

Minutes of the Ordinary General Assembly Meeting of the Gulf General Cooperative Insurance Company held on Monday 28/11/1443 AH (27/06/2022 AD)

Based on the invitation of the Board of Directors addressed to the company's shareholders to attend the Ordinary General Assembly meeting (the first meeting), which was announced on the website of the Saudi Stock Exchange "Tadawul" on 03/11/1443 AH (02 Feb 2022 AD).

Accordingly, the meeting was held at the Shaheen Rotana Centro (Hall A) in Jeddah at 6:30 pm, in person and through modern technology means (Video Conference), headed by Mr. Jamal Abdullah AlDabbagh, Chairman of the Board of Directors and in the presence of the following board members:

- 1- Mr. Saud Abdulaziz AlSulaiman
- 2- Mr. Mohamed Husnee Jazeel
- 3- Mr. Majed Diauddin Kareem
- 4- Mr. Taher Mohammed Omar Agueel
- 5- Mr. Mohammadzahr Salahuddin Almunajjed
- 6- Dr. Faisal Adnan Baassiri
- 7- Dr. Ahmed Siraj Khogeer
- 8- Dr. Abdulwahab Mossab Abukwaik

The meeting was also attended by the executive management represented by the Chief Executive Officer, Mr. Ehab Yousef Linjawi and the Chief Financial Officer, Mr. Ammar Fawaz AlSayrafi, as well as the representatives of the auditors, KPMG Al-Fawzan & Partners, accountants and legal auditors, and Al Azem, Al Sudairy, Al Shaikh & Partners Professional Consulting, accountants and legal auditors in attendance and by means of modern technology (Video Conference).

The president of the assembly opened (the first meeting) at (06:30 pm) by welcoming the attendees and announcing the convening of the assembly because the shareholder's attendance exceeded the quorum for the first meeting of the ordinary general assembly.

The attendance data from the shareholders were as follows:

	Number of shareholders	Number of Shares	Percentage
Electronic attendance (remotely)	201	12,574,449	25.15%
Shareholders attending in person	2	256,945	0.51%
Total	203	12,831,394	25.66%

Thus, the convening of the assembly is valid in accordance with the Companies' Law and the Company's Bylaws.

The president of the assembly suggested appointing Mrs. Dina Al-Fadli as the Secretary of the assembly, and the members of the committee for reviewing and sorting the votes of Mr. Abdullah Magboul and Ms. Tala Abdulrazak.

After that, the President of the Assembly read the agenda to the shareholders and attendees, then he asked the representative of the auditors to read the auditor's report and the financial statements for the financial year ending on 31/12/2021 AD, and he explained that the auditor will respond to any inquiries from the shareholders.

After the auditor finished reciting the report and the financial statements for the financial year ending on 31/12/2021 AD, the following question was received from one of the shareholders:

- Through your audit procedures, is there any indication of a risk to the company's continuity?

The auditor replied that if there was any indication of the company's continuity risk, it would have been added and employed directly in the external auditor's report.

After that, the assembly president requested that the auditor leave the session to complete the discussion of the agenda items.

After that, the Chief Financial Officer, Mr. Ammar AlSayrafi, read out the report of the Audit Committee of the General Assembly.

He also reviewed the offers submitted by the auditors, and read the recommendation of the Audit Committee to appoint a chartered accountant to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2022 AD, and the first quarter of 2023 AD, and determine their fees.

After that, the president of the assembly announced the beginning of the discussion with the shareholders and attendees and directing their questions to the board according to the agenda. The questions were as follows:

Q1 / What is the company's plan to improve its performance and raise the market value of its share?

A1 / The CEO answered, that the company's goal now is to improve the loss rates in the insurance portfolio. As the company faced many challenges resulting from the Corona pandemic, which led to a rise in the cost of underwriting and a rise in the cost of claims due to the increase in service fees, the high prices of spare parts, and the costs of car repair and supplies in general, which was reflected in the rise in claims expenses, and consequently it was reflected in the underwriting results in 2021. In addition to investing in the company's infrastructure, the results of which will appear in the near future, as the growth and improvement of business results were evident in the announced results for the first quarter of the fiscal year 2022 AD.

Q2 / Is the company's strategy clear? What is it?

A2 / The CEO replied that the company's strategy is clear, as it focuses on growth to achieve our desired goal.

Q3 / What is the cause of losses after the capital increase?

A3 / The Chief Financial Officer answered, In the fiscal year ending in December 2021, the insurance sector faced an increase in the cost of underwriting and an increase in the cost of claims because of the increase in fees for services provided by Najm Company and the increase in the prices of spare parts and the costs of car repair and supplies in general, which was reflected in the increase in claims expenses.

Q4 / Why doesn't the company take advantage of the capital increase in investments?

A4 / The CEO replied that the Company obtained a capital increase in the third quarter of 2021, and it was invested according to what the Investment Committee and the Board deemed appropriate during that period. Noting that the amount of the capital increase was not the main objective of venturing in investments, but rather to strengthen the financial position of the company and to expand its business in increasing the solvency ratio so that the company could underwrite in the insurance business. As for investment, the company follows a clear and explicit policy during the financial periods, and its investment portfolio is a balanced portfolio that reflects good growth.

Q5 / What are the real, tangible steps that the company has taken to reduce costs and operating expenses?

A5 / The Chief Financial Officer replied that the company invested in the infrastructure of information systems technology and also invested in the human capital to employ national cadres capable of managing the company and achieving its profitability in the coming years and yearned for the conviction that such an investment will give valuable results in the near future.

Q6 / Why doesn't the company have Murabaha deposits?

A 6 / The CEO replied that there are Murabaha deposits for most of the money that is not invested in other financial instruments such as shares and Sukuk.

Q7 / When does the management expect the company's financial position to improve?

A7 / The CEO replied that the company's financial position improved immediately after the capital increase.

Q8 / Is there suspicious trading in the company's shares?

A8 / The CEO replied that the company did not receive any notice from the competent authorities in this regard.

Q9 / Why hasn't the company announced medical insurance contracts? Why does it focus on the automotive sector?

A9 / The CEO replied that the company's strategy since its inception is to focus on insurance services on the automotive sector and the public sector. The company has a portfolio that is not large in the medical sector, but the company's largest specialty is the automotive sector.

Q10 / Why is the remuneration paid to the members of the board of directors even though the company has losses?

A10 / The Chairman of the Board of Directors replied that the remuneration of the members of the Board of Directors is a financial compensation for their membership in the Board of Directors and their participation in its work, which requires a lot of time and effort.

Q11 / Are you aware of the shareholders' resentment due to the company's financial situation?

A11 / The CEO replied that the company understands well the dissatisfaction of the shareholders and that everyone, including those in charge of this company, are not satisfied with the negative results, but would like to confirm that the Board of Directors is working to take all the measures available to improve the results and the financial position of the company.

Q12 / Why doesn't the company join the field of building hidden defects insurance?

A12 / The CEO replied that the building's hidden defects insurance product is managed by a Saudi company on behalf of all companies, and that the Company could enter this field at any time. He also stated that the company has the intention to do so.

Q13 / Will the company raise its capital soon? Will the capital be raised periodically?

A13 / The CEO replied that there is no discussion at the present time and there is no proposal to increase the capital in the coming period, and if there is, it will be announced.

Q14 / Is there anything new in the case of the Zakat and Income Authority, which was filed against the company on June 12, 2021 AD?

A14 / The CEO replied that the case is still ongoing.

Q15 / Is the size of the company's capital in relation to its expenses considered in the normal range compared to other insurance companies?

A15 / The CEO replied that the company's capital size relative to its expenses compared to other insurance companies is considered in the normal range.

After that, the committee for reviewing and sorting the votes received from (Securities Depository Center Company) and the Assembly Secretary read the voting results, and the results were as follows:

Assembly Articles			
Content	Agreed	Disagreed	abstained
<u>Article One:</u> Voting on the Board of Directors' report for the fiscal year ending on 31/12/2021 G.	9,730,978 75.84%	1,996,779 15.56%	1,103,637 8.60%
<u>Article Two:</u> Voting on the auditors' report on the Company's accounts for the fiscal year ending on 31/12/2021 G.	9,945,234 77.51%	1,793,903 13.98%	1,092,257 8.51%
<u>Article Three:</u> Voting on the financial statements for the fiscal year ending on 31/12/2021 G.	9,553,249 74.46%	2,144,713 16.71%	1,133,432 8.83%
<u>Article Four:</u> Voting on appointing the auditors for the Company from among the candidates based on the Audit Committee's recommendation. The appointed auditors shall examine, review, and audit the second quarter, third quarter, and the fiscal year ending 2022, and the first quarter of the fiscal year 2023 G, and the determination of the auditors' remuneration.	10,211,722 79.58%	1,449,393 11.30%	1,170,279 9.12%
<u>Article Five:</u> Voting on the business and contracts that will be concluded between the company and (Al-Dabbagh Group), in which the Chairman of the Board of Directors Mr. Jamal Abdullah Al-Dabbagh has a direct interest, as he is the owner of this group, represented in premiums underwritten. Note that the transactions that occurred in 2021G were in the amount of SAR 10,743,000 riyals, and there are no preferential terms for these contracts.	9,539,558 74.35%	2,282,930 17.79%	1,008,906 7.86%
<u>Article Six:</u> Voting on the business and contracts that will be concluded between the company and (Rolaco Group), in which the Vice Chairman of the Board of Directors Mr. Saud Abdulaziz Al-Sulaiman has a direct interest in him as the owner of this group, represented in premiums underwritten. Note that the transactions that occurred in 2021G were in the amount of SAR 105,000 riyals, and there are no preferential terms for these contracts.	9,540,565 74.35%	2,249,314 17.53%	1,041,515 8.12%

<u>Article Seven:</u> Voting on the business and contracts that will be concluded between the company and (Raghf Catering Services Company), in which a member of the Board of Directors Mr. Majed Diauddin Kareem has a direct interest in him as the owner of this company, represented in premiums underwritten. Note that the transactions that occurred in 2021G were in the amount of SAR 21,000, and there are no preferential terms for these contracts.	9,506,453 74.08%	2,219,270 17.30%	1,105,671 8.62%
<u>Article Eight:</u> Voting on the discharge the Directors from their liabilities for the financial period ended on 31/12/2021G.	8,774,808 68.52%	3,248,967 25.37%	783,119 6.11%
<u>Article Nine:</u> Voting on paying an amount of (SAR 1,800,000) as remuneration to the Board members for the fiscal year ending on 31/12/2021 G.	7,785,578 60.79%	4,567,852 35.67%	453,464 3.54%

After announcing the results of the voting, as indicated in the table above,

The meeting ended at (07:50) in the evening, where the president of the assembly, on behalf of the company's board of directors and all its employees, thanked all the attendees and the active participation in this meeting.

Allah is the arbitrator of success ...

Assembly Secretary

Mrs. Dina AlFadli

Assembly President

Mr. Jamal AlDabbagh