

# United Cooperative Assurance Company

Board of Directors Annual Report
For the year 2024

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# Preample and introduction to the company

The Board of Directors of the United Cooperative Assurance Company is pleased to present to the shareholders of the company the annual report for the fiscal year ending on 31 December 2024, which includes the results of insurance operations and shareholders' accounts, in addition to comparing them with the results of the previous year and other periods, accompanied by audited financial statements and related notes.

The report took into account the most important activities and developments completed by the company during the year 2024 and the disclosures required of it in accordance with the applicable cooperative insurance regulations and regulations, and the disclosure requirements stipulated in the Insurance Companies Governance Regulations issued by the Insurance Authority and the Corporate Governance Regulations issued by the Capital Market Authority to enable shareholders to evaluate the company's assets, liabilities and financial position clearly and correctly.

## Company Profile

The United Cooperative Assurance Company (UCA) is a Saudi public shareholding company registered in the Kingdom of Saudi Arabia and listed on the Saudi Stock Exchange, and was established under the Council of Ministers Resolution No. 94 dated 14/3/1428H and based on Royal Decree No. M/24 dated 15/3/1428H. The company carries out its business under Commercial Registration No. 4030179955 dated 6/6/1429 AH, where the company had started its activities in the Kingdom in 2008 with a capital of (200) million Saudi riyals, while its current capital is (400) million Saudi riyals divided into (40) million ordinary shares, and the nominal value of each share is 10 Saudi riyals.The company is working under the supervision of the Insurance Authority in the Kingdom of Saudi Arabia and adheres to and complies with all regulations issued by the Insurance Authority governing the insurance sector.

The main objectives of the company, as included in the provisions of its articles of association, are the work and services of cooperative insurance and all related products and activities, where the company has the right to carry out all the necessary work to achieve its objectives, whether in the field of insurance or investing its funds, as well as its right to own, transfer, sell, replace or lease fixed and cash funds directly or through the companies it establishes or buys, or in partnership with other parties. The Company is also entitled to own, have an interest or participate in any way with entities that carry out activities similar to its business or financing activities or that assist it in achieving its objectives, as well as its right to merge with or purchase such bodies.

The company conducts its business from its headquarters in Riyadh and through its departments, business sectors and branches spread in the Kingdom of Saudi Arabia mentioned below, and the company does not have any branches, departments or subsidiaries operating outside the Kingdom of Saudi Arabia.

## Company Offices

**Headquarters – Riyadh**
**King Fahd Road - Al-Murooj District - Riyadh - 12264 – Bin Saeedan Tower**

**Western Region Regional Administration Office – Jeddah**

**Prince Saud Al Faisal Street (formerly Al Rawdah) - Al Khalidiya Dist - Al Mukmal Tower** (2)

**Eastern Region Regional Administration Office – Dammam City**
**Al-Safa Dist. - Dammam - 3576 - Al-Ithar Tower**

**Claims Center - Dammam**
**Abu Hadriyah Street - King Fahd Suburb - Dammam - 9312 - Jawharat Exhibition Building**

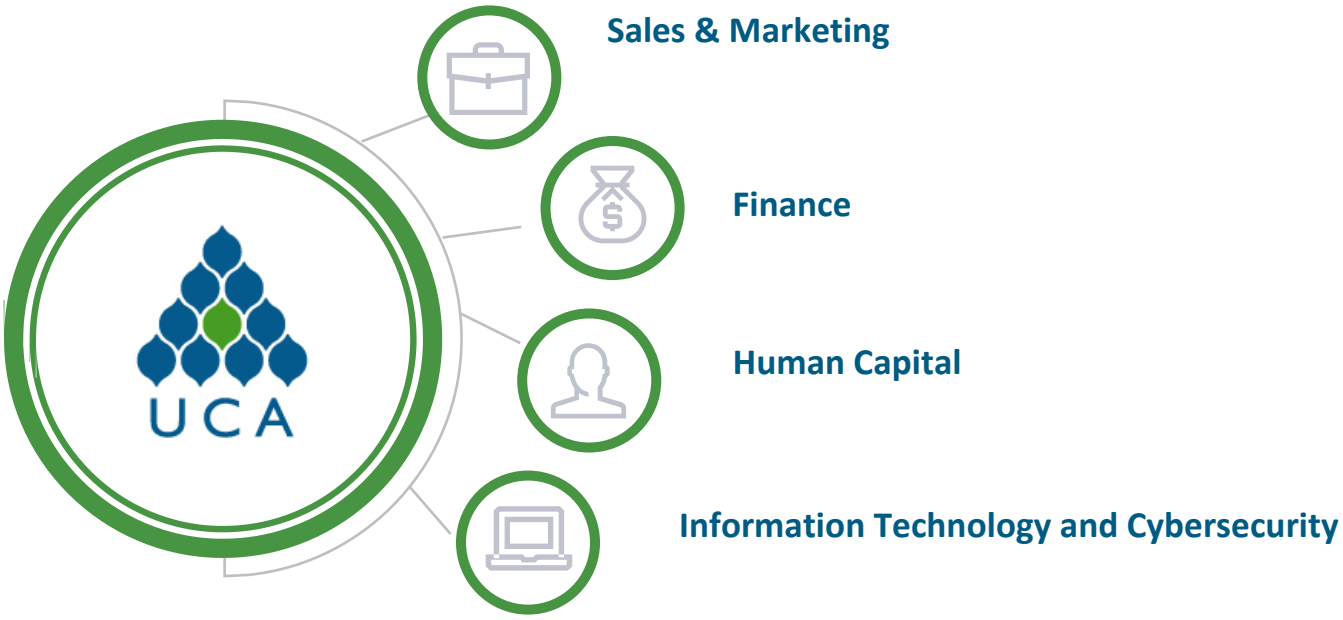
## 2. Company Strategy

The strategy of the United Cooperative Assurance Company is launched on investing the promising opportunities in the Saudi market in light of the developments in the insurance market in the Kingdom of Saudi Arabia and based on the visions on which the Kingdom's Vision 2030 and national transformation programs were based, and the company is keen to work to harness all available capabilities and resources to achieve the aspects of its strategy supported by a team with skill and experience accumulated in various Insurance fields, supported by a number of distinguished insurance products that are consistent with the market need in the fields of general insurance, energy, medical, automotive, engineering and others, which are marketed through multiple direct and indirect sales channels in line with the digital and technical change witnessed by the Kingdom.

The company's strategy for the next five years, which was approved by the Board of Directors, depends on keeping pace with the fundamental changes in the Saudi market, which contributes to supporting the tributaries of the national economy and serving the Saudi society, and the United Company looks forward to broad horizons that include the company being among the pioneers of the insurance industry in the local market through excellence in innovating the products needed by the market as well as in providing services to its customers and dealers, with the relentless pursuit of providing technical solutions to facilitate the provision of its services, and in a way that enables the company to achieve Sustainable growth and financial results reflected in satisfactory profits for its shareholders.

The company implements a highly efficient and performative information system that connects the company's head office with its branches spread, and the company develops this system from time to time to accommodate its plans permanently and continuously. The company's management also focused on adopting that system in day-to-day transactions with various internal departments and external bodies on electronic transactions and reducing non-electronic transactions as much as possible.

During this year, the management of United Cooperative Assurance Company has been keen to actively work towards positioning the company among the elite insurance companies in the Kingdom of Saudi Arabia by focusing on the following four functional areas of business management:




## Sales & Marketing

The company has actively activated its sales and marketing activities during the year 2024, especially indirect selling through direct and indirect media and technical platforms, in an effort to achieve a number of key initiatives initiated by the company within a clear plan for outputs and timetable, in support of the company's strategy, including:

- Enhance United Cooperative Assurance's sales/service offerings, develop workflow standards, policies and procedures to ensure maximum levels of perseverance related to all existing customer base
- Enhance the product management/development capabilities of United Cooperative Assurance with the aim of creating a list of diversified insurance products to support organic growth and targeted perseverance levels
- Identify and promote client/channel category initiatives and create opportunities in line with standard principles

During the year 2024, the Board of Directors of United Cooperative Assurance Company continued to work on the previously adopted digital transformation strategy, which allowed the company to facilitate electronic sales operations, and accordingly, the transition was made from traditional points of sale, where market penetration was enhanced and better customer reach.

The executive management of United Cooperative Assurance Company evaluates and studies the market in a comprehensive way to spread through modern model mixed points of sale that provide a basket of services such as sales and claims and provide the beneficiary with the option of traditional or digital sale of several products according to his choice, after taking the necessary approvals from the regulatory authorities.

## Finance

The company's financial department continued its ambitious plan towards investing in enhancing financial management capabilities by acquiring expert skills, defining management policies and procedures, and investing in advanced financing platforms (ERP).

## Human Capital

The company continued to work towards the development of the work environment. During the year, the company attracted a number of national youth competencies and energies in line with the vision of the Kingdom of Saudi Arabia 2030, and the company was keen to work to develop their skills through intensive training programs, in addition to seeking to empower women cadres in society and raise the Saudization rate, which reached 90% of the company's total employees by the end of 2024.

Out of the company's keenness to attract and develop young leaders, the company continued during the year 2024 to work on implementing the "Future Leaders" program, which aims to attract a group of graduates of Saudi universities and abroad so that they are trained in an intensive training program that includes all sectors of the insurance business to be enrolled after completing the program to work in the company.

Another aspect that United Company has sought to achieve with the aim of creating an attractive work environment is to encourage the active participation of employees and communicate with them continuously at all levels of the company, by providing multiple ways for employees to share their opinions, ideas, visions and suggestions.

## Information Technology and Cybersecurity

In recognition of the opportunities and challenges posed by today's globalized economy, and to ensure the company's sustainable contribution to Saudi Arabia's Vision 2030, the company has invested heavily in enhancing and securing its digital space, and accordingly, a range of digital transformation projects have been launched along with cybersecurity projects to ensure first-class customer service and ensure data privacy.

The company's endeavors in the field of information technology and cybersecurity have already been recognized, as the company was awarded the most innovative electronic platform in the Kingdom of Saudi Arabia presented by "Global Business Outlook" and the company was honored during the Middle East Technology Excellence Ceremony. The company also received the Middle East Technology Excellence Award in the eServices category (General Insurance) for its unified electronic platform and mobile application that provides a great customer experience and innovative design to cover the entire customer journey. The company received a certificate of honor for the 2023 digital initiative. The Head of Cybersecurity also received the 2023 Cyber Security Manager of the Year award from GEC Media & Leap Media. In addition, the Chief Cybersecurity Officer also received the Impactful Leader in Cybersecurity Award from LinkShadow, a leader in cybersecurity technologies. and the CS030 Award presented by International Data Corporation (IDC) and Foundry. As well as the Cyber Sentinels Award 2024 Presented by the UAE Cybersecurity Council, in recognition of its outstanding efforts in developing and promoting cybersecurity strategies.

Finally, the company's Cybersecurity Department received the ISO 27001 certification in recognition of its commitment to applying the highest international standards and requirements in the field of cybersecurity.

These efforts have directly contributed to the company's implicit and explicit gains to further the company's strategy which is based on driving organic growth through capacity enhancement, digital transformation, and financial restructuring. UCA's management has taken key strategic initiatives in line with the company's strategy to ensure adequate market share and retention levels are properly obtained, while adhering to applicable regulatory requirements.

The company carefully planned the initiatives with a forward-looking approach, to prepare the company for the final transformation of the regulatory landscape of the insurance sector in Saudi Arabia, and the resulting business mix witnessed by the company during the fiscal year 2024 was a product based on careful planning to ensure the company's long-term growth goals. As a result, management has enhanced its future expectations by seeking to increase its capital, and the desire to acquire or merge with other entities to enhance its market share and strengthen its business.

# 3. General developments during the fiscal year ending 31 December 2024

## General developments:

### Aligning the company 's business and activities with Sharia rules and regulations:

In the desire of the United Cooperative Assurance Company to harmonize its business and activities with the Sharia controls and rules for Islamic financial institutions issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), the company has appointed during the year 2023 the "Sharia Review Bureau" to carry out the review and evaluation work for the company's activities, business and products to ensure their compliance with Sharia controls and rules, and the company has completed the alignment of its work and business and took into account the announcement at Tadawul website on 16 Rabi' al-Awwal 1446H corresponding to 19 September 2024.

### Important developments related to the Council of Health Insurance:

During the year 2024, the company received from the General Secretariat of the Council of Health Insurance on 04 Shaaban 1445H corresponding to February 14, 2024 , a notice including the renewal of the company's qualification with the Council of Health Insurance for a period of one year, starting from February 16, 2024 until February 15, 2025.

### Harmonization of the provisions of the Articles of Association in accordance with the amendments to the Companies Law :

In the desire of the company to harmonize the provisions of its articles of association with the amendments included in the Companies Law, the company took into account during the year 2023 the review and amendment of the provisions of the articles of association, which were approved at the extraordinary general assembly meeting held on 21 Jumada Al-Awwal 1445H corresponding to 05 December 2023. During the year 2024, the company conducted a comprehensive review of the articles of its articles of association, and some articles will be amended in line with the establishment of the Insurance Authority, and amendments to the articles of the Bylaws will be submitted to the Extraordinary General Assembly that will be held in the first half of 2025.

## The strategic agreements concluded with the company's most prominent clients:

During the year 2024, the company concluded a number of strategic agreements with a number of its most prominent customers, including insurance coverage agreements for multiple projects for several sectors that includes energy, engineering, medical, automotive and others.

## The company's capital :

In the desire of United Cooperative Assurance Company to support its future plans and the company's solvency margin, the Board of Directors had issued its recommendation to adjust the company's capital by reducing it from SAR 400 million to SAR 300 million, and the recommendation of the Board of Directors was announced at Tadawul website on 08 Jumada Al-Akhirah 1446H corresponding to 09 December 2024, provided that the company obtains the approval of the Insurance Authority, the Capital Market Authority and other relevant regulatory authorities, in addition to the approval of the extraordinary general assembly of the company.

## 4. Description of the main types of activities, plans, decisions and future expectations of the company's business:

The company carries out insurance activity within the Kingdom of Saudi Arabia, and its business includes the following activities:



### Motor Insurance

includes insurance coverage programs for vehicles, third-party liability insurance and insurance for foreign properties transiting the territory of the Kingdom of Saudi Arabia.



### Health Insurance

includes providing health insurance programs for groups in line with the needs of the market and in line with the requirements of the Council of Cooperative Health Insurance.



### General Insurance

includes a number of general insurance products that include (property insurance , engineering insurance, investigation, general accident, marine insurance, medical error insurance).

## 5. Future Aspirations:

The United Cooperative Assurance Company closely follows the most important changes affecting the local and international markets and is keen to harmonize its plans with the directions of the Kingdom's Vision 2030 and the programs and projects of the national transformation.

The United Company shows the desire and determination to compete and succeed in the field of providing insurance products to the market as a whole and to serve the business community in the Kingdom of Saudi Arabia, and the vision of the United Cooperative Assurance Company crystallizes in the relentless pursuit of being "the most innovative, professional and sustainable insurance company in the Kingdom", and the United Cooperative Assurance Company seeks to achieve its vision by focusing on the strengths of its resources through:

- Create an environment that substantially promotes the development of young Saudi insurance employees
- Develop leading flexible platforms designed to meet our customers' needs and needs
- Strengthen partnerships with global regulators, brokers and reinsurers
- Establish sustainable and transparent business practices.

To achieve this, UCA seeks to better improve its competitive position by placing a strong emphasis on offering the right service and products at competitive prices and ensuring that the overall customer experience is successful, in addition to enhancing its underwriting risk targeting.

The UCA's management also seeks to provide optimal technical prices in various productive sectors by taking into account the recommendations of actuaries, and ensuring the recruitment of experienced and efficient technicians in the field of insurance and reinsurance to increase production objectives and market share.

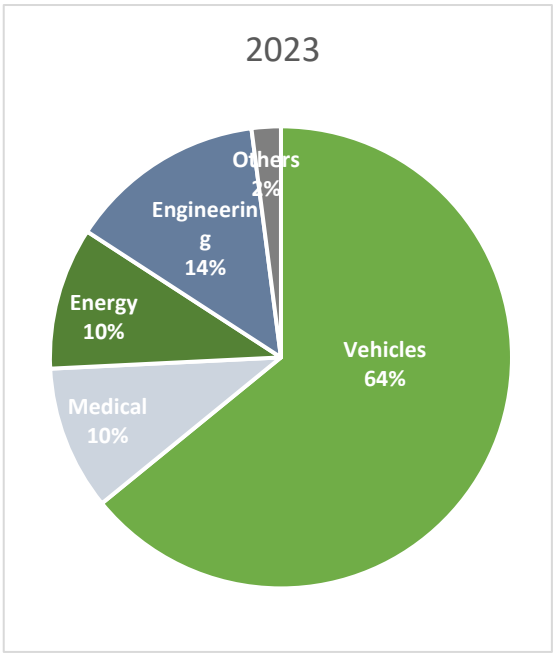
# 6. The most prominent financial axes:

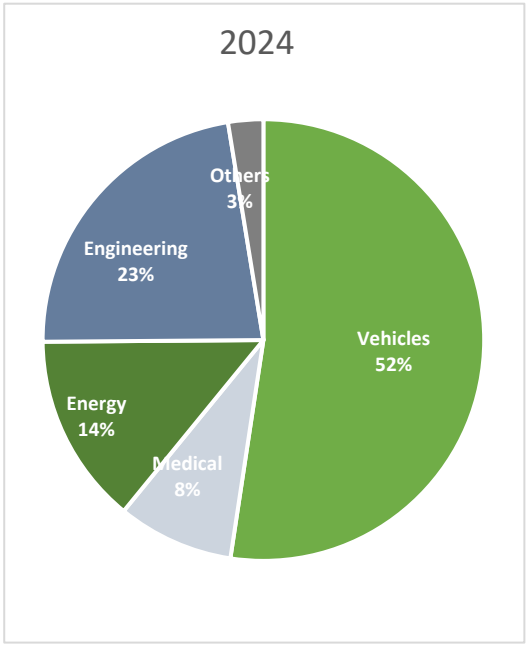
## 6.1 The main insurance business of the company

The total written premiums at the end of December 31, 2024 amounted to SAR 1,156,692 thousand in each of the following insurance branches (vehicles, engineering, energy, medical, other).

All numbers are in (thousand) Saudi riyals

| Total written premiums for 2023 | Total Written Premiums for 2024 | Insurance Line |
|---|---|---|
| 660,016 | 606,032 | Vehicles |
| 104,038 | 98,446 | Medical |
| 102,363 | 161,657 | Energy |
| 141,971 | 260,826 | Engineering |
| 21,032 | 29,731 | Property & Accident Insurance |
| **1,029,420** | **1,156,692** | **Total** |



## 6.2Geographical distribution of written premiums:

The company operates in the Kingdom of Saudi Arabia only. The following is the data on gross written premiums by geographical sector for the different reporting periods for the past five years.

All numbers are in (thousand) Saudi riyals

| 2020 | 2021 | 2022 | 2023 | 2024 | Geographical Sectors |
|---|---|---|---|---|---|
| 407,671 | 273,760 | 535,018 | 517,632 | 646,729 | Western Region |
| 120,598 | 104,678 | 180,936 | 286,319 | 279,431 | Central Region |
| 21,228 | 25,363 | 72,289 | 123,004 | 115,457 | Eastern Province |
| 67,364 | 5,955 | 33,601 | 102,465 | 115,075 | Others - Within the Kingdom |
| **616,861** | **409,756** | **821,844** | **1,029,420** | **1,156,692** | **Total** |

## 6.3 Financial Indicators:

The financial results of United Cooperative Assurance Company for the fiscal year ended on 31/12/2024 compared to the results of the previous year ended on 31/12/2023.

Insurance income for the current year was SAR 1,049,578 thousand, compared to SAR 1,061,771 thousand in the previous year, a decrease of 1%, which was driven by patterns of earned revenue.

The net loss before zakat for the current year was SAR 11,055 thousand, compared to a net profit of SAR 9,562 thousand in the previous year.

The net loss after zakat for the current year was SAR 15,055 thousand, compared to a net profit after zakat of SAR 5,292 thousand in the previous year. This shift is mainly due to the following factors:

- The net results of insurance services for the current year reached SAR 266,442 thousand, compared to SAR 436,449 thousand in the previous year, a decrease of 39%, due to an increase in insurance services expenses by 25% driven by business growth.
- Other income related to the share of the surplus from the coinsurance portfolio was SAR 246 thousand, compared to SAR 13,833 thousand in the previous year, reflecting a decrease of 98%

Net investment results for the current year were SAR 14,563 thousand, an increase of 43% compared to SAR 10,154 thousand in the previous year. This improvement is mainly due to higher investment returns. Total comprehensive income for the current year was SAR 3,159 thousand, recording a decrease of 65% compared to SAR 9,004 thousand in the previous year.

Total written premiums (GWP) for the current year were SAR 1,156,692 thousand, reflecting an increase of 12% compared to SAR 1,029,420 thousand in the previous year.

The loss per share after zakat and income tax during the current year was SAR 0.38 compared to earnings per share of SAR 0.13 for the previous year.

The earnings/loss per share after zakat and income tax have been calculated, zakat and income tax for the period ending on 31-12-2024 (twelve months) is estimated at SAR 4 million, and zakat and income tax for the period ending on 31-12-2023 (twelve months) is estimated at SAR 4.2 million.

Total shareholders' equity at the end of the current year reached SAR 268,314 thousand, an increase of 1% compared to SAR 265,155 thousand at the end of the previous year.

The accumulated losses for the period ending on 31-12-2024 amounted to SAR 195.617 thousand, representing 48.90% of the company's paid-up capital of SAR 400 million, based on the annual financial statements ending on 31-12-2024. The company will continue to apply the procedures and instructions for companies whose shares are listed on the Saudi Stock Exchange whose accumulated losses have reached 35% or more and not more than 50% of their capital.

## 6.4 Statutory Reserve:

In accordance with the requirements of the insurance law and regulations in the Kingdom of Saudi Arabia, 20% of the net income from shareholders' operations must be set aside as a statutory reserve until this reserve reaches 100% of the capital. Due to the company's accumulation of losses at the end of the year, no transfer to the statutory reserve was made during the year. This reserve is not distributable to shareholders until the liquidation of the company.

The Company's authorized, subscribed and paid up capital as at 31 December 2024 amounted to SAR 400,000,000, divided into 40,000,000 shares with a nominal value of SAR (10) per share.

## 6.5 Dividend Policy:

The general framework of the company's policy regarding the distribution of dividends is based on the text of Article (44) of the company's articles of association, which states that "shareholders shall be entitled to their share in profits in accordance with the resolution of the General Assembly taken in this regard. This decision must specify the due date and distribution date. Shareholders registered in the shareholders' register shall be entitled to receive their dividends by the end of their due day. The Company shall inform the Capital Market Authority without delay of any decisions to distribute or recommend dividends, and shall pay the dividends to be distributed to the shareholders at the place and time determined by the Board of Directors, in accordance with the instructions issued. from the competent authority, subject to the prior written approval of the Saudi Central Bank."

Article (43) of the Company's Articles of Association stipulates that in the event that the company achieves profits:

1. Zakat and the prescribed income tax are set aside.
2. (20%) of the net profits shall be set aside to form a statutory reserve. The Ordinary General Assembly may suspend this deduction when the total reserve reaches 100% of the paid-up capital.
3. In determining the net dividends, the Ordinary General Assembly may decide to establish other reserves, to the extent that it is in the interest of the Company or ensures the distribution of fixed profits as much as possible to the shareholders.
4. The company's annual net profits determined by the company shall be distributed after deducting all general expenses and other costs, and the formation of reserves necessary to meet doubtful debts, investment losses and contingent liabilities that the Board of Directors deems necessary in accordance with the provisions of the Cooperative Insurance Companies Control Law and the provisions issued by the Insurance Authority, and the rest of the profits shall be allocated after deducting the reserves prescribed under the relevant regulations and zakat at a rate of not less than 5%. of the paid-up capital to be distributed to shareholders as proposed by the Board of Directors and decided by the General Assembly. If the remaining percentage of dividends due to shareholders is insufficient to pay this percentage, shareholders may not demand payment in the following year or years. The General Assembly may not decide to distribute a percentage of the profits proposed by the Board of Directors.

During the year 2024, the company did not distribute any dividends to shareholders.

## 6.6 Accounting Standards:

The company maintains books of accounts and records in an accurate and regular manner, and the company takes into account the preparation of financial statements in accordance with the requirements of the Insurance Authority (IA) and the Capital Market Authority, where the financial statements are prepared in accordance with the International Financial Reporting Standards, where the company adheres to the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia, as well as other standards and declarations approved by the Saudi Organization for Certified Public Accountants ("SOCPA") (referred to as "(International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia)".

The Company has implemented IFRS 17 - Insurance Contracts ("IFRS 17") and IFRS 9 – Financial Instruments ("IFRS 9") adopted in the Kingdom of Saudi Arabia as of January 1, 2023 and the resulting changes in terms of significant accounting provisions, estimates and policies have been disclosed and clarified about the impact of the application and cumulative effects on the financial statements ended 31 December 2024.

## 6.7 Appointment of the Company's Auditors:

The Company's external auditors are responsible for auditing the quarterly and annual financial statements, and the Company's General Assembly held on 27 Dhu al-Qa'dah 1445H corresponding to 04 June 2024 approved the recommendation of the Audit Committee to appoint Ibrahim Ahmed Al-Bassam & Partners (PKF) and Al-Azm, Al-Sudairy and Al-Sheikh and their partners as external auditors of the Company's accounts for the financial year ending 31 December 2024 and the first quarter of 2025.

## 6.8 Zakat, Income Tax and Statutory Payments:

The statutory payments due by the company in the year 2024 consist mostly of due zakat and taxes, and the amounts due to the Saudi Central Bank / Insurance Authority and the General Organization for Social Insurance in exchange for insurance contributions for employees, and the following table shows the data of those payments:

All numbers are in (thousand) Saudi riyals

| 2023 | 2024 | Profile | Entity |
|---|---|---|---|
| 13,867 | 13,929 | Cumulative Reserve | General Authority of Zakat and Tax |
| 1,000 | 984 | Subscription Fee (Paid) | Council of Cooperative Health Insurance |
| 5,030 | 5,674 | Supervision and control fees (paid) | Saudi Central Bank/Insurance Authority |
| 3,755 | 4,066 | The company's share in the subscription payments of the company's employees | Social Insurance |
| 518 | 444 | | Visa, residence permits and related services |
| 475 | 416 | Subscription Fee (Paid) | (Tadawul) |

## 6.9 Zakat and tax status:

Zakat is applied to 100% of shareholders, and the company has submitted its returns to the Zakat, Tax and Customs Authority for the years ending from December 31, 2009 to 2022 and obtained Zakat and restricted tax certificates.

### Link for the years 2005, 2006, 2007 and 2008

During the year 2017, the Company received the Zakat assessment for the years 2005 to 2008 from the Zakat, Tax and Customs Authority (the "Authority") in respect of insurance operations transferred from United Cooperative Insurance Company Bahrain B.S.C., which claims a Zakat commitment of SAR 6.01 million and a withholding tax obligation of SAR 16.09 million. The management has lodged an objection to the above assessments and is confident of receiving a positive judgment in its favor. However, the company issued a bank guarantee in favor of the Authority in the amount of SAR 22.09 million (2021: SAR 22.09 million) against these assessments. Management believes that any additional liability as a result of such linkage will ultimately be charged to the shareholders of UCA Insurance Bahrain B.S.C.

### Assessments for the years 2009 - 2011

The company submitted its Zakat/Tax returns for the years ending 31 December 2009 to 2011 and obtained the necessary Zakat/Tax certificates. The Zakat, Tax and Customs Authority issued the amended assessment based on the decision of the Preliminary Objection Committee and demanded Zakat, additional tax and withholding tax in a total amount of SAR 27.1 million. The company has terminated the status of Zakat, Taxes and withholding tax for the mentioned years.

### Assessments for the years 2012 and 2013

The company submitted Zakat and tax returns for the fiscal years ending December 31, 2012 and 2013, and obtained the relevant zakat and tax certificates. The Zakat, Tax and Customs Authority (ZATCA) issued an assessment for these two fiscal years, claiming additional amounts for Zakat and Income Tax in a total amount of SAR 15.84 million. The company has actively pursued a final settlement with the Dispute Resolution Committee (DRC)., which agreed to the company's offer to settle liabilities in the amount of SAR 10.93 million. After the end of the year, the company began to repay the agreed amount through monthly payments over a full year in accordance with the agreed settlement terms.

### Assessmentst for the years 2014 and 2020

The company submitted Zakat and tax returns for the fiscal years ending on December 31, 2014 until 2020, and obtained the necessary zakat and tax certificates. The Zakat, Tax and Customs Authority has completed the study of Zakat and tax returns for those years, and they were considered closed and there are no outstanding claims for them.

### Assessmentg for the years 2021 and 2022

The company submitted Zakat and tax returns for the fiscal years ending on December 31, 2021 and 2022, and received the necessary certificates from the Authority. The Zakat, Tax and Customs Authority issued an assessment for these two periods, which showed a total credit balance in favor of the company of SAR 0.39 million, as a result of deducting the value of government sukuk. The company agreed with this assessment, and the case is closed.

## Reviewed year 2023

The company submitted its Zakat declaration for the fiscal year ending on December 31, 2023, and obtained the required Zakat and tax certificates. The Authority is currently studying the Zakat declaration for this year, and no valuation has been issued until the date of preparing the financial statements.

## VAT Assessment

On 25 August 2020, the company received an additional basic VAT payment from the Authority for the payment of additional basic VAT of SAR 12.28 million for the years 2018 and 2019 in addition to additional fines of SAR 20.25 million for those years. In order to avoid incurring additional fines, the company paid the basic VAT on October 28, 2020 without prejudice to its position and objected to the items issued for valuation. On February 20, 2021, the company filed an appeal with the General Secretariat of Tax Committees against the Authority's decision, which the management is confident will achieve with a positive result. The disputed items are zero-rated resources, self-billing, and reinsurance commission.

The SAR 20.25 million in fines for the years 2018 and 2019 were lifted after the company benefited from the Authority's initiative to stabilize the economy and strengthen the private sector. The company calculated a provision for VAT on zero-rated resources. For other disputed items, the Company is confident that they will be recovered by claiming input into the VAT return and from reinsurers.

## 7. Subsidiaries and their main activity:

The United Cooperative Assurance Company carries out its activity in the Kingdom of Saudi Arabia only, and it has no activity outside it, and there are no subsidiaries either inside or outside the Kingdom, except for its contribution to Najm Insurance Services Company, which we provide a summary of as follows:

| | |
|---|---|
| Najm Insurance Services Company | Company Name |
| Closed Joint Stock Company | Legal Form |
| Saudi Arabia | State of incorporation |
| Saudi Arabia | The country where the main operations activity is |
| 200,000,000 SAR | Money capital |
| 3.45% | United Cooperative Assurance Company's share in capital ownership |

# 8. Risk Management:

The United Cooperative Assurance Company has adopted a robust, transparent and prudent approach to risk management in general, and has invested in building an infrastructure that enables it to identify, evaluate, measure and control potential risks it faces on a large scale.

As a key risk management measure, the company continues to closely monitor the main and emerging risks that are expected to arise and threaten the global economies and the local market, and the following is a statement of the most prominent risks and methods of assessing and addressing them:

## 8.1 Current Risks:

The company's risk management has adopted a comprehensive strategy to understand and manage the various types of risks resulting from its activities. This also has a role in identifying and addressing current risks and developing a plan to face the expected risks and mitigate their impact.

The Company's Risk Department aims to monitor the Company's financial and non-financial risks, including actuarial risk, business management risk, counterparty default risk, market risk, underwriting risk, operational risk, control risk, regulatory risk and risk, anti-money laundering and strategic risk. The Department also aims to ensure compliance with the laws and regulations in force through the following:

- Develop, review and monitor a risk appetite framework, which includes key financial and non-financial risk indicators.
- Updating the company's records and mechanisms.
- Develop and strengthen risk management policies, frameworks and methodology.
- Building and increasing a culture of risk management and awareness.
- Submit reports to senior management and the Risk Committee on the general situation of risks in the company's various departments that may affect its operational operations, to take the necessary measures and submit them to the regulatory authorities.
- Review anti-fraud procedures and policies periodically to ensure compliance with the new regulations issued or any additions to them.
- Compliance with operating standards for various insurance sectors.

## 8.2 Anticipated future risks:

Anticipated future risks are the risks identified and measures taken to prevent or limit the negative impact when it occurs. Among the most prominent expected risks that insurance companies may face during their work, including the United Cooperative Assurance Company, are the following:

- **Risk of infectious disease outbreaks / epidemic risks:**

A pandemic or infectious epidemic that spreads between humans across a large area for six to ten weeks; epidemics can also cause economic damage through multiple channels, including short-term financial shocks and long-term negative shocks to economic growth. Successful planning and response are required in order to mitigate these risks. UCA has updated its Business Continuity Framework and conducted during 2024 (Business Impact Analytics) to assess the potential impacts of these risks.

- **Risks of fraud and financial fraud:**

Fraud is considered one of the most complex crimes because it covers all activities, and its occurrence entails material and moral damage at all levels. Therefore, the company is interested in developing plans and strategies to avoid these risks in coordination with all internal departments. A special unit has been established to combat fraud and financial crimes to counter this threat, and a number of training programs have been conducted for the company's employees.

- **Insurance Risks:**

Risks related to actual claims due to insurance contract holders that may exceed the carrying amount of insurance liabilities. Due to the nature of the insurance contract, estimates may differ from relevant statistics. Therefore, insurance contracts are more similar, the closer the expectations are to the actual loss rate. The United Cooperative Assurance Co has prepared an action plan to mitigate these risks through the development of an IT platform and claims processing system and enhancement/flow of the claims management process.

- **Liquidity Risk:**

Liquidity risk is the difficulty a company may face in providing the liquidity and funds necessary to meet its financial obligations. The management aims to ensure that sufficient liquidity is available to meet any obligations as soon as they arise, as all of the Company's assets are current assets except furniture, office equipment, intangible assets and statutory deposits. In addition, the company has taken into account the investment of a large part of the company's funds in short-term deposits with local banks to face liquidity crises in accordance with the applicable regulations issued by the Insurance Authority.

- **Capital Management Risks** :

Capital risks are determined by the Insurance Authority in order to provide sufficient liquidity in the event of the company's bankruptcy, and the company sets multiple objectives to maintain a balance of capital ratios in order to support the company's objectives and enhance the aspirations of shareholders.

- **Legal Risks:**

It is the risks that arise through the company's legal obligations towards the holders of insurance contracts, such as lawsuits that are filed against the company as a result of third-party claims, and the company evaluates the legal position of any case periodically and permanently and submits it to the Audit Committee and the Board of Directors.

- **Risks of compliance with regulatory requirements:**

It is the risks related to the company's operations being subject to regulatory requirements in Saudi Arabia. These regulations are not only provided for the approval and control of activities, but also impose some restrictive provisions (such as capital adequacy) to reduce the risk of default and insolvency on the part of insurance companies in meeting unforeseen obligations when they arise.The Company's Risk and Compliance departments assess the level of compliance to ensure that the company meets regulatory requirements.

- **Risks of technical and cyber attacks:**

They are the risks that may expose the company to human errors, natural disasters, loss of power, loss of data and customer privacy, or disruptive operations with high costs that negatively affect financial results, and it is worth noting that the United Cooperative Assurance Co has improved and developed a good information technology system and an integrated framework for cybersecurity.

- **Employee turnover risks:**

It is the risk related to the movement of employees and workers in the company within a short period. This movement includes the entry and exit of human cadres to and from the company, which may negatively affect theoverall productivity of the company, and the company takes into account, within the framework of its human resources management strategy, to ensure the attraction, availability and retention of competencies.

- **Reinsurance Risks:**

It is the risk related to allocating part of the insurance company's obligations to reinsurers, in order to reduce the possibility of exposure to financial risks resulting from a large number of claims or high-sum claims. Therefore, one of the most important objectives of Re-Insurance is to increase the insurance company's opportunities for diversification and expansion in the field of business and its ability to grow, and to ensure the stability of the underwriting results. The company minimizes the risk of arising losses, assesses the financial position of its reinsurers , and monitors the concentration of credit risk in specific geographic areas.

## 8.3 Statutory Penalties, Sanctions and Restrictions:

The company confirms its full commitment to comply with the application of all the provisions of the laws, rules and regulations issued by the supervisory and regulatory authorities regulating its work through practicing its daily business, and during the year 2024, a number of regulatory fines were imposed as shown in the table below, which were corrected at the time, according to the following:

| Year 2023 | | Year 2024 | | Subject of the violation |
|---|---|---|---|---|
| Total amount of fines | Number of penal decisions | Total amount of fines | Number of penal decisions | |
| - | - | 860,000 | 4 | Violation of the regulatory instructions of the Insurance Authority |
| - | - | 0 | 0 | Violations of the Insurance Authority's instructions for customer service |
| - | - | 860,000 | 4 | **Total** |

The company, under the guidance of the Audit Committee, took into account the correction of the conditions of violations imposed in the year (2024) by requesting follow-up reports on the status of compliance with regard to the observations monitored by the Insurance Authority, which are related to vehicle insurance, health insurance and corrective measures taken on them.

## 9. Local and international regulatory and supervisory requirements :

In line with local regulatory and supervisory requirements and international standards, the United Cooperative Assurance Company has been keen to take several measures to monitor the implementation of the business in accordance with the instructions of the Insurance Authority, the Capital Market Authority, the Ministry of Commerce, the Council of Health Insurance and the best local and international best practices in this regard.

The Company's Compliance Department plays an effective role to ensure that the Company's aspects of compliance and systems are consistent with the applicable laws and regulations as it is among the three lines of defense to the extent that the United Company can achieve its strategic objectives that have been set and ensure their consistency with regulatory requirements and directives issued by the supervisory authorities.

The company also took into account the work to implement the instructions of the regulatory authorities by setting sustainable controls at the level of the company and its various business sectors, which was greatly reflected in all aspects, including updating the Know Your Customer policy and raising the level of awareness of the company's employees of the risks associated with non-compliance, which was taken into account to be completed through intensive training courses for the company's employees that were held during the year .In addition to reviewing all policies, procedures, products and services, as well as strengthening automated systems to monitor risks related to financial crimes, money laundering and terrorist financing, including bribery and corruption, and conducting frequent reviews to ensure the effectiveness of these policies and procedures to comply with regional and international developments.

In general, the company takes into account compliance with the letter and spirit of all rules and regulations in force in the Kingdom of Saudi Arabia, and the annual compliance plan is submitted to the Audit Committee for approval, while the Compliance Department provides the Committee with quarterly reports on its performance and an annual report that includes all review and evaluation activities conducted.

# 10. Secretariat of the Board of Directors and Governance:

The Secretariat of the Board of Directors of the Company and its sub-committees undertakes the tasks of arranging and organizing the work of the Board and its sub-committees, including preparing, holding meetings, keeping their records, receiving correspondence, documenting decisions related to the work of the Board and its subcommittees, and following up on their implementation.

The Board Secretariat also leads and manages the governance aspects of the company in line with the main governance principles included in the Insurance Companies Governance Regulations issued by the Insurance Authority and the Corporate Governance Regulations issued by the Capital Market Authority.

During the year, the Board Secretariat took into account the review and formulation of the frameworks of the Company's Governance Manual and its complementary policies related to addressing conflicts of interest, disclosure, related party transactions, business competition standards policy, membership procedures and standards, as well as harmonizing the rules of work of the Board of Directors and subcommittees, which include (Executive Committee, Audit Committee, Nomination and Remuneration Committee, Risk Committee, Investment Committee).

## 10.1 : Application of the provisions of the Corporate Governance Regulations:

The United Cooperative Assurance Company recognizes the positive effects of adopting the principles and standards of good governance, which require following professional and ethical standards in the company's dealings, through the application of the principles of disclosure and transparency, which contributes to the blinding and development of the efficiency of the company's work and its relations with stakeholders. The company also believes that following this approach enhances investors' confidence in the company on the one hand and the insurance industry on the other hand, which will reflect positively on the safety of the insurance sector in the Kingdom of Saudi Arabia.

According to the company's disclosure policy, updated information and data related to general assemblies, financial statements, budgets, board report and audit committee report are always provided to shareholders and published on the Saudi Stock Exchange (Tadawul) website and on the company's website.

In compliance with the requirements of the latest organizational governance, the company took into account during the year 2024 to conduct comprehensive reviews to update and harmonize its articles of association, governance manual and related complementary policies, as follows:

### The first aspect: Aligning the articles of association and corporate governance policies:

1. **Harmonization of the Company's Articles of Association:** The company took into account a comprehensive review of the provisions of the articles of association to ensure its consistency with the regulatory developments included in the provisions of the new companies law, and the extraordinary general assembly of the company held on 21 Jumada I 1445H corresponding to 05 December 2023 approved the articles of association in its form compatible with the Companies Law. During the year 2024, the company completed a comprehensive review to ensure the consistency of the system with the changes that included the establishment of the

Insurance Authority, and the amendments to the system will be submitted after Alignment at the Extraordinary General Assembly Meeting scheduled to be held in the first half of 2025.

2. **Harmonization and review of the Board of Directors and its subcommittees Charters:** During the year 2024, the company took into account the harmonization, review and updating of the Board of Directors and its subcommittees charters, which include (Executive Committee, Audit Committee, Nomination and Remuneration Committee, Risk Committee, Investment Committee, Audit Committee) to ensure their consistency with regulatory requirements.
3. **Corporate Governance Policy and Manual:** During the year 2024, the rules and provisions of the company's governance manual were harmonized in line with regulatory requirements.The updated governance policy and manual will be submitted at the General Assembly meeting planned for the first half of 2025.
4. **Complementary Governance Policies:** During the year 2024, the company was keen to formulate and review the harmonization of complementary governance policies that were approved by the company's board of directors, including:

- Disclosure Policy
- Policy governing the relationship with stakeholders
- Procedural Policies and Criteria for Membership in the Board of Directors and its Subcommittees
- Remuneration and compensation policy for the Board of Directors, its sub-committees and the company's employees
- Business Competition Standards Policy

## The second aspect: evaluating the effectiveness of the Board, its members and the activities of the Board's committees :

As stipulated in the supervisory directives contained in the Corporate Governance Regulations, the Corporate Governance Regulations and the Corporate Governance Document of United Cooperative Assurance Co, the Board of Directors of the Company annually evaluates the effectiveness of its members and the size of their participation in its work, whether individually or as a group, as well as the Board subcommittees.

During the fourth quarter of 2024, the company, under the guidance and supervision of the Nomination and Remuneration Committee, took into account the conduct of a general and private evaluations of the Board and the committees for the year 2024, and the evaluation outputs were submitted to the Nomination and Remuneration Committee, which recommended submitting them to the Board.

## The third aspect: training programs directed to the Board of Directors and the committees :

Through the company's approach to enhancing the skills of the members of the Board of Directors and its subcommittees in various aspects of the insurance industry, it has become necessary to design direct and distance training programs that include the current session of the Board from January 2024 to January 2027, and it included training programs designed on the following aspects, some of which were implemented during the year 2024:

- Features of the competencies of the Board of Directors based on the executive regulations
- Strategic planning and its importance in the success of companies
- Risk assessment and management in insurance companies

During the year 2024, several programs were provided to members of the subcommittees, which included:

| Training program offered during the year | Committee |
|---|---|
| • Mechanisms of reward and incentive schemes and how to make them successful<br>• Effectiveness of succession plans for the Board of Directors and Executive Management | Nomination and Remuneration Committee |
| | |
| • The Audit Committee and its role in strengthening governance<br>• Determinants of the Audit Committee's Annual Report<br>• Audit Committee Regulatory Requirements | Audit Committee |
| | |
| • Determinants and mechanisms of business continuity<br>• Mechanisms of operational risk in insurance companies | Risk Committee |

## Fourth aspect: Shareholders' Rights :

Through the relevant supervisory directives and as a general rule, the United Cooperative Assurance Co works to facilitate the exercise of shareholders of all their statutory rights related to the share to the fullest, including facilitating the receipt of proposals and observations about the company and its performance, and the phone number 0122602500 and e-mail Shareholder.affairs@uca.com.sa have been allocated to receive any inquiries from the general shareholders, and the company used to raise any comments received in this regard to the Board of Directors.

In addition, the company has been in accordance with its practices in facilitating the receipt of questions and inquiries of shareholders during the general assembly meetings held during the year 2024 through the Shareholders Affairs Unit.

In general, United Cooperative Assurance Co is committed to all mandatory and guiding provisions and directives contained in the Corporate Governance Regulations issued by the Capital Market Authority, except as described below, so that this commitment is reflected through the inclusion of the requirements of the company's articles of association, its governance document, the work regulations of the Board and its subcommittees, in addition to the company's governance policies and frameworks and the policies of the company.The cell and manuals regulating the work of the various sectors of the company, all of which include proving the rights of shareholders in shares, participating in general assemblies, providing information and data that ensure them to exercise their rights, disclosing financial and non-financial statements, and fully consistent with the requirements of transparency in accordance with the statutory limits, as well as determining the duties of the Board of Directors and the responsibilities of its members and the formation of its various committees:

| Reasons for the company's non-compliance | Requirement | Aritcle |
|---|---|---|
| Although this requirement is indicative, the company has entrusted the tasks of communicating with shareholders and supervising to the Shareholders Affairs Unit within the Compliance and Governance Unit | Appointment of a responsible person for communication with shareholders (Guideline) | 7 Paragraph (4) |
| All members of the Board of Directors are non-executive and independent, so there was no need to hold meetings for independent and non-executive members | Competencies and duties of the Chairman of the Board of Directors - Special meetings for non-executives | 26 Paragraph (8) |
| Although this requirement is indicative, all the evaluations completed during the previous periods, including 2024, of the Board of Directors and its subcommittees were conducted internally by the Company and under the supervision of the Nomination and Remuneration Committee | Competent third party evaluation of the performance of the Board of Directors | 39 Paragraph (e) |
| The Board of Directors and the Nomination and Remuneration Committee, in accordance with their work scope of duties supervise the aspects of the company's governance and ensure compliance with them. | Formation of the Governance Committee (Guideline) | 95 |

## 10.2 Community & Social Engagement:

During the year 2024, the United Cooperative Assurance Co continued to take and contribute to a number of community and humanitarian initiatives as part of its social responsibility axes, in which a number of its employees participated in the cities of (Riyadh, Jeddah, and Dammam).

The company contributed during the year to participate in a number of various community activities through a number of charitable and social associations in the Kingdom, including contributing to blood donation campaigns that were coordinated with a number of hospitals in the Kingdom, in addition to participating In programs for environmental protection.

The company also took into account the full alignment with the Saudization program as part of the Kingdom's Vision 2030, and the Company focused during the year 2024 its efforts in recruiting and training Saudi nationals, so that the rate of Saudi employees in the company increased to reach 90% by the end of the year.

In terms of awareness, the company and its employees participated in several awareness campaigns directly and through social media platforms, including the #Safe_Driving campaign aimed at promoting insurance awareness among vehicle owners and drivers, the #United_for_Support campaign aimed at supporting cancer patients, and participation in general public health awareness programs, school health, family health, cybersecurity, financial literacy, savings, and others. The company also conducted various activities at its headquarters, including National Day celebrations and Foundation Day, to promote awareness of Saudi culture and civilization.

## 11. The meetings of the General Assembly held during the year 2024 and the names of the members of the Board of Directors who attended the meetings were registered:

During the year 2024, the company held one general assembly meeting as follows:

First Meeting: The Ordinary General Assembly Meeting held on 27 Dhu al-Qa'dah 1445H corresponding to 04 June 2024 , which included the following items ;

| | |
|---|---|
| 1. | View and discuss the Board of Directors report for the fiscal year ending on 31 December 2023. |
| 2. | Voting on the report of the Company's auditor for the financial year ending on 31 December 2023 after discussing it. |
| 3. | View and discuss the Financial Statements for the fiscal year ending on 31 December 2023. |
| 4. | Voting on the discharge of the Board of Directors members liabilities for the fiscal year ended on 31 December 2023 |
| 5. | Voting on delegating to the Board of Directors the authorization powers of the General Assembly as stipulated in paragraph (1) of Article 27 of the Companies Law, for a period of one year from the date of approval of the General Assembly or until the end of the delegated Board of Director's term, whichever is earlier, in accordance with the conditions contained in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies. |
| 6. | Voting on the appointment of the Company's External Auditors from among the candidates, based on the Audit Committee's recommendation, to examine, review and audit the financial statements for Q2, Q3 and annual financial statements for the year 2024. As well as Q1 of the year 2025 and determining their fees. |
| 7. | Voting on the Competing Business Standards. |

The company took into account the announcement of the results of the General Assembly meeting on the Saudi Stock Exchange (Tadawul) website on 05 June 2024, as well as on its website.

The table below shows the attendance record of the members of the Board of Directors in the above general assembly meetings:

| Ordinary General Assembly 04/06/2024 | Board Member Name |
|---|---|
| ✓ | Mr. Khalid Hussain Alireza |
| ✓ | Mr. Khalid Ahmed Abdulaziz Al-Hamdan |
| ✓ | Mr. Mohammed Abdullah Al-Yahya |
| ✓ | Mr. Mansour Abdulaziz Al-Saghir |
| ✓ | Mr. Bahauddin Omar Khashoggi |
| ✓ | Mr. Khalid bin Mohammed Al-Qazlan |
| - | Ms. Bodour bint Ibrahim Al-Tuwaijri |

# 12. Notice related to the ownership of the most important shareholders :

During the year 2024, the company did not receive any notifications from the relevant shareholders regarding the change in the percentage of their ownership in the company's shares, as stipulated in the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority, and the tables below include a description of the interests of the major shareholders, members of the board of directors and senior executives of the company or their spouses and minor children in shares or debt instruments:

## 12.1 Description of any interest, option rights and subscription rights of major shareholders:

| Percentage change | Net change | End of year 2024 | | The beginning of the year 2024 | | Name of the person to whom the interest, contractual papers or subscription rights belong |
|---|---|---|---|---|---|---|
| | | Debt Instruments | Number of shares | Debt Instruments | Number of shares | |
| %0 | - | - | 12,100,000 | - | 12,100,000 | United Cooperative Insurance Holding |

## 12.2 Description of any interest, option rights and subscription rights for the members of the Board of Directors, their spouses and minor children in the shares or debt instruments of the Company or any of its subsidiaries:

| Percentage change | Net change | End of year 2024 | | The beginning of the year 2024 | | Name of the person to whom the interest, contractual papers or subscription rights belong |
|---|---|---|---|---|---|---|
| | | Debt Instruments | Number of shares | Debt Instruments | Number of shares | |
| %24.7 | - | - | 500,000 | - | 400,821 | Khalid Hussain Alireza – and his family (Chairman of the Board of Directors) |

## 12.3 Description of any interest, option rights and subscription rights for the Executive Management, their spouses and minor children in the shares or debt instruments of the Company or any of its subsidiaries:

| Percentage change | Net change | End of year 2024 | | The beginning of the year 2024 | | Name of the person to whom the interest, contractual papers or subscription rights belong |
|---|---|---|---|---|---|---|
| | | Debt Instruments | Number of shares | Debt Instruments | Number of shares | |
| %34- | - | - | 8,010 | - | 12,118 | Shaher Mahmoud Al Madani (Deputy CEO) |

## 13. Transactions with related parties :

During the year 2024, the United Cooperative Assurance Co carried out some ordinary transactions, which are classified as transactions with related parties, which were carried out in accordance with and in compliance with the provisions of the applicable laws and executive regulations, as it was taken into account that these transactions were completed without preferential conditions, and the following table shows the important transactions that took place between the company and the relevant authorities for the members of the Board of Directors, which were included in the financial statements for the year ended December 31, 2024:

All numbers are in (thousand) Saudi riyals

| Characteristic | The name of the person to whom the interest belongs | Balance as at 31 December 2024 | Balance at 31 December 2023 | Nature of the transaction | Contract Duration | Contracting Party |
|---|---|---|---|---|---|---|
| Board Member | Khalid Hussain Alireza | 9,794 | 7,315 | Written installments | Multiple insurance contracts for multiple periods | Haj Hussein Alireza & Partners Company |
| | | (5,643) | (8,155) | Payment received | | |
| | | (1,391) | (825) | Paid claims | | |

The following table also shows the significant transactions that took place between the Company and the main parties in which none of the members of the Board of Directors or the Executive Management had an interest.

All numbers are in (thousand) Saudi riyals

| Balance as at 31 December 2024 | Balance as at 31 December 2023 | Nature of the transaction | Contract Duration | Contracting Party |
|---|---|---|---|---|
| 297,928 | 147,707 | Written Premiums | Multiple insurance contracts for multiple periods | Saudi Binladin Group |
| (143,377) | (138,856) | Payment received | | |
| (428) | (2,140) | Paid claims | | |
| 1,503 | 1,741 | Subscribed Premiums | Multiple insurance contracts for multiple periods | Construction Products Company |
| (58) | (727) | Payment received | | |
| (319) | - | Paid claims | | |

## 14. Number of the company's requests for the shareholders' register during 2024 and the dates of those requests:

During the year 2024, the company requested shareholders' records (6) times through the electronic service provided by Tadawulaty. The following is a statement of the number, dates and reasons for the requests:

| Reason for the request | Order Date |
|---|---|
| Company Procedures | 31 March 2024 |
| Procedures and preparations for the General Assembly Meeting | 14 May 2024 |
| Procedures and preparations for the General Assembly Meeting | 04 June 2024 |
| Company Procedures | 30 June 2024 |
| Company Procedures | 05 August 2024 |
| Company Procedures | 30 September 2024 |

# 15. Board of Directors of the United Cooperative Assurance Company:

## 15.1 Composition of the Board of Directors and classification of its members :

The Board of Directors of the United Cooperative Assurance Co consists of (7) members appointed by the General Assembly for a three-year term where the board is entrusted with the tasks of managing the company.

On November 21, 2023, the General Assembly of the Company held its meeting dedicated to the election and selection of the members of the Board of Directors for the new term extending from January 13, 2024 until January 12, 2027 through cumulative voting. The General Assembly of the Company approved the formation of the Board of Directors of the Company from:

| | Board Member Name | Membership classification |
|---|---|---|
| 1 | Khalid Hussain Alireza | Non-Executive Member |
| 2 | Khalid Ahmed Abdulaziz Alhamdan | Independent Member |
| 3 | Mohammed Abdullah Al Yahya | Independent Member |
| 4 | Mansour Abdulaziz Al-Saghir | Independent Member |
| 5 | Bahauddin Omar Khashoggi | Non-Executive Member |
| 6 | Bodour Ibrahim Al , Tuwaijri | Independent Member |
| 7 | Khalid Mohammed Al-Qazlan | Independent Member |

After obtaining the regulatory approvals from the Insurance Authority, it was considered to select the Chairman of the Board and the appointment of the members and chairmen of the Board subcommittees (Executive, Audit, Nominations and Remuneration, Risks, Investment) for the same term, as the company announced on the Tadawul website on February 19, 2024 the selection of Mr. Khaled Hussein Alireza as Chairman of the Board of Directors of the company, and the selection of Mr. Khaled Ahmed Al-Hamdan as Vice Chairman of the Board of Directors of the company in its term extending from January 13 2024 until 12 January 2027.

The competencies of the Board of Directors of the United Cooperative Assurance Co , as stipulated in the provisions of the Company's Articles of Association and taking into account the competencies prescribed for the General Assembly, include that the Board has the widest powers in managing the company in order to achieve its purpose, and it may also delegate within the limits of its competence one or more of its members or third parties to carry out certain work or business - in a manner that does not conflict with the relevant laws and regulations - and the Board of Directors may represent the company in its relations with others and government and private agencies, and the Board has the right to recognize, claim and defend. pleading, litigation, waiver, conciliation, acceptance and denial of judgments, arbitration, request for the implementation of judgments and opposition to them, receipt of the execution obtained, discharge of the company's debtors from their obligations, entry into tenders, sale, purchase and mortgage of real estate. The Board also has the right to contract and sign in the name of the company and on its behalf all types of contracts, documents and documents, and it may also, within the limits of its competence, authorize one or more of its members or third parties to carry out certain work or works - in a manner that does not conflict with the relevant laws and regulations.

According to the company's articles of association, the provisions of its governance regulations and the rules of work of the Board of Directors, the Board meets in no less than four meetings per year at a rate of one meeting every three months at least, or whenever the need arises, and the meeting is taken into account that it takes place at the invitation of the Chairman of the Board or at the request of two members, and the quorum for the meeting of the Board of Directors is completed in the presence of two-thirds of the members, provided that the number of members present is not less than four members.

As stipulated in the provisions of the Company's Corporate Governance Policy and the Board's Charter, the Board approves the strategic, accounting, organizational and financing policies adopted by the Company, as well as strategic plans and key transactions, and its responsibilities include appointing senior executives of the Company, ensuring the availability of a succession plan for the Company's executive employees and authorized signatories, in addition to supervising the Company's management and performance.

The Board of Directors also ensures the integrity of financial and accounting reports as well as the appropriateness of their disclosure, promoteshigh standards of corporate governance and ensures compliance with applicable laws and regulations. It also ensures that the interests of shareholders and insurance contract holders are always protected. The Board of Directors is also tasked with organizing shareholder meetings and implementing their resolutions. The Board of Directors is also responsible for reviewing and approving the Company's policies and procedures on a periodic basis. The Board of Directors also evaluates the performance of its committees on a periodic basis.

## 15.2 Names, qualifications and experience of the Board of Directors:

| Mohammed Abdullah Al Yahya<br>Board Member - Independent Member<br>---<br>Mr. Al Yahya has 31 years of work experience, with multiple management positions in the banking sector. | Khalid Ahmed Abdulaziz Alhamdan<br>Vice Chairman – Independent Member<br>---<br>Mr. Khalid Al Hamdan has held a number of positions on the boards of leading organizations operating across the Kingdomand beyond. | Khalid Hussain Alireza<br>Chairman - Non-Executive<br>---<br>Mr. Khalid Reda held several management positions including a member of the Board of Directors of NATCO Computer Systems. |
|---|---|---|
| **Current positions** | | |
| United Cooperative Assurance Co<br>Board Member -Chairman of the Audit Committee - Member of the Investment Committee | Al Hama Arabian Trading Co. Ltd. - Chief Executive Officer<br>Aseer Foundation for Press and Publishing - Chairman of the Board of Directors<br>Financial Brokerage Capital - Member of the Investment Committee<br>Weaver Technology Company (Egypt) - Chairman<br>Arab House for Printing and Publishing - Member of the Board of Directors | Haji Hussain Alireza & Partners - Board Member<br>Hertz - Board Member<br>United Cooperative Assurance Co - Chairman of the Board of Directors - Chairman of the Executive Committee<br>NATCOM - Board Member<br>Haji Hussain Alireza & Partners - Financial Planning Manager |
| **Previous positions** | | |
| SABB Takaful – Chairman<br>Saudi British Bank - Head of Risk Management<br>Saudi British Bank - General Manager of Credit & Risk<br>HSBC - Chief Executive Officer - Lebanon Branch | Qassim Construction & Development Company - Board Member<br>Capital Financial Brokerage Company - Board Member<br>Onaiza Investment Company - Board Member | Banque Saudi Fransi - Corporate Relations Officer |

| | | |
|---|---|---|
| Saudi British Bank - General Manager of Audit<br>Saudi British Bank - Regional General Manager - Central Region | Saudi Arabian Refineries Company - Vice Chairman<br>United Cooperative Insurance - Chairman of the Audit Committee | |
| **Education** | | |
| Bachelor of Civil Engineering from Florida Agricultural and Mechanical University, USA | Bachelor of Business Administration - Cairo University. | Bachelor of Business Administration - University of California - USA.<br>Master of Marketing - Pepperidian University - USA. |

## Bahauddin Omar Khashoggi

Board Member - Non-Executive Member

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Mr. Bahaa Khashoggi has over 20 years of experience in the field of management and banking, which has earned him extensive experience in the field of management.

## Mansour Abdulaziz Al-Saghir

Board Member - Independent Member

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Mr. Al Sagheer has nearly 25 years of experience in credit, marketing, financial management and leadership.

| Current positions | |
|---|---|
| Banque Saudi Fransi - Head of Startup, SME Banking | National Bank of Bahrain - Chief Executive Officer |
| **Previous positions** | |
| Banque Saudi Fransi - Senior Manager - Corporate Banking Group<br>Banque Saudi Fransi Manager - Corporate Banking Group | Saudi British Bank (SABB) - Regional Head of Corporate Banking<br>National Commercial Bank - Chief Corporate Banker<br>Banque Saudi Fransi - Head of Department<br>Samba Financial Group - Assistant General Manager<br>The Saudi Investment Bank - Senior Relationship Manager<br>Saudi Hollandi Bank-Senior Relationship Manager<br>Commercial Banking Accountant<br>Chief Accountant at the Corporate Banking Group |
| **Education** | |
| Bachelor of Business Administration - Major in Accounting and Finance - TCU University / United States<br>Executive Leadership Programs from London Business School and Change Management from Cambridge University | Executive MBA - London Business School - University of London<br>Bachelor of Accounting - King Abdulaziz University |

## Bodour Ibrahim Al , Tuwaijri

Board Member - Independent Member

Ms. Bodour Al-Tuwaijri has more than 13 years of experience in various commercial sectors where she held management and leadership positions.

## Khalid Mohammed Al-Qazlan

Board Member - Independent Member

Mr. Khalid Al-Qazlan has more than 20 years in various commercial, banking and financial sectors in which he held managerial and leadership positions.

| Current positions | |
|---|---|
| Portfolio & Investment Manager - Vision Al Watan Company<br>Board of Directors of the National Tourism Company (closed joint stock company). | Consultant – Royal Commission for Riyadh City |
| **Previous positions** | |
| Investment Manager of the privatization program - Ministry of Housing .<br>Chief Financial Officer – Time Company .<br>Portfolio Manager – Jarir Investment Company . | Chief Executive Officer of Saudi Arabian Refineries Company<br>Deputy of the Ministry of Hajj and Umrah for Shared Services.<br>Advisor to the Minister of Hajj and Umrah .<br>Director of Human Resources and Support Services at Gulf General Cooperative Insurance Company<br>Director of Human Resources and Administrative Services at Med Gulf Insurance Company .<br>Director of Training and Development Department at AlAhli Takaful Company .<br>Director of Training and Development Department at Bank Albilad |
| **Education** | |
| Master of Business from Prince Sultan University<br>Bachelor's degree in Economics from King Saud University | Master in Project Management from Colorado Tech University<br>Bachelor's degree in "Management Information Systems" from the University of Colorado Tech. |

## 15.3 Board of Directors Meetings for the year 2024:

During the year 2024, the Board of Directors held (5) meetings, and the table below shows the data of those meetings and the attendance record of the Board members for these meetings:

| Meetings & Attendees | | | | | Name | |
|---|---|---|---|---|---|---|
| Fifth meeting 2024/12/26 | Fourth meeting 08/12/2024 | Third meeting 08/09/2024 | Second meeting 05/3/2024 | First meeting 14/1/2024 | | |
| ✓ | ✓ | ✓ | ✓ | ✓ | Khalid Hussain Alireza | 1 |
| ✓ | ✓ | ✓ | ✓ | ✓ | Khalid Ahmed Abdulaziz Alhamdan | 2 |
| ✓ | ✓ | ✓ | ✓ | ✓ | Mohammed Abdullah Al Yahya | 3 |
| ✓ | ✓ | ✓ | ✓ | ✓ | Mansour Abdulaziz Al-Saghir | 4 |
| ✓ | ✓ | ✓ | ✓ | ✓ | Bahauddin Omar Khashoggi | 5 |
| ✓ | ✓ | ✓ | ✓ | ✓ | Khalid Mohammed Al-Qazlan | 6 |
| ✓ | ✓ | ✓ | ✓ | ✓ | Bodour Ibrahim Al Tuwaijri | 7 |

## 15.4 Names of companies inside and outside the Kingdom in which a member of the company's board of directors is a member of the current and previous boards of directors or one of its managers:

| Legal entity of the company | Company Headquarters | Names of companies in which the board member was previously a member of the board of directors or among its directors | Legal entity of the company | Company Headquarters | Names of companies in which the board member is currently a member of the board of directors or among the directors thereof | Name of Council Member |
|---|---|---|---|---|---|---|
| - | - | - | Locked contribution | Inside the Kingdom | Haji Hussain Alireza & Partners Co. Ltd. | Khalid Hussain Alireza |
| Public Shareholding | Inside the Kingdom | SABB Takaful Company | - | - | - | Mohammed Abdullah Al Yahya |
| Public Shareholding | Inside the Kingdom | SABB Takaful Company | Public Shareholding | Inside the Kingdom | Saudi Fisheries Company | Mansour Abdulaziz Al-Saghir |
| | | | Public Shareholding | Inside the Kingdom | Southern Region Cement Company | |
| | | | Branch of a foreign bank | Inside the Kingdom | National Bank of Bahrain | |
| - | - | - | Public Shareholding | Inside the Kingdom | Banque Saudi Fransi | Bahauddin Khashoggi |
| Public Shareholding | Inside the Kingdom | Saudi Arabian Refineries Company | The nature of the responsibility of the area | Inside the Kingdom | Al Hama Arabian Trading Co. Ltd. | Khalid Ahmed Alhamdan |
| The nature of the responsibility of the area | Inside the Kingdom | Qassim Construction & Development Company | Public Shareholding | Inside the Kingdom | Aseer Foundation for Press and Publishing | |
| The nature of the responsibility of the area | Inside the Kingdom | Capital Brokerage Company | The nature of the responsibility of the area | Outside the Kingdom | Weaver Technology Company | |
| The nature of the responsibility of the area | Inside the Kingdom | Onaiza Investment Company | The nature of the responsibility of the area | Inside the Kingdom | Arab House for Printing and Publishing | |
| - | - | - | - | - | - | Khalid Mohammed Al-Qazlan |

| | | | | | | |
|---|---|---|---|---|---|---|
| - | - | - | - | - | - | Bodour Ibrahim Al , Tuwaijri |

## 15.5 Remuneration of Board Members, Committees and Executive Management:

The policy of the United Cooperative Assurance Co for Remuneration and Compensation sets out the framework of remuneration and compensation paid to members of the Board of Directors and members of subcommittees from outside the Board in line with the frameworks included in the supervisory authorities, and is generally subject to the provisions of the Companies Law, the Cooperative Insurance Companies Control Law, as well as the Insurance Companies Governance Regulations, the Corporate Governance Regulations and the Executive Regulations of the Companies Law for Joint Stock Companies issued by the Capital Market Authority, and in line with the provisions of the Company's Articles of Association. and the approved remuneration and compensation policy.

During the year 2024, none of the members of the Board of Directors or sub-committees performed any work of a technical or advisory nature, and therefore did not receive any compensation or special benefits in this regard, and the remuneration paid to the members of the Board, committees and executive management is consistent with the context and framework of the company's remuneration policy and there was no material deviation regarding it. The tables below show the data of remuneration and compensation paid to the members of the Board of Directors, members of sub-committees and senior executives of the company:

### 1. The framework of remuneration and allowances of the members of the Board of Directors of the company and the sub-committees:

The members of the Board of Directors shall receive a fixed annual remuneration of a "membership allowance" as set out below:

| Bonus Amount / Fixed Annual Membership Allowance | Job Position |
|---|---|
| 300,000 | Chairman of the Board of Directors |
| 180,000 | Each non-executive and independent member of the Board of Directors |
| 40,000 | Each member of the committees of the Board of Directors if they are not members of the Board of Directors ( member from outside the Board ) |

Meeting Allowance:

- Each member of the Board of Directors shall receive an amount of three thousand riyals (3000) for each meeting of the Board of Directors and one thousand five hundred riyals (1500) for each general assembly they attend (excluding travel and accommodation expenses).
- Each member of the Board of Directors shall receive one thousand five hundred riyals (1500) for each meeting of the Committee emanating from the Board of Directors
- Committee members are entitled to compensation for expenses they may incur in attending meetings and performing their duties as committee members.

The following table shows the remuneration of the members of the Board of Directors for the year 2024:

## First: Independent Members

| Total | End of Service Indemnities | Total | Chairman Remuneration | Total allowances for attending the meetings of the Assembly | Total allowances for attending committee meetings | Total allowances for attending Council meetings | A certain amount | Member Name |
|---|---|---|---|---|---|---|---|---|
| 210,000 | | 210,000 | | 1,500 | 13,500 | 15,000 | 180,000 | Khalid Ahmed Alhamdan |
| 217,500 | | 217,500 | | 1,500 | 21,000 | 15,000 | 180,000 | Mohammed Abdullah Al Yahya |
| 205,500 | | 205,500 | | 1,500 | 9,000 | 15,000 | 180,000 | Mansour Abdulaziz Al-Saghir |
| 201,000 | | 201,000 | | 1,500 | 4,500 | 15,000 | 180,000 | Khalid Mohammed Al-Qazlan |
| 201,000 | | 201,000 | | | 6,000 | 15,000 | 180,000 | , Bodour Ibrahim Al Tuwaijri |
| 1,029,000 | | 1,029,000 | | | 54,000 | 75,000 | 900,000 | **Total** |

## II. Non-Executive Members

| Total | End of Service Indemnities | Total | Chairman Remuneration | Total allowances for attending the meetings of the Assembly | Total allowances for attending committee meetings | Total allowances for attending Council meetings | A certain amount | Member Name |
|---|---|---|---|---|---|---|---|---|
| 325,500 | | 325,500 | 300,000 | 1,500 | 9,000 | 15,000 | | Khalid Hussain Alireza |
| 204,000 | | 204,000 | - | 1,500 | 7,500 | 15,000 | 180,000 | Bahaa Omar Khashoggi |
| 529,500 | | 529,500 | 300,000 | | 16,500 | 30,000 | 180,000 | **Total** |

## Third: Executive Members

There isn't any

| Total | End of Service Indemnities | Total | Chairman Remuneration | Total allowances for attending the meetings of the Assembly | Total allowances for attending committee meetings | Total allowances for attending Council meetings | A certain amount | Grand Total |
|---|---|---|---|---|---|---|---|---|
| 1,564,500 | - | 1,564,500 | 300,000 | 9,000 | 70,500 | 105,000 | 1,080,000 | |

The following table shows the remuneration of the members of the committees emanating from the Board of Directors for the year 2024:

Audit Committee :

| Total | Meeting allowance | Fixed remuneration (excluding meeting attendance allowance) | Audit Committee Members |
|---|---|---|---|
| 76,500 | 16,500 | 60,000 | Mohammed A. Al Yahya |
| 153,000 | 33,000 | 120,000 | Ahmed Tawfiq Al-Khamis |
| 153,000 | 33,000 | 120,000 | Tariq Ali Al-Fayez |
| 153,000 | 33,000 | 120,000 | Mohammed H Aldowais |
| 535,500 | 115,500 | 420,000 | Total |

Executive Committee:

| Total | Meeting allowance | Fixed remuneration (excluding meeting attendance allowance) | Members of the Executive Committee |
|---|---|---|---|
| 9,000.00 | 9,000.00 | 0 | Khaled Alireza |
| 9,000.00 | 9,000.00 | 0 | Khalid Ahmed Al-Hamdan |
| 9,000.00 | 9,000.00 | 0 | Mansour A . Al-Sagheer |
| 27,000.00 | 27,000.00 | - | Total |

Nomination and Remuneration Committee

| Total | Meeting allowance | Fixed remuneration (excluding meeting attendance allowance) | Members of the Nomination and Remuneration Committee |
|---|---|---|---|
| 5,815.00 | 4,500.00 | 1,315.00 | Khalid M.Al-Qazlan |
| 4,500.00 | 4,500.00 | 0 | Khalid Ahmed Al-Hamdan |
| 44,500.00 | 4,500.00 | 40,000 | Emad Ahmed Turkistani |
| 54,815.00 | 13,500.00 | 41,315.00 | Total |

Risk Committee

| Total | Meeting allowance | Fixed remuneration (excluding meeting attendance allowance) | Members of the Risk Committee |
|---|---|---|---|
| 7,500.00 | 7,500.00 | | Bahauddin O.Khashoggi |
| 8,815.00 | 7,500.00 | 1,315 | Khalid M.Al-Qazlan |
| 47,500.00 | 7,500.00 | 40,000 | Ahmed Tawfiq Al-Khamis |
| 63,815.00 | 22,500.00 | 41,315.00 | Total |

Investment Committee

| Total | Meeting allowance | Fixed remuneration (excluding meeting attendance allowance) | Investment Committee Members |
|---|---|---|---|
| 6,000 | 6,000 | | Bodour I . Al-Tuwaijri |
| 4,500 | 4,500 | | Mohammed A. Al Yahya |
| 46,000 | 6,000 | 40,000 | Saud Abdulaziz Al Nuaimi |
| 56,500 | 16,500 | 40,000 | **Total** |

Executive Management Remuneration:

| Five senior executives, including the CEO and Chief Financial Officer | |
|---|---|
| 5,022,716 | Salaries |
| 2,027,406 | Fixed allocations |
| 491,896 | End of service indemnity |
| - | Annual performance-based bonuses |

## 15.6 Evaluating the effectiveness of the Board of Directors and its committees:

As stipulated in the supervisory directives contained in the Corporate Governance Regulations, the Corporate Governance Regulations, the Corporate Governance Document of the United Cooperative Assurance Co, and the policies and criteria for membership in the Company's Board of Directors and its subcommittees, the Company's Board of Directors annually evaluates the effectiveness of its members and the extent of their participation in its work, whether individually or as a group, as well as the subcommittees of the Board.

During the fourth quarter of 2024, the company, under the guidance and supervision of the Nomination and Remuneration Committee, took into account the conduct of a general and private evaluations of the Board of Directors and subcommittees in 2024, and the evaluation outputs were submitted to the Nomination and Remuneration Committee, which recommended submitting them to the Board, and according to the evaluation methodology, the company will consider in future conducting the evaluation by an independent external party.

## 15.7 A description of any penalty, reserve restriction or penalty imposed on any member of the Board of Directors, if any:

All members of the Board of Directors of the Company acknowledge that there is no penalty, reserve restriction or penalty imposed on any of them during the year 2024 by any judicial, supervisory or regulatory authority related to the Company.

## 15.8 Competing business forany of the members of the Board of Directors:

All members of the Board of Directors of the Company acknowledge that they do not carry out any business directly or indirectly competing with the Company or any of the branches of the activity it carries out.

# 16. Board Sub-Committees:

In line with regulatory requirements, the United Cooperative Assurance Co has taken into account the formation of five sub-committees entrusted with assisting the Board of Directors in fulfilling the tasks entrusted to it, namely the committees (executive, audit, nominations and remuneration, risk, investment), and the following is a brief description of these committees tasks, terms of reference, membership record and attendance of its members to the meetings held during the year 2024:

## 16.1 Executive Committee:

The Executive Committee consists of three members of the Board of Directors, and has been entrusted with the tasks of contributing to supervising the management of the company's affairs, monitoring the implementation of the company's strategy and business plans, financially and operationally, and following up on their implementation in accordance with the directives of the Board of Directors, and the committee holds at least (6) meetings per year.

As of December 31, 2024, the formation of the Executive Committee consisted of: Mr. Khalid Hussein Alireza (Chairman) and the membership of Mr. Khalid Ahmed Al-Hamdan and Mr. Mansour Abdulaziz Al-Saghir, and the following is a brief statement of the formation of the Committee and the qualifications of its members:

| Mansour Abdulaziz Al-Saghir<br>Committee Member<br>independent<br>---<br>Mr. Al Sagheer has nearly 25 years of experience in credit, marketing, financial management and leadership. | Khalid Ahmed Abdulaziz Alhamdan<br>Committee Member<br>independent<br>---<br>Mr. Khalid Al-Hamdan has held a number of positions on the boards of directors of leading institutions operating across the Kingdom. | Khalid Hussain Alireza<br>Chairman of the Committee<br>Non-Executive<br>---<br>Mr. Khalid Reda held several management positions including a member of the Board of Directors of NATCO Computer Systems. |
|---|---|---|
| Current positions | | |
| National Bank of Bahrain - Chief Executive Officer. | Al Hama Arabian Trading Co. Ltd. - Chief Executive Officer<br>Aseer Foundation for Press and Publishing - Chairman of the Board of Directors<br>Financial Brokerage Capital - Member of the Investment Committee<br>Weaver Technology Company (Egypt) - Chairman<br>Arab House for Printing and Publishing - Member of the Board of Directors | Haj Hussein Alireza & Co. - Board Member.<br>Hertz - Member of the Board of Directors.<br>United Cooperative Assurance Co - Chairman of the Board of Directors - Chairman of the Executive Committee.<br>NATCOM - Member of the Board of Directors.<br>Haji Hussain Alireza & Partners Company - Financial Planning Manager. |
| Previous positions | | |
| Saudi British Bank (SABB) - Regional Head of Corporate Banking<br>National Commercial Bank - Chief Corporate Banker<br>Banque Saudi Fransi - Head of Department<br>Samba Financial Group - Assistant General Manager<br>The Saudi Investment Bank - Senior Relationship Manager<br>Saudi Hollandi Bank-Senior Relationship Manager | Qassim Construction & Development Company - Board Member<br>Capital Financial Brokerage Company - Board Member<br>Onaiza Investment Company - Board Member<br>Saudi Arabian Refineries Company - Vice Chairman<br>United Cooperative Insurance - Chairman of the Audit Committee | Banque Saudi Fransi - Corporate Relations Officer |

| Education | | |
|---|---|---|
| Executive MBA - London Business School - University of London<br>Bachelor of Accounting - King Abdulaziz University | Bachelor of Business Administration - Cairo University. | Bachelor of Business Administration - University of California - USA.<br>Master of Marketing - Pepperidian University - USA. |

During the year 2024, the Committee held (6) meetings, and the following is the record of attendance of its members for the meetings held during the year:

| Meetings & Attendees | | | | | | Membership classification | Statement | Name | |
|---|---|---|---|---|---|---|---|---|---|
| Sixth meeting 2024/12/26 | Fifth meeting 08/12/2024 | Fourth meeting 03/12/2024 | Third meeting 03/11/2024 | Second meeting 08/9/2024 | First meeting 05/3/2024 | | | | |
| ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Non-Executive | Chairman of the Committee | Khalid Hussain Alireza | 1 |
| ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | independent | Committee Member | Khalid Ahmed Abdul Aziz Al-Hamdan | 2 |
| ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | independent | Committee Member | Mansour Abdulaziz Al-Saghir | 3 |

## 16.2 Audit Committee:

The Audit Committee is formed according to its working regulations of three to five members, most of whom are from outside the Board of Directors, and plays a fundamental and important role in assisting the Board of Directors to fulfill its supervisory duties with regard to the integrity of the company's financial statements, selecting and appointing auditors and ensuring their independence, performance and disclosure controls, supervising the effectiveness of internal audit and the company's external auditors, evaluating the adequacy of the company's accounting systems and financial controls, supervising compliance management and reviewing transactions with parties with The relationship and assess its consistency and the policies adopted.

In its meeting held on 21 November 2023, the Company's AGM approved the amendment of the Audit Committee's charter in line with the regulatory requirements included in the Corporate Governance Regulations, and the Committee shall hold at least (6) meetings per year.

As of 31 December 2024, the Audit Committee was formed by: Mr. Mohammed Al-Yahya - Independent Board Member (Chairman) and the membership of Mr. Ahmed Al-Khamis, Mr. Tariq Al-Fayez, and Mr. Mohammed Al-Dowais, whom are members from outside the Board, and the following is a summary of the names, qualifications and experiences of the members of the Audit Committee:

| Mohammed Hadi Aldowais<br>Committee Member<br>Independent - Outside the Board<br>---<br>He held several positions that earned him extensive experience in the field of financial auditing and auditing. | Tariq Ali Al Fayez<br>Committee Member<br>Independent - Outside the Board<br>---<br>He worked in several positions that earned him extensive experience in the field of insurance and compliance. | Ahmed Tawfiq AlKhamis<br>Committee Member<br>Independent – Outside the Board<br>---<br>He worked in several positions that earned him extensive experience in the field of insurance and risk. | Mohammed Abdullah Al Yahya<br>Chairman of the Committee<br>- Board Member Independent<br>---<br>He has 31 years of work experience, with multiple management positions in the banking industry. |
|---|---|---|---|

| Current positions | | | |
|---|---|---|---|
| Mohammed Al-Dowais Chartered Accountants Office . | National Bank of Bahrain - KSA - Head of Compliance | Chief Licensing Officer – General Real Estate Authority | United Cooperative Assurance Co - Member of the Board of Directors - Chairman of the Audit Committee - Member of the Investment Committee. |
| **Previous positions** | | | |
| Kingdom Holding Company - Head of Accounts.<br>SABB Takaful - CFO CFO.<br>Saudi British Bank - Vice President of Accounts. | SABB Takaful - Head of Sales & Marketing.<br>SABB Takaful - Acting Head of Compliance.<br>SABB Takaful - Head of Compliance & General Secretary<br>SABB Takaful - Secretary General of the Board of Directors and Secretary of the Shariah Committee<br>SABB Takaful - Senior Director of Business Development & Wealth Management and Secretary of the Shariah Committee<br>SABB Takaful - Senior Wealth Management Manager and Secretary of the Shariah Committee | National Bank of Bahrain - Head of Operations.<br>SABB Takaful - Head of Operations.<br>SABB Takaful - Head of Risk Management.<br>SABB Takaful - Senior Risk Manager. | SABB Takaful – Chairman of the Board of Directors.<br>Saudi British Bank - Head of Risk Management<br>Saudi British Bank - General Manager of Credit and Risk.<br>HSBC - Chief Executive Officer - Lebanon Branch.<br>Saudi British Bank - General Manager of Audit.<br>Saudi British Bank - Regional General Manager - Central Region. |
| **Education** | | | |
| Bachelor of Accounting - King Abdulaziz University, Saudi Arabia.<br>Master - Banking Management - Institute of Public Administration, Kingdom of Saudi Arabia.<br>Fellowship of the Saudi Organization for Certified Public Accountants - Saudi Organization for Certified Public Accountants, Kingdom of Saudi Arabia. | Bachelor of Marketing - King Fahd University of Petroleum and Minerals - Saudi Arabia.<br>Advanced Certificate in Governance, Compliance and Risk Management - Merck - UAE.<br>Certified Compliance Officer - Financial Academy.<br>Governance – Euromoney – UK.<br>Certified Wealth Manager – International Academy of Business and Financial Management – UAE. | Bachelor of Finance - King Fahd University of Petroleum and Minerals.<br>Risk Management Practitioner - Axelus, UK.<br>General Certificate of Insurance Fundamentals, Institute of Banking, Saudi Arabia. | Bachelor of Civil Engineering from Florida Agricultural and Mechanical University, USA. |

During the year 2024, the Audit Committee held (11) meetings, and the following is the record of attendance of its members for the meetings held during the year:

| Meetings & Attendees | | | | | | | | | | | Membership classification | Statement | Name | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Eleventh meeting 2024/12/31 | Tenth meeting 24/11/2024 | Ninth Meeting 03/11/2024 | Eighth meeting 28/102024 | Seventh meeting 14/10/2024 | Sixth Meeting 12/8/2024 | Fifth meeting 01/8/2024 | Fourth meeting 11/05/2024 | Third Meeting 08/5/2024 | Second meeting 31/3/2024 | First meeting 22/3/2024 | | | | |
| ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | independent | Chairman of the Committee | Mohammed Abdullah Al Yahya | 1 |
| ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Independent Outside – the Board | Committee Member | Ahmed Tawfiq al, Khamis | 2 |
| ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Independent Outside – the Board | Committee Member | Tariq Ali Al , Fayez | 3 |
| ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Independent Outside – the Board | Committee Member | Mohammed Hadi Aldowais | 4 |

## 16.3 Nomination and Remuneration Committee:

The Nomination and Remuneration Committee consists of three to five members from the members of the Board or outside it, and the tasks and competencies of the Committee are focused on recommending to the Board of Directors for the membership of the Board and its committees in accordance with the approved policies and standards, annual review of the required needs of appropriate skills for membership, evaluating the effectiveness of the Board and its subcommittees, reviewing the structure of the Board and making recommendations regarding the adjustments that can be made, as well as ensuring the independence of independent members periodically and setting and supervising remuneration and compensation policies.

In its meeting held on October 19, 2022, the General Assembly of the Company approved the harmonization and amendment of the regulations and rules of work of the Nomination and Remuneration Committee in line with regulatory requirements, and the Committee holds at least two meetings per year.

As of 31 December 2024, the nomination and remuneration committee was formed by: Mr. Khaled Al-Qazlan - Independent Board Member (Chairman) and the membership of Mr. Omar Ahmed Turkistani (Independent Member from outside the Board) and Mr. Khaled Al-Hamdan (Independent Board Member), and the following is a brief statement of the formation of the Committee and the qualifications of its members:

| Khaled Al-Qazlan<br>Chairman of the Committee<br>Board Member - Independent | Emad Ahmed Turkistani<br>Committee Member<br>Independent – Outside the Board | Khalid Ahmed Alhamdan<br>Committee Member<br>Board Member - Independent |
|---|---|---|
| Mr. Khalid Al-Qazlan has a long work experience, with multiple positions in management and human resources. | Mr. Imad Turkistani has a wealth of work experience, with multiple positions in management and human resources. | Mr. Khalid Al-Hamdan has held a number of positions on the boards of directors of leading institutions operating across the Kingdom. |
| **Current positions** | | |
| United Cooperative Assurance Co - Member of the Nomination and Remuneration Committee.<br>United Cooperative Assurance Co – Member of the Risk Committee | General Manager/Consultant at the Office of the Chief Executive Officer - Industrial Electronics Co. | Al Hama Arabian Trading Co. Ltd. - Chief Executive Officer<br>Aseer Foundation for Press and Publishing - Chairman of the Board of Directors<br>Financial Brokerage Capital - Member of the Investment Committee<br>Weaver Technology Company (Egypt) - Chairman<br>Arab House for Printing and Publishing - Member of the Board of Directors |
| **Previous positions** | | |
| Arabian Refineries Company - Chief Executive Officer<br>Ministry of Hajj and Umrah - Undersecretary for Shared Services.<br>Gulf General Cooperative Insurance - Director of Human Resources and Support Services.<br>Medgulf Insurance - Director of Human Resources and Administrative Services.<br>AlAhli Takaful - Director of Training and Development Department. | Head of Human Resources Department in Saudi Arabia - Ernst & Young Professional Services EY<br>Head of Corporate Governance & General Secretary – SABB Takaful Company<br>Head of Human Resources Department and Secretary of the Remuneration and Nomination Committee – SABB Takaful Company | Qassim Construction and Development Company - Member of the Board of Directors.<br>Financial Brokerage Capital - Board Member.<br>Onaiza Investment Company - Board Member.<br>Saudi Arabian Refineries Company - Vice Chairman of the Board of Directors.<br>United Cooperative Insurance - Chairman of the Audit Committee. |

| | | |
|---|---|---|
| Bank Albilad - Director of Training and Development Department. | | |
| **Education** | | |
| Master of Science in Management - Information Technology - University of Colorado Technology, USA.<br>Master of Management, Executive Business Administration, Colorado University of Technology, USA<br>MBA, Project Management, Colorado University of Technology, USA<br>Certified Compliance Officer - Institute of Banking | Diploma in Human Resource Management – CIPD London, UK<br>Professional Certificate in Compensation and Remuneration – MEIRC<br>Professional Certificate in Competency Development – George Washington University<br>Professional Certificate in Human Resource Management CIPD | Bachelor of Business Administration - Cairo University. |

During the year 2024, the Committee held (3) meetings, and the following is the record of attendance of its members for the meetings held during the year:

| Meetings & Attendees | | | Membership classification | Statement | Name | |
|---|---|---|---|---|---|---|
| Third meeting **2024/12/25** | Second meeting 16/9/2024 | First meeting 14/3/2024 | | | | |
| ✓ | ✓ | ✓ | Independent | Chairman of the Committee | Khalid Mohammed Al-Qazlan | 1 |
| ✓ | ✓ | ✓ | Independent | Committee Member | Khalid Ahmed Alhamdan | 2 |
| ✓ | ✓ | ✓ | – Independent Outside the Board | Committee Member | Emad Ahmed Turkistani | 3 |

## 16.4 Investment Committee:

The Investment Committee consists of three to five members from the Board and outside the Board and is entrusted with the tasks of overseeing the Company's investment activities, reviewing the efficiency of assets, and making recommendations to the Board of Directors on all investment-related matters such as the Company's investment policy, asset allocation plansand others. The Committee holds at least two meetings a year.

As of December 31 , 2024, the Investment Committee was formed by: Ms. Bodour Al-Tuwaijri, Independent Board Member (Chairman), Mr. Mohammed Al-Yahya (Independent Board Member) and Mr. Saud Al-Nuaimi (Independent Member from outside the Board). The following is a brief statement of the composition of the Committee and the qualifications of its members:

| | | |
|---|---|---|
| Saud Al Nuaimi<br>Committee Member<br>Independent – Outside the Board<br>---<br>Mr. Saud has a long and diverse experience in the field of financial management in several different sectors. | Mohammed Abdullah Al Yahya<br>Committee Member<br>Board Member - Independent<br>---<br>Mr. Mohammed Al Yahya has 31 years of work experience, with multiple management positions in the banking industry. | Bodour Ibrahim AlTuwaijri<br>Chairman of the Committee<br>Board Member - Independent<br>---<br>Ms. Bodour Al-Tuwaijri has more than 13 years of experience in various commercial sectors where she held management and leadership positions. |

| | | |
|---|---|---|
| **Current positions** | | |
| Maaref Education & Training Company - Chief Financial Officer | United Cooperative Assurance Co<br>Board Member - Chairman of the Audit Committee - Member of the Investment Committee | Portfolio & Investment Manager - Vision Al Watan Company<br>Board of Directors of the National Tourism Company (closed joint stock company). |
| **Previous positions** | | |
| General Authority of Ports - Vice President of Finance.<br>General Entertainment Authority - Executive Director of the Finance Sector.<br>SABB Takaful - Chief Financial Officer.<br>Kingdom Holding Company - Finance Manager.<br>SABB Takaful - Head of Accounts. | SABB Takaful – Chairman of the Board of Directors.<br>Saudi British Bank - Head of Risk Management<br>Saudi British Bank - General Manager of Credit and Risk.<br>HSBC - Chief Executive Officer - Lebanon Branch.<br>Saudi British Bank - General Manager of Audit.<br>Saudi British Bank - Regional General Manager - Central Region. | Investment Manager of the privatization program - Ministry of Housing .<br>Chief Financial Officer – Time Company .<br>Portfolio Manager – Jarir Investment Company . |
| **Education** | | |
| Bachelor of Accounting - King Fahd University of Petroleum and Minerals | Bachelor of Civil Engineering from Florida Agricultural and Mechanical University, USA. | Master of Business from Prince Sultan University<br>Bachelor's degree in Economics from King Saud University |

During the year 2024, the Committee held (4) meetings, and the following shows the attendance record of its members for the meetings held during the year:

| Meetings & Attendees | | | | Membership classification | Statement | Name | |
|---|---|---|---|---|---|---|---|
| Fourth meeting 2024/12/31 | Third meeting 24/10/2024 | Second meeting 25/08/2024 | First meeting 21/4/2024 | | | | |
| ✓ | ✓ | ✓ | ✓ | independent | Chairman of the Committee | Bodour Ibrahim Al , Tuwaijri | 1 |
| ✓ | ✓ | - | ✓ | independent | Committee Member | Mohammed Abdullah Al Yahya | 2 |
| ✓ | ✓ | ✓ | ✓ | Independent – Outside the Board | Committee Member | Saud Abdulaziz Al Nuaimi | 3 |

## 16.5 Risk Committee:

The Risk Committee consists of three to five members from the Board and outside, and is entrusted with the tasks of developing and supervising comprehensive risk management strategies and policies commensurate with the nature and size of the Company's activities, monitoring, reviewing and updating the implementation of identified risk management strategies and policies based on relevant internal and external change factors, overseeing plans to ensure the continuity of the Company's business, and advising the Board of Directors on issues related to risk management, and the Committee holds at least two meetings per year.

As of December 31, 2024, the Risk Committee was formed by: Mr. Bahaa Khashoggi, a non-executive board member - (Chairman), and the membership of Mr. Khalid Al-Qazlan (non-executive board member) and Mr. Ahmed Al-Khamis, who is from outside the board.

During the year 2024, the committee held (5) meetings, and the following is a brief statement of the composition of the committee and the qualifications of its members:

| Khaled Al-Qazlan<br>Committee Member<br>Board Member - Independent<br>---<br>Mr. Khalid Al-Qazlan has a long work experience, with multiple positions in management and human resources. | Ahmed Al , Khamis<br>Committee Member<br>Independent – Outside the Board<br>---<br>He previously worked in several positions that earned him extensive experience in the field of insurance and risk. | Bahauddin Khashoggi<br>Chairman of the Committee<br>Board Member - Non-Executive<br>---<br>Mr. Bahauddin Khashoggi has over 20 years of experience in the field of management and banking services that has earned him extensive experience in the field of management. |
|---|---|---|
| **Current positions** | | |
| Consultant – Royal Commission for Riyadh City<br>United Cooperative Assurance Co - Member of the Nomination and Remuneration Committee<br>United Cooperative Assurance Co – Member of the Risk Committee | Chief Licensing Officer – General Real Estate Authority | Banque Saudi Fransi - Head of Startup, SME Banking |
| **Previous positions** | | |
| Arabian Refineries Company - Chief Executive Officer<br>Ministry of Hajj and Umrah - Undersecretary for Shared Services.<br>Gulf General Cooperative Insurance - Director of Human Resources and Support Services.<br>Medgulf Insurance - Director of Human Resources and Administrative Services.<br>AlAhli Takaful - Director of Training and Development Department.<br>Bank Albilad - Director of Training and Development Department. | National Bank of Bahrain - Head of Operations.<br>SABB Takaful - Head of Operations.<br>SABB Takaful - Head of Risk Management.<br>SABB Takaful - Senior Risk Manager. | Banque Saudi Fransi - Senior Manager - Corporate Banking Group.<br>Banque Saudi Fransi Manager - Corporate Banking Group. |
| **Education** | | |
| Master of Science in Management - Information Technology - University of Colorado Technology, USA<br>Master of Management, Executive Business Administration, University of Colorado Technology, USA<br>MBA, Project Management, University of Colorado Technology, USA<br>Certified Compliance Officer - Institute of Banking. | Bachelor of Finance - King Fahd University of Petroleum and Minerals.<br>Risk Management Practitioner - Axelus, UK.<br>General Certificate of Insurance Fundamentals, Institute of Banking, Saudi Arabia. | Bachelor of Business Administration – Accounting and Finance – TCU University / United States.<br>Executive Leadership Programs from London Business School and Change Management from Cambridge University |

The attendance record of its members at meetings held during the year is as follows:

| Meetings & Attendees | | | | | Membership classification | Statement | Name | |
|---|---|---|---|---|---|---|---|---|
| Fifth Meeting 2024/12/23 | Fourth meeting 31/10/02024 | Third meeting 31/7/02024 | Second meeting 16/5/02024 | First meeting 13/3/02024 | | | | |
| ✓ | ✓ | ✓ | ✓ | ✓ | Non-Executive Board Member | Chairman of the Committee | Bahauddin Omar Khashoggi | 1 |
| ✓ | ✓ | ✓ | ✓ | ✓ | Independent Board Member | Committee Member | Khalid Mohammed Al-Qazlan | 2 |
| ✓ | ✓ | ✓ | ✓ | ✓ | Independent – Outside the Board | Committee Member | Ahmed Tawfiq al, Khamis | 3 |

# 17. Names, qualifications and experience of the members of the executive management:

## Names and positions of executive management:



### Sultan Sindi
**Chief Financial Officer**

Mr. Sultan has over 17 years of experience in financial management across multiple sectors.



### Shaher Al , Madani
**Deputy CEO**

Mr. Al Madani has more than 15 years of experience in the insurance sector, ranging from human resources management to insurance operations.



### Eng. Mohamed Basrawy
**CEO**

Eng. Basrawi has over 25 years of international executive experience in the field of startups and transformation.



### Siraj Al , Hamali
**Head of Sales**

Mr. Siraj has over 15 years of diverse experience in the banking and insurance sector.



### Abdulrahman Aldakhil Allah
**Chief Technical Officer**

Mr. Abdulrahman has over 13 years of diverse experience in the insurance industry.



### Wahid Khayat
**Chief Information Technology & Data Office**

Mr. Khayat has over 20 years of experience in the field of digital and information technologies.



## Sayed Waqar Ahmed

### Chief Actuary

Mr. Waqar has more than 28 years of experience in the field of actuarial science inside and outside the Kingdom.



## Abdullah Bayari

### Chief Information Security Officer

Mr. Bayari has experience in developing cybersecurity strategy and governance.



## Hanan Almana

### Chief of Customer Experience

Mrs. Hanan has over 16 years of diverse experience in the insurance sector.



## Marwan Al , Hazmi

### Chief of Product Development & Marketing Research

Mr. Al-Hazmi has over 15 years of experience in business planning, sales and marketing management.

## Executive Management Experience and Qualifications:

| Education | Previous positions | Current positions | Name |
|---|---|---|---|
| PhD Researcher - Ohio State University Civil Geotechnical and Materials Engineering<br>Master of Science - Construction Engineering and Management - Ohio State University<br>B.Sc. in Civil Engineering - Ohio State University | Allianz Saudi Fransi Cooperative Insurance - Executive Vice President & COO<br>Hoshan Limited - Operations, Audio & Data Manager<br>Xenith, SARL - Principal Consultant<br>Orbit Media Company - Executive Vice President<br>Orbit Productions - Operations Manager<br>Arab Network America (ANA) - Executive Vice President<br>Ohio State University - Lecturer at the Graduate School<br>Resources International - Consultant<br>Ohio State University- Statistical Consultant<br>Worked on many private construction projects | CEO | Eng. Mohammed bin Mohammed Saeed Basrawi |
| Bachelor of Business Administration - King Faisal University. | United Cooperative Assurance Co . - Chief Operating Officer<br>United Cooperative Assurance Co. - Head of Human Capital & Joint Services<br>SABB Takaful - Vice President of Human Resources<br>Allianz Saudi Fransi - HR & Government Relations Supervisor | Deputy CEO | Shaher AlMadani |
| MBA - London Business School<br>Bachelor of Finance - American University of Sharjah | Royal Commission for AlUla - Director General of Financial Planning and Analysis<br>National Insurance Company-Vice President of Financial Affairs<br>Bupa Arabia - Head of Financial Planning, Collection & Solutions - Director of Financial Planning, Policy & Solutions<br>Chalhoub Group - Radwa Trading Company - Financial Manager | Chief Financial Officer | Sultan Sindi |
| Professional PhD in Information Technology Management.- European International University.<br>MBA-University of Manchester.<br>Bachelor of Science in Computer and Electrical Engineering - King Abdulaziz University. | Research Center at King Faisal Specialist Hospital - Director of IT Infrastructure | Chief Information Officer | Wahid Khayat |
| Associate degree in Insurance Business from King Saud University | United Cooperative Assurance Co. - Lead Chairperson - Vice President of Technical Affairs<br>Saudi Solidarity Takaful Company - Protection & Savings Manager<br>SABB Takaful Company - Senior Lead Manager (General Takaful)<br>Allianz Saudi Fransi Cooperative Insurance Company - Lead Manager | Chief Technical Officer | Abdulrahman Aldakhil Allah |
| Bachelor of Business Administration - King Faisal University | United Cooperative Assurance Co - Vice President of Sales - Regional Manager (Central Region)<br>Shadid & Partners Insurance Brokerage Company - Technical Manager<br>SABB Bank - Corporate Sales Manager – Insurance<br>CHEP Arabia - Business Development Manager | Head of Sales | Siraj Al , Hamali |
| Master of Business Administration - Saudi Electronic University<br>Bachelor of English Literature – Imam Muhammad bin Saud University | United Cooperative Assurance Co - Vice President of Operations - Senior Operations Manager.<br>Saudi Marsh Company - Vice President of Reinsurance - Operations Team Manager<br>AlAhli Takaful - Corporate Relationship Manager<br>SABB Takaful – Customer Experience Manager | Head of Customer Experience | Hanan Almana |
| Master of Engineering and Applied Sciences - George Washington University<br>Bachelor's Degree in Management Information Systems - University of Business Administration and Technology. | Salama Group for Cooperative Insurance - Acting Chief Information Security Officer<br>King Abdulaziz University - Security Analyst | Chief Information Security Officer | Abdullah Bayari |

| | | | |
|---|---|---|---|
| MBA - London Business School<br>Fellowship in Actuarial Science from the American and British Society of Actuaries | Shamma Actuarial Services Company - Executive<br>SWA International - Senior Executive & Actuary | Chief Actuary | Sayed Waqar Ahmed |
| MBA in Marketing and Advanced Marketing Strategies, University of Leicester, UK<br>Bachelor of Political Science – King Abdulaziz University. | Global Insurance - Head of Sales and Marketing - Member of the Executive Committee<br>Gulf General Cooperative Insurance Co. - Head of Sales & Marketing<br>Concord Insurance Brokers - Vice President<br>Ma'aden Real Estate Investment Company - Head of Sales & Marketing<br>Solidarity Insurance – Regional Manager<br>Emaar - Head of Sales & Operations<br>Tawuniya Insurance - Sales Operations Manager | Head of Product Development & Marketing Research | Marwan Al , Hazmi |

## 18. Annual review of the effectiveness and internal control procedures and their results:

As a financial institution operating in the Kingdom of Saudi Arabia, the United Cooperative Assurance Co attaches great importance to the internal control environment and its effectiveness, and effective internal control procedures have been developed at the level of the institution as a whole represented by the application of the principle of the three lines of defense, and this is based on its suitability to the work mechanisms carried out by the company and taking into account the best practices and local and international standards in the financial sector, as well as in contracting with international institutions to provide consultations in order to evaluate and raise the efficiency of the regulatory systems that the company operates in it and its results are reviewed at the level of the Board of Directors and its subcommittees, and these procedures are subject to periodic inspections by the company's auditors in addition to the examinations conducted by the company's regulatory authorities.

The Board of Directors and its committees, especially the Audit Committee and the Risk Committee, play an important role in supporting and enhancing the company's internal control environment by continuously supervising the work of the company's control departments such as compliance and risks, and since the concept of internal control adopted by the company is mainly based on the effectiveness and efficiency of the company's control systems, and therefore effective internal controldepends on increasing confidence in financial reports and audits.

The results of the annual audit of the internal control environment procedures at United Cooperative Assurance Company showed good and acceptable levels of control, especially as the company's internal audit department implemented the annual internal audit plan approved by the Audit Committee, and the important observations reports were submitted to the senior management and the Audit Committee. Accordingly, the Executive Management has developed an action plan to implement and correct all observations contained in the internal audit reports.

### 18.1 Evaluation of the Audit Committee on the adequacy of the company's internal control controls

During the year 2024, the Audit Committee reviewed various reports to assess and measure the adequacy of internal control controls and regulations, including financial statements, risk reports, compliance report and internal audit, and it was taken into account to document the committee's discussions and decisions in the minutes of the meetings and raise issues that require attention to the Board of Directors and executive management.

The Audit Committee met with the heads of the financial, compliance, risk, internal audit and external auditors where it was briefed on the latest developments on matters requiring the attention of the Committee, and the Committee also received internal audit reports, supervisory and regulatory reports, as well as auditors' management letters, and the Committee reviewed management's work plans for the matters that were submitted.

The Audit Committee assures the Board of Directors and shareholders that to the extent of its full knowledge in all material respects that the internal control system of the Company is working effectively with the need to improve some aspects of the effectiveness of the system for the past fiscal year, noting that any internal control system, regardless of the soundness of its design and the effectiveness of its application, cannot provide absolute confirmation, and the Committee confirms that its recommendations related to the appointment, evaluation and determination of the fees of the external auditors have been approved by the Board.

## 19. The recommendations of the Audit Committee that conflict with the decisions of the Board of Directors, or which the Board refused to take into account regarding the appointment of the Company's auditor, his dismissal, determination of his fees, evaluation of his performance or the appointment of the internal auditor, the justifications for such recommendations, and the reasons for not taking them into account.

The Audit Committee works in harmony with the Board of Directors, and there is no conflict between its decisions and those of the Board.

## 20. Actions taken by the Board of Directors to inform its members of the shareholders' proposals and observations regarding the company and its performance :

The company works to facilitate the exercise of shareholders of all their statutory rights related to the share to the fullest, including facilitating the receipt of proposals and observations about the company and its performance, and the phone number 0122602500 and e-mailhave been allocated Shareholder.affairs@uca.com.sa to receive any inquiries from the general shareholders, and the company used to raise any observations received in this regard to the Board of Directors.

## 21. Information related to any loans owed by the Company (whether repayable on demand or otherwise) in accordance with the requirements of the Corporate Governance Regulations:

The company does not have any loans from any party.

## 22. A statement of any arrangements or agreement whereby a member of the Company's Board of Directors or a senior executive has waived any remuneration:

The Company has no information on any arrangements or agreement whereby a member of the Company's Board of Directors or a senior executive has waived any remuneration or compensation.

## 23. A statement of any arrangements or agreement whereby a shareholder of the Company waives any rights to profits:

The Company has no information on any arrangements or agreement whereby a shareholder of the Company has waived any rights to profits.

## 24. Disclosure of treasury shares held by United Cooperative Insurance Company and details of their use:

The Company does not hold any treasury shares.

## 25. Employee Benefits and Compensation:

In line with the supervisory directives issued by the Insurance Authority and the main principles of the Financial Stability Board, the company conducts periodic reviews to ensure the consistency of the compensation structure of thecompany, and reports thereon to the Nomination and Remuneration Committee.

The level and size of employee compensation and benefits is determined by reviewing and comparing wages with the local market, which are organized and examined periodically, in addition to a number of other means related to research and investigation of salary levels and benefits in the labor market, and this is followed with the aim of enabling the Human Resources Department (Human Capital) to keep pace with local and regional market conditions, including taking into account the risks related to the company's compensation and compensation policy.

The compensation structure consists of fixed benefits, allowances and incentive programs in line with the standards and customs followed in the Saudi insurance market, and there are no investments established for the benefit of the company's employees, while the size of the end-of-service indemnities for the company's employees as at 31 December 2024 is SAR 11.5 million.

# 26. Board Assurances:

The Board of Directors and the Company assure the shareholders and other related parties, according to their full knowledge of all material aspects, of the following :

- The records of accounts have been properly prepared.
- The internal control system has been properly prepared and implemented effectively.
- That there is no doubt about the company's ability to continue its activity.
- That there is no business or contracts to which the Company was a party and in which there is or in which there is a material interest for any of the members of the Company's Board of Directors, the Chief Executive Officer, the Company's senior executives or any person related to any of them, except as mentioned in the Statement of Transactions with Related Parties and described in (Related Party Transactions) of this report or the audited financial statements for the year 2024.
- The company does not have any loans as at 31 December 2024.
- There are no convertible debt instruments and any contractual securities, rights memoranda or similar rights issued or granted by the Company during the financial year ended 31 December 2024.
- There are no conversion or subscription rights under debt instruments convertible into contractual securities, rights memoranda or similar rights issued or granted by the Company during the financial year ended 31 December 2024.
- There are no refunds, purchases or cancellations on the part of the Company for any redeemable debt instruments.
- The Board of Directors did not recommend a change of auditors before the end of their appointment, and there was no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors.

# 27. Summary of the company's assets, liabilities and results of the last five financial years:

Statement of Financial Position

| 2024 | 2023 | 2022 | 2021 | 2021 | 2020 | Assets |
|---|---|---|---|---|---|---|
| - | - | Modified | Modified | - | - | |
| 73,030 | 122,279 | 83,964 | 87,753 | 87,769 | 61,735 | Cash and cash equivalents |
| 83,475 | 101,041 | - | - | - | 22,656 | Short-term deposits |
| - | - | - | - | 156,051 | 239,606 | Insurance premiums and receivables of reinsurers |
| - | - | - | - | 91,978 | 209,598 | Reinsurers' share of unearned premiums |
| - | - | - | - | 36,506 | 41,720 | Reinsurers' share of claims under settlement |
| - | - | - | - | 114,849 | 126,264 | Share of reinsurers in unreported claims incurred |
| - | - | - | - | 10,571 | 12,645 | Costs of purchasing deferred insurance contracts |
| 237,476 | 173,822 | 292,809 | 291,824 | 250,526 | 288,366 | Investments |
| 29,473 | 58,059 | 48,912 | 42,016 | 60,335 | 68,487 | Advance expenses and other assets |
| 229,836 | 101,129 | 147,386 | 158,827 | - | - | Reinsurance contract assets |
| 80,608 | 66,787 | - | - | - | - | Assets of reinsurance contracts |
| 12,419 | 7,343 | 10,482 | 9,122 | 9,122 | 10,346 | Property & Equipment - Net Income |
| 31,219 | 23,194 | 12,715 | 9,813 | 9,813 | 4,598 | Intangible assets |
| 3,037 | 4,161 | 6,178 | 7,089 | 7,089 | 7,556 | Right to Employment Assets |
| 78,400 | 78,400 | 78,400 | 78,400 | 78,400 | 78,400 | Fame |
| 59,989 | 59,989 | 59,989 | 59,989 | 60,000 | 60,000 | Statutory Deposit |
| 1,641 | 1,558 | 6,711 | 5,395 | 5,396 | 4,904 | Revenue of commissions due on the statutory deposit |
| 920,603 | **797,762** | **747,546** | **750,228** | **978,405** | **1,236,881** | **Total Assets** |

| 2024 | 2023 | 2022 | 2021 | 2021 | 2020 | Required T |
|---|---|---|---|---|---|---|
| - | - | - | - | 24,100 | 5,396 | Holders of insurance contracts payable |
| 35,882 | 20,352 | 16,534 | 19,694 | 68,985 | 46,614 | Other accrued liabilities and liabilities |
| - | - | - | - | 95,067 | 156,440 | Reinsurance balances payable |
| - | - | - | - | 185,439 | 302,452 | Unearned Premiums |
| - | - | - | - | 15,683 | 34,994 | Unearned reinsurance commission |
| - | - | - | - | 83,964 | 62,921 | Pending claims |
| - | - | - | - | 140,599 | 169,749 | Unreported claims incurred |
| - | - | - | - | 25,378 | 25,748 | Reserve for deficit in installments |
| - | - | - | - | 16,176 | 13,378 | Other technical reserves |
| 487,373 | 387,014 | 439,815 | 386,406 | - | - | Insurance Contract Liabilities |
| 100,605 | 94,496 | - | - | - | - | Reinsurance contract liabilities |
| 11,484 | 11,543 | 9,686 | 10,029 | 10,029 | 10,288 | Specific benefits obligations for employees |
| 1,375 | 3,777 | 5,841 | 6,187 | 6,187 | 6,397 | Rental liabilities |
| - | - | - | - | 37,053 | 37,053 | Surplus of insurance operations |
| 13,929 | 13,867 | 12,808 | 14,846 | 14,846 | 21,750 | Zakat and income tax payable |
| 1,641 | 1,558 | 6,711 | 5,395 | 5,396 | 4,904 | Revenue of commissions due on regular deposits due |
| - | - | - | - | (3,546) | 3,734 | Fair Value Reserve for Investments - Insurance Operations |
| 652,289 | **532,607** | **491,395** | **442,557** | **725,356** | **901,818** | **Total Liabilities** |
| | | | | | | **Property Rights** |
| 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | Money capital |
| - | - | - | - | - | 31,944 | Statutory reserve |
| (195,617) | (180,562) | (185,854) | (130,372) | (149,752) | (108,025) | Accumulated losses |
| 59,201 | 41,540 | 37,780 | 35,109 | (133) | 9,020 | Fair Value of Investments |
| 4,730 | 4,177 | 4,225 | 2,934 | 2,934 | 2,124 | Re-measuring the reserve for employee remuneration liability insurance operations |
| 268,314 | 265,155 | 256,151 | 307,671 | 253,049 | 335,063 | Total Equity |
| 920,603 | **797,762** | **747,546** | **750,228** | **978,405** | **1,236,881** | **Total liabilities and equity** |

| 2024 | 2023 | 2022 modified | Income Statement | 2021 | 2020 | Income Statement |
|---|---|---|---|---|---|---|
| | | | IFRS17 | | | IFRS 4 |
| **1,049,578** | 1,061,771 | 634,333 | Insurance income from contracts | 409,756 | 616,861 | Total written premiums |
| **(783,136)** | (625,322) | (339,671) | Insurance Services Expenses | (225,269) | (411,301) | Reinsurance Premiums |
| **(244,971)** | (409,332) | (337,632) | Net expenses of reinsurance contracts | (9,207) | (5,453) | Reinsurance of excess loss expense |
| **21,471** | 27,117 | (42,970) | Results of insurance services from the directly subscribed business of the company | 175,280 | 200,107 | Net written premiums |
| **246** | 13,833 | 14,196 | Surplus share of the insurance group | (607) | (67,675) | Change in net unearned premiums |
| **21,717** | 40,950 | (28,774) | Total Insurance Services Results | 174,673 | 132,432 | Net Premiums Earned |
| **14,563** | 10,154 | 6,977 | Net investment income | 44,202 | 39,872 | Reinsurance commissions earned |
| **(2,508)** | (2,693) | 1,600 | Net Insurance Finance Income Costs | 218,875 | 172,304 | Total Revenue |
| **33,772** | 48,411 | (20,197) | Net Insurance & Investment Results | 264,721 | 151,457 | Total Claims Paid |
| **(3,366)** | 4,767 | 1,160 | Other revenues | (90,807) | (59,581) | Reinsurers' share of claims paid |
| **(41,461)** | (43,616) | (33,445) | Other operating expenses | 173,914 | 91,876 | Net Claims Paid |
| **(11,055)** | 9,562 | (52,482) | Profit / (loss) of the year before zakat | 26,257 | 130 | Change in net claims under settlement |
| **(4,000)** | (4,270) | (3,000) | Zakat and Income Tax | (17,735) | (6,307) | Net change in unreported incurred claims |
| **(15,055)** | 5,292 | (55,482) | Net profit/(loss) for the year attributable to shareholders | 182,436 | 85,699 | Net claims incurred |
| **(0.38)** | 0.13 | (1.39) | Basic and diluted earnings/(loss) per share in Saudi Riyals per share | (370) | 6,988 | Reserve for deficit in installments |
| | | | | 2,798 | 3,774 | Other technical reserves |
| | | | | 23,082 | 16,521 | Costs of obtaining an insurance contract |
| | | | | 3,296 | 2,790 | Other Subscription Expenses |
| | | | | 211,242 | 115,772 | Total Subscription Costs and Expenses |
| | | | | 7,633 | 56,532 | Net Subscription Result |
| | | | | (92,657) | (86,806) | General and administrative expenses |
| | | | | 9,158 | (5,823) | Release / (provision) doubtful receivables |
| | | | | (1,972) | (1,441) | Remuneration of the Board of Directors |
| | | | | 9,356 | 10,382 | Investment income |
| | | | | (848) | 4,246 | Loss and gains from investments |
| | | | | 3,659 | 7,030 | Other source of income |
| | | | | (73,304) | (72,412) | / Other Operating Expenses Gross Income - Net |
| | | | | (65,671) | (15,880) | Profit/Loss for the year |
| | | | | (65,671) | (15,880) | Shareholders' absorption of loss |
| | | | | (7,600) | (27,900) | zakat |
| | | | | (400) | (100) | income tax |
| | | | | (73,671) | (43,880) | Net loss for the year |
| | | | | 40,000 | 40,000 | Weighted average number of outstanding ordinary shares (in (thousands of shares |
| | | | | (1.84) | (1.10) | Profit (loss) per share (expressed in Saudi Riyals per share) |

## 28. Approval of Financial Statements :

The Board of Directors approved the annual financial statements for the year 2024 on 18 Ramadan 1446H corresponding to 18 March 2025.

# Board of Directors Annual Report
# For 2024

UCA

المتحدة للتأمين التعاوني

UNITED COOPERATIVE ASSURANCE