

الجزيرة تكافل
ALJAZIRA TAKAFUL



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ALJAZIRA TAKAFUL

Annual Board of Directors' Report

2024

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Chairman's speech



Eng. Abdulmajeed
bin Ibrahim Al-Sultan

Chairman of the Board

I am delighted to present the **2024 Annual Report**, reflecting our Company's vision, strategy, and governance framework, while showcasing our performance, achievements, and future ambitions. This report offers a comprehensive insight into our financial and operational landscape, underscoring the core principles and values that drive our business. Through this report, we highlight the impact of our operations in creating sustainable value and fostering long-term positive change.

Aljazira Takaful stands at a defining moment in its growth journey, backed by strong fundamentals and distinctive competitive advantages that unlock significant expansion opportunities. However, fully leveraging these prospects necessitates strengthening our market position, anticipating future trends, and embracing agility, innovation, and competitiveness to ensure sustainable value creation.

Our forward-looking strategy centers on accelerating growth, driving innovation, and enhancing value creation by developing advanced products and services, elevating customer experience, and improving service excellence across existing and emerging sectors. Furthermore, our commitment to maximizing shareholder value is evident in the **SAR 19.8 million** cash dividend distributed in 2024 and the **increase in share capital to SAR 660 million** through retained earnings capitalization. This strategic move has bolstered our financial position, enabling us to pursue larger investment opportunities and expand our operations.

We take immense pride in the positive impact we continue to make for our shareholders, individuals, businesses, and the wider community, in alignment with our core mission and strategic objectives.

At **Aljazira Takaful**, we take immense pride in our **Board of Directors**, whose wealth of experience and strategic vision have been instrumental in driving the Company's sustained progress. Equally, we value our exceptional team, whose dedication and expertise continue to shape our success. Their commitment has been a cornerstone of the Company's achievements, fostering innovation and excellence.

Our **executive management team** remains dedicated to cultivating a corporate culture that reflects our aspirations. Through a comprehensive **transformation strategy**, we emphasize employee empowerment, engagement, and performance optimization, ensuring a dynamic and thriving work environment.

On behalf of the **Board of Directors**, I extend my heartfelt gratitude to the **executive management team** for their exemplary leadership and to all our employees, whose hard work and dedication define **Aljazira Takaful**. Their contributions have been fundamental to our sustained success.

I also wish to express my profound appreciation to the **Custodian of the Two Holy Mosques** and **His Royal Highness the Crown Prince** for their steadfast support of the Kingdom's insurance sector. My sincere thanks go to the **Insurance Authority, the Capital Market Authority, the Ministry of Commerce and Investment, the Council of Health Insurance**, and all regulatory bodies for their continued guidance and encouragement. I am also deeply grateful to my fellow **Board members** for their wisdom and leadership, and to every individual whose efforts have contributed to our shared success.

As we move forward, we remain committed to excellence, innovation, and sustainable growth.

With my best regards,

First: About Us

Aljazira Takaful Taawuni Co. is a Saudi public shareholding Company, established under Royal Decree No. M/23 dated 28 Rabi' al-Thani 1431H, emerging as a leading provider of Shariah-compliant insurance solutions in Saudi Arabia. The Company was officially incorporated following Ministerial Resolution No. 213/R dated 24 Sha'ban 1434H, based on Council of Ministers Resolution No. 137 dated 27 Rabi' al-Thani 1431H, with a capital of SAR 660,000,000, distributed across 66,000,000 shares. Aljazira Takaful operates under Commercial Registration No. 4030251980 and Insurance Authority License No. TMN/34/202312.

Our Beginnings

Our journey began in 2002, when we launched Takaful Taawuni operations as an independent division within our strategic partner, Bank Aljazira, offering Shariah-compliant insurance programs as an alternative to conventional life insurance. Over the years, we have successfully expanded our insurance portfolio, attracting a large and growing base of policyholders and premiums.

Our Transformation Journey

In 2013, Aljazira Takaful underwent a significant transformation, transitioning from a Takaful division into a publicly listed Company on the Saudi Exchange (Tadawul). This transition was backed by a well-defined strategy aimed at evolving from a Takaful management operation into a public joint-stock Company specializing in protection and savings insurance, with an initial capital of SAR 350,000,000.

Balanced Strategy

From its inception, Aljazira Takaful has demonstrated strong financial performance, validating its balanced strategic direction. As part of our growth and expansion strategy, we pursued a merger within the sector, which proved successful. Today, Aljazira Takaful Taawuni Co. offers innovative, Shariah-compliant insurance solutions, catering to both individuals and businesses. Our diverse product portfolio includes medical insurance, general insurance, and protection & savings insurance.

Commitment to Growth

Building on our success and in line with our business expansion strategy, the Board of Directors proposed a capital increase, approved by the Extraordinary General Assembly, as follows:

- 2021: Capital increased to SAR 550 million through bonus shares issuance.
- 2023: Capital further increased to SAR 660 million through bonus shares issuance

Second: Our Mission

We provide comprehensive insurance solutions tailored to meet customer needs and adapt to evolving market trends. Our focus is on enhancing financial security for individuals and businesses through a diverse portfolio of high-quality products. We leverage digital transformation to efficiently address client demands while reinforcing trust in our services. Our commitment extends to building long-term partnerships with clients and stakeholders, supported by a skilled workforce and advanced technologies that drive operational excellence and business sustainability.

Third: Our Values & Vision

Our Commitment to Clients

- ✓ Understanding customer needs and aspirations by developing innovative insurance solutions that

exceed expectations.

- ✓ Engaging with clients professionally and transparently.
- ✓ Recognizing and rewarding customer loyalty.

Our Commitment to Employees

- ✓ Attracting, developing, and retaining highly skilled professionals.
- ✓ Valuing and rewarding outstanding performance.
- ✓ Communicating with employees with honesty and transparency.
- ✓ Appreciating employee dedication and loyalty.

Our Commitment to Our Properties

- ✓ Upholding Shariah principles across all business operations.
- ✓ Adhering to the highest ethical and integrity standards in all activities.
- ✓ Embracing innovation and continuous development as key drivers of sustainability.
- ✓ Continuously improving the quality of products and services to meet evolving customer needs.

Fourth: Future Outlook

✓ At Aljazira Takaful, we strive for excellence and innovation in the insurance sector, with a strong commitment to addressing the needs of all stakeholders, including shareholders and policyholders. We believe that our success is built on customer trust and satisfaction, which in turn strengthens our market position and drives sustainable growth.

✓ We recognize that a highly skilled and motivated workforce is essential to delivering outstanding services. By investing in advanced training programs and fostering a dynamic work environment that encourages creativity and innovation, we empower our employees to exceed customer expectations and elevate our Company's reputation.

✓ Governance and transparency are fundamental pillars of our strategy. We are dedicated to upholding the highest standards of integrity in all interactions with customers and investors, ensuring trust and long-term business sustainability. By embedding governance principles across all operations, we make well-informed decisions based on accuracy, accountability, and reliability.

✓ We are committed to enhancing financial awareness by educating the public on the importance of financial planning, protection, and savings. Our goal is to equip individuals with the knowledge and tools they need to understand the role of insurance and effective financial management. Through financial literacy initiatives, we empower individuals to make informed decisions that contribute to long-term financial security.

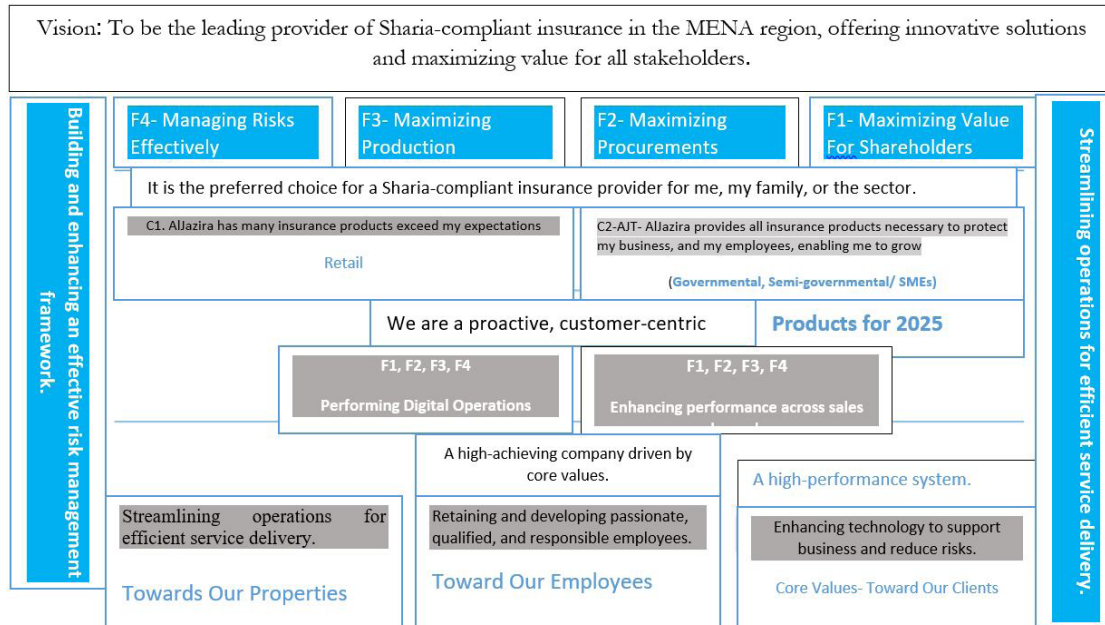
✓ Expanding and refining our insurance offerings remains a key focus of our strategy. We continuously develop innovative solutions that cater to diverse needs, including life, health, motor, and property insurance. By ensuring flexibility and adaptability, we align our products with the evolving demands of our clients, delivering tailored solutions that add real value.

✓ Our vision is to redefine industry standards through pioneering initiatives, a high-performing workforce, and a deep commitment to transparency and community engagement. We fully support Saudi Vision 2030 by addressing customer needs and promoting financial stability. Through our dedication to quality and innovation, we aspire to be the insurer of choice, shaping a future of security and prosperity for all.

Fifth: AlJazira Takaful Taawuni's Strategy

AlJazira Takaful has formulated and commenced the execution of an ambitious strategy for 2024, driven by its overarching goal of empowering individuals to live securely and achieve their aspirations. This strategy

encompasses both financial and non-financial objectives, benefiting individuals, society, and shareholders alike. The Company has also devised an operational plan that delineates the strategic trajectory necessary to uphold its commitment to its core objectives. Our aim is to solidify our position as the leading provider of Shariah-compliant insurance in Saudi Arabia, the Middle East, and North Africa by delivering innovative, high-quality insurance solutions that maximize value for our clients, shareholders, and employees.



Sixth: Key Developments in 2024

- Reviewing and discussing the financial statements for the fiscal year ended December 31, 2023.
- Reviewing and discussing the Board of Directors' report for the fiscal year ended December 31, 2023.
- Approving the appointment of KPMG Al Fozan & Partners and Crowe Horwath International - Al Azem & Al Sudairi, Certified Public Accountants & Consultants as the Company's external auditors, selected from among the nominees based on the Audit Committee's recommendation. Their mandate includes examining, reviewing, and auditing the financial statements for Q2, Q3, and the annual financials of 2024, as well as Q1 of 2025, at a total fee of SAR 1,900,000.
- Approving the interim financial statements for Q1, Q2, and Q3 of 2024.
- Adopting key Company policies, procedures, and strategic frameworks, including but not limited to:
 - ✓ Policies and regulations governing the Company's technical operations.
 - ✓ Compliance, Anti-Money Laundering, and Counter-Terrorist Financing policies and procedures.
 - ✓ Reinsurance management policies, procedures, and strategy.
 - ✓ Governance and Board policies and procedures.
 - ✓ The Company's Articles of Association.
- Updating and approving the Company's main organizational structure as endorsed by the Board of Directors.
- Approving the Board of Directors' recommendation to distribute cash dividends of SAR 19,800,000

for the fiscal year 2023, at a rate of SAR 0.30 per share, representing 3% of the nominal share value. The entitlement is for shareholders owning shares by the end of the General Assembly meeting day and registered in the Company's shareholder register at the Securities Depository Center (Edaa) by the end of the second trading day following the General Assembly meeting. Dividend distribution is scheduled to commence on October 10, 2024.

- Distributing the 2022 surplus from insurance operations to policyholders, subject to the Insurance Authority's non-objection.
- Approving the Board of Directors' recommendation to increase the Company's capital through a SAR 110,000,000 bonus share issuance.

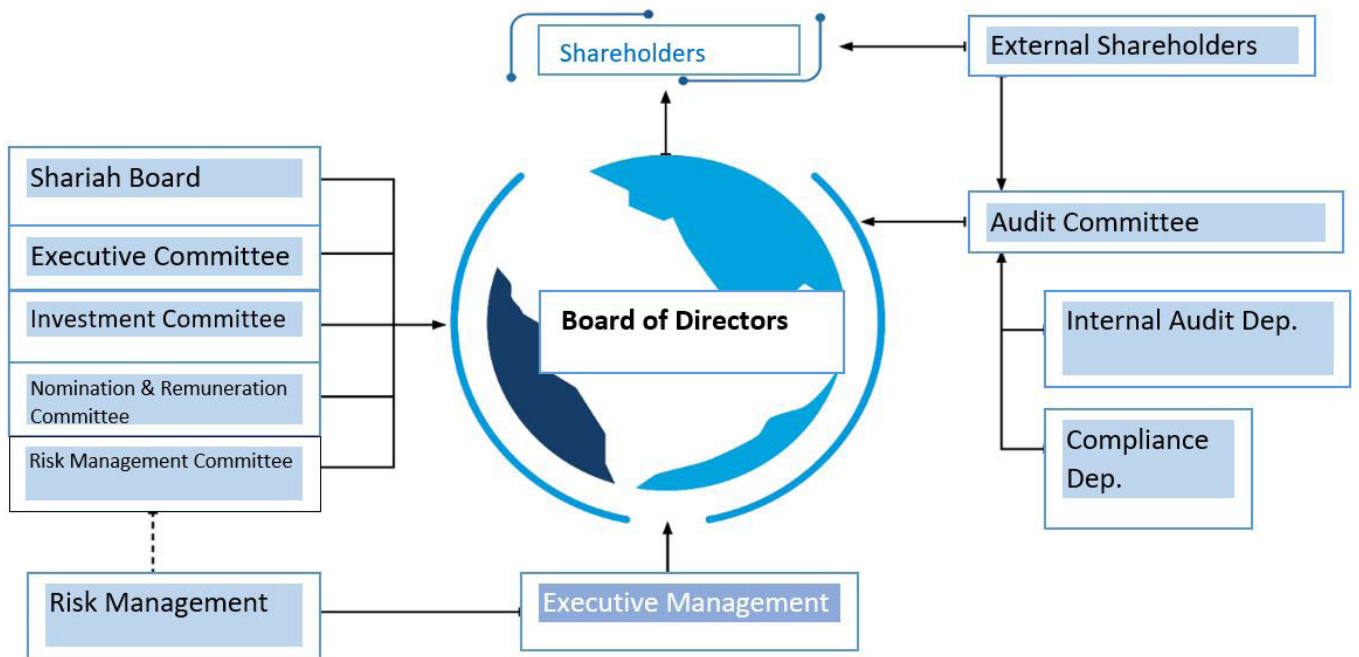
Seventh: Major Achievements in 2024

AlJazira Takaful Taawuni was awarded the Best Takaful Service Provider in Saudi Arabia for 2024 by International Business Magazine.

Eighth: Governance Framework of AlJazira Takaful Taawuni

The Company, led by its Board of Directors, firmly upholds governance as an integral part of its core values. Governance plays a crucial role in shaping how we manage our Company and engage with stakeholders. We recognize that adherence to the highest governance standards is fundamental to our business integrity, performance, and sustainable growth. By establishing comprehensive rules and procedures for corporate leadership and oversight, we define clear mechanisms governing the relationships between the Board of Directors, executive management, shareholders, and stakeholders. These regulations and procedures facilitate effective decision-making, ensure fairness and transparency in financial transactions and workplace practices, foster sustainable value creation, and safeguard the rights of shareholders, investors, and stakeholders.

A. Shareholding Structure



The proportion of Saudi shareholder's subject to Zakat obligations amounted to **97.64%**, while the actual ownership percentage of foreign investors subject to income tax was **2.36%**.

Shareholder Name	Nationality	Number of shares	Shareholding %
Bank AlJazira	Saudi	19,372,940	29.359%
Consolidated Brothers Company	Saudi	3,300,000	5%
Publicly Owned		43,327,060	165.64 %
Total		66,000,000	100%

Changes in Shareholding Structure During the Year:

- Following the lifting of the restriction imposed by the Insurance Authority on Solidarity Group Holding's restricted shares (totaling 4,653,109 shares, representing 7.05% of the Company's capital), these shares were approved for sale through a special transaction as referenced in the approved transaction.
- Bank AlJazira acquired 7.05% of the Company's shares through a special transaction, increasing its total ownership stake to 29.359% post-transaction. The changes are detailed below:

Shareholder Name	Shareholding Percentage Before Transaction	Shareholding Percentage After Transaction
Bank AlJazira	22.309%	29.359%
Solidarity Group Holding B.S.C	7.05%	0%

Except for the aforementioned changes, the Company did not receive any notifications during the year regarding changes in shareholding percentages from **shareholders or related parties**.

B. Board Members and Executive Management Shareholding in the Company and Changes During the Reporting Period:

Member Name	Beginning of the Year		Changes		End of the Year	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Abdulmajid Bin Ibrahim Al-Sultan	0.372727	-	-	-	0.372727	-
Naif Bin Abdulkarim Al-Abdulkarim	-	-	-	-	-	-
Khalid Bin Othman Al-Othman	0.002123	-	-	-	0.002123	-
Naif Bin Masnad Al-Masnad	-	-	-	-	-	-
Ashraf Bin Adnan Bseiso	0.000921	-	-	-	0.000921	-
Ibrahim Bin Mohammed Al-Harabi	0.018182	-	-	-	0.018182	-
Abdulkarim Bin Hamad Al-Nujaidi	-	-	-	-	-	-
Yahya Bin Saleh Al-Mansour	-	-	-	-	-	-
Saqr Bin Abdullatif Nadershah	0.021245	-	-	-	0.021245	-

No changes occurred in their share ownership during the fiscal year 2024.

C. Formation of the Board of Directors and its Committees

Board Composition and Members' Profiles

The Company's Board of Directors consists of nine (9) members elected by the Ordinary General Assembly for a three-year term, subject to the Insurance Authority's No Objection. The Board must include at least two independent members or one-third of its members, whichever is greater.

Non-Executive Member



Eng. Abdulmajid Al-Sultan has held several prestigious positions throughout his career. He began his professional journey in Corporate Accounts Management at the National Commercial Bank before serving as Board Member of Al-Maraafiq Construction Company and Board member of Fenco, a packaging materials Company. He also held key leadership roles, including General Manager of Al-Maraafiq Construction Company and CEO of Consolidated Brothers Company, and was a Board Member of Qassim Cement Company.

Currently, Eng. Abdulmajid holds multiple prominent positions, including Board Member of Consolidated Brothers Company, Board Member of Bank AlJazira, Chairman of Olat Development, Chairman of AlJazira Takaful Taawuni, and Chairman of Durrah Advanced Development. He also chairs the Sustainability and Social Responsibility Committee and serves on the Executive Committee and the Nomination and Remuneration Committee at Bank AlJazira. Additionally, he is a Board Member of the Ibrahim Al-Sultan Charitable Foundation and Al-Thuraya Urban Real Estate Company.

Eng. Abdulmajid has extensive expertise in financial management and holds a Bachelor's degree in Petroleum Engineering from King Saud University. He actively participates in the boards of various financial investment companies within and outside Saudi Arabia. His outstanding achievements and extensive experience reflect his commitment to institutional development and sustainable growth, making him a distinguished figure in the investment and management sector.

Non-Executive Member



Mr. Naif Al-Abdulkarim has over 20 years of experience in the financial sector, during which he has held numerous leadership positions in major financial institutions. He started his career as Credit Relations Manager at Riyadh Bank before moving to the National Commercial Bank as Regional Manager for Retail Banking. He then joined SABB Bank as Head of Private Banking, followed by his appointment as General Manager of Branches and Wealth Management. He also served as Chairman of SABB Insurance Agency and was a Board Member and Executive Committee Member of Sand Company.

He later became General Manager of Retail Banking and Wealth Management at SABB Bank, in addition to serving on the Boards of SABB Takaful, HSBC Saudi Arabia, and SIMAH (Saudi Credit Bureau). He was later appointed Deputy General Manager of Retail Banking and Wealth Management at SABB Bank and served on the Nomination and Remuneration Committee of SIMAH.

Mr. Naif joined AlJazira Takaful Taawuni as an Investment Committee Member and Executive Committee Member. He is currently the CEO of Bank AlJazira, Managing Director, and Member of the Executive Committee. Additionally, he serves on various committees at Bank AlJazira, including the Nomination and Remuneration Committee, Investment Committee, and Executive Committee. He is also a Board Member of AlJazira Capital and the Executive Committee of SIMAH, and he previously chaired SIMAH's Board of Directors.

Mr. Naif holds a Bachelor's degree in Finance from King Saud University and pursued further education, obtaining an MBA from the University of Illinois, USA.

With an extensive career, Mr. Naif possesses deep expertise in commercial banking, wealth management, insurance, and credit, positioning him as a leading figure in the Kingdom's financial sector.

Non-Executive Member



Mr. Khalid Al-Othman previously served as the Senior Vice President and Head of Retail Banking Group at Bank AlJazira. He also held board memberships at the Saudi Financial Support Services Company ("SANID") and AlJazira Capital. He holds a Master of Business Administration (MBA) from the London Business School.

Mr. Khalid is highly passionate about leadership, backed by extensive experience in managing branch networks and distribution channels. He possesses strong expertise in business development, strategic planning, and banking services for retail clients. His dedication to these areas significantly contributes to the Company's success.

Non-Executive Member



Mr. Ashraf Adnan Bseisu
Board Member

Mr. Ashraf Bseisu is a seasoned leader in the insurance and financial services sector, with an extensive track record spanning over ٢٤ years. He currently serves as the Chief Executive Officer and a member of the Executive Committee at Solidarity Group Holding B.S.C. (Closed) in Bahrain. Additionally, he is the Chairman of the Board for:

- Solid Ventures in Bahrain,
- Solid Capital, and
- The Arab War Risks Insurance Syndicate.

He is also a board member of Solidarity Bahrain, United Insurance Company, Bahrain Institute of Banking and Finance, and a trustee of the Human Resources Development Fund. Furthermore, he holds memberships in the Young Arab Leaders – Bahrain and the Chartered Insurance Institute in the United Kingdom.

Previously, Mr. Ashraf served as a board member of the Bank of Bahrain and Kuwait and chaired the boards of the Bahrain Insurance Association, the General Arab Insurance Federation, Moazara Investment Company in Jordan, and Sumoud Investment Company in Jordan. He was also the Chief Financial and Administrative Officer at Trust International Insurance Company and Chairman of Solidarity Takaful S.A. Luxembourg.

He holds a Master's degree in Management and Information Systems from the London School of Economics and Political Science (LSE) in the UK and a Bachelor's degree in Civil Engineering from Southern Methodist University in the USA. Additionally, he holds numerous specialized certifications and is an Associate Member of both the Chartered Insurance Institute in the UK and the Institute of Management Accountants in the USA.

Non-Executive Member



Mr. Naif bin Mesned Al- Mesned
Board Member

Mr. Naif Al-Mesned holds a Master of Business Administration (MBA) from Clark University in the United States and a Bachelor of Science in Accounting from King Fahd University of Petroleum and Minerals.

With an extensive professional career, Mr. Naif has held several executive positions, most notably serving as the CEO and Managing Director of AlJazira Capital. Prior to that, he was the Executive Director of Wealth Management at NCB Capital.

In addition to his expertise in wealth and investment management, Mr. Naif possesses vast experience in strategy formulation, business development, and corporate governance. His experience spans local and international institutions, including Barclays Saudi Arabia, the Saudi Capital Market Authority, and Ernst & Young. He also serves as an executive board member at AlJazira Takaful Taawuni.

Moreover, Mr. Naif is a member of the Executive Committee at AlJazira Capital, and a board member of the Association Support Fund.

Executive Member



Mr. Sager bin Abdullatif Nadershah
Managing Director & Board Member

Mr. Sager Nadershah is the Managing Director of AlJazira Takaful Taawuni and an Independent Board Member of Etihad Atheeb Telecommunications Company ("GO"). He possesses extensive expertise in retail banking services and comprehensive operational management within this sector.

Throughout his career, Mr. Saqr has held several senior positions, including:

- General Manager of Retail Banking Services at Bank AlJazira,
- Head of Retail Banking Network & Distribution Channels at Bank AlJazira,
- Vice President & Head of Branches and Premium Banking at Mashreq Bank, and
- Various leadership roles at NCB (National Commercial Bank), including Regional Manager for the Western Region, Head of Sales & Relationship Management, Head of Marketing & Cards, and Assistant General Manager at SAMBA Financial Group.

He holds a Bachelor of Science in Criminal Justice from Bethune-Cookman University in the USA. Additionally, he completed the Management Development Program at Cranfield School of Management in the UK and the Executive Development Program at the International Institute for Management Development (IMD) in Switzerland.

Currently, Mr. Saqr is the Chairman of the Audit Committee at Makin Capital, reflecting his active role in enhancing governance and financial best practices.

Independent Member



Mr. Ibrahim bin Mohammed Al-Hurabi
Board Member

Mr. Ibrahim Al-Harbi has over 25 years of experience in internal auditing and five years in financial and administrative affairs management. He serves as an Independent Board Member at AlJazira Takaful Taawuni and a Board Member and Chairman of audit committee at Care International, where his expertise contributes to strengthening corporate performance.

Previously, he worked as a Consultant at Naif Al-Rajhi Investment, Senior Vice President and Group Head of Internal Audit at Bank AlJazira, General Manager of Financial & Administrative Affairs at the Communications, Space & Technology Commission, and Director of Treasury & Issuance at the Saudi Central Bank (SAMA). He also held key roles at SAMA's Internal Audit Department, overseeing IT security and auditing functions. Additionally, Mr. Ibrahim currently holds several board memberships, including at the Audit Committees of Durra Financial and Mi'maar Development & Investment.

Academically, he obtained a Higher Diploma in Financial Oversight from the Institute of Public Administration in Riyadh, equivalent to a Master's degree, and a Bachelor's degree in Sharia from Imam Mohammad Ibn Saud Islamic University.

Independent Member



Dr. Abdulkarim bin Hamad Al-Nujaidi
Board Member

Dr. Abdulkarim Al-Nujaidi is an Independent Board Member at AlJazira Takaful Taawuni, playing a vital role in shaping the Company's strategic direction. Additionally, he holds several key positions, including:

- Board Member and Chairman of the Nomination & Remuneration Committee, Audit committee Chairman at Al Nayifat finance Co
- Board Member and Chairman of the Nomination & Remuneration Committee at Obeikan Glass.
- Board Member and EXCOM, Audit committee's member of Alkhaleej Training and Education.
- Risk committee Member of National Unified procurement (NUPCO)

His academic credentials include:

- A Diploma in Corporate Governance from INSEAD in France,
- A Master of Business Administration (MBA) from King Fahd University of Petroleum and Minerals,
- A PhD in Applied Linguistics from the University of Oklahoma, USA,

- A Master's in Applied Compensation from Colorado State University, and
- A Bachelor's degree in Languages & Translation from Imam Mohammad ibn Saud Islamic University.

Previously, Dr. Abdulkarim held multiple leadership roles, such as:

- Board Member at Maharah Human Resources Company,
- Board Member at the Arab Group for Education & Training Holding,
- CEO of Maharah Human Resources Company and the National Gas & Industrialization Company,
- Director General at the Human Resources Development Fund (HRDF), and
- Various leadership positions in the Technical & Vocational Training Corporation.
- Chairman of the Board at Takamol Holding and was a Board Member of the Gulf Training & Education Company.

His expertise spans business strategy, investment, governance, HR, and customer experience, showcasing his leadership and professional competence.

Independent Member



Mr. Yahya bin Saleh Al-Mansour
Board Member

Mr. Yahya Al-Mansour is an independent board member of AlJazira Takaful Taawuni Company and serves as the Chief Executive Officer of Etihad Atheeb Telecommunications Company ("GO"). He has over 23 years of professional experience, during which he has held several leadership positions.

He served as the Head of Sales and Distribution at Zain Saudi Arabia before assuming the role of Chief Commercial Officer at the Company. He also played a key role in establishing "Jawwy," a digital platform by stc, where he served as Head of Sales. Additionally, he held multiple senior positions at stc, including General Manager of SME Sales, Advisor to the Group CEO, General Manager of Enterprise Sales, and Marketing Director for Business Services.

Mr. Yahya holds a Master of Business Administration from the University of Central Florida, USA. He also completed an executive leadership program at the University of California, Berkeley, and participated in several executive programs at prestigious institutions, including INSEAD, the Massachusetts Institute of Technology (MIT), Stanford Graduate School of Business, Columbia University's Graduate School of Arts and Sciences, and London Business School.

His extensive experience in leading telecommunications and information technology companies in Saudi Arabia adds significant value to his field, reflecting his commitment to excellence and innovation in the sector.

• Board Meetings

	Name	Number of Meetings: Four Meetings				Total
		First Meeting 26/03/2024	Second Meeting 07/07/2024	Third Meeting 29/09/2024	Fourth Meeting 22/12/2024 23/12/2024	
1	Eng. Abdulmajeed bin Ibrahim Alsultan	✓	✓	✓	✓	4
2	Mr. Naif bin Abdulkareem AlAbdulkareem	✓	✓	✓	✓	4
3	Mr. Khalid Bin Othman Al-Othman	✓	✓	✓	✓	4
4	Mr. Naif Bin Mesned Al-Mesned	✓	✓	✓	✓	4
5	Mr. Sager Bin Abdullatif Nadershah	✓	✓	✓	✓	4
6	Mr. Ashraf Bin Adnan Bseiso	✓	✓	✓	✓	4
7	Mr. Ibrahim Bin Mohammed Al-Hurabi	✓	✓	✓	✓	4
8	Dr. Abdulkarim Bin Hamad Al-Nujaidi	✓	✓	✓	✓	4
9	Mr. Yahya Bin Saleh Al-Mansour	✓	✓	✓	✗	3
Date of Last General Assembly Meeting		September 29, 2024 (Second Meeting).				

• Board Memberships in Other Companies Within and Outside KSA:

	Member Name	Companies Where the Board Member Serves as a Director or Manager	Inside the Kingdom	Legal Entity
1	Eng. Abdulmajeed Bin Ibrahim Al-Sultan	Consolidated Brothers Company	Inside the Kingdom	Closed Joint Stock
		Bank AlJazira	Inside the Kingdom	Listed Joint Stock
		Olaat Development Company	Inside the Kingdom	Limited Liability
		Dorra Advanced Development Company	Inside the Kingdom	Limited Liability
		Ibrahim Sultan Charity Foundation	Inside the Kingdom	Charitable Foundation
		Al Thuraya Al Omranya Properties	Inside the Kingdom	Limited Liability
2	Mr. Naif bin Abdulkareem AlAbdulkareem	Bank AlJazira	Inside the Kingdom	Listed Joint Stock
		AlJazira Financial Markets Company	Inside the Kingdom	Closed Joint Stock
		SIMAH (Saudi Credit Bureau)	Inside the Kingdom	Closed Joint Stock
3	Mr. Khalid Bin Othman Al-Othman	AlJazira Securities Company	Inside the Kingdom	Closed Joint Stock
4	Mr. Sager Bin Abdullatif Nadershah	Ethad Atheeb Telecommunications Company	Inside the Kingdom	Listed Joint Stock
5	Mr. Naif Bin Mesned Al-Mesned	AlJazira Financial Markets Company	Inside the Kingdom	Closed Joint Stock
		Association Support Fund	Inside the Kingdom	Non-Profit Organization
6	Mr. Ashraf Adnan Bseisu	Solid Ventures W.L.L – Bahrain	Outside the Kingdom	Limited Liability
		Solid Capital W.L.L – Bahrain	Outside the Kingdom	Limited Liability
		Solidarity Bahrain B.S.C	Outside the Kingdom	Listed Joint Stock
		Arab War Risks Insurance Syndicate (AWRIS)	Outside the Kingdom	Partnership Company
		First Insurance Company	Outside the Kingdom	Listed Joint Stock
United Insurance – Bahrain	Outside the Kingdom	Listed Joint Stock		

7	Dr. Abdulkarim Bin Hamad Al-Nujaidi	Al Nayifat finance Co	Inside the Kingdom	Listed Joint Stock
		Obeikan Glass.	Inside the Kingdom	Closed Joint Stock
		Alkhaleej Training and Education.	Inside the Kingdom	Limited Liability Company
		National Unified procurement (NUPCO)	Inside the Kingdom	Government Company
8	Mr. Yahya Bin Saleh Al-Mansour	Dar Al-Markaba Car Rental Company	Inside the Kingdom	Listed Joint Stock
		Telecom Companies Forum	Inside the Kingdom	Government Entity
9	Mr. Ibrahim Bin Mohammed Al-Hurabi	Darah Financial Company	Inside the Kingdom	Closed Joint Stock
		Care International Company	Inside the Kingdom	Listed Joint Stock
		Mi'mar Development & Investment Company	Inside the Kingdom	Closed Joint Stock
		Ajda Investment Company	Inside the Kingdom	Limited Liability

• **Statement on the Dates of General Assemblies of Shareholders and the Names of Board Members Attending These Assemblies:**

	Board Members	Attendance Record	
		Ordinary General Assembly	Extraordinary General Assembly
		23/05/2024	29/09/2024
1	Eng. Abdulmajeed Bin Ibrahim Al-Sultan	✓	✓
2	Mr. Naif bin Abdulkareem AlAbdulkareem	✓	✓
3	Mr. Khalid Bin Othman Al-Othman	✓	✓
4	Mr. Naif Bin Mesned Al-Mesned	✓	✓
5	Mr. Sager Bin Abdullatif Nadershah	✓	✓
6	Mr. Ashraf Adnan Bseisu	✓	✓
7	Mr. Ibrahim Bin Mohammed Al-Hurabi	✓	✓
8	Dr. Abdulkarim Bin Hamad Al-Nujaidi	✓	✓
9	Mr. Yahya Bin Saleh Al-Mansour	✓	✓

• Board Members' Remuneration Table (In Thousand SAR)

Member Name	Fixed Compensation							Total	Variable Compensation					Total	End-of-Service Gratuity	Total Compensation	Expense Allowance
	Fixed Amount	Board Meeting Attendance Allowance	Total Committee Meeting Attendance Allowance	Total General Assembly Meeting Attendance Allowance	In-Kind Benefits	Compensation for Technical, Administrative & Advisory Work	Chairman, CEO, or Secretary Compensation (Net)		Profit-based Compensation	Periodic Bonuses	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares				
• Independent Members																	
Yahya Al-Mansour	150	15	60	10	-	-	-	235	-	-	-	-	-	-	-	235	22
Abdulkarim Al-Nujaidi	150	20	80	10	-	-	-	260	-	-	-	-	-	-	-	260	20
Ibrahim Al-Hurabi	150	20	80	10	-	-	-	260	-	-	-	-	-	-	-	260	53
• Non-Executive Members																	
Abdulmajeed Al-Sultan	200	20	50	10	-	-	-	280	-	-	-	-	-	-	-	280	22
Naif AlAbdulkareem	150	20	50	10	-	-	-	230	-	-	-	-	-	-	-	230	22
Khalid Al-Othman	150	20	65	10	-	-	-	245	-	-	-	-	-	-	-	245	22
Ashraf Bseisu	150	20	30	10	-	-	-	210	-	-	-	-	-	-	-	210	11
Naif Al-Masnad	150	20	20	10	-	-	-	200	-	-	-	-	-	-	-	200	28
• Executive Members																	
Sager Nadershah	150	20	50	10	-	-	-	230	-	-	-	-	-	-	-	-	230
Total	1,400	175	485	90	-	-	-	2,150	-	-	-	-	-	-	-	-	2,150

D. Board Committees:

The committees established by the Board of Directors undertake their duties and responsibilities to enhance the level of oversight, supervision, and decision-making controls within the Company. These committees comprise members from the Board as well as external members nominated by the Board in accordance with the regulations approved by the Company's General Assembly. All committees report directly to the Board of Directors.

• Executive Committee:

The Executive Committee basically monitors the Company's performance, reviews objectives and financial plans before Board approval, and ensures alignment with approved strategies. Refer to Section (C) for Board Members' profiles.

	Name	Nature of Membership	Number of Meetings: Six Meetings					
			First Meeting 26/03/2024	Second Meeting 30/05/2024	Third Meeting 07/07/2024	Fourth Meeting 26/08/2024	Fifth Meeting 29/09/2024	Sixth Meeting 25/11/2024
1	Eng. Abdulmajeed Al-Sultan	Committee Chairman	✓	✓	✓	✓	✓	✓
2	Mr. Khalid Al-Othman	Member	✓	✓	✓	✓	✓	✓
3	Mr. Sager Nadershah	Member	✓	✓	✓	✓	✓	✓
4	Mr. Naif AlAbdulkareem	Member	✓	✓	✓	✓	✓	✓
5	Mr. Ashraf Bseisu	Member	✓	✓	✓	✓	✓	✓

£Committee Remunerations (In Thousand SAR)

Committee / Member Name	Fixed Compensation	Attendance Allowance for Meetings	Total
Eng. Abdulmajeed Al-Sultan	50	30	80
Mr. Khalid Al-Othman	50	30	80
Mr. Sager Nadershah	50	30	80
Mr. Naif AlAbdulkareem	50	30	80
Mr. Ashraf Bseisu	50	30	80

• Audit Committee

The Audit Committee is constituted pursuant to a resolution issued by the Board, subject to obtaining the necessary approvals from the relevant regulatory authorities. The Committee must include a specialist in financial and accounting affairs and shall have at least one independent member. The Committee Head must be an independent member. The Committee shall convene regularly at least four times during the fiscal year and shall coordinate its meetings with the external auditors and the internal audit function.

A- Reviewing the Company's preliminary and annual financial statements before submission to the Board, providing its opinion and recommendations to ensure their integrity, fairness, and transparency.

B- Overseeing and supervising external auditors, the internal audit function, and the compliance department to verify the adequacy of resources, effectiveness in performing their assigned functions, and evaluating the efficiency, effectiveness, and objectivity of their work to ascertain their efficacy.

C- Addressing inquiries from the Company's external auditor and ensuring their independence from the Company, Board members, and senior management. The Committee shall verify their objectivity, fairness, and the effectiveness of the audit process, taking into account the relevant rules and standards.

D- Reviewing the external auditors' report and their observations on the financial statements and

following up on the actions taken in this regard.

😊 Committee Composition and Members' Profiles

- 1. Mr. Ibrahim bin Mohammed Al-Hurabi** – Chairman of the Audit Committee *(Please refer to the table of Board members mentioned above in Clause (c) for a brief profile of the member.)*
- 2. Mr. Khalid bin Mohammed Al-Khuwaiter** – Committee Member (Non-Board Member): Mr. Khalid has extensive experience in Board membership, having served as Chairman of the Board of the Advanced Arab Aviation Simulators Company. He also held several key financial positions, including Chief Financial Officer (CFO), Director of Financial Affairs, and Accounting Manager at Advanced Electronics Company Limited. Additionally, he worked as Financial Controller and Finance Manager at the Saudi Hotels & Resorts Company, Accounting Manager at the Saudi Livestock and Trading Company, and Senior Accountant at the Company's branch in Adelaide, Australia. Mr. Khalid holds a Bachelor's degree in Accounting from King Saud University and is a Certified Public Accountant (CPA). His current memberships include serving as a member of the Audit Committee at Care International. Previously, he held various leadership positions, such as Chairman of the Executive Committee for Accounting Standards at SOCPA, Deputy Chairman of the Accounting Standards Committee, and served on multiple Board and Audit Committees, including Aldrees Petroleum & Transport Services Company, Jadwa Investment, and Alinma Bank.
- 3. Mr. Abdulkarim bin Abdullah Al-Shamakh** – Committee Member (Non-Board Member): Mr. Abdulkarim has an extensive professional background and distinguished managerial expertise in administration, leadership, and business development across multiple sectors. He has held numerous leadership roles, including membership in the Audit Committees of prominent companies such as Sumnan Holding Group, Asharqiyah Development Company, and Binladin International Holding Group. Furthermore, he has served as Chief Executive Officer (CEO) of several leading companies in the Saudi economy, including Ittihad Wires & Cables Manufacturing Co., Global Petrochemical Derivatives Co., and Arabian Oud Co.. Mr. Abdulkarim holds a Bachelor's degree in Accounting from King Saud University..

📅 Committees Meetings Statement

	Name	(9) Meetings								
		First Meeting 27/02/2024	Second Meeting 18/03/2024	Third Meeting 09/05/2024	Fourth Meeting 04/06/2024	Fifth Meeting 01/08/2024	Sixth Meeting 28/08/2024	Seventh Meeting 24/09/2024	Eighth Meeting 03/11/2024	Ninth Meeting 05/12/2024
1	Mr. Ibrahim Al-Hurabi	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Mr. Khalid Al-Khuwaiter	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Mr. Abdul Karim Al-Shamikh	✓	✓	✓	✓	✓	✓	✓	✓	✓

£ Committee Remuneration (In Thousand SAR):

Committee / Member Name	Fixed Compensation	Attendance Allowance for Meetings	Total
Mr. Ibrahim Al-Hurabi	100	45	145
Mr. Khalid Al-Khuwaiter	100	45	145
Mr. Abdul Karim Al-Shamikh	100	45	145

• Risk Management Committee

The Risk Management Committee is a committee formed under the Board, established to support the Board in fulfilling its corporate governance responsibilities related to risk management. The Committee oversees the Company's risk management plan and monitors its implementation in accordance with the key policies

approved by the Board.

Committee Responsibilities:

- Reviewing the organizational structure of the Risk Management Department and providing recommendations before its approval by the Board.
- Ensuring the independence of risk management personnel from activities that may expose the Company to risks.
- Confirming that risk management employees fully comprehend the risks surrounding the Company and fostering risk awareness.
- Ensuring the availability of necessary resources and systems for risk management.
- Reviewing issues raised by the Audit Committee that may impact the Company's risk management.
- Identifying potential risks the Company may face, maintaining an acceptable risk level, and ensuring it is not exceeded.

😊 Committee Composition and Members' Profiles:

1. **Mr. Ibrahim bin Mohammed Al-Hurabi** – Chairman of the Risk Management Committee (*Please refer to the table of Board members mentioned above in Clause (c) for a brief profile of the member.*)
2. **Dr. Abdulkarim bin Hamad Al-Nujaidi** – Committee Member (*Please refer to the table of Board members mentioned above in Clause (c) for a brief profile of the member.*)
3. **Mr. Osama bin Khudr Al-Ibrahim** – Committee Member (Non-Board Member) Mr. Osama serves as Senior Vice President and Head of Risk Management Group at Bank AlJazira. He possesses extensive administrative and leadership experience within financial institutions. Throughout his career, he has held several key positions in the financial sector, including Client Relationship Manager and Head of Client Relations Department at Samba Financial Group. Additionally, he served as Head of Corporate Banking Services at Bank AlJazira. Mr. Osama holds a Bachelor's degree in Industrial Management from King Fahd University of Petroleum & Minerals.

📅 Committee Meeting Details:

	Name	Meetings (7)						
		First Meeting 21/03/2024	Second Meeting 06/06/2024	Third Meeting 18/08/2024	Fourth Meeting 21/09/2024	Fifth Meeting 18/11/2024	Sixth Meeting 09/12/2024	Seventh Meeting 15/12/2024
1	Mr. Ibrahim Al-Harabi	✓	✓	✓	✓	✓	✓	✓
2	Dr. Abdulkarim Al-Nujaidi	✓	✓	✓	✓	✓	✓	✓
3	Mr. Osama Khudr Al-Ibrahim	✓	✓	✓	✓	✓	✓	✓

£ Committee Remuneration (Thousand SAR):

Committee / Member Name	Fixed Compensation	Attendance Allowance for Meetings	Total
Mr. Ibrahim Al-Hurabi	50	35	85
Dr. Abdulkarim Al-Nujaidi	50	35	85
Mr. Osama Khudr Al-Ibrahim	50	35	85

- Investment Committee

The Board appoints five (5) members to the Investment Committee in alignment with the regulations approved by the Company's General Assembly and upon obtaining the necessary approvals from the relevant regulatory authorities. The Committee submits its reports to the Board.

Committee Responsibilities and Functions:

The Investment Committee is responsible for overseeing the implementation of the Company's investment policies after their approval by the Board, ensuring the maximization of investment returns while adhering to Shariah principles and the regulations and guidelines set by the relevant legislative authorities.

For a brief profile of each member, please refer to the table of Board members mentioned above in Clause (c).

 Committee Meeting Details:

	Name	(4) Meetings			
		First Meeting 26/03/2024	Second Meeting 07/07/2024	Third Meeting 29/09/2024	Fourth Meeting 22/12/2024
1	Mr. Naif Al-Mesned	✓	✓	✓	✓
2	Eng. Abdulmajeed Al-Sultan	✓	✓	✓	✓
3	Mr. Sager Nadershah	✓	✓	✓	✓
4	Mr. Naif Al-Abdulkareem	✓	✓	✓	✓
5	Mr. Yahya Al-Mansour	✓	✓	✓	✗

£ Committee Remuneration (In Thousand SAR):

Committee / Member Name	Fixed Compensation	Attendance Allowance for Meetings	Total
Mr. Naif Al-Mesned	50	20	70
Eng. Abdulmajeed Al-Sultan	50	20	70
Mr. Sager Nadershah	50	20	70
Mr. Naif Al-Abdulkareem	50	20	70
Mr. Yahya Al-Mansour	50	15	65

- Nominations and Remunerations Committee

The Nominations and Remunerations Committee is responsible for developing a clear and structured remuneration policy for Board members and executive management, which is submitted to the Board for review and subsequently presented to the General Assembly for approval. The Committee ensures that the remuneration framework aligns with the Company's bylaws, strategy, and objectives, while also reviewing the relationship between compensation and corporate policies and periodically assessing the effectiveness of the remuneration policy.

The Committee provides recommendations to the Board regarding remuneration, ensuring it supports long-term performance incentives. It also proposes well-defined policies and criteria for Board and executive management membership, oversees the nomination and re-nomination process in accordance with approved policies, and works to enhance the Company's governance framework through a diverse pool of expertise and competencies.

Additionally, the Committee conducts an annual assessment of the Company's needs in terms of skills

and experience, reviews the Board's structure, and recommends necessary adjustments. It also verifies the independence of independent members on an annual basis and ensures that conflicts of interest are prevented. Furthermore, the Committee defines job descriptions for both executive and non-executive members, ensuring clarity in roles and responsibilities.

😊 Committee Composition and Members' Profiles

1. Dr. Abdulkarim bin Hamad Al-Nujaidi – Chairman of the Nominations and Remunerations Committee
(For a brief profile, please refer to the table of Board members mentioned above in Clause (c).)

2. Mr. Yahya Saleh Al-Mansour – Committee Member
(For a brief profile, please refer to the table of Board members mentioned above in Clause (c).)

3. Mr. Khalid bin Othman Al-Othman – Committee Member (For a brief profile, please refer to the table of Board members mentioned above in Clause (c).)

4. Mr. Faisal bin Mashour Al-Mansour – Committee Member (Non-Board Member)

Mr. Faisal is a distinguished leader in human capital management, bringing over 17 years of expertise in key HR domains, including strategic workforce planning, talent acquisition, performance management, succession planning, and organizational development. Throughout his career, he has held senior leadership roles across executive management, Board memberships, and Board-affiliated committees. His notable positions include Chief Human Capital Officer at the Tourism Development Fund, Board Member of Al-Saedan Real Estate Company, and member of Nominations and Remunerations Committees in several institutions, including the Ministry of Health, Awqaf Investment Company, and the National Infrastructure Fund. His extensive contributions reflect a deep commitment to developing human capital and enhancing institutional governance. Mr. Faisal holds a Bachelor's degree in Management Information Systems from King Fahd University of Petroleum and Minerals. Additionally, he has completed executive leadership and strategic programs at globally renowned institutions such as INSEAD (European Institute of Business Administration) and IMD (International Institute for Management Development).

📅 Committee Meeting Details.

	Name	(9) Meetings								
		First Meeting 12/03/2024	Second Meeting 02/05/2024	Third Meeting 22/05/2024	Fourth Meeting 11/06/2024	Fifth Meeting 11/07/2024	Sixth Meeting 23/07/2024	Seventh Meeting 05/08/2024	Eighth Meeting 25/09/2024	Ninth Meeting 12/04/2024
1	Dr. Abdulkarim Al-Najidi	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Mr. Faisal Al-Mansour	✓	✓	✓	✓	✗	✓	✓	✓	✓
3	Mr. Khalid Al-Othman	✓	✗	✓	✓	✓	✗	✓	✓	✓
4	Mr. Yahya Al-Mansour	✓	✓	✓	✓	✓	✓	✓	✓	✓

£ Committee Remuneration (Thousand SAR):

Committee / Member Name	Fixed Compensation	Attendance Allowance for Meetings	Total
Dr. Abdulkarim Al-Najidi	50	45	95
Mr. Faisal Al-Mansour	50	40	90
Mr. Khalid Al-Othman	50	35	85
Mr. Yahya Al-Mansour	50	45	95

• Shariah Committee

The **Shariah Committee** comprises three members who are not part of the Board of Directors and are specialized in Islamic economics. The committee is responsible for providing Shariah opinions on the

Company's activities to ensure their compliance with the principles of Islamic law. It should be noted that the **Shariah Committee** did not convene during the year 2024.

😊 Composition of the Committee and Members' Profiles

1. Sheikh Mohammed Ali Al-Qari Bin Eid – Chairman of the Shariah Committee Sheikh Mohammed holds a Bachelor's degree in Economics and Administration from King Abdulaziz University in Jeddah. He pursued postgraduate studies, earning both a Master's and Ph.D. in Economics from the University of California, USA. Currently, he serves as a Professor of Islamic Economics at King Abdulaziz University and previously directed the Islamic Economics Research Center. Sheikh Mohammed is an esteemed expert at the International Islamic Fiqh Academy (OIC) and a member of multiple Shariah boards and councils of financial institutions in Saudi Arabia and globally. His key memberships include the Shariah Board of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and its Board of Trustees, as well as the Islamic Financial Services Board (IFSB) Shariah Committee. Additionally, he chairs the Shariah Committee of Dubai Islamic Bank and Emirates NBD, the Shariah Board of the S&P Islamic Index, and the Shariah Committee of the International Islamic Liquidity Management Corporation. He also serves as Vice Chairman of the Shariah Committee of the Saudi National Bank (SNB).

2. Sheikh Youssef bin Abdullah Al-Shubaili – Committee Member Sheikh Youssef is a Professor of Comparative Jurisprudence at the Higher Institute of Judiciary in Saudi Arabia. He holds a Ph.D. with First-Class Honors in Comparative Jurisprudence from the Higher Institute of Judiciary at Imam Mohammad Ibn Saud Islamic University. He is a member of the Saudi Association of Fiqh, the Saudi Judicial Scientific Society, and a former board member of the Islamic Banking Scientific Association. He has chaired and participated in numerous arbitration panels for commercial disputes and possesses extensive experience in Shariah advisory roles.

3. Sheikh Abdullah bin Abdulaziz Al-Muslih – Committee Member Sheikh Abdullah serves as the Vice Chairman of the Board of Trustees of the International Islamic University Chittagong, Chairman of the Founding Council of the American Open University, Advisor to the [College of Islamic and Arabic Studies in Dubai](#), and Assistant Secretary-General of the International Islamic Council for Da'wah and Relief. Previously, he held the position of Secretary-General of the International Commission on Scientific Signs in the Qur'an and Sunnah. He has also held multiple roles at [Imam Mohammad Ibn Saud Islamic University](#), including University President, Dean of the College of Shariah and Fundamentals of Religion, Supervisor of the College of Arabic Language and Social Sciences, Director of the University's Southern Branch, and Dean of the College of Shariah and Arabic Language in Abha. Sheikh Abdullah holds a Ph.D. and a Master's degree from [Imam Mohammad Ibn Saud Islamic University](#), in addition to a Bachelor's degree from the College of Shariah in Saudi Arabia.

£ Committee Remuneration (In Thousand SAR):

Committee / Member Name	Fixed Compensation	Attendance Allowance for Meetings	Total
Sheikh Mohammed Ali Al-Qari bin Eid	60	-	60
Sheikh Youssef bin Abdullah Al-Shubeili	60	-	60
Sheikh Abdullah bin Abdulaziz Al-Musleh	60	-	60

E. Briefing the Board of Directors on Shareholders' Proposals and Observations Regarding the Company and Its Performance

In line with applicable regulations and as a general principle, the Company ensures that shareholders can fully exercise all their statutory rights associated with shareholding. This includes the right to submit **proposals and observations** regarding the Company and its performance during **General Assembly meetings** or through

the **Shareholder Relations Department**. All received proposals and observations (if any) are presented to the **Board of Directors**, particularly the **non-executive members**, for appropriate action.

F. Shareholders' Register

	Type of Application	Request Date	Request Reason
1	Detailed - At the Investment Portfolios Level (B)	Sunday, January 28, 2024	Company Procedures
2	Detailed - At the Investment Portfolios Level (B)	Tuesday, May 28, 2024	Company Procedures
3	Detailed - At the Investment Portfolios Level (B)	Tuesday, May 28, 2024	Company Procedures
4	Detailed - At the Investment Portfolios Level (B)	Sunday, September 29, 2024	General Assembly
5	Quantities - At the Identity Level (B)	Sunday, September 29, 2024	General Assembly

G. Evaluation Methods for the Board of Directors, Its Members, and Subcommittees, and the External Evaluator's Relationship with the Company

As per corporate governance guidelines, the Board of Directors annually evaluates the effectiveness of its members and their participation, both individually and collectively. This includes evaluating the performance of its subcommittees. The Nomination and Remuneration Committee of AlJazira Takaful Taawuni has developed a framework for evaluating the Board and its subcommittees, with the evaluation results submitted to the Nomination and Remuneration Committee for review and recommendations to the Board of Directors for discussion and decision-making. The Board may engage an independent external firm to conduct its performance evaluation every three years, if necessary.

The 2024 evaluation, conducted by the Nomination and Remuneration Committee, confirmed that the Board of Directors and its subcommittees have effectively performed their duties and responsibilities. The evaluation also verified that members possess sufficient knowledge and expertise to fulfill their roles in compliance with regulatory requirements, governance standards, and committee charters. Additionally, it ensured the independence of non-executive members and their ability to compete effectively.

H. Remuneration Policy and Determination of Board and Committee Members' Compensation, as well as Executive Management Compensation

The Board, based on the recommendation of the Nomination and Remuneration Committee, determines the remuneration of Board members, committee members from within and outside the Board, and senior management, in accordance with the regulatory controls approved by the Board and the remuneration policy for Board members, its subcommittees, and senior management as endorsed by the General Assembly. Accordingly, each member shall be entitled to the remuneration granted under these provisions.

The remuneration of Board members and subcommittee members may consist of fixed amounts, meeting attendance fees, in-kind benefits, or a specified percentage of net profits. This percentage may be allocated to some or all subcommittee members if the Company records profits by the end of the fiscal year. The Board, based on the recommendation of the Nomination and Remuneration Committee, may approve such allocations after deducting the reserves mandated by the General Assembly in accordance with the Cooperative Insurance Companies Control Law, and after distributing a dividend to shareholders of no less than 5% of the Company's paid-up capital. The entitlement to such remuneration is proportional to the number of meetings attended by the member and is linked to the Nomination and Remuneration Committee's assessment of their duties, responsibilities, and performance throughout the year.

In all cases, the total remuneration and financial or in-kind benefits received by a Board or subcommittee member shall not exceed SAR 500,000 (five hundred thousand Saudi riyals) annually. This cap does not apply to members of the Audit Committee.

Additionally, senior management remuneration, specifically performance-based compensation, is directly

linked to both individual and collective performance levels and the Company's financial results. In alignment with its long-term strategic objectives, Aljazira Takaful has linked variable remuneration to the achievement of its five-year strategy, ensuring that rewards are granted based on sustainable success. These remunerations are disbursed to senior management in compliance with the regulatory controls approved by the Board and the remuneration policy for Board members, its subcommittees, and senior management, as ratified by the General Assembly.

The General Assembly, convened on May 23, 2024, approved the evaluation and remuneration policy for Board members, committees, and senior management. Accordingly, the Board proposed the remuneration structure for Board members and subcommittees in line with the Nomination and Remuneration Committee's recommendation, ensuring full compliance with the regulatory requirements set by the relevant authorities.

I. Alignment Between Granted Remuneration and the Approved Policy & Statement on Any Material Deviations

Aljazira Takaful adheres strictly to the legislations and regulations issued by the relevant regulatory authorities in disbursing remuneration and compensation to Board members, subcommittee members, and senior management. These disbursements are also aligned with the regulatory controls approved by the Board and the remuneration policy for Board members, its subcommittees, and senior management, as endorsed by the General Assembly. Furthermore, there are no material deviations between the current remuneration policy in effect and the policy approved by the General Assembly.

J. Executive Management

Executive Management Team and Profiles:

1. Mr. Nahil bin Farid Bakri serves as the Chief Executive Officer of Internal Audit and Secretary of the Audit Committee. With extensive experience in financial institutions, he has held several supervisory positions, including Head of Internal Audit at "Salama Cooperative Insurance" and "United Cooperative Assurance." He holds a Master's degree in Auditing from Birmingham City University.

2. Mr. Mohammed bin Hamad Al-Saqor is the Head of Operations at the Company. He has extensive expertise in compliance, operations, collections management, procurement, and customer service within financial institutions. He has held various managerial and leadership positions, including Head of Compliance at "Aljazira Takaful Taawuni Company" and Manager of Takaful Products, Head of Operations, Senior Collections Manager, and Senior Compliance Manager at "SABB Takaful." He holds a Bachelor's degree in Business Administration from King Faisal University.

3. Mr. Mohammed bin Owaidah Al-Yami serves as the Head of Compliance, Secretary of the Board of Directors, and Secretary of the Executive Committee, Investment Committee, and Nomination & Remuneration Committee. His career in regulatory supervision, compliance, and governance in the financial sector spans multiple leadership and managerial roles, including Head of Compliance at "Salama Cooperative Insurance" and Compliance Manager at both "Chubb Arabia Cooperative Insurance" and "United Cooperative Insurance." He holds a Bachelor's degree in Business Administration from King Faisal University and possesses numerous specialized certifications in compliance, governance, anti-money laundering, and counter-terrorism financing.

4. Ms. Lujain bint Waleed Saati is the Acting Vice President of Human Resources. She has held several managerial positions, beginning her career at Green Shield Insurance as Human Resources Manager before moving to Aljazira Takaful Taawuni, where she served as Payroll and Employee Affairs Manager and later as Compensation Manager. She holds a Bachelor's degree in Nursing from the University of South Australia and has obtained several administrative certifications.

- 5. Ms. Samaher bint Fahd Al-Almai** is the Chief Financial Officer of “Aljazira Takaful Taawuni.” She has progressed in her career within the Company, starting as Accounts Manager before assuming the role of Acting CFO. With expertise in financial statement preparation and accounting, she previously worked at a licensed accounting firm as a Senior Auditor, Auditor, and Assistant Auditor at “KPMG.” She holds a Bachelor’s degree in Accounting from the University of Business and Technology and has acquired multiple professional certifications.
- 6. Mr. Salem bin Abdullah Al-Shehri** is the Head of Information Security at the Company. He holds a Bachelor’s degree in Computer Science and has extensive expertise in information security. He previously served as Information Security Operations Manager at “Aljazira Takaful Taawuni” and an Information Security Specialist at the Royal Commission for Jubail and Yanbu.
- 7. Mr. Syed Ahmed Bibani** is the Head of Actuarial Services at the Company. He holds a Bachelor’s degree in Actuarial Science and Risk Management from the Institute of Business Administration and is an associate member of the Society of Actuaries. He has extensive expertise in the insurance sector, particularly in pricing, product development, and risk management. Previously, he was a Senior Actuary and Reinsurance Manager at “Adamjee Life Assurance.”
- 8. Mr. Abdulaziz bin Ahmed Al-Qahtani** is the Head of Customer Care at the Company. He has extensive experience in post-sales services for individuals and corporations, as well as in developing customer care policies and complaint resolution in financial institutions. Previously, he served as Customer Care Manager at “Dar Al Tamleek for Real Estate Financing,” and as Service Quality and Complaints Manager at the same Company, in addition to working as a Customer Service Officer at “Maarif for Training and Education.” He holds a Bachelor’s degree in Arts from Jazan University.
- 9. Mr. Mohammed bin Abdullah Al-Amoudi** is the Head of Risk Management at the Company. He has approximately eight years of experience in risk management within financial companies, having held positions such as Risk Manager at “Alkhabeer Capital” and Risk Specialist at “NCB Capital,” where he worked in margin financing risk management and enterprise risk management. He holds a Bachelor’s degree in Actuarial Science from King Fahd University of Petroleum and Minerals.
- 10. Mr. Badr bin Ahmed Al-Amoudi** is the Vice President of Marketing. He holds a Bachelor’s degree in Administrative Sciences from King Abdulaziz University and has extensive experience in marketing. He also holds a CMMP certification and previously served as Senior Commercial Marketing Manager at “HungerStation Ltd.”

£ Executive Management Remuneration (Thousand SAR)

Description	Five senior executives who received the highest rewards and compensation, including the Managing Director and the Financial Director (one thousand Saudi riyals)
Salaries and compensation	4158
Allowances	1368
Periodic and annual rewards	1913
Indemnity	279
Incentive plans	-
Any other compensation or in-kind benefits are paid monthly or annually	-

K. Applicable Provisions of Corporate Governance Regulations

At Aljazira Takaful Taawuni Company, we are committed to upholding the highest corporate governance standards. We fully implement all mandatory provisions outlined in the Corporate Governance Regulations issued by the Capital Market Authority (CMA), as well as other relevant laws and regulations. The Company has prioritized the establishment of a governance framework that includes policies and regulations aimed at enhancing transparency, accountability, and responsibility, guided by the governance regulations issued by both the CMA and the Insurance Authority. The Company remains steadfast in its commitment to fostering long-term relationships with all stakeholders, including shareholders and other interested parties, through the following:

- Adhering to corporate policies, procedures, and the Company's bylaws.
- Providing reliable and transparent reports.
- Implementing all laws, regulations, and rules issued by the relevant regulatory authorities.

Recognizing the significance of modern developments in corporate governance, the Company continuously reviews and updates its governance framework as necessary to align with any amendments to the regulations or directives issued by the relevant regulatory authorities. In this regard, Aljazira Takaful remains fully committed to complying with all mandatory requirements outlined in the Corporate Governance Regulations issued by resolution of the Capital Market Authority Board, except for the provisions designated as guiding principles, which have not been implemented. The following are the relevant provisions:

Article	Article Requirements	Reason
Article 41, Clauses (1) and (2)	<p>The Board of Directors shall establish a written and clear policy for handling actual or potential conflicts of interest that may affect the performance of Board members, committee members, executive management, or other employees of the Company when dealing with the Company or other stakeholders. This policy shall specifically include the following:</p> <p>(1) Emphasizing that Board members, committee members, <u>major shareholders</u>, senior executives, and other employees of the Company must avoid situations that create a conflict of interest with the Company and address such situations in accordance with the Companies Law and its executive regulations.</p> <p>(2) <u>Providing illustrative examples of conflict-of-interest cases relevant to the Company's nature of business.</u></p>	<p>The article has been partially implemented, noting that the Company's conflict-of-interest policy covers all stakeholders. The Company will update the policy to align with the Corporate Governance Regulations.</p>
90	Five Senior Executives Receiving the Highest Remuneration from the Company, Including the CEO and CFO.	The data has been included in aggregate form.

Ninth: Internal Control System

The management of Aljazira Takaful is responsible for establishing and maintaining an adequate and effective internal control framework, which includes policies, procedures, processes, and information systems, as approved by the Board of Directors, to ensure efficient and effective operations. The internal control system ensures the integrity of both internal and external reports, the maintenance of appropriate records and procedures, and compliance with applicable laws, regulations, and internal policies governing the Company's operations.

The Board of Directors bears the primary responsibility for internal control, which is designed to manage risks associated with achieving Aljazira Takaful's strategic objectives. In 2024, the Company made every effort to ensure the continuous effectiveness of its internal control system in compliance with the Insurance

Authority's supervisory and regulatory requirements. This system provides an ongoing framework for identifying, assessing, and managing major risks facing the Company.

The Company has promptly reviewed internal auditors' and external auditors' observations, as well as findings from the Insurance Authority's inspection teams during their supervisory visits. Necessary actions have been taken by the Board of Directors, the Audit Committee, and executive management to address these observations, safeguarding the Company's interests.

Three Lines of Defense Model

The Company's internal control framework is structured around the Three Lines of Defense Model:

1. First Line of Defense: Business units align their activities with the regulatory and compliance framework established by relevant authorities.
2. Second Line of Defense: Various control functions, including Compliance, Risk Management, Finance, and Information Security, serve as the second line of defense, responsible for risk assessment, monitoring, and oversight across all operational levels. These departments submit periodic reports to internal management committees and Board committees, including the Risk Management Committee, which operates under the Board of Directors.
3. Third Line of Defense: The Internal Audit Department acts as the third line of defense, conducting audits and reviews based on the Internal Audit Plan, providing independent assessments, and monitoring corrective action plans. The department submits its reports periodically to the Audit Committee.

Overall, a reasonable level of assurance has been established regarding the adequacy of internal control policies and procedures covering critical risk areas that significantly impact the Company's ability to fulfill its obligations in maintaining an effective internal control system across all business functions.

A- Audit Committee Report on the Annual Review of Internal Control Effectiveness

The executive management is responsible for designing, maintaining, and ensuring the effectiveness of the internal control system, encompassing all policies, procedures, and processes, under the Board of Directors' supervision to achieve the Company's strategic objectives. The system is designed in accordance with regulatory and supervisory recommendations, and its effectiveness is continuously monitored through control departments and relevant committees.

The Audit Committee has reviewed various reports concerning the adequacy of internal controls, including:

- Financial statements
- Actuarial reports
- Internal audit reports
- Compliance reports (AML & CFT)

The committee also reviews and monitors remedial action plans submitted by executive management, providing independent assessments to the Board of Directors on their adequacy and effectiveness. The committee documents its discussions and resolutions in meeting minutes, escalating critical matters to the Board of Directors as necessary.

During the year, Audit Committee members held meetings with:

- The Head of Internal Audit
- The Head of Compliance
- Finance representatives
- External auditors
- Representatives of the Actuarial Services Department and the appointed actuary

The committee assessed key regulatory updates and reviewed audit and regulatory reports, including:

- Internal audit reports
- Regulatory authority findings
- External auditors' reports

Furthermore, the committee reviewed internal control effectiveness, compliance policies, and regulatory and legal requirements within Saudi Arabia. It has fulfilled its mandate by ensuring the presence of an effective internal control system and obtaining independent assurance through internal audits to evaluate the adequacy and effectiveness of these controls.

The 2024 audits and periodic reports submitted to the Audit Committee—including those from internal regulatory functions such as Internal Audit, Compliance, and Risk Management, as well as external bodies such as the appointed actuary and external auditors—confirmed that:

- Based on annual assurances obtained from executive management,
- Along with survey responses from department heads, structured according to the COSO internal control framework,

The Audit Committee reasonably concludes that the current internal control system is operating satisfactorily, though certain components require enhancements to improve efficiency in achieving targeted objectives, particularly regarding the automation of IT systems. However, it must be acknowledged that no internal control system, regardless of its design and implementation, can provide absolute assurance.

B- Recommendations of the Audit Committee

1. The Audit Committee of Aljazira Takaful Taawuni Company submitted no material recommendations pursuant to Article 87 of the Corporate Governance Regulations.
2. Based on the Audit Committee's recommendation to the Board of Directors, the General Assembly approved the appointment of KPMG Al Fozan & Partners and Crowe Professional Services as the Company's auditors from among the nominated candidates. Their engagement includes the examination, review, and audit of the financial statements for the second and third quarters, as well as the annual financial statements for the fiscal year 2024 and the first quarter of the fiscal year 2025, with their remuneration duly determined.

C- Risk Model

Balancing Ambition with Effective Risk Management

To achieve our strategic success and growth objectives, we have implemented a robust risk management framework, integrating it across all our institutional operations and activities. This strategic approach not only ensures sustainability but also fosters an environment conducive to ambitious growth.

Enterprise Risk Management

At **Aljazira Takaful**, we consider enterprise risk management (ERM) a fundamental pillar that enables us to take proactive measures in identifying, assessing, and mitigating risks inherent to our business operations. Key risk areas include underwriting, reinsurance, operational processes, legal and compliance matters, human capital, and financial aspects.

Existing and Potential Risks Faced by the Company

(A) Operational Risks: These risks arise from direct or indirect losses due to a broad range of factors related to the Company's operations, technology, and infrastructure—whether internal or external, including service providers. Other factors include regulatory requirements, aside from credit, market, and liquidity risks.

(B) Insurance Risks: The primary risk associated with insurance contracts is that actual claims, benefit payments, or their timing deviate from projections. This is influenced by claims frequency, severity, actual benefits paid, and the development of long-term claims. Long-tail claims, which take years to settle, are also

susceptible to inflation risks. To mitigate these risks, the Company ensures sufficient reserves are maintained to cover these obligations.

(C) Reinsurance Risks: In the ordinary course of business, the Company enters into agreements with internal and external reinsurers. These arrangements provide business diversification, enable risk exposure management for large-scale risks, and enhance capacity for business growth. All reinsurance transactions are subject to treaty agreements, quota share agreements, and surplus reinsurance contracts. To minimize exposure to major losses due to reinsurer insolvency, the Company assesses the financial strength of its reinsurers and monitors credit risk concentrations based on geographical, industry, or economic similarities.

(D) Market Risks: Market risk refers to fluctuations in the fair value or future cash flows of financial instruments due to market price changes. This encompasses three primary risk categories: foreign exchange risk (currency risk), market commission rate risk, and equity price risk.

(E) Credit Risks: Credit risk is the risk of financial loss arising from a counterparty's failure to meet its obligations under a financial instrument. For all financial instruments held by the Company, the maximum credit risk exposure is limited to the carrying amount disclosed in the statement of financial position.

(F) Liquidity Risks: Liquidity risk refers to the Company's ability to meet its obligations related to insurance liabilities that require cash or other financial assets for settlement. In the event of catastrophic occurrences, liquidity risks may also arise from timing mismatches between total cash outflows and anticipated reinsurance recoveries. The Company employs an effective cash management system that closely monitors daily cash inflows and outflows, ensuring regular settlements. Liquidity risks are managed by maintaining a balanced maturity profile of financial assets and liabilities, as well as investing in liquid financial instruments.

■ **Key Potential Risks That May Negatively Impact the Company**

In alignment with our commitment to business sustainability, we proactively identify and analyze risks that may impact the Company's financial performance and stability. The key potential risks include:

1) Regulatory and Legislative Risks

These risks stem from changes in local or international laws and regulations governing the insurance sector, including updates to solvency standards, compliance requirements, or additional fees and taxes. Delays in or failures to comply with new regulations may result in financial penalties or regulatory sanctions.

Possible Mitigation Measures:

- Establishing a dedicated compliance and governance unit to monitor legislative changes.
- Maintaining ongoing collaboration with regulatory authorities to ensure compliance.
- Integrating new compliance requirements into the Company's operational policies and procedures.
- Developing internal training programs to educate employees on regulatory updates and compliance obligations, such as anti-money laundering (AML) and counter-terrorism financing (CTF) courses.

2) Market Risks

These risks include fluctuations in interest rates, inflation, stock market volatility, and shifts in customer behavior. A decline in investment asset values or increased capital costs may impact the Company's financial performance, while heightened competition or customer migration to other insurers may reduce revenue.

Possible Mitigation Measures:

- Implementing financial hedging strategies to manage exposure to interest rate fluctuations and unexpected financial requirements.
- Diversifying the investment portfolio to mitigate market volatility impacts, with investment

governance overseen by the **Investment Committee** under the **Board of Directors**.

- Enhancing customer experience and loyalty programs to maintain market share.
- Monitoring competitor performance and developing innovative insurance products to meet evolving market demands.

3) Technological and Information Security Risks

Cyber threats, such as security breaches or cyberattacks, may lead to sensitive data leaks, while IT system failures could disrupt operations and impact customer experience. Additionally, over-reliance on traditional infrastructure may expose the Company to future technological challenges.

Possible Mitigation Measures:

- Strengthening cybersecurity by implementing robust security protocols and conducting periodic system monitoring.
- Adopting modern technologies such as cloud computing to enhance operational efficiency and flexibility.
- Conducting regular penetration testing to identify and promptly address security vulnerabilities.
- Developing business continuity and disaster recovery plans to ensure swift responses to system disruptions.

4) Operational Risks

Human or managerial errors may hinder service delivery, while internal system failures or poor operational management may result in financial losses or decreased customer satisfaction. Additionally, inefficient claims processing may delay compensation payments.

Possible Mitigation Measures:

- Implementing **quality management systems** to enhance operational efficiency.
- Providing regular training programs for employees to raise awareness of operational risks and best practices for mitigation.
- Developing automated claims processing systems to reduce manual interventions and minimize errors.
- Establishing crisis response plans to ensure uninterrupted service delivery.

5) Financial and Liquidity Risks

Insufficient liquidity or poor cash flow management may hinder the Company's ability to meet its obligations. Credit risk exposure may arise from customers or intermediaries failing to meet payment obligations. Additionally, declining investment returns or increasing operational expenses may impact profitability.

Possible Mitigation Measures:

- Utilizing predictive models for cash flow analysis and financial planning.
- Maintaining adequate liquidity levels to cover short-term liabilities.
- Implementing robust credit risk management policies and conducting financial viability assessments.
- Diversifying income sources by expanding insurance product offerings and exploring new markets.

6) Reputational and Public Trust Risks

Any adverse event, such as mishandling insurance claims, may impact the Company's public image. Media criticism or poor crisis management can erode customer and investor confidence, while the spread of misinformation or customer complaints on social media may negatively affect the brand.

Possible Solutions:

- Strengthening communication strategies with customers and addressing critical issues with transparency.
- Developing a robust crisis management policy and ensuring a swift response to emergencies.
- Enhancing customer experience by providing exceptional services and increasing satisfaction.

- Monitoring social media platforms and promptly responding to customer concerns or inquiries.

Risk Monitoring and Management Policy

We uphold the highest standards of Enterprise Risk Management (ERM) by integrating globally recognized principles into our risk management approach. This commitment is firmly established in our ERM Policy, which has been formally approved by the Company's management and endorsed by the Board of Directors. Our robust and adaptable risk management framework enables the systematic identification, assessment, mitigation, and oversight of risks, ensuring continuous monitoring, transparency, and strategic resilience.

Our comprehensive risk management program continuously monitors and reviews key risks affecting the organization's business performance, financial standing, and reputation. Risk management practices form a fundamental pillar at the corporate level, aiming to reduce potential exposure to risks to a manageable level. These risks are documented in risk summary reports at both the organizational and departmental levels.

As part of our risk management culture, the Executive Risk Committee has initiated a process whereby executive-level risk officers are invited to highlight and explain the risks within their respective domains, outlining risk mitigation measures and management strategies. The committee then reports to the Board Risk Committee, which provides recommendations to the Board of Directors on risk management-related matters.

Key Risk Management Activities in 2024

1. Updating and approving risk management policies and procedures by authorized personnel in accordance with the Board-approved authority matrix.
2. Updating and approving business continuity policies and procedures by authorized personnel in line with the Board-approved authority matrix.
3. Presenting key risk registers to both the Executive Risk Committee and the Board Risk Committee, as well as the Board of Directors, detailing the Company's risk exposure and the corrective actions approved by the executive management.
4. Preparing and obtaining approval for the annual risk management work plan in accordance with the Board-approved authority matrix.
5. Continuously promoting a risk-aware culture and enhancing risk awareness among employees and executive management through meetings and awareness campaigns on risk-related elements within the Company.
6. Conducting risk assessments before outsourcing critical functions to third parties.
7. Achieving the required maturity level for business continuity and undergoing periodic evaluations by an external advisory firm to assess the Company's adherence to the Business Continuity Regulatory Framework.

Tenth Human Capital – “Partners in Growth and Excellence”

AlJazira Takaful Family

Since its inception, **AlJazira Takaful** has recognized that human capital is the cornerstone of its growth and development. The Company firmly believes that its success is driven by investing in its people. To cultivate a thriving and productive work environment, **AlJazira Takaful** has built its approach on three key pillars, empowering employees to excel as essential contributors to the organization's success.

- **Development and Training**

Training is a top priority at all management levels, playing a crucial role in developing employees' skills and enhancing job performance. The Company has implemented development and training strategies and launched a career development and talent growth program. In 2024, Aljazira Takaful provided 1,465 training hours across various specialized courses organized by Human Resources, benefiting more than 180 partners in success. The Company's success is driven by its continuous investment in highly skilled and competent human capital.

- **Optimal Efficiency**

The Company remains committed to enhancing efficiency and quality through initiatives led by Human Resources, including succession planning and replacement strategies across multiple management levels. Additionally, the Company has introduced personal development programs, career progression frameworks, and goal-setting mechanisms for employees. These efforts aim to ensure the availability of qualified talent to meet corporate objectives and enhance operational performance.

- **Continuous Motivation**

The Company is dedicated to creating a positive and engaging work environment that fosters employee passion, dedication, and teamwork. This contributes to enhanced efficiency and service quality, helping the Company achieve its mission and goals. Aljazira Takaful has designed multiple incentive programs, including:

- "Thank You Program"
- "Ideal Performance Program"
- "Mubader Initiative"
- "Managing Director's Golden Star Award"

Additionally, the Company provides employee benefits such as:

- Protection Insurance
- Health Insurance
- "Takafulna Program"

The Company strives to provide exclusive discounts and services from select providers to strengthen the connection between employee appreciation and performance excellence.

The Company offers employee benefits and compensation in compliance with Saudi labor laws. As of December 31, 2024, the total End-of-Service Benefits (EOSB) reserve amounted to SAR 6,534.

Eleventh: Corporate Social Responsibility (CSR)

The Company did not engage in any CSR activities during the 2024 fiscal year.

Twelfth: Financial Results

(A) Core Business Activities

Aljazira Takaful is a leading player in the insurance sector, operating under the cooperative insurance model. The Company's primary insurance business lines include:

- Health Insurance
- General Insurance
- Protection & Savings Insurance

The Company is committed to developing innovative insurance products aligned with Saudi Vision 2030, benefiting the national economy while driving growth in the insurance sector.

Business Segment	Gross Written Premiums (GWP) (SAR '000)	Percentage of Total GWP
Health Insurance	131,479	31%
General Insurance	87,879	21%
Protection & Savings Insurance	206,016	48%

(B) Adopted Accounting Standards

The Company's financial statements have been prepared in accordance with:

- International Financial Reporting Standards (IFRS) as endorsed in Saudi Arabia
- Standards and guidelines issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA)
- Regulatory requirements issued by relevant authorities
- The Saudi Companies Law and the Company's Articles of Association

(C) Penalties and Sanctions

Violation Subject	Previous Financial Year 2023		Current Financial Year 2024	
	Number of Executive Decisions	Total Financial Penalty Amount	Number of Executive Decisions	Total Financial Penalty Amount
Violation of Insurance Authority's Supervisory and Regulatory Instructions	Two Executive Decisions Issued by the Insurance Authority	SAR 315,000	Three Executive Decisions Issued by the Insurance Authority	SAR 356,000
Violation of the Council of Health Insurance Instructions	Five Warnings Issued by the Council of Health Insurance	-	One Warning Issued by the Council of Health Insurance	-

The Company affirms that it has implemented corrective action plans to address violations, ensure full compliance with all relevant regulatory requirements, and prevent their recurrence in the future.

(D) Financial Report

Financial results under IFRS 17 for the years below:

Assets	2024	2023	2022
Cash and cash equivalents	169,782	117,616	254,752
Investments Available for Sale Held to Cover Liabilities Related to Units	1,570,520	1,532,445	1,278,506
Investments Held at Fair Value Through Profit or Loss	261,801	247,142	189,150
Investments Held at Fair Value Through Other Comprehensive Income	61,155	43,484	39,703
Investments Held at Amortized Cost	514,100	503,782	414,469
Amounts Due from Related Party	6,182	7,084	2,807
Prepaid Expenses and Other Assets	12,203	21,150	24,320
Reinsurance Contract Assets	164,596	34,529	34,011
Property and Equipment	6,610	2,625	3,415
Intangible Assets	5,051	1,907	2,150
Right-of-Use Assets	13,705	1,571	3,005
Goodwill	232,255	232,255	232,255

Accrued Revenue on Statutory Deposit	4,524	1,051	-
Statutory Deposit	65,990	65,989	54,991
Total Assets	3,088,474	2,812,630	2,533,534
Liabilities	2024	2023	2022
Accrued Expenses and Other Liabilities	22,869	17,298	27,475
Lease Liabilities	13,728	1,542	3,035
Insurance Contract Liabilities	2,029,738	1,780,112	1,550,696
Reinsurance Contract Liabilities	-	473	4,746
Employee Benefit Obligations	6,534	6,830	5,576
Accrued Revenue on Statutory Deposit	4,524	1,051	-
Zakat and Income Tax	35,405	65,048	49,288
Total liabilities	2,112,798	1,872,354	1,640,816
Equity	2024	2023	2022
Capital	660,000	660,000	550,000
Share Premium	87,286	87,286	197,286
Statutory reserve	64,503	57,062	48,303
Retained Earnings	104,413	94,451	58,956
Fair Value Reserve	59,232	41,561	37,780
Total Shareholders' Equity	975,434	940,360	892,325
Reserve for Remeasurement of Employee Benefit Obligations - Insurance Operations	242	(84)	393
Total Equity	975,676	940,276	892,718
Total Liabilities and Equity	3,088,474	2,812,630	2,533,534

• **Financial Results as per IFRS 4 for Years Prior to the Implementation of IFRS 17:**

Liabilities	2021	2020
Units Reserve	1,526,927	1,349,364
Premium Deficiency Reserve	9,617	-
Mathematical Reserve	5,468	9,160
Other Reserves	259	322
Unearned Premiums	76,567	34,533
Outstanding Claims	81,740	49,226
Claims Incurred But Not Reported (IBNR)	62,123	17,835
Reinsurance Payables	34,389	15,300
Accrued Expenses and Other Liabilities	114,011	51,430
Lease Liabilities	1,190	-
Amounts Due to Agents and Policyholders	36,194	-
Unearned Reinsurance Commission	632	-
Amounts Due for Shareholders' Operations	5,248	3,518
Employees' End-of-Service Benefits	2,182	1,282
Amounts Due to Related Parties	984	-
Surplus from Insurance Operations	17,215	15,837
Total Liabilities	1,974,746	1,547,807
Equity	2021	2020
Capital	550,000	350,000

Share Premium	197,286	-
Statutory Reserve	42,632	38,348
Retained Earnings	22,812	85,012
Changes in Assumptions for Defined Benefit Obligations	1,242	(412)
Total Shareholders' Equity	813,972	472,948
Total Liabilities and Equity	2,788,718	2,020,755

• **Company Performance in Accordance with IFRS 17 (SAR '000)**

Item	2024	2023	2022
	(SAR ,000)	(SAR ,000)	(SAR ,000)
Insurance Revenue	339,672	301,954	220,579
Insurance Service Expenses	(405,441)	(235,233)	(175,895)
Net Insurance Service Result from Retained Reinsurance Contracts	96,836	(27,477)	(31,609)
Results of Directly Underwritten Insurance Services	31,067	39,244	13,075
Company's Share in Insurance Pools	4,965	17,917	6,952
Insurance Service Result	36,032	57,161	20,027
Net (Loss) / Income from Investments at Fair Value through Profit or Loss	179,670	326,815	(192,126)
Investment Income from Amortized Cost Instruments	18,122	12,356	11,476
Income from Short-Term Deposits	3,259	9,344	1,584
Investment Return	201,051	348,515	(179,066)
Net Income / (Expenses) from Issued Insurance Contracts Financing	(165,676)	(319,478)	197,018
Net Financing Income from Retained Reinsurance Contracts	(141)	1,331	619
Net (Expense) / Income from Insurance Financing	(165,817)	(318,147)	197,637
Net Insurance and Investment Results	71,266	87,529	38,598
Other Revenues	1,535	4,916	10,515
Other Operating Expenses	(29,457)	(24,540)	(8,663)
Income Attributable to Shareholders Before Zakat and Income Tax	43,344	67,905	40,450
Zakat	(6,055)	(21,765)	(1,000)
Income Tax	(86)	(1,886)	(930)
Net Income for the Period Attributable to Shareholders	37,203	44,254	38,520
Weighted Average Number of Outstanding Ordinary Shares (in Thousands)	66,000	66,000	66,000
Earnings per Share for the Period (SAR/Share) (Basic and Diluted)	0.56	0.67	0.58

• **Company Performance in Accordance with IFRS 4 for Periods Prior to IFRS 17 Adoption**

Item	2020	2021
	(SAR ,000)	(SAR ,000)
Total Gross Written Premiums (GWP)	233,934	299,031
Investment Premiums	(143,767)	(125,493)
Gross Reinsurance Premiums Ceded – Local	-	(8,889)
Gross Reinsurance Premiums Ceded – Foreign	(35,414)	(49,776)
Excess of Loss Premiums	-	(24,147)
Net Written Premiums (NWP)	54,753	90,726
Changes in Net Unearned Premiums	5,054	62,823



Net Earned Premiums (NEP)	59,807	153,549
Reinsurance Commission Income	-	1,980
Other Underwriting Income	20,176	18,319
Total revenue	79,983	173,848
Total Claims Paid	(29,139)	(177,741)
Reinsurers' Share of Claims Paid	26,300	53,786
Net Claims Paid	(2,839)	(123,955)
Change in Outstanding Claims, Net	(1,640)	7,019
Change in Incurred But Not Reported Claims, Net	(1,317)	(318)
Net Claims Incurred	(5,796)	(117,254)
Change in Mathematical Reserve	2,180	3,692
Change in Premium Deficiency Reserve	-	9,627
Change in Other Technical Reserves	(322)	18,607
Policy Acquisition Costs	(10,047)	(12,778)
Supervisory and Inspection Fees	(1,170)	(363)
Other Direct Underwriting Expenses	-	(7,108)
Total Underwriting Costs and Expenses	(15,155)	(105,577)
Net Underwriting Income	64,828	68,271
(Impairment Losses) / Reversals on Premiums Receivable	36	(6,176)
General and Administrative Expenses	(45,413)	(68,814)
Income from Amortized Cost Investments	12,236	12,071
Income from Deposits	45	654
Unrealized Gains from Fair Value Investments through Profit or Loss	809	1,340
Realized Gains from Fair Value Investments through Profit or Loss	1,809	1,628
Dividend Income from Fair Value Investments through Profit or Loss	220	162
Other Revenues	9,548	14,423
Total Other Operating Expenses, Net	(20,710)	(44,712)
Income Before Surplus, Zakat, and Income Tax	44,118	23,559
Net Income Attributable to Insurance Operations	(4,129)	(1,598)
Net Income for the Year Attributable to Shareholders Before Zakat and Income Tax	39,989	21,961
Zakat	(1,109)	(490)
Income Tax	(116)	(51)
Net Income for the Year Attributable to Shareholders	38,764	21,420
Weighted Average Number of Outstanding Ordinary Shares (in Thousands) – Adjusted	40,900	52,650

• **Key Differences in Operational Results**

Item	2024	2023	Changes (+) or (-)	
	(SAR ,000)	(SAR ,000)	(SAR ,000)	Percentage Change
Insurance Revenue	339,672	301,954	37,718	12%
Insurance Service Expenses	(405,441)	(235,233)	(170,208)	72%
Net Insurance Service Result from Retained Reinsurance Contracts	96,836	(27,477)	124,313	452%

Results of Directly Underwritten Insurance Services	31,067	39,244	(8,177)	-21%
Company's Share in Insurance Pools	4,965	17,917	(12,952)	-72%
Insurance Service Result	36,032	57,161	(21,129)	-37%
Net (Loss) / Income from Investments at Fair Value through Profit or Loss	179,670	326,815	(147,145)	-45%
Investment Income from Amortized Cost Instruments	18,122	12,356	5,766	47%
Income from Short-Term Deposits	3,259	9,344	(6,085)	-65%
Investment Return	201,051	348,515	(147,464)	-42%
Net Income / (Expenses) from Issued Insurance Contracts Financing	(165,676)	(319,478)	153,802	48%
Net Financing Income from Retained Reinsurance Contracts	(141)	1,331	(1,472)	-111%
Net (Expense) / Income from Insurance Financing	(165,817)	(318,147)	152,330	%48
Net Insurance and Investment Results	71,266	87,529	(16,263)	-19%
Other Revenues	1,535	4,916	(3,381)	-69%
Other Operating Expenses	(29,457)	(24,540)	(4,917)	20%
Income Attributable to Shareholders Before Zakat and Income Tax	43,344	67,905	(24,561)	-36%
Zakat	(6,055)	(21,765)	15,710	72%
Income Tax	(86)	(1,886)	1,800	95%
Net Income for the Period Attributable to Shareholders	37,203	44,254	(7,051)	-16%
Weighted Average Number of Outstanding Ordinary Shares (in Thousands)	66,000	66,000	-	0%
Earnings per Share for the Period (SAR/ Share) (Basic and Diluted)	0.56	0.67	0	-16%

• **Geographical Analysis of Revenues**

Year	Geographical Analysis of Total Company Revenues			
	Eastern Region	Western Region	Central Region	Total revenue
2024	33,185	172,052	220,136	425,374

(E) Statutory Payments Due (SAR '000)

Statement	2024		Brief Description	Reason for Payment
	Paid	Amount Due Until the End of the Annual Financial Period and Unpaid		
Zakat	34,697	35,319	Statutory Zakat Due	Compliance with Regulatory Requirements Issued by Relevant Authorities
Income Tax	1,087	86	Statutory Income Tax Due	
General Organization for Social Insurance (GOSI)	2,423	197	Social Insurance Contributions	
Visa and Passport Fees	27	-	Government Fees for Issuance of Visas and Passport Services	
Labor Office Fees	179	-	Government Fees for Work Permits	

Thirteenth: Related Party Transactions (SAR '000)

Related Party Name	Nature of Transaction or Contract	Transaction or Contract Amount	Transaction or Contract Duration	Transaction or Contract Terms	Board Member / Executive Management or Any Related Person Involved
Shareholders' Operations					
Bank AlJazira	Profits from Investments Held with the Bank	1,473	Annual	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan Naif Al-Abdulkareem
Bank AlJazira	Participation in Sukuk Auction	14,364	Indefinite	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan Naif Al-Abdulkareem
Bank AlJazira	Profits from Sukuk Investments	2,999	Indefinite	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan Naif Al-Abdulkareem
Bank AlJazira	Profits from Statutory Deposit Investments	3,484	Three Years	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan
Bank AlJazira	Deposit in Term Deposits	100,000	Annual	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan Naif Al-Abdulkareem
AlJazira Capital	Investment Custody Fees	402	Indefinite	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan Naif Al-Abdulkareem Naif Al-Mesned
Insurance Operations					
Bank AlJazira	Gross Written Premiums (GWP)	73,503	Annual	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan Naif Al-Abdulkareem
Bank AlJazira	Claims Paid	26,505	Indefinite	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan Naif Al-Abdulkareem
Bank AlJazira	Commission Paid	113	Indefinite	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan Naif Al-Abdulkareem
Bank AlJazira	Profits from Investments Held with the Bank	2,236	Annual	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan Naif Al-Abdulkareem
Bank AlJazira	Investment in Sukuk	19,152	Annual	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan Naif Al-Abdulkareem
Bank AlJazira	Profits from Sukuk Investments	6,089	Annual	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan Naif Al-Abdulkareem
AlJazira Capital	Gross Written Premiums (GWP)	895	Annual	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan Naif Al-Abdulkareem Naif Al-Mesned
AlJazira Capital	Profits from Investments in Investment Funds	12,925	Active Contract	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan Naif Al-Abdulkareem Naif Al-Mesned
Consolidated Brothers Company	Gross Written Premiums (GWP)	569	Annual	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan

Consolidated Brothers Company	Claims Paid	217	Indefinite	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan
Durrah Advanced Development Co	Gross Written Premiums (GWP)	2,567	Annual	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan
Durrah Advanced Development Co	Claims Paid	14	Indefinite	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan
Sager Nadershah	Gross Written Premiums	8	Annual	Without Preferential Terms or Benefits	Sager Nadershah
Khaled Al-Othman	Gross Written Premiums	36	Annual	Without Preferential Terms or Benefits	Khaled Al-Othman
Ibrahim Al-Sultan	Gross Written Premiums	175	Annual	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan
Ibrahim Al-Sultan	Claims Paid	8	Indefinite	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan
Yahya Al-Mansour	Gross Written Premiums	20	Annual	Without Preferential Terms or Benefits	Yahya Saleh Mohsen Al-Mansour
Yahya Al-Mansour	Claims Paid	113	Indefinite	Without Preferential Terms or Benefits	Yahya Al-Mansour
Board of Directors and Senior Executives	Gross Written Premiums (GWP) for Liability Insurance	200	Annual	Without Preferential Terms or Benefits	Board of Directors and Senior Executives

Amounts Due from / to Related Parties as of December 31, 2024

The Company engaged in the transactions listed below with related parties during the fiscal year ending on December 31, 2024:

Related Party	Nature of Transaction	Duration	Transaction Amount	Transaction or Contract Terms	Board Member / Executive Management or Any Related Person Involved
			(SAR '000)		
AlJazira Capital	Investment Account Balance	Indefinite	6,182	Without Preferential Terms or Benefits	Abdulmajeed Al-Sultan Naif Al-Abdulkareem Naif Al-Mesned
Bank AlJazira	Receivable Subscriptions	annual	2,782		Abdulmajeed Al-Sultan Naif Al-Abdulkareem
Bank AlJazira	Outstanding Claims	Indefinite	29,683		Abdulmajeed Al-Sultan Naif Al-Abdulkareem
Yahya Al-Mansour	Outstanding Claims	Indefinite	14	Without Preferential Terms or Benefits	Yahya Al-Mansour

Fourteenth: Dividend Distribution Policy

As per the Company's Articles of Association, shareholders shall be entitled to receive dividends as resolved by the General Assembly. The resolution shall specify the record date and the distribution date, with entitlement granted to shareholders registered in the Company's shareholder register at the close of the designated record date. The Company shall promptly notify the Capital Market Authority of any resolutions or recommendations regarding dividend distribution. The disbursement of dividends shall be executed at the time and place determined by the Board of Directors, in compliance with applicable regulations issued



by the relevant regulatory authorities and subject to obtaining prior written approval from the Saudi Central Bank.

Upon approval, dividends shall be allocated and distributed as follows:

1. Deducting zakat and applicable income tax.
2. Allocating 20% of net profits to the statutory reserve, with the Ordinary General Assembly having the discretion to discontinue such allocation once the reserve equals the total paid-up capital.
3. Subject to the recommendation of the Board of Directors, the Ordinary General Assembly may allocate a percentage of net annual profits to establish an additional reserve for specific purposes as determined by the General Assembly.
4. A first dividend installment of no less than 5% of the paid-up capital shall be distributed to shareholders from the remaining profits.
5. The residual amount shall either be distributed as additional dividends to shareholders or transferred to retained earnings.
6. The Board of Directors may, by resolution, approve the distribution of interim dividends, deducted from the annual distributable profits as outlined in paragraph (4) of this Article, in accordance with applicable regulatory provisions issued by the relevant authorities.

Dividends for Fiscal Year 2024		Proposed Dividend at Year-End	Total Dividends
Distribution Date	October 8, 2024		
Dividend Yield	3%		
Total Payout (Thousand SAR)	19,800		

Fifteenth: Board of Directors' Declarations

The Board of Directors, to the best of its knowledge and in all material respects, hereby certifies the following to shareholders and related parties:

- a) The Company's financial records have been properly maintained in accordance with applicable accounting standards.
- b) The internal control framework has been designed on sound governance principles and has been effectively implemented.
- c) There are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.
- d) The Company has not received any notifications during the last fiscal year, pursuant to Article 45 of the Listing Rules and Registration Rules, regarding any beneficial ownership interests in voting shares held by individuals other than Board members and senior executives.
- e) The Company has not incurred any borrowings during the reporting period, and no outstanding debt obligations exist.
- f) No convertible debt instruments, contractual securities, warrants, or similar rights have been issued or granted during the period.
- g) No issuance or grant of convertible debt instruments, contractual securities, warrants, or similar rights has occurred during the reporting period.
- h) The Company has not redeemed, repurchased, or canceled any redeemable debt instruments during the period.
- i) No instances of conflicts of interest have arisen during the period.
- j) The Company does not have any subsidiaries.
- k) No arrangements or agreements exist whereby any shareholder has waived their right to receive dividends.

- l) No arrangements or agreements exist whereby any Board member or senior executive has waived their salary, compensation, or entitlements.
- m) No penalties or precautionary restrictions have been imposed on any Board member by any judicial, regulatory, or supervisory authority in connection with the Company during the year.
- n) No recommendations from the Audit Committee have conflicted with Board resolutions regarding the appointment of the Company's internal or external auditors for the previous fiscal year.
- o) No reservations have been expressed regarding the Company's financial statements for the previous fiscal year.
- p) No recommendations have been made by the Board of Directors to change the Company's external auditors for the previous fiscal year.
- q) No Board member has engaged in any business activities that compete with the Company's core operations.
- r) No related-party transactions have been executed during the period.

Sixteenth: Conclusion

The Board of Directors of AlJazira Takaful Taawuni extends its sincere appreciation to the Company's shareholders and clients for their unwavering confidence and continued support. The Board also expresses its gratitude to the Company's employees for their dedication and contributions throughout the past year. We remain committed to delivering sustainable growth and value creation and look forward to further success in the years ahead.



الجزيرة تكافل

ALJAZIRA TAKAFUL