the next year, 2021.

Chairman of Board of Directors

Abdul Aziz bin Abdul Mohsen bin Hassan

LIMITED ASSURANCE REPORT

To the Shareholders of
Al Alamiya For Cooperative Isnruance Company (the "Company")
(Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

We have carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter detailed below ("Subject Matter"), has not been reported and presented fairly, in all material respects, in accordance with the applicable criteria mentioned below.

SUBJECT MATTER

The scope of the engagement relates to the limited assurance engagement to the information submitted by the Chairman of the Board of Directors attached in Appendix No. (1) ("The Notification") prepared in accordance with the requirements of Article (71) of the Regulation of Companies and presented by the Chairman of the Board of Directors of the Company. It consists of the transactions that were carried out by the Company during the year ended on 31 December 2020 in which any of the members of the Company's board of directors had a personal interest in it, whether directly or indirectly.

APPLICABLE CRITERIA

Article (71) of the Regulation of Companies issued by the Ministry of Commerce (1437H - 2015).

MANAGEMENT RESPONSIBILITY

The management and the chairman of the Company's Board of Directors are responsible for preparing the subject matter of assurance and presenting it as appropriate in accordance with applicable criteria. The Company's management is also responsible for establishing and maintaining an adequate internal control system for the preparation and presentation of the subject matter of assurance that are free of material misstatements, whether arising from fraud or error, choosing and applying appropriate controls, maintaining adequate records, and making reasonable estimates according to the circumstances.

OUR RESPONSIBILITY

It is our responsibility to express the conclusion of a limited assurance on the subject matter of assurance based on the limited assurance engagement that we have performed in accordance with the International Standard for Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" that is endorsed in the Kingdom of Saudi Arabia and the terms and conditions of this engagement as agreed with the Company's management.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion, and as such do not provide all of the evidence that would require to provide a reasonable assurance. The procedures performed depend on our professional judgment, including the risk of material misstatement of the subject matter, whether due to fraud or error. While, we considered the effectiveness of management's internal control when determining the nature and extent of our procedure, our engagement was not designed to provide assurance on the effectiveness of those controls.

LIMITED ASSURANCE REPORT (Continued)

To the Shareholders of
Saudi Re for Cooperative Reinsurance Company (the "Company")
(Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and ethical requirements in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia. We are independent of the Company in accordance with professional code of conduct and ethics endorsed in the Kingdom of Saudi Arabia that are relevant.

Our firm applies International Quality Control Standard (1) and accordingly maintains a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

SUMMARY OF PROCEDURES PERFORMED

The procedures performed in the Limited Assurance Engagement differ in nature and timing and are less in scope than the Reasonable Assurance Engagement. Consequently, the level of assurance obtained in the limited Assurance Engagement is much less than the assurance that would have been obtained if we had performed the reasonable Assurance Engagement.

As part of this engagement, we have not performed any procedures of reviewing, examining, or verifying the subject matter of assurance, nor of the records or other sources from which the subject in question was extracted. Accordingly, we will not express such an opinion.

Our procedure includes:

- Obtaining a statement that includes a notification from the Chairman of the Board of Directors specifying all transactions and contracts executed during the year ended 31 December 2020 or to be concluded by any of the members of the Board of Directors of the Company, either directly or indirectly,
- Reviewing the minutes of Board meetings that indicate that a Board member has communicated the board of directors of the transactions and contracts executed by the member of the board of directors;
- Obtaining the necessary approvals related to those transactions mentioned in the notification of the Chairman of the Board of Directors;
- Obtaining confirmation from the member of the Board of Directors of the works and contracts executed by the member during the year.
- Ensure that the total transactions executed during the year ended 31 December 2020 are included in the statement prepared by the Chairman of the Board of Directors and are matching with the total transactions included in Note No. (20) of the audited financial statements.

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LIMITED ASSURANCE REPORT (Continued)

To the Shareholders of
Saudi Re for Cooperative Reinsurance Company (the "Company")
(Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

CONCLUSION

Based on the limited assurance procedures implemented and the evidence we have obtained, nothing has come to our attention that causes us to believe that the subject matter above has not been reported and presented fairly, in all material respects, in accordance with applicable criteria.

RESTRICTIONS ON THE USE OF OUR REPORT

Our report has been solely prepared upon the request of the Company's management to be presented to the shareholders in their meeting in the Ordinary General Assembly in accordance with the requirements of Article (71) of the Regulation of Companies, and it should not be used for any other purpose.

For Al-Bassam & Co.

البسام وشركاؤه
محاسبون قانونيون
رقم الترخيص ٥٢٠/١١/٣٢٣
C.R.1010385804
License 520/11/323
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Certified Public Accountants

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Article (19): Remuneration of the board of directors, chairman of the board and managing director

The minimum annual remuneration for the chairman and members of the board of directors shall be (120,000 riyals) one hundred twenty thousand Saudi riyals, and the maximum amount of (500,000 riyals) five hundred thousand Saudi riyals for their membership in the board of directors and their participation in its work, including additional bonuses in the event the member participates in Any of the committees emanating from the Board of Directors.

If the remuneration is certain percentage of profits; then such percent shall not exceed 10% of net profits upon deducting reserves established by the general assembly in application of the provisions of Cooperative Insurance Companies Controlling Law, Companies Act, and these Bylaws upon distributing profit to shareholders not below 5% of the company's paid up capital, provided however that maturity of such remuneration shall be in proportion with number of sessions being attended by the member and any estimation violating such provisions is deemed invalid.

Generally, total remuneration, financial or in-kind benefits acquired by the member of the board shall not exceed five hundred thousand (SAR500,000) Saudi Riyals a year.

The maximum allowance for attending the sessions of the board and its committees is (5000 riyals) five thousand riyals for each session, excluding travel and accommodation expenses.

It is paid to each member of the board, including the Chairman of the board; The actual expenses that they incur in order to attend meetings of the board or committees emanating from the board of directors, including travel, accommodation and subsistence expenses.

The Board's Annual Report submitted to the Ordinary General Meeting shall contain in detail a statement of all the amounts paid to the Directors in that capacity during the Company's financial year as remuneration, out-of-pocket expenses and any other benefits. The said report shall also state the amounts received by the Directors in their capacity as Company's employees or officers, or received in return for technical, administrative or consultation services and shall include as well statement with number of session of the board and number of session attended by each member since date of the last general meeting.

REMUNERATION POLICY

Overview

Al Alamiya (the Company), being a public listed company is governed by a Board of Directors comprising of independent, executive and non-executive directors, in accordance with the SAMA and CMA regulations. The board has also, in line with the regulatory requirements, constituted a nomination and remuneration committee to ensure transparency in the procedures for selection, appointment and removal of Directors and establish policies regarding the indemnity and remuneration of Directors and Senior Managers.

Under the Terms of reference of the Nomination & Remuneration Committee, the Committee has a responsibility to determine and agree with the Board, the framework or broad policy for the remuneration of the Company's Chief Executive, Chairman, the executive directors, the Company Secretary and such other members of the executive management as it is designated to consider

The following Policy is recommended by the Board and shall be approved by the General Assembly.

Policy

A) Remuneration of the Chairman and Directors of the Company (Including Executive Directors of the Company)

Pursuant to the Company's By-laws, the Company provides for the following payments to be made to the Board of Directors of the Company:

1) Chairman

1. An annual remuneration of SAR 180,000 for the performance of duties as a chairman.
2. SAR 3,000 to be paid for attendance of each board meeting, and SAR 1,500 for attendance of each committee meeting.
3. Reimbursement of actual expenses incurred during any required meeting, or business trip to facilitate the company's business interest, including travel and accommodation expenses.

2) Directors

1. An annual remuneration of SAR 120,000 per annum for the performance of their duties.
2. SAR 3,000 to be paid for attendance of each board meeting, and SAR 1,500 for attendance of each committee meeting.
3. Reimbursement of actual expenses incurred during any required board or committee meeting, or business trip to facilitate the company's business interest, including travel and accommodation expenses.

The RSA group and Riyad Bank employees nominated to the Company's Board shall waive their rights in respect of the annual remuneration and the fees for attendance of board and committee meetings. However, they shall be eligible to seek reimbursement of expenses incurred by them for attending the meetings and for the performance of their duties as Directors / Committee members of the Company.

The above arrangements shall be reflected in appointment letters issued to the directors and the Chairman.

The Managing Director is the only Executive Director on the Board, and he, being an employee of the Company, shall also waive his right to the annual remuneration and fees for attendance at meetings as described above. His remuneration as an employee of the Company shall be determined in line with the Employee compensation policies and procedures established by the Company.

Remuneration and reimbursement of expenses shall be paid to the directors after approval by the General Assembly.

B) Audit Committee Members

All Audit Committee members shall be remunerated as follows:

1. SAR 120,000 per annum for their performance as a committee member.
2. SAR 1,500 for attending each committee meeting.
3. SAR 3,000 for attending each board meeting when the Committee member is also not a Board member and is required to attend a board meeting.

Audit Committee members are also eligible to seek reimbursement of expenses incurred by them for attending the meetings and for the performance of their duties as members of the committees.

Remuneration shall be made to the committee members on a quarterly basis.

C) Remuneration of Senior Managers

The Company has implemented a Grading structure (based on the popular Hayes model) and has also established salary bands under each of these grades. Roles, based on their dimensions, expertise and skill requirement are fitted within these grades. The grading structure is presented to and discussed with the Nomination and Remuneration Committee on an annual basis.

With respect to the Senior Management team comprising of the Chief Executive Officer, members of the executive Committee and the Company secretary, the Nomination and Remuneration Committee shall review and approve the remuneration and terms (including salaries, benefits and performance related payments) at appointment. All subsequent changes to remuneration and terms of appointments are presented to and approved by the Nomination & Remuneration Committee during the annual salary review.

This Remuneration Policy shall be implemented in conjunction with the Company's human resources policies with respect to senior managers and employees.

D) Reimbursement Process

- Directors and committee members are requested to submit the reimbursement invoices directly to the Company Secretary by email, including details of the bank account where any reimbursement should be transferred.

- The Company Secretary shall forward them to the finance team for processing and inform the directors and committee members regarding the status of the reimbursement within 21 calendar days of receiving the invoices.

- Reimbursements for committee members shall be made on a quarterly basis along with payment of remuneration. Reimbursements for directors shall be made with payment of the remuneration after approval of the General Assembly.

E) Remuneration Claw back

The Company shall be entitled to request the return of any remuneration paid and/or cancel any future remunerations if it is determined that the remuneration has been based on inaccurate information provided by any of the members of the Board of Directors, its committees, or the senior management.

F) Review

The Nomination and Remuneration Committee shall annually assess this remuneration of the Company and review the Remuneration Policy, taking into consideration market practices of peer group companies. Any changes to this Remuneration Policy shall be approved by the General Assembly, upon recommendation of the Nomination and Remuneration Committee and endorsement by the Board.

Request for Amendment of Bylaws

Name of the Company: AL ALAMIYA COOPERATING INSURANCE COMPANY

Amendments:

Article	Article in the Company's adopted Bylaws	Article after amendment
Article (1): Incorporation	The Company has been incorporated in accordance with Cooperative Insurance Companies Controlling Law, Companies Act, Capital Market Authority's Law and Implementing Regulations thereof as Saudi Joint Stock Company between shares' owners in accordance with the provisions of these articles set forth hereunder.	The Company has been incorporated in accordance with Cooperative Insurance Companies Controlling Law, Companies Act, Capital Market Authority's Law and Implementing Regulations thereof as Saudi Joint Stock Company between shares' owners in accordance with the provisions of these articles set forth hereunder.
Article (2): Name of the Company	AL ALAMIYA COOPERATING INSURANCE COMPANY (SAUDI JOINT STOCK COMPANY)	AL ALAMIYA COOPERATING INSURANCE COMPANY (SAUDI JOINT STOCK COMPANY)
Article (3): Purposes of Company	Carry on cooperative insurance business and all related works, such as reinsurance, power of attorney, representations, communications, or mediation. The company may carry on all woks necessary to achieve purposes thereof, whether in the insurance industry or by investing its money. The company may also own, move, sell, replace, or lease immovable property and cash, whether directly, by incorporating or buying companies, or in partnership with other departments. The company shall carry on business in accordance with Cooperative Insurance Companies Controlling Law and Implementing Regulation thereof in addition to rules and regulations valid in the Kingdom of Saudi Arabia and	Carry on cooperative insurance business in general insurance, health insurance, and protection and saving insurance disciplines. The company may carry on all woks necessary to achieve purposes thereof. The company shall carry on business in accordance with Cooperative Insurance Companies Controlling Law and Implementing Regulation thereof in addition to rules promulgated by the Saudi Central Bank, rules and regulations valid in the Kingdom of Saudi Arabia and upon acquiring necessary licenses from the competent departments, if any.

	upon acquiring necessary licenses from the competent departments, if any.	
Article (4): Participation and Acquisition	The Company has the right to incorporate limited liability companies or closed shareholding/joint stock companies (provided that its capital is no less than (5) five million Saudi riyals). Further, the Company may acquire shares and stocks in other outstanding companies or merge with the same and may participate with others in incorporating shareholding or limited liability companies, provided that the companies being incorporated by the company or in which the company is shareholding or merging shall carry on works similar to the company, financial works, achieving or conducive to the fulfilment of purposes set forth herein, and upon satisfying requirements of rules and instructions applicable in this regard and upon acquiring the approval from the Saudi Arabian Monetary Authority.	The Company has the right to incorporate limited liability companies or sole person shareholding/joint stock companies. Further, the Company may acquire shares and stocks in other outstanding companies or merge with the same and may participate with others in incorporating shareholding limited liability companies, provided that the companies being incorporated by the company or in which the company is shareholding or merging shall carry on works similar to the company, financial works, achieving or conducive to the fulfilment of purposes set forth herein, and upon satisfying requirements of rules applicable in this regard and upon acquiring the approval from the Saudi Central Bank. .
Article (5): Company's Head Office	The Company's head office is located in the Riyadh City Kingdom of Saudi Arabia. The company may relocate head office to any other city in the Kingdom of Saudi Arabia through resolution adopted by the extraordinary general meeting and upon approval of the Saudi Arabian Monetary Authority. In addition, company may establish branches, offices or agencies inside or outside the Kingdom of Saudi Arabia upon consent of the Saudi Arabian Monetary Authority.	The Company's head office is located in the Riyadh City Kingdom of Saudi Arabia. The company may relocate head office to any other city in the Kingdom of Saudi Arabia through resolution adopted by the extraordinary general meeting and upon approval of the Saudi Central Bank. In addition, company may establish branches, offices or agencies inside or outside the Kingdom of Saudi Arabia upon consent of the Saudi Central Bank.

Request for Amendment of Bylaws

Name of the Company: AL ALAMIYA COOPERATING INSURANCE COMPANY

Article (6): **Term of the Company**	The Company's duration is Ninety-nine (99) Gregorian years that commenced as of the date of which the Company is registered in the Commercial Register. However; the duration of the Company may always be extended by a resolution to be issued by the Extraordinary General Meeting at least one (1) year prior to its expiry date.	The Company's duration is Ninety-nine (99) Gregorian years that commenced as of the date of which the Company is registered in the Commercial Register. However; the duration of the Company may always be extended by a resolution to be issued by the Extraordinary General Meeting at least one (1) year prior to its expiry date.
Article (7): **Company's Investments**	Company shall invest insured and shareholders money in accordance with rules being established by the Board of Directors and without contravening Cooperative Insurance Companies Controlling Law and Implementing Regulation thereof and in line with other related regulations issued by the Saudi Arabian Monetary Authority or any related department.	Company shall invest insured and shareholders money in accordance with rules being established by the Board of Directors and without contravening Cooperative Insurance Companies Controlling Law and Implementing Regulation thereof and in line with related rules and provisions issued by the Saudi Central Bank or any related department.
Article (8): **Share Capital**	The Company's capital is fixed at four hundred million (SR 400,000,000) Saudi Riyals, divided into forty million (40,000,000) shares having an equal nominal value of SR 10 (Saudi Riyals Ten) each, all of which are ordinary cash shares.	The Company's capital is fixed at four hundred million (SR 400,000,000) Saudi Riyals, divided into forty million (40,000,000) shares having an equal nominal value of SR 10 (Saudi Riyals Ten) each, all of which are ordinary cash shares.
Article (9): **Subscription in Share Capital**	Shareholders subscribed in full company's share capital and the same is fully paid up.	Shareholders subscribed in full company's share capital and the same is fully paid up.

Article (10): Shareholders' register	Company's shares are tradable in accordance with provisions of Capital Market Law and Implementing Regulation thereof.	Company's shares are tradable in accordance with provisions of Capital Market Law and Implementing Regulation thereof.
Article (11): Issuance of Shares	Shares shall be nominal and may not be issued at a value less than the par value thereof. However, shares may be issued at a value exceeding the par value. In such instances, the difference in the value of the share shall be added in a particular clause within shareholders' rights, and shall not be distributed to the shareholders as profits. A share is indivisible in front of the Company but when owned by several persons, they should elect one to represent them in exercising the rights pertaining to such a share. Such persons shall be equally and jointly liable for the obligations arising out of their ownership of such a share.	Shares shall be nominal and may not be issued at a value less than the par value thereof. However, shares may be issued at a value exceeding the par value. In such instances, the difference in the value of the share shall be added in a particular clause within shareholders' rights, and shall not be distributed to the shareholders as profits. A share is indivisible in front of the Company but when owned by several persons, they should elect one to represent them in exercising the rights pertaining to such a share. Such persons shall be equally and jointly liable for the obligations arising out of their ownership of such a share.
Article (12): Trading of shares	Shares which are subscribed by the founders are non-negotiable before the publication of the financial statements for two (2) fiscal years, each of which should not be less than twelve (12) months upon date of incorporating the company. Such instruments of shares shall be marked to reflect type and date of incorporating the company as well as period during which trading is prohibited. However, during the above prohibition period, it is possible to transfer shares in accordance with provisions related to selling titles from one of the founders to another founder or from successors of a founder, in case of his death, to third party, or in case of applying execution on funds of insolvent or	1- Shares which are subscribed by the founders are non-negotiable before the publication of the financial statements for two (2) fiscal years, each of which should not be less than twelve (12) months upon date of incorporating the company and acquisition of approval from the Saudi Central Bank. Such instruments of shares shall be marked to reflect type and date of incorporating the company as well as period during which trading is prohibited. 2- However, during the above prohibition period, it is possible to transfer shares in accordance with provisions related to selling titles from one of the founders to another founder or from

	bankrupted founder; provided however that, other founders have priority to acquire such shares. Provisions of this article apply to shares subscribed by founders in case of increasing capital before elapse of such prohibition period.	successors of a founder, in case of his death, to third party, or in case of applying execution on funds of insolvent or bankrupted founder; provided however that, other founders have priority to acquire such shares. 3- Provisions of this article apply to shares subscribed by founders in case of increasing capital before elapse of such prohibition period.
Article (13): Increasing capital	The Extraordinary General Assembly may decide to increase the capital upon consent of the competent departments, provided that the Capital has been paid in full. The shareholder of the share at the time of the Extraordinary General Assembly Resolution approving the increase of company's capital, shall have the priority right in the subscription of the new shares issued against cash shares. Those, if any, shall be notified with such priority by the way of publishing the same in a daily newspaper or by registered post on capital increase resolution, subscription terms, duration, start and end date. The Extraordinary General Assembly shall be entitled to suspend the right of priority for the shareholders in the subscription of the capital increase in exchange for cash shares or to give priority to non-shareholders in the cases deemed appropriate for the Company's interest. The shareholder has the right to sell or waive the right of priority	1- The Extraordinary General Assembly may decide to increase the capital upon consent of the Saudi Central Bank and Capital Market Authority, provided that the Capital has been paid in full. However, the Capital is not required to be paid in full if the unpaid portion of the Capital is attributable to shares issued in exchange for the conversion of debt instruments or financing instruments into shares and the period for conversion into shares has not yet expired. 2- The Extraordinary General Assembly shall in all cases allocate the issued shares upon the increase of the Capital or part thereof to the employees of the Company and the subsidiaries or some or any of them. Shareholders may not exercise the right of priority when the Company issues shares to employees. 3- The shareholder of the share at the time of the Extraordinary General Assembly Resolution approving the increase of

	during the period from the time of the General Assembly's decision to approve the increase of the Capital to the last day of subscription in the new shares associated with these rights, in accordance with the controls set by the competent department.	company's capital, shall have the priority right in the subscription of the new shares issued against cash shares. Those, if any, shall be notified with such priority by the way of publishing the same in a daily newspaper or by registered post on capital increase resolution, subscription terms, duration, start and end date. 4- The Extraordinary General Assembly shall be entitled to suspend the right of priority for the shareholders in the subscription of the capital increase in exchange for cash shares or to give priority to non-shareholders in the cases deemed appropriate for the Company's interest. 5- The shareholder has the right to sell or waive the right of priority during the period from the time of the General Assembly's decision to approve the increase of the Capital to the last day of subscription in the new shares associated with these rights, in accordance with the controls set by the Capital Market Authority (CMA).
Article (14) **Reducing capital**	The Extraordinary General Assembly may resolve reducing the capital if it exceeds its need or if the Company suffers losses upon consent of the competent authorities, provided that paid up capital of the insurance company shall not be less than two hundred million (SAR 200,000,000) Saudi Riyals The decision of	1- The Extraordinary General Assembly may resolve reducing the capital if it exceeds its need or if the Company suffers losses upon consent of the central bank and Capital Market Authority, provided that paid up capital of the insurance company and upon reducing capital shall not be less than one hundred million

	capital reduction shall be issued only after reading the auditor's report on the reasons for it and the obligations imposed on the Company and the effect of the reduction on these obligations. If the capital reduction is due to the capital being in excess over the company's needs, the creditors must be invited to submit their objections within sixty (60) days from the date of publication of the reduction resolution in a daily newspaper distributed in the area where the company's Head Office is located. If any creditor raises an objection and submits to the Company, within the above period, the documents substantiating his/her claim, the Company shall perform its debt if it is present or provide sufficient security to satisfy it if the same is deferred.	(SAR100,000,000) Saudi Riyals. In addition, paid up capital of the re-insurance company or insurance company carrying on re-insurance business simultaneously, shall not be less than two hundred million (SAR200,000,000) Saudi Riyals. The decision of capital reduction shall be issued only after reading the auditor's report on the reasons for it and the obligations imposed on the Company and the effect of the reduction on these obligations. 2- If the capital reduction is due to the capital being in excess over the company's needs, the creditors must be invited to submit their objections within sixty (60) days from the date of publication of the reduction resolution in a daily newspaper distributed in the area where the company's Head Office is located. If any creditor raises an objection and submits to the Company, within the above period, the documents substantiating his/her claim, the Company shall perform its debt if it is present or provide sufficient security to satisfy it if the same is deferred.
Article (15) **Company's management**	The Company shall be managed by a Board of Directors consisting of nine members to be elected in the Ordinary General Meeting for a period of three years max, and Structure of the board of directors shall reflect proper representation of independent	The Company shall be managed by a Board of Directors consisting of nine members to be elected in the Ordinary General Meeting for a period of three years max, and Structure of the board of directors shall reflect proper representation of independent members. Generally, number of

	members. Generally, number of independent members of the board shall not be less than one third of board members. . As an exception of this provision, the Incorporating Committee engages members of the first board of directors for not more than Three years effective upon date of publishing decision of the Ministry of Commerce and Investment on incorporation of the company.	independent members of the board shall not be less than two members or one third of board members; whichever is more. . As an exception of this provision, the Incorporating Committee engages members of the first board of directors for not more than five (5) years effective upon date of publishing decision of the Ministry of Commerce and Investment on incorporation of the company.
Article (16) **Expiry of Board membership**	1. The office term of the Board of Directors shall expire by the end of the defined period, resignation, death, or if the board of directors verified that member violated respective duties thereof in a manner damaging interest of the company, or by expiry of the membership in accordance with any law or regulation valid and applicable in the Kingdom of Saudi Arabia, or upon issuing order of bankruptcy or insolvency, or in case of filing request for settlement with creditors, stopped repayment of debts, being affected by mental illness becoming unconscious, or if it is verified that he committed act involving breach of trust, morals, or being charged with forgery Nonetheless, the Ordinary General Assembly may, at all times dismiss, all or any of the members of the Board of Directors, but without prejudice to the dismissed member right to claim reimbursement if such dismissal has taken place at in untimely manner or is without plausible cause. Further, a member of the Board of Directors may resign	1- The office term of the Board of Directors shall expire by the end of the defined period, resignation, death, absence in three meetings during one year and without justified and legal reason, if the board of directors verified that member violated respective duties thereof in a manner damaging interest of the company, or by expiry of the membership in accordance with any law or regulation valid and applicable in the Kingdom of Saudi Arabia, or upon issuing order of bankruptcy or insolvency, or in case of filing request for settlement with creditors, stopped repayment of debts, being affected by mental illness or bodily disability that may lead to inability of member to perform role thereof properly, or if it is verified that he committed act involving breach of trust, morals, or being charged with forgery in accordance with final order 2- Nonetheless, the Ordinary General Assembly may, at all times dismiss, all or any of the members of the Board of Directors,

	office, provided that such resignation be in proper time, failing which, such member shall be liable to pay compensation to the Company for any damage arising from such resignation.	but without prejudice to the dismissed member right to claim reimbursement if such dismissal has taken place at in untimely manner or is without plausible cause. Further, a member of the Board of Directors may resign office, provided that such resignation be in proper time, failing which, such member shall be liable to pay compensation to the Company for any damage arising from such resignation. 3- If the board member resigned and he got observations on performance of the company; then he shall submit a written statement with the same to the chairman of the board. Such statement shall be submitted to members of the board. 4- Company shall notify the Saudi Arabian Monetary Agency on resignation of any board member or membership expiry for whatever reason except in case of expiry of board tenure and within five (5) business days upon date of abandoning work, taking into consideration related disclosure requirements.
Article (17) **Membership vacancy**	If during the membership period, any position becomes vacant, then the Board of Directors shall temporarily appoint a member to fill that position provided that such member be from among persons who are experienced and qualified as the Board deems fit and upon acquiring non-objection of the Saudi Arabian Monetary	If during the membership period, any position becomes vacant, then the Board of Directors shall temporarily appoint a member to fill that position provided that such member be from among persons who are experienced and qualified as the Board deems fit and upon acquiring non-objection of the Saudi Central Bank and without using the arrangement of votes

	Authority and without using the arrangement of votes casted in the General Assembly elected the Board of directors; as well as the Capital Market Authority be informed accordingly within five (5) business days from the date of such appointment and that such appointment be brought before the Ordinary General Assembly in its foremost meeting; and the member newly appointed shall complete the terms of his predecessor. By decision of the competent authority, the ordinary General Assembly may be convened in the event that the number of members of the Board of Directors is insufficient, and the Saudi Arabian Monetary Organization must be informed of the resignation or termination of any member of the Board for any reason other than the termination of the session of the Board within 5 business days from the date of the departure and taking into account the relevant disclosure requirements	casted in the General Assembly elected the Board of directors; provided that the Ministry of Commerce and Investment as well as the Capital Market Authority be informed accordingly within five (5) business days from the date of such appointment and that such appointment be brought before the Ordinary General Assembly in its foremost meeting; and the member newly appointed shall complete the terms of his predecessor.
Article (18) **Powers and Authorities of the board**	Subject to the competencies established for the general assembly, the board of directors shall have the broadest powers in managing the company to achieve its purpose, and within the limits of its competence it may delegate one or more of its members or from a third party to undertake a specific work or business - in a manner that does not conflict with the relevant laws and regulations. - The board of directors, for example, but not limited	1- Subject to the authority given to the General Assembly, the Board of Directors shall have broader authorities in managing the Company to accomplish objectives thereof, except powers and authorities excluded under particular provision in the Companies Act or these Bylaws in terms of acts or works involved within competency of the general assembly Moreover, within limits of competencies, the board may delegate one or

	to, may represent the company in its relations with others, government and private agencies, civil rights, police departments, chambers of commerce and industry, all companies, institutions, banks, commercial banks, money houses, all funds and government financing institutions of various names and specializations, and other lenders and the board and seize what happens from Execution and release of the company's debtors of their liabilities, entering into tenders, buying, selling and mortgaging real estate. The board of directors also has the right to contract and sign in the name of the company and on its behalf on all types of contracts, documents and documents, including without limitation contracts for the establishment of companies in which the company participates with all its amendments and annexes, amendment decisions, and signing of agreements and instruments before the notary and official authorities, as well as agreements of loans, guarantees and instruments for sale Buying real estate, issuing legal agencies on behalf of the company, selling, buying, emptying, accepting, receiving, delivering, renting, arresting, paying, opening accounts and credits, withdrawing and depositing with banks, issuing guarantees to banks, funds and government financing institutions, signing all papers, order bonds, checks, all commercial papers, documents and all banking transactions.		more members or third parties in proceeding with certain work or works in line with related rules and regulations. The Board of Directors may, but is not limited to, represent the company in its relations with third parties, government and private entities, police stations, chambers of commerce and industry, all companies, institutions, banks, commercial banks, financial houses, all funds and institutions of government finance in its various names and specializations, and other lenders and the board and seize what happens from the implementation and release the liability Debtors of the company from their obligations, entering into tenders, buying, selling and mortgaging real estate. The board of directors also has the right to contract and sign in the name of the company and on its behalf on all types of contracts, documents and documents, including without limitation contracts for the establishment of companies in which the company participates with all its amendments and annexes, amendment decisions, and signing of agreements and instruments before the notary and official authorities, as well as agreements of loans, guarantees and instruments for sale Buying real estate, issuing legal agencies on behalf of the company, selling, buying, emptying, accepting, receiving, delivering, renting, arresting, paying, opening accounts and credits, withdrawing and depositing with banks,

		issuing guarantees to banks, funds and government financing institutions, signing all papers, order bonds, checks, all commercial papers, documents and all banking transactions. 2- The board of directors may contract on loans regardless duration thereof, sell or mortgage assets of the company, sell or mortgage commercial venue of the company, discharge debtors of the company from respective liabilities, unless if these Bylaws involves restriction on authorities of the board or unless a decision is issued by the ordinary general assembly restricting such powers and authorities of the board of directors.
Article (19) **Remuneration of the board of directors, chairman of the board and managing director**	The minimum annual remuneration for the chairman and members of the board of directors shall be (120,000 riyals) one hundred twenty thousand Saudi riyals, and the maximum amount of (500,000 riyals) five hundred thousand Saudi riyals for their membership in the board of directors and their participation in its work, including additional bonuses in the event the member participates in Any of the committees emanating from the Board of Directors.	1- Remuneration of the board members is an identified amount or allowance against attending sessions, benefits in kind, or certain percent of net profit. It is possible to gather two or more of such benefits. 2- If the remuneration is certain percentage of profits; then such percent shall not exceed 10% of net profits upon deducting reserves established by the general assembly in application of the provisions of Cooperative Insurance Companies Controlling Law, Companies Act, and these Bylaws upon distributing profit to shareholders not below 5% of the company's paid up capital,

	If the remuneration is certain percentage of profits; then such percent shall not exceed 10% of net profits upon deducting reserves established by the general assembly in application of the provisions of Cooperative Insurance Companies Controlling Law, Companies Act, and these Bylaws upon distributing profit to shareholders not below 5% of the company's paid up capital, provided however that maturity of such remuneration shall be in proportion with number of sessions being attended by the member and any estimation violating such provisions is deemed invalid. Generally, total remuneration, financial or in-kind benefits acquired by the member of the board shall not exceed five hundred thousand (SAR500,000) Saudi Riyals a year. The maximum allowance for attending the sessions of the board and its committees is (5000 riyals) five thousand riyals for each session, excluding travel and accommodation expenses. It is paid to each member of the board, including the Chairman of the board; The actual expenses that they incur in order to attend meetings of the board or committees emanating from the board	provided however that maturity of such remuneration shall be in proportion with number of sessions being attended by the member and any estimation violating such provisions is deemed invalid. 3- Generally, total remuneration, financial or in-kind benefits acquired by the member of the board shall not exceed five hundred thousand Saudi Riyals, except members of auditing committee, in accordance with controls established by the Capital Market Authority 4- The Board's Annual Report submitted to the Ordinary General Meeting shall contain in detail a statement of all the amounts paid to the Directors in that capacity during the Company's financial year as remuneration, out-of-pocket expenses and any other benefits. The said report shall also state the amounts received by the Directors in their capacity as Company's employees or officers, or received in return for technical, administrative or consultation service and shall include as well statement with number of session of the board and number of session attended by each member since date of the last general meeting.

	of directors, including travel, accommodation and subsistence expenses. The Board's Annual Report submitted to the Ordinary General Meeting shall contain in detail a statement of all the amounts paid to the Directors in that capacity during the Company's financial year as remuneration, out-of-pocket expenses and any other benefits. The said report shall also state the amounts received by the Directors in their capacity as Company's employees or officers, or received in return for technical, administrative or consultation services and shall include as well statement with number of session of the board and number of session attended by each member since date of the last general meeting.	
Article (20): Authorities of the Chairman and position tenure, Vice Chairman, Managing Director, and the Board Secretary	The Board of Directors shall appoint, from amongst its members, a Chairman and a Vice Chairman and Chief Executive Officer (CEO) and it may appoint a Managing Director. A member of the Board of Directors may not jointly hold the office of the Chairman and any other executive office in the Company. The chairman of the board may sign on behalf of the company and implement decisions adopted by the board. The chairman of the board shall represent the company before judiciary and arbitration tribunals, etc. The chairman of the board may, through a written decision,	The Board of Directors shall appoint, from amongst its members, a Chairman and a Vice Chairman and Chief Executive Officer (CEO) and it may appoint a Managing Director. A member of the Board of Directors may not jointly hold the office of the Chairman and any other executive office in the Company. The chairman of the board may sign on behalf of the company and implement decisions adopted by the board. The chairman of the board shall represent the company before judiciary and arbitration tribunals, etc. The chairman of the board may, through a written decision, delegate some of powers and authorities vested on him

	delegate some of powers and authorities vested on him to other members of the board or third parties in proceeding with certain work or works Board of directors shall identify salaries, allowances and remunerations for chairman of the board and managing director in accordance with provisions of article (19) herein The Board of Directors shall appoint, from amongst its members, a Chairman and a Vice Chairman. In addition, the board of directors may engage consultant or more in several affairs of the company and the board establishes remunerations thereof. Term of chairman, vice chairman, managing director and secretary, shall not exceed duration of membership of each of them in the board. Further, they may be re-elected and the board may, at any time, remove them or any of them without prejudice to right of reimbursement if such removal takes place for illegal reason or at any inconvenient time	to other members of the board or third parties in proceeding with certain work or works Board of directors shall identify salaries, allowances and remunerations for chairman of the board and managing director in accordance with provisions of article (19) herein The board of directors shall appoint secretary of the board. In addition, the board of directors may engage consultant or more in several affairs of the company and the board establishes remunerations thereof. Term of chairman, vice chairman, managing director and secretary, shall not exceed duration of membership of each of them in the board. Further, they may be re-elected and the board may, at any time, remove them or any of them without prejudice to right of reimbursement if such removal takes place for illegal reason or at any inconvenient time.
Article (21): Meetings of the board	The Board of Directors shall convene through an invitation by the Chairman. The Chairman of the Board may call for meeting whenever the same is requested by two Board Members. The invitation shall be documented in the manner deems fit by the board. Meetings of the board shall be held periodically whenever is requested, provided that number of annual meetings shall not	The Board of Directors shall convene through an invitation by the Chairman. The Chairman of the Board may call for meeting whenever the same is requested by two Board Members. The invitation shall be documented in the manner deems fit by the board. Meetings of the board shall be held periodically whenever is requested, provided that number of annual meetings shall not be less than four (4) meetings so that one meeting at least shall be held each three (3) months.

	be less than four (4) meetings so that one meeting at least shall be held each three (3) months.	
Article (22): Quorum at meetings and decisions of the board	The Board meeting shall only be valid if it is attended by six (6) members in person or represented by proxy, provided that number of members attending the meeting in person shall not be less than four (4) members, among which one independent member. Members of the board may deputize other members to attend and vote in board meetings in their place. The Board of Directors' decisions shall be passed by an absolute majority vote of the attending or deputized members and in case of equal votes; then chairman of the board has casting vote. It shall be permissible for the Board of Directors to issue resolutions in urgent issues by way of circulation through presenting them separately to the members, unless one member requests the Board to hold a meeting in order to deliberate such resolutions. In that case, such resolutions shall be submitted to the Board at its first following meeting.	1- The Board meeting shall only be valid if it is attended by at least five (5) members, provided that number of attendees at the meeting shall not be less than three (3) members. 2- If conditions necessary to hold the meeting of the board are unfulfilled for the reason that number of members is below the minimum quorum set forth in these bylaws; the remaining members shall call for convening the ordinary general assembly within sixty (60) days to elect the necessary number of members. 3- Under decision from the Capital Market Authority, it is possible to convene the ordinary general assembly if number of board members are below the minimum set forth to validate convening of the meeting. 4- Board member shall not deputize other to attend meeting in his place, except that member of the board may deputize other members on his behalf. 5- The Board of Directors' decisions shall be passed by an absolute majority vote of the attending or deputized members and in case of equal votes; then chairman of the board has casting vote.

		6- It shall be permissible for the Board of Directors to issue resolutions in urgent issues by way of circulation through presenting them separately to the members, unless one member requests the Board to hold a meeting in order to deliberate such resolutions. These resolutions shall be submitted to the Board at its first following meeting.
Article (23): Deliberations of the Board of Directors	Deliberations and resolutions of the Board of Directors shall be recorded in minutes to be signed by the Chairman of the meeting, present members, and the Board Secretary. Such minutes shall be recorded in special register to be signed by the chairman of the board and secretary.	Deliberations and resolutions of the Board of Directors shall be recorded in minutes to be signed by the Chairman of the meeting, present members, and the Board Secretary. Such minutes shall be recorded in special register to be signed by the chairman of the board and secretary.
Article (24): Agreements and Contracts	Upon acquisition of no– objection from the Saudi Arabian Monetary Agency, the company may enter into an agreement for managing technical services with company or more amongst companies qualified and competent in the insurance industry. Members of the board may enter into insurance contracts with the company, in which board member has interest, provided that, the chairman of the board shall provide the general assembly with the details of such insurance contracts. Member of the board shall notify the board with respective direct or indirect interest in works and contracts made in favor of the company and such notification shall be verified and confirmed in	1- Upon acquisition of no– objection from the Saudi Central Bank, the company may enter into an agreement for managing technical services with company or more amongst companies qualified and competent in the insurance industry. 2- Member of the board of directors shall not have direct or indirect interest in works and contracts made in favor of the company unless through permit from the ordinary general assembly. Member of the board shall notify the board with respective direct or indirect interest in works and contracts made in favor of the company and such notification shall be verified and confirmed in minute of meeting.

	minute of meeting. Such member shall not take part in voting on decision issued in this regard in the meetings of board of directors and meetings of shareholders. Chairman of the board shall notify the ordinary general assembly when being convened on works and contracts in which a board member has direct or indirect interest. The notification shall be accompanied by report issued by the external auditor of the company. If the board member did not disclose his interest; then the company or each stakeholder may claim the invalidation of the contract before competent judicial authorities or obligate the member to repay any profit or interest achieved from the same.	3- Such member shall not take part in voting on decision issued in this regard in the meetings of board of directors and meetings of shareholders. 4- Chairman of the board shall notify the ordinary general assembly when being convened on works and contracts in which a board member has direct or indirect interest. The notification shall be accompanied by report issued by the external auditor of the company. 5- If the board member did not disclose his interest; then the company or each stakeholder may claim the invalidation of the contract before competent judicial authorities or obligate the member to repay any profit or interest achieved from the same. 6- Liability for damages arising out of works and contracts referred to in clause (1) herein lies on member having interest in the work or the contract and board members too, if such works or contracts are performed in breach to provisions of this clause or if it is confirmed that they are unfair, or involving conflict of interests and causing damage to shareholders. 7- Board members objecting the decision is relieved from liability whenever they could prove express objection in minutes of meeting. Absent from the meeting during which the decision

		is adopted is not reason for relief from liability, unless if it is verified that the absent member did not about the decision or could not be able to object the same upon being aware of such decision. 8- Board member is unpermitted to engage in any work competing with the company, or shall not compete with the company in a discipline of business carried on by the company, otherwise the company may claim him before competent judicial authority with proper compensation, unless if he got prior permit from the ordinary general assembly, renewable on annual basis, permitting him to conduct the same.
Article (25): **Attending meetings**	Duly constituted general assembly representing all shareholders and shall be convened at the city in which head office of the company is located. Each shareholder, regardless number of respective shares, is eligible to attend shareholders' general assemblies and may delegate other person not from number of members of the board or staff of the company to attend the general assembly. Shareholders' general assemblies may be held and shareholder may participate in the deliberations thereof and vote on decisions using state-of-the-art technologies in accordance with controls established by the competent authority.	1- Duly constituted general assembly representing all shareholders and shall be convened at the city in which head office of the company is located. 2- Each shareholder, regardless number of respective shares, is eligible to attend shareholders' general assemblies and may delegate other person not from number of members of the board or staff of the company to attend the general assembly. Shareholders' general assemblies may be held and shareholder may participate in the deliberations thereof and vote on decisions using state-of-the-art technologies in accordance

		with controls established by the Capital Market Authority.
Article (26): Incorporating Assembly	Founders shall invite all subscribers to convene the incorporating assembly within forty-five (45) days upon date of closing shares subscription, Each subscrib, regardless number of respective shares, is eligible to attend the incorporating assembly. In order to meeting to be valid; number of subscribers representing at least half of capital shall attend the assembly. If such quorum is not available; then invitation shall be served for second meeting to be held fifteen (15) days at least after serving note for such meeting. However, second meeting may be held one (1) hour after expiry of duration set forth to hold the first meeting. Invitation of the first meeting shall involve announcement on possibility to convene such second meeting. Generally, the second meeting shall be valid notwithstanding number of subscribers represented in the same.	1- Founders shall invite all subscribers to convene the incorporating assembly within forty-five (45) days upon date of closing shares subscription, provided that period between date of invitation and date of holding the assembly shall not be less than ten (10) days. 2- Each subscrib is eligible to attend the incorporating assembly. In order to meeting to be valid; number of subscribers representing at least half of capital shall attend the assembly. If such quorum is not available; then invitation shall be served for second meeting to be held fifteen (15) days at least after serving note for such meeting. However, second meeting may be held one (1) hour after expiry of duration set forth to hold the first meeting. Invitation of the first meeting shall involve announcement on possibility to convene such second meeting. Generally, the second meeting shall be valid notwithstanding number of subscribers represented in the same.
Article (27): Competencies of Incorporating Assembly	The incorporating assembly is concerned with the following:	The incorporating assembly is concerned with the following: a. Verify the subscription in all shares of the company and payment of

	1- Verify the subscription in all shares of the company and payment of least share capital in accordance with due sum of share value according to provisions of the Law. 2- Adopt the final drafting of the Bylaws of the company, provided that no essential amendments shall be made to the same unless with consent of all represented subscribers. -3 Engaging members of the first board of directors for duration not more than three (3) years and to engage first auditor, if they are not engaged already in the articles of association or bylaws of the company. -4 Engaging auditors review for the company and determining their fees, if they are not engaged already in the articles of association of the company. -5 Deliberation on founders' report about works and expenses necessary for incorporation of the company and adopting the same.	least share capital in accordance with due sum of share value according to provisions of the Law. b. Deliberation on report of in rem shares assessment. c) Adopt the final drafting of the Bylaws of the company, provided that no essential amendments shall be made to the same unless with consent of all represented subscribers. d) Engaging members of the first board of directors for duration not more than five (5) years and to engage first auditor, if they are not engaged already in the articles of association or bylaws of the company. e) Deliberation on founders' report about works and expenses necessary for incorporation of the company and adopting the same. The Ministry of Commerce and Investment as well as the Capital Market Authority may delegate representative or more in capacity as comptroller to attend the company's incorporating assembly and to verify and ensure the application of provisions of the Law.
Article (28):	Except for the matters falling within the jurisdiction of the Extraordinary General Assembly, the Ordinary General Assembly	Except for the matters falling within the jurisdiction of the Extraordinary General Assembly, the Ordinary General Assembly shall have the

Authorities of the Ordinary General Assembly	shall have the jurisdiction over all matters related to the Company, and shall hold a meeting at least once a year within six (6) months following the end of the Company's fiscal year.Other Ordinary General meetings may be called for whenever needed.	jurisdiction over all matters related to the Company, and shall hold a meeting at least once a year within six (6) months following the end of the Company's fiscal year.Other Ordinary General meetings may be called for whenever needed.
Article (29): Authorities of the Extraordinary General Assembly	The Extraordinary General Assembly shall have the power to amend the Company's Bylaws, except for the matters that are not amended under the law; furthermore, the Extraordinary General Assembly shall have the power to issue resolutions pertaining to the matters that falling primary within the jurisdiction of the Ordinary General Assembly in the same conditions and terms specified for the Ordinary General Assembly.	The Extraordinary General Assembly shall have the power to amend the Company's Bylaws, except for the matters that are not amended under the law; furthermore, the Extraordinary General Assembly shall have the power to issue resolutions pertaining to the matters that falling primary within the jurisdiction of the Ordinary General Assembly in the same conditions and terms specified for the Ordinary General Assembly.
Article (30): Invitation of the General Assemblies	The General or special meetings of the Shareholders shall be held by an invitation of the Board of Directors. The Board of Directors must call for the convention of the ordinary general meetings upon the request of the auditor, or the Audit Committee, or by a number of Shareholders representing at least 5% of the share capital. The auditor may call for a meeting of the General Assembly if the Board of Directors did not call for it within (30) days of the date of the auditor's request. The invitation for the General Meeting and agenda shall be published in daily gazette circulated in the region in which the head office of the company is located, at least ten (10) days prior	1- The General or special meetings of the Shareholders shall be held by an invitation of the Board of Directors. The Board of Directors must call for the convention of the ordinary general meetings upon the request of the auditor, or the Audit Committee, or by a number of Shareholders representing at least 5% of the share capital. The auditor may call for a meeting of the General Assembly if the Board of Directors did not call for it within (30) days of the date of the auditor's request. 2- Through decision of the Capital Market Authority, it is possible to call the ordinary general assembly for convening in the following conditions: a. If the duration set forth for convening is elapsed without

	to the convention of the meeting. A copy of the invitation and of the agenda shall be sent to the Capital Market Authority. However, sending invitations on the said date to all shareholders via registered letters may suffice. A copy of the invitation and of the agenda shall be sent to the Capital Market Authority within the timeframe defined for the publication	holding the assembly (within the first six months upon expiry of fiscal year of the company). b. If number of board members became lesser than the number established in order for meeting to be valid. If it is appeared that there are violations to provisions of the Act or Bylaws of the company, or if there is defect in managing the company. If the board did not serve invitation to convene the general assembly within fifteen (15) days upon request of auditor, auditing committee or number of shareholders representing 5% at least of share capital. 3- Number of shareholders representing at least 2% of the share capital may raise request to the Capital Market Authority to call the convening of ordinary general assembly in case of satisfying any of the conditions referred to in clause (2) herein. The Capital Market Authority shall serve invitation for convening the general assembly within thirty (30) days upon receiving request of shareholders, provided that the invitation shall involve agenda of the meeting and items to be agreed by the shareholders. 4- The invitation for the General Meeting and agenda shall be published in daily gazette circulated in the region in which the

		head office of the company is located, at least twenty-one (21) days prior to the convention of the meeting. Copy of the invitation and agenda shall be sent to the Ministry of Commerce and Investment and copy shall be sent to Capital Market Authority too However, sending invitations on the said date to all shareholders via registered letters may suffice. A copy of the invitation and of the agenda shall be sent to the Capital Market Authority within the timeframe defined for the publication.
Article (31): **General assembly attending register**	Shareholders that are interested in attending the General or special Assembly shall register their names in the exact location for convening of the Assembly before the time set forth for convening of the Assembly.	Shareholders that are interested in attending the General or special Assembly shall register their names in the Head Office before the time set forth for convening of the Assembly.
Article (32): **Quorum at the Ordinary General Meeting**	1- The ordinary General Meeting shall be valid only if attended by shareholders representing at least (25%) of the share capital, it is possible to stipulate higher percentage but not exceeding half of the share capital. 2- If such quorum is not present at the first meeting in	1- The ordinary General Meeting shall be valid only if attended by shareholders representing at least (25%) of the share capital. 2- If such quorum is not present at the first meeting in accordance with clause (1) herein; then an invitation shall be

	accordance with clause (1) herein; then an invitation shall be sent for a second meeting to be held within thirty (30) days next to the previous meeting. Such invitation shall be published in the manner provided for in article (30) of these Bylaws. However, it is possible to hold the second meeting one hour after lapse of time set forth to hold the first meeting, provided that the invitation for first meeting shall include reference on possibility to hold second meeting in this manner. The second meeting shall be valid irrespective of the number of shares represented therein.	sent for a second meeting to be held within thirty (30) days next to the previous meeting. Such invitation shall be published in the manner provided for in article (30) of these Bylaws. However, it is possible to hold the second meeting one hour after lapse of time set forth to hold the first meeting, provided that the invitation for first meeting shall include reference on possibility to hold second meeting in this manner. The second meeting shall be valid irrespective of the number of shares represented therein.
Article (33): Quorum at Extraordinary General Meeting	The extraordinary General Meeting shall be valid only if attended by shareholders representing at least half (50%) of the Share Capital, If such quorum is not present at the first meeting, then an invitation shall be sent for a second meeting in the manner provided for in article (30) of these Bylaws. . However, it is possible to hold the second meeting one hour after lapse of time set forth to hold the first meeting, provided that the invitation for first meeting shall include reference on possibility to hold second meeting in this manner. The second meeting shall be valid only if attended by shareholders representing at least (50%) of the share capital. In case this quorum is not attended in the second	1- The extraordinary General Meeting shall be valid only if attended by shareholders representing at least (50%) of the share capital. 2- If such quorum is not present at the first meeting in accordance for meeting of the Extraordinary General Assembly with clause (1) herein; then an invitation shall be sent for a second meeting to be held within thirty (30) days next to the previous meeting. . However, it is possible to hold the second meeting one hour after lapse of time set forth to hold the first meeting, provided that the invitation for first meeting shall include reference on possibility to hold second meeting in this

	meeting; then invitation shall be served for third meeting under the same conditions provided for under article (30) of these Bylaws. Third meeting shall be valid irrespective of number of shares represented herein and upon consent of the competent authorities. Shareholders' extraordinary general assemblies may be held and shareholder may participate in the deliberations thereof and vote on decisions using state-of-the-art technologies in accordance with controls established by the competent authority.	manner. The second meeting shall be valid only if attended by shareholders representing at least (25%) of the share capital. 3- In case this quorum is not attended in the second meeting; then invitation shall be served for third meeting under the same conditions provided for under article (30) of these Bylaws. Third meeting shall be valid irrespective of number of shares represented herein and upon consent of the Capital Market Authority.
Article (34): Voting in the Assemblies	Votes in the incorporating assembly, ordinary and extraordinary assemblies are calculated on the basis of one vote for each shareholder. Accumulative voting shall apply in electing the board of directors, so that right of voting for each share shall be used one time only. . Members of the board shall not take part in voting on decisions of the assembly related to discharging them from liability on managing the company or related to any direct or indirect interest for them.	Votes in the incorporating assembly, ordinary and extraordinary assemblies are calculated on the basis of one vote for each shareholder. Accumulative voting shall apply in electing the board of directors, so that right of voting for each share shall be used one time only. . Members of the board shall not take part in voting on decisions of the assembly related to discharging them from liability on managing the company or related to any direct or indirect interest for them.
Article (35): Decisions of assemblies	Decisions of the incorporating assembly shall be issued under absolute majority of shares represented in the same. Decisions of the ordinary general assembly shall be issued by the absolute majority of shares represented in the meeting (it is possible to provide for higher percent). However, in such decisions are related	Decisions of the incorporating assembly shall be issued under absolute majority of shares represented in the same. Decisions of the ordinary general assembly shall be issued by the absolute majority of shares represented in the meeting (it is possible to provide for higher percent). However, in such decisions are related to estimation of special benefits;

	to estimation of special benefits; then it is necessary to have consent of majority shareholders representing two thirds (2/3) of the said shares upon eliminating shares of beneficiaries of such special benefits. Decisions in the extraordinary general assembly shall be issued by majority of two thirds (2/3) of the shares represented in meeting, unless if decision is related to increasing or decreasing capital or to extend duration of the company, dissolve the company before the established period thereof, merger into another company or establishment; in such condition the decision shall be valid only if issued by majority of three quarters (3/4) of shares represented in the meeting.	then it is necessary to have consent of majority shareholders representing two thirds (2/3) of the said shares upon eliminating shares of beneficiaries of such special benefits. Decisions in the extraordinary general assembly shall be issued by majority of two thirds (2/3) of the shares represented in meeting, unless if decision is related to increasing or decreasing capital or to extend duration of the company, dissolve the company before the established period thereof, merger into another company or establishment; in such condition the decision shall be valid only if issued by majority of three quarters (3/4) of shares represented in the meeting.
Article (36): Deliberations in the assemblies	Any shareholder shall have the right to discuss the matters put on the Agenda of the General Meeting as well as to address pertinent questions to the Directors and the Auditors. The Directors and Auditors shall answer shareholders' questions to such an extent that would not jeopardize the Company's interest. In case a shareholder feels that the answer to his question is unsatisfactory he may appeal to the General Meeting whose decision shall be valid in this respect.	Any shareholder shall have the right to discuss the matters put on the Agenda of the General Meeting as well as to address pertinent questions to the Directors and the Auditors. Any provision restricting shareholder from such right is invalid The Directors and Auditors shall answer shareholders' questions to such an extent that would not jeopardize the Company's interest. In case a shareholder feels that the answer to his question is unsatisfactory he may appeal to the General Meeting whose decision shall be valid in this respect.
Article (37):	3- The General Meeting shall be presided over by the Chairman of the Board of Directors or the Vice	1- The General Meeting shall be presided over by the Chairman of the Board of Directors or the Vice Chairman in the Chairman

Chairing the Assemblies and the Preparation of the Minutes	Chairman in the Chairman absence, or by any such member as delegated by the Board of Directors from among its members present at the meeting, if the Chairman and the Vice Chairman absent in the Meeting. 4- Minutes of meeting of the General Assembly shall be prepared including the number of the Shareholders present in person or represented by proxy, the number of shares held by them whether in person or by proxy, the number of votes attached to such shares, the resolutions adopted, the number of votes supporting or opposing such resolutions, and a sufficient summary of the deliberations conducted during the meeting. After each meeting, all minutes shall be regularly recorded in a special register to be signed by the Chairman of the General of the Meeting, the Secretary and the Votes Collector.	absence, or by any such member as delegated by the Board of Directors from among its members present at the meeting, if the Chairman and the Vice Chairman absent in the Meeting. 2- Minutes of meeting of the General Assembly shall be prepared including the number of the Shareholders present in person or represented by proxy, the number of shares held by them whether in person or by proxy, the number of votes attached to such shares, the resolutions adopted, the number of votes supporting or opposing such resolutions, and a sufficient summary of the deliberations conducted during the meeting. After each meeting, all minutes shall be regularly recorded in a special register to be signed by the Chairman of the General of the Meeting, the Secretary and the Votes Collector.
Article (38): Committees of the Board of Directors	Committees of the Board of Directors shall be formed in accordance with related rules and regulations.	Committees of the Board of Directors shall be formed in accordance with related rules and regulations.
Article (39): Appointment of the Auditor	The general assembly must have two (2) auditors or more, from number of those licensed to practice in the Kingdom. The General Assembly shall identify remunerations and duration of work	The general assembly must have two (2) auditors (or more), from number of those licensed to practice in the Kingdom. The General Assembly shall identify remunerations and duration of work thereof and may re-engage

	thereof and may re-engage them. The General Assembly may at any time replace the Auditor(s) without prejudice to its right of compensation if such replacement occurred in an inappropriate time or for an improper reason.	them, , provided that total tenure of engagement shall not exceed five (5) consecutive years. The auditor who depleted such tenure may be re-engaged upon lapse of two (2) years from expiry date thereof. The General Assembly may at any time replace the Auditor(s) without prejudice to its right of compensation if such replacement occurred in an inappropriate time or for an improper reason.
Article (40): Authorities of the Auditor	The auditor shall at any time have the right to access to the Company's books, records, and any other documents, and to request any statements and clarifications as he deems necessary to verify the Company's assets, liabilities, and other matters that are within the scope of his duties. The Chairman of the Board of Directors must enable the Auditor to perform his duties. If the Auditor encounters any difficulties in that regard, he shall set that in a report to be presented to the Board of Directors. If the Board fails to facilitate the auditor's tasks, the Auditor must request the Board to call for an Ordinary General Assembly to discuss the matter.	The auditor shall at any time have the right to access to the Company's books, records, and any other documents, and to request any statements and clarifications as he deems necessary to verify the Company's assets, liabilities, and other matters that are within the scope of his duties. The Chairman of the Board of Directors must enable the Auditor to perform his duties. If the Auditor encounters any difficulties in that regard, he shall set that in a report to be presented to the Board of Directors. If the Board fails to facilitate the auditor's tasks, the Auditor must request the Board to call for an Ordinary General Assembly to discuss the matter.
Article (41): Obligations of Auditor	Auditor shall submit a report to the annual general assembly to be prepared in accordance with common auditing practices including position of company's management in terms of enabling the auditor to acquire requested information and clarifications	Auditor shall submit a report to the annual general assembly to be prepared in accordance with common auditing practices including position of company's management in terms of enabling the auditor to acquire requested information and clarifications and detected violations to

	and detected violations to provisions of the Cooperative Insurance Companies Controlling Law and Implementing Regulation thereof, other related regulations and instructions and Bylaws of the company. Further, the report shall involve views of the auditor on how fair are the financial statements of the company. The auditor shall read his report in front of the general assembly. If the general assembly determined the ratification of board of directors' report and financial statements without listening to auditor's report; then the decision thereof is invalid.	provisions of the Cooperative Insurance Companies Controlling Law and Implementing Regulation thereof, other related regulations and instructions and Bylaws of the company. Further, the report shall involve views of the auditor on how fair are the financial statements of the company. The auditor shall read his report in front of the general assembly. If the general assembly determined the ratification of board of directors' report and financial statements without listening to auditor's report; then the decision thereof is invalid.
Article (42): **Financial Year**	The Company's financial year shall commence on January 1st and shall end on December 31st of each calendar year. However, the Company's first financial year shall be starting from the date of ministerial decision announcing the incorporation of the company and expires on 31st December of the next year.	The Company's financial year shall commence on January 1st and shall end on December 31st of each calendar year. However, the Company's first financial year shall be starting from the date of ministerial decision announcing the incorporation of the company and expires on 31st December of the next year.
Article (43): **Financial Documents/Instruments**	The Board of Directors shall, at the end of each financial year of the company, prepare the financial statements of the Company that consists of: statement of balance sheet for operations of insurance and shareholders, statement of surplus (deficit) of insurance operations, statement of shareholders' income, statement of shareholders' equity, statement of cash flows for insurance operations, statement of cash flows for	1. The Board of Directors shall, at the end of each financial year of the company, prepare the financial statements of the Company that consists of: statement of balance sheet for operations of insurance and shareholders, statement of surplus (deficit) of insurance operations, statement of shareholders' income, statement of shareholders' equity, statement of cash flows for insurance operations, statement of cash flows for shareholders, in addition to a report of its activities, and a balance

	shareholders, in addition to a report of its activities, and a balance sheet of the financial year that ended; the report shall contain the suggested means of distributing profits. The Board shall put these documents under the disposal of the Auditor at least (45) days before the date of the General Assembly. 2. The Chairman of the Board, the Chief Executive Officer and Chief Financial Officer shall sign the documents referred to in clause (1) of this article. Copies of these documents shall be filed in the Company's Head Office under full disposal of the shareholders at least twenty-one (10) days before the date of the General Assembly. 3. The Chairman of the Board shall provide shareholders with the Company's financial statements, the Board of Director's Report, and the Auditor's Report unless the same are published in daily gazette circulated in place of the Head Office of the company. Further, the Chairman of the Board shall provide the copy of such documents to the Authority if the Company is listed in the Capital, at least (15) days before the date of the General Assembly.	sheet of the financial year that ended; the report shall contain the suggested means of distributing profits. The Board shall put these documents under the disposal of the Auditor at least (45) days before the date of the General Assembly. 2. The Chairman of the Board, the Chief Executive Officer and Chief Financial Officer shall sign the documents referred to in clause (1) of this article. Copies of these documents shall be filed in the Company's Head Office under full disposal of the shareholders at least twenty-one (21) days before the date of the General Assembly. . 3. The Chairman of the Board shall provide shareholders with the Company's financial statements, the Board of Director's Report, and the Auditor's Report unless the same are published in daily gazette circulated in place of the Head Office of the company. Further, the Chairman of the Board shall provide the copy of such documents to the Ministry of Commerce and Investment as well as the Authority if the Company is listed in the Capital, at least (15) days before the date of the General Assembly.

Article (44): Insurance operations accounts	Insurance operations accounts shall be separate from statement of shareholders' income in accordance with the following details: First Insurance operations accounts: 6. An account shall be assigned for acquired premiums, re-insurance commissions and other commissions. 7. An account shall be dedicated to compensations incurred by the company. 8. By end of each year the total surplus shall be identified which represent variation between total premiums and compensations less marketing, administrative and operating expenses and necessary technical provisions in accordance with organizing instructions. 9. Net surplus shall be identified as follows: Add to surplus the total set forth in clause (3) hereinabove or deduct amounts allotted to insured from investment revenue upon calculating revenues belonging to them and upon deducting realized expenses. 10. Allotment of net surplus takes place either through the allotment of ten (10%) percent directly to the insured, or by reducing their premiums for the next year. Ninety (90%) percent shall be forwarded to shareholders' income accounts. Second: Shareholders' statement of income:	Insurance operations accounts shall be separate from statement of shareholders' income in accordance with the following details: First Insurance operations accounts: 1. An account shall be assigned for acquired premiums, re-insurance commissions and other commissions. 2. An account shall be dedicated to compensations incurred by the company. 3. By end of each year the total surplus shall be identified which represent variation between total premiums and compensations less marketing, administrative and operating expenses and necessary technical provisions in accordance with organizing instructions. 4. Net surplus shall be identified as follows: Add to surplus the total set forth in clause (3) hereinabove or deduct amounts allotted to insured from investment revenue upon calculating revenues belonging to them and upon deducting realized expenses. 5. Allotment of net surplus takes place either through the allotment of ten (10%) percent directly to the insured, or by reducing their premiums for the next year. Ninety (90%) percent shall be forwarded to shareholders' income accounts. Second: Shareholders' statement of income:

	3. Shareholders' profits are formed from shareholders' funds investment return in accordance with rules established by the Board of Directors. 4. Share of shareholders from net surplus is calculated in accordance with provisions of clause (5) of item "First" herein.	1. Shareholders' profits are formed from shareholders' funds investment return in accordance with rules established by the Board of Directors. 2. Share of shareholders from net surplus is calculated in accordance with provisions of clause (5) of item "First" herein.
Article (45): **Zakat and Reserve**	The company shall: 1- Set aside the duly established zakat and income tax. 2- Set aside twenty (20%) percent of net profits to form the statutory reserve. The ordinary general assembly may stop such allotment whenever total reserve reaches 100% of the paid-up capital. 3- The ordinary general assembly, at the time of identifying stock share in net profit, may determine the creation of other statutory reserve in the amount achieving interests of the company or ensuring the distribution of fixed profits to the shareholders to the possible extent.	The company shall: 1. Set aside the duly established zakat and income tax. 2. Set aside twenty (20%) percent of net profits to form the statutory reserve. The ordinary general assembly may stop such allotment whenever total reserve reaches 100% of the paid-up capital. 3. The ordinary general assembly, at the time of identifying stock share in net profit, may determine the creation of other statutory reserve in the amount achieving interests of the company or ensuring the distribution of fixed profits to the shareholders to the possible extent. **4.** Net annual profits of the company shall be distributed upon deducting all general expenses and other costs, creation of the statutory reserve necessary to face bad debts, loss of investments and emergent liabilities as the Board deems necessary in line with provisions of Cooperative Insurance Companies Controlling Law and in accordance with regulations issued by the Saudi Arabian Monetary Authority. From

		remaining profits and upon deducting established reserves in accordance with related regulations and upon deduction of zakat, the company shall allocate a percentage not less than (------%) – not less than 5% of the paid-up capital to be distributed over shareholders in accordance with recommendations of the board of directors and as determined by the general assembly. If the remaining percentage of profits due to shareholders is insufficient to pay such percentage; then shareholders shall not claim payment of the same in the next year or years. The ordinary general assembly is unpermitted to determine the distribution of percentage from profit other than the one established by the Board of Directors.
Article (46): **Maturity of profits**	Shareholders is entitled to share of profits in accordance with decision of the general assembly issued in this regard. The decision shall clarify date of maturity and date of distribution. Priority of such profits is given to holders of shares registered with shareholders' registers by end of day set forth for maturity. The company shall notify the Capital Market Authority without any delay with decisions on distribution of profits or recommendations on the same. Profits distributable to shareholders shall be paid at place and times established by the board of directors in accordance with instructions issued by the	Shareholders is entitled to share of profits in accordance with decision of the general assembly issued in this regard. The decision shall clarify date of maturity and date of distribution. Priority of such profits is given to holders of shares registered with shareholders' registers by end of day set forth for maturity. The company shall notify the Capital Market Authority without any delay with decisions on distribution of profits or recommendations on the same. Profits distributable to shareholders shall be paid at place and times established by the board of directors in accordance with instructions issued by the competent department and in consideration of prior written consent of the Saudi Central Bank.

	competent department and in consideration of prior written consent of the Saudi Arabian Monetary Authority.	
Article (47): Losses of the Company	If the Company's losses reached half of its paid-up capital, at any time during the financial year, any executives of the Company or the Auditor, as soon as such losses become known to them must immediately notify the Chairman of the Board of Directors. The Chairman of the Board shall immediately notify other Board members of that situation, and the Board must, during (15) days of their knowledge of the situation, call for an Extraordinary General Assembly Meeting during (45) days of their knowledge of the situation to decide either to increase the Company's share capital or to reduce it in accordance with the regulations of the Companies Act, and to the extent that will decrease the percentage of the Company's losses to be less than half of the paid-up capital; or to dissolve the Company prematurely and before its expiry as stated in Bylaws of the company. In any case, the decision of the extraordinary general assembly shall be published on the websites of the Ministry of Commerce and Investment. The Company shall be considered as dissolved by force of the Companies' Act, if the Extraordinary General Assembly did not meet during the period set forth in the above clause, or if it held the meeting but did not pass a resolution in the matter, or if it decided to increase the Capital in such manner as	If the Company's losses reached half of its paid-up capital, at any time during the financial year, any executives of the Company or the Auditor, as soon as such losses become known to them must immediately notify the Chairman of the Board of Directors. The Chairman of the Board shall immediately notify other Board members of that situation, and the Board must, during (15) days of their knowledge of the situation, call for an Extraordinary General Assembly Meeting during (45) days of their knowledge of the situation to decide either to increase the Company's share capital or to reduce it in accordance with the regulations of the Companies Act, and to the extent that will decrease the percentage of the Company's losses to be less than half of the paid-up capital; or to dissolve the Company prematurely and before its expiry as stated in Bylaws of the company. In any case, the decision of the extraordinary general assembly shall be published on the websites of the Ministry of Commerce and Investment. The Company shall be considered as dissolved by force of the Companies' Act, if the Extraordinary General Assembly did not meet during the period set forth in the above clause, or if it held the meeting but did not pass a resolution in the matter, or if it decided to increase the Capital in such manner as set forth stated in this article and the entire Capital increase was not subscribed for during (90) days since the issuance of the General Assembly resolution.

	set forth stated in this article and the entire Capital increase was not subscribed for during (90) days since the issuance of the General Assembly resolution.	
Article (48): **Company's Liability:**	Company shall be liable with all actions and conducts of the board of director even if they are out of competency thereof, unless if the stakeholder has a bad faith or knows that such actions are outside competency of the board.	Company shall be liable with all actions and conducts of the board of director even if they are out of competency thereof, unless if the stakeholder has a bad faith or knows that such actions are outside competency of the board.
Article (49): **Liability of Board Members:**	Members of the board of directors are jointly liable for compensating company, shareholders or third parties for damage arising out of their mismanagement of company's affairs or violating provisions of Cooperative Insurance Companies Controlling Law and Implementing Regulation thereof, other related regulations and instructions and any condition contrary to the same is inoperable. All members of the board of directors are liable if fault took place attributing to unanimous decision issued by them. For decisions adopted under majority of votes; the members rejecting the same are not liable for such decisions when they could prove their express objection in minute of meeting. Absence from the meeting in which decision is adopted in not reason to relieve member from liability, unless if the absent member could prove that he does not know about the decision or	1- 1. Members of the board of directors are jointly liable for compensating company, shareholders or third parties for damage arising out of their mismanagement of company's affairs or violating provisions of Cooperative Insurance Companies Controlling Law and Implementing Regulation thereof, other related regulations and instructions and these Bylaws and any condition contrary to the same is inoperable. All members of the board of directors are liable if fault took place attributing to unanimous decision issued by them. For decisions adopted under majority of votes; the members rejecting the same are not liable for such decisions when they could prove their express objection in minute of meeting. Absence from the meeting in which decision is adopted in not reason to relieve member from liability, unless if the absent

	could not object the same upon knowing such decision. Consent of the ordinary general assembly on clearing/discharging members of the board shall not preclude the filing of liability claim. Liability claim could not be heard upon lapse of three (3) years from date of discovering the damaging action, except in fraud and forgery conditions. Generally, liability claim could not be heard after five (5) years from expiry date of the fiscal year in which the damaging action took place or after three (3) years from date of membership expiry of the concerned member of the board, whichever is far. Each Shareholder shall have the right to institute an action for liability prescribed for the Company against the Board members if the wrongful act committed by them caused personal harm to that shareholder. The shareholder may only institute such action if the Company's right to do so is still valid and notifying the Company of his intention to institute such an action and right is limited to claim the reimbursement for damage affected him.	member could prove that he does not know about the decision or could not object the same upon knowing such decision. 2- Consent of the ordinary general assembly on clearing/discharging members of the board shall not preclude the filing of liability claim. 3- Liability claim could not be heard upon lapse of three (3) years from date of discovering the damaging action, except in fraud and forgery conditions. Generally, liability claim could not be heard after five (5) years from expiry date of the fiscal year in which the damaging action took place or after three (3) years from date of membership expiry of the concerned member of the board, whichever is far. 4- Each Shareholder shall have the right to institute an action for liability prescribed for the Company against the Board members if the wrongful act committed by them caused personal harm to that shareholder. The shareholder may only institute such action if the Company's right to do so is still valid and notifying the Company of his intention to institute such an action and right is limited to claim the reimbursement for damage affected him. 5- It is possible to charge the company with the following expenses being incurred by shareholder to bring a claim regardless outcome thereof, under the following conditions:

		a. If he filed a claim in good faith. b. If he provided the company with reason behind filing such claim and did not receive respond within thirty (30) days. c. If the company's interest requires the filing of such claim based on provisions of article (49) of the Law. d. If the claim is based on true and valid grounds.
Article (50): Dissolution of the Company	The resolution shall include the appointment of the liquidator, specifying his powers and fees, the restrictions imposed on his powers and the time required for liquidation. The voluntary liquidation period shall not exceed five (5) years and may not be extended by a judicial order. The powers and authorities of the members of the Board of Directors shall cease upon the dissolution of the Company. Nevertheless, the Board of Directors will continue to manage the Company, and will be deemed, as regards third parties, to be the liquidators of the Company until such time when a liquidator is appointed. The Company's General Assembly shall remain active during the liquidation period and their role shall be limited to exercising such powers as not inconsistent with those of the liquidator. Liquidation shall maintain rights of shareholders in insurance operations surplus and reserves created under articles (44) and (45) of these Bylaws.	1- The Company, once dissolved, will enter into the phase of liquidation and it will retain its legal personality to such extent as required for its liquidation. 2- 2. The liquidation resolution shall be issued by the partners or the Extraordinary General Assembly. 3- The resolution shall include the appointment of the liquidator, specifying his powers and fees, the restrictions imposed on his powers and the time required for liquidation. The voluntary liquidation period shall not exceed five (5) years and may not be extended by a judicial order. 4- The powers and authorities of the members of the Board of Directors shall cease upon the dissolution of the Company. Nevertheless, the Board of Directors will continue to manage the Company, and will be deemed, as regards third parties, to be the liquidators of the Company until such time when a liquidator is appointed. The Company's General Assembly shall

		remain active during the liquidation period and their role shall be limited to exercising such powers as not inconsistent with those of the liquidator. Liquidation shall maintain rights of shareholders in insurance operations surplus and reserves created under articles (44) and (45) of these Bylaws.
Article (51): Company's Law	Unless otherwise provided for in these Bylaws, provisions of Cooperative Insurance Companies Controlling Law and Implementing Regulation thereof, Companies Act and Regulations thereof, other related regulations and instructions shall apply herein.	Unless otherwise provided for in these Bylaws, provisions of Cooperative Insurance Companies Controlling Law and Implementing Regulation thereof, Companies Act and Regulations thereof, other related regulations and instructions shall apply herein.
Article (52): Publication	These Bylaws shall be filed and published in accordance with provisions of the Companies Act and Regulations thereof.	These Bylaws shall be filed and published in accordance with provisions of the Companies Act and Regulations thereof.

Article	Article before modification	Article after modification	Reason
3.2 Fit and proper.	Members of the Board, Board committees, and Senior Management shall be trustworthy and shall have the integrity, competency, knowledge, and experience to fulfill their respective roles and shall comply with all laws, regulations, and rules and circulars issued by SAMA at all times. Significant Shareholders shall be of good conduct and reputation, financially sound, with no convictions related to committing any action involving moral dishonesty or contravention of laws in the Kingdom of Saudi Arabia or any other jurisdiction. All appointments to senior positions including members of the Board of Directors and its committees shall be made in accordance with SAMA's Requirements for Appointments to Senior Positions in Financial Institutions. The nomination and remuneration policy followed by the Company shall have formal and rigorous standards and procedures to continuously monitor and assess the fitness and propriety of Board members, members of Board committees, and members of Senior Management, in accordance with the requirements of the Insurance Corporate Governance Regulation and the Corporate Governance Regulations, and immediately notify SAMA and relevant authorities of any information and circumstances that may be relevant to the assessment of fitness and propriety of these persons within (5) Five business days from the day of obtaining the information or from the day that any change occurred.	Members of the Board, Board committees, and Senior Management shall be trustworthy and shall have the integrity, competency, knowledge, and experience to fulfill their respective roles and shall comply with all laws, regulations, and rules and circulars issued by SAMA at all times. Significant Shareholders shall be of good conduct and reputation, financially sound, with no convictions related to committing any action involving moral dishonesty or contravention of laws in the Kingdom of Saudi Arabia or any other jurisdiction. All appointments to senior positions including members of the Board of Directors and its committees shall be made in accordance with SAMA's Requirements for Appointments to Senior Positions in Financial Institutions. The nomination and remuneration policy followed by the Company shall have formal and rigorous standards and procedures to continuously monitor and assess the fitness and propriety of Board members, members of Board committees, and members of Senior Management, in accordance with the requirements of the Insurance Corporate Governance Regulation and the Corporate Governance Regulations, and immediately notify SAMA and relevant authorities of any information and circumstances that may be relevant to the assessment of fitness and propriety of these persons within (3) Five business days from the	**To comply with Requirements for Appointments to Senior Positions.**

		day of obtaining the information or from the day that any change occurred.	
3.10 Role and Responsibilities of the Appointed Actuary	The Appointed Actuary shall not be a Board member or Managing Director or General Manager or a related party. He shall be responsible for providing independent actuarial information, advice and services, particularly with respect to: ➢ reviewing the financial position of the company; ➢ reviewing the adequacy of the company's technical provisions in terms of meeting its future obligations; ➢ reviewing the mathematical reserves for Protection & Savings business (where applicable); ➢ providing sound advice to the management regarding solvency of the Company; ➢ assessing adequacy of reinsurance arrangements and the appropriate risk retention levels; ➢ reviewing the Company's investment policy and analysing the actual investment returns earned by the Company's investment department; ➢ reviewing the expenses and commenting on the expense analysis; ➢ preparing reports in accordance with the financial reporting forms required by SAMA; ➢ advising on any other actuarial matters. As part of his core responsibility, the Appointed Actuary shall provide an annual Financial Condition Report (FCR) covering items mentioned above and shall submit the	**Role and Responsibilities of the Appointed Actuary** For the purpose of providing unbiased and objective advice in accordance with these Rules, the Appointed Actuary shall act in good faith, honestly and reasonably, exercise due care and diligence and independent judgement in the best interests of the Company and its policyholders, putting the interests of the Company and its policyholders ahead of any personal interests and avoiding conflicts of interest with the exercise of his or her responsibilities. The Appointed Actuary shall: 1. Perform the work entrusted to them in accordance with actuarial principles and standards issued by the Actuarial Association of which they are a member and be accountable to that Actuarial Association as regards compliance with that Actuarial Association's professional standards as well as to SAMA as regards compliance with these Rules and SAMA's Instructions. 2. Perform their duties with honesty, integrity and competence, avoiding conflicts of interest and providing unbiased and objective advice, and shall not conceal any facts relating to the	**To comply with Actuarial Work Rules for Insurance.**

	report to the Company's Management, Board of Directors, and SAMA. The Appointed Actuary shall also carry out a midyear review exercise and submit a report to the Company's Management and Board of Directors, and the Company's Management should submit a report to SAMA by the end of the eighth month of the current financial year. The Appointed Actuary shall follow the detailed guidelines that SAMA issues from time to time regarding the contents of the mid-year report and take into consideration the requirements stated in the Actuarial Work Regulation for Insurance and/or Reinsurance Companies. The Appointed Actuary shall prepare other reports as required by the Actuarial Work Regulation for Insurance and/or Reinsurance Companies. The role of the Appointed Actuary includes: ➢ specifying, building and operating actuarial and statistical models to meet business needs and requirements, ensuring methods and assumptions used are appropriate and consistent with relevant Regulatory and Group/ Regional guidelines. ➢ contributing to reserving and business planning and management processes through the provision of accurate and timely information, reports and appropriate commercial actuarial advice and services.	Company's financial or technical position or knowingly provide incorrect information. 3. Not disclose the Company's confidential information, or information obtained during the performance of his or her work while he or she is fulfilling his or her responsibilities or after its completion except that this disclosure is to SAMA, or an application of relevant regulations or SAMA's Instructions. 4. Review and take responsibility for all work carried out on their behalf. 5. Keep records of their work subject to strict data confidentiality, organized according to their Actuarial Association's professional standards. The records shall include the copies of the documents that must be provided to the Company and to SAMA, and the base data from which the documents have been derived and all supporting calculations. 6. Where the Appointed Actuary is not an employee of the Company, the records referred to in Item (5) above must be held within the Company and retained by the Company for at least ten years within the Company after the date of the report to which the records or documentation relates, and must be accessible only to the	

	➢ developing actuarial/statistical models as required to support and inform business activities and decisions. ➢ conducting detailed actuarial analyses as required, including working with complex or partial data, to produce timely, accurate, insightful and commercially appropriate outputs. ➢ building and maintaining effective working relationships with information suppliers and users/customers in order to ensure information is 'fit for purpose'. ➢ contributing to corporate transactions and business change activities providing accurate and reliable models and forecasts to support decision making and action planning. ➢ making sure that quarterly meetings are held with the Company's management to discuss the reserves recommendation and answer to any challenges raised by them. ➢ reviewing and approving actuarial/statistical work done by others, ensuring it is accurate, complete, uses appropriate methods and assumptions and is generally 'fit for purpose'. ➢ performing a profit test of the premium rates; ➢ advising on the terms and conditions of insurance policies. ➢ determining and ensuring the adequacy of the mathematical reserves.	Appointed Actuary and his or her delegates, the Company and SAMA. 7. Perform Actuarial Services where competent and appropriately experienced to do so. 8. Ensure consistency of their work with applicable financial reporting standards in the Kingdom. 9. Advise on any other matters as instructed by the Board of Directors and Senior Management, provided that this does not conflict with his or her responsibilities as set out in these Rules and SAMA's Instructions. **In addition to the roles and responsibilities set out in these Rules, the Appointed Actuary of a Company authorized to transact Protection and Savings insurance business shall undertake the following:** 1. Perform a profit test of the adequacy of premium rates at the introduction of new products and whenever it is proposed that premium rates shall be revised and advise on Technical Prices. 2. Advise on the terms and conditions of insurance policies, including the fairness of expenses charged and investment returns allocated to policyholders. 3. Determine and ensure the adequacy of insurance contract Assets and Liabilities	

	➢ advising on the determination of the allocation of profits or bonuses to the with-profits Protection & Savings insurance policyholders (as applicable). ➢ determining the amounts payable to the policyholders in case they surrender their policies. ➢ obtaining all required information from the previous Appointed Actuary. ➢ examining the Company's overall financial position. ➢ assessing the Company's capital adequacy. ➢ evaluating the Company's ability to meet its future obligations. ➢ pricing the Company's Protection and Savings, Health, and Motor Insurance products; and providing recommendations on the company's premium rates adequacy for other general classes of business. ➢ determining and recommending the Company's technical provisions. ➢ coordinating with the Company's risk management officers on estimating the impact of material risks and identifying appropriate mitigation techniques for those risks. ➢ assessing the adequacy of reinsurance arrangements and the appropriate risk retention levels and providing a recommendation of the optimal retention level. ➢ providing recommendations to the Company's Board of Directors regarding the Company's investment policy, keeping in view the nature and	including Mathematical Reserves, based on appropriate experience studies. 4. Advise on the determination of the allocation of surplus, profits or bonuses to the with-profits Protection and Savings insurance policyholders. The Appointed Actuary shall have the right to access the board papers, accounting books and other records and documents, business plans, supporting analyses and schedules deemed necessary for the carrying out of their duties and be entitled to obtain from the Board of Directors and Senior Management of the Company the information and explanations the Appointed Actuary deems necessary, subject to appropriate controls to maintain the confidentiality of the Company's information by the Appointed Actuary, and all those who assist the Appointed Actuary in the discharge of his or her responsibilities. **Role and Responsibilities of the Board of Directors and Senior Management as Regards the Appointed** The Board of Directors and Senior Management of the Company must ensure that the responsibilities of the Appointed Actuary can be carried out without delay. This includes:	

	timing of policyholders' liabilities and the availability of appropriate assets. ➢ determining the surplus or deficit for the overall Company. ➢ preparing the appropriate reports in accordance with the financial reporting forms required by SAMA. ➢ Reviewing the underwriting manuals of the Company. ➢ Providing advice on any other actuarial matters. The Appointed Actuary shall ensure that his work is "Peer Reviewed" in accordance with Articles 24 and 25 of the Actuarial Work Regulation for Insurance and/or Reinsurance Companies issued by SAMA. The Appointed Actuary's role shall terminate in the following situations: ➢ Resignation or dismissal of the Appointed Actuary in case of an in-house Actuary. In case of a dismissal SAMA shall be notified of the reason(s) for the dismissal. ➢ In case of an external Actuary, expiry of contract unless the contract has been extended with the consent of the Company and the Appointed Actuary. ➢ Cancellation of the contract during the term of the contract either by the Company or the Appointed Actuary. In either case, SAMA needs to be	1. Providing the Appointed Actuary with direct access to the Board of Directors and Senior Management and internal and external auditors of the Company. 2. Providing the Appointed Actuary with access to such information and explanations as needed to comply with these Rules. 3. Responding to requests for information from the Appointed Actuary in an accurate, comprehensive and timely manner. 4. Considering and taking such actions as they consider appropriate based on the recommendations included in all reports provided by the Appointed Actuary. 5. Ensure the effectiveness, adequacy and objectivity of the Appointed Actuary, for instance, ensuring the appropriate performance of his role, and the adequacy and effectiveness of the internal procedures and systems, technical program used, and human resources. **Reporting by the Appointed Actuary** The Appointed Actuary must ensure that each actuarial report they produce in accordance with these Rules and SAMA's Instructions is clear, comprehensive and presented by him or her in a manner which adequately explains and gives	

	informed of the cancellation and the reason(s) that triggered it. ➢ SAMA notifies the Company to replace the Appointed Actuary if he or she is found to be unfit to undertake his or her responsibilities. The Company shall notify SAMA of the termination of the Appointed Actuary within (5) working days, and shall appoint or hire another Actuary within a period not exceeding sixty (60) calendar days from the date of termination of function of the previous Appointed Actuary.	sufficient prominence to issues and developments which have material implications for the Company, or the interests of its policyholders or Beneficiaries, so that another Qualified Actuary can follow the report and come to a consistent conclusion. **Each actuarial report produced in accordance with these Rules and SAMA's Instructions should, as a minimum:** 1. Contain an executive summary setting out its results and key findings. 2. Set out in an introduction the purpose of the report, the credentials of the Appointed Actuary, and a description of the subject business and the risks this gives rise to, relevant summary information on the Company's system of risk management, and any other relevant background information in the judgement of the Appointed Actuary. 3. Contain a clear statement that the report is made by an individual acting in a formal capacity as the Appointed Actuary. 4. State the actuarial guidance and financial reporting standards that are being followed. 5. Set out any reliances and limitations including commentary on materiality, areas of uncertainty and any restrictions that the Company or any other party has	

		imposed that prevents full access to the information required, so that a suitably informed reader can form a view on the weight to be attached to the reported findings. 6. Any reliance on an external source should be cited. 7. Refer to the results of the previous report on the same subject matter explaining key differences from the results previously reported, including providing appropriate details of all key changes with regard to data, methodology, assumptions and results. 8. Contain an explanation of the data received and checks performed on the data to check its veracity and comprehensiveness. Any data-specific limitations should be listed. 9. Explain the approach and methodology adopted including an explanation of the choice of methodology and assumptions and an explanation of why these are considered appropriate, addressing both the subject matter of the report and its results, and any specific matters that have affected the approach to the analysis. 10. Summarize and highlight any changes to the methodology and assumptions from the previous report, and the reasons for such changes should be fully explained to	

		supplement the summary of changes provided at (7) above. 11. Provide evidence of sufficient analysis and details of calculations (including Appendices) together with the calculations and other workings to enable a suitably informed reader to reproduce the analysis in order to check the results. These calculations should be consistent with current financial reporting standards in the Kingdom where applicable. 12. Set out results and conclusions clearly and comprehensively including any required explanations and commentary. 13. Explain the scope of the Peer Review process and the identity and credentials of the peer reviewer and their conclusions. 14. Set out a glossary of terms used that may not be clear to the reader. 15. Disclose any other relevant matters. **The Appointed Actuary shall comply with the Peer Review requirements of their Actuarial Association in carrying out their responsibilities in accordance with these Rules and SAMA's instructions, having satisfied themselves that the peer reviewer is independent of the subject matter to be reviewed and appropriately qualified and experienced.**	

		1. The Appointed Actuary must take appropriate steps to effectively engage the Board of Directors and Senior Management in the findings of his or her reports, presenting and discussing findings directly with the Board of Directors and with the Audit and/or Risk Committee and, where relevant, the Company's internal and external auditors. 2. Communication between the Appointed Actuary and the Senior Management and Board of Directors on actuarial matters shall be timely and the method of communication must be appropriate, having regard to the purpose and significance of the subject matter. The Appointed Actuary must take reasonable steps to ensure that any report or communication with which he or she is associated is effective, not misleading and cannot reasonably be misinterpreted. The technical components of actuarial reports shall be presented in a manner that can be understood and acted upon by a suitably informed reader to support effective and informed decision-making by the Board of Directors and Senior Management.	

		The Appointed Actuary shall report on an urgent basis (known as an Urgent Interim Report) directly to the Company's Board of Directors and the Compliance Function in the Company in the following cases, notwithstanding that the Appointed Actuary may not have completed their analysis and investigations: 1. If there are immediate or future threats facing the Company that may significantly adversely affect it, including but not limited to the following: a. Solvency. b. Obligations of Reinsurance Companies and the Company's. obligations to its Reinsurance Companies. c. Risk Retention levels. d. Profitability of the Company's products. e. Pricing of the Company's products. f. Adequacy of Insurance contract liabilities. 2. If the Company has evidently breached the provisions of the Law and its Implementing Regulation or these Rules or SAMA's Instructions about the Company's financial position, Insurance Contract Assets and Liabilities (including where relevant Technical Provisions), or any matter that may affect the interests of the policyholders or the Beneficiaries of Insurance policies or future	

		policyholders or future Beneficiaries of Insurance policies. 3. If the Company does not allow the Appointed Actuary to perform the duties and responsibilities assigned to them under the Law and its Implementing Regulation, these Rules and SAMA's Instructions. The Board of Directors shall examine any Urgent Interim Report and recommend and implement corrective actions and forward such measures and all related information on actions taken and planned to the Appointed Actuary and SAMA no later than (10) working days of receiving any Urgent Interim Report. If the Appointed Actuary is not reasonably satisfied with the response of the Board of Directors to any Urgent Interim Report, they shall send a copy of their report to SAMA within (15) working days of its issue. SAMA may provide observations and questions on any actuarial reports that are submitted by an Appointed Actuary and such actuarial reports must be resubmitted to address any such observations and questions raised by SAMA.	

		The Appointed Actuary's Responsibilities in Respect of the Data 1.The Appointed Actuary must take all reasonable steps to ensure the consistency, accuracy and completeness of the data used in their analysis. All reports required by these Rules and SAMA's instructions should contain, as a minimum, the following: a. Confirmation that the available data allows the desired analysis to be completed in the Appointed Actuary's professional judgement and with due regard to professional standards. b. Disclosure of known material data limitations and their implications, and how allowance has been made for the data limitations in the results presented and analysis performed. c. A full description of the data that was used. d. A full description of all data validations carried out. e. The precise period of investigation that the data is derived from must be stated. f. Reasonableness checks against data in the most recent prior report should be described. g. An explanation of any adjustments or filtering of the raw data, and the impact estimated. 2. An Appointed Actuary's report shall not include caveats that seek to place full reliance on others for data quality. The Appointed Actuary shall carry out sufficient checks to satisfy himself	

		or herself as to the results of the report presented. 3. Data limitations are to be remediated by the Company in full in the period in which they are identified. Where full remediation is not possible the timing for remediation is to be estimated by the Appointed Actuary and reported in the current report immediately following the identification of the data limitations, appropriate provision made to account for such data limitations in the subject report and progress reported in all future relevant reports until such data limitations are remediated and the provisions for data limitations are released. **Data Confidentiality** Companies must establish a documented code of conduct, internal policies, procedures and controls and sufficient safeguards to ensure the confidentiality of all data within the scope of these Rules, whether in written, electronic, or other digital form, and to monitor and ensure compliance with that code of conduct and applicable data privacy or confidentiality obligations. As a minimum, the code of conduct, internal policies, procedures and controls must address: 1. The physical, electronic and cyber security of data: a. Within the Company,	

		b. When data is being exchanged and reports transmitted to and from the Appointed Actuary, where the Appointed Actuary is not an employee of the Company, c. Held by the Appointed Actuary, where the Appointed Actuary is not an employee of the Company, and. d. Reports being transmitted to SAMA. 2. Whether data may be transmitted outside the Kingdom, and what additional safeguards are required if this is the case (such as encryption or requiring Actuarial Services to be carried out on the Company's premises and using its information technology systems). 3. Compliance with the Company's code of conduct and the effectiveness of controls over the confidentiality of data within the scope of these Rules must be tested at least annually. The Company, the Appointed Actuary and the Actuarial Service Provider shall comply with all relevant data confidentiality and protection laws and regulations of the Kingdom.	

		The Appointed Actuary's Role in Respect of Reserving Annually and for each reporting period as specified by SAMA the Appointed Actuary shall: 1. Determine and recommend to the Board of Directors and Senior Management the Company's Insurance Contract Assets and Liabilities (including where relevant Technical Provisions), using appropriate methodologies and assumptions for their determination, consistent with current financial reporting standards applicable in the Kingdom. 2. Perform actual versus expected analysis by comparing actual experience with previous relevant estimates of claims and other liabilities where relevant. 3. Prepare the appropriate reports in accordance with SAMA instructions. 4. In respect of Protection and Savings insurance business: a. Determine and ensure the adequacy of the Insurance Contract Assets and Liabilities (including where relevant) Mathematical Reserves). b. Advise on the determination of the allocation of surplus, profits or bonuses to the policyholders.	

		The Appointed Actuary's Role in Respect of Pricing and Pricing Adequacy The Appointed Actuary shall, as a minimum, in respect of every Company that is an Insurer: 1. Investigate, advise and report to Senior Management, the Board of Directors and to SAMA in the form of a Pricing Report at least annually on the Technical Pricing of the risks in the insurance company's Medical Expense, Motor and Protection and Savings products and such other classes of business as are required by SAMA's instructions; and, 2. In respect of Protection and Savings Insurance business: a. Perform a profit test of the premium rates. b. Review and advise on product development and design, including the terms and conditions of Insurance contracts and pricing, along with the estimation of the capital required to underwrite the products. 3. Report to Senior Management, the Board of Directors and to SAMA on the above in accordance with SAMA's Instructions to be known as the Pricing Report/s and Pricing Adequacy Report/s and as per the Board of Directors' and Senior Management's instructions.	

		1. A Company and its Appointed Actuary should derive Technical Prices using the Company's own experience where this information is available and reliable. 2. In the absence of the Company's own experience, for example when entering a new line of business, Technical Prices may be developed from other sources, but appropriate allowance should be made for any differences between the Company's data and the source from which the information has been derived. The Appointed Actuary of an Insurance Company shall submit such periodic pricing adequacy reports, comparing actual selling prices for its Insurance contracts with the relevant Technical Prices, to SAMA, the Company's Senior Management, Board of Directors, in respect of its Medical Expense and Motor classes of business, and such other classes of business as are required by SAMA's Instructions. SAMA may require an Insurance Company to submit to SAMA a supplementary pricing report or pricing adequacy report from its Appointed Actuary in such form and at such timing as it prescribes on a case by case basis at the expense of the Insurance Company. SAMA may require a Reinsurance Company to submit to SAMA such information on the	

		Technical Pricing of the risks it accepts and retains, as SAMA shall from time to time prescribe. **The Appointed Actuary's Role in Assessing Solvency and Capital** 1. The Appointed Actuary shall investigate and provide advice to the Company on its current solvency position and the adequacy of the capital that it holds by projecting the Company's solvency position into the future under varying assumptions in order to assess its financial strength and identify the major risk factors affecting the Company. 2. The Appointed Actuary shall investigate and provide advice to the Company on its prospective solvency position by conducting stress tests and scenario analysis under various assumptions and performing capital adequacy assessments, evaluating the relative impact of the output from such tests and analysis on the Company's assets, liabilities, and actual and future capital levels and business plans, and shall investigate and advise on the development and use of models for these purposes. These investigations should be consistent with current financial reporting standards applicable in the	

		Kingdom and take into consideration any of SAMA's Instructions issued from time to time. 3. The results of these investigations are to be reported to Senior Management, the Board of Directors and SAMA in a form and at dates as prescribed by SAMA. **The Appointed Actuary's Role in Risk Management** **The Appointed Actuary shall:** 1. Coordinate with the Company's risk management officers on estimating the impact of material risks and identifying appropriate mitigation techniques for those risks and provide input into SAMA's risk management requirements. 2. In respect of an Insurance Company, assess the appropriateness of Reinsurance arrangements and risk Retention levels for each line of business having regard to the Company's risk appetite, making recommendations to Senior Management and the Board of Directors in a form and at dates as prescribed by SAMA. 3. In respect of a Reinsurance Company, assess the appropriateness of Retrocession arrangements and risk Retention levels for each line of business having regard to the Company's risk appetite, making recommendations to Senior Management and the Board of Directors in a form and at dates as prescribed by SAMA.	

		4. Coordinate with the Investment Committee and investment manager to provide recommendations to the Company's Senior Management and Board of Directors regarding the Company's investment policy and asset liability management strategy, keeping in view the nature and timing of Insurance Contract Assets and Liabilities and the availability of appropriate assets in a form and at dates as prescribed by SAMA. 1. The Appointed Actuary of an Insurance Company shall submit a Reinsurance report to the Company's Senior Management, Board of Directors and SAMA. The report shall be submitted in a form and at dates to be prescribed by SAMA's instructions 2. This report shall assess the appropriateness of Reinsurance arrangements and risk Retention levels for each line of business having regard to the Company's risk appetite, capital adequacy and the total exposure currently underwritten and expected to be underwritten in the following financial year and provide observations on risk Retention levels, considering: a. Profit sharing mechanisms or variable commissions. b. Loss sharing mechanisms.	

		c. Any caps on the Reinsurance Companies' total exposure under Reinsurance treaties. d. Any caps on the Reinsurance Companies' exposure to single events, incidents or claims. e. Any swing rates where Reinsurance premiums are adjusted based on the results of the Reinsurance. f. The possible impacts of reinstatements or aggregate deductibles on excess of loss treaties. g. How Reinsurance arrangements are expected to operate under stress scenarios. 3. The Appointed Actuary shall review and comment on the effectiveness of the Company's procedures to assess whether or not any Reinsurance contracts transfer significant Insurance risk to the Reinsurance Company, particularly in conjunction with any side letters or other arrangements, and report accordingly. 1. The Appointed Actuary of a Company shall submit an investment and asset liability management report to the Company's Senior Management, Board of Directors and SAMA in a form and at dates to be prescribed by SAMA.	

		2. This report shall assess the suitability of the Company's investment policy and asset liability management strategy, having regard to the total exposure currently underwritten and expected to be underwritten in the following financial year, addressing the nature and timing of Insurance Contract Assets and Liabilities and the availability of appropriate assets, coordinating with the Investment Committee and investment manager for the purposes of its production.	