



أجل. . AJIL

شركة أجل للخدمات التمويلية  
AJIL Financial Services Company

BOARD OF DIRECTORS'

REPORT 2023



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## 1- Chairman's Message

*I am delighted to share with you the annual report of AJIL for the year 2023, showcasing the positive achievements and the exciting opportunities that lie ahead.*

*With the blessings of Allah, this past year has been a period of growth and progress for the company, and I am proud to present to you the results of the hard work and dedication of our team. We are happy to report a 17% increase in new financing during the year, underscoring our commitment to meeting the evolving needs of our clients and expanding our market reach. This growth has translated into a 32% rise in revenues, reflecting our ability to capitalize on new opportunities and enhance our competitive position in the marketplace. Moreover, we have achieved a notable growth in net profit after zakat, signaling the end of the Pandemic related challenges we have faced, and the success of the measures we have taken during that difficult period.*

*Further to our financial achievements, we have made substantial improvements in our risk management plans. Our concerted efforts have led to a reduction in the non-performing loan (NPL) ratio, highlighting our emphasis on prudential lending and risk mitigation. Additionally, we have bolstered our expected credit loss (ECL) coverage, strengthening our ability to manage and mitigate credit risk.*

*In line with our strategic objectives, I am also pleased to report that we have achieved Cybersecurity maturity level 3, a critical milestone in our journey towards digital transformation. Embracing technological innovation, we are aiming to streamline our operations and enhance the customer experience through digital platforms. This move towards digital transformation will not only improve operational efficiency but also positions us to better serve the evolving needs of our clients in an increasingly digital landscape.*

*As we look to the future, we remain steadfast in our dedication to expanding our capabilities, cultivating a culture of innovation, and delivering sustainable value to our stakeholders. I extend my sincerest gratitude to our shareholders for their unwavering trust and support. I also want to express my appreciation to our team, whose dedication and talent have been instrumental to our success.*

*As we move forward, I am filled with enthusiasm about the potential before us. Together, we have achieved significant results, and I am confident that we will continue to set new benchmarks and achieve even greater heights in the future.*

*Thank you for your trust and support.*

*Yours' Sincerely  
Ali Hussein Alireza*

## 2- Business and Strategy

### 2.1 A Year in View:

"The only source of knowledge is experience." – Albert Einstein

We take great pride in presenting a year where our company capitalized on its strengths and experience to deliver promising results. Amidst the backdrop of a global pandemic, we emerged from the recession with resilience and determination, achieving substantial growth in our results. This success is a testament to the unwavering commitment of our team and the steadfast support of our stakeholders.

Furthermore, we are pleased to highlight the strategic breakthrough of starting syndicate murabaha financing, underscoring our dedication to operational excellence and financial prudence. Additionally, it is with great satisfaction that we announce the attainment of maturity level 3 in Cyber Security, signifying a remarkable milestone in our journey towards organizational maturity and sustainable growth. As we reflect on the achievements of the past year, we look forward to building upon this foundation, embracing innovation, and pursuing continued success in the year ahead.

### 2.2 Strategy:

To continue with its strategic objectives, our company is poised to embark on an exciting journey of digital transformation, aiming to revolutionize our processes and enhance the overall customer experience. With a strategic focus on leveraging advanced technologies and data-driven insights, we are committed to streamlining our operations and offering innovative solutions that resonate with the evolving needs of our customers. This transformative approach will not only enable us to fortify our market reach but also bolster our presence through integrations with fintech channels, thereby deepening our engagement with existing clients and expanding our footprint in new markets.

We are committed to Vision 2030 and strongly believe in the role of SMEs in the development of the Kingdom. We are looking forward to continuing with our role as enabler for SMEs to grow and contribute to the growth of the Kingdom's economy.

### 3- Financial Highlights

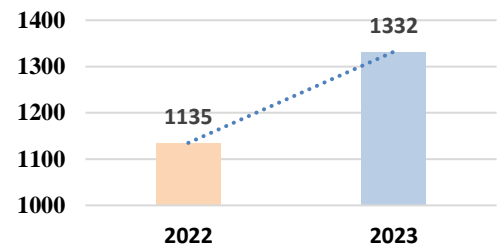
Below is a summary of key financial indicators for 2023 in comparison to 2022:

#### 3.1 Business Performance:

The company exhibited a strong growth of 17% in booking new business, which can be attributed to the positive indicators of the Saudi Economy. This upward trend is expected to continue alongside the projected GDP growth and the company's strategic plan to grow organically.

The plan for digital transformation in various processes will be instrumental in enhancing this growth and generating higher returns.

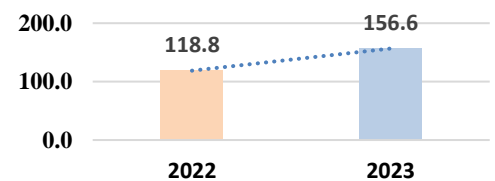
#### New Business Booked (SR M)



#### 3.2 Net Financing Revenue:

Net financing revenue witnessed a significant increase of 32%, which is a result of the effective management of financial resources and company's ability to leverage the support programs provided by the Saudi Central Bank for Micro, Small, and Medium Entities (MSME).

#### Net Financing Revenue (SR M)

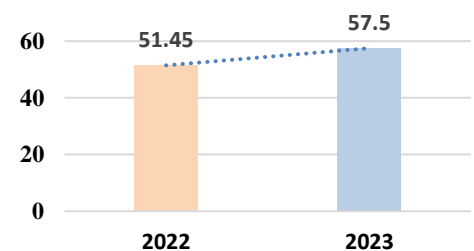


#### 3.3 Operating Profit:

While increasing investments in the areas of strategic importance, like human resources, technology, cybersecurity and risk management, the company managed to increase its operating profit by 12%.

With these strategic investments, the company is heading towards digital transformation to build its capacity to serve a larger number of customers in various segments of the market.

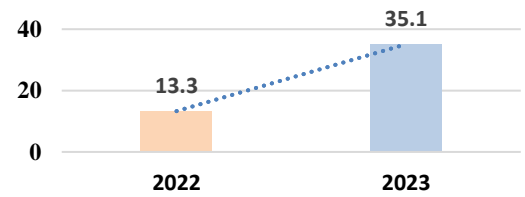
#### Operating Profit (SR M)



### 3.4 Net Profit / Loss:

The Company is poised to achieve higher levels of profit which was the company's trajectory. The increase in net profit from SR 13.3M to SR 35.1M indicates a positive recovery and favorable projection for the company's financial position.

#### Net Profit/Loss (SR M)



### 3.5 Business Portfolios:

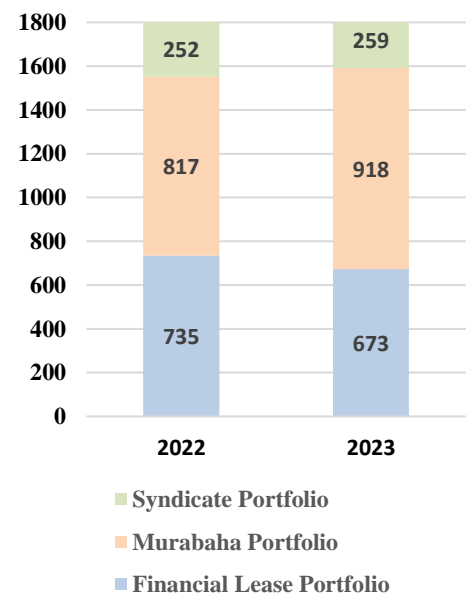
Revenue generating portfolio has increased from SR 1,804 million in 2022 to SR 1,850 million in 2023.

Despite the overall growth during 2023, we noticed a shift from financial lease portfolio (8.4% contraction) to Murabaha portfolio (12% growth), which is indicating a change in the trend and demand of financing working capital as compared to productive assets' financing.

It is worth reporting that most of the Murabaha financing deals are collateralized by either mortgage of real estate or guarantees issued by Kafalah program.

Furthermore, in 2023, the company entered into syndicate financing contracts amounting to SR 185 million with its syndicate partners compared to SR 111.8 million in 2022 and generated revenues not only as a financier but also as a managing partner. Our portion of this portfolio has increased by 3% (SR 259M vs SR 252M) during 2023.

#### Financing Portfolios (SR M)

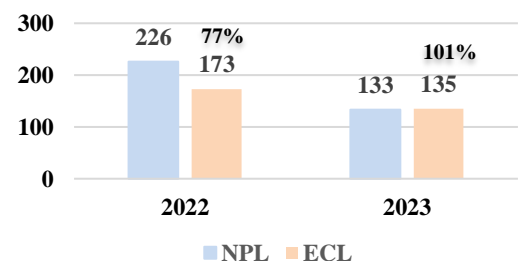


### 3.6 Coverage for Expected Credit Losses (ECL):

We are pleased to report a major improvement in risk management ratios as a result of the company's commitment to effective credit risk management as well as strict collection and recovery measures.

During 2023, the NPL ratio reduced from 13.00% to 7.74%. Simultaneously, the NPL coverage has increased from 77% to 101%.

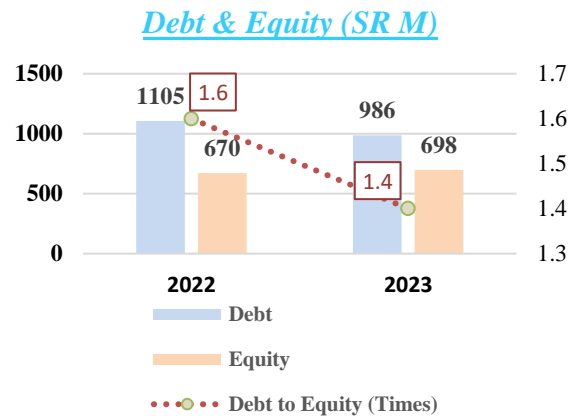
#### Coverage for ECL (SR M)



### 3.7 Debt and Equity:

The company is maintaining a healthy debt to equity ratio of 1.4 times (improved vs 1.6 in 2022).

The company manages its liquidity risk by ensuring that adequate bank facilities are available to meet any commitments, as they arise. In addition, the company is carefully maintaining a mix of medium-term and short-term liabilities to align the maturities of liabilities in line with the maturities of assets for effective cash flow management.

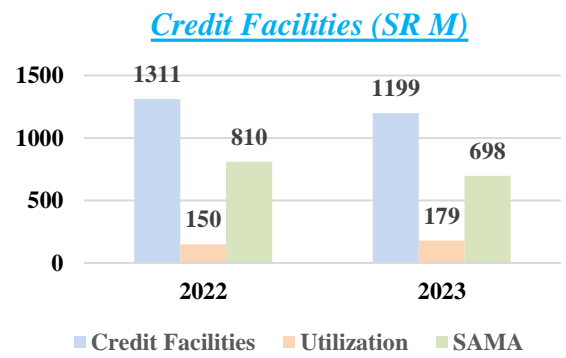


### 3.8 Credit Facilities:

The company is maintaining healthy relationships with a number of commercial banks in Saudi Arabia.

Despite low utilization of credit facilities, the company is maintaining limits at healthy levels (SR 1,199M). This utilization is likely to increase during 2024 with the expected growth in the portfolio.

During 2023, the company borrowed SR 463 million from Saudi Central bank under Loan Guarantee Program to support its MSME customers. This Loan Guarantee Program ended in March 2023.



### 3.9 Financial Reporting Standards:

AJIL maintains proper books of accounts in compliance with the Implementing Regulations of the Law on Supervision of Finance Companies. The annual audited financial statements for the year ending 31 December 2023, which are an integral part of this report, have been prepared 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 Certified Public Accountants (SOCPA).

### 3.10 Zakat & Taxes:

The company is calculating the Zakat and Taxes as per laws and regulations applicable in the Kingdom of Saudi Arabia. The company has submitted the Zakat and tax return for the year ended 31 December 2022 within the stipulated timeline. The company has calculated Zakat accruals of SR 9.1 million for the year ended 31 December 2023 based on the new Zakat rules for financing activities. The company has secured an unrestricted Zakat and Tax Certificate valid until 30 April 2024.

### 3.11 Employee Benefits Scheme:

AJIL works in a highly competitive business segment where our people are our primary assets. It is only by taking care of the physical and emotional wellbeing of our employees that we can hope to remain a market leader.

To support the ongoing physical wellness of employees, AJIL offers subsidized memberships to leading fitness centers in Saudi Arabia. We support families and provide a schooling allowance for managerial employees. We are a committed equal opportunities employer and nurturing and advocating talent remains a priority.

To ensure employees' wellbeing, the company offers special leave allowances and travel benefits to its employees which help them to spend quality time with their families and friends during vacations.

In addition to the above, we are providing quality comprehensive health insurance coverage to our employees and their families.



## 4- Ownership Structure

The share capital of the company is divided into 50,000,000 shares of SR 10 each.

### 4.1 Shareholders as at 31 December 2023:

Shareholder	Percentage of Shareholding	No. of Shares
Riyad Bank	48.46%	24,230,769
Zahid Group Holding Company Limited	34.62%	17,307,692
Al Yemni Investment Co.	6.92%	3,461,539
Khaled Ahmed Al Juffali Company	5.00%	2,500,000
Husein Alireza Sons Company Limited	5.00%	2,500,000
<b>Total</b>	<b>100.00%</b>	<b>50,000,000</b>

### 4.2 Changes in Shareholding Structure during the Year:

During the year 2023, the ownership structure of the company remained unchanged.

## 5- Board of Directors

AJIL is managed by a Board of Directors (the Board) consisting of eight members elected by the General Assembly for a term ending on 13 September 2026. The Board in its current term includes three independent members and five non-executive members.

### 5.1 Board of Directors Composition:

#	Name	Position	Classification
1	Mr. Ali Alireza	Chairman	Non-Executive
2	Mr. Mohammad Abo Al-Naja	Vice Chairman	Non-Executive
3	Mr. Mohammed Al-Salah	Member	Non-Executive
4	Mr. Usman Mahmood	Member	Non-Executive
5	Mr. Haytham Zahid	Member	Non-Executive
6	Mr. Amr Al-Kabbani	Member	Independent
7	Dr. Faisal Baassiri	Member	Independent
8	Mr. Majid Al-Osailan	Member	Independent

### 5.2 Board Members' Qualifications:

Name	Current Positions	Previous Positions and Experience	Qualifications
<b>Mr. Ali Alireza (Chairman)</b>	<ul style="list-style-type: none"> <li>Managing Director of Haji Husein Alireza &amp; Company</li> <li>Chairman of Hertz Rental and Leasing</li> <li>Chairman of National Computer Systems Company (NATCOM)</li> <li>Member of the Board of Arabian Petroleum Supply Company (APSCO)</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Nomination &amp; Remuneration Committee for AJIL Financial Services Company (2022-2023)</li> <li>Member of the Credit Committee for AJIL Financial Services Company (2022-2023)</li> <li>Member of the Board of SAMBA Financial Group (2003-2020)</li> <li>Member of the Executive Committee of SAMBA Financial Group (2003-2020)</li> <li>Chairman of Gulf One Investment Bank, Bahrain (2006-2014)</li> <li>Chairman of Al Alamiya for Cooperative Insurance Company, KSA (2009-2018)</li> </ul>	<ul style="list-style-type: none"> <li>Master's degree in Business Administration from Pepperdine University in Los Angeles.</li> <li>Bachelor's degree in Business Administration from the University of Southern California in Los Angeles.</li> </ul>
<b>Mr. Mohammad Abo Al-Naja (Vice Chairman)</b>	<ul style="list-style-type: none"> <li>Chief Corporate Banking Officer at Riyadh Bank</li> <li>Member of the Board of Royal and Sun Alliance</li> </ul>	<ul style="list-style-type: none"> <li>Executive Vice President – Corporate Banking Division at Riyadh Bank (2018-2020)</li> <li>Executive Vice President – Corporate Banking Services at Riyadh Bank (2014-2018)</li> <li>Senior Vice President – Corporate Banking (Multinational) at Riyadh Bank (2013-2014)</li> <li>Vice President – Manager, Corporate Banking (Central</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Law from King Saud University.</li> </ul>

Name	Current Positions	Previous Positions and Experience	Qualifications
		Region) at Riyadh Bank (2010-2013) <ul style="list-style-type: none"> <li>Senior Relationship Manager at Riyadh Bank (2004-2010)</li> <li>Member of the Credit Committee for AJIL Financial Services Company (2022-2023)</li> </ul>	
<b>Mr. Mohammed Al-Salah (Member)</b>	<ul style="list-style-type: none"> <li>Senior Vice President – Manager, Corporate and Government Banking at Riyadh Bank</li> <li>Financing Institutions' Representative Member of the Board of Kafallah Program</li> </ul>	<ul style="list-style-type: none"> <li>Vice President – Manager, Corporate Banking (Central Region) at Riyadh Bank (2013-2017)</li> <li>Team Leader Corporate Banking Sector at Riyadh Bank (2009-2013)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Industrial Engineering from King Saud University.</li> </ul>
<b>Mr. Usman Mahmood (Member)</b>	<ul style="list-style-type: none"> <li>Chief Financial Officer and Group Strategist at Zahid Group</li> <li>Member of the Board of Altaaqa Alternative Solutions Holding Limited</li> <li>Member of the Board of Altaaqa Alternative Solutions Global FZE</li> <li>Member of the Board of OCS Arabia LLC</li> <li>Member of the Board of EJAR - The Machinery Rental Alternative Company Limited</li> <li>Member of the Board of SAFEER</li> <li>Member of the Board of MTD Arabia</li> <li>Member of the Board of Arabian Vehicles and Trucks Industry Machinery Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Director Finance and Accounting - Zahid Tractor and Heavy Machinery Company Limited (1996-2017)</li> <li>Chief Executive Officer – AJIL Financial Services Company (2008-2013)</li> <li>Member of the Board of Arabian Vehicles and Trucks Industry Machinery Company Limited (2019-2021)</li> <li>Member of the Credit Committee for AJIL Financial Services Company (2022-2023)</li> </ul>	<ul style="list-style-type: none"> <li>Associate member of the Chartered Institute of Management Accountants England &amp; Wales.</li> <li>Associate member of British Institute of Management</li> <li>Bachelor's degree in Economics from University of the Punjab.</li> </ul>
<b>Mr. Haytham Zahid (Member)</b>	<ul style="list-style-type: none"> <li>Group President- Investments at Zahid Group</li> <li>Chairman of Zahid Travel Group</li> <li>Chairman of OCS Arabia LLC</li> <li>Chairman of Wared Logistics</li> <li>Member of the Board of Zahid Tractor and Heavy Machinery Company Limited</li> <li>Member of the Board of Altaaqa Alternative Solutions Holding Limited</li> <li>Member of the Board of Altaaqa Global</li> </ul>	<ul style="list-style-type: none"> <li>Regional Manager at Zahid Tractor and Heavy Machinery Company Limited (2012-2017)</li> <li>Regional Sales Manager at Zahid Tractor and Heavy Machinery Company Limited (2009-2012)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Economics from Brown University, Providence.</li> </ul>

Name	Current Positions	Previous Positions and Experience	Qualifications
	<ul style="list-style-type: none"> <li>Member of the Board of Z5G Holding Co</li> <li>Member of the Board of Hospitality Ventures</li> <li>Member of the Board of Universal Excellence Trading LLC</li> <li>Member of the Board of Perpetua Holding GmbH</li> <li>Member of the Board of Perpetua Holding Europe</li> <li>Member of the Board of Perpetua Holding NA Ltd.</li> <li>Member of the Board of Saudi Company for Site Technology. Ltd</li> <li>Chairman of the Executive Committee for AJIL Financial Services Company</li> </ul>		
<b>Mr. Amr Al-Kabbani (Member)</b>	<ul style="list-style-type: none"> <li>Chief Executive Officer at Isam Khairi Kabbani(IKK) Group of Companies</li> <li>Member of the Board of Isam Khairi Kabbani(IKK) Group of Companies</li> <li>Chairman of the Audit Committee for AJIL Financial Services Company</li> <li>Member of the Nomination &amp; Remuneration Committee for AJIL Financial Services</li> </ul>	<ul style="list-style-type: none"> <li>Chief Operating Officer at Isam Khairi Kabbani(IKK) Group of Companies (2011-2015)</li> <li>Regional Manager for the Gulf Countries at Credit Agricole Corporate &amp; Investment Bank, Dubai, UAE (2004-2011)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in International Business Administration from the American College in Paris</li> </ul>
<b>Dr. Faisal Baassiri (Member)</b>	<ul style="list-style-type: none"> <li>Managing Partner of Ashurst Law Firm (LLPC)</li> <li>Lawyer to the French Consulate</li> <li>Member of the Board of Gulf General Cooperative Insurance Company (GGI)</li> <li>Chairman of the Nomination &amp; Remuneration Committee of GGI</li> <li>Chairman of the Nomination &amp; Remuneration Committee for AJIL Financial Services Company</li> </ul>	<ul style="list-style-type: none"> <li>Lawyer at Osama Yamani Law firm (2003 – 2006)</li> <li>Head of Legal Affairs at SEDCO Holding (2006-2012)</li> <li>Member of the Risk Management Committee of GGI (2019 – 2022)</li> </ul>	<ul style="list-style-type: none"> <li>PhD in Law from Université Panthéon-Assas (Paris II)</li> <li>Baccalaureate in Economics from Institut Florimont, Geneva, Switzerland</li> </ul>
<b>Mr. Majid Al-Osailan (Member)</b>	<ul style="list-style-type: none"> <li>Chairman of National Gas Distribution Company</li> <li>Chairman of the Audit Committee of Al-Abdullatif Industrial Investment Company</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of the Energy and Environment Committee under the Saudi International Chamber of Commerce (ICC) (2021-2023)</li> </ul>	<ul style="list-style-type: none"> <li>Master's degree in Business Administration from International University of America</li> </ul>

Name	Current Positions	Previous Positions and Experience	Qualifications
	<ul style="list-style-type: none"> <li>Vice-Chairman of Green Solutions for Environmental Services Company</li> <li>Vice-Chairman of the National Committee of Cement Manufacturing</li> <li>CEO and Member of the Board of City Cement Company</li> <li>Member of the Executive Committee for City Cement Company</li> <li>Member of the Board of Al-Abdullatif Industrial Investment Company</li> <li>Member of the Risk Committee in Al-Abdullatif Industrial Investment Company</li> <li>Member of the Executive Committee for AJIL Financial Services Company</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Saudi International Chamber of Commerce (ICC) (2021-2023)</li> <li>Deputy Chief Executive Officer at City Cement Company (2016-2019)</li> <li>Member of the Audit Committee for Al-Abdullatif industrial &amp; investment (2016-2019)</li> <li>Member of the Board of National Distribution Gas (CJSC) (2016-2019)</li> <li>Member of the Board of Saudi Makamin (2016-2019)</li> <li>Member of the Audit Committee for Murabaha Installments Company (2015-2016)</li> <li>Chief Finance &amp; Administration Officer at City Cement Company (2014-2016)</li> <li>Chief Financial Officer at City Cement Company (2012-2014)</li> <li>Senior Relationship Manager at Riyadh Bank (2010-2012)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Administrative Science Accounting from King Saud University</li> <li>Certified Global Executive by INSEAD business school</li> <li>Accepted by MISK 2030 Leaders</li> </ul>

### 5.3 Board of Directors Meetings:

The Board conducted four meetings during the year 2023. The following table details the Board meetings' attendance:

#	Name	12 April 2023	12 July 2023	18 October 2023	20 December 2023	Total	Attendance Rate
1	Mr. Ali Alireza	✓	✓	✓	✓	4	100%
2	Mr. Mohammad Abo Al-Naja	✓	✓	✓	✓	4	100%
3	Mr. Mohammed Al-Salah	✓	✓	✓	✓	4	100%
4	Mr. Usman Mahmood	✓	✓	✓	✓	4	100%
5	Mr. Haytham Zahid	✓	✓	✓	✓	4	100%
6	Mr. Amr Al-Kabbani	✓	✓	✓	✓	4	100%
7	Dr. Faisal Baassiri	✓	✓	✓	✓	4	100%
8	Mr. Majid Al-Osailan	✓	✓	✓	✓	4	100%

#### 5.4 Remuneration of the Board of Directors:

The remuneration of the Board members for the year ended 31 December 2023 was as follows:

Board Member Name	Position	Remuneration (SAR)
Mr. Ali Alireza	Chairman	150,000
Mr. Mohammad Abo Al-Naja	Vice Chairman	150,000
Mr. Mohammed Al-Salah	Member	150,000
Mr. Usman Mahmood	Member	150,000
Mr. Haytham Zahid	Member	150,000
<b>Total Remuneration of Non-Executive Board Members</b>		<b>750,000</b>
Mr. Amr Al-Kabbani	Member	150,000
Dr. Faisal Baassiri	Member	150,000
Mr. Majid Al-Osailan	Member	150,000
<b>Total Remuneration of Independent Board Members</b>		<b>450,000</b>
<b>Total Remuneration of Board of Directors</b>		<b>1,200,000</b>

## 6- Board Committees

### 6.1 Audit Committee:

The primary role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to accounting and financial reporting, adequacy and effectiveness of the internal control environment, compliance with laws and regulations, and internal and external audit processes.

#### 6.1.1 Audit Committee Composition:

#	Name	Position	Classification
1	Mr. Amr Al-Kabbani	Chairman	Independent
2	Mr. Tariq Zaino	Member	Independent
3	Mr. Mohammed Al-Fadhel	Member	Non-Executive

#### 6.1.2 Audit Committee Members' Qualifications:

Name	Current Positions	Previous Positions and Experience	Qualifications
<b>Mr. Amr Al-Kabbani (Chairman)</b>	<ul style="list-style-type: none"> <li>Chief Executive Officer at Isam Khairi Kabbani(IKK) Group of Companies</li> <li>Member of the Board of Isam Khairi Kabbani(IKK) Group of Companies</li> <li>Member of the Board of AJIL Financial Services Company</li> <li>Member of the Nomination &amp; Remuneration Committee for AJIL Financial Services</li> </ul>	<ul style="list-style-type: none"> <li>Chief Operating Officer at Isam Khairi Kabbani(IKK) Group of Companies (2011-2015)</li> <li>Regional Manager for the Gulf Countries at Credit Agricole Corporate &amp; Investment Bank, Dubai, UAE (2004-2011)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in International Business Administration from the American College in Paris</li> </ul>
<b>Mr. Tariq Zaino (Member)</b>	<ul style="list-style-type: none"> <li>Member of the Audit Committee for Saudi Reinsurance Company</li> <li>Founder of Zaino CPA (Tariq H. Zaino Chartered Accountant Co.)</li> </ul>	<ul style="list-style-type: none"> <li>Audit Director at General Zakat &amp; Tax Authority (2017-2019)</li> <li>Consultant and Financial Analyst at Capital Market Authority – Appeal Committee (2014-2017)</li> <li>Manager – Zakat and Tax at Ernst &amp; Young (2012-2014)</li> <li>Assistant Manager – Zakat and Tax at Ernst &amp; Young (2006-2012)</li> <li>Accountant at Saudi Chemical Company (2004-2006)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Accounting from King Saud University</li> <li>Member of SOCPA</li> </ul>

Name	Current Positions	Previous Positions and Experience	Qualifications
<b>Mr. Mohammed Al-Fadhel (Member)</b>	<ul style="list-style-type: none"> <li>Senior Vice President – Manager MSME Department at Riyadh Bank</li> </ul>	<ul style="list-style-type: none"> <li>Senior Vice President – Manager Retail Control &amp; Support Department at Riyadh Bank (2019-2021)</li> <li>Vice President – Head of Corporate Credit Policy &amp; Strategy at Riyadh Bank (2015-2019)</li> <li>Member of the Board of AJIL Financial Services Company (2015-2019)</li> <li>Assistant Vice President – Head of Multinational Credit Review at Riyadh Bank (2014-2015)</li> <li>Credit Manager at Riyadh Bank (2010-2014)</li> <li>Assistant Manager Credit at Riyadh Bank (2009-2010)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Business Administration from King Saud University</li> </ul>

### 6.1.3 Audit Committee Meetings:

During 2023, the Audit Committee held eight meetings. The following tables detail the Audit Committee meetings' attendance:

#	Name	19 February 2023	21 February 2023	30 April 2023	25 May 2023	23 July 2023
1	Mr. Amr Al-Kabbani	✓	✓	✓	✓	✓
2	Mr. Tariq Zaino	✓	✓	✓	✓	✓
3	Mr. Mohammed Al-Fadhel	✓	✓	✓	✓	✓

#	Name	24 August 2023	22 October 2023	30 November 2023	Total	Attendance Rate
1	Mr. Amr Al-Kabbani	✓	✓	✓	8	100%
2	Mr. Tariq Zaino	✓	✓	✓	8	100%
3	Mr. Mohammed Al-Fadhel	✓	✓	✓	8	100%



## 6.2 Nomination & Remuneration Committee (NRC):

The primary role of the NRC is to assist the Board of Directors in fulfilling its responsibilities with respect to the following:

- Nominating candidates to the membership of the Board, its Committees and the Executive Management;
- Review the company's remuneration policy that governs the compensation of the Board, Board Committees' and Executive Management members;
- Evaluate the performance of the members of the Board and its Committees; and
- Review the company's compensation and benefits policy and incentives scheme.

### 6.2.1 NRC Composition:

#	Name	Position	Classification
1	Dr. Faisal Baassiri	Chairman	Independent
2	Mr. Ali Alireza	Member	Non-Executive
3	Mr. Mohammed Zaher Al Munajjed	Member	Independent

### 6.2.2 Changes to NRC Composition

The revised NRC composition effective from 14 September 2023 is as follows:

#	Name	Position	Classification
1	Dr. Faisal Baassiri	Chairman	Independent
2	Mr. Amr Al-Kabbani	Member	Independent
3	Mr. Mohammed Zaher Al Munajjed	Member	Independent

### 6.2.3 NRC Members' Qualifications:

Name	Current Positions	Previous Positions and Experience	Qualifications
<b>Dr. Faisal Baassiri (Chairman)</b>	<ul style="list-style-type: none"> <li>• Managing Partner of Ashurst Law Firm (LLPC)</li> <li>• Lawyer to the French Consulate</li> <li>• Member of the Board of Gulf General Cooperative Insurance Company (GGI)</li> <li>• Chairman of the Nomination &amp; Remuneration Committee of GGI</li> <li>• Member of the Board of AJIL Financial Services Company</li> </ul>	<ul style="list-style-type: none"> <li>• Lawyer at Osama Yamani Law firm (2003 – 2006)</li> <li>• Head of Legal Affairs at SEDCO Holding (2006-2012)</li> <li>• Member of the Risk Management Committee of GGI (2019 – 2022)</li> </ul>	<ul style="list-style-type: none"> <li>• PhD in Law from Université Panthéon-Assas (Paris II)</li> <li>• Baccalaureate in Economics from Institut Florimont, Geneva, Switzerland</li> </ul>
<b>Mr. Ali Alireza (Member until 13<sup>th</sup> September 2023)</b>	<ul style="list-style-type: none"> <li>• Managing Director of Haji Husein Alireza &amp; Company</li> <li>• Chairman of Hertz Rental and Leasing</li> <li>• Chairman of National Computer Systems Company (NATCOM)</li> <li>• Member of the Board of Arabian Petroleum</li> </ul>	<ul style="list-style-type: none"> <li>• Chairman of SAMBA Capital (2018-2020)</li> <li>• Member of the Board of SAMBA Financial Group (2003-2020)</li> <li>• Member of the Executive Committee of SAMBA Financial Group (2003-2020)</li> <li>• Chairman of Gulf One Investment Bank, Bahrain (2006-2014)</li> </ul>	<ul style="list-style-type: none"> <li>• Master's degree in Business Administration from Pepperdine University in Los Angeles.</li> <li>• Bachelor's degree in Business Administration</li> </ul>

Name	Current Positions	Previous Positions and Experience	Qualifications
	<p>Supply Company (APSCO)</p> <ul style="list-style-type: none"> <li>Member of the Credit Committee for AJIL Financial Services Company</li> <li>Chairman of the Board of AJIL Financial Services Company</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of Al Alamiya for Cooperative Insurance Company, KSA (2009-2018)</li> </ul>	<p>from the University of Southern California in Los Angeles.</p>
<b>Mr. Mohammed Zaher Al Munajjed (Member)</b>	<ul style="list-style-type: none"> <li>Vice Chairman and Member of the Board of Kindasa Water Services</li> <li>Chairman of the Audit Committee for Kindasa Water Services</li> <li>Member of the Executive Committee for Kindasa Water Services</li> <li>Member of the Board of Gulf General Cooperative Insurance Company (GGI)</li> <li>Member of the Nomination &amp; Remuneration Committee of GGI</li> <li>Member of the Board of Red Sea International</li> <li>Chairman of Nomination &amp; Remuneration Committee of Red Sea International</li> <li>Member of the Audit Committee of Red Sea International</li> <li>Chairman of the Board of Saudi Support Services Company</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Board of ROLACO trading company (2017-2020)</li> <li>Chairman of the Nomination &amp; Remuneration Committee of GGI (2009-2019)</li> <li>Member of the Board of Credit Suisse Saudi Arabia (2012-2017)</li> <li>Chairman of the board of Grameen Jameel Pan Arab Micro Finance Ltd (2007-2017)</li> </ul>	<ul style="list-style-type: none"> <li>Master's degree in Business Administration from Harvard Business School in USA.</li> <li>Master's degree in French International Law from the St Joseph University in Beirut.</li> <li>Bachelor's degree in Business Administration from the American University in Lebanon.</li> </ul>
<b>Mr. Amr Al-Kabbani (Member since 14<sup>th</sup> September 2023)</b>	<ul style="list-style-type: none"> <li>Chief Executive Officer at Isam Khairi Kabbani(IKK) Group of Companies</li> <li>Member of the Board of Isam Khairi Kabbani(IKK) Group of Companies</li> <li>Member of the Board of AJIL Financial Services Company</li> <li>Chairman of the Audit Committee for AJIL Financial Services</li> </ul>	<ul style="list-style-type: none"> <li>Chief Operating Officer at Isam Khairi Kabbani(IKK) Group of Companies (2011-2015)</li> <li>Regional Manager for the Gulf Countries at Credit Agricole Corporate &amp; Investment Bank, Dubai, UAE (2004-2011)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in International Business Administration from the American College in Paris</li> </ul>

#### 6.2.4 NRC Meetings:

During 2023, the NRC held five meetings. The following table details the NRC meetings' attendance:

#	Name	16 March 2023	03 April 2023	15 May 2023	22 October 2023	02 November 2023	Total	Attendance Rate
1	Dr. Faisal Baassiri	✓	✓	✓	✓	✓	5	100%
2	Mr. Ali Alireza	✓	✓	✓	N/A	N/A	3	100%
3	Mr. Mohammed Zaher Al Munajjed	✓	✓	✗	✓	✓	4	80%
5	Mr. Amr Al- Kabbani	N/A	N/A	N/A	✓	✗	1	50%

### 6.3 Risk Management and Credit Committee (RMCC):

The primary role of the RMCC is to assess the company's risk profile and key areas of risk and identify mitigating factors related therewith.

#### 6.3.1 RMCC Composition:

#	Name	Position	Classification
1	Mr. Abdulaziz Alasker	Chairman	Non-Executive
2	Mr. Mahmood Kamel	Member	Non-Executive
3	Mr. Mohammed Barig Ahmed Siraj	Member	Non-Executive
4	Mr. Naief Arab	Member	Executive

#### 6.3.2 RMCC Members' Qualifications:

Name	Current Positions	Previous Positions and Experience	Qualifications
<b>Mr. Abdulaziz Alasker (Chairman)</b>	<ul style="list-style-type: none"> <li>Acting Senior Vice President – Risk Management at Riyadh Bank since July 2023</li> <li>Board Member at SIMAH Credit Bureau since April 2023</li> </ul>	<ul style="list-style-type: none"> <li>Executive Vice President – Risk Management at Riyadh Bank (2022-2023)</li> <li>Executive Vice President – Corporate Credit at Riyadh Bank (2014-2022)</li> <li>Senior Vice President – Head of Credit Review &amp; Approval (2011-2014)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Accounting from King Saud University.</li> </ul>
<b>Mr. Mahmood Kamel (Member)</b>	<ul style="list-style-type: none"> <li>Corporate Credit Manager &amp; Head of Risk at Zahid Tractor &amp; Heavy Machinery Co. Ltd</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Credit Manager at Zahid Tractor &amp; Heavy Machinery Co. Ltd (2015-2017)</li> <li>Regional Credit Manager at Zahid Tractor &amp; Heavy Machinery Co. Ltd (2009-2015)</li> <li>Credit Risk Manager at NCB (2007-2009)</li> <li>Regional Manager at AJIL Financial Services Company (2005-2007)</li> <li>Executive Manager - Credit Administration/Control &amp; Risk Management at the United Bank of Egypt (2004-2005)</li> <li>Manager - Credit Administration/Control &amp; Risk Management at Credit Agricole Egypt (1999-2004)</li> <li>Head - Financial Institutions &amp; Correspondent Banking at Societe Arabe Internationale de Banque (1994-1999)</li> <li>Assistant Manager - Financial Institutions at UBS, Egypt (1989-1994)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Business Administration from Ain Shams University, Cairo, Egypt.</li> </ul>

Name	Current Positions	Previous Positions and Experience	Qualifications
<b>Mr. Mohammed Barig Ahmed Siraj (Member)</b>	<ul style="list-style-type: none"> <li>Vice President Group Affairs at Zahid Tractor &amp; Heavy Machinery Co. Ltd</li> <li>Member of the Board of Zahid Travel Group</li> <li>Member of the Board of OCS Arabia</li> <li>Member of the Board of Tasleeh</li> <li>Vice Chairman of the Board of Hala (a Saudi Fintech)</li> <li>Chairman of the Audit Committee of Hala (a Saudi Fintech)</li> <li>Member of the Investment Committee of Nor Nouf ventures</li> <li>Member of the Board of Saudi Federation for Special Olympics since November 2022</li> </ul>	<ul style="list-style-type: none"> <li>Director of IT at Zahid Tractor &amp; Heavy Machinery Co. Ltd (2013-2020)</li> <li>Member of the Board of CIMC Arabia &amp; CIMC Vehicles Bahrain Factory (2014-2021)</li> <li>Member of the Board of OCS Arabia (2014-2016)</li> <li>Executive Member of the Board of AlAghar (2010-2020)</li> <li>CEO at ICT Ventures JSC (2008-2012)</li> <li>Independent Member of the Board of 3 of Bakheet Investment Group's Funds (2011-2014)</li> <li>Board Observer in Mobidiv, ITS<sup>2</sup>, &amp; IdealRatings (2009-2012)</li> <li>Vice President Information Technology at General Authority of Civil Aviation (2005-2008)</li> <li>IT Consultant at Communication and Information Technology Commission (2004-2005)</li> <li>RASiM Establishment (2002-2004)</li> <li>Chief Technology Officer at Arabia Online Ltd. (2000-2002)</li> <li>Assistant General Manager of the Broadcast Center at ARAB RADIO &amp; TELEVISION [ART] (1997-2000)</li> <li>Information Technology Manager at Albaraka Investment &amp; Development Co. (1993-1997)</li> <li>Information Systems Specialist at SAUDIA AIRLINES (1988-1992)</li> </ul>	<ul style="list-style-type: none"> <li>Master's degree in Electrical &amp; Computer Engineering from University of California at Santa Barbara</li> <li>Bachelor's degree in Electrical &amp; Computer Engineering from University of California at Santa Barbara</li> </ul>
<b>Mr. Naief Arab (Member)</b>	<ul style="list-style-type: none"> <li>Chief Operating Officer at AJIL Financial Services Company</li> <li>Secretary of the Board of Directors of AJIL Financial Services Company</li> <li>Member of the Risk Management and Credit Committee for AJIL Financial Services Company</li> <li>Member of the Audit &amp; Risk Committee for Sunbulah Group</li> </ul>	<ul style="list-style-type: none"> <li>Head of Treasury &amp; Funding at AJIL Financial Services Company (2016-2018)</li> <li>Risk &amp; Treasury Manager at AJIL Financial Services Company (2016-2016)</li> <li>Head Of Compliance at AJIL Financial Services Company (2013-2016)</li> <li>Team Leader (Corporate Banking Group) at National Bank of Kuwait (2009-2013)</li> <li>Senior Relationship Manager (Corporate Banking Group) at Bank Al-Jazira (2008-2009)</li> <li>Relationship Manager(Corporate Banking Group) at Arab National Bank (2006-2008)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Finance from Bentley University, USA</li> </ul>

Name	Current Positions	Previous Positions and Experience	Qualifications
		<ul style="list-style-type: none"> <li>Relationship Manager (Corporate &amp; Investment Banking Group) at Samba Financial Group (2002-2005)</li> </ul>	

### 6.3.3 RMCC Meetings:

During 2023, the RMCC held five meetings. The following table details the RMCC meetings' attendance:

#	Name	28 February 2023	30 March 2023	15 June 2023	26 October 2023	14 December 2023	Total	Attendance Rate
1	Mr. Abdulaziz Alasker	✓	✓	✓	✓	✓	5	100%
2	Mr. Mahmood Kamel	✓	✓	✓	✓	✓	5	100%
3	Mr. Mohammed Barig Ahmed Siraj	✓	✓	✓	✓	✓	5	100%
4	Mr. Naief Arab	✓	✓	✓	✓	✓	5	100%

#### 6.4 Executive Committee:

The primary role of the Executive Committee is to assist the Board of Directors in fulfilling its responsibilities with respect to developing and monitoring the performance of the company's Strategic and Business Plans.

##### 6.4.1 Executive Committee Composition:

#	Name	Position	Classification
1	Mr. Haytham Zahid	Chairman	Non-executive
2	Mr. Majid Al-Osailan	Member	Independent
3	Mr. Matar Al Khateeb	Member	Executive

##### 6.4.2 Executive Committee Members' Qualifications:

Name	Current Positions	Previous Positions and Experience	Qualifications
<b>Mr. Haytham Zahid (Chairman)</b>	<ul style="list-style-type: none"> <li>Group President- Investments at Zahid Group</li> <li>Chairman of Zahid Travel Group</li> <li>Chairman of OCS Arabia LLC</li> <li>Chairman of Wared Logistics</li> <li>Member of the Board of Zahid Tractor and Heavy Machinery Company Limited</li> <li>Member of the Board of Altaaqa Alternative Solutions Holding Limited</li> <li>Member of the Board of Altaaqa Global</li> <li>Member of the Board of Z5G Holding Co</li> <li>Member of the Board of Hospitality Ventures</li> <li>Member of the Board of Universal Excellence Trading LLC</li> <li>Member of the Board of Perpetua Holding GmbH</li> <li>Member of the Board of Perpetua Holding Europe</li> <li>Member of the Board of Perpetua Holding NA Ltd.</li> <li>Member of the Board of Saudi Company for Site Technology. Ltd</li> <li>Member of the Board of AJIL Financial Services Company</li> </ul>	<ul style="list-style-type: none"> <li>Regional Manager at Zahid Tractor and Heavy Machinery Company Limited (2012-2017)</li> <li>Regional Sales Manager at Zahid Tractor and Heavy Machinery Company Limited (2009-2012)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Economics from Brown University, Providence.</li> </ul>
<b>Mr. Majid Al-Osailan (Member)</b>	<ul style="list-style-type: none"> <li>Chairman of National Gas Distribution Company</li> <li>Chairman of the Audit Committee of Al-Abdullatif Industrial Investment Company</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of the Energy and Environment Committee under the Saudi International Chamber of Commerce (ICC) (2021-2023)</li> <li>Member of the Saudi International Chamber of</li> </ul>	<ul style="list-style-type: none"> <li>Master's degree in Business Administration from International University of America</li> </ul>

Name	Current Positions	Previous Positions and Experience	Qualifications
	<ul style="list-style-type: none"> <li>Vice-Chairman of Green Solutions for Environmental Services Company</li> <li>Vice-Chairman of the National Committee of Cement Manufacturing</li> <li>CEO and Member of the Board of City Cement Company</li> <li>Member of the Executive Committee for City Cement Company</li> <li>Member of the Board of Al-Abdullatif Industrial Investment Company</li> <li>Member of the Risk Committee in Al-Abdullatif Industrial Investment Company</li> <li>Member of the Board of AJIL Financial Services Company</li> </ul>	<ul style="list-style-type: none"> <li>Commerce (ICC) (2021-2023)</li> <li>Deputy Chief Executive Officer at City Cement Company (2016-2019)</li> <li>Member of the Audit Committee for Al-Abdullatif industrial &amp; investment (2016-2019)</li> <li>Member of the Board of National Distribution Gas (CJSC) (2016-2019)</li> <li>Member of the Board of Saudi Makamin (2016-2019)</li> <li>Member of the Audit Committee for Murabaha Installments Company (2015-2016)</li> <li>Chief Finance &amp; Administration Officer at City Cement Company (2014-2016)</li> <li>Chief Financial Officer at City Cement Company (2012-2014)</li> <li>Senior Relationship Manager at Riyadh Bank (2010-2012)</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Administrative Science Accounting from King Saud University</li> <li>Certified Global Executive by INSEAD business school</li> <li>Accepted by MISK 2030 Leaders</li> </ul>
<b>Mr. Matar Al Khateeb (Member)</b>	<ul style="list-style-type: none"> <li>General Manager at AJIL Financial Service Company</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Audit Committee of Jeddah Chamber of Commerce (2019-2022)</li> <li>Member of the Risk Management and Credit Committee of AJIL Financial Service Company (2014-2020)</li> <li>Chief Financial Officer at AJIL Financial Services Company (2009-2016)</li> <li>Regional Manager Finance &amp; Accounts at Zahid Tractor &amp; Heavy Machinery Co. Ltd (2002-2009)</li> </ul>	<ul style="list-style-type: none"> <li>Master's Degree in Political Sciences from Institut D'Etudes Politiques, Aix-En-Provence, France</li> </ul>

#### 6.4.3 Executive Committee Meetings:

During 2023, the Executive Committee held six meetings. The following table details the Executive Committee meetings' attendance:

#	Name	20 January 2023	12 June 2023	30 August 2023	07 November 2023
1	Mr. Haytham Zahid	✓	✓	✓	✓
2	Mr. Majid Al-Osailan	✓	✓	✓	✓
3	Mr. Matar Al Khateeb	✓	✓	✓	✓



#	Name	05 December 2023	20 December 2023	Total	Attendance Rate
1	Mr. Haytham Zahid	✓	✓	6	100%
2	Mr. Majid Al-Osailan	✓	✓	6	100%
3	Mr. Matar Al Khateeb	✓	✓	6	100%

### 6.5 Shariah Committee:

The primary role of the Shariah Committee is to ensure that AJIL's products comply with the Islamic Shariah Principles. AJIL outsourced the Shairah governance activities to Almarjea, a specialized Shariah governance service provider.

#### 6.5.1 Shariah Committee Composition:

#	Name	Position	Classification
1	Shaikh Dr. Mohammed Ali Elgari	Member	Independent
2	Shaikh Dr. Sajid Ahmed Umar	Member	Independent

#### 6.5.2 Shariah Committee Members' Qualification:

Name	Current Positions	Previous Positions and Experience	Qualifications
<b>Shaikh Dr. Mohammed Ali Elgari (Member until 13<sup>th</sup> September 2023)</b>	<ul style="list-style-type: none"> <li>Member of Shariah Advisory Board of Dubai Bank</li> <li>Member of Shariah Supervisory Board of Riyadh Bank</li> <li>Member of Shariah Supervisory Board of UBS / Noriba</li> <li>Member of Shariah Supervisory Board of Bank Al-Jazira</li> <li>Member of Shariah Supervisory Board of HSBC Amanah</li> <li>Member of Shariah Supervisory Board of Arab National Bank</li> <li>Member of Shariah Supervisory Board of Banque Saudi Fransi</li> <li>Member of Shariah Supervisory Board of Samba Financial Group</li> <li>Member of Shariah Supervisory Board of Islamic Development Bank</li> <li>Member of Shariah Supervisory Board of Citi Islamic Investment Bank</li> <li>Shariah Advisor for Fajr Capital Limited</li> </ul>	<ul style="list-style-type: none"> <li>Former Director of the Center for Research in Islamic Economics, King Abdul-Aziz University, Jeddah, Saudi Arabia. 1996-2002</li> <li>Former Professor of Islamic Economics, King Abdul-Aziz University, Jeddah, Saudi Arabia. 1981-2006</li> <li>Member of Shariah Supervisory Board of: <ul style="list-style-type: none"> <li>International Islamic Liquidity Management (IILM), K.L. Malaysia. 2012- 2023</li> <li>United Arab Bank, Sharja, U.A.E 2010-2018</li> <li>Saudi Investment Bank, Riyadh. K.S.A. 2007-2022</li> <li>Noor Islamic Bank, Dubai, UAE. 2010-2018</li> <li>SABB (Saudi British Bank), Riyadh. K.S.A.2008-2022</li> <li>Al-Jazirah Bank, Jeddah. K.S.A.2005-2022</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>PhD degree in Economics from the University of California</li> <li>Master's degree in Economics from University of California</li> <li>Bachelor's degree in Economics from King Abdulaziz University</li> </ul>

Name	Current Positions	Previous Positions and Experience	Qualifications
	<ul style="list-style-type: none"> <li>Shariah Advisor for Navis Capital Partners</li> <li>Shariah Advisor for Tadamon Capital B.S.C</li> <li>Shariah Advisor for Jadwa Investment Company</li> <li>Shariah Advisor for Alinma Tokio Marine company</li> <li>Shariah Advisor for Rasmala MENA Private Equity Fund</li> </ul>		
<b>Sheikh Dr. Sajid Ahmed Umar (Member until 13<sup>th</sup> September 2023)</b>	<ul style="list-style-type: none"> <li>Member of Shariah Advisory Board of Ldun (Saudi Arabia)</li> <li>Member of Shariah Advisory Board of Maydan Capital</li> <li>Member of Shariah Advisory Board of Wahed Invest</li> <li>Associate Professor with Knowledge International University</li> <li>Director of Islamic Development for Mercy Mission World</li> <li>Lecturer at AlKauthar Institute</li> <li>Head of Alkauthar Institute's Board</li> </ul>	<ul style="list-style-type: none"> <li>Associate Professor with Islamic University of Minnesota (January 2022 to December 2022)</li> </ul>	<ul style="list-style-type: none"> <li>PhD in Comparative Islamic Law and Judiciary, KSA.</li> <li>Master's degree in Comparative Islamic Law and Judiciary, KSA.</li> <li>Bachelors Degree in Comparative Islamic Law, KSA.</li> <li>Degree Equivalent, Arabic Language and Islamic Studies, KSA.</li> <li>First Degree Studies - Information Technology, Zimbabwe.</li> </ul>

### 6.5.3 Shariah Committee Meetings:

During 2023, the Shariah Committee held two meetings. The following table details the Shariah Committee meetings' attendance:

#	Name	30 March 2023	29 June 2023	Total	Attendance Rate
1	Shaikh Dr. Mohammed Ali Elgari	✓	✓	2	100%
2	Shaikh Dr. Sajid Ahmed Umar	✓	✓	2	100%

## 6.6 Remuneration of the Board Committees:

The Board Committees members' remuneration during 2023 is reflected below:

#	Member Name	Position	Fixed Remuneration (SAR)	Meeting Attendance Fee (SAR)	Total Remuneration (SAR)
<b>1- Audit Committee</b>					
1	Mr. Amr Al-Kabbani	Chairman	40,000	40,000	80,000
2	Mr. Tariq Zaino	Member	40,000	40,000	80,000
3	Mr. Mohammed Al-Fadhel	Member	40,000	40,000	80,000
<b>Total Remuneration of Audit Committee</b>			<b>120,000</b>	<b>120,000</b>	<b>240,000</b>
<b>2- Nomination &amp; Remuneration Committee (NRC)</b>					
1	Dr. Faisal Baassiri	Chairman	30,000	25,000	55,000
2	Mr. Ali Alireza	Member	21,041	15,000	36,041
3	Mr. Mohammed Zaher Al Munajjed	Member	30,000	20,000	50,000
4	Mr. Amr Al-Kabbani	Member	8,959	5,000	13,959
<b>Total Remuneration of NRC</b>			<b>90,000</b>	<b>65,000</b>	<b>155,000</b>
<b>3- Risk Management and Credit Committee (RMCC)</b>					
1	Mr. Abdulrahman Al-Zuwaidi	Chairman	30,000	25,000	55,000
2	Mr. Mahmood Kamel	Member	30,000	25,000	55,000
3	Mr. Mohammed Barig Ahmed Siraj	Member	30,000	25,000	55,000
4	Mr. Naief Arab	Member	30,000	25,000	55,000
<b>Total Remuneration of RMCC</b>			<b>120,000</b>	<b>100,000</b>	<b>220,000</b>
<b>4- Executive Committee</b>					
1	Mr. Haytham Zahid	Chairman	30,000	30,000	60,000
2	Mr. Majid Al-Osailan	Member	30,000	30,000	60,000
3	Mr. Matar Al Khateeb	Member	30,000	30,000	60,000
<b>Total Remuneration of Executive Committee</b>			<b>90,000</b>	<b>90,000</b>	<b>180,000</b>
<b>5- Shariah Committee</b>					
1	Shaikh Dr. Mohammed Elgari	Member	133,500	-	133,500*
2	Shaikh Dr. Sajid Ahmed Umar	Member			
<b>Total Remuneration of Shariah Committee</b>			<b>133,500</b>	<b>-</b>	<b>133,500*</b>
<b>Total Remuneration of Board Committees</b>			<b>553,500</b>	<b>375,000</b>	<b>928,500</b>

\* Shariah Committee remuneration is inclusive of the cost of Shariah Governance and Annual Review.

## 7- Executive Management

The Executive Management Members are responsible for managing the daily activities of the company and proposing and executing strategic decisions.

### 7.1 Executive Management Composition:

The composition of the Executive Management of the company during the year ended 2023 was as follows:

#	Name	Position
1	Mr. Matar Mohammad Al Khateeb	General Manager
2	Mr. Naief Nihad Arab	Chief Operating Officer
3	Mr. Faisal Shabir Shaikh	Chief Financial Officer

### 7.2 Changes to Executive Management Composition:

The revised Executive Management composition effective from 9 November 2023 is as follows:

#	Name	Position
1	Mr. Matar Mohammad Al Khateeb	General Manager
2	Mr. Naief Nihad Arab	Chief Operating Officer
3	Mr. Muhammad Shah Zeb Khan	Acting Chief Financial Officer

### 7.3 Executive Management Qualifications:

Name	Current Position	Previous Position and Experience	Qualifications
<b>Mr. Matar Al Khateeb (General Manager)</b>	<ul style="list-style-type: none"> <li>General Manager at AJIL Financial Services Company</li> <li>Member of the Executive Committee of AJIL Financial Services Company</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Audit Committee of Jeddah Chamber of Commerce (2019-2022)</li> <li>Member of the Risk Management and Credit Committee of AJIL Financial Service Company (2014-2020)</li> <li>Chief Financial Officer at AJIL Financial Services Company (2009-2016)</li> <li>Regional Manager Finance &amp; Accounts at Zahid Tractor &amp; Heavy Machinery Co. Ltd (2002-2009)</li> </ul>	Master's Degree in Political Sciences from Institut D'Etudes Politiques, Aix-En-Provence, France
<b>Mr. Naief Arab (COO)</b>	<ul style="list-style-type: none"> <li>Chief Operating Officer at AJIL Financial Services Company</li> <li>Member of the Risk Management and Credit Committee of AJIL Financial Services Company</li> <li>Secretary of the Board of Directors of AJIL Financial Services Company</li> <li>Member of the Audit &amp; Risk Committee for Sunbulah Group</li> </ul>	<ul style="list-style-type: none"> <li>Head of Treasury &amp; Funding at AJIL Financial Services Company (2016-2018)</li> <li>Risk &amp; Treasury Manager at AJIL Financial Services Company (2016-2016)</li> <li>Head Of Compliance at AJIL Financial Services Company (2013-2016)</li> <li>Team Leader (Corporate Banking Group) at National Bank of Kuwait (2009-2013)</li> <li>Senior Relationship Manager (Corporate Banking Group) at Bank Al-Jazira (2008-2009)</li> </ul>	Bachelor's degree in Finance from Bentley University, USA

Name	Current Position	Previous Position and Experience	Qualifications
		<ul style="list-style-type: none"> <li>Relationship Manager (Corporate Banking Group) at Arab National Bank (2006-2008)</li> <li>Relationship Manager (Corporate &amp; Investment Banking Group) at Samba Financial Group (2002-2005)</li> </ul>	
<b>Mr. Faisal Shaikh (CFO until 8<sup>th</sup> November 2023)</b>	<ul style="list-style-type: none"> <li>Chief Financial Officer at AJIL Financial Services Company</li> </ul>	<ul style="list-style-type: none"> <li>Financial Controller at AJIL Financial Services Company (2018-2021)</li> <li>Senior Finance Manager at AJIL Financial Services Company (2014-2017)</li> <li>Senior Associate at Ernst &amp; Young (2011 – 2014)</li> <li>Associate at Price waterhouse Coopers (2010 – 2011)</li> </ul>	<p>Fellow Member - ACCA – UK</p> <p>Associate Member CPA - UK</p> <p>Associate Member – CFC - USA</p> <p>Bachelor's Degree in Accounting and Commerce from University of Karachi</p>
<b>Mr. Muhammad Shah Zeb Khan (Acting CFO Since 9<sup>th</sup> November 2023)</b>	<ul style="list-style-type: none"> <li>Acting Chief Financial Officer at AJIL Financial Services Company</li> </ul>	<ul style="list-style-type: none"> <li>Financial Controller at AJIL Financial Services Company (2022-2023)</li> <li>Financial Controller at Ijarah Finance (2021-2022)</li> <li>Senior Manager Finance &amp; Accounts at Saudi ORIX Leasing Co. (2018-2021)</li> <li>Manager Finance &amp; Accounts at Saudi ORIX Leasing Co. (2014-2018)</li> <li>Manager Business Control &amp; Operations at Saudi ORIX Leasing Co. (2012-2014)</li> <li>On Deputation Finance &amp; Operations at Saudi ORIX Leasing Co. (2006-2012)</li> <li>Officer Leasing Operations at ORIX Leasing Pakistan (2004-2006)</li> </ul>	<p>Affiliate Member – ACCA – UK</p> <p>Bachelor's Degree in Accounting and Commerce from University of Karachi</p>

#### 7.4 Senior Management:

The Senior Management members are responsible of managing the company's functions and departments, the composition of the Senior Management of the company during the year ended 2023 was as follows:

#	Name	Position
1	Mr. Roshantha Pathmaperuma	Head of Corporate Lease Business
2	Ms. Kawther Elahi	Head of Compliance
3	Mr. Hattan Alhamdan	Head of Risk Management
4	Ms. Eilaf Dawood	Head of Internal Audit
5	Mr. Nedal El Kafrawy	Head of Quality Control
6	Mr. Muhammad Khurram Sheikh	Advisor Finance and Business Development
7	Mr. Omar Ahmed Milah	Acting Head of Information Technology
8	Mr. Majid Adnan A Khodary	Acting Chief Information Security Officer
9	Ms. Sarrah Kattan	Head of Human Resources
10	Mr. Ayman Al Kishawi	Head of Collection
11	Ms. Alaa Halwani	Manager Customer Care

#### 7.5 Remuneration of Top Five Executives/Senior Management Members:

The total annual remuneration of the top five Executive/Senior Management members (including CEO and CFO) during 2023 is reflected below:

Remuneration Type	Total Amount in Saudi Riyal
Salaries	3,641,500
Allowances	2,028,583
In-kind benefits	172,397
<b>Total Fixed Remuneration</b>	<b>5,842,480</b>
Periodic Reward	-
Profit Share	-
Short-term incentive plans	1,345,064
Long-term incentive plans	-
<b>Total Variable Remuneration</b>	<b>1,345,064</b>
<b>Total Remuneration</b>	<b>7,187,544</b>

## 8- Internal Control

The Board of Directors and Executive Management are responsible for the design and implementation of the internal control system. All AJIL employees are ultimately responsible for operating and maintaining an effective internal control system at their respective levels.

### 8.1 Risk Management:

AJIL is applying its Risk Management Framework to identify, manage, measure, and report all potential risks to ensure that the level of risk taken by the company is consistent with shareholders' expectations and the company's strategic objectives.

As a financing company, credit risk remains one of the company's main risks. However, as a result of the strict implementation of the company's Collection Policy, the performance of the credit portfolio continues to improve which translated into a Non-Performing Loans (NPL) ratio of 7.74% as of 31<sup>st</sup> December 2023 (31<sup>st</sup> December 2022: 13.1%). In addition, the company reviewed and updated its Credit Policy to further enhance its processes and controls related to the credit evaluation, review, approval, and credit risk mitigation of credit transactions.

In view of the recent hikes in interest rates, the company has been closely monitoring this increase in financial costs and adjusting its financing rates for new transactions accordingly. The company is financing its credit portfolio with back-to-back fixed-rate term financing, hence, its exposure to interest rate movements is very limited. However, it is challenging to pass on this increase to customers while remaining competitive. Therefore, since Q2 2022, the company has diverted all its SME business to SAMA's Funding for Lending Program, where the company borrows from SAMA at 0% rate for 3 years and extends financing to SMEs at a maximum flat rate of 4%, to reduce the impact of interest rates on both the company and SME customers. Despite the expiry of SAMA's Funding for Lending Program in March 2023, the Company has sufficient liquidity to meet its financing requirements.

From a liquidity perspective, the company has access to adequate and diversified funding facilities from banks such as Musharaka-based lines, securitization, and short and medium-term loans to finance its short and long-term funding needs. In addition, the company developed its liquidity risk management framework in line with SAMA's Rules on Liquidity Risk Management to further strengthen its liquidity risk management governance and processes.

In line with the company's strategic objectives, the company continues to invest in its cyber security and business continuity controls and infrastructure to ensure its readiness for digital transformation.

### 8.2 Compliance and Anti Money Laundering:

#### 8.2.1 Compliance:

AJIL established an independent Compliance Department that reports directly to the Audit Committee. The Compliance Department is responsible for ensuring the company's compliance with the financing laws and regulations by following a Compliance policy and a Compliance Program that are updated annually to cover the following:

- Identifying and dealing with all compliance risks and monitoring all relevant developments;
- Analyzing new procedures, policies, operations and suggesting the procedures to address relevant compliance risks;
- Following a compliance program and including its findings in a quarterly compliance report;

- Promoting awareness of compliance issues and providing training for employees on compliance related matters through periodic programs; and
- Reporting any irregularities and/or violations promptly to SAMA and the Audit Committee.

### 8.2.2 Anti-Money Laundering & Counter Terrorism Financing:

AJIL's Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) function is established as part of the company's Compliance Department. AJIL established this function to combat money laundering and terrorism financing activities by setting a number of controls that assess and mitigate the related risks and ensure the company's compliance with the relevant laws and regulations. AML/CTF major controls are as follows:

- AML/CTF Policy.
- Customers' AML/CTF Risk Assessment and rating Model.
- Know Your Customers procedures.
- Know Your Vendor procedures.
- Customers' Due Diligence and Enhanced Due Diligence procedures.
- Monitoring of high risk transactions from AML/CTF prospective.
- Customers' screening against UN sanction lists.

### 8.3 Internal Audit:

The Internal Audit function is independently and actively supporting AJIL's identification, evaluation and mitigation of risks, and serving as a proponent for internal controls and its continuous improvement. AJIL's Internal Audit reports independently to the Audit Committee in order to provide the Board of Directors with an objective assurance regarding the adequacy and effectiveness of risk management, internal controls, and governance processes.

The Internal Audit carries out its functions in accordance with the annual audit plan approved by the Audit Committee and adopts a risk-based approach in executing the audit plan, focusing on Credit Risk & Administration, Customer Care, Compliance, and Risk Management functions.

AJIL's Internal Audit submits quarterly reports to the Audit Committee that summarize the status of executing the internal audit plan, the findings noted during the audit reviews along with the audit recommendations, the management corrective measures and its target implementation date. The Internal Audit also monitors the implementation of audit recommendations through quarterly follow-up reviews in order to assure that the identified risks and control measures have been addressed by the management in an effective and timely manner.

### 8.4 Effectiveness of the Internal Control Environment:

The Board of Directors reviews the periodic reports issued by the Board Committees, Executive Management and Control Functions. We are pleased to advise that nothing has come to the attention of the Board of Directors that causes it to believe that the system of internal control has not been properly designed or implemented.

The Board is of the opinion that the controls, organizational structure, policies, and procedures that constitutes the current Internal Control Environment are 'sufficient' and continuously monitored and updated in order to manage any changes or developments to improve its effectiveness.



## 9- Related Parties Transactions

The company deals with certain related parties during its normal course of business. The Board of Directors and management ensure that related parties' transactions pricing and terms are conducted on commercial terms and on arm's length basis. The following table details the contracts/businesses conducted with related parties during the fiscal year ended on 31 December 2023.

#	Service Provider	Nature of Service/Business	Value (SAR)	Term/Duration	Related Party Name
1	Riyad Bank	Financial Charges on Term Loan	944,158	12 Months	<ul style="list-style-type: none"> <li>• Riyadh Bank, Shareholder (48.46%)</li> <li>• Mr. Mohammad Abo Al-Naja, Vice Chairman</li> <li>• Mr. Mohammed Al-Salah, Board Member</li> </ul>
2	Riyad Bank	Borrowing of term loans	25,000,000	12 Months	<ul style="list-style-type: none"> <li>• Riyadh Bank, Shareholder (48.46%)</li> <li>• Mr. Mohammad Abo Al-Naja, Vice Chairman</li> <li>• Mr. Mohammed Al-Salah, Board Member</li> </ul>
3	Riyad Bank	Repayment of term loans	38,666,667	12 Months	<ul style="list-style-type: none"> <li>• Riyadh Bank, Shareholder (48.46%)</li> <li>• Mr. Mohammad Abo Al-Naja, Vice Chairman</li> <li>• Mr. Mohammed Al-Salah, Board Member</li> </ul>
4	Riyad Bank	Musharaka financing	121,966,429	12 Months	<ul style="list-style-type: none"> <li>• Riyadh Bank, Shareholder (48.46%)</li> <li>• Mr. Mohammad Abo Al-Naja, Vice Chairman</li> <li>• Mr. Mohammed Al-Salah, Board Member</li> </ul>
5	Zahid Tractor & Heavy Machinery Co Ltd.	Services	475,372	12 Months	<ul style="list-style-type: none"> <li>• Mr. Usman Mahmood, Board Member</li> <li>• Mr. Haytham Zahid, Board Member</li> </ul>
6	Zahid Tractor & Heavy Machinery Co Ltd.	Purchase of leasing equipment	461,416,684	12 Months	<ul style="list-style-type: none"> <li>• Mr. Usman Mahmood, Board Member</li> <li>• Mr. Haytham Zahid, Board Member</li> </ul>
7	Zahid Travel Group	Travel services	148,273	12 Months	<ul style="list-style-type: none"> <li>• Mr. Usman Mahmood, Board Member</li> <li>• Mr. Haytham Zahid, Board Member</li> </ul>
8	Nihad Abdullah Arab & Sons Limited Company	Labor services	253,882	12 Months	<ul style="list-style-type: none"> <li>• Mr. Naief Nihad Abdullah Arab, COO &amp; Secretary of the Board of Directors</li> </ul>
9	Juffali Industrial Product Company	Purchase of leasing equipment	34,445,305	12 Months	<ul style="list-style-type: none"> <li>• Khaled Ahmed Al Juffali Company Shareholder (5%)</li> </ul>

#	Service Provider	Nature of Service/Business	Value (SAR)	Term/ Duration	Related Party Name
10	EJAR Machinery Rental Alternative Co. Ltd.	Purchase of leasing equipment	3,823,705	12 Months	<ul style="list-style-type: none"> <li>Mr. Usman Mahmood, Board Member</li> <li>Mr. Haytham Zahid, Board Member</li> </ul>
11	Haji Husein Ali Reza Company Limited	Purchase of leasing equipment	3,449,085	12 Months	<ul style="list-style-type: none"> <li>Chairman of the Board Mr. Ali H. Alireza</li> </ul>
12	The Machinery Group LLC (TAMGO)	Purchase of leasing equipment	25,446,911	12 Months	<ul style="list-style-type: none"> <li>Mr. Usman Mahmood, Board Member</li> <li>Mr. Haytham Zahid, Board Member</li> </ul>
13	Saudi Company for Site Technology Ltd.,	GPS installation services	29,187	12 Months	<ul style="list-style-type: none"> <li>Mr. Usman Mahmood, Board Member</li> <li>Mr. Haytham Zahid, Board Member</li> </ul>
14	Wared Transport Co.	Courier services	3,560	12 Months	<ul style="list-style-type: none"> <li>Mr. Usman Mahmood, Board Member</li> <li>Mr. Haytham Zahid, Board Member</li> </ul>
15	AL TAAQA Alternative Solutions Company Limited	Purchase of leasing equipment	831,910	12 Months	<ul style="list-style-type: none"> <li>Mr. Usman Mahmood, Board Member</li> <li>Mr. Haytham Zahid, Board Member</li> </ul>
16	Al-Yemni Motors Company Limited	Purchase of leasing equipment	3,407,450	12 Months	<ul style="list-style-type: none"> <li>Al Yemni Investment Co. Shareholder (6.92%)</li> </ul>
17	Riyad Capital	Musharka financing arrangements	9,583,065	12 Months	<ul style="list-style-type: none"> <li>Riyad Bank, Shareholder (48.46%)</li> <li>Mr. Mohammad Abo Al-Naja, Vice Chairman</li> <li>Mr. Mohammed Al-Salah, Board Member</li> </ul>

## 10- Declarations

### 10.1 Board Assurance:

The Board of Directors, with reference to the year ending on 31 December 2023, confirms that:

- Proper books of accounts have been maintained and the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and circulars issued by the Saudi Organization for Certified Public Accountants (SOCPA).
- All Internal Audit recommendations have been properly implemented or are being implemented.
- There is no doubt over AJIL's ability to continue as a going concern in the foreseeable future.
- During the year 2023, the company did not pay any fine and/or penalties for violations/non-compliance of applicable laws and regulations except for the following:

Subject of the Violation	Previous Fiscal Year		Current Fiscal Year	
	Number of Executive Decisions	Total Amount of Fines (in SAR)	Number of Executive Decisions	Total Amount of Fines (in SAR)
Violation of SAMA's Supervisory and Control Instructions	1	-	-	-
Violation of SAMA's Customers' Protection Instructions	-	-	-	-
Violation of SAMA's Anti-Money Laundering and Counter Terrorism Financing Due Diligence	-	-	-	-
Violation of Ministry of Human Resources Regulations	1	20,000	-	-
Violation of Ministry of Commerce Regulations	1	50,000	-	-

## 10.2 Corporate Social Contributions:

During 2023, AJIL executed the following Corporate Social Contribution programs:

Program Name	Program Details	Total Cost
Sponsorship of Orphans	In association with EL-Wedad Charity, AJIL sponsored 10 orphaned children for one year.	SAR 36,000
Donations via Ehsan Platform	AJIL participated in the initiative of Purple Saturday through a financial donation via Ehsan Platform to support 2 cases as follows: 1- Medical needs of people with visual disability. 2- Installation of prosthetic limbs for patients in need.	SAR 55,000
	AJIL also participated in general donations initiatives via Ehsan Platform to support the following cases: 1- Providing warm clothes for families in need. 2- Restoration of homes for the families in need.	
Support Children with Cancer	On the 27 <sup>th</sup> of December 2023, AJIL arranged an entertainment program to 40 children in the cancer treatment section of the National Guard hospital. Also, four employees of AJIL voluntarily participated in this program to emotionally support the children.	1- Entertainment Program: SAR 1,200 2- Gifts for the Children: SAR 4,669.21 Total: SAR 5,869.21

In addition, AJIL continued to consider social, economical and environmental issues while designing its financing products to be a valuable contributor to the society.

## 10.3 Applicable Laws:

AJIL adheres to the provisions of all applicable laws, rules and regulations including but not limited to the following:

- Companies' Law
- Corporate Governance Regulations for Non-Listed Joint Stock Companies
- Finance Companies Control Law
- Implementing Regulations of Finance Companies Control Law
- Finance Lease Law
- Implementing Regulations of Finance Lease Law
- Key Principles of Governance in Financial Institutions
- Anti-Money Laundering Law

#### 10.4 General Assembly Meetings:

Two Ordinary General Assembly meetings (OGM) were held during 2023. The following is the list of Board members who attended the meetings:

General Assembly Meeting Date	General Assembly Meeting Type	Board Member Name	Board Member Capacity
21 June 2023	Ordinary	Dr. Faisal Baassiri	Member of the Board
31 August 2023	Ordinary	Mr. Ali Alireza	Chairman of the Board

## 11- Looking Ahead

*As we concluded a successful year, it is with great anticipation and enthusiasm that we look ahead to the future of AJIL. The year 2024 holds immense promises for us, as we foresee a notable upsurge in the demand for financing across various sectors of the economy. Our dedication to achieving significant growth in business, revenues, and net income remains resolute, and we are poised to capitalize on this increase in demand, both from our existing clientele and from new customers in the market.*

*One of the key pillars of our growth strategy lies in our concerted focus on leveraging digital channels to expand our reach and better serve the evolving needs of our clients. We recognize the pivotal role that digital transformation plays in today's financial landscape, and we are committed to harnessing its potential to streamline processes, enhance customer experiences, and drive operational efficiency.*

*Furthermore, as we anticipate this surge in demand, we remain committed to prudent financial management and astute risk assessment. By adhering to firm risk management practices and upholding the highest standards of governance, we are confident in our ability to navigate the evolving economic landscape while maintaining a strong and resilient financial position. Moreover, our emphasis on cultivating enduring relationships with our valued clients and stakeholders will continue to be a cornerstone of our business approach.*

*The Board of Directors takes this opportunity to express its gratitude to our esteemed leadership, the Government of the Kingdom of Saudi Arabia. We would like to express our sincere appreciation for the visionary leadership of The Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al-Saud and the Crown Prince Mohammed bin Salman bin Abdulaziz Al-Saud.*

*We also extend our appreciation to the Saudi Central Bank (SAMA), the Ministry of Commerce (MOC) and the Zakat, Tax and Customs Authority (ZATCA) for their continuous support to our sector.*

*We thank our shareholders and business partners for their continued loyalty, faith and support in AJIL. The Board also expresses its appreciation to AJIL's Management team for their contribution and professionalism.*

*May Allah enlighten our path and bless us in realizing our vision of becoming the leading financial services institution in Saudi Arabia.*

**Board of Directors**  
**AJIL Financial Services Company**