

إعلان الدعوة للجمعية

AGM meeting Invitation

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الخبير 31952

أسس المال المدفوع
400,000,000 ريال سعودي
Paid up Capital SR 400,000,000

**The Board of Wataniya Insurance Company's Invites its shareholders to attend the Ordinary meeting.
(First meeting)**

The Board of Wataniya invites Wataniya's Shareholders to attend the ordinary meeting (first meeting) via electronic path through TADAWULATY Portal (Virtual Meeting), which will be held on Thursday 22nd of Zulqiyadah 1445 corresponding to 30th of May 2024 G. The meeting will be held on (06:30 pm) at the Company Head Office – Juffali Building – Madina Road – Jeddah through www.tadawulatv.com.sa, to discuss the following agenda:

- 1-View the Board of Directors Report for the Financial year ended 31 December 2023 and discuss it.
- 2- Voting on the External Auditors Report for the Financial Year ended 31 December 2023 upon discussion. (Enclosed)
- 3- View the Annual Financial Statement as of 31 December 2023 and discuss it.
- 4- Voting on the appointment of External Auditors from among the candidates based on the Audit Committee's recommendation, The appointed auditors shall examine, review and audit the interim financial statement of Quarter2, Quarter3, Annual Financial Statement 2024, and Quarter1, 2025. And to approve the Auditors Fees.
- 5- Voting on the business transaction between E A Juffali & Bros, and Wataniya Insurance Company where there is indirect interest in this contract for Mr. Amin Alafifi & Mr. Faisal Charara as they are Directors in both Companies, the contract is The Head Office rent Contract. Transaction during 2023, amounted SR 3,509,252 (including VAT), with No preferential conditions. (Enclosed).
- 6- Voting on the business transaction between Digital Excellence Company For Information Systems Technology, and Wataniya Insurance Company where there is indirect interest in this contract for Mr. Amin Alafifi & Mr. Faisal Charara as they are Directors in both Companies, the contract is The renewal of IT Maintenance Services Agreement. Transaction during 2023, amounted SR 1,496,915 (including VAT), with No preferential conditions. (Enclosed).
- 7- Voting on the business transaction between E A Juffali & Bros, and Wataniya Insurance Company where there is indirect interest in this contract for Mr. Amin Alafifi & Mr. Faisal Charara as they are Directors in both Companies, the contract is The Renewal of Insurance contract Premiums. Transaction during 2023, amounted SR 748,039 (including VAT), with no preferential conditions. (Enclosed)
- 8- Voting on the business transaction between SNIC Insurance Co, and Wataniya Insurance Company where there is indirect interest in this contract for Mr. Amin Alafifi & Mr. Faisal Charara as they are

Directors in both Companies. The contract is renewal of Reinsurance Non-Obligatory treaty. Transaction during 2023, amounted SR 1,209,872 (including VAT), with No preferential conditions. (Enclosed)

9- Voting on the business transaction between Saudi Cement Company, and Wataniya Insurance Company where there is indirect interest in this contract for Mr. Amin Alafifi as a Director in both Companies. The contract is Insurance Premiums. Transaction during 2023, amounted SR4,508,474 (including VAT), with No preferential conditions. (Enclosed)

10- Voting on the business transaction between Naghi Group of Companies, and Wataniya Insurance Company where there is indirect interest in this contract for Mr. Tahir Aldabbagh as a Director in both Companies. The contract is Insurance Premiums. Transaction during 2023, amounted SR 7,160,826 (including VAT), with no preferential conditions. (Enclosed)

11- Approval of the Board of Directors appointment of Mrs. Abir Abdulelah Kaki as Independent Director starting 28/09/2023 until the end of the current Board Tenure on 25/04/2025 as a successor for Mr. Feras Khalid Aljuraywi (Independent Board Member). (Resume Attached).

12- Voting on amending Wataniya's Remuneration & Compensation Committee charter. (Enclosed)

13- Voting on the payment of the Board of Directors Fees for the Financial Year end 31 December 2023 amounted SR. 2,341,178 (Two Million, Three hundred and forty-one Thousand, and one hundred seventy-eight).

All registered shareholders in (EDAA) can attend and vote electronically through (TADAWULATY) after the end of the trading session before the AGM meeting as per the regulations. Please note that no attendance will be allowed once the meeting has commenced. However, voting will be available till the completion of the vote counting by the counting committee at the end of the meeting. The meeting quorum will be at 25% (virtual attendance – voting) and in the event of failing to achieve the required quorum, the AGM will convene within 1 hour from the first meeting, and the quorum will be whichever is the presented shareholders in the meeting. Shareholders are entitled to discuss matters listed in the agenda of the ordinary General Assembly and raise relevant questions.

All registered shareholders in (EDAA) can vote electronically through (TADAWULATY) as of 01:00 am Sunday 18th Zullqiyadah 1445 H corresponding to 26th of May 2024, till the end of the meeting. Furthermore, the registration on TADAWULATY will be available to all shareholders free of Charges on the following link: www.tadawulaty.com.sa

in case of any clarification in this regard, please contact the Company's Shareholders relations department on: info@wataniya.com.sa Land Line: 0122728740 Mobile 0556166122

Or mail us on (Board Secretary – Wataniya Insurance Company – PO Box 5832 – Jeddah 21432.

Proxy template:

Not Available due to the meeting convening virtually.

تقرير لجنة المراجعة للمساهمين

Audit Committee Report for the Shareholders



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رأس المال المدفوع
400,000,000 ريال سعودي
Paid up Capital SR 400,000,000

Date: 05/10 /1445

Corresponding: 14/04/2024

Dear shareholders of Wataniya Insurance Company

Subject: Audit Committee Report to the General Assembly of the Company's Shareholders for the fiscal year ending on December 31, 2023.

We inform the shareholders of the company of Audit Committee (the committee) commitment within its responsibility to review the company's financial statements, the company's accounting policies, and review and supervise the internal and external audit work in it. Where the committee met during the year 2023, number (8) meetings and those meetings included the following topics:

- Review and approve the internal audit plans for the year 2023.
- Supervising the internal audit function and ensuring they implement their approved plans.
- Reviewing the periodic internal audit reports issued for the year 2023 and discussing the observations and the period required to resolve those observations by the management.
- Supervising the external audit work.
- Reviewing fraud reports and submitting recommendations thereon to the Board of Directors.
- Studying the actuary's reports and submitting recommendations thereon to the Board of Directors.
- Reviewing the quarterly and annual financial statements until December 31, 2023, and submitting the necessary recommendations to the Board of Directors in preparation for approval.
- Review accounting policies for the implementation of IFRS 17 & 9
- Review management letter issued by the external auditor.
- Reviewing the proposals submitted by external auditors related to the external audit work and submitting the necessary recommendation to the company's general assembly to appoint the external auditors for the fiscal year ending on December 31, 2023.
- Reviewing the company's quotations for internal audit work and risk management and submitting the necessary recommendations to the company's board of directors.
- Review and approve compliance action plans for the year 2023.
- Reviewing compliance reports, which reflect the company's compliance with the requirements of the regulatory authorities, and ensure company implements the procedures to close identified observations.

- Reviewing the company's anti-money laundering manual that includes policies and procedures in accordance with the anti-money laundering guideline.
- Follow up on the Insurance Authority's observations identified during inspection visits, and ensure the company implements the corrective action plans.
- Presenting minutes of the committee's meetings to the company's board of directors and notifying the board of directors of any major remarks.
- Meeting with members of the company's executive management and discussing supervisory reports, whenever the need arises.

The Audit Committee conducts periodic meetings through an annual plan that studies and analyzes the reports of the internal auditor and the compliance manager, discusses these reports, makes observations, and develops remedial solutions for all operations that require correction in accordance with the regulations and instructions issued by the supervisory authorities, especially from the Insurance Authority, as well as following up on implementing these solutions through company's management.

Internal Control System


The internal audit procedures and their effectiveness play an important role in achieving the company's objectives. Responsibility for establishing and monitoring the effectiveness of internal audit procedures rests with the company's Audit Committee. The internal control system is based on what the company's management deems appropriate for its activities, the extent of the financial impact of the internal audit procedures and the intended benefit of applying those related procedures. The internal audit procedures is designed to mitigate risks rather than neutralize them, to achieve the company's objectives. For example, corrective actions and solutions have been proposed and developed, although not in absolute form, but are in compliance to regulatory requirements. Also, actual assessment of losses was performed to determine the best solutions for the company to implement to ensure compliance and minimize financial losses. For this, the Audit Committee was formed to periodically review the external, internal audit and compliance reports in the company.

The company is committed to a balanced and reasonable audit procedures in terms of its design and implementation. The Audit Committee confirms that there are no material observations about the effectiveness of the internal control system and standards of the company.

Best Regards,

Shireesh Bhide

Chairman of the Audit Committee


Shireesh Bhide (Apr 16, 2024 19:14 GMT+4)

تقرير مراجعي الحسابات على القوائم المالية وحتى 31 ديسمبر
2023م

**External Auditors on the Annual
Financial Statement as of 31 December
2023**



KPMG Professional Services

Zahran Business Center
Prince Sultan Street
P.O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh



PricewaterhouseCoopers,
5th floor, Jameel Square,
P.O. Box 16415,
Jeddah 21454
Kingdom of Saudi Arabia
License No. 25

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WATANIYA INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

Opinion

We have audited the financial statements of Wataniya Insurance Company – a Saudi Joint Stock Company (the "Company"), which comprise the statement of financial position as at December 31, 2023, statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (referred to as "IFRS as endorsed in the Kingdom of Saudi Arabia").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, a description of how our audit addressed the matter is provided in that context:



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WATANIYA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY) (CONTINUED)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of estimates of present value of cashflows and risk adjustment for non-financial risk - insurance contract liabilities</p> <p>As at December 31, 2023, the estimate of present value of future cash flows and risk adjustment for non-financial risk amounts to SAR 786.4 million and SAR 36.1 million (2022: SAR 615.7 million and SAR 26.2 million) respectively, as disclosed in Note 10 to the financial statements.</p> <p>The estimation of the liability for incurred claims involves a significant degree of judgement. This entails estimating the present value of future cash flows and the risk adjustment for non-financial risk. The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfills its obligations under insurance contracts. The present value of future cash flows are based on the best-estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not.</p> <p>The Company uses an external actuary ("Appointed Actuary") to provide them with the estimate of such liabilities. A range of methods were used to determine these liabilities which were based on a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.</p> <p>We have considered this as a key audit matter due to the inherent estimation uncertainty, complexity and subjectivity involved in the assessment of valuation of the estimates of present value of future cashflows and risk adjustment for non-financial risk arising from insurance contracts, which are sensitive to external inputs, such as claims cost inflation, as well as the actuarial methodology that is applied and the assumptions on current and future events.</p> <p>Refer to Notes 3 and 4 for the material accounting policies and significant accounting judgements, estimates and assumptions adopted by the Company.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none">• Understood, evaluated and tested key controls around the claims handling and provision setting processes;• Evaluated the competence, capabilities and objectivity of the Appointed Actuary based on their professional qualifications and experience and assessed their independence;• Performed substantive procedures, on a sample basis, on the amounts recorded for claims notified and paid; including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of outstanding claims;• Checked the completeness of the underlying data used as inputs into the actuarial valuations, and tested on sample basis, the accuracy of underlying claims data used by the Appointed Actuary in estimating the present value of the future cash flows and the risk adjustment for non-financial risk by comparing it to the accounting and other records;• Involved our actuarial specialists to assess the Company's methodology and reasonableness of the key assumptions used by the management and evaluated the Company's actuarial practices and provisions established including the actuarial report issued by Appointed Actuary, by performing the following:<ul style="list-style-type: none">(i) Evaluated whether the Company's actuarial methodologies were consistent with generally accepted actuarial practices and with prior years;(ii) Assessed the appropriateness of the calculation methods and approach along with the key actuarial assumptions used and sensitivity analysis performed;(iii) Performed independent re-projections on present value of future cash flows and risk adjustment for non-financial risk on sample basis to compare them with the amounts recorded by management; and



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WATANIYA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY) (CONTINUED)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
	(iv) Assessed the adequacy and appropriateness of the related disclosures in the financial statements.
<p>Adoption of IFRS 17 and IFRS 9</p> <p>On January 1, 2023 the Company has adopted IFRS 17 "Insurance Contracts", as endorsed in the Kingdom of Saudi Arabia ("IFRS 17"), which replaces IFRS 4 "Insurance Contracts", and is effective for annual periods beginning on or after January 1, 2023, with early adoption permitted. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF"). The Company has applied the full retrospective approach to each group of insurance contracts.</p> <p>The adoption of IFRS 17 resulted in a transition adjustment to the Company's equity as at January 1, 2022 amounting to SAR 8.7 million.</p> <p>Further, on January 1, 2023, the Company also adopted IFRS 9 "Financial Instruments", as endorsed in the Kingdom of Saudi Arabia ("IFRS 9") which replaces IAS 39 "Financial Instruments: Recognition and Measurement", as endorsed in the Kingdom of Saudi Arabia ("IAS 39"). IFRS 9 requires the management to assess its business model with respect to different portfolios of investments that drive the measurement and disclosures of the Company's investments. It also introduced the concept of Expected Credit Loss (ECL) which is a forward-looking estimate of credit losses for the Company's financial assets. The Company had applied the temporary exemption from IFRS 9 for annual periods before January 1, 2023. For the transition to IFRS 9, the Company applied a retrospective approach to be in line with the transition option adopted under IFRS 17 while applying the relevant practical expedients under IFRS 9.</p> <p>The adoption of IFRS 9 resulted in a transition adjustment to the Company's equity as at January 1, 2022 amounting to SAR 34.9 million.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's implementation process for determining the impact of adoption of IFRS 17 and IFRS 9, including understanding of the changes to the Company's accounting policies, systems, processes and controls; • Evaluated the competence, capabilities and objectivity of the management's experts based on their professional qualifications and experience and assessed their independence; • Evaluated and assessed the appropriateness and adequacy of the transition methodologies, assumptions and accounting policies adopted in relation to, amongst others, use of premium allocation approach, expense allocation methodology, risk adjustment for non-financial risk, estimation of the present value of future cash flows, loss component determination etc., and tested the related IFRS 17 transition adjustments on the retained earnings as at January 1, 2023 and January 1, 2022, with the assistance of our actuarial specialists; • Evaluated and assessed the appropriateness and adequacy of the transition methodologies, assumptions and accounting policies adopted in relation to classification, recognition, measurement and impairment of different financial instruments and tested the related IFRS 9 transition adjustments on the retained earnings as at January 1, 2023 and January 1, 2022, with the assistance of our valuation experts; • Checked the completeness and accuracy of the underlying data used as inputs in estimating the transition impacts of IFRS 17 and IFRS 9, and tested on sample basis, the accuracy of the underlying data used; and • Evaluated and assessed the adequacy and appropriateness of related disclosures made in the financial statements.



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WATANIYA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY) (CONTINUED)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>We have considered this as a key audit matter as the first year adoption of IFRS 17 and IFRS 9, resulted in fundamental changes to classification and measurement of the main transactions and balances of the Company along with significant changes to presentation and disclosures that were required in the financial statements for the year ended December 31, 2023.</p> <p>Refer to Notes 3 and 4 for accounting policy and significant accounting judgements, estimates and assumptions adopted by the Company. Also, refer to Note 5 for the impact of transition.</p>	

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, and the Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors of the Company are responsible for overseeing the Company's financial reporting process.



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WATANIYA INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY) (CONTINUED)**

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of the Company.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for KPMG Professional Services

Ebrahim Oboud Baeshen
License Number 382

for PricewaterhouseCoopers
(Certified Public Accountants)

Mufaddal Ali
License Number 447

March 25, 2024 G
Corresponding to Ramadan 15, 1445 H
Jeddah, Kingdom of Saudi Arabia



توصية لجنة المراجعة على تعيين مراجعي الحسابات الخارجيين
**Audit Committee Recommendation for
the External Auditors' appointment**



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400,000,000 ريال سعودي
Paid up Capital SR 400,000,000

Date: 05/10/1445

Corresponding: 14/04/2024

The Gentlemen / the Board of Directors respected.

Wataniya Insurance Company

Jeddah

With this, the Audit Committee reports that it has studied and reviewed the offers for reviewing and auditing the activities and accounts of the company submitted by the following institutions:

External Auditors	Proposal
PricewaterhouseCoopers	SR 1,150,000
KPMG	SR 1,175,000
El Sayed El Ayouty & Co	SR 530,000

Based on the aforementioned, the committee unanimously recommends appointing PricewaterhouseCoopers and KPMG to undertake the tasks of external auditing for the company for the second and third quarter of 2024, annual financial statements for the fiscal year 2024 and the first quarter of 2025.

Shireesh Bhide
Audit Committee Chairman

Nedhal Radhwan
Member

Sami Alhalabi
Member


Shirish Bhide (Apr 16, 2024 19:13 GMT+4)




Sami Alhalabi (Apr 16, 2024 18:38 GMT+3)

تبلغ الجمعية عن الأعمال والعقود التي يكون لأعضاء مجلس الإدارة
مصلحة شخصية فيها

Notification on the Contracts in which the Board Directors have a material Interest in



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Paid up Capital SR 400,000,000

Date: 22/09/1445 H
01-04-2024 G

Dear Shareholders of Wataniya,

Greetings,

Subject: contracts in which Directors have a material interest

This is to inform you that during 2023, Wataniya had contracts with related parties, and where the Directors have material interest. As per regulation we have requested an External Auditor's report on this regard there on.

We seek your approval on such contracts and authorization for the upcoming year.

Yours,

Hussein Akeil (Apr 2, 2024 17:54 GMT+3)

Dr. Hussein S Akeil
Chairman of the Board



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Appendix

Following table summarizes the contracts in which Directors have a material interest.

No.	Name of Party	Name of Directors	Nature of Contract	Period of Contract	Annual Value SR'000
1.	EA Juffali & Brothers Company	<ul style="list-style-type: none"> Amin Alafifi Faisal Charara 	- Rents and other charges for Jeddah(VAT Inclusive)	Annual 2023	3,509
			- Insurance Premiums	Annual 2023	748
			- Claims Paid	Annual 2023	169
2.	SNIC Ins Co	<ul style="list-style-type: none"> Amin Alafifi Faisal Charara 	- Facultative Premiums - Facultative Commission - Facultative Claims Recovered	Annual 2023	1,210 77 161
3.	Saudi Cement Company	<ul style="list-style-type: none"> Amin Alafifi 	- Insurance Premiums - Claims Paid	Annual 2023	4,508 1,015
4.	Naghi Group of Companies	<ul style="list-style-type: none"> Tahir Aldabbagh 	- Insurance Premiums - Claims Paid	Annual 2023	7,161 4,673
5.	Digital Excellence Company For Information Systems Technology	<ul style="list-style-type: none"> Amin Alafifi Faisal Charara 	- Service Level Agreement for IT-Services (VAT Inclusive)	Annual 2023	1,497

- All above Contracts had no preferential conditions.


Hussein Akeil (Apr 2, 2024 17:54 GMT+3)



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رأسمال المدفوع
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Paid up Capital SR 400,000,000



**To the Board of Directors
Wataniya Insurance Company - a Saudi Joint Stock Company**

***Limited assurance report on the Board of Directors' declaration to the shareholders of
Wataniya Insurance Company - a Saudi Joint Stock Company***

We have undertaken a limited assurance engagement in respect of the accompanying declaration of directors' interest in contracts and transactions entered during the year ended December 31, 2023 from the Board of Directors of the Company prepared in accordance with the applicable criteria mentioned below so as to comply with the requirements of Article 71 of the Regulations for Companies (the "Declaration").

Subject matter

The Subject Matter for our limited assurance engagement is the Declaration prepared by the management of the Company and approved by the Board of Directors as attached to this report and submitted to us.

Criteria

The applicable Criteria is the requirement of Article 71 of the Regulations for Companies issued by the Ministry of Commerce which states that, subject to the provision of Article 27 of the Regulations, any member of the board of directors (the "Board") with any interest, both directly or indirectly, in the transactions or contracts made for the account of the Company shall declare such interests to the Board for the approval of the general assembly of the Company. The board member must notify the Board of such interest and excuse himself in vote by the Board to approve such transactions or contracts. The Board will notify the general assembly of transactions and contracts in which a member of the Board has a direct or indirect interest.

Management's responsibility

The management of the Company is responsible for the preparation of the Declaration in accordance with the Criteria and ensuring its completeness. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Declaration that is free from material misstatement, whether due to fraud or error.

Professional ethics and quality management

We have complied with the independence requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our limited assurance engagement in the Kingdom of Saudi Arabia and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

The firm applies International Standard on Quality Management (ISQM) 1, as endorsed in the Kingdom of Saudi Arabia, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our responsibility

Our responsibility is to express a limited assurance conclusion on the Declaration based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information', as endorsed in the Kingdom of Saudi Arabia. This standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Company has not complied, in all material respects, with the applicable requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration for the year ended December 31, 2023.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Summary of work performed

We planned and performed the following procedures to obtain limited assurance over the Company's compliance with the requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration:

- Discussed with the management the process for obtaining business and contracts by any of the board members with the Company.
- Obtained the accompanying Declaration that includes the list of all contracts and transactions entered into by any of the board members of the Company, either directly or indirectly, with the Company during the year ended December 31, 2023.
- Reviewed the minutes of the Board meetings that indicate that the board member notified the Board on the contracts and transactions entered into by the board member during the year ended December 31, 2023; and further that the concerned board member did not vote on the resolution issued in this regard at the meetings of the Board.
- Reviewing confirmation obtained by the management from the board members on the contracts and transactions entered into by the board member during the year.
- Reviewed the consistency of the transactions and agreements included in the Declaration with the disclosure in Note 25 to the audited financial statements for the year ended December 31, 2023.



Inherent limitations

Our procedures relating to the preparation of the Declaration in accordance with the requirements of the Article 71 of the Regulations for Companies are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised), as endorsed in the Kingdom of Saudi Arabia. Consequently, the nature, timing and extent of the procedures outlined above for gathering sufficient appropriate evidence were deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Our procedures did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, that are endorsed in the Kingdom of Saudi Arabia, and, accordingly, we do not express an audit opinion or a review conclusion in relation to the adequacy of systems and controls around the preparation of the Declaration.

This conclusion relates only to the Declaration for the year ended December 31, 2023, and should not be seen as providing assurance as to any future dates or periods, as changes to systems or controls may alter the validity of our conclusion.

Limited assurance conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with the applicable requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration.

Restriction of use

This report, including our conclusion, has been prepared solely upon the request of the management of the Company, to assist the Company and its Board of Directors in fulfilling its reporting obligations to the General Assembly in accordance with Article 71 of the Regulations for Companies. The report should not be used for any other purpose or to be distributed to or otherwise quoted or referred to, without our prior consent to any other parties other than the Ministry of Commerce, Capital Market Authority and the shareholders of the Company. To the fullest extent permitted by law, we do not accept or assume responsibility to any third party.

PricewaterhouseCoopers

Mufaddal A. Ali
License Number 447



April 4, 2024

السيرة الذاتية للمرشحة لعضوية مجلس الإدارة لإتمام الدورة الحالية
والتي تنتهي في 2025-04-25م

**Biography of the Board Nominee to
complete the current board tenure
which ends on 25-04-2025.**



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400,000,000 رِيَالِ سَعُودِي
Paid up Capital SR 400,000,000

Form No. (1) Resume

1) Personal Information of the Nominated Member						
Full Name	Abir Abdulelah Mohammed Saleh Kaki					
Nationality	Saudi	Date of Birth	12/09/1980			
2) Academic Qualifications of the Nominated Member						
No.	Qualification	Specialization	Date of the awarded degree	The Name of the awarding entity		
1	Master's degree	Human Resource	2007	Webster University – Switzerland		
2	Bachelor's Degree	Business Administration	2003	Webster University – Switzerland		
3) Experiences of the Nominated Member						
2018 – present	General Manager - Estee Lauder – Saudi Arabia					
2016 - 2018	CEO - Saudi International Trading & Marketing Co.					
2013 – 2016	Secretary General – Alwaleed Philanthropies					
2008 - 2013	Advisor – Mercer Company					
4) Current membership in the board of directors of other joint stock companies (listed or un-listed) or any other company of any legal form or its committees:						
No.	Company Name	Main Activity	Membership Type (Executive, non executive, Independent)	Appointment method (a nominee as a shareholder, appointed by a shareholder who enjoys the right of appointment under the company's articles of association, nominated by a shareholder)	Membership of Committees	Legal form of the Company
1	Saudi International Trading & Marketing Co.	Trading	Non-Executive	Shareholder	N/A	Limited liability
2	Gulf united Manufacturing Co.	Trading	Non-Executive	Shareholder	N/A	Limited liability
3	Gulf AMIC Investment & General Trading	Trading	Non-Executive	Shareholder	N/A	Limited liability

* Disclaimer: This form represents a translation of the Arabic original version, therefore, in case of any misinterpretation, the Arabic version will prevail.

قائمة التعديلات على لائحة عمل لجنة الترشيحات والمكافآت

List of the Changes in the Remuneration & Compensation Committee Charter



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Comparison list Remuneration & Nomination Committee Charter

Article Title	Before Changes	After Changes
Committee Formation	<p>1-The names and the membership classifications of the Committee members shall be submitted to SAMA for SAMA's non-objection within five (5) working days from the date of their appointment and shall notify SAMA of any changes thereto within five (5) working days of the date of such changes.</p>	<p>1- The names and the membership classifications of the Committee members shall be submitted to SAMA for SAMA's non-objection prior to the appointment.</p> <p>2-Added the next clauses:</p> <p>2.1 "The term of this Committee shall last for a duration of three (3) years, or until the end of the term of the present Board tenure, whichever comes first.</p> <p>2.2 The Committee can be reappointed after the election of the new Board at the beginning of the Board tenure that follows the present Board tenure</p> <p>2.3 The term of a Board director who sits in RNC should be linked to his/her membership term in the Board.</p> <p>2.4 In case of resignation of any member, the company shall notify SAMA & CMA of any changes thereto within (5) working days of the date of such changes. "</p>
Committee Meeting Procedures	<p>No Article related to the Committee's meeting procedure</p>	<p>Added:</p> <p>1.1" The Committee may ask any Board director and any member from other committees or Senior Management to attend RNC meeting when needed.</p> <p>1.2 A committee member may only serve as a representative for one other member. If the chairman is unable to attend a meeting, they may authorize another member to chair the meeting. If the chairman does not authorize another member,</p>



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20106 / 29 / رقم الترخيص ت م ن / طابعت لرقابة وإشراف هيئة التأمين . رقم الترخيص ت م ن / 20106 / 29 /

		<p>the committee members present may select one of their number to chair the meeting</p> <p>1.3 The committee meetings are scheduled in advance - prior to the beginning of the year - on an annual basis for the whole year</p> <p>1.4 The Committee shall meet periodically and as needed; at least twice (2) a year, every (6) six months and as needed.</p> <p>1.5 The Committee chairman, or a delegated Committee member, shall attend the shareholders' general assembly meetings and answer questions raised by the shareholders.</p> <p>1.6 Committee meetings are valid if attended by two (2) Committee members, at least.</p> <p>1.7 The Committee member may attend through video conference of telephone call and will be considered as physical attendance if he/she could not attend the meeting physically due to an any emergency reason.</p> <p>1.8 The meeting agenda shall be agreed with the committee chairman ahead of the meeting and include as part of the invitation.</p> <p>1.9 Committee meeting invitations should be sent by the committee chairman or secretary, who has been authorized to do so by the committee chairman, in a timely manner. The presentation and other materials to be discussed during the meeting should also be sent to committee members in a timely manner before the meeting date</p>
Voting	Shall be issued by two present votes, at least.	<p>5. Voting</p> <p>5.1 Committee resolutions and decisions shall be issued by majority present votes, at least.</p> <p>5.2 In case of a tie, the Committee chairman shall have the casting vote.</p>
Term	Added: "1.1. The term of this Committee shall last for a duration of three (3) years, or until the end of the term of the present Board tenure, whichever comes first.	<p>Moved to Committee's Formation Articles:</p> <p>2.5 The term of this Committee shall last for a duration of three (3) years, or until the end of the term of the present Board tenure, whichever comes first.</p>



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	<p>1.2. The term of a Board director who sits in RNC should be linked to his/her membership term in the Board.</p> <p>1.3. The Committee can be reappointed after the election of the new Board at the beginning of the Board tenure that follows the present Board tenure.”</p>	<p>2.7 The term of a Board director who sits in RNC should be linked to his/her membership term in the Board.</p> <p>2.6 The Committee can be reappointed after the election of the new Board at the beginning of the Board tenure that follows the present Board tenure</p>
Meetings Frequency	<p>Added:</p> <p>“1.1. The Committee shall meet periodically and as needed; at least twice (2) a year, every (6) six months.</p> <p>1.2. The Committee chairman, or a delegated Committee member, shall attend the shareholders’ general assembly meetings and answer questions raised by the shareholders.</p> <p>1.3. The Committee may ask any Board director and any member from other committees or Senior Management to attend RNC meeting when needed.”</p>	<p>Moved to Committee’s meeting procedure Articles:</p> <p>4.4 The Committee shall meet periodically and as needed; at least twice (2) a year, every (6) six months and as needed.</p> <p>4.5 The Committee chairman, or a delegated Committee member, shall attend the shareholders’ general assembly meetings and answer questions raised by the shareholders.</p> <p>4.1 The Committee may ask any Board director and any member from other committees or Senior Management to attend RNC meeting when needed.</p>
Quorum	<p>Added:</p> <p>“Committee meetings are valid if attended by two (2) Committee members, at least. “</p>	<p>Moved to Committee’s meeting procedure Articles:</p> <p>4.6 Committee meetings are valid if attended by two (2) Committee members, at least.</p>
RNC Duties (General Duties)		<p>Added to the General Duties clauses:</p> <p>6.1.5 Overseeing the succession plan for key positions in the Group.</p> <p>6.1.6 Overseeing the nomination process for the board, committees, and executive management</p> <p>6.1.7 Overseeing the grievance policy for employees and ensuring its implementation.</p> <p>6.1.8 Managing the process of assessing and evaluating board and committee members’ performance.”</p>



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<p>Compensation & Fees</p>	<p>1-Compensations: - The annual compensation of the Committee Chairman shall be SAR 30,000. - The annual Compensation of the Committee members shall be SAR 18,000. - The Committee attendance fee for Committee chairman and members is SAR 1,500.</p>	<p>7.1 The committee members will receive a fixed amount as compensation for their services, in addition to attendance fees and other benefits outlined in the remuneration policy established by the board for its members, committee members, and executive management. Payment will be made in accordance with the procedures specified in the remuneration policy. 7.2 The annual compensation of the Committee Chairman shall be SAR 35,000. 7.3 The annual Compensation of the Committee members shall be SAR 25,000. 7.4 The Committee attendance fee for Committee chairman and members is SAR 2,000. 7.5 The Committee Secretary of the Committee shall be SR 1,500 per meeting“</p>
<p>Committee Secretary</p>	<p>1- The Committee Secretary's attendance fee and annual compensation shall be approved by the Board.</p>	<p>Added to Compensation: 7.5 The Committee Secretary of the Committee shall be SR 1,500 per meeting. 2-Added the clause: 10.1 The Committee shall appoint a Committee Secretary to handle its administrative tasks whose term of service is the same as that of the Committee. 10.2 Shall be responsible for meeting organization, administrative and logistical support, drafting agendas, resolutions, minutes of meeting, communication with members and other legalities. 10.3 The Committee Secretary's annual compensation shall be approved by the Board upon RNC review and recommendation.</p>
<p>Succession & Replacement</p>	<p>Establishing a succession policy and procedures for the CEO.</p>	<p>Establishing a succession policy and procedures for the Board and CEO</p>
<p>Fitness & Propriety</p>	<p>The notification period for SAMA of any information or circumstances that may be relevant to the assessment of fitness and propriety of Board directors, Board</p>	<p>The notification period for SAMA of any information or circumstances that may be relevant to the assessment of fitness and propriety of Board directors, Board committees, and Senior Management within five (5) working days from the</p>



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	committees, and Senior Management within three (3) working days from the day of obtaining the information or from the day of change occurrence.	day of obtaining the information or from the day of change occurrence.
Confidentiality of the Committee's work	-	Adedd: "The Committee members are required to maintain strict confidentiality regarding the information and documents reviewed by them. They are strictly prohibited from disclosing such information to any individual or entity, or from using it to obtain personal benefits for themselves, their relatives or others. This confidentiality agreement remains in place even in case of termination of membership. Any failure to comply with this agreement will result in removal from committee membership. This confidentiality provision applies to the Committee Secretary as well."
General Provisions	-	Added: "The Company is required to implement and abide by this Charter once it has been approved by the General Assembly. The board may propose modifications to the Charter's content, but any such changes must be presented to the General Assembly for approval at the next meeting."



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لائحة عمل لجنة الترشيحات والمكافآت قبل التعديل

the Remuneration & Compensation Committee Charter (Before update)



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Classification: Internal Use

Remuneration & Nomination Committee Charter

Board Committee

Wataniya Insurance Company

Version# 2

"This Charter was approved by Wataniya Insurance Company's General Assembly on 13-05-1434H corresponding to 25-03-2013G."

"This Charter was thereafter amended and such amendments were approved by Wataniya's General Assembly on 00-00-0000H corresponding to 00-00-0000G."

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Introduction...

The **Board of Directors** of Wataniya Insurance Company has Board committees through which the Board supervises and monitors the Company. These committees are established to assist and advise the Board to ultimately and effectively fulfill its duties and responsibilities towards Wataniya and its stakeholders as whole. One of these committees is the Remuneration & Nomination Committee.

Thereafter, the **Board of Directors** of Wataniya insurance Company puts in place this Charter to define and tie together the rules and framework in which this Committee shall operate and function; pursuant to Articles sixty (60) and Article sixty-four (64) of the Corporate Governance Regulations¹ issued by CMA and Article ninety-one (91) of the Insurance Corporate Governance Regulation² issued by SAMA.

1. Definitions

- | | | |
|-------|----------------------------------|---|
| 1.1. | "SAMA" | The Saudi Arabian Monetary Authority. |
| 1.2. | "CMA" | The Capital Market Authority. |
| 1.3. | "Wataniya" or "Company": | Wataniya Insurance Company. |
| 1.4. | "BoD" or "Board": | The Board of directors of Wataniya. |
| 1.5. | "RNC" or "Committee": | This Remuneration and Nomination Committee of Wataniya. |
| 1.6. | "Executive Director": | A Board director who is a full-time member in Wataniya's management team, participates in the Wataniya's daily affairs, has an office in the Company, and earns a monthly or an annual salary in return thereof. |
| 1.7. | "Non-Executive Director": | A Board director who is not a full-time member in Wataniya's management team, does not participate in Wataniya's daily affairs, and does not receive a monthly or an annual salary. |
| 1.8. | "Independent Director": | A Non-Executive Director who enjoys complete independence in his/her position and decisions and none of the <i>Issues Affecting Independence</i> stipulated in Article Twenty (20) of the Corporate Governance Regulations ¹ issued by CMA nor the definition of <i>Independent Board Member</i> stated in the Insurance Corporate Governance Regulation ² issued by SAMA applies to him/her. |
| 1.9. | "Independent": | Shall either mean:
(A) An Independent Director.
(B) An Independent non-Board member. |
| 1.10. | "Senior Management": | An employee in Wataniya's management team who is responsible for managing Wataniya's daily affairs and proposing and executing strategic decisions, such as the Chief Executive Officer (CEO) and his/her delegates and the Chief Financial Officer (CFO). |

¹ Corporate Governance Regulations Issued by the Board of the Capital Market Authority Pursuant to Resolution Number (8-16-2017) Dated 16/5/1438H, and Amended by Resolution of the Board of the Capital Market Authority Number 3-57-2019 Dated 15/9/1440H

² Insurance Corporate Governance Regulation issued by SAMA on 21/10/2015, and any amendment thereafter.

2. Committee Formation

- 2.1. The Board shall form this Committee and appoint its members in accordance with the applicable rules and regulations, as well as the rules it issues upon the general shareholders' approval, such as this Charter.
- 2.2. The names and the membership classifications of the Committee members shall be submitted to SAMA for SAMA's non-objection within five (5) working days from the date of their appointment and shall notify SAMA of any changes thereto within five (5) working days of the date of such changes.
- 2.3. Upon SAMA's non-objection, the Committee shall be formed and functioning.
- 2.4. Any Committee member may resign upon giving a written notice to the chairman of the Committee and chairman of the Board. The resignation shall be effective at the discretion of the chairman of the Board. The Committee shall elect a successor in line with the Company's approved policies and procedures.

3. Composition

- 3.1. RNC shall be comprised of three (3) members, where the majority shall be Independent.
- 3.2. The Committee Chairman shall be an Independent Director.
- 3.3. A Non-Executive Director is to be a member to this Committee.
- 3.4. The Board Chairman cannot chair this Committee and Executive Directors cannot be members to this Committee.

4. Term

- 4.1. The term of this Committee shall last for a duration of three (3) years, or until the end of the term of the present Board tenure, whichever comes first.
- 4.2. The term of a Board director who sits in RNC should be linked to his/her membership term in the Board.
- 4.3. The Committee can be reappointed after the election of the new Board at the beginning of the Board tenure that follows the present Board tenure.

5. Meetings Frequency

- 5.1. The Committee shall meet periodically and as needed; at least twice (2) a year, every (6) six months.
- 5.2. The Committee chairman, or a delegated Committee member, shall attend the shareholders' general assembly meetings and answer questions raised by the shareholders.
- 5.3. The Committee may ask any Board director and any member from other committees or Senior Management to attend RNC meeting when needed.

6. Quorum

Committee meetings are valid if attended by two (2) Committee members, at least.

7. Voting

7.1. Committee resolutions and decisions shall be issued by two present votes, at least.

7.2. In case of a tie, the Committee chairman shall have the casting vote.

8. RNC Duties

In conjunction with other applicable duties issued by the regulators and Wataniya; such as Board Membership Selection Criteria and Corporate Governance Charter developed by Wataniya, RNC duties shall include the following:

8.1. *General Duties:*

8.1.1. Committee members shall always be fully informed of the course of business and act in good faith in compliance with the applicable rules and regulations; and in the best interest of the Wataniya and its shareholders.

8.1.2. Committee members shall perform their duties free from influence, whether from within or outside Wataniya. Committee members shall not allow their own personal interest, or the interest of the parties they represent, to come before, or in conflict with, that of Wataniya and its shareholders.

8.1.3. Committee members are not allowed to use any information obtained while performing their duties for their own benefit and personal gain nor are they allowed to disclose any confidential information, other than in the ways allowed by this Charter, the Company's Disclosure Policy and the applicable rules and regulations in the context that does not jeopardize that of Wataniya and its stakeholders.

8.1.4. The Committee is to recommend to the Board on the various remuneration and nomination matters stated below.

8.2. *Specific Duties:*

8.2.1. Preparing a remuneration policy for the Board directors, its committees and Senior Management. the remuneration policy shall:

- A. Be consistent with the Company's strategy and objectives.
- B. Determine the remuneration based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance.
- C. Be consistent with the magnitude, nature and level of risks faced by the Company.
- D. Attract talented professionals and retain and motivate them without exaggeration.
- E. Mention situations where remunerations should be suspended or reclaimed if determined that they were set based on inaccurate information provided by a director, committee member, or Senior Management.
- F. Clarify the relation between the paid remunerations and the adopted remuneration policy, highlighting any material deviation from that policy.
 - I. Remuneration policy shall be reviewed on an annual basis to assess its effectiveness in achieving its objectives.
 - II. Amendments to the remuneration policy must be reviewed by the Board then submitted to SAMA within twenty-one (21) working days from the date of the amendment. Amendments shall thereafter be presented to the general assembly for their approval; without prejudice to article 8.2.1 number III.
 - III. Board of Directors remuneration can only be modified by the extraordinary general assembly.

Classification: Internal Use

8.2.2. Other Remuneration Articles

8.2.2. Other Remuneration Articles

- 8.2.3. The Committee shall ensure that an annual remuneration review on the internal practices of the Company's remuneration and compensation is conducted through the internal audit function or externally by a specialized firm both independently from Senior Management.
- 8.2.4. Board directors, Board committees, and Senior Management (except sales managers) shall not receive any commission or rewards on sales-related activities. Also, no variable component of their compensation (except for sales managers) shall be directly based on premium volume.
- 8.2.5. Preparing policies and standards for membership in the Board, its committees and the Senior Management.
- 8.2.6. Recommending to the Board the nomination or re-nomination of its directors and committee members in accordance with regulatory requirements and approved policies and standards.
- 8.2.7. Recommending to the Board the selection and dismissal of Senior Management.
- 8.2.8. Preparing descriptions of the capabilities and qualifications required for membership in the Board, its committees and Senior Management.
- 8.2.9. Providing job descriptions for the Executive, Non-Executive and Independent Directors, Board committees, and Senior Management.
- 8.2.10. Determining the time allocated to the activities of the Board and its committees, without prejudice to the applicable rules and regulations.
- 8.2.11. Annually reviewing the skills and expertise required in the Board, its committees, and Senior Management.
- 8.2.12. Reviewing the structure of the Board and Senior Management and recommending changes that may be made to such structure, if any.
- 8.2.13. Reviewing Wataniya's organizational structure. Any update therein shall be approved by the Board. A copy of the approved organizational structure shall be provided to SAMA within twenty-one (21) working days from the date of its approval by the Board.

8.3. Assessment & Evaluation

- 8.3.1. Evaluating the performance of the Board and its committee on a regular basis.
- 8.3.2. Evaluating the structure and composition of the Board and its committees, determining their points of weakness and recommending remedies that serve the Company's interests and objectives.
- 8.3.3. Assessing and monitoring the independence of the Board and its committee and ensuring the absence of any conflict of interest.
- 8.3.4. Ensuring the independence of the Independent Directors and Independent committee members, at least on an annual basis.
- 8.3.5. Having a performance measurement system in place to evaluate and measure the performance of its employees at various levels, in an objective and formal manner. The performance measurement of Senior Management, in particular, shall be based on the longer-term performance of the Company, and not based on only one year's performance.

8.4. *Succession & Replacement:*

- 8.4.1. Setting procedures to be followed if the position of a Board director, Board committee member, or a member in the Senior Management becomes vacant.
- 8.4.2. Establishing a *succession policy* and procedures for the CEO and other key members of the Senior Management and monitoring the implementation of the succession plans and process.
- 8.4.3. Selecting and changing (if needed) Senior Executives in key positions and ensuring that the Company has an appropriate *replacement policy* for their replacement by an appropriate alternative with the necessary skills and eligibility for the office.

8.5. *Fitness & Propriety:*

- 8.5.1. The Committee shall ensure that the directors of the Board and the members of its committees and Senior Management are trustworthy, have the integrity, competency, knowledge, and experience to fulfill their respective roles in conformity with all applicable rules, laws, regulations issued by SAMA, CMA and other applicable regulations.
- 8.5.2. The Committee shall ensure that all appointments of Board directors, its committees, and Senior Management are made in accordance with SAMA's Requirements for Appointments to Senior Positions in the Financial Institutions.
- 8.5.3. The Committee shall immediately notify SAMA of any information or circumstances that may be relevant to the assessment of fitness and propriety of Board directors, Board committees, and Senior Management within three (3) working days from the day of obtaining the information or from the day of change occurrence.

8.6. *Induction & Training:*

- 8.6.1. Supervising the induction plans and program once a director joins the Board.
- 8.6.2. Supervising the Board training on relevant and needed areas and topics, including but not limited to corporate governance, risk management, finance, solvency, insurance, internal control, law, and compliance.

9. Compensation & Fees

- 9.1. The annual compensation of the Committee Chairman shall be SAR 30,000.
- 9.2. The annual Compensation of the Committee members shall be SAR 18,000.
- 9.3. The Committee attendance fee for Committee chairman and members is SAR 1,500.

10. Minutes of Meeting

- 10.1. RNC meetings shall be documented and minuted including the deliberations carried during such meetings as well as the recommendations and voting results taking place therein.
- 10.2. Names of the attendees and any reservations they expressed, if any, shall be minuted.
- 10.3. Minutes shall be signed by all the members and the Committee Secretary.
- 10.4. RNC shall submit its meeting minutes as well as its recommendations to the Board via the Board secretary.

11. Reporting

RNC shall report directly to the Board.

12. Committee Secretary

- 12.1. The Committee shall appoint a Committee Secretary to handle its administrative tasks whose term of service is the same as that of the Committee.
- 12.2. The Committee Secretary's attendance fee and annual compensation shall be approved by the Board upon RNC review and recommendation.

13. General Provisions

- 13.1. RNC shall assess the matters that fall within its authority or those referred to it by the Board and shall communicate its recommendations to the Board to issue decisions in connection therewith.
- 13.2. RNC can take decisions with regards to certain matters if and when delegated to RNC by the Board. However, the ultimate responsibility falls within the Board even if the Board delegates some of its powers to RNC.
- 13.3. The Committee may seek assistance from any experts and specialists, whether from within Wataniya or outside. Such third party's assistance can only be within the scope of RNC powers and authorities. The minutes of RNC meetings shall state the name of the experts or specialists and their relations to the Company or its Senior Management, if any.

لائحة عمل لجنة الترشيحات والمكافآت بعد التعديل

the Remuneration & Compensation Committee Charter (After update)



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أَسْـمَـالُ المَدْفُوع
400,000,000 ريال سعودي
Paid up Capital SR 400,000,000

Classification: Internal Use

Remuneration & Nomination Committee Charter

Board Committee

Wataniya Insurance Company

Version# 3

"This Charter was approved by Wataniya Insurance Company's General Assembly on / / 2023 corresponding to / / 1444H."

"This Charter was thereafter amended and such amendments were approved by Wataniya's General Assembly on 00-00-0000H corresponding to 00-00-0000G."

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Introduction

The **Board of Directors** of Wataniya Insurance Company has Board committees through which the Board supervises and monitors the Company. These committees are established to assist and advise the Board to ultimately and effectively fulfill its duties and responsibilities towards Wataniya and its stakeholders as whole. One of these committees is the Remuneration & Nomination Committee.

Thereafter, the **Board of Directors** of Wataniya insurance Company puts in place this Charter to define and tie together the rules and framework in which this Committee shall operate and function; pursuant to Articles fifty - seven (57) and Article sixty – one (61) of the Corporate Governance Regulations¹ issued by CMA and Article ninety-one (91) of the Insurance Corporate Governance Regulation² issued by SAMA.

1. Definitions

- | | | |
|-------|---------------------------|---|
| 1.1. | “SAMA” | The Saudi Central Bank |
| 1.2. | “CMA” | The Capital Market Authority. |
| 1.3. | “Wataniya” or “Company”: | Wataniya Insurance Company. |
| 1.4. | “BoD” or “Board”: | The Board of directors of Wataniya. |
| 1.5. | “RNC” or “Committee”: | The Remuneration and Nomination Committee of Wataniya. |
| 1.6. | “Executive Director”: | A Board director who is a full-time member in Wataniya’s management team, participates in the Wataniya’s daily affairs, has an office in the Company, and earns a monthly or an annual salary in return thereof. |
| 1.7. | “Non-Executive Director”: | A Board director who is not a full-time member in Wataniya’s management team, does not participate in Wataniya’s daily affairs, and does not receive a monthly or an annual salary. |
| 1.8. | “Independent Director”: | A Non-Executive Director who enjoys complete independence in his/her position and decisions and none of the <i>Issues Affecting Independence</i> stipulated in Article Twenty (20) of the Corporate Governance Regulations ¹ issued by CMA nor the definition of <i>Independent Board Member</i> stated in the Insurance Corporate Governance Regulation ² issued by SAMA applies to him/her. |
| 1.9. | “Independent”: | Shall either mean:
(A) An Independent Director.
(B) An Independent non-Board member. |
| 1.10. | “Senior Management”: | An employee in Wataniya’s management team who is responsible for managing Wataniya’s daily affairs and proposing and executing strategic decisions, such as the Chief Executive Officer (CEO) and his/her delegates and the Chief Financial Officer (CFO), and any management team member who report to the CEO directly. |

¹ Corporate Governance Regulations Issued by the Board of the Capital Market Authority Pursuant to Resolution Number (8-6-2017) Dated 13/02/2017, and Amended by Resolution of the Board of the Capital Market Authority Number 8-5-2023 Dated 18-01-2023

² Insurance Corporate Governance Regulation issued by SAMA on 21/10/2015, and any amendment thereafter.

2. Committee Formation

- 2.1. The Board shall form this Committee and appoint its members in accordance with the applicable rules and regulations, as well as the rules it issues upon the general shareholders' approval, such as this Charter.
- 2.2. Any Committee member may resign upon giving a written notice to the chairman of the Committee and chairman of the Board. The resignation shall be effective at the acceptance of the chairman of the Board. The Committee shall elect a successor in line with the Company's approved policies and procedures.
- 2.3. The names and the membership classifications of the Committee members shall be submitted to SAMA for SAMA's non-objection prior to the appointment.
- 2.4. Upon SAMA's non-objection, the Committee shall be formed and functioning.
- 2.5. The term of this Committee shall last for a duration of three (3) years, or until the end of the term of the present Board tenure, whichever comes first.
- 2.6. The Committee can be reappointed after the election of the new Board at the beginning of the Board tenure that follows the present Board tenure
- 2.7. The term of a Board director who sits in RNC should be linked to his/her membership term in the Board.
- 2.8. In case of resignation of any member, the company shall notify SAMA & CMA of any changes thereto within (5) working days of the date of such changes.

3. Composition

- 3.1. RNC shall be comprised of three (3) members, where the majority shall be Independent.
- 3.2. The Committee Chairman shall be an Independent Director.
- 3.3. A Non-Executive Director is to be a member to this Committee.
- 3.4. The Board Chairman cannot chair this Committee and Executive Directors cannot be members to this Committee.

4. Committee Meeting Procedures

- 4.1. The Committee may ask any Board director and any member from other committees or Senior Management to attend RNC meeting when needed.
- 4.2. A committee member may only serve as a representative for one other member. If the chairman is unable to attend a meeting, they may authorize another member to chair the meeting. If the chairman does not authorize another member, the committee members present may select one of their number to chair the meeting
- 4.3. The committee meetings are scheduled in advance - prior to the beginning of the year - on an annual basis for the whole year
- 4.4. The Committee shall meet periodically and as needed; at least twice (2) a year, every (6) six months and as needed.
- 4.5. The Committee chairman, or a delegated Committee member, shall attend the shareholders' general assembly meetings and answer questions raised by the shareholders.
- 4.6. Committee meetings are valid if attended by two (2) Committee members, at least.
- 4.7. The Committee member may attend through video conference or telephone call and will be considered as physical attendance if he/she could not attend the meeting physically due to an any emergency reason.

Classification: Internal Use

Section 4.8. Modification of Charter

- 4.8. The meeting agenda shall be agreed with the committee chairman ahead of the meeting and include as part of the invitation.
- 4.9. Committee meeting invitations should be sent by the committee chairman or secretary, who has been authorized to do so by the committee chairman, in a timely manner. The presentation and other materials to be discussed during the meeting should also be sent to committee members in a timely manner before the meeting date

5. Voting

- 5.1. Committee resolutions and decisions shall be issued by majority present votes, at least.
- 5.2. In case of a tie, the Committee chairman shall have the casting vote.

6. RNC Duties

In conjunction with other applicable duties issued by the regulators and Wataniya; such as Board Membership Selection Criteria and Corporate Governance Charter developed by Wataniya, RNC duties shall include the following:

6.1. General Duties:

- 6.1.1. Committee members shall always be fully informed of the course of business and act in good faith in compliance with the applicable rules and regulations; and in the best interest of the Wataniya and its shareholders.
- 6.1.2. Committee members shall perform their duties free from influence, whether from within or outside Wataniya. Committee members shall not allow their own personal interest, or the interest of the parties they represent, to come before, or in conflict with, that of Wataniya and its shareholders.
- 6.1.3. Committee members are not allowed to use any information obtained while performing their duties for their own benefit and personal gain nor are they allowed to disclose any confidential information, other than in the ways allowed by this Charter, the Company's Disclosure Policy and the applicable rules and regulations in the context that does not jeopardize that of Wataniya and its stakeholders.
- 6.1.4. The Committee is to recommend to the Board on the various remuneration and nomination matters stated below.
- 6.1.5. Overseeing the succession plan for key positions in the Group
- 6.1.6. Overseeing the nomination process for the board, committees, and executive management
- 6.1.7. Overseeing the grievance policy for employees and ensuring its implementation.
- 6.1.8. Managing the process of assessing and evaluating board and committee members' performance.

6.2. Specific Duties:

- 6.2.1. Preparing a remuneration policy for the Board directors, its committees and Senior Management. the remuneration policy shall:
 - 6.2.1.1. Be consistent with the Company's strategy and objectives.
 - 6.2.1.2. Determine the remuneration based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance.
 - 6.2.1.3. Be consistent with the magnitude, nature and level of risks faced by the Company.
 - 6.2.1.4. Attract talented professionals and retain and motivate them without exaggeration.
 - 6.2.1.5. Mention situations where remunerations should be suspended or reclaimed if determined that they were set based on inaccurate information provided by a director, committee member, or Senior Management.
 - 6.2.1.6. Clarify the relation between the paid remunerations and the adopted remuneration policy, highlighting any material deviation from that policy.

Classification: Internal Use

Remuneration & Nomination Charter

- I. Remuneration shall be reviewed on an annual basis to assess its effectiveness in achieving its objectives.
- II. Amendments to the remuneration policy must be reviewed by the Board then submitted to SAMA within twenty-one (21) working days from the date of the amendment. Amendments shall thereafter be presented to the general assembly for their approval; without prejudice to article 8.2.1 number III.
- III. Board of Directors remuneration can only be modified by the Board of Director fees to be approved by the General Assembly meeting.

6.2.2. *Other Remuneration Articles*

- 6.2.3. The Committee shall ensure that an annual remuneration review on the internal practices of the Company's remuneration and compensation is conducted through the internal audit function or externally by a specialized firm both independently from Senior Management.
- 6.2.4. Board directors, Board committees, and Senior Management (except sales managers) shall not receive any commission or rewards on sales-related activities. Also, no variable component of their compensation (except for sales managers) shall be directly based on premium volume.
- 6.2.5. Preparing policies and standards for membership in the Board, its committees and the Senior Management.
- 6.2.6. Recommending to the Board the nomination or re-nomination of its directors and committee members in accordance with regulatory requirements and approved policies and standards.
- 6.2.7. Recommending to the Board the selection and dismissal of Senior Management.
- 6.2.8. Preparing descriptions of the capabilities and qualifications required for membership in the Board, its committees and Senior Management.
- 6.2.9. Providing job descriptions for the Executive, Non-Executive and Independent Directors, Board committees, and Senior Management.
- 6.2.10. Determining the time allocated to the activities of the Board and its committees, without prejudice to the applicable rules and regulations.
- 6.2.11. Annually reviewing the skills and expertise required in the Board, its committees, and Senior Management.
- 6.2.12. Reviewing the structure of the Board and Senior Management and recommending changes that may be made to such structure, if any.
- 6.2.13. Reviewing Wataniya's organizational structure. Any update therein shall be approved by the Board. A copy of the approved organizational structure shall be provided to SAMA within twenty-one (21) working days from the date of its approval by the Board.

6.3. *Assessment & Evaluation*

- 6.3.1. Evaluating the performance of the Board and its committee on a regular basis.
- 6.3.2. Evaluating the structure and composition of the Board and its committees, determining their points of weakness and recommending remedies that serve the Company's interests and objectives.
- 6.3.3. Assessing and monitoring the independence of the Board and its committee and ensuring the absence of any conflict of interest.
- 6.3.4. Ensuring the independence of the Independent Directors and Independent committee members, at least on an annual basis.
- 6.3.5. Having a performance measurement system in place to evaluate and measure the performance of its employees at various levels, in an objective and formal manner. The performance measurement of Senior Management, in particular, shall be based on the longer-term performance of the Company, and not based on only one year's *performance*.

6.4. *Succession & Replacement:*

- 6.4.1. Setting procedures to be followed if the position of a Board director, Board committee member, or a member in the Senior Management becomes vacant.
- 6.4.2. Establishing a *succession policy* and procedures for the Board of Directors and CEO and other key members of the Senior Management and monitoring the implementation of the succession plans and process.
- 6.4.3. Selecting and changing (if needed) Senior Executives in key positions and ensuring that the Company has an appropriate *replacement policy* for their replacement by an appropriate alternative with the necessary skills and eligibility for the office.

6.5. *Fitness & Propriety:*

- 6.5.1. The Committee shall ensure that the directors of the Board and the members of its committees and Senior Management are trustworthy, have the integrity, competency, knowledge, and experience to fulfill their respective roles in conformity with all applicable rules, laws, regulations issued by SAMA, CMA and other applicable regulations.
- 6.5.2. The Committee shall ensure that all appointments of Board directors, its committees, and Senior Management are made in accordance with SAMA's Requirements for Appointments to Senior Positions in the Financial Institutions.
- 6.5.3. The Committee shall immediately notify SAMA of any information or circumstances that may be relevant to the assessment of fitness and propriety of Board directors, Board committees, and Senior Management within three (5) working days from the day of obtaining the information or from the day of change occurrence.

6.6. *Induction & Training:*

- 6.6.1. Supervising the induction plans and program once a director joins the Board.
- 6.6.2. Supervising the Board training on relevant and needed areas and topics, including but not limited to corporate governance, risk management, finance, solvency, insurance, internal control, law, and compliance.

7. *Compensation & Fees*

- 7.1. The committee members will receive a fixed amount as compensation for their services, in addition to attendance fees and other benefits outlined in the remuneration policy established by the board for its members, committee members, and executive management. Payment will be made in accordance with the procedures specified in the remuneration policy
- 7.2. The annual compensation of the Committee Chairman shall be SAR 35,000.
- 7.3. The annual Compensation of the Committee members shall be SAR 25,000.
- 7.4. The Committee attendance fee for Committee chairman and members is SAR 2,000.
- 7.5. The Committee Secretary of the Committee shall be SR 1,500 per meeting

8. *Minutes of Meeting*

- 8.1. RNC meetings shall be documented and minted including the deliberations carried during such meetings as well as the recommendations and voting results taking place therein.
- 8.2. Names of the attendees and any reservations they expressed, if any, shall be minted.
- 8.3. Minutes shall be signed by all the members and the Committee Secretary.
- 8.4. RNC shall submit its meeting minutes as well as its recommendations to the Board via the Board secretary.

9. Reporting

RNC shall report directly to the Board.

10. Committee Secretary

- 10.1. The Committee shall appoint a Committee Secretary to handle its administrative tasks whose term of service is the same as that of the Committee.
- 10.2. Shall be responsible for meeting organization, administrative and logistical support, drafting agendas, resolutions, minutes of meeting, communication with members and other legalities.
- 10.3. The Committee Secretary's annual compensation shall be approved by the Board upon RNC review and recommendation.

11. Confidentiality of the Committee's work

The Committee members are required to maintain strict confidentiality regarding the information and documents reviewed by them. They are strictly prohibited from disclosing such information to any individual or entity, or from using it to obtain personal benefits for themselves, their relatives or others. This confidentiality agreement remains in place even in case of termination of membership. Any failure to comply with this agreement will result in removal from committee membership. This confidentiality provision applies to the Committee Secretary as well

12. General Provisions

- 12.1. RNC shall assess the matters that fall within its authority or those referred to it by the Board and shall communicate its recommendations to the Board to issue decisions in connection therewith.
- 12.2. RNC can take decisions with regards to certain matters if and when delegated to RNC by the Board. However, the ultimate responsibility falls within the Board even if the Board delegates some of its powers to RNC.
- 12.3. The Committee may seek assistance from any experts and specialists, whether from within Wataniya or outside. Such third party's assistance can only be within the scope of RNC powers and authorities. The minutes of RNC meetings shall state the name of the experts or specialists and their relations to the Company or its Senior Management, if any.
- 12.4. The Company is required to implement and abide by this Charter once it has been approved by the General Assembly. The board may propose modifications to the Charter's content, but any such changes must be presented to the General Assembly for approval at the next meeting.

مكافآت أعضاء مجلس الإدارة

The Board Compensation payment



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أسس المدفوع
400,000,000 ريال سعودي
Paid up Capital SR 400,000,000

Date : 13/10/1445 H
22/04/2024 G

التاريخ: 1445/10/13 هـ
الموافق: 2024/04/22 م

The Remuneration & Compensation Committee Recommendation

توصية لجنة الترشيحات والمكافآت

The Remuneration & Compensation Committee of Wataniya Insurance Company has resolved by circulation to put for approval at the Company Annual General Meeting Their recommendation for the Payment of Board of Directors Fees amounted SR. 2,341,178 for the financial Year ended 31 December 2023.

قررت لجنة الترشيحات والمكافآت بالشركة الوطنية للتأمين بالتميرير رفع التوصية بصرف إجمالي مبلغ 2,341,178 ريال سعودي كمكافأة سنوية لمجلس إدارة الشركة عن العام المالي المنتهي في 31 ديسمبر 2023م

The recommendation to be presented to the Company Annual General Meeting for Approval.

لعرضها على الجمعية العامة لمساهمي الشركة للتصويت على اعتمادها.


Sami Alhalabi (Apr 27, 2024 13:30 GMT+3)

سامي الحلبي
عضو

Faisal Charara

فيصل شراره
عضو


Raed S Sater (Apr 28, 2024 21:30 GMT+4)

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2- The board of directors may contract loans for any period, sell or mortgage the company's assets, sell or mortgage the company's commercial place, or discharge the company's debtors from their obligations, unless this Article of Association or issued by the ordinary general assembly includes what may restrict the powers of the Board of Directors in this regard.

Article Nineteen: Remuneration for Board Members:

and Remuneration of the Chairman and the Managing Director

1- The remuneration of the members of the Board of Directors shall be a certain amount or an allowance Attendance about sessions, benefits in kind, or a certain percentage of net profits, and it is permissible to combine two or more of these benefits.

2- If the bonus is a certain percentage of the company's profits, then no percentage may exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly in implementation of the provisions of the Cooperative Insurance Companies Control Law, the

Companies Law and this Law, and after distributing a profit to the shareholders of not less than (5%) of the company's paid-up capital, provided that the entitlement to this bonus is proportional to the number of sessions that the member attends, and any estimate to the contrary shall be void.

3- In all cases, the total remuneration and financial or in-kind benefits and rewards that a member of the Board of Directors gets does not exceed an amount of five hundred thousand riyals annually (except for the members of the audit committee), in accordance with the controls set by the Capital Market Authority.

4- The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement to all that the members of the Board of Directors received during the fiscal year in terms of remuneration, expenses allowance and other benefits. It should also include a statement of what members of the council received as workers or administrators, or what they received in return for technical or administrative work or consultations, and it should also include a statement of the number of council sessions and the

