

شركة الصقر للتأمين التعاوني

تقرير مجلس الإدارة السنوي

السنة المالية 2021 م

Chairman of Board of Directors word

Dear shareholders

On my own behalf and on behalf of my fellow workmates members of Al Saqr Cooperative Insurance Company, I am pleased to present to the honorable shareholders the change of the board of directors for the fiscal year ending 12/31/2021 AD, attached to the company's financial Which includes within it the results of the company's business and statements after completing their review and auditing by the external auditors .developments during the past year 0 and information about the members of the Board of Directors and the sub-committees counting Currently working under the umbrella of Al-Saqr Cooperative Insurance Company, a number of (276) employees are highly trained and experienced, so that Al-Saqr Cooperative Insurance Company has assumed great importance for the employment and qualification of Saudi employees out of its .keenness to support them and raise the level of leadership skills and the ability to assume responsibilities and assume leadership positions Al Saqr Cooperative Insurance Company shall utilize all its capabilities to develop its business and strategies to achieve its goals and those of its shareholders, in addition to making efforts

To address the difficult circumstances and our belief that the credit for overcoming these force majeure circumstances and achieving accomplishments after God is due to your trust in Al Saqr Cooperative Insurance Company and your commitment

With governance standards and best professional practices, and strengthening the principles of disclosure and transparency, we hope that we have .succeeded in providing a clear and adequate picture

Al-Saqr Cooperative Insurance Company shall adhere to the directives and instructions issued by the Saudi Central Bank, the Capital Market .Authority and other regulatory and supervisory authorities

Preparing this report in accordance with the instructions of these authorities, from this standpoint, we would like to thank all the supervisory and supervisory authorities for their efforts and support Al-Saqr Cooperative Insurance Company, which had a great positive impact in raising the level .of services provided by the company and enhancing its performance

With my kind estimation and respect

FAHAD BIN ABDULRAHMAN AL TURKEY

Chairman of the board of directors

Preamble

This report for the last fiscal year, starting from 01/01/2021 to the end of 12/31/2021, was prepared by the Board of Directors of Al-Saqar Cooperative Insurance Company to be submitted to the valued shareholders! Attached to it is the company's financial statement after completing their review and auditing by external auditors! It is also worth noting that this report has been worked on based on all the regulations and executive regulations that are initiated by the supervisory and supervisory authorities in force in the Kingdom of Saudi Arabia! Based on the mandatory requirements, the report also included data related to disclosure and the company's activities and operations that took place in the fiscal year 2021 AD! This is in order to ensure the preservation of shareholders' rights and to facilitate their access to all information and data in a clear manner that enables them to view and evaluate the financial position of the company

About Al-Saqar Cooperative Insurance Company

Al-Saqar Company has actually started its business since 1983 as a branch of Al-Saqar National Insurance Company, based in the United Arab Emirates! Then she moved to work as an agent for the headquarters of the Saudization Insurance Company, headquartered in Malley, Bahrain. After obtaining all the necessary licenses under the insurance regulations in the Kingdom of Saudi Arabia, Al-Saqar Cooperative Insurance Company is working to practice insurance activity as a public shareholding company listed on the Saudi stock market (Tadawul) with a capital of 400 million Saudi riyals from the company and in order to continue its business and provide the best services Insurance has expanded the scope of its insurance activity! The Cooperative Insurance Company owns several branches and points of sale scattered in all regions of the Kingdom of Saudi Arabia! Here it covers all segments of society, whether individuals or business entities! It takes into account the insurance needs according to the different size and scope of the business, which in turn pushes the company to strive to be one of the leading insurance companies in the Saudi market that relies on ethical standards and practices characterized by fairness and responsibility towards society

1. The company's activities:

The main activity of the company is insurance! The company's work team, consisting of a group of qualified professionals with the highest levels of professionalism, strives to provide the best insurance solutions! The most important insurance services provided by the company are as follows: They are as follows:

1. Fire and accident insurance: Protectors of property in a specific location. Insurance on all risks
2. to the property: Protecting property from damage as a result of an accident.
3. Loss of Profits Insurance: Covering for the loss of business interruption as a result of an accident.

a. Health Insurance

Providing the best health care insurance programs in accordance with the terms, conditions and regulations of council of the cooperative erasure guarantee in the entire Arab kingdom, in addition to providing a network Comprehensive reliable medical services from medical service providers from hospitals and clinics and pharmacies.

b. Property insurance:

PROTECTION AGAINST MEDICAL ERRORS

h. Liability insurance:

1. Workers' Compensation Insurance: Compensation for bearing damages in the work environment.
2. Public liability insurance: protection of the insured against claims made against him.
3. Professional Error Insurance: Protecting the insured from professional errors.

i. Miscellaneous Accident Insurance:

1. Compensation Injuries damage or death.
2. Money Insurance: Protecting the money of the insured.
3. Breach of trust insurance: compensation against business damage that causes money loss, such as fraud.
4. Theft insurance: compensation for losses resulting from theft.

j. Power Insurance

1. Insurance of power companies (land scale): insurance of real estate and equipment for extraction Oil', liquefied natural gas, petroleum gas' and processing plants Amputation and chemicals' or whatever was related to all of that; of public facilities and others.
2. Energy Companies Insurance (Offshore Scope): Insurance of real estate and equipment related to fixed platforms, pipelines, drilling machines, ships and buoys, onshore gas processing facilities or other property, as well as costs for monitoring expenses, ruins removal, or acres. Production 'or protect and compensate for contractual or statutory liabilities' and other acceptable related interests

2. The most significant strategic and operational escapes and achievements

- a. The company's website was launched and the sales of travel and third party motor insurance began on the company's website.
- b. A new regional branch was opened for the company in Al-Khobar and Nafel, the company's branches in Riyadh and Jeddah to more attractive commercial locations close to the commercial markets.

c. TRAVEL INSURANCE:

Protect against losses resulting from travel

d. Marine Insurance:

1. Marine Cargo Insurance: Cargo protectors against damage to sea breeze.
2. Ship insurance: Ship hull protectors against marine accidents.

e. Engineering insurance:

1. Comprehensive insurance for contractors: insurance on contractors' work against accident damage.
2. Equipment Insurance: Equipment insurance against external damage.
3. Equipment Failure Insurance: Equipment insurance against sudden failure.
4. Insurance for loss of profits as a result of equipment failure: Compensation for loss resulting from equipment failure.
5. Boiler and pressure vessel insurance: Compensation for any damage caused by boilers and pressure vessels.
6. Goods Damage Insurance: Compensation for damage as a result of goods being damaged.
7. Equipment and Equipment Insurance: Insurance against damage caused by electronic devices ,

f. and Vehicle insurance:

Protection against accidental damage.

g. Medical Malpractice Insurance:

- c. Improving work procedures at the company's points of sale to facilitate and raise the quality of service delivery to individual customers and small and medium groups.
- d. To improve and develop customer service, a contract has been awarded with AMEYO (Customer Interaction Platform) to enter and receive all customer requests.
- e. Establishing a Sales Support Section to support sales and provide competitive insurance services to other companies.
- f. Contract with Infotech3 that provides effective solutions and comprehensive software to manage PREMIA® insurance business operations.
- g. Develop work procedures for vehicle claims management by shifting to cost-effectiveness in claims management to reduce vehicle claims and eliminate vehicle sales "wrecks" via the Internet to increase the value of recovery and benefit from the wreck after selling it in an economically appropriate manner
- h. Establishing a department to manage the main accounts' concerned with attention and maintaining the highest level of service to the main clients.
(Developing brokers clients / direct clients with insurance premiums high)
- i. Implementing a Sales CRM system and developing plans, objectives, and structure for sales and compensation.
- j. Develop urgent and tight enforcement plans and strategies to stop the company's accumulated losses from health insurance (SMEs).
- k. The insurance products have been re-studied to be compatible with Shariah regulations by obtaining Shariah credits from the Sharia Reference House
- l. Attracting and training Saudi cadres to work in the company and setting replacement plans for leadership positions to be implemented within two years.
- m. Working on the sale of new insurance products such as insurance for political risks, piracy, and insurance for managers and officials.
- n. Work to develop and open successful business relationships with insurance brokers and carefully select them.
- o. Conduct improvement and development of the brand logo in line with the goals of the new company

3. Future Objectives 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 company's subscription mechanism and raising the degree of competitiveness in the sector to keep pace with the level of competitiveness
- c. Working on diversifying the insurance portfolio by focusing on raising the market share in motor and general insurance.
- d. Strengthening the role of governance and internal control functions in the company.
- e. Working on the development of new and diversified products that serve the company's customers and support the company's strategy of excellence.
- f. Working on developing the credit policy according to the best international standards..

4. What has been applied from the Corporate Governance Regulations and what has not been applied:

According to the provisions of the Corporate Governance Regulation, which requires the company to mention what provisions of the Governance Regulation have been applied and what has not been implemented, with a statement of the reasons for non-implementation in the report of its Board of Directors. Corporate governance issued by the Capital Market Authority. Except for the following :

Article No.	Governance Regulation Source	Article text / paragraph	Reasons of non- application
Article sixty one /paragraph (1)indicative	Financial Market Authority Regulations	Preparing a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the Executive Management, and submitting it to the Board of Directors for consideration in preparation for its approval by the General Assembly, provided that this policy takes into account the adoption of performance-related standards, its disclosure, and verification of its implementation.	The company did not comply with this, as the NRC recommended it, and the Board of Directors approved the recommendation, but the General Assembly rejected it during the year 2020. The proposals of one of the members were rejected after the discussion, and the rest of the members did not submit any other proposal, and the rest of the members adhered to the previous policy draft. The Nominations and Remunerations Committee, by a majority of votes submitted their recommendation and approved by the Board, the policy is now in the process of obtaining the approval by the Board of Directors and then to the General Assembly
ARTICLE NINETY EIGHT	Insurance Companies Governance Regulations from the Central Bank of Saudi Arabia	The Executive Committee shall hold its meetings periodically and whenever needed, provided that the number of Executive Committee meetings shall not be less than (6) meetings per year.	Two out of three members repeatedly apologized for holding the meetings, because the committee's meetings did not fit in with their schedule to other urgent matters.
Article forty one /paragraph (a) is indicative article	Insurance Companies Governance Regulations from the Central Bank of Saudi Arabia	The Board of Directors, based on the proposal of the Nominations and Remunerations Committee, shall set the necessary mechanisms for annually evaluating the performance of the Board, its members, committees, and the Executive Management, through appropriate performance measurement indicators related to the extent to which the company's strategic objectives are achieved, the quality of risks, the adequacy of the internal control systems and others, provided that the strengths and weaknesses are identified and a proposal is made. Processed in accordance with the interest of the company	The Board of Directors' evaluation mechanism was approved by the Nominations and Remunerations Committee for the year 2021 AD, and an external entity was appointed to do so. The evaluation is expected to be completed during the month of June 2022 AD
Article eighty five /paragraph (2), (3) (indicative article)	Financial Market Authority Regulations	Programs for granting employees shares in the company or a share of the profits it achieves, retirement programs, and the establishment of an independent fund to spend on those programs .Establishing social institutions for the company's employees -3	The company did not comply due to the lack of profitability in the year ending on 12/31/2021 AD, and the company's articles of association do not allow the company to purchase its shares, but the company has various programs to motivate employees in the event of profitability. No, to add that these paragraphs are indicative in the Corporate Governance .Regulations of the Capital Market Authority
Article eighty-eight / paragraph (a) article (indicative)	Financial Market Authority Regulations	Establishing measurement indicators that link the company's performance with its initiatives in social work, and compare this with other companies with similar activity	The company has committed itself to providing initiatives in social work, but it has not set indicators to measure or compare its initiatives with other companies, because it has set limits on its social initiatives and its quest to be unique and distinct in this field from the rest of the companies, in addition to this indicative paragraph in the corporate governance .regulation to the Financial Market Authority
Article Ninety (indicative Article)	Financial Market Authority Regulations	In the event that the Board of Directors forms a committee specialized in corporate governance, it shall delegate to it the functions stipulated in Article Ninety-four of these Regulations. This committee must follow up on any issues related to the implementation of corporate governance, and provide the Board of Directors, at least annually, with the reports and recommendations it reaches	Whereas this indicative article is not mandatory in the Corporate Governance Regulations of the Capital Market Authority, this task is currently entrusted to the Audit Committee of the company. Since there is no current audit committee in the company, the board of directors performs its duties. The Board also decided to form a committee specialized in corporate governance, but it has not yet formed and practiced its work

Article forty one /paragraph (5) indicative article	Financial Market Authority .Regulations	The Board of Directors shall take the necessary arrangements to obtain an evaluation of the performance of a competent external party every three years	The Board of Directors' evaluation mechanism was approved by the Nominations and Remunerations Committee for the year 2021 AD, and an external entity was appointed to do so. The evaluation is expected to be completed during the month of June 2022 AD
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5. Names of the members of the Board of Directors, members of the committees, and the executive management, and their current and previous jobs, qualifications and experiences.

a. members of board of directors:

No	Name.	Membership in Al Sagr Insurance Company	The other current jobs	Previous jobs /experiences	Qualifications	Experience
1	FAHAD BDUL RAHMAN AL TURKEY	Vice Chairman of the Company's Board of Directors Chairman of the Executive Committee	<ul style="list-style-type: none"> - Vice Chairman of the Board of Directors of Abdul Rahman Ali Al-Turki Group for Trading and Contracting "INCO Group", Saudi Arabia - Vice Chairman of Inco Marine Services Limited, Bahrain - Member of the Board of Directors of Redland Arabia Industrial Services Co. Ltd., Saudi Arabia - Member of the Board of Directors, Honeywell turkey Company, Arabia Ltd., Saudi Arabia - Saudi Arabia Member of the Board of Directors of Keeler Turki - Member of the Board of Directors of Saudi Rockwell Company Ltd., Saudi Arabia - Member of the Board of Directors of tammam Integrated Trading Company Ltd., Saudi Arabia - Member of the Board of Directors of Al-Bahrain Specialist Hospital, Bahrain - Member of the Board of Directors of Golden Pyramids Yalaza, Egypt - Member of the Board of Directors of Golden Coast Hotels, Tourist Villages and Leisure Projects, Egypt - Member of the Board of Directors of the Arab Real Estate Development Company, Egypt 	<ul style="list-style-type: none"> - Member of the Board of Directors of Redland Arabia Industrial Services Co. Ltd., Saudi Arabia - Member of the Board of Directors of Honeywell Narky 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 Namam Integrated Trading Company Ltd., Saudi Arabia - Member of the Board of Directors of Bahrain Hospital - Specialist, Bahrain - Vice Chairman of the Board of Directors of Inco Marine Services Limited, Bahrain - Member of the Board of Directors of Al Sagr Insurance Company <p>Cooperative.</p>	Bachelor of Communications - University of Richmond, UK	15Y
2	MAJID BIN ABDULLAH AL SIRI	Deputy Chairman of the Board Executive Committee Member			- Bachelor of Business Administration Southwestern	24Y

		Investment committee member			University, Sve., USA	
3	ABULLAH BIN JUMAA L SIRI	Member of the Board of Directors	<ul style="list-style-type: none"> - Chairman of the Board of Directors of the Gulf General Investments Company - Boards of Directors of Al-Sour 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 Saqr National Insurance Company -Dubai. - Vice President of the Society of Economic Advisers - Sharjah Military Army - Vice President of Sharjah Municipality - Chairman of the Executive Committee of Commercial Bank of Dubai Member of the Board of Directors of Sharjah National Ban 	Military college	5Y
4	SULIMAN BIN ABDUL AZIZ AL SOWAIDI	Member of the Board of Directors Member of the Nominations and Remunerations Committee Member of the risk management committee	<ul style="list-style-type: none"> - Director of Legal Affairs, Al Saqr National Insurance Company (Dubai). 	<ul style="list-style-type: none"> - Legal Researcher at Al Saqr National Insurance Company (Dubai). - Legal Adviser at Al Saqr National Insurance Company (Dubai). - Anti-Money Laundering Officer at Al Saqr National Insurance Company (Dubai). - Deputy General Manager of Al Saqr National Insurance Company (Dubai) - Senior Manager of the Medical Insurance Department at Al Saqr National Insurance Company (Dubai) - Medical Network Officer - Al-Nisr Al-Arabi Insurance Company 	Bachelor of Laws - University of Sharjah, United Arab Emirates	9Y
5	ABDUL MOHSEN BIN NAFIZ JABER	Member of the Board of Directors Executive Committee Member Investment committee member	<ul style="list-style-type: none"> - Member of the Board of Directors and CEO of Al-Saqr National Insurance Company 	<ul style="list-style-type: none"> - Deputy General Manager of Al Saqr National Insurance Company (Dubai) - Senior Manager of the Medical Insurance Department at Al Saqr 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 Emirates Company - Medical Representative, Smart Choice Inc. Jordan - Marketing Officer Al-Anan for Development Marketing Co & Jordan 	MBA, Tulane University, USA, Master of Science, University of Aberdeen, United Kingdom Bachelor's degree in Microbiology - Jordan University of Science and Technology	26Y
6	Khalid bin Abdul Hamid Al Shuwaier	<ul style="list-style-type: none"> - Member of the Board of Directors. - Chairman of the Nominations and Remunerations Committee. 	<ul style="list-style-type: none"> - CEO of Weqaya Environmental Services Co 	<ul style="list-style-type: none"> - Auditor at Samba Financial Group. - Shareholder Relations Specialist at Sahara Petrochemical Company - Accounts Payable Officer at Saudi Abyat Company - Processing Specialist at Samba Financial Group 	Degree of participation in accounting King Fahd University of Petroleum and Minerals	9Y

		<ul style="list-style-type: none"> - Head of the Risk Management Committee 			
7	Abdullah bin Abdulrahman Al-Bassam	<ul style="list-style-type: none"> - Member of the Board of Directors. - Member of the Nominations and Remunerations Committee 	<ul style="list-style-type: none"> - Vice Chairman of the Board of Directors, Al-Jazirah Manpower Company. - Member of the Board of Directors, Abdulrahman Suleiman Al-Bassam & Sons Company. - Consultant, Adalaziz Yen Identified Al-Gharles Trading Company. - General Manager m / integrated accounting work. 	<ul style="list-style-type: none"> - Former Vice President, Communications and Information Technology Committee at Ashqia Chamber. - Systems and methods development manager, Saudi Cement Company. - Application Manager, Saudi Electricity Company - Technical advisor to Al-Saqr Cooperative Insurance Company previously. 	<ul style="list-style-type: none"> -Bachelor of Industrial Management - King Fahd University of Petroleum and Minerals. - Technical project management, - Several technical and administrative courses <p>36Y</p>
8	Sultan bin Khaled Al Turki	<ul style="list-style-type: none"> - Member of the Board of Directors. - Member of the risk management committee 	<ul style="list-style-type: none"> - Executive Director - Al Nahla Trading & Contracting Company - Chairman of the Board of Directors - Desert Technologies Factory LLC - Executive Director — Al-Amin Distinguished Urban Development Company - Executive Director — Al-Amin Distinguished Real Estate Investment Company - Executive Director — Al-Nahla Urban Development Company - Executive Director — Saudi Arabian Marketing, Agencies and Contracting Co. Ltd. 	<ul style="list-style-type: none"> - Head of the Audit Committee, Al Sagr Cooperative Insurance Company - Member of the Board of Directors and Member of the Risk Committee, Dar Al Tamleek Real Estate Finance Company. - Member of the Board of Directors, Etihad Atheeb Telecom Company. - Member of the Board of Directors and member of the Investment Committee of the Saudi Arabian Refineries Company 	<ul style="list-style-type: none"> -BA in Financial Management, King Fahd University of Petroleum and Minerals. -MBA, IMD Switzerland <p>24Y</p>

b. COMMITTEE MEMBERS FROM OUTSIDE THE COUNCIL:

No	Name.	Membership in Al Sagr Insurance Company	Current jobs	Previous jobs /experiences	Qualifications	Experience
1	MAJID BIN ABULMOHSEN ALSIYEAD	Investment committee member	Executive Vice President of Investments - Guardianship Global Investments	<ul style="list-style-type: none"> . Head of Public Equities and Fixed Income for Guardianship International Investment Company (a company owned by Saudi Aramco) - Director of the Public Investment Portfolio (Investment Portfolio) KAUST - Head of Public Shares Department - Saudi Aramco (Investment Department) - IMC Portfolio Manager - King Abdullah University Investment Management Company (King Abdullah University). - Financial Analyst - Saudi Aramco (Investment Management) - Head of Investment Management, Saudi Aramco 	MBA - University of Pennsylvania CFA Charholder Certification.	12Y

c. Executive Managements

No	Name.	current jobs	Previous jobs /experiences	Qualifications	Experience
1	Sarran Abu Saqq	Chief Executive Officer	<ul style="list-style-type: none"> . Orient Insurance and Reinsurance Company, CEO. - Regional Vice President, Aisen Insurance Brokerage Company. - Director of Corporate Insurance in the Eastern Province, Tawuniya for Insurance. 	Bachelor of Management and Economics - Business Administration, King Abdulaziz University ACII & AHIP Associate Certificate Training course – insurance Training Course - Business Development Training course – Anti-fraud	25Y
2	Hani Ali Al-Bukhaitan	Acting Financial Manager	Wafaa Insurance Company - responsible for preparing reports and budgets. MapLife - Accounts Officer - Investments Officer.	Master of Accounting.CPA FLMI Associate ALMI Certificate FIMT Level One	9Y
3	EMAD MAHDI AWANI	Head of the internal audit department	Director of Internal Audit at Borouge Cooperative Insurance Company Senior External Auditor at Ernst & Young	Bachelor of Accounting - King's University Insurance Fundamentals Certificate (IFCE). Certified Information Systems Auditor - CISA - Certified Risk Based Auditor - CRBA Certificate in Anti-fraud Certificate in combating money laundering and terrorist financing. Compliance General Certificate - Leadership and Project Management Skills – Certificate Managing Project Risks Certificate - Fundamentals of Management Certificate - Leadership Essentials Certificate - Time Management Certificate - Stress Management Certificate - Certificate in Fundamentals of Cybersecurity Cyber Security Basics Certificate Cybersecurity Workshop - A Practical Approach - Preventing and Detecting Procurement Fraud - Information security basics.	17Y

				Property Insurance and Reinsurance Certificate - IT Disaster Recovery - Practices, Myths and Reality - Business Competitive Intelligence - The Future of Anti-Money Laundering Compliance - The Fight Against Bribery and Corruption - Environmental Management System: How to - conduct Environmental Impact Assessment (EIA) Integrated Management System - - Several training courses and workshops in internal auditing, internal control and anti- fraud	
4	Fayez Hassan Al-Asfour	Director of Human Resources and Support Services Department	<ul style="list-style-type: none"> - Executive Director of Human Resources at Marmar Holding Company. Executive Director of Human Resources, El Sewedy Holding Company - Regional Director of Human Resources, the angry Aljomaih company 	Master of Business Administration, American University in London. Bachelor's degree in Business Administration from Little Rock University, USA. CHRM is an internationally accredited human resource manager.	25Y
5	MAZIN BIN ABDULLAH AL FARES	Head of the Executive Compliance Department	Head of the Compliance and Legal Executive Section at Metlife Cooperative Insurance Company. <ul style="list-style-type: none"> - Head of the Executive Compliance Department at Walaa Co- operative Insurance Company. - Director of Commercial Services (credits and guarantees) at Samba Bank. - Director of Patient Relations at Al-Mowasat Hospital. 	Bachelor of Financial and Banking Economics, University of Bahrain. COO certified by the American Financial Academy. Certified Anti-Money Laundering Specialist (ACAMS) Loma Institute fellowship in life insurance management from the Loma Institute in the United States of America.	30Y
6	Yasmine Mohammed Al- Zahrani	Director of Customer Care Department	Responsible for customer care in the small company. <ul style="list-style-type: none"> - Receptionist at Amjad Al-Hafeel Clinics. Mada company data entry. 	BA in English, King Faisal University. General Certificate of Insurance Fundamentals Training program in computers and office applications	11Y

7	Abdul Rahman Ibrahim Al-Mansour	Director of Customer Care Department	Acting Head of Information Technology Department - Walaa Insurance Company.	Bachelor of Cash Information - BOISE STATE UNIVERSITY - USA	9Y
8	Tariq Wadud Siddiqui	Head of 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 Certificate in Insurance (AIII). - Master of Business Administration. - Master of Engineering. - Bachelor's degree	22Y
9	Hana Suleiman Al-Humaidan	cyber security manager	Concordia University, Wisconsin, - Aurora Health Care Hospital - - Cyber Security Specialist Walaa Insurance Company	- Master of Science. Certified ISO/IEC 27001 Lead Implementer - Certified cyber security specialist - Certified Splunk Fundamentals - Certified Achieving Information Systems Security - Professional Training (CISSP)	7Y

6. Names of companies inside or outside the Kingdom for which a member of the company's board of directors is a member in the field of its current and previous managements or whoever manages it.

Members name	Names of companies inside or outside the Kingdom for which a member of the company's board of directors is a member in the field of its current and previous managements or whoever manages it.	Legal entity	Inside kingdom	Names of companies inside or outside the Kingdom for which a member of the company's board of directors is a member in the field of its current and previous managements or whoever manages it.	Legal entity	Inside kingdom Outside kingdom
			Outside kingdom			
Fahd bin Abdulrahman Al-Turki	1. Buy micro-cooperative insurance 2. Itaa Abdul Rahman Ali Al Turki Trading Company and limited indulgences 3. Shiddi Abdul Rahman Ali Al-Turki for Trade and Excavations Ltd. 4. Bahrain Specialist Hospital 5. Buy Honey Wall Turki Arabia Ltd. 6. Shri Redland Arabia Industrial Services Ltd. 7. Buy Rockwell Automation Saudi Arabia Ltd. 8. Shri Keeler Turkey Ltd. 9. Golden Pyramids Yalaza Company 10. Atco Marine Services Ltd. 11. Golden Coast Hotel & Tourist Co. 12-Keeler Turkey Co. Ltd.	1. Included contribution 2. Limited liability 3. Limited liability 4. Anonymous contribution 5. Limited liability 6. Limited Liability 7. Limited liability 8. Limited Liability 9. Public share 10. Limited Liability 11. public share 12. Limited Liability	1. inside the kingdom 2. inside the kingdom 3. inside the kingdom 4. outside the boring 5. inside the kingdom 6. inside the kingdom 7. inside the kingdom 8. inside the kingdom 9. Outside the kingdom 10. Out of the boring 11. Out of the boring 12. Inside the Kingdom			
MADJED ABDULLAH AL SIRI	1. Micro National Insurance Company 2. Al-Borg Real Estate Company 3. Gulf General Investments Company 4. Privacy Investment Group Limited. 5. Small Cooperative Insurance Company 6. Discovery Investments Group	1. joint stock company 2. Anonymous contribution 3. joint stock company 4. Limited liability 5. Limited liability 6. Limited Liability	1. Outside the Kingdom 2. Outside the Kingdom 3. Outside the Kingdom 4. Outside the Kingdom 5. Outside the Kingdom	1. Al sharjah national bank 2. Dubai Commercial Bank	1. national bank 2. bank	1. Outsid the kingdom 2. outside the kingdoms

			6. Outside the Kingdom				
ABDUL MOHSEN BIN NAFIZ JABER	1. Al Sagr Cooperative Insurance Company 2. Al Sagr National Insurance Company	1. joint stock company 2. Input included	1. Inside the Kingdom 2. Outside the Kingdom	1. Takaful Emirates Insurance 2. Al Baraka Takaful 3. Al Tasser Al Arabi Insurance	1. joint stock company joint stock company 2. Included contribution 3. Included contribution		1. Outside the Kingdom 2. Outside the Kingdom 3. Outside the Kingdom
SULTAN BIN ABDUL AZIZ AL SOWAIDI	1. Al Sagr Cooperative Insurance Company	1. joint stock company	1. Inside the Kingdom Outside the				
ABDUL MOHSEN BIN NAFIZ JABER	1. Al Sagr Cooperative Insurance Company 2. Al Sagr National Insurance Company	1. joint stock company 2. Input included	1. Inside the Kingdom 2. Outside the Kingdom	1. Takaful Emirates Insurance 2. Al Baraka Takaful 3. Al Tasser Al Arabi Insurance	1. joint stock company joint stock company 2. Included contribution 3. Included contribution		1. Outside the Kingdom 2. Outside the Kingdom 3. Outside the Kingdom
KHALID BIN ABDULHAMEED AL SHOWAIYER	1. Al-Saqr Cooperative Insurance Company 2. Weqaya Environmental Services Company	1. joint stock company 2. limited liability company	1. Inside the Kingdom 2. Inside the Kingdom	1. Al Saqr Petrochemical Company 2. Sahara International Petrochemical Company	1. joint stock company 2. joint stock company		1. inside the kingdom 2. inside the kingdom
Abdullah bin Abdulrahman Al-Bassam	1. Al-Saqr Cooperative Insurance Company 2. Abdulrahman Suleiman Al-Bassam & Sons Company 3. Al Jazeera Manpower Company 4. Abdulaziz bin Hamad Al-Faris Company 5. Integrated Computing Business Foundation	joint stock limited liability company Stock closed -joint stock	1. inside the kingdom 2. inside the kingdom 3. inside the kingdom 4. inside the kingdom 5. inside the kingdom				
Sultan bin Khaled Al Turki	1. Asfar Cooperative Insurance Company 2. Desert Technologies Factory Company 3. Jeddah Holding Company for Development 4. Al-Nahla Trading and Contracting Company 5. Al-Turki Medical Group Company 6. Al-Amin Al-Mamira Real Estate Investment Company 7. Al-Ameen Distinguished Urban Development Company 8. Al-Nahla Urban Development Company	1. joint stock 2. stock closed 3. stock closed 4. Limited Liability 5. of limited power 6. Limited Liability 7. Limited Liability 8. Limited Liability 9. The limited power	1. Inside the Kingdom 2. Inside the Kingdom 3. Inside the Kingdom 4. Inside the Kingdom 5. Inside the Kingdom 6. Inside the Kingdom 7. Inside the Kingdom 8. Inside the Kingdom 9. Inside the Kingdom	1. Dar Al Tamleek Real Estate Finance Company 2. Etihad Atheeb Telecom Company 3. Saudi Arabian Refineries Company	1. joint closed 2. joint stock 3. joint stock 4. joint closed		1. Inside the Kingdom 2. Inside the Kingdom 3. Inside the Kingdom Inside the Kingdom

	9. Saudi Arabian Marketing and Agencies Company and contracting 10. Smile Communications Company. 11. The Distinguished Marketers Company for Investment and Development Real estate and projects	10. Limited Liability 11. Limited Liability	10. Outside the Kingdom 11. Inside the Kingdom	4. Ithraa Capital Company		
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7. The composition of the board of directors and the classification of its members as follows: Executive board member – non-executive board member – independent board member

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	Abdullah bin Abdulrahman Al-Bassam	Independent
8	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

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 articles of association 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 the Central Bank of Saudi Arabia, based on the regulations issued by the Capital Market Authority and the Central Bank of Saudi Arabia, 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 the Central Bank of Saudi Arabia 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 2021

No.	Name	Nature of Membership	Meetings Held During the Year 2021						Total Attendance	Member attendance percentage
			First meeting 10/02/2021	Second meeting 25/03/2021	Third meeting 26/04/2021	Fourth meeting 18/05/2020	Fifth meeting 30/06/2021	Sixth meeting 05/09/2021		
1	Sultan bin Khalid Al-Turki (Chairman of the Committee)	Came	Came	Came	Came	Absent	Came	Came	6	85%
2	Muhammad bin Saleh Al-Ghamdi (Committee Member)	Independent - from outside the Board	Came	Came	Came	Came	Came	Came	7	100%
3	Saud bin Saleh Al-Arif (Committee Member)	Independent - from outside the Board	Came	Came	Came	Came	Came	Came	7	100%
4	Hussam bin Faisal Baward (Committee Member)	Independent - from outside the Board	Came	Came	Came	Came	Came	Came	7	100%

- The Chairman and members of the Audit Committee submitted their resignations on 06-09-2021 AD, to be effective on 10-06-2021 AD.

B. Nomination and Remuneration Committee

The Board of Directors formed the Nominations and Remunerations Committee with no less than members and no more than X, provided that two members of the committee are independent and it cannot be chaired by the Chairman of the Board of Directors, based on the regulations issued by the Capital Market Authority and the Central Bank of Saudi Arabia, including the Corporate Governance Regulations and the Executive Regulations 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 2021

No.	Name	Position	Nature of Membership	Meetings Held During the Year 2021				Number of attendance	Member attendance percentage
				First Meeting 14/01/2021	Second Meeting 11/07/2021	Special Meeting 23/08/2021	Third meeting 15/12/2021		
1	Khaled Abdul Hamid Al Shuwaier	Head committee	Independent	Came	Came	Came	Came	4	100%
2	Sultan bin Abdulaziz Al Suwaidi	Committee member	Non-Executive	Came	Came	Came	Came	4	100%
3	Abdullah bin Abdulrahman Al-Bassam	Committee member	Independent	Came	Came	Came	Came	4	100%

d. RISK COMMITTEE

In compliance with the regulations issued by the Capital Market Authority and the Central Bank of Saudi Arabia, including the corporate governance regulations and the executive regulations of the insurance companies control system, 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 be exempt from exempting the board of directors. Non-executive management. With the necessity of commensurate with the knowledge and experience of the members of the Risk Committee with the size, nature and complexity of the company's business

Among the tasks of the investment beer, to name a few:

1. Formulating and preparing the investment policy and reviewing its performance and implementation on an annual basis
2. Review the performance of each asset class.
3. Follow up on the general risks of the investment policy.
4. Submitting the investment portfolio's misrepresentation to the Board of Directors.
5. Ensure that all investment-related activities comply with the requirements of the investment regulations confiscated by the Saudi Central Bank and the requirements of other relevant laws and regulations.
6. Formulating and preparing the investment policy, reviewing its performance on an annual basis, determining the investment objectives of the company, and presenting recommendations in this regard to the Board of Directors, including determining levels of risk tolerance, the occurrence of assets and the diversification of investment operations.
7. General supervision of the performance of investment operations 0, including the distortion of investment results, to determine the success of investment strategies and to ensure compliance with the company's investment policies.
8. Follow up and review the diversification of the investment portfolio as necessary for the management of investments and in 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 work of the Executive Committee and from there to the Board of Directors to take the necessary actions and approvals

Committee meetings during 2021

No	Name	Job Title	Member nature	RMC Q1 01/02/2021	RMC Q2 24/08/2021	RMC Q3 14/11/2021	Number of attendance	Member attendance percentage
1	Khalid Abdulhamed Alshwair	Committee member	Independent	Came	Came	Absent	2	66%
2	Sultan Abdulaziz Alsuwaidi	Committee member	Non -executive	Came	Came	Came	3	100%
3	Sultan Khalid Alturki	Committee member	Independent	Came	Came	Came	3	100%

e. Executive Committee *

The Board of Directors establishes the Executive Committee, which includes in its spontaneity no more than three and no more than five! It shall consist of executive and non-executive members, and they shall have appropriate experience in the work of the committee

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

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.

M.	Name	Position	Nature of Membership	Meetings Held During the Year 2021		
				First Meeting 17/01/2021	Total Attendance	Total Attendance
1	Fahad AbdulRahman Alturki	Chairman of the Committee	Non-Executive	Attended	1	100%
2	Abdulmohsen bin Nafez Jaber	Member of the Committee	Non-Executive	Attended	1	100%
3	Majid bin Abdullah Al-Sari	Member of the Committee	Non-Executive	Attended	1	100%
4	Yasser bin Abdulaziz Al-Qadi**	Member of the Committee	Independent	Attended	1	100%

*Only one meeting was held during the year 2021

**The member, Yasser Al-Qadi, submitted a resignation request on 13/06/2021

D. Investment Committee

Based on the rules and regulations issued by the Central Bank of Saudi Arabia, including the Corporate Governance Regulations and the Executive Regulations of the Insurance Companies Control Law, the Board of Directors of Al-Saqr Cooperative Insurance Company establishes the Investment Committee of at least three members, and its members are appointed based on the nominations of the Board of Directors, taking into account the following: Regulatory procedures and its members must have sufficient experience and knowledge regarding investment.

Among the tasks of the Investment Committee, for example, but not limited to:

1. Formulating and preparing the investment policy and reviewing its performance and implementation on an annual basis.
2. Review the performance of each asset class.
3. Follow up on the general risks of the investment policy.
4. Submit the investment portfolio performance report to the Board of Directors.
5. Ensure that all investment-related activities comply with the requirements of the investment regulations issued by the Central Bank of Saudi Arabia and the requirements of other relevant laws and regulations.
6. Formulating and preparing the 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 levels of risk tolerance, diversification of assets and diversification of investment operations.
7. General supervision of the performance of investment operations, including the evaluation of investment results, to determine the success of investment strategies and to ensure compliance with the company's investment policies.
8. Follow up and review the diversification of the investment portfolio as necessary for the management of investments and in 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 Held During the Year 2021

M.	Name	Position	Nature of Membership	Meetings Held During the Year 2021				Total Attendance
				First Meeting 13/6/2021	Second Meeting 15/11/2021	Third Meeting 23/11/2021	Total Attendance	
1	Yasser bin Abdulaziz Al-Qadi*	Chairman of the Committee	Independent	Attended	N/A	N/A	1	33%
2	Abdulmohsen bin Nafez Jaber	Member of the Committee	Non-Executive	Attended	Attended	Attended	3	100%
3	Majid bin Abdullah Al-Sari	Member of the Committee	Non-Executive	Absent	Attended	Attended	2	66%
4	Majed Abdulmohsen Alsunaid	Member of the Committee	Independent	Attended	Attended	Attended	3	100%

*The member, Yasser Al-Qadi, submitted a resignation request on 13/06/2021

Evaluating the performance of the Board of Directors and the performance of the committees and its members The policy for evaluating the performance of the members of the Board of Directors and the committees has been approved in accordance with the standards and procedures for the periodic and annual evaluation of performance, and the Nominations and Remunerations Committee undertakes the evaluation tasks. An external body has been appointed to evaluate the board of directors, its sub-committees, and its secretary for the year 2021.

Disclosure of the remunerations of the members of the Board of Directors and the Executive Management in accordance with what is stipulated in Article Ninety Three of the Corporate Governance Regulations Remuneration policy for exempting the Board of Directors, committees and executive management The policy of the company's articles of association and the regulations for the remuneration of the members of the board of directors and the committees emanating from the board The remuneration of the members of the board of directors is to ensure accurate, transparent and detailed disclosure in the board of directors' report about the remuneration granted to members of the board of directors and its committees emanating from it directly or indirectly! Without concealment or misleading, whether they are amounts, benefits or privileges. Where the nineteenth article of the company's articles of association stipulates, under the title of the remuneration of the members of the board and the sub-committees as follows: "The annual remuneration for the chairman and members of the board of directors shall be a minimum of (400,000 L) four hundred thousand riyals. Saudi and a maximum of (500,000 riyals) five hundred thousand Saudi riyals annually in return for their membership in the Board of Directors and their participation in its work, including additional annual bonuses in case 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 rest of the net profit may be distributed after deducting the reserves decided by the General Assembly in application of the provisions of the Cooperative Insurance Companies Control Law and after distributing a profit to shareholders not exceeding (5%) of the company's paid-up capital. , provided that the entitlement to this reward is proportional to the number of sessions attended by the member, and any assessment to the contrary is void. In all cases, the sum of the remunerations and financial or in-kind benefits that a member of the Board of Directors receives shall not exceed five hundred thousand riyals annually. The upper limit for the allowance for attending the sessions of the Council and its committees is five thousand riyals for each session, excluding travel and accommodation expenses. Each member of the Board, including the Chairman of the Board, shall pay the actual expenses they incur in order to attend Board meetings and committees emanating from the Board of Directors, including expenses Travel, accommodation and subsistence.The executive management remuneration list also includes disclosing remunerations for executive management employees in an appropriate manner and in compliance with any instructions and regulations issued by the supervisory and supervisory authorities in force in the Kingdom of Saudi Arabia.

The relationship between the reward granted and the applicable reward policy

Side panels

In the remunerations granted to the members of the Board of Directors, Al-Sager Cooperative Insurance Company has followed what was stated in the paragraph contained in Article No. (19) of the company's articles of association, which are compatible with the remuneration policy for the members of the Board of Directors, committees and executive management approved by the General Assembly, by granting the minimum remuneration of 400,000 Saudi riyals.

Board members' remuneration:

The remunerations due to each of them are the members of the board of directors, the council members and senior executives (numbers are in Saudi riyals). During the year 2021 no payments were made to any member of the Board of Directors and its committees in relation to attendance fees and the annual bonus for the period from 01/01/2021 to 12/31/2021 and therefore all these balances are still payable as at the end of 2021 Accordingly, the company has accrued the fees due for the period from 01/01/2021 to 12/31/2021.

	FIXED REWARDS			VARIABLE REWARDS.			Gross Total	Expenses allowance
	Periodic bonuses and a percentage	Rewarding the council chairman, member or	Total	Granted Shares (Value is entered)	End service reward			
	sum	Limited						
Yasser Abdulaziz Al-Qadi (resigned)	181,111	30,000	10,000	211,111			211,111	
Abdullah Abdul Rahman Al-Bassam	440,000	55,000	20,000	475,000			475,000	
Khaled Abdel Hamid Al Shuwaier	400,000	50,000	35,000	485,000			485,000	
Sultan Khalid al turki	400,000	50,000	35,000	485,000			485,000	
Total	1,381,111	185,000	100,000	1,666,111			1,666,111	
Second : Non-Executive Members								
Fahad Abdul Rahman Al Turki	400,000	55,000	5,000	460,000			460,000	
Majed Abdullah Al Siri	400,000	25,000	15,000	440,000			440,000	
ABDULLAH JUMAA AL SIRI	400,000	10,000	0	410,000			410,000	
Sultan Abdulaziz Al Suwaidi	400,000	50,000	35,000	485,000			485,000	
Abdul Mohsen Nafez Jaber	400,000	50,000	20,000	470,000			470,000	
Total	2,000,000	190,000	75,000	2,265,000			2,265,000	
Gross total	3,381,111	375,000	175,000	3,931,111			3,931,111	

a. Remunerations of committee members from outside the council

No	Name	Membership description	Remuneration for attending meetings	Private reward	Total
Review committee members					
2		Committee member	35,000		35,000
3		Committee member	35,000		35,000
4		Committee member	35,000		35,000
Investment committee members					

Senior Executive Remuneration

Statements and compensations of five senior executives, including (the general manager and the financial director)

Senior Executive Jobs	Fixed remuneration			Total	Periodic remuneration	Profit	Variable remuneration			Granted Shares	Total	End of service interest for the year 2021	Total executive remuneration from the Board, if any	Grand total
	Allowance	In-kind benefits	short term incentive plans				long term incentive plans							
Senior Executive	977,772	342,228	0	1,320,000	400,000	0	0	0	0	0	400,000	75,780	0	1,795,780
Finance manager	576,235	201,663	0	777,898	0	0	0	0	0	0	0	65,395	0	843,293
Technical manager	622,236	217,764	0	840,000	0	0	0	0	0	0	0	45,238	0	885,238
Commitment Manager	468,000	252,000	0	720,000	0	0	0	0	0	0	0	42,180	0	762,180
Head of the medical department	444,444	155,556	0	600,000	0	0	0	0	0	0	0	32,943	0	632,943
Total	3,088,687	1,169,211	0	4,257,898	400,000	0	0	0	0	0	400,000	261,536	0	4,919,434

Regulatory requirements and restrictions on the company
Executive decisions of the Central Bank of Saudi Arabia

The subject of the offense	Previous fiscal year		Current fiscal year	
	Number of executive decisions	Total fines amount in Saudi riyals	Number of executive decisions	Total amount of fines in Saudi riyals
Violation of the supervisory and supervisory instructions of the Saudi Central Bank	2	145,000	6	95,000
Violating the instructions of the Central Bank of Saudi Arabia related to customer protection	0	0	0	0
Violation of the instructions of the Central Bank of Saudi Arabia related to due diligence in combating money laundering and terrorist financing.	0	0	0	0

Violations issued by other entities during the year:

Precautionary Measures / Punishment / Penalty / Precautionary Restriction	Reasons for the violation	The signatory of the violation	Violation amount
Violation	Failure to pay the worker's wages	Ministry of Labor	10,000 riyals
Violation	Non-compliance with tax invoice requirements	Zakat, Tax and Customs Authority	10,000 riyals

Internal Control

The company's board of directors 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 Department prepares, implements, and ensures that the internal control systems are applied on sound and effective bases, including the confirmation of the compatibility of the company's systems and policies. With the statutory requirements issued by the relevant supervisory and supervisory authorities, such as the Saudi Central Bank, the Capital Market Authority and the Health Insurance Council

Despite the resignation of the Audit Committee emanating from the Board of Directors during the year 2021 AD, which was responsible for monitoring the performance and application of the company's internal control systems, ensuring the efficiency and effectiveness of the company's financial and accounting systems, and supervising the internal audit department, compliance management, 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 entrusted to them, and ensuring compliance with the application of the Companies Law, the Cooperative Insurance Companies Control System, and other relevant laws, regulations, and instructions, but the Board of Directors assumed these tasks until

the end of the year 2021 AD. The Board of Directors is also seeking to nominate a new Audit Committee to be appointed by the General Assembly to carry out these duties.

The company's internal audit department enjoys complete independence, as it is functionally linked to the board of directors in the absence of the audit committee. One of the tasks of the internal audit is to ascertain the extent to which the company's internal policies and procedures are implemented, and it was established during the year 2021 for the approved annual internal audit plan. The internal audits included the company's activities, whether financial, administrative or operational, to verify the effectiveness of the company's internal control systems. The Internal Audit Department submitted its reports to the Audit Committee before its resignation, and to the Board of Directors later on the results of the effectiveness of the company's internal control procedures and systems.

The Compliance Department is an independent department responsible for confirming the company's compliance with the regulations and regulations in force in the Kingdom of Saudi Arabia, which include the rules, regulations and circulars issued by the Saudi Central Bank, the Health Insurance Council, the Capital Market Authority and other relevant regulations. The Compliance Department submitted its periodic reports to the Audit Committee before its resignation and to the Board Subsequent management, results of the company's compliance with the relevant laws, regulations and instructions.

Based on the reports submitted by the Internal Audit Department and the Compliance Department to the Audit Committee and to the Board of Directors, the Board of Directors verified that all necessary corrective measures were taken to address the deficiencies, which ensure that observations are not repeated in the future.

In line with sound corporate governance practices and regulatory requirements as well, the Board Risk Committee had an important role in internal control by monitoring risk indicators, reviewing reports submitted by the risk management, determining the extent of exposure to various risks, and discussing it with the Executive Management and the Board of Directors.

9. The results of the annual review of the effectiveness of the company's internal control procedures, in addition to the Board of Directors' opinion on the adequacy of the company's internal control system

To confirm the effectiveness of internal control, the Audit Committee, before its resignation and the Board of Directors later, during the fiscal year 2021 AD, performed the following tasks

- a. Discussing the interim quarterly financial statements for the first quarter of the year 2021 AD with the external auditors and the company's senior management before issuing them. Prior to its resignation, the Committee submitted a recommendation to the Board of Directors after studying and reviewing the financial statements for discussion and approval. The Board of Directors later discussed and approved the preliminary annual and quarterly financial statements for the second and third quarters of 2021 AD with the external auditors and the company's senior management.
- b. The Audit Committee examined the offers of auditors' companies and recommended the appointment of an auditor for the year ending on December 31, 2021 AD and the first quarter of the year 2022 AD.
- c. The Audit Committee reviewed and approved the internal audit plan for the fiscal year 2021 AD.
- d. The Audit Committee, before its resignation, and the Board of Directors subsequently supervised the Internal Audit Department and the Compliance Department, and they followed up on the implementation of the audit plan approved for the year 2021 AD for the two departments.

- e. The Audit Committee, before its resignation, and the Board of Directors later discussed the internal audit reports and followed up on the implementation of the important recommendations contained in the reports of the Internal Audit Department.
- f. The Audit Committee, before its resignation, and the Board of Directors later studied the Compliance Department reports that reflect the company's compliance with the statutory requirements, and they followed up on the implementation of the recommendations contained in the reports.
- g. Prior to its resignation, the Audit Committee and the Board of Directors examined the effectiveness of the process of identifying and evaluating significant risks to the company's activity, and the company's management of those risks.
- h. Reviewing significant accounting policies and practices, including the extent to which these policies are consistent annually.
- i. The Audit Committee reviewed the proposals and offers submitted to it by companies specialized in collecting debts/receivables/ installments overdue exceeding 180 days.

Finally, and based on what was mentioned above and from the scope of the work of the Audit Committee before its resignation and the Board of Directors later, the Board of Directors believes that the company has a sound and effective internal and financial control system with an appropriate degree in terms of design and implementation, and there is little doubt in the company's ability to continue its work and achieve its objectives. During the year 2021 AD, there were no substantial observations related to the effectiveness of the company's internal control system and procedures, except for the company's inability to appoint auditors for several months, which caused it to be unable to publish its financial results and thus led to the suspension of trading the company's shares for nearly three months, and that was due to the circumstances It is outside the control of the company's board of directors and its executive management, and work is constantly being done to develop plans for improvement and development in the company's internal control systems and to follow up on that by the board of directors

10. The company's social contributions

Al-Saqr Company is interested in supporting the community and doing its full role to fulfill its social responsibility, and not spare efforts to develop social responsibility programs and support the various social bodies and issues. During the year 2021 AD, the company carried out many initiatives, which are as follows:

- 1. Holding an awareness lecture on breast cancer within the company, distributing awareness leaflets in cooperation with the Saudi Cancer Society, and spreading awareness in the means of communication
- 2. Awareness of Mental Health Day through social media
- 3. Holding an awareness lecture on lung cancer and distributing awareness leaflets for this day in cooperation with the Saudi Cancer Society and spreading awareness through the means of communication.

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17. A statement of the dates of the general assemblies of shareholders held during the last fiscal year and the names of the members of the Board of Directors attending these assemblies::

Sr No.	Name	Attendance Record		Total attendance
		First Assembly Meeting 17/06/2021 AD	First Assembly Meeting 28/10/2021 AD	
Board members				
1	Fahd bin Abdulrahman Al-Turki	Attend	Attend	2
2	Majed bin Abdullah Al Sari	Didn't Attend	Didn't Attend	0
3	Abdullah bin Juma Al Sari	Didn't Attend	Didn't Attend	0
4	Sultan bin Abdulaziz Al Suwaidi	Attend	Didn't Attend	1
5	Abdul Mohsen bin Nafez Jaber	Attend	Attend	2
6	Khalid bin Abdul Hamid Al Shuwaier	Attend	Attend	2
7	Sultan bin Khaled Al Turki	Attend	Didn't Attend	1
8	Abdullah bin Abdulrahman Al-Bassam	Attend	Attend	2
9	Yasser bin Abdulaziz Al-Qadi *	Attend	Not applicable	1

*Member Yasser Al-Qadi resigned on June 13, 2021 AD

18. Information related to the risks faced by the company

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

- Existence of an independent department specialized in risk management.
- The existence of a risk management committee affiliated to the Board of Directors. It aims to strengthen and support the company's enterprise risk management.
- Forming a risk management committee consisting of the executive and operational management in order to follow up and monitor the institutional risks and recommendations in the company.
- Forming a team consisting of several departments (the Risk Champions Team) under the supervision of the Risk Management Department, to spread and strengthen the culture of risk management, reporting, monitoring and reporting on risks.
- The existence of a statement of acceptable risks (risk limits / Take risks) and a framework agreed upon by the Board of Directors that determines the quality, classification and limits of acceptable risks.
- Working on increasing the awareness of risks, and promoting and spreading the culture of risks in its operations and among its employees, by working according to the approach of the three lines of defense, as it represents the first line of defense in the company, its departments and divisions.
- Follow the self-assessment method for the various departments in the company
- Make questionnaires for the departments in the company related to risks.

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

Accordingly, the risk limits statement report (risk acceptance / tolerance statement) focuses on covering the following dimensions/indicators (strategic risks, insurance risks (underwriting and handling claims and reinsurance), credit risks, liquidity risks, sales risks, operational risks, technical risks Information, cyber security risks, human resources risks, non-compliance risks, legal and regulatory risks).

Risk Management

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

A review of the risks faced by the company:

to the frequency and severity of claims, the actual benefits and subsequent developments of long-term claims.

Because of the diversity of these risks arising from the diversity of the types of contracts; The proportional distribution of these risks within the insurance portfolio plays an important role in reducing the amount of exposure to the size of the total insurance portfolio. Good selection and prudent underwriting strategy and use of reinsurance arrangements also play an essential role in managing insurance risks. The company has set controls and procedures in this with the support of the appointed actuary. This is monitored and reported on those risks represented in the percentage of loss at the portfolio level, claims and retention ratio, which are mentioned within the risk limits contained in the "risk acceptance statement" approved by the company's board of directors.

The risk transfer plays a major role in reducing insurance risks through reinsurance operations, where the company reinsures with parties that have great reputation, solvency and a high global rating in order to reduce potential financial losses that may arise from insurance claims. These arrangements secure the company's protection from the risks that it may be exposed to through its participation with selected reinsurers, as well as provide the company with additional capabilities to increase its business.

Strategic risks:

The management of these risks is represented in reconciling the strategic objectives, setting plans and incentives, and allocating resources to achieve those objectives. Among the risks that are classified within the strategic risks with financial dimensions in the "risk acceptance statement" is the percentage of return on ownership and solvency. There are measures that represent the limits to the risks approved in the "risk acceptance statement", the statement of risk limits, and they are among the quarterly reports that are prepared and reported..

Insurance risk:

Insurance risks (underwriting, claims handling and reinsurance risks) are those risks included in the insurance contract and in the probability of the occurrence of the insured event with uncertainty about the value resulting from the claim, in other words it is the occurrence of an event with uncertainty of the size and time of the resulting claim The main risk in this context an insurance contract is the actual claims and benefits paid in excess of the carrying amount of the insurance liabilities, subject

systems while raising the levels of security and protection, especially .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 malfunctions, and the company is working to develop information security (security Cyber Security) "where cyber security risks are considered one of the most important emerging risks" within the framework of the cyber security department independent of the information technology department in line with the requirements of the Saudi Central Bank, and it is worth mentioning that the company has formed a board approved committee to ensure the effectiveness, implementation and control of plans And cyber security solutions, including spreading awareness and guidance in periodic ways, determining the budget for information security, as well as restoring the ability to work after disasters. The Technology and Information Department conducts a test twice annually to ensure business continuity in the event of any failure that may be .exposed to the company's systems

:Liquidity risk

Liquidity risk is that the Company will encounter difficulties in raising sufficient funds in a timely manner to meet commitments and .commitments related to financial liabilities

The liquidity gap arises as a result of the maturity gap between assets (assets) and liabilities (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

The company also assesses the financial position of reinsurance companies through what is published and circulated by international assessment bodies, to take the necessary measures before the damage occurs when necessary, bearing in mind that the assigned reinsurance agreements do not absolve the company from its obligations towards policyholders. As a result, the company remains obligated to the policyholders for its share of claims under the "reinsured" settlement and the proportion agreed with the reinsurance company.

Credit risk:

Credit risk is the inability of one party to meet its obligations in relation to a financial instrument, which leads to 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 credit risk limits and they are located within the "risk acceptance statement" approved by the Board of Directors The company also took the initiative to transfer the collection risk to specialized foreign companies. The company has a subscription to the services of the Saudi Credit Bureau "SIMAH". With regard to the credit risks arising from time deposits and current accounts, the company deals with local banks with a high financial and credit position. The company develops an analysis of the level of exposure to risks with each bank separately. This also includes the Company's investments with investment companies with high investment and credit ratings. It is an obstacle for the company's investment committee to set the necessary .forecasts and analyzes in this regard

Information technology and cyber security risks

Information technology plays an important role in the process of value creation 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 the development of technical

The company's management is making efforts to ensure and support the availability of adequate training and experience for the company's employees, and to encourage effective communication in all matters related to operational risks.

:Sales risk

The company's sales risk is represented in the presence of deviation in sales levels according to the set objectives, due to several external and internal factors, the most important of which are (the size of competitors, price war or reputational risk, the incompatibility of the drawn plans with the strategic objectives and other factors). Therefore, the company's management seeks to Providing support and assistance and allocating resources to work towards achieving the planned targets and developing the necessary solutions and treatment The level of this deviation in sales is monitored and reported, as it is among the risks included in the company's "acceptable risk statement".

:Legal and Statutory Risks

The company seeks to reduce legal and regulatory risks by emphasizing the company's internal departments to abide by all legislation, regulations and regulations issued by the concerned authorities. Therefore, the company sets written preventive and corrective policies and procedures and emphasizes their effectiveness to avoid any legal or regulatory penalties arising from the type of violation

:Regulatory Noncompliance Risks

Non-compliance with the laws and regulations issued by supervisory and supervisory authorities such as the Central Bank of Saudi Arabia, the Capital Market Authority, and the Health Insurance Council, represents one of the risks that may result in many penalties such as financial and non-financial penalties, which negatively affects the company's reputation and profitability. Therefore, the company seeks to enhance its efforts in this regard by updating its internal policies and regulations for its transactions to ensure their compliance with the laws and regulations issued by the supervisory or legislative authorities.

All of these risks limit the company's ability to provide the necessary liquidity to meet the company's commitments and obligations. The company monitors liquidity requirements on a regular basis, to ensure the availability of sufficient liquidity to meet any commitments as they arise. The company maintains liquid and semi-liquid assets and short-term investments in order to meet any liquidity requirements. The Risk Department monitors and reports on liquidity indicators in its periodic reports, which fall within the company's "acceptable risk statement

HR Risks :

Human resources risks are represented in the speed of job turnover and the lack of the qualification, experience and skills necessary for human cadres, as well as the avoidance of job vacancies within a specific timeframe for leadership positions. National talent. All this is accompanied by plans for the process of job replacement, training and rehabilitation.

:Operational risks

The company's risk management started applying the operational risk classification according to "Basel 2 and 3" to improve the follow-up and monitoring mechanism. 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 the technologies, systems, people, operational processes and others used in the company and its infrastructure. In addition to other external factors such as customer risks other than liquidity and credit risks, therefore, operational risks result from all of the company's operations. It is the responsibility of the company's management to develop and implement operational risk control such as activating the role of the "Risk Champions Team" to closely monitor risks. These include following up on contingency plans and business continuity, monitoring internal and external fraud, compliance with other legal and regulatory requirements, documenting controls and procedures, and standards of business and professional ethics.

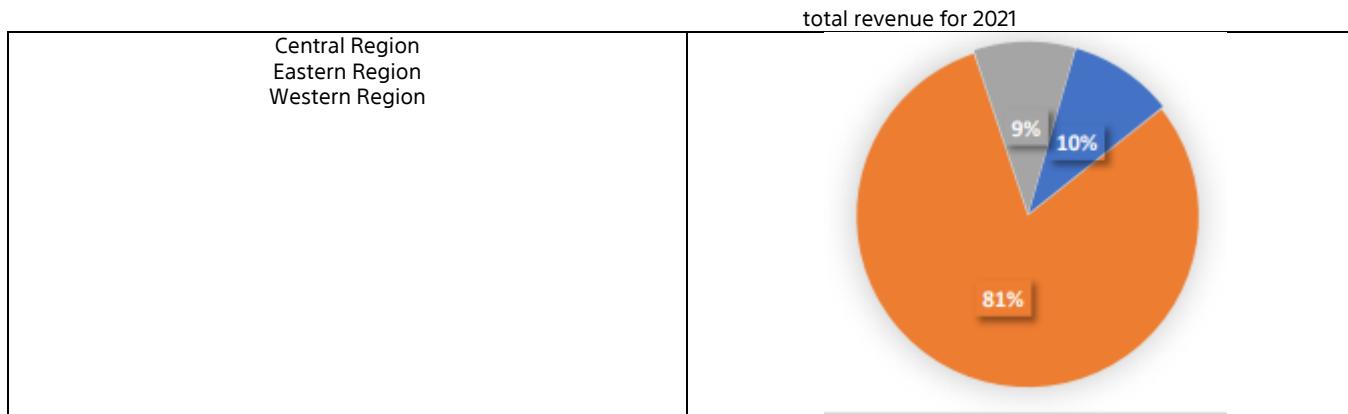
19. FINANCIAL PERFORMANCE

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

Statement of financial position	(Thousands of riyals)				
	2021	2020	2019	2018	2017
Insurance operations assets	490,329	462,215	581,235	493,017	539,122
Subtract (exclude joint operations)	(95,156)	(103,499)	(57,480)	(9,315)	(19,610)
Total assets of insurance operations	395,173	358,716	523,755	483,702	519,512
Shareholder assets:	287,256	373,354	429,637	423,082	341,276
Investments, term deposits, cash and the cash like	40,000	40,000	40,000	40,000	25,000
Statutory deposit	31,353	31,353	31,353	31,353	187,313
Other assets	0	0	0	(4,235)	(158,308)
Subtract (exclude joint operations)	358,609	444,987	505,837	495,441	395,281
Total assets	753,782	803,703	1,029,592	979,143	914,793
Liabilities:					
Liabilities arising from insurance contracts:					
Total unearned premiums	246,505	171,429	230,734	182,880	143,345
Total outstanding claims	73,836	106,553	169,692	143,330	98,263
Claims incurred but not reported	57,758	76,121	63,181	39,134	44,856
Other technical precautions	21,344	20,154	19,360	28,337	8,600
Other requirements	71,709	49,808	52,536	52,532	196,086
Accumulated insurance operations surplus	19,177	35,219	44,433	45,808	46,197
Subtract (exclude joint operations)	0	0	0	(4,235)	(158,308)
Total liabilities arising from insurance contracts	490,329	459,285	487,786	379,039	314,850
Liabilities for shareholders' operations:					
Zakat due	42,652	46,858	42,271	59,325	56,710
Other requirements	102,680	114,425	16,507	26,845	14,153
Subtract (exclude joint operations)	(95,156)	(103,500)	(9,315)	(19,610)	(8,046)
Total liabilities arising from shareholders' operations	50,176	57,783	49,463	66,560	62,817
Total Liabilities	540,505	517,068	537,249	445,599	377,667
Shareholders' equity					
Capital	400,000	400,000	400,000	250,000	250,000
Statutory reserve	0	0	47,342	78,342	76,789
Earned profits	(197,043)	(122,870)	(9,173)	138,369	182,157
Investment fair value reserve	6,945	8,058	3,164	807	(884)
Investment fair value reserve	3,375	1,448	562	1,676	-

Reserve for premeasurement of defined benefit obligations	213,277	286,635	441,894	469,195	508,062
Total Shareholders' Equity	753,782	803,703	979,143	914,794	885,729
Summary of business results in the last five years					
	2021	2020	2019	2018	2017
Insurance operations income statement					
Gross subscription Premiums	438,300	379,114	455,703	350,379	329,307
Net subscription premiums	372,983	314,168	386,234	306,471	275,196
Changes in unearned premiums	(75,076)	59,305	(47,854)	(39,534)	(76,324)
Changes in additional premium reserves	8,543	3,849	2,248	1,272	(2,983)
Net earned premiums	306,450	377,322	340,629	268,209	195,889
Reinsurance commission income	4,628	6,315	4,769	5,311	6,175
Total revenue	311,078	383,637	345,398	273,520	202,064
Subscription costs and expenses					
Total Claims Paid	(373,258)	(495,300)	(315,174)	(193,377)	(158,838)
Other expenses	(20,704)	(17,036)	(15,015)	(11,386)	(8,192)
Reinsurers' share of total paid claims	16,772	85,390	32,815	16,139	24,628
Net claims paid	(377,190)	(426,946)	(297,374)	(188,624)	(142,401)
Changes in outstanding claims, net	54,865	5,152	(26,908)	1,394	16,839
Net claims incurred	(322,325)	(421,794)	(324,283)	(187,229)	(125,562)
Insurance policy subscription costs and other subscription expenses	(31,391)	(33,759)	(23,538)	(47,069)	(25,949)
Total costs and subscription expenses	(353,715)	(455,552)	(347,821)	(234,298)	(151,513)
Net subscription results	(42,637)	(71,915)	(2,423)	39,221	50,551
Other operating income expenses					
General and administrative expenses	(75,486)	(69,679)	(58,468)	(60,169)	(54,261)
Reversal of recording (allocation) of doubtful debts	(3,209)	(83)	(9,848)	(896)	4,750
Investment revenue	30,257	21,087	28,608	20,251	17,379
Total income for the year before zakat	(72,701)	(105,979)	(39,861)	818	22,889
Zakat provision	(1,770)	(6,500)	(8,400)	(10,610)	-
Total revenue for the year attributable to shareholders	(74,471)	(112,479)	(48,261)	(9,792)	22,889

Geographical analysis of the company's total revenue for the year 2021



Comparison of assets and liabilities for the last five years (2017-2021) (one thousand Saudi pounds)

Statement	2021	2020	2019	2018	2017
Assets Insurance Operations	395,173	358,716	523,755	483,702	519,512
Assets Operations Shareholders	358,609	444,987	505,837	495,441	395,281
Total assets	753,782	803,703	1,029,592	979,143	914,793
Liabilities and surplus. Insurance Operations	490,329	459,285	579,936	487,786	379,039
Liabilities - Shareholders' Operations	50,176	57,783	54,208	49,463	66,560
Total Liabilities	540,505	517,068	634,144	537,249	445,599
Total Shareholders' Equity	213,277	286,635	395,448	441,894	469,195
Total liabilities and shareholders' equity	753,782	803,703	1,029,592	979,143	914,794

21. Clarifications of the essential differences in the operational results for the year 2021 AD compared to the year 2020 AD

Million riyals	2021	2020	2019	2018	2017
Gross subscription Premiums	438	379	456	350	329

- Gross Written Premiums (GWP) during the year 2021G amounted to 438 million riyals, compared to 379 million riyals for the previous year, which represents a decrease of 16%.
- The year 2021 AD was an excellent year, and the performance was better compared to the previous year, which was characterized by challenges, foremost of which was the Corona crisis, which began at the beginning of the year 2020 AD until the end of the year, which affected the company and the insurance sector in general in terms of insurance premiums.

- The company also witnessed the continuation of some internal administrative and organizational transformations during the year, especially with regard to the management of medical underwriting and in some sections and departments, which affected the financial performance in them as shown in the figures.
- A clarification of any material differences in the operational results for the previous year or any expectations announced by the company, and the following represents a summary of the most important fundamental differences in the operational results for the year 2021 compared to the year 2020:
 - Total revenues decreased in the year 2021 by 19% from 377 million riyals in the year 2020 to 306 million at the end of the year 2021, a decrease of 71 million riyals.
 - The net claims incurred during the year 2021 amounted to 377 million riyals, compared to 427 million riyals for the previous year, which represents a 12% decrease that includes the decrease due to the decrease in claims in the medical department.
 - The net underwriting results for the year amounted to a deficit of 43 million riyals compared to a deficit of 72 million riyals, which is mainly due to a decrease in medical claims.
 - The net investment profits during the year 2021 amounted to 30 million riyals, compared to 21 million riyals for the previous year, which represents an increase of approximately 43%.
 - The net loss before deducting the zakat provision for the year 2021 amounted to 73 million riyals, compared to a loss of 106 million riyals in the previous year.
 - The comprehensive net loss during the year 2021 amounted to 75 million riyals, compared to 108 million riyals for the previous year.
 - The loss per share for the year 2021 amounted to 86.1 riyals per share (the year 2020: loss of 81.2 riyals per share).

22- Accounting Standards for Financial Statements

The company prepares its financial statements and they are reviewed by the company's auditors in accordance with the financial reporting standards issued by the International Accounting Standards Board, as amended by the Saudi Central Bank for accounting for zakat and income tax. The company confirms that there are no fundamental differences or financial impact on international standards compared to those financial statements as a result of their preparation in accordance with the issued by the Saudi Organization for Certified Public Accountants.

23- A description of the company's policy in distributing dividends

Articles forty-five and forty-six of the company's articles of association stipulate the distribution of profits as follows:

- (20%) of the net profits shall be set aside to be the statutory reserve of the company, and the Ordinary General Assembly may decide to stop this set-up when the mentioned reserve reaches (100%) of
- The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside a certain percentage of the net profits to form a consensual reserve to support the company's financial position.
- The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders.

- Avoiding the prescribed zakat and income tax.

The shareholder shall also be entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard, and the decision shall indicate the due date and the date of distribution. The eligibility for dividends is for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement. The company informs the Capital Market Authority - without delay - of any decision to distribute profits or recommend that and pays the profits to be distributed to shareholders in the place and dates determined by the Board of Directors in accordance with the instructions issued by the competent authority, taking into account the prior written approval of the Central Bank of Saudi Arabia.

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

Description of any interest, contractual securities and subscription rights belonging to the members of the company's board of directors and their relatives in the company's shares or debt instruments						
Sr. No.	The name of the person who has the interest	Beginning of the year		End of the year	Net change	Change percentage
		Number of shares	Debt instruments	Number of shares	Debt instruments	
(1)	Mr. Fahd bin Abdulrahman Al-Turki	2,000,160	-	437,660	-	-1,562,500 -78.1%
(2)	Al-Saqr National Insurance Company represented by Mr. Majid bin Abdullah Al-Sari	10,400,000	-	10,400,000	-	- 0.0%
(3)	Al-Saqr National Insurance Company, represented by Mr. Abdullah Juma Al-Sirri	10,400,000	-	10,400,000	-	- 0.0%
(4)	Al-Saqr National Insurance Company, represented by Mr. Sultan bin Abdulaziz Al-Suwaidi	10,400,000	-	10,400,000	-	- 0.0%
(5)	Al Saqr National Insurance Company, represented by Mr. Abdul Mohsen bin Nafez Jaber	10,400,000	-	10,400,000	-	- 0.0%
(6)	Mr. Khalid bin Abdul Hamid Al Shuwaier	-	-	-	-	- 0.0%
(7)	Mr. Yasser bin Abdulaziz Al-Qadi	-	-	-	-	- 0.0%
(8)	Mr. Abdullah bin Abdulrahman Al-Bassam	-	-	-	-	- 0.0%
(9)	Mr. Sultan bin Khaled Al Turki	90	-	10	-80	-88.8%

Description of any interest, contractual securities and subscription rights belonging to the members of the company's board of directors and their relatives in the company's shares or debt instruments							
Sr. No.	The name of the person who has the interest	Beginning of the year		End of the year		Net change	Change percentage
		Number of shares	Debt instruments	Number of shares	Debt instruments		
(1)	Sarran bin Manea Abu Saq	-	-	-	-	-	0.0%
(2)	Shafiq Mansour Al-Rumaih	-	-	-	-	-	0.0%
(3)	Emad 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:

Sr	Member name	Membershi p rating	Number of meetings												Total
			Special Meeting (1) 01/05/20 21	First meeting (C1) 02/03/20 21	First meeting (C2) 02/09/20 21	Special meeting (2) 10/03/20 21	Special meeting (3) 22/03/20 21	Special meeting (4) 12/05/20 21	Special meeting (5) 01/09/20 21	Second meeting 23/05/20 21	Third meeting 19/09/20 21	Special meeting (6) 18/11/2021	Forth meeting 19/12/20 21		
1	Fahd bin Abdulrahma n Al-Turki	Chairman	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	11
2	Majed bin Abdullah Al Sari	Vice Chairman	attend	attend	Didn't attend	Didn't attend	Didn't attend	Didn't attend	Didn't attend	Didn't attend	Attend	Attend	Attend	Attend	5
3	Abdullah bin Juma Al Sari	Member	attend	attend	Didn't attend	Didn't attend	Didn't attend	Didn't attend	Didn't attend	Didn't attend	Didn't attend	Didn't attend	Didn't attend	Didn't attend	2
4	Sultan bin Abdulaziz Al Suwaidi	Member	attend	Attend	Didn't attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	10
5	Abdul Mohsen bin Nafez Jaber	Member	attend	Attend	Didn't attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	10
6	Khalid bin Abdul Hamid Al Shuwaier	Member	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	11
7	Sultan bin Khaled Al Turki	Member	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Didn't attend	Attend	Didn't attend	Didn't attend	Didn't attend	8

8	Abdullah bin Abdulrahman Al-Bassam	Member	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	11
9	Yasser bin Abdulaziz Al-Qadi *	Member	Attend	Attend	Attend	Attend	Attend	Not applicable	6					

*The member, Yasser Al-Qadi, submitted a resignation request on 13/06/2021

26. The number of the company's requests to the shareholders' register, the dates and reasons for those requests.

The number of the company's requests to the shareholders' register	Request date	Request reason
1	28/10/2021	General Assembly
2	12/09/2021	Internal company procedures
3	05/07/2021	Filling out a foreign direct investment form
4	24/06/2021	Internal company procedures
5	08/06/2021	General Assembly
6	07/01/2021	Internal company procedures

27. Transactions with related parties and their balances, and information related to any business in which the company is a party to the company's board of directors, its senior executives, or any person related to any of them.

Relevant party / the party dealing with it	The nature of relationship/ the relationship with the company	The nature of the transaction/contract	Duration	Terms of Contract/ Work	The amount of the transaction (thousands of riyals) during the period from 1/1/2021AD until 31/12/2021
Mr. Fahad Al-Turki Abdul Rahman Ali Al Turki Group of Companies	Chairman of Board of Directors	Subscription premiums	Year	According to the document approved by the regulatory authorities and without preferential benefits.	5,123
		Claims incurred		According to the document approved by the regulatory authorities and without preferential benefits.	(4,342)

		Office rental expenses		without preferential benefits.	(1,184)
Mr. Abdullah Abdulrahman Al-Bassam Al-Bassam Group of Companies	Member of Board of Directors	Subscription premiums	Year	According to the document approved by the regulatory authorities and without preferential benefits.	5,123
		Claims incurred		According to the document approved by the regulatory authorities and without preferential benefits.	(4,342)
Mr. Abdullah Abdulrahman Al-Bassam Al-Bassam Group of Companies	Member of Board of Directors	Subscription premiums	Year	According to the document approved by the regulatory authorities and without preferential benefits.	(72)
		Claims incurred		According to the document approved by the regulatory authorities and without preferential benefits.	(30)

Mr. Abdullah Al-Sari Mr. Majid Abdullah Al-Sari Mr. Abdulmohsen Jaber Al Saqr National Insurance Company	Members of Board of Directors	Assigned reinsurance premiums	Year According to the document approved by the regulatory authorities and without preferential benefits.	(951)
		Reinsurers' share of paid claims		144
		Reinsurance commission income		45
		Claims incurred		-

* Transactions with related parties are renewed annually through the General Assembly.

28. A statement of any arrangement or agreement under which a member of the company's board of directors or a senior executive has waived any remuneration:

There are no arrangements or agreements under which a member of the company's board of directors or a senior executive has waived any remuneration.

29. A statement of any arrangement or agreement under which a shareholder of the company has waived any rights to profits:

There are no arrangements or agreements under which one of the company's shareholders has waived any rights to profits.

30. A statement of the value of regular payments

The following table shows a statement of the value of the regular payments to the company for the year 2021, which were paid in the same year, bearing in mind that any amounts not paid by the end of the year 2021 will be paid "with God's permission" during the year 2022 AD.

Payment type	Payments due until the end of 2021G that have been paid	Payments due at the end of 2021 and to be paid during 2022
Social insurance	5,042	410
Zakat, tax and income	5,975	42,652
Costs of supervision and control of the central bank	1,930	1,574
Council of Cooperative Health Insurance fees	401,1	1,574

31. Approvals of External Auditors:

The General Assembly, which was held on 10/28/2021, approved the selection of the external auditors nominated by the Audit Committee, to review the company's accounts for the fiscal year 2021 and the quarterly statements and determine their fees as follows:

- Al Kharashi & Co. Chartered Accountants and Auditors
- PricewaterhouseCoopers

32. In the event that the Board of Directors recommends changing the auditor before the end of the period for which he was appointed, the report must contain that, with a statement of the reasons for recommending the change.

Al Sagr Cooperative Insurance Company acknowledges that its board of directors did not issue any recommendation to change the external auditor before the end of the period for which it was appointed.

33. If the auditor's report includes reservations on the annual financial statements, the report of the Board of Directors must clarify those reservations, their reasons, and any information related to them.

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

34. Recommendations of the Audit Committee that conflict with the decisions of the Board of Directors, or which the Board refused to accept regarding the appointment and dismissal of the company's auditor, determining his fees, evaluating his performance, or appointing the internal auditor, and the justifications for those recommendations, and the reasons for not adopting them.

Not applicable

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

The number of treasury shares held by the company	Its Value	Date kept	Usage details
None	None	None	None

A description of any interest in the class of shares entitled to vote belonging to persons (other than members of the company's board of directors, senior executives and their relatives) who have informed the company of these rights under Article 45 (of the registration and listing rules, and any change in those rights during the fiscal year 2021 AD).

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

37. Declarations and Confirmations

A. Declarations

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

- The company declares that it did not obtain any loans (whether due to be paid on demand or otherwise) during the year 2021G.
- The Company acknowledges 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, any contractual securities, subscription right memoranda, or similar rights during the fiscal year 2020.
- The company acknowledges that it has not issued or granted any conversion 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, purchased or canceled any redeemable debt instruments.

B. Declarations:

- That the account records are properly prepared
- The internal control system was prepared on sound foundations and implemented effectively
- There is no doubt about the company's ability to continue its activity

