



ChubbArabiaCooperativeInsurance Company

**Board of Directors Report
for the year ended 2020**

Ref No.	Topic	Page No.
1	Company profile and description of types of its main activities	3-4
1.1	Company's assets, liabilities and operation results for the last five financial years	5-7
1.6	Geographical analysis of the Company's revenues	8
1.7	Major variations in actual operating results and projections	9
2	Description of ownership	9
3	Description of important plans, decisions, prospects for the company's business and the most important risks	9
4	Applied and not applied provisions of Corporate Governance Regulations and reasons	10
5	Names of members of the Board of Directors, members of the Committees and Executive Administration, their present, previous positions, their qualifications and experience	11-12
6	Names of companies inside or outside the Kingdom in which a member of the Board of Directors is a member of the Board of Directors	13
7	Formation of the Board of Directors and Category of its members	14
8	Actions taken by the Board to inform its members - especially non-executives - of the shareholders' proposals and their remarks about the company and its performance	14
9	Brief description of specializations and assignments of the committees	15-19
10	The means upon which the Board of Directors relied on evaluating its performance and the performance of the Members of Committees	19
11	Disclosure of remunerations of Members of the Board of Directors and Members of the Executive Administration committees	20-22
12	Penalties and constraints imposed on the company	23
13	Result of annual review of efficiency of measures of internal control at the company	23
14	Audit Committee Recommendation on the Need for Appointment of an Internal Auditor at the Company	24
15	The recommendations of the Audit Committee, which have a conflict with the Board	24
16	Details of the company's social contributions	24
17	Statement of dates of general meetings of shareholders convened	24-26
18	The most important risks which are facing the company	26-29
19	Accounting Standards	30
20	Subsidiary Companies	30
21	Shares details and debt tools issued to the subsidiary company	30
22	Profit Distribution Policy	30
23	Description of ownership of major shareholders, members of boards of directors, senior executives and their spouse and minor children	31
24	Loans on the Company	31
25	Description of instruments of debt, right of choice or document of subscription right and the like	31
26	Rights of transfer, subscription under instruments of debt convertible into shares, rights of choice or policies of subscription right	31
27	Redemption, purchase or cancellation by the Company of any instruments of debts subject to redemption.	32
28	Board of directors' meetings	32
29	Shareholders Report & Company's Announcements	32-33
30	Transactions of the Company and related parties	34
31	Business and contracts of the company have or used to have an interest of any person related	34
32	Value of statutory payments	35
33	Waiver by the members of Board of Directors or Senior Executives of any salary or compensation	35
34	Waiver of profits by any of the shareholders	35
35	Investments or reserves in favour of employees of the Company	35
36	Acknowledgements	35
37	Reservations of external accountants on annual financial statements	36
38	The recommendation of the Board of Directors to change the auditor	36
39	Details of the shares held and the details of their use	36
40	Conclusion	36

Board of Directors Report
For the Financial year January 1, 2020 to December 31, 2020

The Board of Directors of Chubb Arabia Cooperative Insurance are pleased to present to the esteemed shareholders its Annual Report accompanied with the Audited Financial Statements and notes for the year ending on 31/12/2020. In addition, the important developments, financial results, future outlook, operational activities and disclosures according to regulations and rules and presented as follows.

1. Company profile and description of types of its main activities:

Chubb Arabia Cooperative Insurance Company a Saudi Joint Stock Company registered on 21 July 2009 (corresponding to 28 Rajab 1430H) under commercial registration number 2051043431, issued in Al-Khobar, Kingdom of Saudi Arabia. The Company has been licensed to conduct general insurance business in the Kingdom of Saudi Arabia under the Cooperative principles, in accordance with Royal Decree number 60/M dated 11 October 2006 (corresponding to 18 Ramadan 1427H), pursuant to Council of Ministers resolution number 233 dated 9th October, 2006 (corresponding to 16 Ramadan 1427H).

The Company provides the following general insurance products listed hereunder:

Property	Engineering	Casualty	Motor	Financial Lines	Marine	Group Life & PA	Accident & Health
Property All Risks	Contractors All Risk	Comprehensive Crime	Motor Insurance TPL	Medical Malpractice	Marine Cargo	Group Term Life	Travel
Fire	Erection All Risk	Comprehensive General Liability	Motor Insurance Comprehensive	Professional Liability	Marine Land Transit	Personal Accident	Business Travel
Householders & House owners Comprehensive	Machinery Breakdown	Employers Liability		Bankers Blanket Bond	Hull		Hemayati Travel
Business Interruption	Contractors Plant & Equipment	Fidelity Guarantee		Civil Liability for Financial Institutions	Truck men Cargo Liability		Visa Card Travel
Plate Glass	Loss of Profits Following Machinery Breakdown	Money		Directors & Officers Liability			
Jewelers Block	Deterioration of Stock	Products Liability		Professional Indemnity for Financial Institutions			
Terrorism	Electronic Equipment and Data Processing	Workmen's Compensation		Electronic & Computer Crime			
Political Violence		Event Cancellation		Cyber			

Following are the results of the operational segments, their effect on the volume of business and their contribution to the results of the Company, for the year ending 31/12/2020.

The split of business for the year 2020 is follows:

- Property Insurance: 40.86%
- Motor Insurance: 18.69%,
- Engineering Insurance: 15.06%
- Other lines of business : 25.39%

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Financial year ending 31/12/2020					
	Property	Motor	Engineering	Others	Total
Gross Written Premium	112,227	51,336	41,352	69,747	274,663
Net Written Premium	6,757	50,453	3,036	29,093	89,339
Net Earned Premiums	5,802	47,188	3,152	29,256	85,400
Net incurred claims	(131)	(17,261)	(1,747)	592	(18,546)
Underwriting Expenses	(5,841)	(4,999)	(3,943)	(5,821)	(20,604)
Re-insurance commissions revenues	11,469	1,595	4,654	5,248	22,967
Other underwriting expenses	(1,063)	(1,348)	(520)	(962)	(3,894)
Net Underwriting Profit	10,236	25,175	1,596	28,313	65,322
General & Administrative Expenses					(40,157)
Provision for doubtful reserves					2,469
Special Commission Income					9,234
Other losses not realized from investments					(233)
Other Income					4,169
Net surplus of the Insurance operations					40,804

Following are the results of the operational segments, their effect on the volume of business and their contribution to the results of the Company, for the year ending 31/12/2019.

The split of business for the year 2019 is follows:

- Property Insurance: 31%%
- Motor Insurance: 33%%
- Engineering Insurance: 10%
- Other lines of business : 26%

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Financial year ending 31/12/2019					
	Property	Motor	Engineering	Others	Total
Gross Written Premium	109,563	61,892	18,643	68,125	258,223
Net Written Premium	5,185	51,774	2,514	29,162	88,635
Net Earned Premiums	5,402	52,918	2,226	26,89	87,439
Net incurred claims	458	(31,214)	659	(316)	(30,412)
Underwriting Expenses	(5,168)	(4,642)	(1,629)	(4,548)	(15,988)
Re-insurance commissions revenues	10,927	2,847	3,401	5,038	22,215
Other underwriting expenses	(757)	(567)	(343)	(1,156)	(2,824)
Net Underwriting Profit	9,302	19,718	5,452	26,465	60,938
General & Administrative Expenses	-	-	-	-	(37,672)
Provision for doubtful reserves	-	-	-	-	(2,572)
Special Commission Income	-	-	-	-	9,611
Other losses not realized from investments	-	-	-	-	2,927
Other Income	-	-	-	-	2,165
Net surplus of the Insurance operations	-	-	-	-	35,398

i. Company's Assets, Liabilities for the last five years

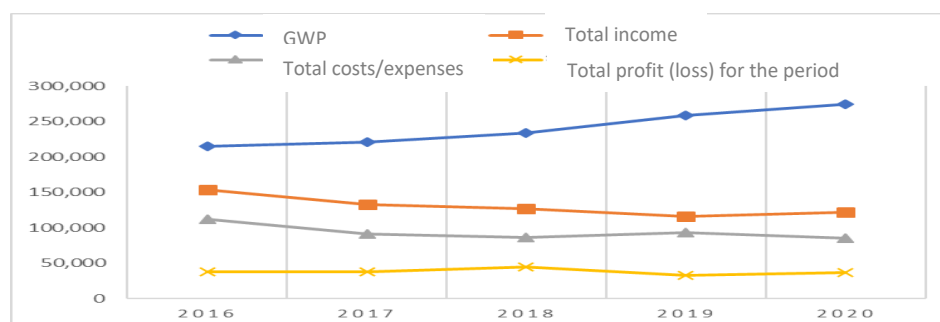
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Description	2020	2019	2018	2017	2016
Insurance Operations Assets					
Investments and cash with banks	104,703	96,524	109,071	115,602	129,283
Net Receivables	134,981	102,145	71,743	65,262	58,148
Other assets	210,322	162,374	136,196	172,296	174,779
Total assets of insurance operations	424,672	361,043	317,010	353,160	362,210
Shareholders Assets					
Investments and cash with banks	259,012	239,647	196,605	163,529	156,833
Other Assets	76,199	78,973	76,891	109,332	92,580
Total Assets SH	335,211	318,620	273,497	272,861	249,413
Total Assets PH + SH	759,883	679,663	590,507	626,021	611,623
Insurance liabilities					
Reinsurance payables PH	86,038	64,807	37,892	29,816	20,2070
Technical reserves	241,856	222,040	200,199	250,661	245,888
Other liabilities	54,057	39,432	37,306	72,683	96,252
Total liabilities of insurance operations	381,951	326,279	275,397	353,160	362,210
Shareholders Liabilities and Equity					
Shareholders' liabilities	25,230	30,970	22,041	16,089	23,033
Shareholders' equity	352,702	322,414	293,069	256,772	226,380
Total Shareholders' liabilities and equity	377,932	353,384	315,110	272,861	249,413
Total Liabilities	759,883	679,663	590,507	626,021	611,623

ii. Results of company's business during the last five years:

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Description	2020	2019	2018	2017	2016
Details of the results from the insurance operations and surplus					
Gross written premiums	274,663	258,223	233,973	220,498	214,837
Net earned insurance premiums	89,491	87,439	101,332	104,852	122,826
Re-insurance commission	22,967	22,215	21,258	22,200	24,157
Other insurance revenues	4,169	2,166	2,460	3,844	3,951
Investment and other revenues income	2,234	3,620	1,768	1,712	2,554
Total income (revenues)	118,861	115,440	126,818	132,608	153,488
Total paid liabilities	39,476	53,512	49,638	90,184	158,002
Total incurred liabilities	18,546	30,412	25,507	38,744	57,838
Costs of acquisition of insurance policies	24,498	14,970	18,248	18,600	23,774
Loss surplus insurance expenses	4,091	3,718	4,403	4,078	5,876
Other expenses	31,907	43,577	38,164	29,967	24,104
Total costs and expenses	79,043	92,677	86,322	91,389	111,592
Net surplus after shareholders shares	3,981	3,212	5,004	4,292	4,189
List of shareholders income					
Investment income and administration fees	6,766	8,918	4,597	2,773	3,503
Other income	-	-	-	-	-
Shareholders share of net surplus	35,838	32,187	44,493	38,629	37,706
General and administrative expenses	5,781	5,636	5,139	3,727	3,906
Net profit (loss) for the period	36,823	32,187	44,493	37,675	37,303



iii. Statement of cash flows for the last five years

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Cash flow	2020	2019	2018	2017	2016
Details of cash flows for the insurance operations					
Net cash of what is used at operational activities	(7,874)	4,092	(7,471)	(17,498)	(1,274)
Net cash of what is used at investment activities	(27,391)	(1,468)	(8,233)	(2)	(603)
Net cash of what is used at financing activities	16,019	(17,155)	2,253	4,655	-
Net increase (decrease) in cash	(19,246)	(14,532)	(13,451)	(12,845)	(1,877)
Cash at the beginning of the year	58,510	73,042	86,494	99,339	101,216
Cash by the end of the year	39,264	58,511	73,043	86,494	99,339
Details of shareholders cash flows					
Net cash used for operational activities	35,541	25,242	34,896	21,998	17,724
Net cash used for investment activities	30,989	(62,603)	(19,606)	(66,876)	(1,132)
Net cash used for financing activities	(17,141)	16,033	(2,253)	(4,655)	-
Net increase (decrease) in cash	49,389	(21,327)	13,037	(49,532)	16,952
Cash at the beginning of the year	47,140	68,467	55,430	104,963	88,371
Cash at the end of the year	96,529	47,140	68,468	55,430	104,963

iv. Schedule of changes in Shareholders Equity as at 31/12/2020

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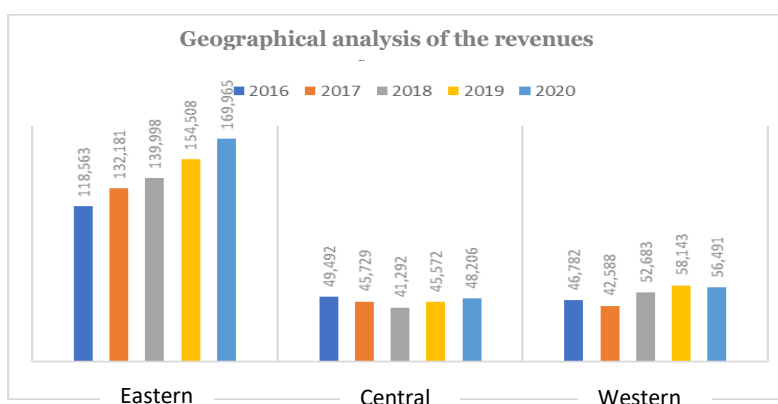
Description	Share Capital	Statutory Reserve	Retained Earnings	Total
Balance at 1 January 2020	200,000	32,438	89,977	322,414
Net income for the year attributable to shareholders	-	-	30,288	30,288
Total comprehensive income for the year	-	-	-	-
Transfer to statutory reserve	-	6,058	-6,058	-
Balance at 31 December 2020	200,000	38,495	114,207	352,702
Balance at 1 January 2019	200,000	26,569	66,500	293,069
Net income for the year attributable to shareholders	-	-	29,345	29,345
Total comprehensive income for the year	-	-	-	-
Transfer to statutory reserve	-	5,869	-5,869	0
Balance at 31 December 2019	200,000	32,438	89,977	322,414

v. Geographical analysis of the Company's revenues

The following table summarizes the total insurance premiums contributed in (thousands Riyals) based on their geographical distribution in the Kingdom and compared with the previous year, knowing that the company has no branch outside of the Kingdom.

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Region	Gross Premium Underwritten 2020	Gross Premium Underwritten 2019	Gross Premium Underwritten 2018	Gross Premium Underwritten 2017	Gross Premium Underwritten 2016
Eastern	169,965	154,508	139,998	132,181	118,563
Central	48,206	45,572	41,292	45,729	49,492
Western	56,491	58,143	52,683	42,588	46,782
Total	274,663	258,223	233,973	220,498	214,837



vi. Major variance in actual operating results:

- A- Net profit before Zakat and income tax for the year 2020 amounted to SAR 40,804 million, compared to SAR 35,398 million for the year 2019, with an increase of 15.27%.
- B- The reasons for the increase in the net profit before Zakat are due to a decrease in Net claims Incurred, reversal of allowance for doubtful debts, increase in Net written premiums, increase in Reinsurance commission income, and increase in other income.
- C- Total shareholders' equity at 31/12/2020 SAR 352,702 million compared to SAR 322,414 million for the same period of last year with an increase of 9.39%.
- D- The total comprehensive income for the current period is SAR 30,288 million compared to SAR 29,345 million for the same period last year, an increase of 3.21%.
- E- Certain comparative figures have been reclassified to conform to the presentation in the current period. The company assures that there is no financial impact of reclassifications on surplus insurance operations and net profit before zakat and tax. The Zakat and tax provision for the period has been reclassified from the statement of changes in equity to the comprehensive income statement in accordance with International Financial Reporting Standards (IFRS) and other instructions and standards approved by the Saudi Organization for Certified Public Accountants (SOCPA), which resulted in the change in comparison numbers for the earnings per share.

2. Description of ownership of any person holding shares eligible for voting (except members of board of directors, senior executives and their spouses and dependent children):

Below are names of current owners of the Company, owning (5%) and more up to date of this report:

- Chubb INA International Holdings Company Limited. 30%
- Al Khereiiji Investment Company 10%
- Al Khereiiji Company for Trading & Electronics 5%
- Al Khereiiji Contracting Limited Company. 5%
- Al Khereiiji Real Estate Company 5%
- International Company for Trading & Contracting Services 5%

Board Members Mr. Abdulaziz Abdulkarim Al Khereiiji and Mr. Mohamed Abdulkarim Al Khereiiji, together own 30% of shares of Chubb Arabia Cooperative Insurance Company, through the following shareholder companies:

- Al Khereiiji Investment Company 10%
- Al Khereiiji Company for Trading & Electronics 5%
- Al Khereiiji Contracting Limited Company. 5%
- Al Khereiiji Real Estate Company 5%
- International Company for Trading & Contracting Services 5%

3- Description of important plans, decisions, future prospects for the company's business and the most important risks.

The Board of Directors has approved the business plan for 2021 and during the year, the business strategy for the next five years will be revisited and updated. The strategy and plan demonstrate a positive outlook for the company which is aimed towards expanding the competitive capabilities in order to grow sustainably.

Chubb Arabia is one of the few companies in Saudi Arabia which has continued to maintain its A3 rating with a stable outlook from Moody's Investor Service, this demonstrates a strong level of strength and stability, which has been built through a focus on a disciplined underwriting philosophy, that will continue to be enriched going forward.

Chubb Arabia is committed to providing insurance solutions to selected brokers and direct customers and will strive to provide unmatched services, whilst maintaining its position as a reliable partner. The key objectives for next year continually strengthen the skill set of its people and expand the business where the Chubb brand can be leveraged along-side, keep a strong, fast-tracked focus on innovation, operational efficiency and increase Net Written Premiums. The emphasis is to lay the foundations for the sustained market presence of existing product lines, as well as the development of new and niche lines of general insurance business in Saudi Arabia.

As part of implementing the long-term strategy, the Board has given its approval to revamp the current Information Technology infrastructure. This project is steadily progressing and is expected to be completed in the next 18 months and will not only enable quick deployment of innovative products and distribution, but also significantly improve client servicing needs and transform operational efficiencies.

4. Applied and not applied provisions of Corporate Governance Regulations and reasons:

The Company acknowledges implementation of all articles of Corporate Governance Regulations for companies issued by the Saudi Central Bank and Corporate Governance Regulations of companies issued by Capital Market Authority, except what is stated below:

Item Number	Item text	Reasons for non-application
39	<p>The Company shall pay adequate attention to the training and preparation of the Board members and the Executive Management, and shall develop the necessary programs required for the same, taking the following into account:</p> <ol style="list-style-type: none"> 1) preparing programs for the recently appointed Board members and Executive Management to familiarize them with the progress of the Company's business and activities, particularly the following: <ol style="list-style-type: none"> a. the strategy and objectives of the Company; b. the financial and operational aspects of the Company's activities; c. the obligations of the Board members and their duties, responsibilities and rights; d. the duties and competencies of the committees of the Board. 2) developing the necessary mechanisms for Board members and the Executive Management to continuously enroll in training programmers and courses in order to develop their skills and knowledge in the fields related to the activities of the Company. 	<p>Guidance - partially applied to the executive management, as the company has set extensive programs to develop and qualify the executive competencies within the company, and a training program is developed for members of the Board of Directors when needed and work is underway to meet the requirements of the article</p>
41	<p>The Assessment:</p> <ol style="list-style-type: none"> a) 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 using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company. b) The procedures of performance assessment shall be in writing and clearly stated and disclosed to the Board members and parties concerned with the assessment. c) The performance assessment shall entail an assessment of the skills and experiences of the Board, identification of the weaknesses and strengths of the Board and shall attempt to resolve such weaknesses using the available methods, such as nominating competent professional staff able to improve the performance of the Board. The performance assessment shall also entail the assessment of the mechanisms of the Board's activities in general. d) The individual assessment of the Board members shall take into account the extent of effective participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and its committees' meetings and dedicating adequate time thereof. e) The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years. f) Non-Executive Directors shall carry out a periodic assessment of the performance of the chairman of the Board after getting the opinions of the Executive Directors, without the presence of the chairman of the Board in the discussion on this matter, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company. 	<p>Guidance - The Board of Directors has relied on internal evaluation methods so far and there is no external body that carries out the evaluation. It is expected that a mechanism for evaluation will be developed by an external body to evaluate the Board every three years during the next year.</p>
87	<p>Social Responsibility: The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.</p>	<p>Guidance - work is underway on preparing the policy, as it is expected to be approved by the General Assembly during the next year</p>
88	<p>Social Initiatives: The Board shall establish programmers and determine the necessary methods for proposing social initiatives by the Company, which include:</p> <ol style="list-style-type: none"> 1) establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities; 2) disclosing the objectives of the Company's social responsibility to its employees and raising their awareness and knowledge of social responsibility; 3) disclosing plans for achieving social responsibility in the periodical reports on the activities of the Company's; and 4) establishing awareness programmers to the community to familiarize them with the Company's social responsibility. 	<p>Guidance - despite the company carrying out some social activities in previous periods and on an ongoing basis, a program will be developed and approved by the Board of Directors consistent with the social responsibility policy that will be approved in the future.</p>
95	<p>Formation of a Corporate Governance Committee: If the Board forms a corporate governance committee, it shall assign to it the competences stipulated in Article (94) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually.</p>	<p>Guidance - The company does not currently see this as a necessity to form it</p>

5. Names of members of the Board of Directors, Members of the Committees and Executive administration, their present, previous positions, their qualifications and experience

A. Members of the Board of Directors

#	Name	Current Position	Previous Position	Qualifications	Years of Experience
1	Engr. Nabil Yousef Jamil Jokhdar (Chairman)	Chairman of the Board of Directors at Chubb Arabia Insurance Company.	General Manager of Saudi Consolidated Engineering Company. General Manager of Dar Al Riyadh Branch Manager of ZFP.	University Degree in Civil Engineering from University of North Arizona	38
2	Mr. Stephen Brian Dixon (Vice Chairman)	Board Member at Chubb Arabia Senior Advisor at Chubb Eurasia & Africa	Regional Managing Director, ACE MENA. General Manager, ACE American Insurance Company, Bahrain Br. UK Commercial P&C Manager, ACE UK. Continental Europe Casualty Manager, ACE European Group.	Associate of Chartered Insurance Institute, London	44
3	Mr. Abdulaziz Abdulkarim Al Khereiji (Managing Director)	Managing Director and Board Member at Chubb Arabia Board Member and Member of Audit Committee member at the Saudi Ceramic Co.	Chairman of the Board of Directors at Saudi Ceramic Co. CEO at Chubb Arabia General Manager of International Company for Trade & Contract Services. Director Bidaya Home Financing Director, RFIB	University Degree in Administration Sciences, from King Fahd University for Petroleum and Minerals	21
4	Mr. Mohammed Abdulkarim Al Khereiji	Board Member at Chubb Arabia General Manager at Al Khereiji Group	Manager of Credit Facilities at Saudi Hollandi Bank, Saudi Arabia	University Degree in Information Systems from University of California	18
5	Mr. Serge Michel Osouf	Board Member at Chubb Arabia Senior Advisor at Chubb Eurasia & Africa	Non-Executive Director, Chubb Insurance Pakistan Non-Executive Director, ACE/Chubb Insurance Company, Russia Vice Chairman and Director, Chubb European Group Turkey Branch Director President & Chief Operating Officer SCOR Group President, SCOR P&C Division	Ecole Nationale d'Assurance, MMS CNAM – Economy CNAM – Mathematics, Chemistry	54
6	Mr. Giles Richard Ward	Board Member at Chubb Arabia Regional President, Chubb Eurasia & Africa	Country President Australia & New Zealand, Chubb Regional Manager, MENA, ACE/Chubb Director of Distribution & Marketing AXA-Asia P&C President/CEO, AXA AFFIN Assurance Bhd Malaysia Technical Advisor AXA AFFIN Assurance Bhd Malaysia Managing Director Guardian Assurance Co Thailand Limited. General Manager, Union Insurance Society of Canton	BA Economics Degree from Manchester University ACII/Chartered Insurer	32
7	Mr. Christian Raymond Mounis	Board Member at Chubb Arabia Consultant, Reinsurance	President Europe, Life Operations, SCOR S.E. President Europe Operations, Transamerica Reinsurance Company Executive Vice President SCOR Life	ESSEC Business School, France The Wharton School Executive Education Program, University of Pennsylvania, USA	44
8	Mr. Wahdan Suleiman Al-Kadi	Board Member at Chubb Arabia Chief Commercial Officer in Ministry of Tourism.	Chairman of the Audit Committee of Chubb Arabia Insurance and Director of Business Development at Ras Al Salam Holding and a Strategic Advisor at the General Organization for Technical and Vocational Training.	Master's in business administration from King Fahd University of Petroleum and Minerals	20
9	Engr. Hisham Abdulrahman A. El Khereiji	Board Member at Chubb Arabia CEO, Al-Khereiji Company for Commerce & Contracting.	Deputy CEO, Al-Khereiji Company for Commerce & Contracting, Section Manager Fast Moving Consumer Goods, Savola Retail Division (PANDA)	MS Engineering Management & Leadership BS Systems Engineering	18

B. Executive Management

#	Name	Current Position	Previous Position	Qualifications	Years of experience
1	Mr. Abdulaziz Abdulkarim Al Khareiji	Managing Director	General Manager of International Company for Trading & Contracting Services.	University Degree in Administration Sciences from King Fahd University for Petroleum and Minerals	21
2	Mr. Kamran Mazhar	Chief Executive Officer	Chief Operating Officer at Chubb / ACE Insurance Pakistan, Limited	Executive Master in Business Administration (EMBA) Degree from HEC Paris- France and Bachelor's degree in Economics from the University of Texas at Austin USA Diploma CII	21
3	Mr. Ghalib Asaad Zumhari	Chief Financial Officer	Finance Manager at Ace Arabia Cooperative Insurance. Accounts manager at International Establishment.	University Degree in Finance from University of Jordan	42
4	Mr. Mohannad Badkook	Chief Operating Officer	Accountant at Ace Arabia Cooperative Insurance Company, KSA Risk Manager at Chubb Arabia	Bachelor Degree in Accounts and Finance from Bentley University, USA.	6
5	Mr. Mohamed Owidhah Al Yami	Compliance Manager	Compliance Manager at Trade Union Cooperative Insurance. Assistant manager Compliance and Legal Affairs at Al Inma Tokio Marine Insurance Co.	University Degree in Business Administration Certificate of Compliance Officer	16
6	Mr. Mowafag Abdulaziz Nawab	Human Resources Manager	Senior Supervisor of Human Resources, Wala Insurance. Senior supervisor of Human Resources at National Company for Petroleum Services.	University Degree in Business Administration.	14
7	Mr. Tariq Salama	Manager of Information Technology	Senior Oracle Engineer at Technological Company for Information Systems.	University Degree in Computer Engineering.	22
8	Mr. Hussain Al Shaaban	Chief Marketing Officer	Manager Broker relations at Al Alamiya Insurance. Regional manager at Malath Company for Insurance.	Master Degree in of Human Resources Development from USA	20
9	Mr. Muhammad Zeeshan	Chief Underwriting Officer	Underwriting Manager at Chubb Arabia Assistant Branch Manager Chubb Arabia Jeddah	B.E. (EE) and M.S. (EM) from NED University, Pakistan	19
10	Mr. Dastagir Khan	Chief Claims Officer	Claims Manager	M.A & AIII, India	38
11	Mr. Mohammed Alnajar	Country Claims Manager	Corporate Claims Manager	Bachelor degree in BA Associate Degree in Insurance	15
12	Mr. Yasser Alhabeeb	Internal Audit Manager	Acting Internal Audit Manager	Bachelor Degree in Finance and Accounting	5
13	Mrs. Muneerah Alqahtani	Risk Management Officer	Acting Risk Management Officer	Bachelor Degree in Insurance & Finance) Master's degree in MBA (Finance)	5

6. Names of companies inside or outside the Kingdom in which a member of the Board of Directors is a member of the Board of Directors:

#	Name of member	Legal Entity	Name of Company	Type of membership	Inside/ outside Kingdom	Nature of membership
1	Engr. Nabil Yousef Jokhdar	Non-listed	Saudi Industrial Resins Company	Independent	Inside Kingdom	In his Personal capacity
2	Mr. Mohamed Abdulkarim Al Khereiji	Listed	Saudi Cement Company	Independent	Inside Kingdom	In his Personal capacity
		Non-listed	Arabian Company for manufacturing paper	Non-executive	Inside Kingdom	In his personal capacity.
3	Mr. Abdulaziz Abdulkarim Al Khereiji	Listed	Saudi Ceramics Company	Independent	Inside Kingdom	Representative of Al Khereiji Investment Company
		Non-listed	RFIB Insurance Brokerage Company	Independent	Inside Kingdom	Representative of Al Khereiji Investment Company
		Non-listed	Bidaya Company for Financing Houses	Independent	Inside Kingdom	In his personal capacity.
4	Mr. Wahdan Suleiman Al-Kadi	Non-listed	Teraz Arabian Company	Independent	Inside Kingdom	In his personal capacity.
5	Mr. Giles Richard Ward	Non-listed	Chubb Insurance Company - Russia	Non-executive	Outside Kingdom	Representing Chubb Group.
		Non-listed	Chubb Russia Investments Limited – Russia	Non-Executive	Outside Kingdom	Representing Chubb Group
		Non-listed	Chubb Underwriting (DIFC) Limited - UAE	Non-Executive	Outside Kingdom	Representing Chubb Group
		Non-listed	Chubb Insurance Company Limited – Pakistan	Non-executive	Outside Kingdom	Representing Chubb Group.
		Non-listed	Chubb Insurance Company Limited - Egypt	Non-executive	Outside Kingdom	Representing Chubb Group.
		Non-listed	Chubb Insurance Limited - South Africa	Non-executive	Outside Kingdom	Representing Chubb Group.
6	Mr. Serge Michel Osouf	Non-listed	Russian Re Moscow	Non-executive	Outside Kingdom	Representing Chubb Group.
		Non-listed	Arope Insurance Company, Lebanon	Non-executive	Outside Kingdom	In his Personal capacity
		Non-listed	Chubb Egypt	Non-executive	Outside Kingdom	Representing Chubb Group.
		Non-listed	Chubb Life Egypt	Non-executive	Outside Kingdom	Representing Chubb Group.
		Non-listed	Optimum Corporation	Non-executive	Outside Kingdom	In his personal capacity
		Non-listed	Optimum Re	Non-executive	Outside Kingdom	In his personal capacity.
7	Mr. Stephen Brian Dixon	Non-listed	Chubb Insurance Pakistan Ltd. Pakistan	Non-executive	Outside Kingdom	Representing Chubb Group.
		Non-listed	Chubb Egypt	Non-executive	Outside Kingdom	Representing Chubb Group.
8	Mr. Christian Raymond Mounis	Non-listed	Transamerica International Reinsurance Ireland - Aegon Group	Independent	Outside Kingdom	In his personal capacity.

7. Formation of the Board of Directors and Category of its Members

#	Name of the Member	Executive	Category of membership	
			Non-executive	Independent
1	Engr. Nabil Yousef Jokhdar	-	✓	-
2	Mr. Stephen Brian Dixon	-	✓	-
3	Mr. Abdulaziz Abdulkarim Al Khereiji	✓	-	-
4	Mr. Mohamed Abdulkarim Al Khereiji	-	✓	-
5	Mr. Serge Michel Osouf	-	✓	-
6	Mr. Giles Richard Ward	-	✓	-
7	Mr. Christian Raymond Mounis	-	-	✓
8	Mr. Wahdan Suleiman Al-Kadi	-	-	✓
9	Engr. Hisham Abdulrahman A. El-Khereiji	-	-	✓

8. Actions taken by the Board to inform its Members - especially Non-executives, of the shareholders' proposals and their remarks about the company and its performance:

The Company's Articles of Association ensure the basis of all shareholders rights in relation to their shares. The Company shall receive all proposals and notes of its shareholders by e-mail, telephone and through the General Assembly. The Board of Directors shall be notified of a summary of such proposals or notes, if any. The Board of Directors Terms of Reference stipulates that the board members are required to attend the General Assembly's meetings to hear and discuss the shareholders proposals, their remarks about the company and its performance. The company did not receive any comments or suggestions from its shareholders during 2020.

9. Brief Description of Specializations and Assignments of the Committees:

9.1 Executive Committee

Brief description of specialization of the committee

The Committee provides proposals to the Board of Directors on important issues such as strategic and work plans. The Board of Directors have delegated power to the Executive Committee to carry out its tasks in some cases.

Committee Members:

#	Name of the Member	Member of Board of Directors	Category
1	Mr. Serge Michel Osouf (Head of Committee)	Yes	Non-executive
2	Mr. Abdulaziz Abdulkarim Al Khereiji	Yes	Non-executive
3	Mr. Stephen Brian Dixon	Yes	Non-executive
4	Mr. Mohammed Abdulkarim Al Khereiji	Yes	Non-executive
5	Mr. Ghalib Asaad Zummari	No	Executive

Members of the committee met 8 times during the year of 2020 and the following statement shows date of meetings and attendance record:

#	Member Name	Nature of Membership	Number of Meetings								
			1 st Meeting	2 nd Meeting	3 rd Meeting	4 th Meeting	5 th Meeting	6 th Meeting	7 th Meeting	8th Meeting	9 th Meeting
			28/01/20	25/02/2020	24/03/2020	1/4/2020	1/5/2020	1/6/2020	27/07/2020	1/9/2020	20/10/2020
1	Mr. Serge Michel Osouf	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Mr. Abdulaziz Al Khereiji	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Mr. Stephen Brian Dixon	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Mr. Mohammed Al Khereiji	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Mr. Ghalib Zummari	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓

9.2 Investment Committee:

Brief description of specializations of committee

Investment committee carried out the tasks of controlling and review of investment policy, supervision of its implementation, approval of investment activities and control of performance of investment funds.

Members of the Committee

#	Name of member of board of directors	Member of the Board	Category
1	Mr. Mohamed Abdulkarim Al Khereiji	Yes	Non-executive
2	Mr. Serge Michel Osouf	Yes	Non-executive
3	Mr. Giles Richard Ward	Yes	Non-executive
4	Mr. Loay Fahad Dakheel	No	Independent

Members of the committee met 4 times during the year of 2020 and the following statement shows date of meetings and attendance record:

#	Member's name	Nature of Membership	Number of meetings			
			1 st Meeting 2020/01/29	2 nd Meeting 2020/06/17	3 rd Meeting 2020/09/09	4 th Meeting 2020/12/02
1	Mr. Mohammed Abdulkarim Al Khereiji *	Chairman	✓	✓	✓	✓
2	Mr. Serge Michel Osouf *	Member	✓	✓	✓	✓
3	Mr. Giles Richard Ward	Member	✓	✓	✓	✓
4	Mr. Loay Fahad Dkheel	Member	✓	✓	✓	✓

9.3 Audit Committee

Brief description of specialization of the committee

Audit committee reviews the task to activate proposals for the Board of Directors with respect to supervision of the financial reports of the company, evaluation to the extent of sufficiency of internal and external audit operations, evaluation and control of internal audit administration processes and regulatory controls.

#	Name of member	Member of the Board	Category
1	Mr. Abdullah Khalaf Al Yousef	No	Independent
2	Engr. Hisham Abdulrahman A. El-Khereiji	Yes	Independent
3	Mr. Diya Alaa Maghrabi	No	Independent

Members of the committee met 6 times during the year of 2020 and the following statement shows date of meetings and attendance record:

#	Member's Name	Nature of Membership	Number of Meetings					
			1 st Meeting 28\01\2020	2 nd Meeting 24\03\2020	3 rd Meeting 16\06\2020	4 th Meeting 09\09\2020	5 th Meeting 02\12\2020	6 th Meeting 29\12\2020
1	Mr. Abdullah Al Yousef	Chairman	✓	✓	✓	✓	✓	✓
2	Engr. Hisham Abdulrahman A. El-Khereiji	Member	✓	✓	✓	✓	✓	✓
3	Mr. Diya Alaa Maghrabi	Member	✓	✓	✓	✓	✓	✓

9.4 Nomination and Remuneration Committee

Brief description of specializations of the committee

Nomination and Remuneration Committee are responsible for proposals of nomination for membership of Board of Directors and annual review of requirements of skills suitable for membership of Board of Directors. The Committee also reviews the structure of the Board of Directors and makes recommendations concerning the changes which could be made, as well as study the structuring of the company and supervising employment.

Members of the committee

#	Name of member	Member of the Board	Category
1	Mr. Serge Michel Osouf	Yes	Non-executive
2	Mr. Stephen Brian Dixon	Yes	Non-executive
4	Mr. Wahdan Suleiman al-Kadi	Yes	Independent
5	Eng. Hisham Abdulrahman A. Al-Khereiji	Yes	Independent

Members of the committee met 4 times during the year of 2020 and the following statement shows date of meetings and attendance record:

#	Member's Name	Nature of Membership	Number of meetings				
			1 st Meeting 29/01/2020	2 nd Meeting 25/03/2020	3 rd Meeting 17/06/2020	4 th Meeting 09/09/2020	5 th Meeting 2020/09/09
1	Mr. Wahdan Suleiman al-Kadi *	Chairman of the Committee	✓	✓	✓	✓	✓
2	Mr. Stephen Brian Dixon	Member	✓	✓	✓	✓	✓
4	Mr. Serge Michel Osouf **	Member	✓	✓	✓	✓	✓
5	Mr. Hisham Abdulrahman Al-Khereiji	Member	✓	✓	✓	✓	✓

* Chairman of the committee since 01/18/2021. ** Chairman of the committee until 01/17/2021.

9.5 Risk Management Committee

Brief description of specializations of the committee

The committee meets to review reports of the Risk Manager in order to advise and recommend relevant actions for the management of the company's risks. The Committee also sets a system of policies for the management of risks and strategies to be adopted by the Board of Directors.

Members of the committee

#	Name of member	Member of the Board	Category
1	Mr. Christian Raymond Mounis	Yes	Independent
2	Mr. Vijay Raghavan Velayudhan	No	Non-executive
3	Mr. Wahdan Suleiman al-Kadi *	Yes	Independent
4	Engr. Nabil Yousuf Jamil Jokhadar	Yes	Non-executive
5	Mr. Khaldoun Abdullah Al-Fakhry**	No	Independent

* Resigned from the committee on 5/5/2020. ** Joined the committee on 5/5/2020.

Members of the committee met 4 times during the year 2020 and the following statement shows date of meetings and attendance record:

#	Member's name	Nature of membership	Number of meetings			
			1 st Meeting 29\01\2020	2 nd Meeting 17\06\2020	3 rd Meeting 09\09\2020	4 th Meeting 02\12\2020
1	Mr. Christian Raymond Mounis	Chairman of the Committee	✓	✓	✓	✓
2	Mr. Vijay Raghavan Velayudhan	Member	✓	✓	✓	✓
3	Khaldon Al Fakhri	Member	X	✓	✓	✓
4	Engr. Nabil Yousuf Jamil Jokhadar	Member	✓	✓	✓	✓

10. The means by which the Board of Directors relied for evaluating their performance and the performance of the Members of Committees:

The Board of Directors have established procedures for evaluating the work of the Members of the Board of Directors and Members of the Board Committees on an annual basis.

11. Disclosure of remunerations of Members of the Board of Directors and Members of the Executive Administration committees

A. Remunerations of Members of the Board of Directors

Total	Expense allowance	Variable Remuneration						Fixed remuneration					Member Name	
		Total	Granted shares	Long-term incentive plans	Short-term incentive	Periodic bonuses	percentage of profits	Total	Remuneration of the Chairman or Managing Director	Allowance received by the members as workers or administrators, or what they received in return for technical, administrative or consulting works	Benefits in kind	Total attendance allowance		Set Amount
Independent Members														
188,229	13,229	0	0	0	0	0	0	175,000	0	0	0	25,000	150,000	Christian Mounis
176,400	1,400	0	0	0	0	0	0	175,000	0	0	0	25,000	150,000	Wahdan AlKadi
182,306	7,306	0	0	0	0	0	0	175,000	0	0	0	25,000	150,000	Hisham Alkherejji
615,825	95,825	0	0	0	0	0	0	520,000	0	0	0	70,000	450,000	Total
Non-Executive Members														
251,480	1,480	0	0	0	0	0	0	250,000	225,000	0	0	25,000	0	Nabil Jokhdar
175,000	-	0	0	0	0	0	0	175,000	0	0	0	25,000	150,000	Mohammed Alkherejji
223,606	48,606	0	0	0	0	0	0	175,000	0	0	0	25,000	150,000	Serge Osouf
209,378	34,378	0	0	0	0	0	0	175,000	0	0	0	25,000	150,000	Steve Dixon
204,375	29,375	0	0	0	0	0	0	175,000	0	0	0	25,000	150,000	Giles Ward
1,063,839	113,839	0	0	0	0	0	0	950,000	225,000	0	0	125,000	600,000	Total
Executive Members														
190,165	15,165	0	0	0	0	0	0	175,000	150,000	0	0	25,000	0	Abdulaziz Alkherejji
190,165	15,165	0	0	0	0	0	0	175,000	150,000	0	0	25,000	0	Total

B. Remuneration of Committee Members

In SAR

Name of Member	Fixed Benefits	Attendance Sessions Allowance	Total
<u>Members of Audit Committee</u>			
Mr. Abdullah Al Yousef	75.000	30.000	105.000
Mr. Diya Maghrabi	50.000	30.000	80.000
Engr. Hisham Abdulrahman Al Khereiji	50.000	30.000	80.000
Total	175.000	90.000	265.000
<u>Members of Nomination & Remuneration Committee</u>			
Mr. Serge Osouf **	37.000	25.000	62.000
Mr. Steve Dixon	25.000	25.000	50.000
* Mr. Wahdan Suleiman Al Kadi	25.000	25.000	50.000
Engr. Hisham Abdulrahman Al Khereiji	25.000	25.000	50.000
Total	112.000	100.000	212.000
<u>Members of Risk Management Committee</u>			
Mr. Christian Raymond Mounis	37.000	20.000	57.000
Mr. Wahdan Suleiman Al Kadi***	0	0	0
Engr. Nabil Yousef Jokhdar	25.000	20.000	45.000
Mr. Vijay Raghavan Velayudhan	25.000	20.000	45.000
Mr. Khaldoun Abdullah Al-Fakhry****	25.000	20.000	45.000
Total	112.000	80.000	192.000
<u>Members of Executive Committee</u>			
Mr. Serge Osouf	75.000	50.000	125.000
Mr. Mohammed Al Khereiji	50.000	50.000	100.000
Mr. Abdulaziz Alkhareiji	50.000	50.000	100.000
Mr. Steve Dixon	50.000	50.000	100.000
Total	225.000	200.000	425.000
<u>Members of Investment Committee</u>			
Mr. Mohammed Al Khereiji	37.000	20.000	57.000
Mr. Serge Osouf	25.000	20.000	45.000
Mr. Giles Richard Ward	25.000	20.000	45.000
Mr. Loay Fahad Dkheel	25.000	20.000	45.000
Total	112.000	80.000	192.000
<u>Members of Reinsurance Committee</u>			
Mr. Christian Raymond Mounis	37.000	25.000	62.000
Mr. Abdulaziz Al Khereiji	25.000	25.000	50.000
Mr. Serge Osouf	25.000	25.000	50.000
Mr. Steve Dixon	25.000	25.000	50.000
Total	112.000	100.000	212.000

* Chairman of the committee since 01/18/2021. ** Chairman of the committee until 01/17/2021.

*** Resigned from the committee on 5/5/2020. **** Joined the committee on 5/5/2020.

C- Remunerations of Senior Executives

In SAR

Top 5 Senior Executives	Fixed remunerations				Variable remunerations						End of service rewards	Total remuneration for executives in the	Grand Total
	Salaries	Allowances	In kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Equity grants	Total			
Total	2,452,152	840,288	0	3,292,440	0	0	0	852,340	0	852,340	1,539,290	0	5,684,070

D- Policy and criteria for setting the remunerations of the Members of Board of Directors and Executive Administration of the company.

The minimum limit for the annual remuneration of the Chairman and Members of the Board of Directors is an amount of SAR 120,000 and the maximum limit is an amount of SAR. 500,000, which is paid in compensation for the Board membership and the work. These amounts are inclusive of any additional remuneration paid to eligible members of the Board Committees.

In the event of realization of profits by the company, a rate equivalent to 10% of the remaining net profit may be distributed to the Members of Board of Directors, after deduction of reserves determined by the general assembly pursuant to the provisions of Cooperative Insurance Companies and after distribution of profit to shareholders not less than 5% of paid capital, provided that the entitlement of this benefit shall be commensurate with number of sessions attended by a member, however, every assessment contrary to that shall be invalid.

Each Member of Board including the Chairman, shall be reimbursed value of actual expenses borne by them for attendance of meetings of the Board or the Committee emanating from Board of Directors, including expenses of travel and accommodation.

The maximum remuneration and financial benefits rewarded to Member of the Board shall not exceed an amount of SAR. 500,000.

The maximum limit for the allowances paid to Members for attending the Board and Committees sessions shall be 5,000 for each session, excluding travel and lodging expenses.

E. Relationship between the rewards granted and policies of remunerations of members of Board of Directors.

Board of Directors rewards shall be disbursed are based on the implemented remuneration policy. The company confirms that there are no deviations from this policy.

12. Penalties and constraints imposed on the company

The company received two violations during the year 2020 according to the following data:

Penalty Amount	Reasons for the violation	The signatory of the violation	Mitigating actions to avoid the occurrence in future
SAR 30,000	Disclosure of the Board of Directors 'decision to distribute dividends for the year 2019 before obtaining the no-objection letter from Saudi Central Bank.	SAMA	The company has taken appropriate measures and identified the items requiring prior approval from the regulatory authorities before disclosure on the Tadawul website also including them in the Compliance system for notifying the BOD members on an annual basis.
SAR 5,000	Failure to comply with the procedures of social distancing between employee offices.	SAMA	The company has taken appropriate measures and activated a rotation work plan, in addition to conducting a weekly sterilization of the office. Additional space has also been arranged to ensure required spacing between the employees' offices. Further, closed the common areas and all meetings are being conducted virtually.

13. Result of annual review of efficiency of measures of internal controls at the company

Internal control measures have been prepared on sound basis and their efficiency is being supported through the following:

- A. The Audit Committee of the Board of Directors submits its reports periodically and regularly, identifying areas of weakness and work on developing controls and measures to avoid reoccurrence in the future.
- B. Departments specializing in internal audit and compliance where annual plans are approved by the Audit Committee and submit their reports to the Committee independently that includes audit observations and recommended actions to address these comments.
- C. Revisions of some aspects of internal control are taken periodically by the External Auditors, as well as periodic and unplanned inspections by the Saudi Central Bank.

The Audit Committee has conducted a comprehensive assessment of the effectiveness of internal control procedures for 2020, review results have proven their adequacy. The committee also conducted a number of reviews to measure the effectiveness of risk management, compliance and corporate governance, and the results confirmed that the procedures applied by the company are well-founded and implemented efficiently and effectively, The committee has reported some concerns issues to the Board of Directors with specific corrective action proposal for the management to implement.

Overall, the Company's Board of Directors found that internal controls are effective and fulfill the required role that ensures no misuses and acknowledges the non-existence of material observations that may affect the company's business.

14. Audit Committee Recommendation on the need for appointment of an Internal Auditor at the Company:

The Company has an internal audit department and therefore the audit committee does not need to recommend the appointment of an internal auditor.

15. The recommendations of the Audit Committee, which have a conflict with the Board of Directors' decisions, or which the Board has refused to take regarding the appointment of the Company's auditor, his dismissal, the determination of his fees, the performance evaluation or the appointment of the internal auditor; and the reasons for not taking them.

There was no contradiction between the recommendations of the Audit Committee and the Board's decisions regarding the appointment of the auditors of the Company as they were introduced and submitted to the shareholders to vote.

16. Details of the company's social contributions:

Chubb Arabia Cooperative Insurance Company has made support for community programs among the priorities and duties that seek to fulfill them and take care of everything that contributes to supporting activities and programs and sponsoring events and events of value and benefit to the individual and society, whether within the eastern region or outside the community, and from the sectors:

- Participation in a charitable support program for cancer children, in partnership with the Sanad Charitable Society.
- Student training program, where the company provided training for university students who are about to graduate and summer school students in support of them and the community in order to qualify them within the insurance sector and pay a monthly bonus throughout the training period.

The company strives to increase community programs in the coming years.

17. Statement of dates of general meetings of shareholders convened during the period from 1/1/2020 up to 31/12/2020 and the names of Members of the Board of Directors who attended these meetings.

#	Name of member	Attendance record
		Meeting of 5 th EGM 13/05/2020
1	Engr. Nabil Yousef Jokhdar	✓
2	Mr.Stephen Brian Dixon	✓
3	Mr.Abdulaziz Abdulkarim Al Khereiji	✓
4	Mr.Serge Michel Osouf	✓
5	Mr.Mohamed Abdulkarim Al Khereiji	✓
6	Mr.Giles Richard Ward	✓
7	Mr.Wahdan Suleiman Al Kadi	✓

8	Mr.Christian Raymond Mounis	✓
9.	Mr.Hisham Abdulrahman Al Khereiji	✓

Chubb Arabia Cooperative Insurance Co. announces the results of the 5th EGM held in the Company's Head Office in Khobar through video call on, 13-05-2020. Resolutions of the meeting are as follows:

1. Voting on the Board of Directors report for the Company business for the financial year 2020.
2. Voting on the auditor's report for the financial year 2020.
3. Voting on the Company annual financial statements for the financial year 2020.
4. Voting on the business and contracts that will be between the company and the Al-Khereiji Real Estate Company, which the members of the Board Mr. Mohammed bin Abdul Karim Al-Khereiji and Mr. Abdul Aziz bin Abdul Karim Al-Khereiji indirect interest in them as owners, which are the insurance contracts and renewal for the coming year, and the transactions for 2020 amounted to SR. (252,155) and there are no preferential conditions.
5. Voting on the business and contracts that will be between the company and the Al-Khereiji Trading and Electronics company, which the members of the Board Mr. Mohammed bin Abdul Karim Al-Khereiji and Mr. Abdul Aziz bin Abdul Karim Al-Khereiji indirect interest in them as owners. Which are the insurance contracts and renewal for the coming year, and the transactions for 2020 amounted to SR. (57,803) and there are no preferential conditions.
6. Voting on the business and contracts between the Company and the member companies of the Chubb Group of which Chubb INA International Holdings Ltd. is also a member; represented by three Board Members and they are Mr. Stephen Brian Dixon, Mr. Serge Michel Osouf and Mr. Giles Richard Ward. , which consist of placed reinsurance transactions with total premiums SR. (37,989,569) that are to be renewed for a further year, and which contain no preferential conditions.
7. Voting on the business and contracts that will be between the company and Al-Khereiji Trading and Electronics Company. Which the members of the Board Mr. Mohammed bin Abdul Karim Al-Khereiji and Mr. Abdul Aziz bin Abdul Karim Al-Khereiji indirect interest in them as owners. and its rental contracts for the company head office, and Riyadh branch buildings and renewal for the coming year, noting that transactions for 2020 amounted to SR. (1,287,500) and there are no preferential conditions.
8. Voting on the business and contracts that will be between the company and the General Maintenance Center for cars owned by the International Company for Trade and Contracting Services, which the members of the Board Mr. Mohammed bin Abdul Karim Al-Khereiji and Mr. Abdul Aziz bin Abdul Karim Al-Khereiji indirect interest in them as owners. Which is the provision of maintenance services for customer vehicles and renewal for the coming year, noting that transactions for 2020 amounted to SR. (2,226,039) and there are no preferential conditions.
9. Voting on the business and contracts that will be between the company and Al-Khwarizmi for Actuarial services owned by the International Company for Trade and Contracting Services. The Board of Directors members Mr. Mohammed bin Abdul Karim Al-Khereiji and Mr. Abdul Aziz bin Abdul Karim Al-Khereiji indirect interest in them as owners., which are the insurance contracts and renewal for the coming year, and the transactions for 2020 amounted to SR. (26,600) and there are no preferential conditions.
10. Voting on the business and contracts between the company and RFIB Saudi Arabia for reinsurance brokerage where the Al-Khereiji Investment Company owns a share in RFIB company, which the members of the Board of Directors Mr. Mohammed bin Abdul Karim Al-Khereiji and Mr. Abdul Aziz bin Abdul Karim Al-Khereiji indirect interest in them as owners, which consist of placed reinsurance transactions with total premiums SR. (6,058,423) which are to be renewed for a further year, and which contain no preferential conditions.
11. Voting on appointment of the auditors among the nominated by the Audit Committee to audit the Company's accounts for Q2,Q3 and annually of the year 2021 and Q1 of 2022 and determination of their fees.
12. Voting on the annual remuneration including 2020 meeting fees amounting total of SR (2,980,850) for Board of Directors against their services in 2020.
13. Voting on the Board of Directors recommendation of non-distribution of dividends for the fiscal year 2020.
14. Voting on the election the members of the Board of Directors from among the candidates for the next session, beginning on 25/07/2021 and ending on 24/07/2024

15. Voting on the formation of the Audit Committee, its functions and work controls, and the rewards of its members for the next session, which begins on 25/07/2021 and ends on 24/07/2024 noting that the candidates are:

- A. Mr. Abdullah Khalaf Alyousef (Chairman of Audit Committee),
- B. Mr. Bader Alaa Mohammed Ali Maghrabi (Member of Audit Committee),
- C. Eng. Hisham Abdulrahman Alhkereiji (Member of Audit Committee),

18- The most important risks which are facing the company

The risks faced by the Company and the way these risks are mitigated by management are summarized as below:

Insurance and reinsurance risk management

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The principal risk that the Company faces under such contracts is the occurrence of the insured events and the severity of reported claims. The Company's risk profile is improved by diversification of these risks of losses to a large portfolio of contracts as a diversified portfolio is less likely to be affected by an unexpected event in a single subset.

Underwriting and retention policies, procedures and limits and clear underwriting authorities precisely regulate who is authorized and accountable for concluding insurance and reinsurance contracts and at what conditions. Compliance with these guidelines is regularly checked and developments in the global, regional and local markets are closely observed, reacting where necessary with appropriate measures that are translated without delay into underwriting guidelines if required.

The primary risk control measure in respect of the insurance risk is the transfer of risks to third parties via reinsurance. The reinsurance business ceded is placed on a proportional and non-proportional basis with retention limits varying by lines of business. The placements of reinsurance contracts are diversified so that the Company is not dependent on a single reinsurer or a reinsurance contract.

Reinsurance is used to manage insurance risk. Although the Company has reinsurance arrangements, it does not, however, discharge the Company's liability as primary insurer and thus a credit risk exposure remains with respect to reinsurance ceded to the extent that any reinsurer may be unable to meet its obligations under such reinsurance arrangements. The Company minimizes such credit risk by entering reinsurance arrangements with reinsurers having good credit ratings, which are reviewed on a regular basis. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract. Reserve risks are controlled by constantly monitoring the provisions for insurance claims that have been submitted but not yet settled and by amending the provisions, if deemed necessary.

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The Company underwrites mainly property, engineering, motor, casualty, and marine classes. These classes of insurance except for long tale engineering policies are generally regarded as annual insurance contracts where claims are normally intimated and settled within a short time span. This helps to mitigate insurance risk.

(i) Property

Property insurance contracts, with the main peril being fire, accidental damage and other allied perils resulting therefrom, are underwritten either on a replacement value or an indemnity basis with appropriate values for the interest insured. The cost of rebuilding or repairing the damaged properties and the time taken to reinstate the operations to its pre-loss position in the case of business interruption are the main factors that influence the level of claims.

In respect of accumulation of the retentions under the property business, this is covered by proportional as well as non-proportional treaties.

(ii) Engineering

The engineering business includes long tail Erection All Risks (“EAR”) and Contractor All Risk (“CAR”) policies and annual policies for Machinery Break Down (“MBD”), Machinery All Risk, Electronic Data Processing, Deterioration of Stock and Business Interruption in conjunction with MBD. The long tail EAR/CAR policies cover various projects for the whole project period. Selection of the risks and proper underwriting are the criteria for this profitable line of business.

(iii) Motor

For motor insurance contracts, the main elements of risk are claims arising out of insured vehicles as well as damage to third parties’ properties. Further, death claims compensation has been made in accordance with the laws as applicable in the Kingdom of Saudi Arabia.

This risk is covered by per occurrence excess of loss treaties that covers involvement of more than one vehicle in an accident.

(iv) Casualty

For casualty class of insurance loss of money, personal accident, workmen’s compensation, travel, general third-party liability and professional indemnity are underwritten. The extent of loss or damage is the main factor that influences the level of claims.

(v) Marine

In marine insurance, the main risk elements are loss or damage to insured cargo and hull due to various mishaps resulting in total or partial loss claims. The extent of the loss or damage is the main factor that influences the level of claims.

Reinsurance arrangements have been made with reinsurers through proportional treaties as well as non-proportional treaties.

Concentration of insurance risk

The Company, with the introduction of any one risk definition and strictly following it in the underwriting process, eliminates concentration of risks. Elimination of location limit under the marine proportional treaty and having a third excess of losses (“XOL”) layer to protect accumulation on the net retention apply to take care of concentration. On the casualty side, concentration of risk is very minimal and XOL treaty takes care of it apply. The Company does not have any material claims where the amount and timing of payment is not resolved within one year of the statement of financial position date.

Reinsurance risk

Reinsurance is used to manage insurance risk. Although the Company has reinsurance arrangements, it does not, however, discharge the Company’s liability as primary insurer and thus a credit risk exposure remains with respect to reinsurance ceded to the extent that any reinsurer may be unable to meet its obligations under such reinsurance arrangements. The Company minimizes such credit risk by entering reinsurance arrangements with reinsurers having good credit ratings, which are reviewed on a regular basis. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract. Reserve risks are controlled by constantly monitoring the provisions for insurance claims that have been submitted but not yet settled and by amending the provisions, if deemed necessary.

Regulatory framework risk

The operations of the Company are subject to local regulatory requirements in the Kingdom of Saudi Arabia. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions e.g. capital adequacy to minimize the risk of default and insolvency on the part of the insurance companies and to enable them to meet unforeseen liabilities as these arise.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial assets held by the Company,

the maximum exposure to credit risk of the Company is the carrying value as disclosed in the statement of financial position.

The following policies and procedures are in place to mitigate the Company’s exposure to credit risk:

- The Company only enters into insurance and reinsurance contracts with recognized credit worthy third parties. It is the Company’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Company’s exposure to bad debts.
- The Company seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.
- The Company’s investment portfolio is managed by the investment committee in accordance with the investment policy established by the investment committee.
- The Company, with respect to credit risk arising from other financial assets, is restricted to commercial banks having strong financial positions and credit ratings.
- There are no significant concentrations of credit risk within the Company.

The table below shows the maximum exposure to credit risk components of the statement of financial position:

In SAR	Insurance operations		Shareholders operations	
	2020	2019	2020	2019
Cash and cash equivalents	39,264,419	58,510,894	96,529,223	47,140,114
Investments held for trading	40,105,314	38,013,460	61,536,115	58,493,236
Investments available for sale	-	-	1,932,078	1,932,078
Premiums and insurance balances receivable	134,980,791	102,144,942	-	-
Reinsurers’ share of outstanding claims	41,858,691	37,167,238	-	-
Other assets	-	-	-	-
	256,209,215	235,836,534	159,997,416	107,565,428

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise. A significant amount of fund is invested in time deposits, available for sale and held for trading investments.

Liquidity profile

None of the financial liabilities on the statement of financial position are based on discounted cash flows and are all payable on a basis as set out above.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did not undertake significant transactions in currencies other than Saudi Riyals and US Dollars, during the year. As the Saudi Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

Commission rate risk

Commission rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market commission rates. Floating rate instruments expose the Company to cash flow commission risk, whereas fixed commission rate instruments expose the Company to fair value interest risk.

The Company is exposed to commission rate risk on certain of its time deposits, term deposits, investments held for trading and investments available for sale. The Company limits commission rate risk by monitoring changes in commission rates.

The following table demonstrates the sensitivity of statement of shareholders comprehensive income to reasonably possible changes in commission rates, with all other variables held constant.

Market price risk

Market price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from commission rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company limits market risk by maintaining a diversified portfolio and by monitoring developments in equity market. The Company does not have significant market risk.

Equity price risk

Equity price risk arises from changes in the fair values of equity investments. Equity price risk is managed by the investment department of the Company. The unquoted equity price risk exposure arises from the Company's investment portfolio.

Capital management

Capital requirements are set and regulated by SAMA. These requirements are put in place to ensure enough solvency margins. Further objectives are set by the Company to maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value.

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares. In the opinion of the Board of Directors, the Company has fully complied with the externally imposed capital requirements during the reported financial period.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors. The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;

- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Ethical and business standards; and Risk mitigation policies and procedures.

19- Accounting Standards

Application of international standards

The Company confirms that, the financial statements have been prepared in accordance with International Accounting Standards and will continue to apply these standards to all financial statements prepared for future financial periods.

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards and have not been prepared in accordance with generally accepted accounting standards in the Kingdom of Saudi Arabia. The Company asserts that there are no substantial differences or financial impact on the financial statements as a result of the

Preparation of the financial statements in accordance with International Standards than that in Saudi Accounting Standards.

20. Subsidiary Companies

The Company does not own any subsidiary.

21. Shares details and debt tools issued to the subsidiary company

There are no subsidiary companies.

22. Profit Distribution Policy

A- The Company's policy to distribute profits does not violate the rules stipulated in the Cooperative Insurance Companies Control Law issued by the Saudi Arabian Monetary Agency and the rules stipulated in the Articles of Association of the Company, which were approved by the constituent Assembly of the Company. Article 44 of the Company's Articles of Association stipulates the policy of distributing shareholders' profits as follows:

- 1- Hold the determined Zakat and income tax
- 2- Hold 20% of the net profit to form a statutory reserve. The Ordinary General Assembly may suspend this reserve when the above-mentioned reserve reaches up to total paid-up capital.
- 3- Based on the proposal of the Board of Directors, a percentage of the net annual profits shall be set aside for the formation of an additional reserve to be allocated for a specific purpose or purposes decided by the General Assembly.
- 4- Then distribution from the rest a first payment to the shareholders at least 5% of the paid-up capital.
- 5- The residual value shall then be distributed to the shareholders as a share of the profits or post it to the retained earnings account.
- 6- Under a resolution of the Board of Directors, may distribute periodic profits deducted from the annual profits limited in paragraph (4) of this Article in accordance with the rules governing this and issued by the competent authorities

Noting that the company did not distribute dividends in 2020 for 2019 based on the shareholders 'vote' on the dividend distribution item in the General Assembly held on 13/05/2020.

B. Surplus proposed to be distributed to policy holders for the year 2020

The surplus realized from the insurance operations amounted to 40,804 thousand Saudi riyals, and according to the executive regulations of the cooperative insurance system, an amount of 36,822 thousand Saudi riyals, which represents 90% of the surplus of insurance operations, was transferred to the shareholders' account, to be added to the shareholders' income list, while the remaining percentage is distributed 10 % Of the surplus, which amounts to 3,982 thousand Saudi riyals for policyholders.

23. Description of ownership of major shareholders, members of boards of directors, senior executives and their spouse and minor children:

The Company acknowledges non-existence of persons (except members of board of directors, senior executives and their spouses and dependent children) informing the Company of any rights entitled under Article (45) of rules of registration and enrollment issued by Saudi Monetary Authority.

Each of the members, Mr. Stephen Brian Dixon, Mr. Serge Michel Osouf and Mr. Giles Ward represent Chubb INA International Holdings Limited which is founding shareholder with shareholding of 30% of the Company.

Description of any stake that belongs to members of board of directors, their spouses and dependent children of shares or instruments of debts of the company							
#	Name of stakeholder	At the beginning of the year		At the end of the year			Rate of variation
		Number of shares	Instruments of debt	Number of shares	Instruments of debts	Net of variation	
1	Nabil Yousef Jokhdar	-	-	-	-	-	-
2	Stephen Brian Dixon	-	-	-	-	-	-
3	Abdulaziz Abdulkarim Al Khereiji	5,000	-	5,000	-	0	0%
4	Mohamed Abdulkarim Al Khereiji	-	-	-	-	-	-
5	Serge Michel Osouf	-	-	-	-	-	-
6	Giles Richard Ward	-	-	-	-	-	-
7	Christian Raymond Mounis	-	-	-	-	-	-
8	Wahdan Suleiman al-Kadi	-	-	-	-	-	-
9	Hisham Abdulrahman Al-Khereiji	-	-	-	-	-	-

Other than as disclosed above, none of the Senior Executives, their spouses and dependent children directly or indirectly own any shares of the Company.

24. Loans on the Company

The Company acknowledges non-existence of any loans on it whether payable on demand or otherwise.

25. Description of instruments of debt, right of choice or document of subscription right and the like:

An amount of SR. 1,932, 078.00 has been invested in the share capital of Najm for Insurance Services Company (A Saudi Limited Liability Company).

26. The Company acknowledges non-existence of any rights of transfer, subscription under instruments of debt convertible into shares, rights of choice or policies of subscription right or the like of the rights issued or granted by the Company.

27. The Company acknowledges non-existence of any redemption, purchase or cancellation by the Company of any instruments of debts subject to redemption.

28. Board of directors’ meetings:

The Board of Directors of the Company had 5 meetings during 2020. The following table shows time of the meetings and actual attendance record of the members:

Members name	Number of meetings: 5					Total
	1 st Meeting 29\01\2020	2 nd Meeting 25\03\2020	3 rd Meeting 17\06\2020	4 th Meeting 09\09\2020	5 th Meeting 02\12\2020	
Engr. Nabil Yousef Jokhdar.	✓	✓	✓	✓	✓	5
Mr. Stephen Brian Dixon	✓	✓	✓	✓	✓	5
Mr. Abdulaziz Abdulkarim Al Khereiji	✓	✓	✓	✓	✓	5
Mr. Serge Michel Osouf	✓	✓	✓	✓	✓	5
Mr. Mohamed Abdulkarim Al Khereiji	✓	✓	✓	✓	✓	5
Mr. Giles Richard Ward	✓	✓	✓	✓	✓	5
Mr. Wahdan Suleiman al-Kadi	✓	✓	✓	✓	✓	5
Mr. Christian Raymond Mounis	✓	✓	✓	✓	✓	5
Eng.Hisham Abdulrahman Al-Khereiji	✓	✓	✓	✓	✓	5
Date of last meeting of the General Assembly 27/06/2020						

29. Shareholders Report.

A. During the fiscal year ending 12/31/2020 AD, the company requested the shareholders’ records 6 times, and the following table shows the dates for requesting the shareholders’ records and the reasons for the request:

#	Reason for the request	Date of report
1	Company procedures	18/02/2020
2	General Assembly	16/04/2020
3	General Assembly	11/05/2020
4	Company procedures	03/06/2020
5	Company procedures	03/06/2020
6	Company procedures	03/06/2020

B- Company's Announcements

#	Announcements	Date
1	CHUBB Arabia Cooperative Insurance Co. Announces Contract Sign Off with KHAIR INORGANIC CHEMICAL INDUSTRIES CO. (INOCHEM).	20 JAN
2	CHUBB Arabia Cooperative Insurance Co. Announces the Board of Directors 'decision to start initial discussions with Al Ahli Takaful Company to study the merger of the two companies	19 FEB
3	CHUBB Arabia Cooperative Insurance Co. announces its Annual Financial Results for the Period Ending on 2019-12-31	23 MAR
4	Chubb Arabia Cooperative Insurance Co. announces the Board recommendation for distribution of cash dividend for Financial Year 2019	25 MAR
5	CHUBB Arabia Cooperative Insurance Co. announces to Invites its Shareholders to Attend the (First Meeting) Extraordinary General Assembly Meeting	30 MAR
6	CHUBB Arabia for Cooperative Insurance announces that the total written premiums may be affected due to the precautionary measures taken by the competent authorities to limit the spread of the emerging corona virus (COVID-19)	12 APRIL
7	CHUBB Arabia Cooperative Insurance Co. Announces the Non convenience of its (First Meeting) Extraordinary General Assembly's Meeting	21 APRIL
8	Addendum announcement from CHUBB Arabia Cooperative Insurance Company regarding the non-convening of the extraordinary general assembly (first meeting)	21 APRIL
9	CHUBB Arabia Cooperative Insurance Co. announces to Invites its Shareholders to Attend the (Second Meeting) Extraordinary General Assembly Meeting	22 APRIL
10	CHUBB Arabia Cooperative Insurance Co. Announces the Results of the Extraordinary General Assembly Meeting, (Second Meeting)	14 MAY
11	CHUBB Arabia Cooperative Insurance Co. announces its Interim Financial Results for the Period Ending on 2020-03-31 (Three Months)	11 JUNE
12	CHUBB Arabia Cooperative Insurance Co. announces its Interim Financial Results for the Period Ending on 2020-06-30 (Six Months)	18 AUG
13	CHUBB Arabia Cooperative Insurance Co. Announces Appointment of a CEO	21 OCT
14	Addendum announcement from Chubb Arabia Cooperative Insurance Company on the latest developments regarding the initial discussions with Al-Ahli Takaful Company to study the merger of the two companies.	28 OCT
15	CHUBB ARABIA COOPERATIVE INSURANCE COMPANY ANNOUNCES THE RENEWAL OF AN INSURANCE CONTRACT WITH SAHARA INTERNATIONAL PETROCHEMICAL COMPANY (SIPCHEM).	2 NOV

16	CHUBB Arabia Cooperative Insurance Co. announces its Interim Financial Results for the Period Ending on 2020-09-30 (Nine Months)	3 NOV
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30. Transactions of the Company and related parties

The Company issued different insurance policies for one year with a total amount of 335,564 SR. for companies whose ownership belongs directly or indirectly to related parties. The below schedule shows details of these policies.

Name of Company	Related party	Type of its relationship with the Company	Type of Transaction	Term	Amount
Al Khereiji Trading & Electronics Company	Abdulaziz Abdulkarim Al Khereiji	Members of the board	Insurance Contract	1 Year	57,803
	Mohamed Abdulkarim Al Kheriji				
Al Khwarizmi Actuarial Services Company	Abdulaziz Abdulkarim Al Kheriji	Member of the board	Insurance Contract	1 Year	11,400
Al Khereiji Real Estate Company	Abdulaziz Abdulkarim Al Khereiji	Members of the board	Insurance Contract	1 Year	252,155
	Mohamed Abdulkarim Al Kheriji				

31. Business and contracts of the company have or used to have an interest of a Board member or the Chief Executive Officer or Chief Financial Officer or any person related to any of them

Company's Name	Nature of work or contract	Amount of work or contract (Riyals)	Term of work or contract	Conditions of work or contract	Name of member/ senior executives or any person related to any of them
Chubb INA International Holdings Company Ltd	Reinsurance Transactions	37,989,571	One year	There is no condition or advantages	Stephen Brian Dixon Giles Richard Ward Serge Michel Osouf
RFIB Broker Company	Reinsurance Transactions	6,019,738	One year	There is no condition or advantages	Abdulaziz Abdulkarim Al Khereiji Mohamed Abdulkarim Al Khereiji
General Maintenance Center for Vehicles Establishment	Provision of maintenance services to insured vehicles of the clients	2,226,039	One year/ automatically renewed	There is no condition or advantages	Mohamed Abdulkarim Al Khereiji

Al Khwarizmi Actuarial Services Company	A contract to provide actuarial services	15,200	One year	There is no condition or advantages	Mohamed Abdulkarim Al Khereiji
Al-Khereiji Company for Trade and Electronics	Renting the company's buildings	1,287,500	One year	There are no preferential conditions or benefits.	Mohammed Abdul Karim Al-Khereiji

32. Value of statutory payments:

We state below amounts of statutory payments during the physical year 2020

In SAR

Statement	Payment Amount	Amount due up to end of annual financial period and not settled	Brief Description	Statement of reasons
Zakat & Income	6,534,234	-	Regular governmental charges	Charges of Zakat and income under Zakat & Income Tax regulations.
General Organization of Social Security	1,916,038	-	Regular Governmental Charges	Social insurance for the employees under regulations of social insurance.
Costs of visas, passports and Labor Office Depts.	239,211	-	Regular Governmental Charges	Costs of governmental payments.
Saudi Central Bank	1,333,133	-	Charges of inspection and supervision costs	Charges of inspection and supervision under regulation of control of insurance companies.
Capital Markets Authority (Tadawul)	297,027	-	Service charges	Agreement of management of registry of shareholders`
Total Payments	10,319,643			

33. Waiver by the members of Board of Directors or Senior Executives of any salary or compensation:

There is no arrangement or agreement whereby a member of the board of directors or senior executives waives any salary or compensation.

34. Waiver of profits by any of the shareholders:

There is no arrangement or agreement whereby shareholders waive any profits.

35. Investments or reserves in favor of employees of the Company:

Compensation for end of service of the employees by the end of the fiscal year 2020 has reached an amount of SAR 9,336,979.

36. Acknowledgements:

The board of directors acknowledges the following:

1. Records of accounts have been prepared correctly.
2. Internal control systems were prepared on sound basis and implemented efficiently.
3. There are no concerns about the Company's ability to continue its business.

37. Reservations of external accountants on annual financial statements:

It was stated in the independent auditors' report on the annual financial statements that the financial statements show fairly, in all material respects, the financial position of the company as of December 31, 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (standards) International Financial Reporting Standards "(approved in the Kingdom of Saudi Arabia and other standards and other statements issued by the Saudi Organization for Certified Public Accountants (" SOCPA ")) (collectively referred to as" the International Financial Reporting Standards as approved in the Kingdom of Saudi Arabia).

38. The recommendation of the Board of Directors to change the auditor before the end of the designated period, indicating the reasons for recommending the change:

The Company acknowledges that there was no recommendation from the Board of Directors during the financial year ended 31/12/2020 regarding the change of the Auditor before the end of the period specified for it.

39. Details of the shares held and the details of their use:

N/A

40. Conclusion:

The Board of Directors sincerely expresses appreciation to its valued clients and shareholders for their trust and high confidence in supporting the company with its distinct development in the Saudi Arabian insurance market. The Board of directors also take this opportunity to acknowledge the dedication and hard work of its directors, managers and employees who have enabled the company in consistently delivering sustainable and profitable results.

The Board of Directors