

The Message of the Chairman of the Board of Directors

Dear Shareholders,

On behalf of my colleagues, members of the Board of Directors of Al Sagr Cooperative Insurance Company, I am pleased to present to the honorable shareholders the report of the Board of Directors for the financial year ending 12/31/2020, attached to the company's financial statements after the completion of their review and audit by the external auditors and the Audit Committee. The Report includes within it the results of the company's business and developments during the past year, and information about the members of the board of directors and the committees emanating from them. Elected and appointed BOD members for the current three-year tenure that began on 06/16/2020 and ends on 06/15/2023.

Currently (272) employees with a high level of training and professional experience work for Al Sagr Cooperative Insurance Company. In this regards the company paid high attention in recruiting and qualifying Saudi employees out of its keenness to support them and raise their level of leadership skills and ability to assume responsibilities and hold leadership positions.

The year 2020 witnessed many challenges and difficult circumstances in light of Coronavirus (COVID-19) pandemic that affected the whole world. These challenges also affected Al Sagr Company. However, we have demonstrated our capabilities to address the difficult circumstances. We believe that the credit for overcoming these circumstances and making achievements is due to your confidence in Al Sagr Cooperative Insurance Company, the Company's commitment to governance standards and best professional practices, and to enhancing the principles of disclosure and transparency, hoping that we have succeeded in presenting a clear and adequate picture.

Al Sagr Cooperative Insurance Company is committed to the directives and instructions of SAMA, the Capital Market Authority and other regulators and supervisory authorities. This report has been prepared in line with the instructions of these authorities. From this point of view, we would like to thank all the [Kingdom's] regulators and supervisory authorities for their efforts to support the Company and their keenness on its benefit to enable it to provide the best, enhanced services.

Please accept my sincere appreciation and respect

Fahad bin Abdulrahman Al-Turki
Chairman of Board of Directors

Introduction

This report on the last fiscal year, starting from 01/01/2020 to the end of 12/31/2020, was prepared by the Board of Directors of Al Sagr Cooperative Insurance Company to be presented to the shareholders, comprising by the company's financial statements after completing their review and auditing by the external auditors. This report has been prepared in accordance with and implementing regulations issued by the regulators and supervisory authorities in force in the Kingdom of Saudi Arabia. And based on the mandatory requirements, the report also included data related to the disclosure and the activities and operations of the company that took place in the fiscal year 2020, with the aim of ensuring that the rights of shareholders are preserved and to facilitate their access to all information and data in a clear manner that enables them to view and evaluate the company's financial position.

About Al Sagr Cooperative Insurance Company

Al Sagr Company has been established its business since 1983, as a branch of the Al Sagr National Insurance Company, based in the United Arab Emirates, and then moved to work as an agent for the Saudi Al Sagr Insurance Company, based in the Kingdom of Bahrain. After obtaining all the Legal licenses according to the insurance regulations in the Kingdom of Saudi Arabia, Al Sagr Cooperative Insurance Company conducts its business as a joint stock company listed in the Saudi Stock Market (Tadawul) with a capital of 400 million Saudi Riyals paid by the company. In order to develop its business and provide the best insurance services, Al Sagr Cooperative Insurance Company sought to expand the scope of its insurance activity, as it now owns several branches and points of sale spread in all regions of the Kingdom of Saudi Arabia. It also covers all segments of society, whether individuals or commercial entities, taking into account the insurance needs of the different size and scope of business which in turn, enhancing the company to be one of the leading insurance companies in the Saudi market based on ethical standards and practices that are fair and responsible towards society.

1. Company Activities:

The main activity of the company is insurance, as the company's work team consisting of a group of qualified employees with the highest levels of professionalism seeks to provide the best insurance solutions. The main insurance services provided by the company are as follows:

A. Medical Insurance:

Providing the best health care insurance programs in accordance with the terms, conditions and regulations of the Council of Cooperative Medical Insurance in the Kingdom of Saudi Arabia, in addition to providing a comprehensive reliable medical network of medical service providers that include hospitals, clinics and pharmacies.

B. Property Insurance:

They are as follows:

1. Insurance against the dangers of fire and lightning strikes: protection of property in a specific location.
2. Property all risks insurance: protecting property from damage as a result of an accident.

3. Profit loss insurance: coverage for loss due to damage resulting from stopping work as a result of an accident.

C. Travel Insurance:

Protection against travel losses.

D. Marine Insurance:

1. Marine Cargo Insurance: Protecting the goods against maritime transport damage.
2. Ship insurance: protecting the hull of ships against marine accidents.

E. Engineering Insurance:

1. Comprehensive Contractors' Insurance: Insurance for contractors' works against damage that results from an accident.
2. Equipment insurance: Equipment insurance against external damages.

3. Equipment breakdown insurance: Insurance for equipment against sudden failure.
4. Insurance for loss of profits as a result of failure of devices and equipment: Compensation for the loss resulting from hardware failure.
5. Boiler and pressure vessel insurance: Compensation for any harm caused by boilers and pressure vessels.
6. Goods damage insurance: Compensation for damage resulting from deterioration of goods.
7. Hardware and equipment insurance: Insurance against damage resulting from electronic devices.

F. Motor Insurance:

Protection against damage caused by accidents.

G. Insurance against errors of medical practice:

Protection against damage that results from medical errors.

H. Liability Insurance:

1. Workers' Compensation Insurance: Compensation for damages occurring in the work environment.
2. General Liability Insurance: Protection of the insured against the claims filed against them.
3. Professional Errors Insurance: Protecting the insured from their professional errors.

2. Description of the Major Strategic and Operational Decisions and Achievements

- A. Launching the company's website and starting Medical Insurance sales, travel insurance sales and Motor Insurance sales through the company's website.
- B. Working on opening a new branch for the company in Al-Khobar city and shifting the company's branches in Riyadh and Jeddah to more attractive commercial sites close to the commercial markets.
- C. Improving work procedures at the company's points of sale to facilitate and raise the quality of service provision to individual customers and SME's groups.
- D. In order to improve and develop customer service, the company signed a contract with AMEYO (Customer Interaction Platform) to enter and receive all customer requests.
- E. Established a Sales Support Section to support sales and provide competitive insurance services to other companies.
- F. Signed a contract with Infotech 3 that provides effective solutions and comprehensive software to manage PREMIA[®] insurance business operations.
- G. Developing work procedures for managing vehicle claims by shifting to centralization in managing demands to reduce vehicle-related claims and implementing vehicle sales "Salvage" via the Internet Salvage to increase the recovery value and make use of Salvage after selling it in an appropriate economic manner.
- H. Established a department to manage key accounts, concerned with adopting and maintaining the highest level of service for major clients. (Insurance Brokers Clients / Direct Clients with High Premiums)
- I. Implementing a customer relationship management system (CRM) for sales, and developing plans, objectives and structure of sales and compensation.
- J. Establishing an anti-fraud unit in Medical Insurance.
- K. Establishing fast and tight enforcement plans to reduce the company's losses from Medical Insurance (small and medium enterprises (SMEs)).
- L. Re-studying/review of insurance products to be compatible with Sharia controls by obtaining Sharia accreditations from Shariyah review bureau (under study).
- M. Attracting and training Saudi cadres to work in the company and developing plans for replacing leadership positions to be implemented within two years.
- N. Working on selling new insurance products such as insurance for political risks, piracy, and insurance for managers and officials.

I. Miscellaneous Accident Insurance:

1. Personal Accident Insurance: Compensation for damages related to injury or death.
2. Funds Insurance: protecting the insured's money.
3. Fidelity Insurance: Compensation against business damage that causes loss of money, such as fraud.
4. Theft Insurance: Compensation for losses resulting from theft.

J. Energy Insurance:

1. Insurance for energy companies (onshore): Insurance of real estate and equipment for the extraction of oil, liquefied natural gas, and petroleum gas, petrochemical processing plants, or other acceptable related interests; including public facilities, etc.
2. Energy company insurance (offshore): Insurance of real estate and equipment related to fixed platforms, pipelines, drilling machines, ships and buoys, onshore gas processing facilities or other properties, as well as costs for monitoring expenses, removal of debris, or loss of production, protection and compensation of contractual or legal liabilities, and other acceptable related interests.

- O. Working on developing and opening successful business relationships with carefully selected insurance brokers.
- P. Improving and developing the brand logo to be consistent with the corporate identity.

3. Future Goals of the Company:

- A. Developing the company's infrastructure by developing information systems and relying more on technical means.
- B. Developing the efficiency of the underwriting mechanism in the company and raising the level of competitiveness in the sector to keep pace with the level of competitiveness.
- C. Working on diversifying the insurance portfolio by focusing on increasing the market share in vehicle and general insurance.
- D. Enhancing the role of governance and internal control functions in the company.
- E. Working to develop new and diversified products that serve the Company's customers and support the Company's excellence strategy.
- F. Working to develop credit policy according to the best international standards.

4. Which provisions of the Corporate Governance Regulations were implemented and which were not?

In line with what was stipulated in the Corporate Governance Regulations, which requires the company to state what has been implemented of the provisions of the governance regulation and what has not, along with an explanation of the reasons for non-implementation in the report of its board of directors, accordingly, Al Sagr Cooperative Insurance Company has been keen to adhere to all the statutory requirements that were included in the Corporate governance regulation issued by the Capital Market Authority, except for the following:

Article / Paragraph Number	Source of Governance Regulation	The Text of the Article / Paragraph	Reasons for Non-Implementation
Article 61 / Paragraph (1)	The Capital Market Authority Regulation	Prepare a clear policy for the remuneration of members of the Board of Directors and the committees emanating from the Board and the Executive Management, and submit them to the Board of Directors for consideration, in preparation for approval by the General Assembly, provided that this policy follows standards related to performance, its disclosure, and verification of its implementation.	The Company did not adhere to this, as the Nominations Committee recommended it, and the Board of Directors approved the recommendation, but the General Assembly rejected it.
Article 27 / Paragraph (8)	The Capital Market Authority Regulation	Holding regular meetings with non-executive board members without the presence of any executive in the company.	No meeting took place without the CEO being present because the new board of directors has only completed six months, and the meeting will be held during the year 2021.
Article 39 / Paragraph (2)	The Capital Market Authority Regulation	Laying down the necessary mechanisms for the members of the Board of Directors and the Executive Management to obtain continuous training programs and courses in order to develop their skills and knowledge in the fields related to the company's activities.	The Board of Directors did not specify a training program for the year 2020, due to the Corona pandemic.
Article 41 / Paragraph (A) Guidance Article	The Capital Market Authority Regulation	The Board of Directors - based on the proposal of the Nomination and Remuneration Committee - shall set the necessary mechanisms to annually evaluate the performance of the Board, its members, committees, and executive management, through appropriate performance measurement indicators related to the extent to which the strategic objectives of the company are achieved and the quality of risks and adequacy of internal control systems and others, provided that the strengths and weaknesses are identified and remedies proposed in accordance with the company's interest.	The Board of Directors' evaluation mechanism was approved by the Nomination and Remuneration Committee for the year 2020. It is an internal mechanism prepared by the Secretary of the Board of Directors. The evaluation will be based on it in 2021.
Article (85) / Paragraphs (2), (3) (Guidance Article)	The Capital Market Authority Regulation	[Establishment of] programs for granting employees shares in the company or a share of the profits achieved by it and retirement programs, and the establishment of a separate fund to spend on these programs. 3- Establishing social institutions for company employees.	The company did not abide by this because of the lack of profitability in the year ending on 12/31/2020, and the company's articles of association do not allow the company to buy its shares, but the company has various programs to motivate employees in the event of profitability. In addition, these paragraphs are guiding ones in the Corporate Governance Regulation of the Capital Market Authority.

Article 88 / Paragraph (A) (Guidance Article)	The Capital Market Authority Regulation	Establishing measurement indicators linking the company's performance with its initiatives in social work, and comparing that with other companies of similar activity.	The company has committed to providing initiatives in social work, but it has not set indicators to measure or compare its initiatives with the initiatives of other companies, because no limits are set on its social initiatives and its endeavor to be unique and distinct in this field from other companies. In addition to that, this paragraph is a guiding one in the Corporate Governance Regulation of the Financial Market Authority.
Article 95 (Guidance Article)	The Capital Market Authority Regulation	In the event that the Board of Directors establishes a committee specialized in corporate governance, then it must delegate to it the competencies established under Article 94 of this regulation, and this committee must follow up any issues related to the implementation of governance, and provide the Board of Directors, at least annually, with its reports and recommendations.	Since this is a non-mandatory guiding article in the Corporate Governance Regulation of the Capital Market Authority, this task is currently entrusted to the company's audit committee. The Board also decided to form a committee concerned with corporate governance, but it has not been formed and has not practiced its duties yet.
Article 93 / Paragraphs (A), (B)	The Capital Market Authority Regulation	A- Making accurate, transparent and detailed disclosure in the Board of Directors' report about the remuneration granted to members of the Board of Directors and the executive management, directly or indirectly, without concealing or misleading, whether they are sums or benefits or advantages, whatever their nature and name. If the advantages are shares in the company, then the input value of the shares will be the market value on the maturity date. - Stating the necessary details regarding the remuneration and compensation paid to each of the following separately: B- Five senior executives who received the highest remuneration from the company, including the CEO and the CFO.	The company did not adhere to this paragraph because the Board of Directors did not approve disclosure of the details of rewards and compensations for each member of the executive management as it is considered personal information. Therefore, the Board decided to disclose the total remuneration and compensation for the top five in the executive management.
Article 78 / Paragraph (A) (Guidance Article)	The Capital Market Authority Regulation	The internal audit unit or department shall prepare a written report on its activities and submit it to the Board of Directors and the Audit Committee at least quarterly. This report must include an evaluation of the internal control system in the company and the results and recommendations reached by the unit or department, and a statement of the measures taken by each department regarding the handling and recommendations of the previous audit and any remarks regarding them, especially if there is no timely handling.	Since this is a non-mandatory guiding article in the Corporate Governance Regulation of the Capital Market Authority, this task is entrusted to the company's audit committee. The company's bylaw stipulates that the internal audit function shall submit its reports directly to the audit committee on quarterly basis. And for cases that the audit committee deems necessary to escalate to the board of directors, they will be submitted directly to the Board.
Article 41 / Paragraph (E) (Guidance Article)	The Capital Market Authority Regulation	The Board of Directors shall make the necessary arrangements to obtain an evaluation by a competent external body for its performance every three years.	Since this article is a non-obligatory guiding one in the Corporate Governance Regulation of the Capital Market Authority, this task is entrusted to the Company's Nomination and Remuneration Committee, as it has a mechanism for internal evaluation.

5. The Names of the Members of the Board of Directors, the Members of the Committees, and the Executive Management, and Their Current and Previous Positions, Qualifications and Experiences.

A. Board members (the New Cycle):

No.	Name	Membership in Al Sagr Cooperative Insurance Company	Other Current Positions	Previous Positions / Experiences	Qualifications	Experience
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1	Fahd bin Abdulrahman Al-Turki	<ul style="list-style-type: none"> - Chairman of the Board of Directors of the company - Chairman of the Executive Committee. 	<ul style="list-style-type: none"> - Vice-Chairman of the Board of Directors of Abdulrahman Ali Al-Turki Group of Companies for Trading and Contracting, Saudi Arabia - Member of the Board of Directors of the Arabian Redland Company for Industrial Services Ltd., Saudi Arabia - Member of the Board of Directors of Honeywell Turki Arabia Ltd., Saudi Arabia - Member of the Board of Directors of the Saudi Rockwell Company Ltd., Saudi Arabia - Member of the Board of Directors of Financial Construction Company Ltd., Saudi Arabia - Member of the Board of Directors of Tamam Integrated Trading Company Ltd., Saudi Arabia - Member of the Board of Directors of Bahrain Specialist Hospital, Bahrain - Vice Chairman of the Board of Directors of ATCO Marine Services Ltd., Bahrain - Member of the Board of Directors, Golden Pyramids Plaza Company, Egypt - Member of the Board of Directors of Golden Coast for Hotels, Tourist Villages and Entertainment Projects, Egypt Member of the Board of Directors of the Arab Company for Real Estate Development, Egypt. 	<ul style="list-style-type: none"> - Member of the Board of Directors of the Arabian Redland Company for Industrial Services Ltd., Saudi Arabia - Member of the Board of Directors of Honeywell Turki Arabia Ltd., Saudi Arabia - Member of the Board of Directors of the Saudi Rockwell Company Ltd., Saudi Arabia - Member of the Board of Directors of the Construction Finance Company Ltd., Saudi Arabia - Member of the Board of Directors of Tamam Integrated Trading Company Ltd., Saudi Arabia - Member of the Board of Directors of Bahrain Specialist Hospital, Bahrain - Vice Chairman of the Board of Directors of ATCO Marine Services Limited, Bahrain 	B. Sc. in Communications - University of Richmond, United Kingdom	15 years
2	Majid bin Abdullah Al-Sari	<ul style="list-style-type: none"> - Vice Chairman of the Board of Directors - Member of the Executive Committee - Member of the Investment Committee 	<ul style="list-style-type: none"> - Chairman of the Board of Directors of Al Sagr National Insurance Company (Dubai). - Member of the Board of Directors of the Private Investment Group Ltd. - Vice Chairman of the Board of Directors of the GGICO Investment Company. - Member of the Board of Directors of Al-Burj Real Estate Company. - Chairman of the Board of Directors of Discovery Investments Group. 		BA in Business Administration - Southeastern University, USA	23 years
3	Abdullah bin Jumah Al-Sari	<ul style="list-style-type: none"> - Member of the Board of Directors 	<ul style="list-style-type: none"> - Chairman of the Board of Directors of the Gulf General Investment Co (GGICO) - Chairman of the Board of Directors of Al-Soor Investment Company. - Member of the Board of Directors of Al Buhaira National Insurance Company 	<ul style="list-style-type: none"> - Chairman of the Board of Directors of Al Sagr National Insurance Company - Dubai. - Vice President of the Economic Advisers Association - Sharjah - Vice President of Sharjah Municipality - Chairman of the Executive Committee of the Commercial Bank of Dubai Member of the Board of Directors of the National Bank of Sharjah 	The Military College	50 years

4	Sultan bin Abdulaziz Al-Suwaidi	<ul style="list-style-type: none"> - Member of the Board of Directors - Member of the Nomination and Remuneration Committee - Member of the Risk Management Committee 	<ul style="list-style-type: none"> - Director of Legal Affairs, Al Sagr National Insurance Company (Dubai). 	<ul style="list-style-type: none"> - Legal Researcher at Al Sagr National Insurance Company (Dubai). - Legal Adviser to Al Sagr National Insurance Company (Dubai). - Anti-Money Laundering Officer at Al Sagr National Insurance Company (Dubai). 	Bachelor of Law - University of Sharjah, United Arab Emirates	8 years
5	Abdulmohsen bin Nafez Jaber	<ul style="list-style-type: none"> - Member of the Board of Directors. - Member of the Executive Committee. - Member of the Investment Committee 	<ul style="list-style-type: none"> - Member of the Board of Directors and General Manager of Al Sagr National Insurance Company 	<ul style="list-style-type: none"> - Deputy General Manager of Al Sagr National Insurance Company (Dubai) - Senior Manager of the Medical Insurance Department at Al Sagr National Insurance Company (Dubai) - Medical Network Officer - Al-Nisr Al-Arabi Insurance Company - Director of Medical Insurance - Al Baraka Takaful Company - Assistant General Manager - Takaful Al Emarat Company - Medical Representative, Smart Choice Inc. Jordan - Marketing Officer Al-Anan for Development & Marketing Co Jordan 	<ul style="list-style-type: none"> - Master of Business Administration, Tulane University, USA - Master of Science, University of Aberdeen, United Kingdom - Bachelor of Microbiology - Jordan University of Science and Technology 	18 years
6	Khalid bin Abdulhameed Al Shuwayer	<ul style="list-style-type: none"> - Member of the Board of Directors. - Chairman of the Nomination and Remuneration Committee. - Chairman of the Risk Management Committee. 	<ul style="list-style-type: none"> - Founder and executive partner of the El-Tamiuz Establishment for Information Technology. - CEO of Weqaya Environmental Services Company 	<ul style="list-style-type: none"> - Auditor at Samba Financial Group. - Shareholder Relations Specialist at Sahara Petrochemical Company - Accounts payable official in the Saudi Abyat Company - Processing specialist at Samba Financial Group 	<ul style="list-style-type: none"> - Associate degree in Accounting - King Fahd University of Petroleum and Minerals 	9 years

7	Yasser bin Abdulaziz Al-Kadi	<ul style="list-style-type: none"> - Member of the Board of Directors. - Chairman of the Investment Committee. - Member of the Executive Committee. 	<ul style="list-style-type: none"> - CEO of Al-Kadi Holding Group. - Member of the Board of Directors of the Saudi National Shipping Company (Bahri). - Member of the Board of Trustees, Oqal Group. - Managing Director of Al-Zajil Express Trading Company. - Member of the Logistics Committee, Chamber of Commerce and Industry, EP 	<ul style="list-style-type: none"> - Chairman of the Sharqia Council, Ogal Group for the Eastern Region. Executive Vice President of Logistics, Al-Kadi Holding Group. Chief Business Development Officer, Jeraisy Group. - Financial Analyst, Al- Faisaliah Group 	<ul style="list-style-type: none"> - B.Sc. Finance - University of Portland, USA. - MBA Finance - University of Portland, USA 	6 years
8	Abdullah bin Abdulrahman Al-Bassam	<ul style="list-style-type: none"> - Member of the Board of Directors. - Member of the Nomination and Remuneration Committee 	<ul style="list-style-type: none"> - Vice Chairman of the Board of Directors, Al Jazeera Manpower Company. - Member of the Board of Directors, Abdulrahman Sulaiman Al-Bassam and Sons Company. - Consultant, Abdulaziz bin Hamad Al-Faris Trading Company. General Manager, Integrated Business Solutions (IBS). 	<ul style="list-style-type: none"> - Vice President, Communications and Information Technology Committee in the Asharqia Chamber, formerly. - Systems and Processes Development Administrator, Saudi Cement Company. - Application Manager, Saudi Electricity Company. - Former technical advisor to Al Sagr Cooperative Insurance Company. 	<ul style="list-style-type: none"> B.Sc. in Industrial Management - King Fahd University of Petroleum and Minerals. - Management of technical projects, - Several technical and administrative courses 	36 years

9	Sultan bin Khalid Al-Turki	<ul style="list-style-type: none"> - Member of the Board of Directors. - Chairman of the Audit Committee. - Member of the Risk Management Committee. 	<ul style="list-style-type: none"> - Member of the Board of Directors and Chairman of the Audit Committee, Jeddah Holding Company for Development. - Chairman of the Board of Directors - Desert Technologies Factory Company LLC - Executive Director - Al Nahla Trading and Contracting Company 	<ul style="list-style-type: none"> - Member of the Board of Directors and Member of the Risk Committee, Dar Al Tamleek Real Estate Financing Company. - Member of the Board of Directors, Etihad Atheeb Telecom Company. - Member of the Board of Directors and member of the Investment Committee, Saudi Arabian Refineries Company (Almasafi). - Member of the Board of Directors and Chairman of the Audit Committee, Ithraa Capital Company. 	<ul style="list-style-type: none"> Bachelor's degree in Financial Management, King Fahd University of Petroleum and Minerals. - Master of Business Administration, IMD Switzerland 	23 years
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B. Committee Members from Outside the Board:

No.	Name	Committee Name and Membership Description	Current Positions	Previous Jobs / Experiences	Qualifications	Experiences
1	Saud bin Saleh Al-Arifi	- Member of the Audit Committee	<ul style="list-style-type: none"> - CEO, National Company for the Production of Triple Energy. - Managing Director, Member of the Board of Directors, Member of the Executive Committee, District Air Conditioning Company Ltd. - CEO, Power Supply Co., Ltd. - Member of the Board of Directors, Cushman & Wakefield Corporation. 	<ul style="list-style-type: none"> - Managing Director of the Medical Sector, Al Faisaliah Group Company. - Partner and CEO - Fawaz Al Hokair Company. 	- Bachelor's degree in Industrial Engineering - United States of America.	- 39 years
2	Mohammed bin Saleh Al-Ghamdi	- Member of the Audit Committee	- Treasury Director - ELM	<ul style="list-style-type: none"> - Senior Financial Analyst – KPMG - Relationship Manager – Tadawul - Senior Financial Analyst – EY - Director of Treasury and Investment - Saudi Real Estate Company Treasury Director - Flynas 	- Bachelor of Financial Sciences - King Fahd University of Petroleum and Minerals	- 10 years
3	Hussam bin Faisal Baward	- Member of the Audit Committee	<ul style="list-style-type: none"> - Founder of Hussam Baward Financial Consulting - Chairman of the Audit Committee, Saudi Bio-Acids Company. - Member of the Audit Committee, Umm Al-Qura Company for Development and Reconstruction. - Member of the Audit Committee, Farouk and Mamoun Mohamed Saeed Tamer Industrial Holding Company. - Member of the Audit Committee, Desert Technologies Corporation. 	<ul style="list-style-type: none"> - Partner in Ernst & Young & Partners Certified Public Accountants - Member of the Audit Committee, Bin Laden International Holding Group. - Member of the Audit Committee, Jeddah Development and Urban Development Company. - Member of the Certified Public Accountants Committee at the Jeddah Chamber of Commerce 	- Bachelor of Commerce, Accounting major - King Abdul Aziz University	- 17 years

4	Majid bin Abdulmohsen Al-Sunaid	- Member of the Investment Committee	- Member of the Audit Committee, Arch Financial Corporation	Executive Vice President for Investments - Wessayah International Investment	<ul style="list-style-type: none"> - Head of Public Equity and Fixed Income for Wasaya International Investment Company (a company owned by Saudi Aramco) - Director of Public Investment Portfolio (Investment Portfolio) KAUST - Head of Public Equity Department - Saudi Aramco (Investment Department) - IMC Portfolio Manager - King Abdullah University Investment Management Company (King Abdullah University). - Financial Analyst - Saudi Aramco (Investment Department) - Head of Investment Management at Saudi Aramco 	<ul style="list-style-type: none"> - Master of Business Administration, University of Pennsylvania - CFA Chartholder Certified Financial Analyst. 	12 years

C. Executive management

No.	Name	Current Positions	Previous Jobs	Qualifications	Experiences
1	Saran Abu Saq	Chief Executive Officer	<ul style="list-style-type: none"> - Orient Insurance and Reinsurance Company, Chief Executive Officer. - Regional Vice President, ACE Insurance Brokerage. - Director of Corporate Insurance in the Eastern Province, Tawuniya Insurance. 	BA in Management and Economics - Business Administration, King Abdulaziz University Associate Certificate ACLI & AHIP Training course - insurance Training course - business development Training course - anti-fraud	25 years
2	Shafiq bin Mansour Al-Rumaih	Financial Director	<ul style="list-style-type: none"> - Senior Manager and Assistant Financial Director of the Group - Saad Trading, Contracting and Financial Services Company - Senior Manager Corporate Relationships - Corporate Finance Group - National Commercial Bank - Credit Analyst - Corporate Relationship Manager - Corporate Finance Group - National Commercial Bank 	Certified Financial Manager Certificate - American Academy of Financial Management Training course - insurance and reinsurance accounting / reporting Training course - Executive Management Training course - financial control Training Course - Risk Management in Financial Markets Training course - cash management program Training course - advanced teamwork Training Course - Advanced Credit / Risk - Financing and Credit Assessment Training course - Financial Analysis	25 years
3	Imad Mahdi Awani	Head of Internal Audit Department	<ul style="list-style-type: none"> - Officer in the Internal Audit Department, Ernst & Young (2005-2012) - Director of Internal Audit, Buruj Insurance Company (2012-2018). 	<ul style="list-style-type: none"> - Bachelor's degree in Accountancy, King Faisal University - Certified Risk Officer - IFCE Certificate of Insurance Fundamentals. - Time management. - Managing stress at work - Certificate of the internal audit conference 	16 years
4	Fayez Hassan Al-Asfour	Head of Human Resources Department	<ul style="list-style-type: none"> - Executive Director of Human Resources at Marmar Holding Company. - Executive Director of Human Resources at El Sewedy Holding Company. - Regional Director of Human Resources at Aljomaih Holding Company. 	<ul style="list-style-type: none"> - Master of Business Administration, The American University in London. - Bachelor's Degree in Business Administration from Little Rock University, USA. - CHR Internationally accredited Human Resources Manager. 	26 years
5	Shaker bin Faisal Al-Khanani	Head of Risk Management	<ul style="list-style-type: none"> - General Director of Student Affairs Department at the University of Business and Technology. 	<ul style="list-style-type: none"> - MSc Financial Services Management, University of Salford 	17 years

			- General Manager of Marketing and Co-Founder of Match Commercial Mediation and Public Relations. Director of Risk and Compliance, Al-Mustaqilla Insurance Brokerage Company. - Director of Risk Management Salama Cooperative Insurance Company.	- BA in Business Administration and Marketing, University of Business and Technology - Certified Compliance Officer CCO from the Financial Academy - Member and certified risk specialist CRS from the International Academy of Business and Financial Management	
6	Mazen bin Abdullah Al-Faris	Head of Compliance Department	- Head of Executive Compliance Department at Al Sagr Company. Head of the Executive Compliance and Legal Department at MetLife Cooperative Insurance Company. - Head of the Executive Compliance Department at Walaa Cooperative Insurance Company. - Director of Commercial Services (Credits and Guarantees) at Samba Bank. - Patient Relations Manager at Al-Mouwasat Hospital.	- BA in Financial Economics and Banking, University of Bahrain. - Certified System Monitor COO from the American Academy of Finance. - ACAMS Certified Anti-Money Laundering Specialist Luma Institute Fellowship in Life Insurance Management from the Luma Institute, USA.	30 years
7	Yasmine Mohammed Al-Zahrani	Director of the Customer Care Department	- Director of the Customer Care Department. - Customer care officer at Al Sagr Company. - Receptionist at Amjad Al-Hogail Clinics. - Mada company data entry.	- BA in English, King Faisal University. - General Certificate of Insurance Basics - A training program in computers and office applications	11 years
8	Hashem Mohsen Al-Attas	Head of Information Technology	- Head of Information Technology Department at Al Sagr Company. - Head of Information Technology Department at Gulf Union Company. - Director of Information Technology at Al-Tayseer Company.	- PhD in Information Systems from the University of Adamsville, Washington. - Master of Information Systems from National University - Bachelor of Science in Computer and Information Systems from National University	19 years
9	Tariq Wadud Siddiqui	Head of the Technical Department	- Vice President / Senior Underwriter "Swisse Re". - Energy Profit Center Manager "Aic Ex-Chartis". - Engineering & Risk Control Manager "Royal & Sun Alliance"	- Diploma and Associate of Insurance (AIII) certification. - Master of Business Administration. - Master of Engineering. - Bachelor of Engineering	22 years
10	Mohamed Khaled Al-Jasem	Acting Head of Cybersecurity	- Distinguished Solutions Company (Soc Analyst) - The Saudi Electronic Accounts Company (Cyber Security Engineer) - Dar Beta for Information Technology (Cyber Security Engineer) - Al-Yusr Leasing and Financing Company (Cyber Security Specialist)	- Bachelor of Information Systems. - Certified Information Security Manager	3 years

6. Names of Companies Inside or Outside the Kingdom of Which a Member of the Company's Board of Directors Is a Member of Their Current and Previous Boards of Directors or the Company's Manager.

Name of the Member	The Names of the Companies in Which a Member of the Company's Board of Directors Is a Member of Their Current Boards of Directors or the Company's Manager	Legal Entity	Inside the Kingdom / Outside the Kingdom	The Names of the Companies in Which a Member of the Company's Board of Directors Is a Member of Their Current Boards of Directors or the Company's Manager	Legal Entity	Inside the Kingdom / Outside the Kingdom
Fahd bin Abdulrahman Al-Turki	1. Al Sagr Cooperative Insurance Company 2. Abdulrahman Ali Al-Turki Sons Company for Trade and Contracting Ltd. 3. Abdulrahman Ali Al-Turki Trading and Contracting Company Ltd. 4. Bahrain Specialist Hospital 5. Honeywell Turki Arabia Company Ltd.	1. Listed joint stock 2. Limited liability 3. Limited liability 4. Closed joint stock 5. Limited liability 6. Limited liability 7. Limited liability	1. Inside the Kingdom 2. Inside the Kingdom 3. Inside the Kingdom 4. Outside the Kingdom 5. Inside the Kingdom 6. Inside the Kingdom 7. Inside the Kingdom	--	--	--

	6. Redland Arabian Industrial Services Company Ltd. 7. Saudi Rockwell Automation Company Ltd. 8. Keeler Turki Company Ltd. 9. Golden Pyramids Plaza Company 10. Construction Finance Company Ltd. 11. ATCO Marine Services Ltd. 12. Golden Coast Hotels, Tourist Villages and Recreational Projects Company	8. Limited liability 9. Public joint stock 10. Limited liability 11. Limited liability 12. Public joint stock	8. Inside the Kingdom 9. Outside the Kingdom 10. Inside the Kingdom 11. Outside the Kingdom 12. Outside the Kingdom			
Majid bin Abdullah Al-Sari	1. Al Sagr National Insurance Company 2. Al-Burj Real Estate Company 3. GGICO – Investment Company 4. Al Soor Investments Company 5. The Private Investment Group Ltd.	1. Listed joint stock 2. Closed joint stock 3. Listed joint stock 4. Limited liability 5. Limited liability	1. Outside the Kingdom 2. Outside the Kingdom 3. Outside the Kingdom 4. Outside the Kingdom 5. Outside the Kingdom	--	--	--
Abdullah bin Jumaa Al-Sari	1. Al Sagr Cooperative Insurance Company 2. Al Sagr National Insurance Company - Dubai 3. Al Buhaira Insurance Company - Dubai	1. Public joint stock 2. Public joint stock 3. Public joint stock	1. Inside the Kingdom 2. Outside the Kingdom 3. Outside the Kingdom	1. National Bank of Sharjah 2. Commercial Bank of Dubai	1. A National Bank 2. Bank	1. Outside the Kingdom 2. Outside the Kingdom
Sultan bin Abdulaziz Al-Suwaidi	1. Al Sagr National Insurance Company	1. Public joint stock	1. Outside the Kingdom	--	--	--
Abdulmohsen bin Nafez Jaber	1. Al Sagr Cooperative Insurance Company 2. Al Sagr National Insurance Company	1. Listed joint stock 2. Listed joint stock	1. Inside the Kingdom 2. Outside the Kingdom	1. Emirates Takaful Insurance 2. Al-Baraka Takaful 3. Al-Nisr Al-Arabi Insurance	1. Listed joint stock 2. Listed joint stock 3. Listed joint stock	1. Outside the Kingdom 2. Outside the Kingdom 3. Outside the Kingdom
Khalid bin Abdulhameed Al Shuwaier	1. Al Sagr Cooperative Insurance Company 2. El-Tamiuz Establishment for Information Technology 3. Weqaya Environmental Services Company	1. Listed Joint Stock 2. A sole proprietorship 3. Limited liability	1. Inside the Kingdom 2. Inside the Kingdom 3. Inside the Kingdom	1. Sahara Petrochemical Company	1. Listed Joint Stock	1. Inside the Kingdom
Yasser bin Abdulaziz Al-Kadi	1. Al Sagr Company for Cooperative Insurance 2. Al-Kadi Holding Group 3. Al-Zajil Express Trading Company 4. Oqal Group 5. The Eastern Province Chamber 6. The National Shipping Company of Saudi Arabia (Bahri)	1. Listed joint stock 2. Closed joint stock 3. Limited liability 4. An endowment institution 5. A government agency 6. Listed joint stock	1. Inside the Kingdom 2. Inside the Kingdom 3. Inside the Kingdom 4. Inside the Kingdom 5. Inside the Kingdom 6. Inside the Kingdom	1. Jeraisy Group	1. Closed joint stock	1. Inside the Kingdom
Abdullah bin Abdulrahman Al-Bassam	1. Al Sagr Cooperative Insurance Company 2. Abdulrahman Sulaiman Al-Bassam and Sons Company 3. Al-Jazirah Manpower Company 4. Abdulaziz bin Hamad Al Faris and Sons Trading Company 5. Integrated Business Solutions (IBS)	1. Listed joint stock 2. Limited liability 3. Closed joint stock 4. Limited liability 5. Sole Proprietorship	1. Inside the Kingdom 2. Inside the Kingdom 3. Inside the Kingdom 4. Inside the Kingdom 5. Inside the Kingdom	--	--	--
Sultan bin Khalid Al-Turki	1. Al Sagr Cooperative Insurance Company 2. Desert Technologies Factory Company 3. Jeddah Holding Company for Development	1. Listed joint stock 2. Closed joint stock 3. Closed joint stock	1. Inside the Kingdom 2. Inside the Kingdom 3. Inside the Kingdom	1. Dar Al Tamleek Real Estate Finance Company	1. Closed joint-stock 2. Listed joint stock 3. Listed joint stock	1. Inside the Kingdom 2. Inside the Kingdom 3. Inside the Kingdom

4. Al-Nahla Trading and Contracting Company 5. Al-Turki Medical Group Company 6. Al-Amin Distinguished Real Estate Investment Company 7. Al-Ameen Distinguished Urban Development Company 8. Saudi Arabian Marketing, Agencies and Contracting Company	4. Limited liability 5. Limited liability 6. Limited liability 7. Limited liability 8. Limited liability	4. Inside the Kingdom 5. Inside the Kingdom 6. Inside the Kingdom 7. Inside the Kingdom 8. Inside the Kingdom	2. Etihad Atheeb Telecom Company 3. Saudi Arabian Refineries Company (Almasafi) 4. Ithraa Capital	4. Closed joint stock	4. Inside the Kingdom
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7. The formation of the Board of Directors and the classification of its members as follows: Executive Member of the Board - Non-Executive Member of the Board - Independent Member of the Board.

No.	Member's Name	Membership Classification (Executive / Non-Executive / Independent)
1	Fahd bin Abdulrahman Al-Turki	Non-Executive
2	Majid bin Abdullah Al-Sari	Non-Executive
3	Abdullah bin Jumah Al-Sari	Non-Executive
4	Sultan bin Abdulaziz Al-Suwaidi	Non-Executive
5	Abdulmohsen bin Nafez Jaber	Non-Executive
6	Khalid bin Abdulhameed Al Shuwayer	Independent
7	Yasser bin Abdulaziz Al-Kadi	Independent
8	Abdullah bin Abdulrahman Al-Bassam	Independent
9	Sultan bin Khalid Al-Turki	Independent

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

In the event that shareholder proposals or comments are received, the Board of Directors informs its members, especially non-executives, of these proposals or comments through the following means:

- Board meetings
- Committee meetings
- General Assembly meetings

9. Responsibilities of the Board of Directors towards communicating with shareholders

The Governance Regulation of Al Sagr Cooperative Insurance Company regulates the rights of shareholders by enabling them to exercise their rights to the fullest, and by using the most effective methods of communicating with shareholders, such as email, receiving phone calls, recording all their comments and discussing them with members of the Board of Directors and the Executive Management in order to reach satisfactory solutions.

The company's bylaws and internal regulations also include the procedures and precautions necessary to ensure that all shareholders exercise their statutory rights and not discriminate between shareholders in this regard, and with the aim of achieving communication between the company and the shareholders based on a common understanding of the company's strategic objectives and interests.

10. Committees emanating from the Board of Directors

The following is a brief description of the functions of the committees emanating from the Board of Directors, with the names of the committees, their chairmen and members, the number of their meetings, the dates of their meetings, and the attendance data of the members for each meeting, as follows:

A. The Audit Committee

The Board of Directors forms the Audit Committee in accordance with the requirements of the General Assembly by appointing not less than three members and not more than five, provided that they are not members of the executive board of directors, its employees or advisors for a period of three years after obtaining a written non-objection from SAMA, based on the regulations Issued by the Capital Market Authority and SAMA, including the Corporate Governance Regulations and the Implementing Regulation for the Insurance Companies Control Law.

The tasks of the audit committee include, but are not limited to, the following:

1. Developing an action plan for itself approved by a decision of the Board of Directors, including the rules, responsibilities and obligations of the Audit Committee.
2. Supervising the company's internal audit department to ensure its level of effectiveness in implementing the tasks entrusted to it.
3. Supervising the company's compliance department to ensure its level of effectiveness in implementing the tasks entrusted to it.
4. Ensuring the independence of the Internal Audit Department and the Compliance Department in performing the tasks entrusted to them and ensuring that there is no negative impact on their work.
5. Studying and reviewing the quarterly and annual financial statements and submitting recommendations to the Board of Directors regarding them.
6. Studying the plan of the internal audit department and the external auditors, in addition to the compliance plans, approving them, and following up their implementation.
7. Studying the important accounting strategies, their procedures, and the changes that occur to them, and submitting recommendations to the Board of Directors regarding them.
8. Following up on the reports issued by SAMA and the relevant supervisory and regulatory authorities and submitting recommendations regarding them to the Board of Directors.
9. Studying the reports of the internal and external auditors and submitting recommendations regarding them to the Board of Directors.
10. Evaluating the efficiency and effectiveness of the work of the internal and external auditors.

Committee Meetings During the Year 2020

No.	Name	Nature of Membership	Meetings Held During the Year 2020						Total Attendance
			First meeting 04/03/2020	Second meeting 10/06/2020	Third meeting 29/10/2020	Fourth meeting 03/11/2020	Fifth meeting 15/11/2020	Sixth meeting 23/12/2020	
1	Sultan bin Khalid Al-Turki (Chairman of the Committee)	Independent - from the Board of Directors	N/A	N/A	Attended	Attended	Attended	Attended	4
2	Muhammad bin Saleh Al-Ghamdi (Committee Member)	Independent - from outside the Board	Attended	Attended	Attended	Attended	Attended	Attended	6
3	Saud bin Saleh Al-Arifi (Committee Member)	Independent - from outside the Board	N/A	N/A	Attended	Attended	Attended	Attended	4
4	Hussam bin Faisal Baward (Committee Member)	Independent - from outside the Board	N/A	N/A	Attended	Attended	Attended	Attended	4

Members of the Audit Committee, previous cycle *

1	Muhammad Abdulaziz Al-Naim (Chairman of the Committee)	Independent - from outside the Board	attended	attended	N/A	N/A	N/A	N/A	2
2	Zaid Abdullah Al-Yaish (Committee Member)	Independent - from outside the Board	attended	attended	N/A	N/A	N/A	N/A	2

* The cycle of the Audit Committee ended on 15/06/2020

B. Nomination and Remuneration Committee

The Board of Directors has formed the Nomination and Remuneration Committee with no less than 3 members and no more than 5 members, provided that two of the committee members are independent and cannot be chaired by the Chairman of the Board of Directors, based on the regulations issued by the Capital Market Authority and SAMA, including the Corporate Governance Regulation and the implementing regulations of the insurance company control system.

The tasks of the Nomination and Remuneration Committee include, but are not limited to, the following:

1. Presenting policies and procedures related to the job succession in the company, the Board of Directors and members of senior management, and monitoring their implementation.
2. Establishing clear procedures for nominating the Board, including the approvals of the General Assembly and the regulatory authorities.
3. Developing plans to fill vacant leadership positions in the company, including members of the executive management, and following up the implementation of plans and procedures for filling vacant positions.
4. Ensuring the independence of the independent members of the Board of Directors.
5. Submitting its plans for determining the remuneration and compensation shares of the senior executive management and employees to the audit committee, to be reviewed in accordance with the key performance indicators, and then approved by the board of directors and the shareholders' assembly.
6. Ensuring annually that there are no conflict of interest cases among members of the board in case one of them is a member of the board of directors of another company.
7. Identifying aspects of weakness and strength in the board of directors and submitting proposals to remedy them in accordance with the interest of the company.
8. Conducting annual review of the necessary competencies and identifying the required qualifications and requirements for appropriate skills for membership of the Board of Directors.
9. Reviewing the requirements required for membership in the board of directors and its committees and preparing a description of the capabilities and qualifications required for membership in the board of directors or membership in board committees, including determining the time that the member needs to devote to the work of the board of directors and / or committees of the board of directors.

Committee Meetings During the Year 2020

No.	Name	Position	Nature of Membership	Meetings Held During the Year 2020					Total Attendance
				First Meeting 23/02/2020	Second Meeting 14/04/2020	Third Meeting 14/07/2020	Fourth Meeting 06/09/2020	Fifth Meeting 07/12/2020	
1	Khalid bin Abdulhamid Al-Shuwaier	Chairman of the Committee	Independent	N/A	N/A	Attended	Attended	Attended	3
2	Sultan bin Abdulaziz Al-Suwaidi	Committee Member	Non-Executive	N/A	N/A	Attended	Attended	Attended	3
3	Abdullah bin Abdulrahman Al-Bassam	Committee Member	Independent	N/A	N/A	Attended	Attended	Attended	3
Members of the Nomination and Remuneration Committee for the Previous Cycle *									
1	Fahd bin Abdulrahman Al-Turki	Chairman of the Committee	Non-Executive	Attended	Attended	N/A	N/A	N/A	2
2	Saud bin Saleh Al-Arifi	Committee Member	Independent	Not Nominated Yet	Attended	N/A	N/A	N/A	1

3	Muhammad Abdulaziz Al-Naim	Committee Member	Independent	Attended	Attended	N/A	N/A	N/A	2
4	Tariq Abdullah Al-Bassam **	Committee Member	Independent	Attended	Resigned	N/A	N/A	N/A	1

* The cycle of the Nomination and Remuneration Committee ended on 15/06/2020.

** The resignation of Member / Tariq Abdullah Al-Bassam on 03/03/2020.

C. Risk Management Committee

Based on the regulations issued by the Capital Market Authority and SAMA, including the Corporate Governance Regulation and the Implementing Regulation for the Insurance Companies Control Law, the Risk Committee was formed by the Board of Directors provided that its membership includes at least three members, and that its chairman and the majority of its members are non-executive members of the Board of Directors, with the necessity to match the knowledge and experience of the members of the Risk Committee with the size, nature and complexity of the company's business.

The tasks of the Risk Committee include, but are not limited to, the following:

1. Developing a comprehensive risk management strategy, following up on its implementation, and reviewing its updating based on the internal and external variables of the company.
2. Reviewing the risk management policies.
3. Determining the risks that the company may be exposed to and maintaining an acceptable level of risk to the company.
4. Supervising the company's risk management system and evaluating its effectiveness.
5. Submitting the necessary recommendations to the Board of Directors regarding risk management reports.
6. Submitting reports to the Board of Directors on exposure to risks and the proposed steps to manage them.
7. The Board of Directors determines the ability and willingness of the company to accept risks, based on recommendations of the Risk Committee.
8. Periodic evaluation of the company's ability to bear the risks it is exposed to (through stress tests).

Committee Meetings During the Year 2020

No.	Name	Position	Nature of Membership	Meetings Held During the Year 2020			Total Attendance
				First Meeting 04/03/2020	Second Meeting 06/10/2020	Third Meeting 09/12/2020	
1	Khalid bin Abdulhameed Al Shuwayer	Chairman of the Committee	Independent	N/A	Attended	Attended	2
2	Sultan bin Abdulaziz Al-Suwaidi	Member of the Committee	Non-Executive	N/A	Attended	Attended	2
3	Sultan bin Khalid Al-Turki	Member of the Committee	Independent	N/A	Attended	Attended	2
Members of the Risk Management Committee for the previous cycle *							
1	Abdulmuhsin bin Abdullah Al-Sunaid	Chairman of the Committee	Independent	Attended	N/A	N/A	1
2	Fahd bin Abdulrahman Al-Turki	Member of the Committee	Non-Executive	Attended	N/A	N/A	1
3	Saud bin Saleh Al-Arifi	Member of the Committee	Non-Executive	Attended	N/A	N/A	1

* The cycle of the Risk Management Committee ended on 15/06/2020.

D. The Investment Committee

Based on the rules and regulations issued by SAMA, including the Corporate Governance Regulation and the Implementing Regulation for the Insurance Companies Control Law, the Board of Directors of Al Sagr Cooperative Insurance Company establishes an investment committee with at least three members, and its members are appointed based on the nominations of the Board of Directors, taking into consideration following Legal procedures and its members must possess adequate experience and knowledge regarding investment.

The tasks of the Investment Committee include, but are not limited to, the following:

1. Formulating and preparing an investment policy, reviewing its performance and implementing it annually.
2. Reviewing the performance of each asset class.
3. Following up the general risks of the investment policy.
4. Submitting the investment portfolio performance report to the Board of Directors.
5. Ensuring that all investment-related activities comply with the requirements of the investment regulation issued by SAMA, and the requirements of other relevant laws and regulations.
6. Formulating and preparing an investment policy, reviewing its performance on an annual basis, determining the investment objectives of the company, and making recommendations in this regard to the Board of Directors, including determining risk tolerance levels, diversification of assets and diversification of investment operations.
7. Conducting general supervision over the performance of investment operations, including evaluation of investment results to determine the success of investment strategies and to ensure compliance with the company's investment policies.
8. Following up and reviewing the diversification of the investment portfolio, as is necessary to manage investments and achieve the interest of the company.
9. Monitoring the efficiency and quality of the investment process in comparison with the objectives and submitting the results of the committee's work to the Executive Committee and from there to the Board of Directors to take the necessary measures and approvals.

Committee Meetings During the Year 2020

No.	Name	Position	Nature of Membership	Meetings Held During the Year 2020			Total Attendance
				First Meeting 05/04/2020	Second Meeting 20/10/2020	Third Meeting 03/11/2020	
1	Yasser bin Abdulaziz Al-Kadi	Chairman of the Committee	Independent	N/A	Attended	Attended	2
2	Abdulmohsen bin Nafez Jaber	Member of the Committee	Non-Executive	N/A	Attended	Attended	2
3	Majid bin Abdul Mohsin Al-Sunaid	Member of the Committee	Independent From outside the Board	Attended	Attended	Attended	3
4	Majid bin Abdullah Al-Sari	Member of the Committee	Non-Executive	N/A	Attended	Attended	2
Members of the Investment Committee for the Previous Cycle *							
1	Tariq Abdulaziz Al-Bassam	Chairman of the Committee	Independent	Attended	N/A	N/A	1

* The cycle of the Investment Committee ended on 15/06/2020.

E. The Executive Committee

The Board of Directors establishes the Executive Committee, which includes in its membership no less than three and no more than five, provided that it consists of executive and non-executive members and who have appropriate experience in the work of the committee.

The tasks of the Executive Committee include, but are not limited to, the following:

1. Recommending to the Board of Directors about the strategic and operational plans, budgets and business plans developed by Management.

2. Taking decisions on matters authorized by the board of directors that are outside the scope of the company's CEO, including matters related to capital expenditures and purchases, within the limits authorized to the committee by the board of directors.
3. Reviewing the company's policies, procedures and strategies in cooperation with the executive management.
4. Supervising the performance of the executive management of the company.
5. Analyzing operational risks continuously and working to reduce them.
6. Monitoring market shares, growth rates and penetration.
7. Monitoring the implementation of the expansion of points of sale and branches.
8. Prioritizing the allocation of capital, human and technical resources.

Committee Meetings Held During the Year 2020.

M.	Name	Position	Nature of Membership	Meetings Held During the Year 2020					Total Attendance
				First Meeting 22/01/2020	Second Meeting 05/04/2020	Third Meeting 19/04/2020	Fourth Meeting 13/08/2020	Fifth meeting 10/08/2020	
1	Fahd bin Abdulrahman Al-Turki *	Chairman of the Committee	Non-Executive	Attended	Attended	Attended	Attended	Attended	5
2	Abdulmohsen bin Nafez Jaber	Member of the Committee	Non-Executive	N/A	N/A	N/A	Attended	Attended	2
3	Majid bin Abdullah Al-Sari	Member of the Committee	Non-Executive	N/A	N/A	N/A	Attended	Attended	2
4	Yasser bin Abdulaziz Al-Kadi	Member of the Committee	Independent	N/A	N/A	N/A	Attended	Attended	2
Members of the Executive Committee of the Previous Cycle **									
	Bassam Ahmed Al-Binali	Chairman of the Committee	Non-Executive	Attended	Attended	Attended	N/A	N/A	3

* Mr. Fahd bin Abdulrahman Al-Turki took over the presidency of the committee on 13/08/2020

** The cycle of the Executive Committee ended on 15/06/2020.

11. Evaluation of the performance of the Board of Directors, the committees and its members

The policy for evaluating the Board Members and committees has been approved, in accordance with the standards and procedures for periodic and annual evaluation of performance, and the Nomination and Remuneration Committee undertakes the evaluation tasks.

12. Disclosure of the remuneration of members of the Board of Directors and the Executive Management in accordance with what is stipulated in Article 93 of the Corporate Governance Regulation.

Remuneration policy for members of the Board of Directors, committees and executive management

The company's articles of association and the list of remuneration for members of the board of directors and the committees emanating from the board specify the remuneration of the members of the board of directors in order to ensure accurate, transparent and detailed disclosure in the report of the board of directors about the remuneration granted to members of the board of directors and the committees emanating from it, directly or indirectly, without concealment or misleading, whether they are sums, benefits or advantages, as Article 19 of the articles of association of the company stipulated under the title of remuneration of the members of the board and the emanating committees as follows: "The annual remuneration for the chairman and members of the board of directors shall be with a minimum of 400,000 Saudi Riyals (four hundred thousand Saudi Riyals) and a maximum of 500,000 Saudi Riyals (five hundred thousand Saudi Riyals) annually for their membership in the Board of Directors and their participation in its work, including additional annual bonuses in the event that the member participates in any of the committees emanating from the Board of Directors.

In the event that the company achieves profits, a percentage equivalent to (10%) of the remaining net profit may be distributed after deducting the reserves decided by the General Assembly in implementation of the provisions of the Cooperative Insurance Companies Control Law and after distributing a profit to the shareholders of not less than (5%) of the company's paid-up capital, provided that the entitlement to this bonus is proportional to the number of sessions that the member attends, and any estimate to the contrary shall be void.

In all cases, the total remuneration and financial or in-kind benefits and rewards that a member of the Board of Directors gets shall not exceed an amount of five hundred thousand Saudi Riyals annually.

The maximum allowance for attending the sessions of the Council and its committees shall be five thousand Saudi Riyals for each session, excluding travel and accommodation expenses.

Each member of the board, including the chairman, shall be paid the value of the actual expenses they incur in order to attend the meetings of the board and the committees emanating from the board of directors, including travel, accommodation and subsistence expenses.

The executive management members' remuneration list also includes the disclosure of remuneration for employees of the executive management in an appropriate manner and in compliance with any instructions and regulations issued by the regulatory and supervisory authorities in force in the Kingdom of Saudi Arabia, as this report shows the rewards and benefits of five senior executives who received the highest rewards from the company.

The Relationship between the Remuneration Awarded and the Applicable Remuneration Policy:

Al Sagr Cooperative Insurance Company has followed in the remuneration granted to members of the Board of Directors what is mentioned in the paragraph of Article No. (19) of the Company's Articles of Association, which is consistent with the remuneration policy for members of the Board of Directors, committees and executive management approved by the General Assembly by granting a minimum bonus of 400,000 Saudi Riyals.

A. Remuneration of Members of the Board:

Details of remuneration payable to each of the members of the board of directors, board committees and senior executives (figures are in Saudi Riyals)

During the year 2020, no amounts were paid to any member of the Board of Directors and its committees in relation to attendance fees and the annual bonus for the period from 01/01/2020 until 12/31/2020, and therefore, all these balances still appear payable as at the end of Year 2020. Accordingly, the company has accrued due fees for the period from 01/01/2020 until 12/31/2020.

	Fixed Rewards						Variable Rewards						Grand Total	Expense Allowance		
	Fixed Amount	Allowance for Attending Council Sessions	Total Allowance for Attending Committee Sessions	in-kind benefits	what they have received for technical or administrative work or consultations	Remuneration of the Chairman, Managing Director or Secretary if Member	Total	A Percentage of Profits	Periodic Rewards	Short-term Incentive Plans	Long-term Incentive Plans	Total Shares Awarded (Value Entered)			Total	End of Service Award
First: The Independent Members																
Dr. Muhammad Abdulaziz Al-Naim (Expired Membership) *	183,333	5,000	20,000	-	-	-	208,333	-	-	-	-	-	-	-	198,333	-
Tariq Abdulaziz Al-Bassam (Membership Expired)	183,333	5,000	10,000	-	-	-	198,333								198,333	-
Saud Saleh Al-Arifi (Membership Expired)	183,333	5,000	10,000	-	-	-	198,333	-	-	-	-	-	-	-	198,333	-
Yasser Abdulaziz Al-Kadi (A New member)	216,667	15,000	20,000				251,667								251,667	

Abdullah Abdulrahman Al-Bassam (A New Member)	216,667	15,000	15,000				246,667								246,667	
Khaled Abdulhamid Al-Shuwayer (A New Member)	216,667	15,000	25,000				256,667								256,667	
Sultan Khalid Al-Turki (A New Member)	216,667	15,000	30,000				261,667								261,667	
Total	1,416,667	75,000	130,000	-	-	-	1,621,667	-	-	-	-	-	-	-	1,611,667	-
Second: Non-Executive Members																
Fahd Abdulrahman Al-Turki	400,000	20,000	40,000	-	-	-	460,000	-	-	-	-	-	-	-	460,000	-
Bassam bin Ahmed Al-Binali (Membership Expired)	183,333	5,000	15,000	-	-	-	203,333	-	-	-	-	-	-	-	203,333	-
Abdullah Jumah Al-Sari	400,000	20,000	0	-	-	-	420,000	-	-	-	-	-	-	-	420,000	-
Majid Abdullah Al-Sari	216,667	15,000	20,000	-	-	-	251,667	-	-	-	-	-	-	-	251,667	-
Sultan Abdulaziz Al-Suwaidi	216,667	15,000	25,000	-	-	-	256,667	-	-	-	-	-	-	-	256,667	-
Abdalmohsen Abdullah Al-Sunaid (Membership Expired)	183,333	5,000	5,000	-	-	-	193,333	-	-	-	-	-	-	-	193,333	-
Abdalmohsen Nafez Jaber	400,000	20,000	20,000	-	-	-	440,000	-	-	-	-	-	-	-	440,000	-
Total	2,000,000	100,000	125,000	-	-	-	2,225,000	-	-	-	-	-	-	-	2,225,000	-
Third: The Executive Members:																
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	3,416,667	175,000	155,000	-	-	-	3,846,667	-	-	-	-	-	-	-	3,836,667	-

* Note: An amount of 10,000 Saudi Riyals was paid to the aforementioned board member during the year

B. Remuneration of Committee Members from Outside the Board

Name	Membership Description	Meeting Attendance Allowance	Rewards	Special Rewards	Total
Members of the Audit Committee					
1	Zaid bin Abdullah Al-Yaish (Membership Expired)*	Chairman of the Committee	10,000		10,000
2	Hussam Faisal Baward*	Member of the Committee	20,000		20,000
3	Muhammad Al-Ghamdi*	Member of the Committee	30,000		30,000
4	Saud bin Saleh Al-Arifi*	Member of the Committee	20,000		20,000
Members of the Investment Committee					
1	Majid bin Abdul-Mohsen Al-Sunaid**	Member of the Committee	15,000		15,000
Grand Total			95,000		95,000

The member has received the full award amount specified in the Table.

** The member has received 5,000 Saudi Riyals of the award value specified in the Table.

C. Rewards for Senior Executives

Statements and compensations of five senior executives, including (the General Manager and the Financial Director)

Statement	Fixed Awards	Variable Awards
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	Fixed Salaries and Awards	Allowances	In-kind Benefits	Total	(Any amounts paid as a percentage of profits, periodic bonuses, short-term or long-term incentive plans, or bonus shares)	End of Service Award for the Year 2020	The Sum of the Executives' Awards from the Board, if any	Grand Total
What 5 senior executives earned, including the CEO and CFO who received the highest remuneration	3,330,268	1,119,186	0	4,449,454	0	140,118	731,856	5,321,428

13. Legal Requirements and Restrictions Imposed on the Company

Precautionary Measures/ Punishment / Penalty/ Precautionary Restriction	Causes of the Violation	The Signatory for the Violation	Amount of the Violation
Violation	The company's non-compliance with the precautionary measures to combat Coronavirus	SAMA	5,000 SR
Violations	The company's non-compliance with the Cooperative Insurance Companies Control Law	SAMA	140,000 SR
Violation	The non-disclosure of the end of the mandate of the Chief Executive Officer	The Capital Market Authority	10,000 SR
Violations	Not registering points of sale in some cities	Ministry of Labor	20,500 SR

14. Internal control

The Board of Directors of the company is responsible for ensuring the efficiency and effectiveness of the company's internal control systems on a regular basis, and the senior management represented by the CEO, the Compliance Department, the Internal Audit Department and the risk management department prepares and implements the internal control system on sound and effective foundations, including ensuring that the company's systems and policies comply with the statutory requirements issued by the relevant supervisory and regulatory authorities, such as SAMA, the Financial Market Authority, and the Council of Cooperative Medical Insurance.

In line with sound corporate governance practices and regulatory requirements, the Company's Audit Committee has been formed, which is an independent committee formed by a decision of the Company's General Assembly. The audit committee consists of four members, three independent members from outside the board of directors and an independent member from the board of directors as chair of the committee. Among the members of the committee are two members specialized in financial affairs, as the audit committee emanating from the board of directors is responsible for monitoring the performance and application of internal control systems in the company, and ensuring the efficiency and effectiveness of the financial and accounting systems in the company, supervising the internal audit department, the compliance department and combating money laundering and terrorist financing in the company in order to verify the extent of its efficiency and effectiveness in carrying out the work and tasks assigned to them, and ensuring compliance with the application of the Companies Law, the cooperative insurance company control law, and the rules, regulations. and other relevant instructions. The committee held (6) meetings during the fiscal year 2020.

The internal audit department in the company enjoys complete independence, as it is functionally linked directly to the audit committee. One of the tasks of the internal audit is to ensure the extent of application of the internal policies and procedures in the company. During the year 2020 it carried out audits in accordance with the annual internal audit plan approved by the committee. The internal audits included the company's financial, administrative, or operational activities to verify the effectiveness of the company's internal control systems. The internal audit department submitted its reports to the audit committee on the results of the effectiveness of the company's internal control procedures and systems.

The Compliance Department is an independent department whose responsibility is to confirm compliance with the company's implementation of the regulations and laws in force in the Kingdom of Saudi Arabia, which include the laws, regulations and circulars issued by SAMA, the Council of Cooperative Medical Insurance, the Financial Market Authority and other related regulations. The Compliance Department has submitted its periodic reports to the committee with the results of the company's commitment to the relevant laws, regulations and instructions.

Based on the reports submitted by the Internal Audit Department and the Compliance Department to the Audit Committee, the committee has verified that all necessary corrective measures have been taken to address the deficiencies, which ensure that observations are not repeated in the future. The committee has also raised / escalated its reports and recommendations to the Executive Committee and the Board of Directors.

In line with sound corporate governance practices and regulatory requirements as well, a risk committee emanating from the board of directors and consisting of three members of the board of directors was formed and chaired by one of the independent members of the board. Its role was important and pivotal in supporting internal control by monitoring risk indicators and reviewing reports submitted by the risk management department, determining the extent of exposure to various risks, and discussing them with the executive management and the Board of Directors.

15. Results of the annual review of the effectiveness of the company's internal control procedures, in addition to the audit committee's opinion on the adequacy of the company's internal control system

In order to confirm the effectiveness of internal control, the Audit Committee carried out the following tasks during the fiscal year 2020:

- A. Discussing the initial annual and quarterly financial statements for the year 2020 with the external auditors and senior management of the company before issuing them. The committee also submitted the recommendation to the Board of Directors after studying and reviewing the financial statements for discussion and consideration of approval.
- B. Studying the offers of auditors' companies and recommending the appointment of the auditor for the year ending 12/31/2020.
- C. Reviewing and approving the internal audit plan for the fiscal year 2020.
- D. Supervising the Internal Audit Department and the Compliance Department, and following up on the implementation of the approved audit plan for the year 2020 for the two departments.
- E. Discussing the internal audit reports and following up on the implementation of the important recommendations contained in the reports of the internal audit department.
- F. Studying the compliance department's reports that reflect the company's compliance with the statutory requirements, and following up on the implementation of the recommendations contained in the reports.
- G. Studying the effectiveness of the process of identifying and assessing the significant risks to the company's activity, and the company's management method for those risks, and submitting appropriate recommendations in this regard to the Board of Directors.
- H. Reviewing significant accounting policies and practices, including the consistency of these policies, annually.

In addition to the above-mentioned responsibilities, the audit committee takes it upon itself to carry out any other tasks entrusted to it by the company's board of directors, and submits to the board periodic reports on the examinations carried out by the committee, and its recommendations in this regard.

Finally, and based on the above and the scope of the audit committee's work, we believe that the company has a sound and effective internal and financial control system to an appropriate degree in terms of design and application. There is no doubt about the company's ability to continue its business and achieve its goals. During the year 2020, there were no material observations regarding the effectiveness of the internal control system and procedures in the company. Work is underway to develop plans for improvement and development in the company's internal control systems, and that is followed up by the audit committee.

16. The company's social contributions

Al Sagr Company is interested in supporting the community and playing its full role in fulfilling its social responsibility, and not sparing efforts in order to develop social responsibility programs and support various social bodies and issues. During the year 2020, the company undertook many initiatives, which are as follows:

1. Using social media to spread awareness of the importance of early screening for breast cancer in the community.

2. Spreading insurance awareness for vehicles in the women's community and holding an awareness meeting at Prince Muhammad bin Fahd University about its importance and advantages.
3. Coordination with a medical authority to educate employees about the importance of donating blood and making available the medical tools required for the blood drawing process.
4. Participating in the Fifth International Traffic Safety Forum and Exhibition to spread awareness of the importance of following the instructions and laws issued by the competent authorities and to talk about the importance of Motor Insurance and its advantages.
5. Participating in a green Eastern march that was organized in Al-Marjan Island in Dammam, in addition to supporting the Municipality of the Eastern Region through financial sponsorship, and educating community members about the importance of afforestation in order to beautify cities and reduce environmental and visual pollution.
6. Supporting the blessed government efforts in addressing the new Corona pandemic (COVID-19) by donating a financial amount of one million Saudi Riyals to support the Health Endowment Fund.

17. A Statement of the Dates of the General Shareholders' Assemblies Held During the Last Fiscal Year and the Names of the Members of the Board of Directors Attending These Assemblies:

No.	Name	Attendance Record		Total Attendance
		The First Assembly Meeting 01/06/2020	The First Assembly Meeting 27/10/2020	
Members of the Board for the New Cycle*				
1	Fahd bin Abdulrahman Al-Turki	Attended	Attended	2
2	Majid bin Abdullah Al-Sari	N/A	Did not Attend	0
3	Abdullah bin Jumah Al-Sari	Did not attend	Did not Attend	0
4	Sultan bin Abdulaziz Al-Suwaidi	N/A	Attended	1
5	Abdulmohsen bin Nafez Jaber	Attended	Attended	2
6	Khalid bin Abdulhameed Al Shuwayer	N/A	Attended	1
7	Yasser bin Abdulaziz Al-Kadi	N/A	Did not Attend	0
8	Abdullah bin Abdulrahman Al-Bassam	N/A	Attended	1
9	Sultan bin Khalid Al-Turki	N/A	Attended	1
Members of the Board of Directors for the Previous Cycle**				
1	Bassam bin Ahmed Al-Binali	Attended	N/A	1
2	Tariq bin Abdullah Al-Bassam	Attended	N/A	1
3	Abdulmuhsin bin Abdullah Al-Sunaid	Attended	N/A	1
4	Dr. Muhammad bin Abdulaziz Al-Naeem	Attended	N/A	1
5	Saud bin Saleh Al-Arifi	Attended	N/A	1

* The new, three-year cycle began on 16/06/2020.

** The previous three-year cycle ended on 15/06/2020.

18. Information Related to the Risks That the Company Faces

Al Sagr Cooperative Insurance Company seeks to manage the risks it faces through:

- A. The existence of an independent department specialized in risk management.
- B. Existence of a risk management committee affiliated with the board of directors with the aim to enhance and support institutional risk management in the company.
- C. Forming a risk management committee consisting of the executive and operational management to follow up and monitor the institutional risks and recommendations in the company.

D. Forming a team consisting of several departments (Risk Champions Team) under the supervision of the risk management department, to spread and enhance the culture of risk management, and to report, monitor and notify of risks.

E. The existence of a statement of acceptable risks (risk limits / risk tolerance) and a framework agreed upon by the Board of Directors that defines the type, classification and limits of acceptable risks.

F. To work to increase awareness of risks, and to enhance and spread a culture of risks in its operations and among its employees, by working according to the three lines of defense approach, as the first line of defense in the company represents departments and divisions.

G. Adopting the method of self-evaluation for the various departments in the company.

H. Making surveys for the departments in the company related to the risks.

Company Management is based on its administration and classification of risks, which is represented by the risk management department in the company, where the division begins in identifying the most important risks and monitoring, identifying and reporting on the risks that the company faces on two main pillars: the first pillar: the risk limits statement (risk tolerance statement / acceptable risk statement) contained within the framework of the risk limits of the company. The second pillar is monitoring, identifying and reporting of risks that come within the special reports, and making the necessary recommendations.

Accordingly, the risk limits statement report (risk appetite / risk tolerance) focuses on covering the following dimensions / indicators, which are (strategic risks, insurance risks (underwriting and handling claims and reinsurance), credit risks, liquidity risks, sales risks, operational risks, information technology risks, cyber security risks, human resources risks, risks of non-compliance, legal and statutory risks). As for the special reports, they deal with other aspects that complement the rest of the dimensions that are monitored and reported.

Risk Governance

Risk governance in the company is represented in the set of policies, procedures and methods, which use the organizational structure to achieve the strategic objectives of the company. The company is exposed to many risks, and the philosophy of managing risk governance in the company is represented not only in identifying and evaluating risks and ways to avoid them, but in the art of managing them by accepting the risks defined in the Acceptable Risk Statement "Risk Limitation Statement" which is part of the risk management framework approved by the Board of Directors.

This is a review of the risks faced by the company:

Strategic risks:

Managing these risks consists in reconciling strategic objectives, developing plans and incentives, and allocating resources to achieve those goals. Among the risks that are classified within the strategic risks with financial dimensions in the "risk appetite statement" is represented in the rate of return on ownership and financial solvency. There are measures that represent the limits for the risks approved in the "risk appetite statement", and they are considered among the quarterly reports that are prepared for submission.

Insurance risk:

Insurance risks (underwriting risks, handling claims and reinsurance) are those risks included in the insurance contract and in the likelihood of the insured event occurring with uncertainty about the value resulting from the claim, in other words it is the occurrence of an event with the uncertainty of the size and time of the resulting claim relevant to the event. The main risks in this context, i.e. the insurance contract, are the actual paid claims and benefits that exceed the carrying value of the insurance liabilities. This is subject to duplication and severity of claims, actual benefits and subsequent development of long-term claims.

Because of the diversity of these risks arising from the variety of contract types, distributing these risks within the insurance portfolio plays an important role in reducing the amount of influence in the size of the overall insurance portfolio. The good choice and prudence of the underwriting strategy and the use of reinsurance arrangements also play an essential role in managing insurance risks. The company has set controls and procedures in this regard with support from the appointed actuary. These risks are monitored and reported, represented by the loss ratio at the level of the portfolio, the claims and the retention ratio, which are mentioned within the risk limits and included in the "risk appetite statement" approved by the company's board of directors.

The risk transfer plays a major role in reducing insurance risks through reinsurance operations, whereby the company reinsures with reputable parties with great financial solvency and a high global rating, with the aim of reducing the potential financial losses that may arise from insurance claims. These arrangements protect the company

from the risks it may be exposed to through its participation with the selected reinsurers, and it also provides the company with additional capabilities to increase its business.

The company also evaluates the financial position of reinsurance companies through what is published and circulated by the global assessment bodies, to take the necessary measures as required before the occurrence of damage, noting that the assigned reinsurance agreements do not exempt the company from its obligations towards policyholders. As a result, the company remains liable towards policyholders with its share of claims under settlement of "reinsured" and for the amount agreed upon with the reinsurance company.

Credit risk:

Credit risk is the inability of one party to fulfill its obligations in respect of a financial instrument, which results in the other party incurring a financial loss. The company seeks to reduce credit risk in relation to dealing with agents and brokers by setting limits on credit and monitoring unpaid receivables as there are limits for overdue receivables within the limits of credit risk and they fall within the "risk acceptance statement" approved by the Board of Directors. The company also took the initiative to transfer the collection risk to specialized companies abroad. The company has a subscription to the services of the Saudi Credit Bureau "SIMAH". With regard to credit risk arising from time deposits and checking accounts, the company deals with local banks with high financial and credit position. The company also develops an analysis of the level of risk exposure with each bank separately. This also includes the company's investments with investment companies with a high investment and credit rating. The investment committee in the company is entrusted with developing the necessary expectations and analysis in this regard.

Information technology and cybersecurity risks:

Information technology plays an important role in the process of creating value and integrating the activities of business functions in the company due to the expansion of operations and the volume of activity. The company pays great attention to developing technical systems with raised levels of security and protection, especially for customer data.

The company takes into consideration the important and vital role of technical systems, especially with the expansion of the company's activity, including its branches and points of sale, and that technology risks in turn represent high risks that any sector may be exposed to for several reasons, including human errors and technical failures. And this is why the company is working to develop information security (Cyber security) "where cyber security risks are considered one of the most important emerging risks" within the framework of the cybersecurity department independent from the information technology department in accordance with the requirements of SAMA. And it is worth noting that the company has formed a committee approved by the Board of Directors to ensure the effectiveness, implementation and monitoring of plans and cybersecurity solutions, including spreading awareness and guidance periodically and determining the budget for information security, as well as the Technology and Information Department which conducts a disaster recovery test twice a year to ensure the continuity of work in the event of any malfunction that the company's systems may be exposed to.

Liquidity risk:

Liquidity risk is the risk that the company will encounter difficulties in raising sufficient and timely funds to meet commitments and obligations related to financial liabilities. The liquidity gap arises as a result of the maturity gap between assets and liabilities in the short term. In other words, it arises as a result of mismatch between the maturity dates of assets and liabilities. Liquidity risk also arises as a result of the inability to liquidate assets in a timely manner, with the possibility of a loss in the value of the asset. All these risks limit the ability of the company to provide the necessary liquidity to fulfill the obligations and commitments of the company. The company monitors liquidity requirements periodically to ensure that sufficient liquidity is available to meet any commitments when they arise. The company maintains liquid and semi-liquid assets and short-term investments to meet any liquidity requirements. The risk management department monitors and reports on liquidity indicators within its periodic reports, which fall within the Company's "Acceptable Risk Statement".

Human Resource Risks:

The risks of human resources are represented in the speed of job turnover and the lack of the qualification component, expertise and skills needed for human cadres, as well as avoiding the existence of job vacancies within a specific time frame for leadership positions. So, as part of the company's continuous efforts to improve the human

element, the company makes vigorous efforts aimed at developing human resources and attracting expertise and local talent. All this is comprising by plans for job replacement, training and rehabilitation.

Operational risk:

The company's Risk Department started applying the operational risk classification according to "Basel 2 and 3" to improve the supervisory and monitoring mechanism. And the operational risks facing the company are the risks of direct and indirect loss that may result from multiple causes or errors and are related to technologies, systems, people, operational processes and others used in the company and its infrastructure. In addition to other external factors such as customer risk other than liquidity and credit risk, so operational risks arise from all of the company's operations. Company Management is responsible for developing and implementing control over operational risks, such as activating the "risk champion's team" to closely monitor risks. These controls include monitoring contingency plans and business continuity, monitoring internal and external fraud operations, compliance with other legal and regulatory requirements, documentation of controls and procedures, business standards and professional ethics.

Company Management exerts its efforts to ensure and support the availability of adequate training and experience for Company employees, and to encourage effective communication in everything related to operational risks.

Sales Risk:

The sales risk in the company is represented in the presence of deviation in sales levels from the set objectives, due to several external and internal factors, the most important of which are (the volume of competition, price wars or reputation risks, the inconsistency of the plans drawn with the strategic objectives, etc.). Therefore, Company Management seeks to provide support and assistance and allocate resources in order to achieve the planned targets and to develop the necessary solutions and action plans. The report will be monitored and made and the level of this deviation in sales will be reported, as it is among the risks included in the Company's "Acceptable Risk Statement".

Legal and Regulatory Risks:

The company seeks to reduce legal and regulatory risks by emphasizing on the internal departments in the company to adhere to all legislations, regulations and bylaws issued by the concerned authorities. So, the company will put in place written preventive and corrective policies and procedures and ensure of their effectiveness in order to avoid any legal or statutory penalties resulting from this type of violations.

Risks of Organizational Non-Compliance:

Failure to comply with the laws and regulations issued by the supervisory and regulatory authorities such as SAMA, the Financial Market Authority, the Medical Insurance Council, is one of the risks that will result in many punishments such as financial and non-financial penalties, which will negatively affect the reputation and profitability of the company. Therefore, the company seeks to enhance its efforts in this direction by updating its internal policies and regulations for its transactions to ensure compliance with the laws and regulations issued by the regulatory or legislative authorities.

19. Financial Performance

Summary of the balance sheet

The following table shows a comparison of the company's assets and liabilities in the past five years:

List of Financial Position	(Thousands of Saudi Riyals)				
	2020	2019	2018	2017	2016
Insurance Operations Assets	462,215	581,235	493,017	539,122	503,983
Deducted (Excluding Joint Operations)	(103,499)	(57,480)	(9,315)	(19,610)	(8,046)
Total Assets of Insurance Operations	358,716	523,755	483,702	519,512	495,937

Shareholders' Assets:					
Investments, Time Deposits, Cash and Cash Equivalents	373,354	429,637	423,082	341,276	335,713
Statutory Deposit	40,000	40,000	40,000	25,000	25,000
Other Assets	31,633	36,200	36,594	187,313	219,029
Deducted (Excluding Joint Operations)	0	0	(4,235)	(158,308)	(189,951)
Total Shareholders' Assets	444,987	505,837	495,441	395,281	389,792
Total Assets	803,703	1,029,592	979,143	914,793	885,729
Liabilities:					
Liabilities Arising from Insurance Contracts:					
Unearned Premiums	171,429	230,734	182,880	143,345	67,021
Outstanding Claims	106,553	169,692	143,330	98,263	105,513
Claims Incurred but Not Reported	76,121	63,181	39,134	44,856	54,130
Other Technical Reserves	20,154	19,360	28,337	8,600	5,852
Other Liabilities	49,808	52,536	52,532	196,086	224,914
Surplus Distribution Payable	35,219	44,433	45,808	46,197	47,370
Deducted (Excluding Joint Operations)	0	0	(4,235)	(158,308)	(189,951)
Total Liabilities Arising from Insurance Contracts	459,285	487,786	379,039	314,850	737,341
Liabilities for Shareholders' Operations:					
Zakat Payable	46,858	42,271	59,325	56,710	48,727
Other Liabilities	114,425	16,507	26,845	14,153	4,987
Deducted (Excluding Joint Operations)	(103,500)	(9,315)	(19,610)	(8,046)	(1,648)
Total Liabilities Arising from Shareholders' Operations	57,783	49,463	66,560	62,817	52,066
Total Liabilities	517,068	537,249	445,599	377,667	789,407

Shareholders' Equity:					
Share Capital	400,000	400,000	250,000	250,000	250,000
Statutory Reserve	0	47,342	78,342	76,789	46,501
Retained Earnings	(122,870)	(9,173)	138,369	182,157	111,005
Investments Fair Value Reserve	8,058	3,164	807	(884)	(2,275)
Re-measurement reserve of employee benefit	1,448	562	1,676	-	-
Total Shareholders' Equity	286,635	441,894	469,195	508,062	405,231
Total Liabilities and Shareholders' Equity	803,703	979,143	914,794	885,729	1,194,638

Summary of Business Results in the Last Five Years:

(Thousands of Saudi Riyals)

Statement of Income from Insurance Operations	2020	2019	2018	2017	2016
Gross Written Premiums	379,114	455,703	350,379	329,307	176,014
Net Written Premiums	314,168	386,234	306,471	275,196	109,197
Changes in Unearned Premiums	59,305	(47,854)	(39,534)	(76,324)	398,511
Changes in Reinsurers' Share of Unearned Premiums	3,849	2,248	1,272	(2,983)	(3,070)
Net Premiums Earned	377,322	340,629	268,209	195,889	504,639
Reinsurance Commission	6,315	4,769	5,311	6,175	7,071
Total Revenues	383,637	345,398	273,520	202,064	511,710
Underwriting Costs and Expenses					
Total Paid Claims	(495,300)	(315,174)	(193,377)	(158,838)	(264,986)
Other Expenses	(17,036)	(15,015)	(11,386)	(8,192)	(3,055)
Reinsurers' Share of Claims Paid	85,390	32,815	16,139	24,628	37,329
Net Claims Paid	(426,946)	(297,374)	(188,624)	(142,401)	(230,712)
Changes in Outstanding Claims, Net	5,152	(26,908)	1,394	16,839	8,517

Net Claims Incurred	(421,794)	(324,283)	(187,229)	(125,562)	(222,195)
Policy Acquisition Costs and Other Underwriting Expenses	(33,759)	(23,538)	(47,069)	(25,949)	(63,006)
Total Underwriting Costs and Expenses	(455,552)	(347,821)	(234,298)	(151,513)	285,201
Net Underwriting Results	(71,915)	(2,423)	39,221	50,551	226,509
(Expenses) / Other Operating Income					
General and Administrative Expenses	(69,679)	(58,468)	(60,169)	(54,261)	(59,670)
Allowance for Doubtful Debts	(83)	(9,848)	(896)	4,750	(3,713)
Investment Income	21,087	28,608	20,251	17,379	16,618
Total Income for the Year Before Zakat	(106,277)	(39,861)	818	22,889	179,744
Zakat Provision	(6,500)	(8,400)	(10,610)	-	-
Total Income for the Year Attributable to Shareholders	(112,777)	(48,261)	(9,792)	22,889	179,744

* Certain comparative figures have been reclassified to conform to the classifications of the current period

20. Geographical Analysis of the Company's Total Revenues for the Year 2020

Region	Gross Premiums Written (Thousands of Saudi Riyals)
Central Region	55,069
Eastern Region	246,556
Western Region	77,489
Total	379,114

Statement	2020	2019	2018	2017	2016
Assets - Insurance Operations	358,716	523,755	483,702	519,512	495,937
Assets - Shareholders' Operations	444,987	505,837	495,441	395,281	389,792
Total Assets	803,703	1,029,592	979,143	914,793	885,729
Liabilities and Surplus - Insurance Operations	459,285	579,936	487,786	379,039	314,850
Liabilities - Shareholders' Operations	57,783	54,208	49,463	66,560	62,817
Total Liabilities	517,068	634,144	537,249	445,599	377,667
Total Shareholders' Equity	286,635	395,448	441,894	469,195	508,062
Total Liabilities and Shareholders' Equity	803,703	1,029,592	979,143	914,794	885,729



Comparison of assets and liabilities for the last five years 2016-2020 (Thousand Saudi Riyals)

21. Clarifications of the Material Differences in the Operating Results for the Year 2020 Compared to the Year 2019

Million Saudi Riyals	2020	2019	2018	2017	2016
Gross Written Premiums	379	456	350	329	176

o The total written premiums (GWP) during the year 2020 amounted to 379 million Saudi Riyals compared to 456 million Saudi Riyals for the previous year, which represents a decrease of 17%.

o The year 2020 was full of challenges, on top of which is the Corona Virus, which began at the beginning of the year 2020 and continued until the end of the year affecting the company and the insurance sector in general with regard to insurance premiums.

o The company also witnessed the continuation of some internal managerial and organizational changes during the year, especially with regard to improving internal control - in light of the directives of SAMA in this regard - which required focusing more on this aspect and directing efforts to achieve it as soon as possible.

o Clarification of any material differences in the operating results for the previous year or any expectations announced by the company. The following presentation represent a - summary of the most important fundamental differences in the operating results for the year 2020 compared to the year 2019:

- Total revenues in the year 2020 increased by 11% from 341 million in the year 2019 to 377 million by the end of 2020, an increase of 36 million Saudi Riyals
- The net claims incurred during the year 2020 amounted to 427 million Saudi Riyals, compared to 297 million Saudi Riyals for the previous year, which represents an increase of 44%. The large increase in claims in the recent period, especially Medical Insurance claims, is a general phenomenon that reflects the rise in the prices of service providers and that an increasing segment of the insured is directed to make the most of the insurance service through all available means even - in some cases - if it were not necessary and facilitated by some service providers. The company is striving through all means to control this increase by taking several measures, on top of which is increasing the level of scrutiny of claims to ensure their validity and following up with health claims management companies on an ongoing basis regarding monitoring and auditing claims received from service providers.

- The net underwriting results for the year amounted to a deficit of 72 million Saudi Riyals, compared to a deficit of 2.4 million Saudi Riyals, and this is mainly due to the large increase in health claims.
- The net profits of investments during the year 2020 amounted to 21.1 million Saudi Riyals compared to 28.6 million Saudi Riyals for the previous year, and this represents a decrease of approximately 26%
- The net loss before Zakat for the year 2020 is 106 million Saudi Riyals, compared to a loss of 39.9 million Saudi Riyals in the previous year.
- Comprehensive net loss during the year 2020 amounted to 108.8 million Saudi Riyals, compared to 46.4 million Saudi Riyals for the previous year.
- Loss per share for the year 2020 amounted to 2.82 Saudi Riyals per share (year 2019: loss of 1.21 Saudi Riyals per share)

22. The Accounting Standards Used for the Financial Statements

The company prepares its financial statements and the statements are reviewed by the company's auditors in accordance with the International Accounting Standards for Financial Institutions and the Financial Reporting Standards issued by the International Accounting Standards Board, as amended by SAMA for accounting for Zakat and income tax. The company confirms that there are no material differences or financial impact on the financial statements as a result of preparing them in accordance with international standards compared to those issued by the Saudi Organization for Certified Public Accountants.

23. A Description of the Company's Policy for Distributing Dividends

Articles 45 and 46 of the company's articles of association stipulate the distribution of profits as follows:

- (20%) of the net profits shall be set aside as the statutory reserve for the company, and the Ordinary General Assembly may decide to stop this retainer whenever the said reserve reaches 100% of the paid capital.
- The Ordinary General Assembly based on the proposal of the Board of Directors decided to set aside a certain percentage of the net profits to form an agreement reserve to be allocated to support the financial position of the company.
- The Ordinary General Assembly may decide to create other reserves, to the extent that it serves the interest of the company or ensures that fixed profits are distributed as much as possible to the shareholders.
- The Zakat and assessed income tax shall be set aside.

The shareholder is also entitled to a share in the profits in accordance with the decision of the general assembly issued in this regard, and the decision specifies the date of entitlement and the date of distribution. Eligibility for dividends shall be for shareholders registered in the shareholders' records at the end of the day specified for maturity. The company shall inform the Capital Market Authority - without delay - of any decision to distribute profits or recommend it, and the profits to be distributed to shareholders shall be paid at the place and dates determined by the Board of Directors in accordance with the instructions issued by the competent authority, subject to the prior written approval of SAMA.

24. A description of any interest, contractual securities and subscription rights of the members of the company's board of directors, senior executives and their relatives in the shares or debt instruments of the company, and any change in that interest or those rights during the last fiscal year.

A Description of Any Interest, Contractual Securities and Subscription Rights of the Members of the Company's Board of Directors and Their Relatives in the Shares or Debt Instruments of the Company

No.	The Name of the Person of Interest	At the Beginning of the Year		At the End of the Year		Net Change	The Percentage of Change
		Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
(1)	Mr. Fahd bin Abdulrahman Al-Turki	2,000,160	-	2,000,160	-	-	0.0%
(2)	Al Sagr National Insurance Company, represented by Mr. Majid bin Abdullah Al-Sari	10,400,000	-	10,400,000	-	-	0.0%
(3)	Al Sagr National Insurance Company, represented by Mr. Abdullah Juma Al-Sari	10,400,000	-	10,400,000	-	-	0.0%
(4)	Al Sagr National Insurance Company, represented by Mr. Sultan bin Abdulaziz Al-Suwaidi	10,400,000	-	10,400,000	-	-	0.0%
(5)	Al Sagr National Insurance Company, represented by Mr. Abdul Mohsen bin Nafez Jaber	10,400,000	-	10,400,000	-	-	0.0%
(6)	Mr. Khalid bin Abdul Hameed Al-Shuwayer	-	-	-	-	-	0.0%
(7)	Mr. Yasser bin Abdulaziz Al-Kadi	-	-	-	-	-	0.0%
(8)	Mr. Abdullah bin Abdulrahman Al-Bassam	-	-	-	-	-	0.0%

(9)	Mr. Sultan bin Khalid Al-Turki	-	-	90	-	-	0.0%
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A Description of Any Interest, Contractual Securities and Subscription Rights of Senior Executives and Their Relatives in the Shares or Debt Instruments of the Company							
No.	The Name of the Person of Interest	At the Beginning of the Year		At the End of the Year		Net Change	The Percentage of Change
		Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
(1)	Saran bin Manea Abu Saq	-	-	-	-	-	0.0%
(2)	Shafiq Mansour Al-Rumaih	-	-	-	-	-	0.0%
(3)	Imad Mahdi Muhammad Awani	19	-	19	-	-	0.0%

25. The Number of Board Meetings Held during the Last Fiscal Year, Their Dates, and the Attendance Record for Each Meeting Indicating the Names of the Attendees:

No.	Member's Name	Membership Classification	Position	Number of Meetings				Total
				First Meeting 03/03/2020	Second Meeting 09/07/2020	Third Meeting 25/10/2020	Fourth Meeting 13/12/2020	
1	Mr. Fahd bin Abdulrahman Al-Turki	Non-Executive	Chairman of the Board of Directors	Attended	Attended	Attended	Attended	4
2	Mr. Majid bin Abdullah Al-Sari	Non-Executive	Vice-Chairman of the Board of Directors	N/A	Attended	Attended	Attended	3
3	Mr. Abdullah bin Jumaa Al-Sari	Non-Executive	Member of the Board of Directors	Attended	Attended	Attended	Attended	4
4	Mr. Sultan bin Abdulaziz Al Suwaidi	Non-Executive	Member of the Board of Directors	N/A	Attended	Attended	Attended	3
5	Mr. Abdul Mohsen bin Nafez Jaber	Non-Executive	Member of the Board of Directors	Attended	Attended	Attended	Attended	4
6	Mr. Khalid bin Abdul Hamid Al-Shuwaier	Independent	Member of the Board of Directors	N/A	Attended	Attended	Attended	3
7	Mr. Yasser bin Abdulaziz Al-Kadi	Independent	Member of the Board of Directors	N/A	Attended	Attended	Attended	3
8	Mr. Abdullah Abdulrahman Al-Bassam	Independent	Member of the Board of Directors	N/A	Attended	Attended	Attended	3
9	Mr. Sultan bin Khalid Al-Turki	Independent	Member of the Board of Directors	N/A	Attended	Attended	Attended	3
1	Mr. Bassam Ahmed Nasser Al-Binali	Non-Executive	Chairman of the Board of Directors	Attended	N/A	N/A	N/A	1
2	Mr. Tariq Abdullah Al-Bassam	Independent	Member of the Board of Directors	Attended	N/A	N/A	N/A	1
3	Dr. Muhammad Abdulaziz Al-Naim	Independent	Member of the Board of Directors	Attended	N/A	N/A	N/A	1
4	Mr. Abdul Mohsen Abdullah Al-Sunaid	Non-Executive	Member of the Board of Directors	Attended	N/A	N/A	N/A	1
5	Mr. Saud bin Saleh Al-Arifi	Independent	Member of the Board of Directors	Attended	N/A	N/A	N/A	1

* The new, three-year cycle began on 16/06/2020

26. The Number of the Company's Requests for the Shareholders' Register. The Dates and Reasons for Those Requests.

The Number of the Company's Requests for the Shareholders' Register	The Date of the Request	The Reasons for the Request
1	12/02/2020	For Review and Analysis Purposes
2	31/03/2020	To Fill out the Form of SAMA
3	30/06/2020	To Fill out the Form of SAMA
4	30/09/2020	To Fill out the Form of SAMA
5	20/05/2020	General Assembly
6	01/06/2020	General Assembly
7	27/10/2020	General Assembly
8	31/12/2020	For the Purposes of Preparing the Report of the Board of Directors

27. Transactions with Related Parties and Their Balances, and Information Related to Any Business in Which the Company is a Party or in Which It Has an Interest for a Member of the Company's Board of Directors, Its Senior Executives, or Any Person Related to Any of Them.

The Relevant Party / Party to the Transaction	The Nature of the Relationship / Their Relationship with the Company	The Nature of the Transaction / the Contract	Duration	The Terms of the Contract / Work	The Amount of the Transaction (Thousands of Saudi Riyals) During the Period from 01/01/2020 Until 12/31/2020
Mr. Fahad Al-Turki Abdulrahman Ali Al-Turki Group of Companies	Chairman of the Board of Directors	Written Insurance Premiums	One Year	According to the Document Approved by the Regulatory Authorities and Without Preferential Benefits	13,708
		Claims Incurred		According to the Document Approved by the Regulatory Authorities and Without Preferential Benefits	(2,221)
		Office Rental Expense		Without Preferential Benefits	(1,174)
Mr. Tariq Al-Bassam Tariq Abdullah Al-Bassam Group of Companies	Ex-Member of the Board of Directors	Written Insurance Premiums	One Year	According to the Document Approved by the Regulatory Authorities and Without Preferential Benefits	134
		Claims Incurred		According to the Document Approved by the Regulatory Authorities and Without Preferential Benefits	41
Mr. Bassam Ahmed Al-Binali Nasser Ahmad Al-Binali Holding Group	Former Chairman of the Board of Directors	Written Insurance Premiums	One Year	According to the Document Approved by the Regulatory Authorities and Without Preferential Benefits	664
		Claims Incurred		According to the Document Approved by the Regulatory Authorities and Without Preferential Benefits	(120)
Mr. Abdul Mohsen Al-Sunaid In His Personal Capacity	Former Member of the Board of Directors	Written Insurance Premiums	One year	According to the Document Approved by the Regulatory Authorities and Without Preferential Benefits	12
		Claims Incurred		According to the Document Approved by the Regulatory Authorities and Without Preferential Benefits	(16)
Mr. Abdullah Al-Sari Mr. Majid Abdullah Al-Sari Mr. Abdulmohsen Jaber Al Sagr National Insurance Company	Members of the Board of Directors	Premium Reinsurance	One year	According to the Document Approved by the Regulatory Authorities and Without Preferential Benefits	(461)
		Reinsurers' Share of Claims Paid		According to the Document Approved by the Regulatory Authorities and Without Preferential Benefits	194
		Reinsurance Commission Income		According to the Document Approved by the Regulatory Authorities and Without Preferential Benefits	33
		Claims Incurred		According to the Document Approved by the Regulatory Authorities and Without Preferential Benefits	-
		Consulting Agreement		Without Preferential Benefits	(552)

* The transactions with the relevant authorities are renewed annually by the General Assembly.

28. A Statement of Any Arrangements or Agreement Under Which a Member of the Company's Board of Directors or a Senior Executive Waived Any Remuneration:

There is no arrangement or agreement whereby a member of the company's board of directors or a senior executive waived any remuneration.

29. A Statement of Any Arrangements or Agreement Under Which a Shareholder of the Company Waived Any Rights to Profits:

There is no arrangement or agreement whereby any of the shareholders of the company waived any rights to profits.

30. A Statement of the Value of Statutory Payments:

The following Table shows a statement of the value of the statutory payments on the company for the year 2020 that were paid in the same year, bearing in mind that any amounts not paid by the end of the year 2020 will hopefully be paid during the year 2021.

(Thousands of Saudi Riyals)

Type of Payments	Payments Due Until the End of 2020 and Which Were Paid	Payments Due by the End of 2020 and That Will Be Paid During 2021
Social Insurance	3,798	370
Zakat, Tax and Income	5,373	46,858
Central Bank Supervision and Control Costs	1,202	1,339
Fees of the Cooperative Medical Insurance Board	2,658	555

31. Approvals of the External Auditors:

The General Assembly, which was held on 06/01/2020, approved the selection of the external auditors nominated by the Audit Committee, in order to review the company's accounts for the fiscal year 2020 and the quarterly statements and determine their fees as follows:

- Al-Bassam and Al-Nimr Allied Accountants, PKF
- PricewaterhouseCoopers

32. In the event that the Board of Directors recommends changing the auditor before the end of the period for which they are appointed, the report must contain that, along with the reasons for recommending the change.

Al-Sagr Cooperative Insurance Company acknowledges that its board of directors has not issued any recommendation to change the external auditor before the end of the period for which they are appointed.

33. If the auditor's report contains reservations about the annual financial statements, the board of directors' report must clarify those reservations, their reasons, and any information related to them.

Al-Sagr Cooperative Insurance Company acknowledges that there are no reservations on the annual financial statements in the auditor's report.

34. Recommendations of the Audit Committee where there is a conflict between it and the decisions of the Board of Directors, or which the Board has refused to take into account regarding the appointment and dismissal of the company's auditor, determining their fees and evaluating their performance or appointing the internal auditor, the rationale for those recommendations, and the reasons for not taking them into account.

N/A.

35. Disclosure of details of treasury shares held by the company and details of the uses of these shares:

The Number of Treasury Shares Held by the Company	Their Value	The Date They Were Kept	The Details of Their Use
None	None	None	None

36. A Description of Any Interest in the Voting-Eligible Shares Category Belonging to Persons (Other Than Members of the Company's Board of Directors, Senior Executives and Their Relatives) Who Informed the Company of Those Rights Under Article (45) of the Registration and Listing Rules, and Any Change in Those Rights During the Fiscal Year 2020:

There have been no changes in the ownership percentages of the major shareholders who own 5% or more, requiring the shareholders to inform the company or the Authority of this.

37. Declarations:

A. Acknowledgments:

The following are declarations made by Al Sagr Cooperative Insurance Company:

- The company acknowledges that it did not obtain any loans (whether due on demand or otherwise) during the year 2020.
- The company declares that it has not made any investments or created any reserves for employee benefits.
- The company acknowledges that it did not issue or grant any convertible debt instruments, contractual securities, subscription right notes, or similar rights during the fiscal year 2020.
- The company declares that it has not issued or granted any transfer or subscription rights under debt instruments convertible into shares, option rights, subscription right notes, or similar rights.
- The company declares that it has not redeemed, bought or canceled any recoverable debt instruments.

B. Confirmations:

The Board of Directors confirms to the shareholders and other related parties, and according to its full knowledge and in all material respects, the following:

- That the account records were prepared in the correct manner.
- That the internal control system was prepared on a sound basis and was effectively implemented.
- There is no doubt about the company's ability to continue its activity.