



## Al Alamiya for Cooperative Insurance Company

### Board of Directors' Report 2019

The Board of Directors of Al Alamiya For Cooperative Insurance Company (hereinafter referred to as the "Company" or "Al Alamiya") have great pleasure in presenting to our Shareholders the Annual Report for the year ended 31-12-2019 G.

The year 2019 witnessed continued challenging circumstances in the market as well as the operating environment. However, Al Alamiya's strong adherence to its core values of judicious risk selection, strong underwriting and pricing practices driven by appropriate weightage to technical consideration coupled with its strong governance and compliance focus helped the company to post Profits after Zakat of SR 18.86 Million vs SR 20.73 Million in 2018 (Restated), despite a decline in the gross written premium by SR. 73.59 Million from SR 293.53 Million in 2018 to SR 219.94 Million in 2019. This has resulted in a further improvement in the shareholders equity and financial position. With the accumulated losses from prior years now being completely neutralized, the retained earnings now stand at a positive position of SR 5.8 Million. The Company's operations must also be viewed in the context of the overall insurance market in the Kingdom, wherein a number of Companies, in their pursuit of growth, have suffered adverse results.

The management recognizes the potential implications of the reduction in the gross written premium in coming years and is working on a strategy to rebuild its revenue streams in a sustainable manner by balancing the twin objectives of growth and profitability. Focus on quality of revenue will remain a focus as the Company seeks to review its business segments, distribution channels and products. Alongside this, the Company will also review its operating model and expenses base to ensure that an optimal and cost-effective operating platform is in place to support the strategic objectives.

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

The introduction of the new accounting standard IFRS17 is expected to significantly change the manner in which Insurance Companies measure their incomes from insurance contracts and the assets and liabilities arising therefrom as well as the manner in which these are presented and disclosed in the financial statements. SAMA has taken an active role in guiding the insurance sector in KSA in its implementation of this new accounting standard which is due to be effective from 1<sup>st</sup> Jan 2022. Al Alamiya is well positioned in its journey of preparedness for this event given its association with the RSA Group and the technical expertise and support that is available from the group in this regard.

## A. BUSINESS PERFORMANCE AND PLANS FOR THE FUTURE

### (i) Principal Activities

The Company is licensed by SAMA to transact insurance and reinsurance business in the Kingdom of Saudi Arabia in the classes of General Insurance, Medical Insurance, and Protection and Savings Insurance.

The split of the activities between the lines of business and the major business segments is as follows:

#### Turnover and contribution to trading results by lines of business

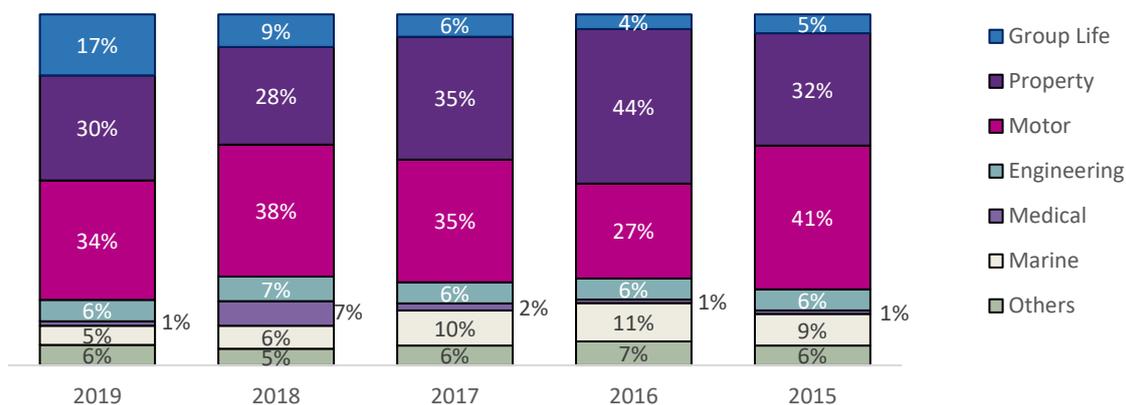
SR Million

Description	Year	Property	Motor	Engineering	Medical	Marine	Group Life	Others	Total
<b>Gross Written Premiums</b>	<b>2019</b>	65.91	74.69	13.45	2.88	11.95	38.26	12.79	219.94
	<b>2018</b>	81.88	110.37	20.47	20.62	19.07	27.20	13.92	293.53
	<b>2017</b>	91.65	91.65	17.02	4.99	26.00	16.87	15.19	263.37
	<b>2016</b>	136.19	84.35	18.73	2.36	34.61	13.17	21.34	310.75
	<b>2015</b>	128.69	166.58	20.66	5.52	35.59	21.73	23.26	402.03
<b>Net Written Premiums</b>	<b>2019</b>	1.58	72.93	1.76	1.26	2.91	15.43	6.54	102.41
	<b>2018</b>	16.39	108.58	3.30	3.62	7.28	10.57	7.68	157.42
	<b>2017</b>	27.89	89.95	0.70	2.34	10.47	5.76	9.24	146.37
	<b>2016</b>	38.26	83.12	2.57	0.88	15.81	4.81	15.15	160.60
	<b>2015</b>	47.17	164.43	1.76	2.18	16.99	6.36	16.41	255.30
<b>Net Premiums Earned</b>	<b>2019</b>	9.60	84.10	2.11	4.14	3.96	15.51	6.32	125.74
	<b>2018</b>	26.31	94.42	3.54	1.69	8.44	10.26	7.79	152.45
	<b>2017</b>	32.35	86.00	0.92	1.71	11.41	6.28	11.64	150.31
	<b>2016</b>	41.88	122.70	2.66	0.92	16.86	7.19	15.09	207.30
	<b>2015</b>	30.56	161.34	1.80	3.63	16.36	5.30	15.86	234.85
<b>Net Underwriting Result*</b>	<b>2019</b>	10.30	25.47	4.35	1.80	6.29	4.58	5.31	58.11
	<b>2018</b>	34.76	23.40	5.94	0.23	10.11	2.55	8.99	85.98
	<b>2017</b>	37.65	31.68	8.34	0.42	17.13	(5.42)	10.76	100.56
	<b>2016</b>	34.86	28.93	4.90	(0.38)	15.00	7.06	11.33	101.70
	<b>2015</b>	20.33	43.58	0.94	1.58	10.54	4.83	12.06	93.86
<b>Un-allocated Operating (Expenses)/Income</b>	<b>2019</b>								(40.83)
	<b>2018</b>								(57.37)
	<b>2017</b>								(55.53)
	<b>2016</b>								(55.27)
	<b>2015</b>								(65.03)
<b>Insurance operations' Surplus/(Deficit)</b>	<b>2019</b>								<b>17.28</b>
	<b>2018</b>								<b>28.62</b>
	<b>2017</b>								<b>45.03</b>
	<b>2016</b>								<b>46.43</b>
	<b>2015</b>								<b>28.83</b>

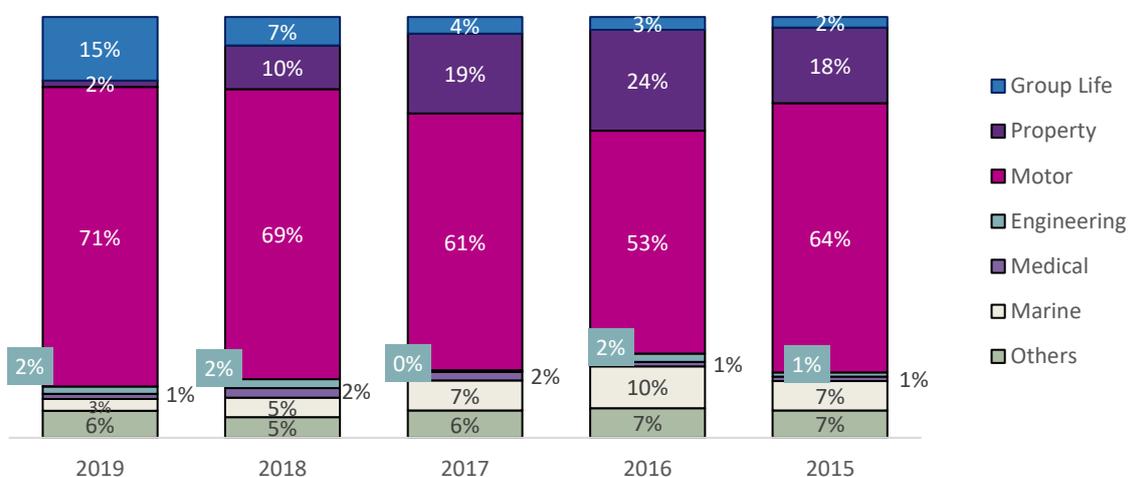
\*Net Underwriting Result excludes the unallocated Other Underwriting Expenses.

## Lines of Business

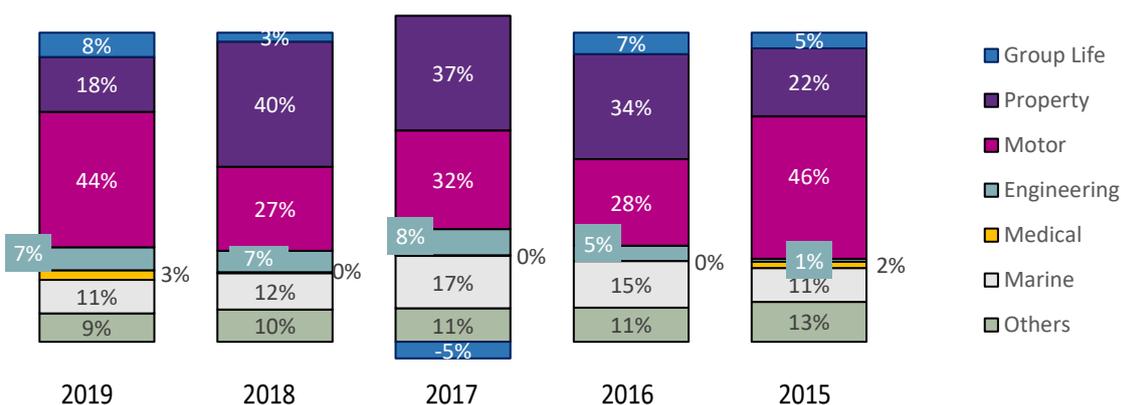
### Gross Written Premiums



### Net Written Premiums



### Net Underwriting Result\*



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

## (ii) Plans for the future

Saudi Arabia's insurance market has long been dominated by brokers and agents and with direct sales having a modest share. The market has slowed down over the past few years due to slow economic activity, softer pricing as customers have looked to save costs on every front, and departure of more than 1 million expatriates in 2018 stemming from higher taxes on foreigners.

There are challenges for the market to overcome in the year ahead, with high profile issues across the industry expected to revolve around technology, talent, regulation, product development, mergers and acquisition, capital requirements and tax reforms. This can also be seen as an opportunity to grow and improve the bottom line.

The Company will maintain its approach to consolidate its position in terms of higher profitability, by continuing to focus on improving operational efficiency, boosting productivity, and lowering costs with new technology and talent transformation, while customizing products and services to meet the evolving demands of the emerging digital economy.

The Company will continue to maintain its focus three key areas of distribution – Broker Relationships, Key Account management and Affinity/Bancassurance – to grow its business across retail, SME, and Mid-Market Segments to continue building its Commercial Portfolio and strengthen the SME penetration through affinity/bancassurance.

The Company will focus to reduce the business volatility and dependency on Large and Complex risks by transforming the customer mix into Mid-Market, SME and building a Digital platform and by maximizing utilization of the Riyadh Bank partnership.

The Company has rolled out the “Best in Class” Operating Model to penetrate and win the Mid-Market Segment by introducing a Trading Underwriting team to provide agility and visibility in the market and expanding into SME customer segment by building and introducing pre-underwritten system (SME system) to the distribution channels.

Alongside these implementations and activities, the Company will continue to maintain its efforts to effectively service and retain its key accounts

The external market efforts are reinforced by the persistent focus of the Company to continually develop the skill sets of its people as well as investments in technology and to build a lean and efficient operating environment. The Company plans to continue its efforts to enhance efficiencies across all its business operations through improving its processes and adopting appropriate technology, with a view to providing improved services to its business partners and customers, while optimizing the cost base for the Company, and without compromising on any of the strong internal controls in the business operations.

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

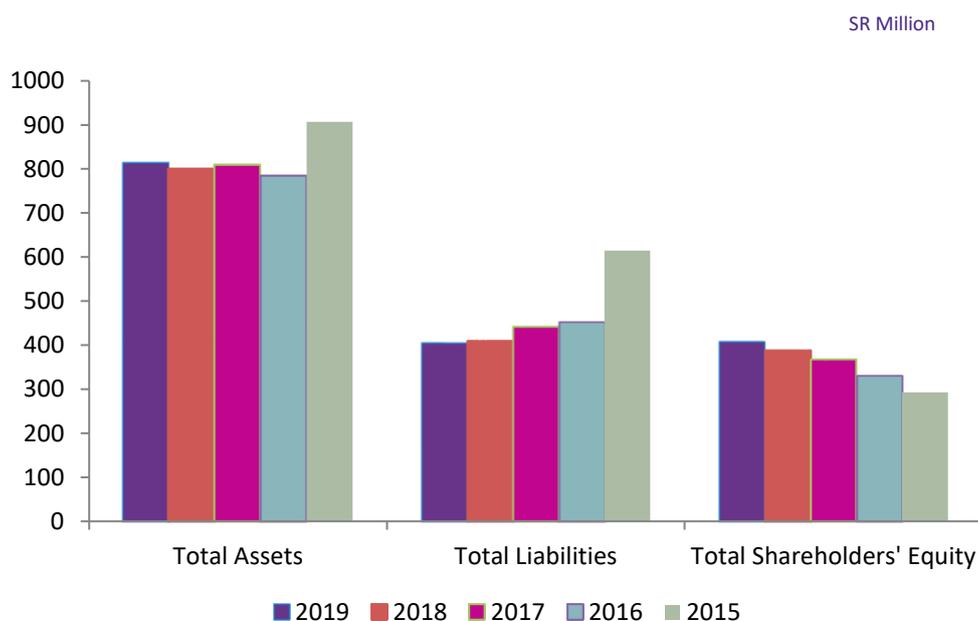
The Company's Statement of Financial Position as at 31-12-2019G, the Statement of Comprehensive Income for the financial year ended 31-12-2019G, and the Statement of Changes in Shareholders' Equity are shown in the tables below:

#### Summary Statement of Financial Position as at 31-12-2019G

Summary Statement	SR Million				
	2019	2018 (Restated)	2017	2016	2015
Insurance Operations' Assets	422.39	416.11	403.14	411.34	541.25
Shareholders' Assets	390.01	382.37	404.13	372.62	365.76
<b>Total Assets</b>	<b>812.40</b>	<b>798.48</b>	<b>807.27</b>	<b>783.96</b>	<b>907.01</b>

Summary Statement	SR Million				
	2019	2018 (Restated)	2017	2016	2015
Insurance Operations' Liabilities	351.18	363.89	403.14	411.34	541.25
Shareholders' Liabilities	53.52	45.93	37.27	41.66	73.29
<b>Total Liabilities</b>	<b>404.69</b>	<b>409.82</b>	<b>440.41</b>	<b>453.01</b>	<b>614.54</b>
<b>Total Shareholders' Equity</b>	<b>407.71</b>	<b>388.66</b>	<b>366.86</b>	<b>330.96</b>	<b>292.47</b>

#### Statement of Financial Position Key Indicators



Summary Statement of Comprehensive Income - Insurance Operations for the Year Ended 31-12-2019G

SR Million

Comprehensive Income - Insurance Operations	2019	2018 (Restated)	2017	2016	2015
Gross Written Premiums	219.94	293.53	263.37	310.75	402.03
Net Written Premiums	102.41	157.42	146.37	160.6	255.3
Net Premiums Earned	125.74	152.45	150.31	207.3	234.85
Net Claims Incurred	(62.25)	(59.99)	(46.62)	(101.70)	(140.01)
Net Underwriting Surplus	<b>56.99</b>	<b>85.98</b>	<b>99.18</b>	<b>100.12</b>	<b>91.81</b>
General & Administrative Expenses	(50.35)	(59.95)	(57.10)	(57.18)	(63.66)
Insurance Operations' Surplus/(Deficit)	<b>17.28</b>	<b>28.62</b>	<b>45.03</b>	<b>46.43</b>	<b>28.83</b>
Net Surplus at end of the Period After Shareholders' Appropriation	<b>1.73</b>	<b>2.86</b>	<b>4.50</b>	<b>4.64</b>	<b>2.88</b>

Summary Statement of Comprehensive Income - Shareholders' Operations for the Year Ended 31-12-2019G

SR Million

Comprehensive Income - Shareholders' Operations	2019	2018 (Restated)	2017	2016	2015
Shareholders' appropriation from insurance operations' Surplus/(Deficit)	15.55	25.75	40.53	41.78	25.94
Investment income	9.60	7.32	5.76	6.30	3.10
Costs and expenses	(1.49)	(1.81)	(1.81)	(1.73)	(1.77)
Net Income/(Loss)	23.66	31.26	44.49	46.35	27.28
Total Comprehensive Income/(Loss) before Zakat	27.50	30.45	44.31	46.94	26.38
Total Comprehensive Income/(Loss) after Zakat	18.86	20.73	35.90	38.49	18.80
Basic and Diluted Earnings/(Loss) per share (Saudi Riyals)	0.38	0.54	1.11	1.16	0.69

Summary Statement of Changes in Shareholders' Equity

SR Million

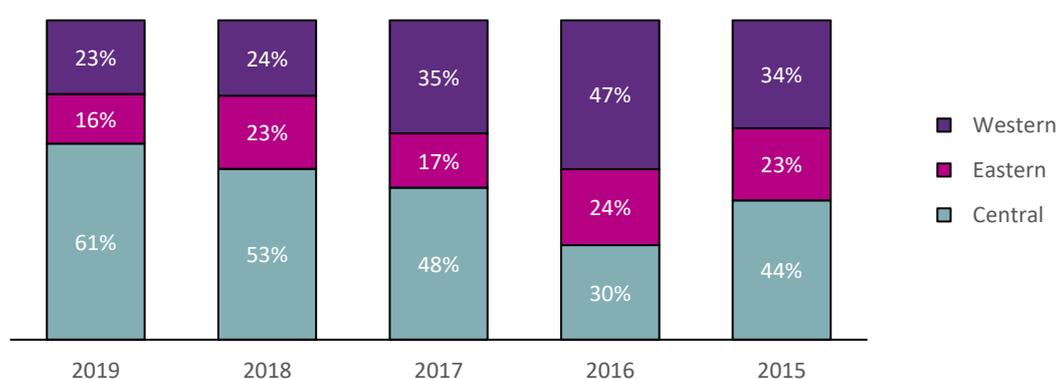
Changes in Shareholders' Equity	2019	2018 (Restated)	2017	2016	2015
Share Capital	400.00	400.00	400.00	400.00	400.00
Retained earnings/ (Accumulated losses)	5.80	(9.22)	(32.27)	(68.36)	(106.25)
Unrealized (Loss)/Gain on available for sale investments	2.17	(1.67)	(0.86)	(0.68)	(1.28)
Actuarial reserve for employee benefits	(0.26)	(0.46)	-	-	-
<b>Total</b>	<b>407.71</b>	<b>388.66</b>	<b>366.87</b>	<b>330.96</b>	<b>292.47</b>

#### (iv) Geographical Analysis and Material Variations from Previous Year

##### a) Geographical Analysis

The Company operates solely within the Kingdom of Saudi Arabia. Geographical details of Gross Written Premiums for the various financial reporting periods for the last 5 years up to 2019G are given below:

		SR Million				
Gross Written Premiums by Region		2019	2018	2017	2016	2015
Central		134.97	156.99	125.43	92.05	175.28
Eastern		34.14	67.30	44.59	73.94	90.91
Western		50.83	69.25	93.35	144.76	135.84
<b>Total KSA</b>		<b>219.94</b>	<b>293.53</b>	<b>263.37</b>	<b>310.75</b>	<b>402.03</b>



The Company does not have any subsidiaries in any jurisdiction.

##### b) Highlights of Variances in Operating Results

The information presented in the above tables cover the most recent five reporting annual periods. The analysis below explains the differences in the operating results of the year ended 31-12-2019G and the prior year (i.e. year ended 31-12-2018G). As there has been no forecast published by the company relating to the period from 01-01-2019G to 31-12-2019G, no comparison is made between actual results and forecast.

The Company's Gross Premiums Written are SR 219.94 Million in 2019 compared to SR 293.53 Million in 2018 reflecting a decline of 25.1%. Group Life witnessed growth of 40.7% during 2019 while other portfolios have lower premium compared to 2018. The overall decline in Gross Premiums Written has resulted in lower Net Premiums Written and lower Net Premium Earned which decreased by 34.9% and 17.5% respectively compared to 2018.

Net Claims Incurred increased by 3.8% from SR 59.99 Million in 2018 to SR 62.25 Million in 2019 mainly due to higher claims costs in Property, Group Life, Medical, Marine and Others partially offset by lower claims costs in Motor and Engineering portfolios.

The Net Underwriting Surplus decreased by 32.45% from SR 84.37 Million in 2018 to SR 56.99 Million in 2019 mainly due to lower Premium Earned coupled with higher claims costs.

Policyholders' investment income of SR 6.58 Million in 2019 improved by 57.12% from SR 4.19 Million in 2018 primarily due to increased average yield in the market.

General and Administrative Expenses under Insurance Operations decreased by 1.0% from SR 57.78 Million in 2018 to SR 57.18 Million in 2019. Furthermore, improved collections led to the reversal of SR 6.8 Million in allowances for doubtful debts against a charge of SR 2.1 Million in 2018 which further reduced the expense base.

Total Income for the Year under Insurance Operations for 2019 is SR 17.28 Million compared to SR 28.61 Million in 2018. The decrease in the income for the period compared with the same period of the previous year is primarily due to higher Net Claims Incurred and lower Earned Premiums partially offset by lower Expenses, higher Investment Income and increase in Other Income.

Shareholders' Investment Income increased from SR 7.32 Million in 2018 to SR 9.60 Million in 2019 due to better investment placements and increased average yield in the market.

The Total Comprehensive income for 2019 is SR 20.58 Million compared to SR 23.60 Million in 2018 (Restated).

#### (v) Basis of Reporting

The financial statements for the year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization of Certified Public Accountants (SOCPA) (collectively referred to as "IFRS as endorsed in KSA"). The annual financial statement for the year ended 31 December 2018, respectively, were prepared in compliance with the International Financial Reporting Standards (IFRS) respectively, as modified by Saudi Arabian Monetary Agency (SAMA) for the 'accounting of zakat and income tax', which requires, adoption of all IFRS as issued by the International Accounting Standards Board (IASB) except for the application of International Accounting Standard (relating to the application of IAS 12 – "Income Taxes" and IFRIC 21 – "Levies" so far as these relate to zakat and income tax and the Regulations for Companies in the Kingdom of Saudi Arabia.

On 23 July 2019, SAMA instructed the insurance companies in the Kingdom of Saudi Arabia to account for the zakat and income taxes in the statement of income. This aligns with the IFRS and its interpretations as issued by the International Accounting Standards Board (IASB) and as endorsed in the Kingdom of Saudi Arabia (collectively referred to as IFRS as endorsed in KSA).

Accordingly, the Company changed its accounting treatment for zakat and income tax by retrospectively adjusting the impact in line with International Accounting Standard 8 Accounting Policies, Changes in Accounting Estimates and Errors (as disclosed in note 3) and the effects of this change are disclosed in note 15 to the financial statements.

The basis of presentation of the financial statements and the significant accounting policies are explained in greater detail under Notes 2 and 3 of the Notes to the Financial Statements.

#### (vi) Dividend Policy

The Company intends to pay annual dividends on the Shares based on the level of required capital to support the Company's operations. However, the Company gives no assurance that any dividend will actually be paid thereafter, nor does it give any assurance as to the amount which will be paid in any given year.

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

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

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

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

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

#### (vii) Risks Facing the Company

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

1<sup>st</sup> line of defense: this involves all the business units who are directly responsible for the management of the risks the company faces. They are required to implement the necessary controls and the 1<sup>st</sup> line assurance processes (which include reporting and reviews);

2<sup>nd</sup> line of defense: this includes the control functions which are Risk Management and Compliance. Risk Management is responsible to ensure that the controls and assurances processes around all types of risks are being effectively implemented by the 1<sup>st</sup> line of defense. This is done through specific reporting on the various types of risks. Compliance function is responsible for the management and oversight of the regulatory risk through the development of a dedicated annual strategy and program for the purpose. The compliance function is fully independent from the management and reports to the Audit Committee of the company.

3<sup>rd</sup> line of defense: this line is managed by the Internal Audit Department which provides independent assurance over the effectiveness of the control system to the Audit Committee of the company.

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

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

The company has also developed:

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

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

#### A) Financial risk:

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

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

#### B) Strategic risk:

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

#### C) Operational risk:

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

#### D) Regulatory risk:

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

#### E) Insurance risk:

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

#### F) Reputational risk:

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

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

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

There is no individual person who has more than 5% interest in a class of voting Shares of the Company.

The significant (non-individual) shareholders and their ownership in the Company are as follows:

<b>Royal &amp; Sun Alliance Insurance (Middle East) BSC (c)</b>	<b>50.07%</b>
<b>Riyad Bank</b>	<b>19.92%</b>

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

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

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

#### iii) Borrowings, Issue/ Redemption of Securities

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

## C. RELATED PARTY TRANSACTIONS

### Transactions with the RSA Group

#### - Intellectual Property Agreement

The intellectual property agreement has been signed with RSA Group and been renewed on 11/03/2014G. The duration of the agreement is not defined and is dependent on the shareholding of RSA Group in Al Alamiya through Royal & Sun Alliance Middle East. During the period from 01-01-2019G to 31-12-2019G the Company had incurred a total charge of SR 30,100 in its Statement of Shareholders' Comprehensive Income towards branding fees payable to RSA Insurance Group plc.

#### - Reinsurance Agreements

The Company made reinsurance arrangements on market terms with RSA Insurance Group PLC., by entering into reinsurance treaties which started on 01-01-2019G and ending 31-12-2019G. Based on these reinsurance contracts, the company has ceded SR 27.69 Million representing Reinsurance premiums and earned Reinsurance commission income of SR 11.32 Million.

#### - Technical Services Agreement

The Company has entered into a Technical Services Agreement with the RSA Insurance Group PLC which has been approved by SAMA and renewed on 21/09/2014G for a period of five years. Through this agreement, RSA Insurance Group PLC provides technical services to the Company. During the period from 01-01-2019G to 31-12-2019G, the company incurred a charge of SR 6.55m in its Statement of Insurance Operations for technical services received in various areas of the business under the above mentioned Technical Services Agreement.

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

- Matthew Hotson (Resigned on 06-05-2019G)
- Lloyd East (Resigned on 01-10-2019G)
- Christopher Philip Dooley
- Khalid Jaafar Mostafa Allagany
- Martin Rueegg
- Jonathan Cope

### Transactions with Riyad Bank and its Subsidiaries

#### Transactions with Riyad Bank

##### - Insurance contracts

During the period 01-01-2019 to 31-12-2019 G the Company entered into annual Insurance Contracts on market terms with one of its shareholders, Riyad Bank, covering insurance of the Motor Leasing Program and Bankers Blanket Bond insurance with a total amount of SR 41,46 Million representing Gross Written Premiums, details of which are as follows:

Description of Contract	Line of Business	Date of Contract	Gross Written Premiums
Insurance	Motor	A number of insurance policies issued from 01-01-2019G to 31-12-2019G as per insurance policy renewed on 01/11/2018G for a period of one year and expires on 30-10-2019G.	37,052,866
Insurance	General Accident (Bankers Blanket Bond)	Annual Policy renewed on 07-07-2019 G for a period of one year.	4,407,503
<b>Total</b>			<b>41,460,369</b>

## Transactions with the subsidiaries of Riyadh Bank

### – Insurance contracts through Riyadh Company for Insurance Agency

The Company has entered into an agency agreement with Riyadh Company for Insurance Agency (a subsidiary of Riyadh Bank) on 29/07/2013G to market and sell the company's insurance products. A total gross written premium of SR 43.80 Million has been realized through this channel during the period 01-01-2019G to 31-12-2019G and SR 4.76 Million of commissions has been earned by the Agency, as follows:

Description of Contract	Line of Business	Date of Contract	Customer	Gross Written Premiums	Commission Earned by Agency
Insurance	General Accident (Group Life)	A number of insurance policies issued from 01-01-2019G to 31-12-2019G as per insurance policy renewed on 01/05/2019G for a period of one year and expires on 30-04-2020G.	Riyad Bank mortgage scheme	36,732,238	3,704,514
Insurance	Property	A number of insurance policies issued from 01-01-2019 to 31-12-2019G as per insurance policy renewed on 01/05/2019G for a period of one year and expires on 30-04-2020G.	Riyad Bank mortgage scheme	4,952,112	742,815
Insurance	Marine	The agency contract has been signed on 29-07-2013G. A number of insurance policies issued from 01-01-2018G to 31-12-2018G	Customers of Riyad Company for Insurance Agency	2,114,713	310,831
<b>Total</b>				<b>43,799,063</b>	<b>4,758,160</b>

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

- Khalid Mohammed Ali Hariry
- Tariq Abdullah Al Ghaziri (Resigned on 13-01-2019G)
- Mohammed Ali Al Shakwan (Appointed on 18-03-2019G)

## Transactions with Board Members and Top Executives

### – Insurance contracts

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

Name	Position	Name of Establishment	Line of Business	Period From / To	Gross Written Premiums for the period
<b>Khalid Jaafar Mostafa Allagany</b>	Managing Director and CEO	N/A	Motor	11- September-2019 to 10-September-2020	<b>1,122</b>
<b>Khalid Jaafar Mostafa Allagany</b>	Managing Director and CEO	N/A	Motor	20- November-2019 to 19-November-2020	<b>5,770</b>
<b>Khalid Jaafar Mostafa Allagany</b>	Managing Director and CEO	N/A	Motor	20- November-2019 to 19-November-2020	<b>650</b>
<b>Khalid Jaafar Mostafa Allagany</b>	Managing Director and CEO	N/A	Motor	20- November-2019 to 19-November-2020	<b>1,976</b>
<b>Khalid Jaafar Mostafa Allagany</b>	Managing Director and CEO	N/A	Motor	20- November-2019 to 19-November-2020	<b>1,575</b>
<b>Khalid Jaafar Mostafa Allagany</b>	Managing Director and CEO	N/A	Motor	20- November-2019 to 19-November-2020	<b>3,125</b>
<b>Fadi Aboul Hosn</b>	Chief Financial Officer	N/A	Motor	09- May-2019 to 08-May-2020	<b>1,500</b>

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

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

## D. OUTSTANDING STATUTORY DUES AND PAYMENTS MADE TO GOVERNMENT AUTHORITIES

i) The Company does not have any outstanding statutory dues as on 31-12-2019G, except for the following:

SR

Description	31-12-2019G	31-12-2018G
GOSI for the month of December 2019*	210,772	238,040
SAMA Supervision Fees payable for Q4 2019 **	257,908	405,940
CCHI Supervision Fees payable Q4 2019 **	--	184,129
Department of Zakat & Income Tax – Withholding Tax ***	397,404	384,682
Department of Zakat & Income Tax – VAT ***	180,322	1,096,081
Zakat & Income Tax (Provision)****	8,639,795	9,824,026
<b>Total</b>	<b>9,686,201</b>	<b>12,267,666</b>

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

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

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

\*\*\*\* Zakat & Income Tax provision is shown above for the years 2019 and 2018 standalone liability recorded in the financial statements of the Company (Please refer to note 15) to the financial statements). The total provision in respect of Zakat and Income tax is for a total amount of SR 44,267 thousand at the end of 2019 and SR 38,153 thousand at the end of 2018 (Please refer to note 15 to the financial statements)

ii) Statement of Payments made to Government Authorities during the period from 01-01-2019G to 31-12-2019G

SR

Description	2019	2018
Department of Zakat & Income Tax (zakat and corporate tax)	1,968,765	2,725,566
Department of Zakat & Income Tax (VAT and withholding tax)	9,874,982	16,398,594
GOSI	3,129,358	2,946,376
Ministry of Interior, Labor Office, Chamber of Commerce, Municipality, SAGIA	350,910	361,079
SAMA Supervision Fees quarterly payments	1,235,827	1,404,370
CMA payments - Fines	20,000	0
CCHI License Renewal payments	50,000	50,000
CCHI Supervision Fees payments	214,189	27,955
<b>Total</b>	<b>16,844,031</b>	<b>23,913,940</b>

## E. EMPLOYEE BENEFITS

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

## F. STATEMENTS

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

## G. EXTERNAL AUDITORS' REPORT

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

- Presents fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization of Certified Public Accountants (SOCPA) (collectively referred to as "IFRS as endorsed in KSA").
- Based on the information that has been made available to them, nothing has come to their attention that causes them to believe that the Company is not in compliance, in all material respects, with the applicable requirements of the Regulations for Companies, and the By-laws in so far as they affect the preparation and presentation of the financial statements;
- The key Audit Matter which was of most significance to their audit of the financial statements was the valuation of ultimate claim liability arising from insurance contract due to significance of the amount involved and the exercise of significant judgment by management in the process for determination of outstanding claims.

## H. CONTINUATION OF EXTERNAL AUDITORS

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

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

The Board shall consider the appointment of external auditors for 2020 and make recommendations to the Shareholders for consideration at the Annual General Assembly Meeting.

## I. CORPORATE GOVERNANCE

### i) Compliance with Rules and Regulations

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

The Company complies with the CMA's Corporate Governance Regulations the take effect on 20-02-2019G with the exception of the provisions listed below:

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

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

Number	Date	Reason
1	25/02/2019	For Company usage
2	04/03/2019	For Company usage
3	26/05/2019	For Company usage
4	19/06/2019	General Assembly
5	07/08/2019	For Company usage
6	08/09/2019	For Company usage
7	18/09/2019	For Company usage

## ii) Board of Directors

### Composition of the Board of Directors

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

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

- Tariq Abdullah Al Ghaziri resigned from his position on the Board and the Board Risk Committee on 13-01-2019G and Mohammed Ali Al Shakwan was appointed to fill this vacancy with effect from 18-03-2019G.
- Matthew Hotson resigned from his position on the Board and the Board Risk Committee on 06-05-2019G and Jonathan Cope was appointed to fill this vacancy with effect from 31-07-2019G
- Lloyd East resigned from his position on the Board and the Board Nomination & remuneration Committee on 03-10-2019G and Martin Rueegg was appointed to fill this vacancy with effect from 15-10-2019G

All the above changes have been notified to the regulators as required under regulation and will be presented to the Shareholders for ratification at the next General Assembly Meeting.

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

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

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

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

Name of Director	Board or other positions held in other Company(s) inside or outside KSA	Position	Entity Type / Domicile
Abdulaziz Abdulmohsin Bin Hasan	Credit Suisse, Saudi Arabia	Chief Executive Officer & Managing Director	Banking
	Tadawul	Member of the Board of Directors	Semi-governmental
Tariq Zaid Abdullah Alkhayyal	Diyar Alkhayyal Real Estate Development Co	Founder and MD	Constructions
Dr. Saleh Hamad Saleh Al Shinifi	SAFAH Foundation	Secretary General & Member Board of Director	Welfare Foundation
	Altayar group	Member, Audit Committee	Listed Company
	Al Darah Medical	Member Board of Directors, Chairman of Audit Committee	Saudi Listed Joint Stock Company, KSA
Mohammed Ali Al Shakwan	Riyad Bank	Senior Vice President – Manager sales Department	Saudi Listed Joint Stock Company, KSA
Khalid Mohammed Ali Hariry	Riyad Company for Insurance Agency	Board member	Limited Liability Company owned by Riyad Bank
	Riyad Bank	Senior Vice President Mgr., Enterprise PMO Dept	Saudi Listed Joint Stock Company, KSA
Martin Rueegg	Royal & Sun Alliance Insurance (Middle East) BSC (c)	Managing Director and member of Nomination & Remuneration Committee	Closed Joint Stock Company, Bahrain
Christopher Philip Dooley	Royal & Sun Alliance Insurance (Middle East) BSC (c)	Non Executive Director and member of Nomination & Remuneration Committee	Closed Joint Stock Company, Bahrain
	Al Ahlia Insurance CO, SAOG	Chairman of the Board of Directors	Listed Joint Stock Company, Oman
	Execme Ltd, UK	Director	Limited Liability Company, UK
Jonathan Cope	RSA Insurance Group, UK	Head of Legal, UK & International	Plc Company, UK
	Al Ahlia Insurance CO, SAOG	Deputy Chairman of the Board r and member of Nomination Remuneration & Investment Committee	Listed Joint Stock Company, Oman
	Royal & Sun Alliance Property Services Limited	Director	UK Private Limited Company. (Part of RFSA Group)
	Royal Insurance (UK) Limited	Director	UK Private Limited Company. (Part of RFSA Group)
	RSA Accident Repairs Limited	Director	UK Private Limited Company. (Part of RFSA Group)
Khalid Jaafar Mostafa Allagany	Al Alamiya For Cooperative Insurance co	Chief Executive Officer	Saudi Listed Joint Stock Company, KSA

## Functions

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

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

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

## Chairman and Managing Director

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

## Meetings

During the financial year 2019 the Board of Directors held 4 face to face (physical) meetings. The attendance at these meetings has been as follows:

	Date of Meeting				Remarks
	19-03-2019G	19-06-2019G	01-10-2019G	10-12-2019G	
Abdulaziz Abdulmohsin Bin Hasan	Y	Y	Y	Y	
Tariq Zaid Abdullah Alkhayyal	N	Y	Y	Y	Proxy to Abdulaziz Bin Hassan 19-03-2019
Dr. Saleh Hamad Saleh Al Shinifi	Y	Y	Y	Y	
Mohammed Ali Al Shakwan *	N	Y	Y	N	Appointed on 18-03-2019. Proxy to Khalid Hariry on 10-12-2019G.
Khalid Mohammed Ali Hariry	Y	Y	N	Y	
Christopher Philip Dooley	Y	Y	Y	Y	
Matthew Hotson #	Y	NA	NA	NA	Resigned on 06-05-2019G
Jonathan Cope *	NA	NA	Y	Y	Appointed on 31-07-2019
Lloyd East #	Y	Y	Y	NA	Resigned on 03-10-2019G
Martin Rueegg *	NA	NA	NA	Y	Appointed on 15-10-2019G
Khalid Jaafar Mostafa Allagany	Y	Y	Y	Y	
Tariq Abdullah Al Ghaziri #	NA	NA	NA	NA	Resigned from the board on 13 January 2019

*Y – Attended in person*

*N – Did not attend*

*NA – Had either resigned or was not appointed at that time.*

*\* Appointed during the period*

*# Resigned during the period*

Since the inception of the Company, the Board has also put in place a process of holding telephone conference meetings, for management to present to the board members the Interim financial statements for approval, in accordance with the regulatory time lines. During the year 2019, three such telephone conference meetings were held as follows;

	Date of Meeting			Remarks
	01-05-2019G	31-07-2019G	31-10-2019G	
Abdulaziz Abdulmohsin Bin Hasan	Y	Y	Y	
Tariq Zaid Abdullah Alkhayyal	Y	Y	Y	
Dr. Saleh Hamad Saleh Al Shinifi	Y	Y	Y	
Mohammed Ali Al Shakwan *	Y	Y	N	Appointed on 18-03-2019G
Khalid Mohammed Ali Hariry	Y	N	N	
Christopher Philip Dooley	Y	Y	Y	
Matthew Hotson #	N	NA	NA	Resigned on 06-05-2019G
Jonathan Cope *	NA	N	Y	Appointed on 31-07-2019G
Lloyd East #	Y	Y	NA	Resigned on 03-10-2019G
Martin Rueegg *	NA	NA	Y	Appointed on 15-10-2019G
Khalid Jaafar Mostafa Allagany	Y	Y	Y	
Tariq Abdullah Al Ghaziri #	NA	NA	NA	Resigned on 13-01-2019G

Y – Attended in person

N – Did not attend

NA – Had either resigned or was not appointed at that time.

\* Appointed during the period

# Resigned during the period

### Board & Committee's Performance Assessment

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

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

### iii) Shareholder Meetings

During the financial year 2019 the Company held one (1) shareholder general assembly meetings as below.

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

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

Date	Type of Meeting	Attendance by Board Members
19-06-2019G	Annual General Assembly & Extraordinary General Assembly	<ul style="list-style-type: none"> <li>• Khalid Jaafar Mostafa Allagany</li> <li>• Abdulaziz Abdulmohsin Bin Hassan</li> <li>• Chris Philip Dooley</li> <li>• Lloyd East</li> </ul>

### iii) Board Committees:

#### Executive Committee:

##### A. Composition

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

Name	Designation	Role in Committee
Khalid Jaafar Mostafa Allagany	Managing Director and Chief Executive Officer	Chairman
Fadi Aboul Hosn	Chief Financial Officer	Member
Russell Tong	Technical Director	Member

##### B. Functions

The purpose of the committee is to assist the Chief Executive Officer in the performance of his duties, including:

- the development and implementation of strategy, operational plans, policies, procedures and budgets;
- the monitoring of operating and financial performance;
- the assessment and control of risk;
- the prioritization and allocation of resources; and
- monitoring competitive forces in each area of operation.

##### C. Meetings

The Committee held six meetings during the period from 01-01-2019 up to 31-12-2019 G. The dates of the meetings and the attendance were as follows

	Date of Meeting						Remarks
	08-04-19G	15-05-19G	11-07-19	08-10-19G	25-11-19G	17-12-19G	
Khalid Jaafar Mostafa Allagany	Y	Y	Y	Y	Y	Y	
Fadi Aboul Hosn	Y	Y	Y	Y	Y	Y	
Russell Tong	N	N	Y	Y	Y	Y	
Shashidhar Salagame #	Y	Y	NA	NA	NA	NA	Resigned on 25-03-2019G

Y – Attended in person

N – Did not attend

NA – Had either resigned or was not appointed at that time

# Resigned during the period

#### Investment Committee:

##### A. Composition

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

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

##### B. Functions

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

##### C. Meetings

The Committee held four meetings during the period from 01-01-2019 up to 31-12-2019 G. The dates of the meetings and the attendance were as follows

	Date of Meeting				Remarks
	19-03-19G	16-06-19G	01-10-19G	09-12-19G	
Abdulaziz Abdulmohsin Bin Hassan	Y	Y	Y	Y	
Tariq Zaid Abdullah Alkhayyal	N	Y	Y	Y	
Khalid Mohammed Ali Hariry	Y	N	N	Y	

Y – Attended in person

N – Did not attend

NA – Had either resigned or was not appointed at that time

## Disclosure Committee:

### A. Composition

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

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

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

### B. Functions

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

### C. Meetings

The committee held meetings through electronic means to review and approve the company's announcements on Tadawul website. The committee held twenty-two of these meetings during the period from 01-01-2019 up to 31-12-2019 G. All Committee members participated in all these meetings through electronic means in line with its terms of reference.

## Audit Committee:

### A. Composition

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

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

### B. Functions

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

### C. Meetings

The Committee held a total of seven meetings during the period from 01-01-2019 up to 31-12-2019G. The dates of the meetings and the attendance were as follows;

## Physical (Face to Face) Meetings

	Date of Meeting				Remarks
	17-03-19G	18-06-19G	30-09-2019G	09-12-2019G	
Dr. Saleh Hamad Saleh Al Shinifi	Y	Y	Y	Y	
Ayman Saleh Al Ghamdi	Y	Y	Y	Y	
Dr. Ahmed Mohammed Al Salman	Y	Y	Y	Y	

Y – Attended in person

N – Did not attend

## Telephone Meetings

Since inception the Audit Committee has also put in place a process of holding telephone meetings, for management to present to the Committee members the interim and annual financial statements, in accordance with the regulatory time lines. The Audit Committee reviews the interim financial statements during these meetings and makes recommendations on the same to the Board of Directors. The Company's external and internal auditors also participate in these telephone meetings providing responses to any queries that the members may raise. During the year 2019, three such telephone meetings were held as follows:

	Date of Meeting			Remarks
	29-04-19G	30-07-19G	29-10-2019G	
Dr. Saleh Hamad Saleh Al Shinifi	Y	Y	Y	
Ayman Saleh Al Ghamdi	Y	Y	Y	
Dr. Ahmed Mohammed Al Salman	Y	Y	Y	

Y – Attended

N – Did not attend

## Risk Committee:

### A. Composition

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

Name Designation	Designation	Role in Committee
Christopher Philip Dooley	Non-Executive Director, RSA Representative	Chairman
Khalid Allagany	Managing Director and Chief Executive Officer	Member
Fadi Aboul Hosn	Chief Financial Officer	Member
Jonathan Cope	Non-Executive Director, RSA Representative	Member
Mohammed Al Shakwan	Non-Executive Director, Riyad Bank Representative	Member Appointed 18-03-2019G

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

### B. Function

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

### C. Meetings

The Committee held four meetings during the period from 01-01-2019G up to 31-12-2019G. The dates of the meetings and the attendance were as follows;

	Date of Meeting				Remarks
	19-03-19G	19-06-19G	01-10-19G	10-12-19G	
Chris Dooley	Y	Y	Y	Y	
Khalid Jaafar Mostafa Allagany	Y	Y	Y	Y	
Fadi Aboul Hosn	Y	Y	Y	Y	
Matthew Hotson #	Y	NA	NA	NA	Resigned on 06-05-2019G
Jonathan Cope	NA	NA	Y	Y	Appointed on 31-07-2019G
Mohammed Ali Al Shakwan	N	Y	Y	N	Appointed 18-03-2019G

*Y – Attended*

*N – Did not attend*

*NA – Had either resigned or was not appointed at that time*

*# Resigned during the period*

## Nomination and Remuneration Committee:

### A. Composition

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

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

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

### B. Functions

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

### C. Meetings

The committee held four meetings during the period from 01-01-2019 up to 31-12-2019 G. The dates of the meetings and the attendance were as follows;

	Date of Meeting				Remarks
	19-03-2019G	19-06-2019G	01-10-2019G	10-12-2019G	
Tariq Zaid Abdullah Alkhayyal	N	Y	Y	Y	
Abdulaziz Abdulmohsin Bin Hassan	Y	Y	Y	Y	
Khalid Mohammed Ali Hariry	Y	Y	N	Y	
Lloyd East #	Y	Y	Y	NA	Resigned 03-10-2019G
Martin Rueegg	NA	NA	NA	Y	Appointed 15-10-2019G

*Y – Attended*

*N – Did not attend*

*NA – Had either resigned or was not appointed at that time*

*# Resigned during the period*

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

##### A. Board Members

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

The details of remuneration payable to the Chairman and the Independent Directors for the period from 01-01-2019 up to 31-12-2019G for which provisions has been made in the financial statements are as follows:

#### Board Remuneration

SR

	Fixed remunerations							Variable remunerations						End-of-service award	Aggregate Amount	Expenses Allowance
	Specific amount	Allowance for attending Board	Total Allowance for attending committee meetings	In-kind benefits	Remuneration of the technical, management and consultative work	Remuneration of the chairman, Management Directors or Secretary, if a member	Total	Percentage of the profits	Periodic remuneration	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
<b>First: Independent Directors</b>																
Abdulaziz Abdulmohsin Bin Hassan	180,000	3,000	12,000	0	0	0	<b>192,000</b>	0	0	0	0	0	0	0	0	0
Tariq Zaid Abdullah Alkhayyal	120,000	3,000	9,000	0	0	0	<b>129,000</b>	0	0	0	0	0	0	0	0	5,894
Dr. Saleh Hamad Saleh Al Shinifi	120,000	3,000	12,000	0	0	0	<b>132,000</b>	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>420,000</b>	<b>9,000</b>	<b>33,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>453,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,894</b>
<b>Second: Non-Executive Directors</b>																
Mohammed Ali Al Shakwan*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Khalid Mohammed Ali Hariry*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Christopher Philip Dooley*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Matthew Hotson*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jonathan Cope*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tariq Abdullah Al Ghaziri*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

## B. Committee Members

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

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

	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending Board meetings	Total
<b>Audit Committee Members</b>			
Dr. Saleh Hamad Saleh Al Shinifi	120,000	10,500	130,500
Ayman Saleh Al Ghamdi	120,000	10,500	130,500
Dr. Ahmed Mohammed Salman	120,000	10,500	130,500
<b>Total</b>	<b>360,000</b>	<b>31,500</b>	<b>391,500</b>
<b>Remuneration &amp; Nomination Committee Members</b>			
Tariq Zaid Abdullah Alkhayyal	0	4,500	4,500
Abdulaziz Abdulmohsin Bin Hassan	0	6,000	6,000
Khalid Mohammed Ali Hariry	0	0	0
Martin Rueegg	0	0	0
<b>Total</b>	<b>0</b>	<b>10,500</b>	<b>10,500</b>
<b>Risk Committee Members</b>			
Christopher Philip Dooley	0	0	0
Khalid Jaafar Mostafa Allagany	0	0	0
Matthew Hotson	0	0	0
Fadi Aboul Hosn	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Executive Committee</b>			
Khalid Jaafar Mostafa Allagany	0	0	0
Shashidhar Salagame	0	0	0
Fadi Aboul Hosn	0	0	0
Russell Tong	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Investment Committee:</b>			
Abdulaziz Abdulmohsin Bin Hassan	0	6,000	6,000
Tariq Zaid Abdullah Alkhayyal	0	4,500	4,500
Khalid Mohammed Ali Hariry	0	0	0
<b>Total</b>	<b>0</b>	<b>10,500</b>	<b>10,500</b>

### C. Senior Executives

Compensation and remuneration paid to the top five executives (including the Chief Executive Officer and the Chief Financial Officer who are within the top five) during the period was SR **7,751,140** as follows:

Particulars Of Compensation		Amount (SR)	
		2019	2018
i)	Salaries and Compensation	4,452,053	4,156,473
ii)	Allowances	1,249,813	1,168,525
iii)	Periodical and annual bonuses	1,289,891	1,410,774
iv)	Other compensation or benefits paid on a monthly or annual basis	759,383	943,624
	<b>Total</b>	<b>7,751,140</b>	<b>7,679,396</b>

### v) Confirmation

During 2019 the Company has not been exposed to any punishment or penalty or preventive restriction imposed by the CMA, SAMA or any other supervisory or regulatory or judiciary body.

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

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

The Audit Committee has conducted an overall review of the internal and external auditors' assessment of the Company's system of internal controls during 2019 and no significant issues were identified.

The internal and external auditors and the Company's Compliance function have conducted several reviews during 2019, which provide a reasonable degree of assurance on the Company's ability to meet its strategic objectives. The results of these reviews have been considered by the Audit Committee in reviewing the effectiveness of the internal control systems of the company. The Committee has also gained a reasonable degree of satisfaction with respect to the actions taken by the management to address the observations and recommendations arising from the reviews. Based on the above, the Audit Committee believes that there were no material control weaknesses which might result in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or conditions.

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

During the period from 01-01-2019 to 31-12-2019G the Audit Committee held seven meetings. During these meetings the Committee amongst other activities:

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

## vii) Profiles of Board Members

### Abdulaziz Abdulmohsin Bin Hassan, Chairman

#### Qualifications

- Bachelor of Arts in Law, King Saud University, Riyadh - 1991.

#### Professional Experience:

A banking professional with over 26 years of experience in various positions in leading banks and financial institutions in the Kingdom of Saudi Arabia

- Mar 2019 till date – Independent Board member and Member of Investment Committee Al Faisaliah Group
- August 2010 to Feb 2019 - Chief Executive Officer and Managing Director of Credit Suisse, Riyadh, KSA
- March 2010 to August 2010 - Chief Executive Officer and Managing Director of Rana Investments, Riyadh, KSA
- March 2008 to May 2009 - Chief Executive Officer, Arabian Capital, Riyadh, KSA
- June 2006 to March 2008 - Vice President, Head of Treasury & Investment, Bank Muscat, Riyadh, KSA
- 1994 to June 2006 in various positions as below with SAMBA Financial group, Riyadh, KSA
  - o Alternative Investments Division Manager (2004-2006)
  - o Portfolio Manager, Treasury (1998-2001)
  - o Money Market Manager (1997-1998)
  - o Treasury Marketing Unit (1994-1997)
- 1992 to 1994 - Corporate Dealer, Riyad Bank, Riyadh, KSA

#### Other Positions:

- Board Member Tadawul, KSA
- Board Member and Member of Investment Committee Al Faisaliah Group

### Tariq Zaid Abdullah Al Khayyal, Deputy Chairman

#### Qualifications

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

#### Professional Experience:

An entrepreneur with interests in real estate development and thirteen years' experience in banking

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

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

#### Qualifications

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

#### Professional Experience:

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

## Khalid Mohammed Ali Hariy, Non-Executive Director

### Qualifications

- BCs business administration, King Faisal University

### Professional Experience:

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

## Khalid Jaafar Mostafa Allagany, Managing Director

### Qualification:

- Bachelor of Business Administration from Almeda University, U.S.A, in 2002

### Professional Experience:

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

## Christopher Phillip Dooley, Non-Executive Director

### Qualification:

- Chartered Insurer - Chartered Insurance Institute, UK.
- Bachelor of Arts (Honors) Degree - (University of Wolverhampton) 1982
- Diploma in Direct Marketing (Institute of Direct Marketing UK ) 1999

### Professional Experience:

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

### Other Positions:

- Board Member of Royal & Sun Alliance Insurance (Middle East), a closed joint stock company in Bahrain operating in the insurance sector, since 2011 and Managing Director 2012-2019
- Chairman of Al Ahlia Insurance Company SAOG, a public listed joint stock company in Oman operating in the insurance sector, from October 2017 to present prior to that as Board Member since 2011.
- Director - Execme Ltd (Executive Coaching & Consulting)2019.

## Jonathan Cope, Non-Executive Director

### Qualifications

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

### Professional Experience:

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

**Other Positions:**

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

## Martin Rueegg, Non-Executive Director

**Qualification:**

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

**Professional Experience:**

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

**Other Positions:**

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

## Ayman Saleh Al Ghamdi, Member Audit Committee

**Qualifications**

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

**Professional Experience:**

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

## Dr. Ahmed Mohammed Al Salman, Member Audit Committee

### Qualifications

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

### Professional Experience (Teaching):

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

### Professional Experience:

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

## viii) Profiles of Management Team

### Khalid Jaafar Mostafa Allagany

**Date of birth:** 20/02/1967G

**Nationality:** Saudi

**Position:** Managing Director and Chief Executive Officer (CEO)

**Qualification:**

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

**Professional Experience:**

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

### Fadi Aboul Hosn

**Date of birth:** 23/11/1970G

**Nationality:** Canadian

**Position:** Chief Financial Officer (CFO)

**Qualifications:**

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

**Professional Experience:**

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

### Abdulmalik Ali Alhojairi

**Date of birth:** 09/03/1977G

**Nationality:** Saudi

**Position:** Claims Director

**Qualification:**

- High Diploma of English Language

**Professional Experience:**

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

## Bader Attaalah Alenazi

**Date of birth:** 27/05/1979G

**Nationality:** Saudi

**Position:** Head of Regulatory Compliance

**Qualification:**

- High School 1997

**Professional Experience:**

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

## Russell Tong

**Date of birth:** 15/05/1959G

**Nationality:** Trinidad and Tobago

**Position:** Technical Director

**Qualification:**

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

**Professional Experience:**

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

## Akhtar Abdulghafour Abbas

**Date of birth:** 16/12/1979G

**Nationality:** Pakistani

**Position:** Head of Audit

**Qualification:**

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

**Professional Experience:**

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

## Waleed Najeeb Almasri

**Date of birth:** 22/11/1968G

**Nationality:** Saudi

**Position:** HR Director

**Qualification:**

- bachelor's Degree in Applied Mechanical Engineering from KFUPM Dhahran KSA, obtained in 1995

**Professional Experience:**

- HR Director for Al Alamiya from September 2016 to present.
- Group HR and Admin Manager for Alraha Group for Technical Services (RGTS) from May 2014 to May 2016 in Riyadh.
- General Director Human Resources at SAMA from July 2013 May 2014, in Riyadh.
- VP Human Resources at JPMorgan Chase Bank N A Riyadh Branch, from June 2010 to May 2013.
- Senior Manager Human Resources at Emaar Economic City, Jeddah, from October 2008 to June 2010.
- Group HR Manager for Rubaiyat, Jeddah, from January 2008 to September 2008.
- Saudi Arabian Airlines Catering (Riyadh and Jeddah) from November 1996 to December 2007 in three positions (Assistant Manager HRD, Technical Manager Riyadh Catering Unit, Outsourcing Manager).

## Riyadh Abbas Aldakheel

**Date of birth:** 07/09/1982G

**Nationality:** Saudi

**Position:** IT and Operations Director

**Qualification:**

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

**Professional Experience:**

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

## Laila Mohammed Alaithan

**Date of birth:** 12/09/1986G

**Nationality:** Saudi

**Position:** Head of Customer Care

**Qualification:**

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

**Professional Experience:**

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

**For and on behalf of the Board of Directors**

**Abdulaziz Abdulmohsin Bin Hassan**  
**Chairman of the Board of Directors**

**Khalid Jaafar Mostafa Allagany**  
**CEO and Managing Director**

A blue ink handwritten signature of Abdulaziz Abdulmohsin Bin Hassan, consisting of a large loop at the bottom and several vertical strokes at the top.A blue ink handwritten signature of Khalid Jaafar Mostafa Allagany, written in a cursive style.