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Board of Directors report Quara Company

For financial year 2023





**Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud**

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**Your Highness, the Crown Prince
Prince Mohammed bin Salman bin Abdulaziz Al Saud**



Name	ownership percentage	Number of shares	Number of shares
First Resources Real Estate Company	33.33%	10.000.000	10.000.000
AWAED Financial Company	33.33%	10.000.000	10.000.000
NAWAQIS Trading Company	33.33%	10.000.000	10.000.000
	100%	30.000.000	30.000.000

The Company's Main Activity

The company's main activity is conducted under commercial registration number 1010262141, dated 09/02/1430 H corresponding to 2009/02/04 AD. According to the commercial registration data of the main branch, the company's activities include consumer financing, financing of small and medium-sized enterprises, and leasing. The company engages in these activities under a license issued by the Saudi Central Bank with license number 45/Ash/201605, dated 02/08/1437 H corresponding to 09/05/2016 AD, which expires on 30/07/1447 H corresponding to 19/01/2026 AD.

The company's purpose, as stated in its Articles of Association, is to finance companies and individuals in accordance with the provisions of the Companies Law, the Regulation of Financing Companies Law, its executive regulations, related regulations, rules, and instructions issued by the competent authorities, including the Saudi Central Bank. The company carries out and implements the following purposes:

1. Consumer financing.
2. Financing small and medium-sized enterprises.
3. Lease financing.

The company conducts its activities in accordance with applicable regulations and after obtaining necessary licenses from the relevant authorities, if any.

The actual activity of the company corresponds to the purposes mentioned in the commercial registration and the Articles of Association, namely: consumer financing, lease financing, and financing of small and medium-sized enterprises.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Company Strategy:

We aim to become the leading digital finance company in the Kingdom of Saudi Arabia for both individuals and small to medium-sized enterprises (SMEs) by leveraging the latest financial technology methods.

The company's strategic objectives are as follows:

Providing Instant Financing: The Company aims to provide instant, paperless financing to its clients through automation. To achieve this goal, the company has established a tech-savvy team to implement maximum digital solutions, enabling financing up to 100% without requiring any paperwork and with minimal client information. For instance, the company is pioneering in implementing financial technology application programming interfaces (APIs). Additionally, the company is working on developing an advanced business rules engine to instantly assess the creditworthiness of the client.

Offering Innovative Products for Various Customer Segments:

To fulfill its aspirations, the company consistently focuses on its core business of offering Sharia-compliant financing products to its clients. The company aims to develop innovative products that meet the needs of all customer segments. Moreover, the company is expanding its customer base to provide innovative solutions through collaboration partnerships. Furthermore, the company is committed to providing financing services to the SME sector within various governmental programs such as the Saudi Central Bank's financing for SMEs and the KAFALA program supported by the Saudi Credit Guarantee Program.

Creating Value for All Stakeholders:

The company focuses on creating value for all stakeholders, including shareholders, customers, and employees, through careful monitoring of key performance indicators (KPIs). These KPIs include maintaining the quality of its credit portfolio, consistent portfolio growth, offering fully digital financing solutions, minimizing operational expenses to maximize returns on equity, and striving to retain efficient employees.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Strengths and Competitive Advantages:

The company possesses the following strengths and competitive advantages:

Technological Readiness:

The company has developed and implemented solutions based on advanced technology to support growth in digital finance products. The product team has aided the company in implementing digital financing solutions, automating parts of the collection system, and activating advanced interactive voice response for customer service around the clock, seven days a week. Additionally, the company is working on other technological solutions to support its vision of becoming a leading digital finance company. It is developing an advanced engine for instant customer credit assessment. Technological readiness enables the company to launch new products within a short timeframe, giving it a competitive edge in the finance sector.

Experience in Business Growth Management:

In 2020, the current shareholders acquired the company, and since then, the business has experienced multifaceted growth over the past two years. The company has launched new products, entered into partnerships with over 25 business partners, and attracted experienced individuals for senior management roles, strengthening the governance framework that has helped the company gain relevant expertise.

Through senior management and the establishment of technological infrastructure, the company is in a position to support multifaceted growth. The specialized board of directors complements the senior management team, possessing strong market knowledge and professional experience in financial services.

Governance Structure and Professionally Developed Policies and Procedures:

The company adopts an effective governance framework, including the proactive formation of multiple committees that report directly to the board of directors. These committees aim to identify the risk appetite within the company's business strategy, as well as to identify, monitor, and manage potential risk areas. The company has a systematic credit assessment and risk management framework ensuring the appropriate identification, monitoring, and management of risks.

Additionally, the company offers financing installment options through various channels, including payment gateways through its app, and direct debit from the customer's bank account, supported by a highly qualified collection team and utilizing automated communication systems.

Unique Extensive Partner Network in Saudi Arabia for Consumer Financing:

The company has innovated a unique product in consumer purchase financing by partnering with leading partners in consumer-focused sectors across Saudi Arabia. These strengths and competitive advantages further enhance the company's position in the market.

Report of the Board of Directors of Quara Finance Company for the financial year 2023



Vision:

To be leaders in providing innovative financial solutions and the optimal choice for individuals and institutions.



Mission:

To provide suitable financing products for the needs of individuals and establishments through high-performance institutional operations, using the latest systems in accordance with Islamic Sharia principles.



Our Values:

Integrity is our foremost value. We remain steadfast in our principles, fair in our dealings, and sincere in our work. We strive for unlimited development, treating all our clients and employees with respect and appreciation, adhering to Sharia principles in our transactions and products. We work as one team to achieve excellence and deliver real exceptional value to society.

Community Contributions:

The company has recently established a corporate social responsibility policy, currently under approval by the general assembly, and is working on various pre-planned programs to contribute to community development.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Important Company Plans and Decisions during the Year 2023

The following are the most significant decisions and events during the year 2023:

- Clearance of the Board of Directors' members from their performance and bonuses for the fiscal year 2022.
- Approval of the annual financial statements and the Board of Directors' report for the year 2022.
- Adoption and updating of the company's policies and charters of committees under the Board of Directors.
- Business and contracts with related parties (KHAIR Capital)
- Acceptance of the resignation of the Vice Chairman of the Board of Directors, Mr. FAWAZ AL-FARAJ, and recommending to the general assembly the appointment of Mr. ABDULKARIM AL-DAIJ to complete his predecessor's term.
- Appointments in committee memberships - Executive Committee and Audit Committee.
- Special decisions in the field of the company's growth in the parallel market.
- Approval of several new partnerships.
- Approval of the "Thank You" program to motivate employees.
- Approval of the company's organizational structure.
- Adoption of the authorization matrix on October 22, 2023.
- Acceptance of the resignation of the Secretary, Mr. YAZID AL-JAMIAA, and recommending to the general assembly the appointment of Ms. ANWAR AL-MURSHID.

General Assembly

The company's ordinary and extraordinary general assembly was held twice during the fiscal year 2023 AD, and some decisions were taken, including, but not limited to, appointing a secretary for the committee, voting to elect members of the Board of Directors, voting to elect members of the Audit Committee, and approving the charter of the Audit Committee and the Nominations, Rewards, and Transactions Committee. With related parties and updates to the company's bylaws.

General Assembly meetings

Name	Capacity	First Meeting 22/06/2023	Second Meeting 22/06/2023
ABDULLAH AL-SHALASH	President of the association	Attendant	Attendant
YOUSSEF AL-SHALASH	Representative of Al-MAWARED Al-OULA Real Estate Company	Attendant	Attendant
MAJID AL-QASIM	Representative of AWAED Financial Company	Attendant	Attendant
TARIQ AL-JARALLAH	Representative of NAWAQIS Trading Company	Attendant	Attendant
ANWAR AL-MURSHID	Secretary of the session	Attendant	Attendant

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Composition of the Board of Directors and classification of its members

The company's Board of Directors, which consists of 8 members, are appointed by the General Assembly by cumulative vote for a period not exceeding a maximum of three years, after fulfilling the suitability requirements approved by the Saudi Central Bank and obtaining a letter of no objection. Below is a list of the current Board members.

No	Name	Position	Nationality	Age	Capacity	Independence	Membership start date
1	ABDULLAH ABDUL RAHMAN AL-SHALASH	Chairman of Board of Directors	Saudi	36	Non-Executive	Independent	16/07/1443 H, corresponding to 17/02/2022 G
2	ABDULKARIM BIN ABDULAZIZ AL-DUAJI	Deputy Chairman of the Board	Saudi	70	Non-Executive	Independent	06/02/1445 H, corresponding to 22/08/2023 G
3	MAJID ABDUL RAHMAN ABDUL AZIZ AL QASIM	Member of the Board of Directors	Saudi	51	Non-Executive	Non-Independent	17/07/1442 H, corresponding to 01/03/2021 G
4	MUHAMMAD MISFER HASSAN AL-HARBI AL-MALIKI	Member of the Board of Directors	Saudi	47	Non-Executive	Independent	28/11/1443 H, corresponding to 27/07/2022 G
5	TARIQ MUHAMMAD ALI AL-JARALLAH	Member of the Board of Directors	Saudi	54	Non-Executive	Non-Independent	17/07/1442 H, corresponding to 01/03/2021 G
6	TARIQ SAMI ZAYTOUN	Member of the Board of Directors	Syrian	43	Non-Executive	Independent	14/09/1442 H, corresponding to 26/04/2021 G
7	ANAND SUDARSHAN KUMAR RAHEJA	Member of the Board of Directors	Indian	59	Non-Executive	Independent	17/07/1442 H, corresponding to 01/03/2021 G
8	ABDUL RAHMAN ABDUL AZIZ AL-MISNAD	Member of the Board of Directors	Saudi	38	Non-Executive	Independent	02/07/1444 H, corresponding to 24/01/2023 G

The board of directors had tasks and responsibilities performed during the fiscal year 2023, whether through the board itself or through its subcommittees. Here is a list of the most important responsibilities and authorities of the board

- Developing strategies, policies, and plans aimed at serving the company's interests, achieving its goals, maximizing the rights of its shareholders, and ensuring the availability of human and financial resources necessary to achieve these objectives, including:
- Supervising the company's performance and core operations, alongside overseeing senior management, performance indicators, strategic plans, and core operations.
- Defining the roles and authorities of the executive management in the company.
- Taking necessary steps to ensure internal control over the company's operations, ensuring compliance with applicable laws, regulatory requirements, internal systems, policies, and plans set by the board of directors.
- Approving, reviewing, and updating key policies regularly.
- Establishing and monitoring the company's risk management system to assess, manage, and continuously monitor risks.
- Ensuring the integrity and fairness of the financial reporting and disclosure mechanism.
- Establishing internal control systems and overseeing them.
- Developing clear and specific policies, standards, and procedures for board membership.
- Preparing the company's preliminary and annual financial statements and approving them before publication.
- Preparing the board of directors' report.
- Making decisions regarding the company's listing on the parallel market – growth market.–

Council Members

The members of the Board of Directors of Quara Finance Company have extensive experience that enables them to make the right decisions that ensure the company's success and competition in the financing market in the Kingdom. Below are the names of the Board of Directors, their current and previous jobs, their qualifications and experience.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

ABDULLAH ABDULRAHMAN ABDULLAH AL-SHALASH

- Chairman of the Board.
- Member of the Risk and Credit Management Committee.

Nationality: Saudi

Educational Qualifications:

Master's degree in Financial Data Analysis from Columbia University, New York, USA.

Work Experience:

2019 - Present:

CEO of ALKHAIR Capital, a Saudi closed joint-stock company operating in the financial sector.

Other board memberships:

2022- Present:

Member of the Board of Directors of LIDAR Real Estate Development Company, a limited liability company operating in the investment and real estate development sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

ABDUL KARIM ABDUL AZIZ MUHAMMAD AL-DAIJI

- Deputy Chairman of the Board.
- Member of the Audit Committee.

Nationality: Saudi

Educational Qualifications:

- MSc Computer Science, West Coast University.
- Bachelor of Computer and Information Sciences, University of California.

Work Experience:

2012 AD – 2013 AD:

Advisor to the CEO of Gulf International Bank in the Kingdom of Bahrain, a public joint stock company operating in the banking sector.

2011 AD - 2012 AD:

Advisor to the CEO of Bank AL BILAD, a public joint stock company operating in the banking sector.

2007 AD - 2010 AD:

CEO of Al-ISTITHMAR Capital, a public joint stock company operating in the financial sector.

2003 AD – 2006 AD:

Consultant at the Capital Market Authority.

Other board memberships:

2019 AD - until now:

Member of the Board of Directors at Al-KHAIR Capital Saudi Arabia, a closed joint stock company operating in the financial sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

ABDULRAHMAN ABDULAZIZ ABDURRAHMAN AL-MUSNAD:

- Board member.
- Chairman of the Rewards and Nominations Committee.

Nationality: Saudi

Educational Qualifications:

Bachelor's degree in Administrative Sciences - Accounting from King Saud University.

Work Experience:

Since 2016:

Head of Real Estate and Assets Department at Alia Group, a limited liability company operating in the construction sector.

2018 - 2020:

Consulting Department Manager at KBMG Al-FAWZAN & Partners, a closed joint-stock company operating in the consulting - auditing sector.

2014 - 2016:

General Manager at Alia Company, a limited liability company operating in the construction sector.

2011 - 2014:

Project Manager at Alia Company, a limited liability company operating in the construction sector.

Other board memberships:

Since 2021:

Board member at Al-KHAIR Capital Saudi Arabia, a closed joint-stock company operating in the financial sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

MAJED ABDULRAHMAN ABDULAZIZ AL-QASIM:

- Board member.
- Member of the Rewards and Nominations Committee.
- Member of the Audit Committee.

Nationality: Saudi

Educational Qualifications:

Bachelor's degree in Islamic Law from Imam Muhammad bin Saud Islamic University, Riyadh.

Diploma in Forensic Sciences from the Institute of Public Administration, Riyadh.

Work Experience:

Businessman.

Other board memberships:

Since 2018:

Vice Chairman of the Board of Directors at Al-KHAIR Capital Saudi Arabia, a closed joint-stock company operating in the financial sector.

Since 2007:

Vice Chairman of the Board of Directors at DAR AL-ARKAN Real Estate Development Company, a public joint-stock company operating in the real estate sector.

Since 2007:

Board member at Quara Holding Company, a limited liability company operating in the holding companies sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

MOHAMMED MUSFIR HASSAN AL-HARBI AL-MALIKI:

- Board member.

Nationality: Saudi

Educational Qualifications:

Master's degree in Business Administration (MBA) from Al-Faisal University, Saudi Arabia.

Work Experience:

Since 2022:

Investment and Real Estate Development Manager at MADAR Investment Company, a closed joint-stock company operating in the financial sector.

2017 - 2022:

Deputy Governor of Small and Medium Enterprises Financing at the General Authority for Small and Medium Enterprises, a governmental entity operating in the financial sector.

2020 - 2022:

Acting CEO at SME Bank - National Development Fund, a governmental entity operating in the financial sector.

2018 - 2019:

Acting CEO at Saudi Bold Investment Company, a closed joint-stock company operating in the financial sector.

2014 - 2017:

CEO at KASSAB Financial Company, a closed joint-stock company operating in the financial sector.

Other board memberships:

Since 2022:

Board member - Member of the Nomination and Rewards Committee at Saudi Real Estate Company, a public joint-stock company operating in the real estate sector.

Since 2021:

Board member - Member of the Audit Committee and the Joint Royal Government Executive Committee at Saudi-Bangladeshi Industrial and Agricultural Investment Company "SABINKO", a limited liability company operating in the investment sector.

Since 2020:

Board member - Member of the Executive Committee at Bayan Credit Information Company, a closed joint-stock company operating in the credit information sector.

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2020 - 2022:

Board member at Saudi Export-Import Bank - A subsidiary of the National Development Fund, a government bank operating in the financial sector.

Since 2020:

Board member at FINTECH Saudi Arabia, operating in the financial technology sector.

2018 - 2022:

Board member - Member of the Credit Committee at Sustainability Support Program - Private Sector Stimulus (PSS), operating in the financial sector.

2018 - 2022:

Board member - Member of the Executive and Audit Committee at JADA Fund - Public Investment Fund, a closed joint-stock company operating in the financial and investment sectors.

2018 - 2022:

Board member - Chairman of the Audit Committee at KAFALA Program - Credit Guarantee Program (CGP) in the financial sector.

2018 - 2020:

Member of the Audit Committee at Arabian Sea Information Systems Company, a public joint-stock company operating in the technical sector.

Since 2017:

Board member - Member of the Audit Committee - Member of the Nomination and Rewards Committee at Al-Anson Trading Company, a closed joint-stock company operating in the security and safety sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

TARIQ MOHAMMED ALI AL-JARALLAH:

- Board member.
- Member of the Rewards and Nominations Committee.

Nationality: Saudi

Educational Qualifications:

Intermediate university degree in Commerce Technology from the Technical College, Al-Ahsa.

Work Experience:

- Businessman.
- Partner and shareholder in several companies:

Since 2000:

Partner in Kingdom Installment Trading Company, a limited liability company operating in the commercial sector.

Since 2002:

Partner in MADAARAT Development and Technology Company, a limited liability company operating in the commercial and contracting sectors.

Since 2019:

Owner of MIYASIM Investment Company, a limited liability company operating in the real estate and services sector.

Since 2019:

Owner of NUWAQIS Trading Company, a limited liability company operating in the real estate and commercial sector.

Since 2007:

Shareholder in Sahel Finance Company, a public joint-stock company operating in the real estate finance sector.

Other board memberships:

Since 2007:

Founder - Board member - Chairman of the Audit Committee at DAR AL-ARKAN Real Estate Development Company, a public joint-stock company operating in the real estate sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023



TARIQ SAMI ZAYTOUN

- Board member.
- Member of the Executive Committee.

Nationality: Syrian

Educational Qualifications:

Bachelor's degree with honors in Information Systems Engineering from the University of Manchester, United Kingdom.

Work Experience:

From 2014 to 2018:

Regional Manager at Property Finder International Group, a limited liability company operating in the technology sector.

From 2020 to present:

General Manager of Digital Technology Development at THIMAR Al-Arabiya Company, a limited liability company operating in the investment sector.

Other board memberships:

From 2023 to present:

Board member at WASALAT Real Estate Services Company.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

ANAND SUDARSHAN KUMAR REHJA

- Board member.
- Chairman of the Risk and Credit Committee.

Nationality: Indian

Educational Qualifications:

- Bachelor's degree in Commerce from Delhi University, India.
- Master's degree in Financial Management from New York University, United States.

Work Experience:

Since 2019:

CEO of DAR AL-ARKAN Real Estate Development Company, a public joint-stock company operating in the real estate development sector.

Other board memberships:

No further information provided.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Board member meetings

In the following table is a list of the names of the members of the Board of Directors of Quara Finance Company, the record of attendance at meetings, and the number of meetings held during the year 2023 AD.

Name	Capacity	First meeting 21/02/2023	Second meeting 2/05/2023	Third meeting 24/07/2023	Fourth meeting 31/10/2023
ABDULLAH AL-SHALASH	Chairman of Board of Directors	Attendant	Attendant	Attendant	Attendant
FAWAZ KHALED AL-FARIJI	vice president	Attendant	Attendant	Attendant	Attendant
ABDUL KARIM AL-DAIJI	vice president	-	-	-	Attendant
ABDUL RAHMAN AL-MUSNAD	Member	Attendant	Attendant	Attendant	Attendant
MAJID AL-QASIM	Member	Attendant	Attendant	Attendant	Attendant
TARIQ AL-JARALLAH	Member	Attendant	Attendant	Attendant	Attendant
MOHAMMED AL-MALIKI	Member	Attendant	Attendant	Attendant	Attendant
TARIQ ZAYTOUN	Member	Attendant	Attendant	Attendant	Attendant
ANAND ROHIJA	Member	Attendant	Attendant	Attendant	Attendant

The company obtained a letter of no objection from the Central Bank of Saudi Arabia regarding the appointment of Mr. ABDUL KARIM ABDUL AZIZ AL-DAIJI under letter No. 45012670 dated 02/22/1445 AH corresponding to 09/07/2023 AD.

Summary of the main work carried out by the Board of Directors during the fiscal year 2023

- Election of the Vice Chairman of the Board of Directors.
- Appointing members to the Board of Directors and the emerging committees.
- Approval of new and updated company policies.
- Recommending to the General Assembly to adopt the charter of the Audit Committee and the charter of the Nominations and Remuneration Committee.
- Approval of the charter of the Risk and Credit Management Committee, the charter of the Sharia Committee, and the charter of the Executive Committee.
- Approval of the company's organizational structure.
- Adopting a matrix of powers.
- Recommending to the General Assembly to approve transactions with related parties.
- Close follow-up of the company's offering file in the parallel market, growth, delegation of powers, and appointment of company representatives.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Committees emanating from the Board of Directors

executive committee	Review Committee	Nominations and Remuneration Committee	Risk and Credit Management Committee	Sharia Committee
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1. The Executive Committee

Among the most important powers and responsibilities of the executive committee are the following:

- Making decisions that are not within the authority of the CEO to make, within the limits of authority granted by the board.
- Supervising the company's strategic plans.
- Reviewing the annual board report before it is presented to the board.
- Reviewing the approved authority matrix by the board.
- Studying the opening or closing of company branches.
- Recommending to the board the sale of assets, mortgage procedures, obtaining facilities, managing liquidity, and matters exceeding the authority granted to the executive management.
- Recommending to the board contracting with consultancy firms in the field of company development or financial evaluation within the approved budget.
- Monitoring the performance of executive management and implementing future plans.
- Presenting the annual estimated budget to the board.
- Studying the addition of activities and products and making recommendations to the board.
- Supervising the annual budgets.

The Executive Committee consists of the following members

Name	Capacity
ABDULLAH AL-SHALASH	Chairman
GHALIB JARRAR	Member
TARIQ ZAYTOUN	Member
JOSEPH AL-KOURANI	Member

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Executive Committee meetings:

During the year 2023 AD, the Committee held (6) meetings as follows

Name	Capacity	First meeting 19/02/2023	Second meeting 13/04/2023	Third meeting 06/07/2023	Fourth meeting 13/09/2023	Fifth meeting 25/10/2023	Sixth meeting 20/12/2023
FAWAZ AL-FARIJI	Chairman	Attendant	Attendant	Attendant	Attendant	Resignation	Resignation
ABDULLAH AL-SHALASH	Member	-	Attendant	Attendant	Attendant	Attendant	Attendant
GHALIB JARRAR	Member	Attendant	Attendant	Attendant	Attendant	Attendant	Attendant
TARIQ ZAYTOUN	Member	Attendant	Attendant	Attendant	Attendant	Attendant	Attendant
JOSEPH AL-KOURANI	Member	-	Attendant	Attendant	Attendant	Attendant	Attendant

The company obtained approval from the Saudi Central Bank to appoint Mr. ABDULLAH ABDULRAHMAN AL-SHALASH and Mr. JOSEPH MALIK AL-KURANI as members of the Executive Committee under No Objection Letter No. 44069956 dated 30/08/1444 H corresponding to 22/03/2023 AD.

Summary of the key activities carried out by the Executive Committee during the fiscal year 2023:

1. Reviewing the company's performance and financial statements against the annual plan.
2. Assisting the Board of Directors in defining the company's main objectives.
3. Approving new products and relationships with new partners.
4. Approving the incentive program for sales and collection departments.
5. Approving updates to human resources and organizational structure.

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For members of the Executive Committee

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JOSEPH MALIK AL-KOURANI

- Member of the Executive Committee.

Nationality: Lebanese

Educational Qualifications:

Bachelor's degree in Business Administration from the University of BALAMAND, Lebanon.

Master's degree in Business Administration from the University of Northampton, United Kingdom.

Work Experience:

2020 AD - until now:

Chief Revenue Officer at Quara Holdings, a limited liability company operating in the field of holding companies.

Year 2017 AD - 2020 AD:

Senior General Manager at DAR AL ARKAN Company, a public joint stock company working in the field of real estate development.

Year 2012 AD - 2017 AD:

Vice President of DAMAC Properties, a public joint stock company working in the real estate field.

Year 1997 AD - 2012 AD:

Direct sales manager and founder of a direct sales office in Lebanon and then the Emirates, Bahrain, Qatar and Kuwait, an office that specializes in direct sales to companies and banks.

Other board memberships:

No further information provided.

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GHALEB JAMAL JARRAR

- Member of the Executive Committee.

Nationality: Jordan

Educational Qualifications:

Bachelor's degree in Accounting from Al-BALQA University, Jordan.
Investment practice certificate from the Saudi Capital Market Authority.

Work Experience:

Year 2005 AD - 2006 AD:

Accountant at Atta Consulting and Tax Company Jordan - a limited liability company - working in the consulting sector.

Year 2006 AD - 2007 AD:

Accountant at the National Electricity Company of Jordan, a public joint stock company operating in the energy sector.

Year 2007 AD - 2009 AD:

General accountant at AL FANAR Company, a limited liability company operating in the contracting sector.

Year 2009 AD - 2014 AD:

Account Manager at Gulf Capital Investment Group, an institution operating in the financial sector.

Year 2014 AD - 2020 AD:

Senior Financial Manager at AL JAZIRA Capital, a public joint stock company operating in the financial sector.

Year 2020 AD - 2021 AD:

Chief Financial Officer at Quara Holding Company, a limited liability company operating in the holding companies sector.

Year 2021 AD - now:

Chief Financial Officer at DAR AL ARKAN Real Estate - Closed Joint Stock Company - Real Estate Sector.

Other board memberships:

No further information provided.

CV of the rest of the committee members:
Mr. ABDULLAH AL-SHALASH - and Mr. TARIQ SAMI ZAYTOUN
Please review the biographies of board members.

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2. Audit Committee

The Audit Committee is responsible for verifying the integrity of financial reports and statements, overseeing the company's operations, ensuring the availability of internal control systems. The committee's tasks include:

- Reviewing the annual and periodic financial statements to ensure their accuracy in accordance with international accounting standards, and expressing their financial and economic opinions regarding their integrity.
- Reviewing and discussing the external auditor's quarterly and annual reports, addressing all the observations included in the report, and following up on the management's executive opinions on them, ensuring the implementation of related corrective plans.
- Monitoring quarterly and annual internal audit activities and discussing them with internal auditors.
- Facilitating the internal auditor's tasks regarding conducting audits within the company.
- Reviewing and approving the code of conduct and compliance guide.
- Reviewing the effectiveness of the company's implemented systems for compliance with laws and regulations and investigation results, including corrective plans taken towards cases of non-compliance monitored by the compliance management or cases discovered by the central bank.
- Supervising the internal audit, compliance, anti-money laundering, and counter-terrorism financing management and ensuring their independence.
- Supervising and approving the appointment of the Internal Audit and Compliance Management Director position.

The committee consists of the following members:

Name	Capacity
DR. YASSER AL-NAFISA	Chairman
MAJID AL-QASIM	Member
MUHAMMAD AL-BUKHARI	Member
ABDUL KARIM AL-DAIJI	Member

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Audit committee meetings:

During the fiscal year 2023, the Committee held five (5) meetings as follows:

Name	Capacity	First meeting 19/01/2023	Second meeting 20/02/2023	Third meeting 01/05/2023	Fourth meeting 23/07/2023	Fifth meeting 19/10/2023
DR. YASSER AL-NAFISA	Chairman	Attendant	Attendant	Attendant	Attendant	Attendant
MAJID AL-QASIM	Member	Attendant	Attendant	Attendant	Attendant	Attendant
MUHAMMAD AL-BUKHARI	Member	Attendant	Attendant	Attendant	Attendant	Attendant
ABDUL KARIM AL-DAIJI	Member	-	-	Attendant	Attendant	Attendant

The company has obtained a no-objection letter from the Saudi Arabian Monetary Authority regarding the appointment of Mr. ABDUL KARIM ABDULAZIZ ALDUAJI as a member of the Audit Committee, according to letter number 44066196 dated 17/08/1444 corresponding to 09/03/2023.

Summary of the main activities carried out by the Audit Committee during the fiscal year 2023:

1. Approval of the Internal Audit Management Report.
2. Recommendation to the Board of Directors to adopt the Committee Charter through the General Assembly.
3. Approval of the Internal Auditor's plan for the year 2023.
4. Approval of the Compliance Report.
5. Approval of the financial statements.

The Committee's opinion on the adequacy of the internal control system:

The executive management is responsible for identifying, implementing, and maintaining an effective internal control system in the company, which includes all policies, procedures, and processes designed under the supervision of the Board of Directors to achieve the company's strategic objectives. An integrated internal control system is designed in the company in accordance with the recommendations of regulatory and supervisory authorities, and the company works on assessing and monitoring the internal control system through its departments and relevant committees.

Based on the periodic reports presented to the Committee by the Internal Audit Management, Compliance Management, and external audit reports, and based on the assurances and annual disclosures obtained from the executive management, the Committee believes that the current internal control system is operating at an acceptable level of effectiveness, with an apparent need to improve some aspects of effectiveness in the internal control system over the past year, given the evolution in the company's operations and processes. It is noted that any internal control system, regardless of the soundness of its design and the effectiveness of its implementation, cannot provide absolute assurance.

Public

C.V
For members of the audit committee

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Dr. YASSER BIN ABDULLAH AL-NAFISAH

- Chairman of the Audit Committee.

Nationality: Saudi

Educational Qualifications:

Bachelor's degree in Accounting from Imam Muhammad bin Saud Islamic University with First Class Honors.

Master's degree in Accounting from the University of Northern Colorado, USA.

Ph.D. in Accounting and Finance from the University of Manchester, UK.

Work Experience:

2010 - Present:

Assistant Professor in the Accounting Department at Imam Muhammad bin Saud Islamic University.

Consultant in the fields of accounting, auditing, and governance for several institutions.

Member of several professional and academic committees.

Memberships and professional certificates:

Certified Fraud Examiner (CFE)

Member of several professional organizations.

Other board memberships:

No further information provided.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

MOHAMMED BIN FATHALLAH AL-BUKHARI

- Member of the Audit Committee.

Nationality: Saudi

Educational Qualifications:

Bachelor's degree in English Literature from King Saud University.
Licensed Securities Representative, Series 7 and USA 63.
Certified Compliance Officer (IRR)
Holder of CME 1 certificate, CMA required, Saudi Arabia.

Work Experience:

Teaching English as a foreign language at King Abdulaziz Military College (government sector)

1983 - 1989:

Held various positions at Saudi American Bank (financial sector)

1993 - 1994:

Merrill Lynch Private Client Services.

1995 - 1996:

Financial Advisor for Prudential Securities, USA.

1996 - 1998:

Head of Local Stock Dealing, International Stocks, and Murabaha at Riyadh Bank, a public joint-stock company operating in the financial sector.

1998 - 1999:

General Manager of Relations at Arab National Bank, a public joint-stock company operating in the financial sector.

1999 - 2000:

Investment Center Manager at Arab National Bank, a public joint-stock company operating in the financial sector.

2000 - 2008:

Chief Investment Compliance and Operations Support at Arab National Bank, a public joint-stock company operating in the financial sector.

2008 - 2011:

Head of Compliance and Anti-Money Laundering at Arab Investment Company.

Other board memberships:

No further information provided.

CV of the rest of the committee members:

Mr. MAJID ABDUL RAHMAN AL-QASIM - and Mr. ABDUL KARIM AL-DAIJI

Please review the biographies of board members.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

3. The Nomination and Remuneration Committee

Some of the most important powers and responsibilities of the Nomination and Remuneration Committee include:

- Annual review of the required skills for membership in the Board of Directors and preparation of a description of the capabilities and qualifications required for Board membership, including determining the time commitment that the member needs to dedicate to Board activities. Supervision of the orientation program and regular training for members.
- Review of the assessment of the Board of Directors' structure and its committees, ensuring independence, and making recommendations regarding any changes that may be necessary.
- Identifying strengths and weaknesses in the Board of Directors and proposing remedies that align with the company's interests.
- Annual confirmation of the independence of independent members and ensuring the absence of conflicts of interest if a member has a relationship with another company.

The committee consists of the following members:

Name	Capacity
ABDUL RAHMAN AL-MUSNAD	Chairman
MAJID AL-QASIM	Member
TARIQ AL-JARALLAH	Member

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Nominations and Remuneration Committee meetings:

The committee held one meeting per year to review the updates for the first half of the fiscal year 2023, and the second meeting was decided in the first quarter of the fiscal year 2024 in order to discuss the updates for the closing of the fiscal year 2023.

In addition to approving by passing several recommended decisions.

Name	Capacity	First meeting 31/07/2023	Second meeting 29/02/2024
ABDUL RAHMAN AL-MUSNAD	Chairman	Attendant	-
MAJID AL-QASIM	Member	Attendant	-
TARIQ AL-JARALLAH	Member	Attendant	-

Summary of the key activities carried out by the Nomination and Remuneration Committee during the fiscal year 2023:

1. Reviewing the incentive mechanism for the Board of Directors and its committees.
2. Nominating candidates for membership in the Board of Directors and its subsidiary committees.
3. Evaluating Board members and committee members, and adopting a standardized model and policy for this purpose.
4. Recommending the allocation of incentives and bonuses for Board members and committees.
5. Approving updates to the organizational structure.
6. Reviewing human resources policies.
7. Directing human resources by adopting a clear policy for the employee incentive and bonus system.
8. Conducting interviews and approving appointments to membership in the Board of Directors, its subsidiary committees, and executive management.
9. Adopting a policy for nomination, evaluation, and replacement of Board members.
10. Approving updates to the authority matrix.

CV of committee members

Please review the biographies of board members.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

4. Credit and Risk Management Committee

Among the tasks and responsibilities of the Credit and Risk Management Committee are the following:

- Reviewing risk management policies and presenting them to the board for approval.
- Approving the emergency plan in the event of disasters and ensuring tests are conducted to examine it.
- Supervising the risk report submitted to the Saudi Central Bank on an annual basis.
- Assessing the adequacy and effectiveness of risk management tasks, appointment, evaluation, and supervision of the risk management director.
- Approving the risk management framework.
- Reviewing policies and recommending them to the board for adoption.
- Accepting the resignation of the head of credit and risk.

The committee consists of the following members:

Name	Capacity
ANAND KUMAR ROHIJA	Chairman
AMR AL-TAHER	Member
ABDULLAH AL-SHALASH	Member

Risk and Credit Management Committee Meetings:

During the fiscal year 2023 AD, the Committee held (4) four meetings as follows:

Name	Capacity	First meeting 1/2/2023	Second meeting 1/5/2023	Third meeting 20/07/2023	Fourth meeting 17/10/2023
ANAND KUMAR ROHIJA	Chairman	Attendant	Attendant	Attendant	Attendant
AMR AL-TAHER	Member	Attendant	Attendant	Attendant	Attendant
ABDULLAH AL-SHALASH	Member	Attendant	Attendant	Attendant	Attendant

Summary of the main activities carried out by the Risk and Credit Management Committee during the fiscal year 2023:

- Review of the risk management report.
- Approval of quarterly risk management reports.
- Review and approval of the committee's charter and company policies, and submission to the board of directors for adoption.
- Approval of updates to the Liquidity Risk Management Committee charter - ALCO.

C.V
**For members of the Risk and Credit Management
Committee**

Report of the Board of Directors of Quara Finance Company for the financial year 2023

AMR BIN HOSNI AL-TAHER

- Member of the Risk and Credit Management Committee.

Nationality: Saudi

Educational Qualifications:

Bachelor's degree in Science from King Saud University.

Work Experience:

1997 AD – 1998 AD:

Vice President of Human Resources at Olayan Group, a holding company.

1999 AD - 2001 AD:

Head of Human Resources at Banque Saudi Fransi, a public joint stock company operating in the financial sector.

2001 AD - 2005 AD:

Head of Human Resources at Arab Bank, a public joint stock company operating in the financial sector.

2006 AD - 2017 AD:

Head of Human Resources at Banque Saudi Fransi, a public joint stock company operating in the financial sector.

Other board memberships:

No further information provided

CVs of the rest of the committee members
Mr. ABDULLAH AL-SHALASH - and Mr. ANAND RAHEJA
Please review the biographies of board members

Report of the Board of Directors of Quara Finance Company for the financial year 2023

5. Sharia Committee

The committee consists of the following members:

Name	Capacity
DR. ABDULLAH MOHAMMED AL-OMRANI	Chairman
SHEIKH DR. FAHD ABDUL RAHMAN AL-AIBAN	vice president
SHEIKH DR. ABDULLAH MUHAMMAD AL-DAKHIL	Member

Sharia Committee:

During the fiscal year 2023, the Committee held (2) meetings as follows:

Name	Capacity	First meeting 30/07/2023	Second meeting 31/12/2023
DR. ABDULLAH MOHAMMED AL-OMRANI	Chairman	Attendant	Attendant
SHEIKH DR. FAHD ABDUL RAHMAN AL-AIBAN	vice president	Attendant	Attendant
SHEIKH DR. ABDULLAH MUHAMMAD AL-DAKHIL	Member	Attendant	Attendant

Summary of the main activities carried out by the Sharia Committee during the fiscal year 2023:

The Sharia Committee of Quara Finance Company held two meetings during the year 2023 and provided a number of consultations related to the company's business sector. Additionally, it updated the Sharia governance manual based on the Central Bank's instructions and provided updates to the board of directors through annual and semi-annual reports on the committee's activities and the company's compliance with the instructions and regulations related to the activities of the Sharia Committee.

Public

C.V
For members of the Sharia Committee

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Dr. ABDULLAH MOHAMMED AL-OMRAN

- Chairman of the Sharia Committee.

Nationality: Saudi

Educational Qualifications:

Bachelor's degree in Sharia from the College of Sharia at IMAM MUHAMMAD IBN SAUD University.

Master's degree in Jurisprudence from IMAM MUHAMMAD IBN SAUD ISLAMIC University.

Ph.D. in Jurisprudence from IMAM MUHAMMAD IBN SAUD ISLAMIC University.

Work Experience:

Associate Professor at the College of Sharia at Imam University.

Memberships on other boards of directors

Member of the Sharia Board for Financial Companies:

2014 - Present:

National Finance Company, a closed joint-stock company operating in the financial sector.

2014 - Present:

Quara Finance Company, a closed joint-stock company operating in the financial sector.

2014 - Present:

Flexible Murabaha Finance Company, a flexible MURABAHA company operating in the financial sector.

2015 - Present:

TAWKEELAT Finance Company, a closed joint-stock company operating in the financial sector.

2014 - Present:

Al-JASRIYAH Finance Company, a closed joint-stock company operating in the financial sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Dr. FAHAD ABDULRAHMAN AL-AYBAN

- Deputy Chairman of the Sharia Committee

Nationality: Saudi

Educational Qualifications:

Bachelor's degree in Sharia from the College of Sharia at Imam Muhammad Ibn Saud University.

Master's degree in Jurisprudence and Principles of Jurisprudence in Financial Transactions from King Saud University.

Ph.D. in Jurisprudence and Principles of Jurisprudence from Imam Muhammad Ibn Saud University.

Work Experience:

Lecturer at King Saud University in the Department of Islamic Studies.

Memberships on other boards of directors

Member of the Sharia Board for Financial Companies:

2014 - Present:

National Finance Company, a closed joint-stock company operating in the financial sector.

2014 - Present:

Quara Finance Company, a closed joint-stock company operating in the financial sector.

2014 - Present:

Flexible Murabaha Finance Company, a flexible MURABAHA company operating in the financial sector.

2015 - Present:

TAWKEELAT Finance Company, a closed joint-stock company operating in the financial sector.

2014 - Present:

Al-JASRIYAH Finance Company, a closed joint-stock company operating in the financial sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Dr. ABDULLAH MOHAMMED AL-DAKHIL

- Member of the Sharia Committee.

Educational Qualifications:

Bachelor's degree in Sharia from the College of Sharia at Imam Muhammad ibn Saud University.

Master's degree in Legal Systems from the Higher Institute of Judiciary, Department of Sharia Policy.

Ph.D. in Jurisprudence and Principles of Jurisprudence from King Saud University in Jurisprudence and its Principles.

Work Experience:

From 2005 to 2009:

Former judge in the Board of Grievances in administrative and commercial circuits.

From 2008 to present:

International arbitrator at the Gulf Cooperation Council, MAKKAH International Arbitration Center, Qatar International Arbitration and Conciliation Center, and the Islamic Center for Reconciliation and Arbitration in Dubai.

From 2010 to 2015:

Senior Legal Advisor at Al Rajhi Bank, Al Rajhi Financial Company, and Al Rajhi Development Company.

From 2012 to present:

International mediator at the American Arbitration Association

From 2013 to present:

Legal attorney specializing in administrative, commercial, banking, and financial cases.

Memberships on other boards of directors

Member of the Sharia Board for Financial Companies:

2014 - Present:

National Finance Company, a closed joint-stock company operating in the financial sector.

2014 - Present:

Quara Finance Company, a closed joint-stock company operating in the financial sector.

2014 - Present:

Flexible Murabaha Finance Company, a flexible MURABAHA company operating in the financial sector.

2015 - Present:

TAWKEELAT Finance Company, a closed joint-stock company operating in the financial sector.

2014 - Present:

Al-JASRIYAH Finance Company, a closed joint-stock company operating in the financial sector.

Executive Management

The company is managed by competencies with long experience in the field of banking, finance, and risk management, enabling them to lead the company to greater successes in accordance with the company's strategies and within the legislation of the Central Bank of Saudi Arabia.

Work team

Name	Position	Remarks
FAISAL AL SHEIKH	chief executive officer	
ALI AL-SHAWAF	Head of risk	Future 14/11/2023
AMRASH SHAH	Chief Financial Officer	
SALMA ABDULLAH AL-FAIM	Director of Governance and Legal	
YASSER AL-TAIFI	Director of Compliance and Anti-Money Laundering and Terrorism	Future 16/11/2023
SAMI MUHAMMAD AL-SHAMIMARI	Sales and Business Development Manager	
AHMED AL-HASSAN	Head of Information Security	
NAWAF NASSER AL-SALEH	Director of Human Resources	
YOUSSEF MUHAMMAD AL-TASAN	Collection manager	
MUHAMMAD AL-SWEID	Client Care Manager	
MUSA MUHAMMAD AL-ASOUS	Internal Audit Manager	
TARIQ AL-HADITHI	actions Director	
BANDAR AL-MURAISHID	Manager of Information Technology	

Experience and qualifications of senior executives

Report of the Board of Directors of Quara Finance Company for the financial year 2023

FAISAL BIN ABDULRAHMAN HASSAN AL AL-SHEIKH

- Chief Executive Officer

Nationality: Saudi

Educational Qualifications:

Bachelor's degree in Financial Management from King Saud University.

Work Experience:

From 2022 to present:

Chief Executive Officer at Quara Finance Company, a closed joint-stock company operating in the financial sector.

From 2020 to 2022:

Head of Investment Banking Services at Mizuho Arabia Saudi Company, a public joint-stock company operating in the financial sector.

From 2019 to 2020:

Structured Finance Manager - Project Finance and Syndicated Loans at Al Rajhi Bank, a public joint-stock company operating in the financial sector.

From 2013 to 2019:

Senior Transactions Officer - Structured Finance Management at BNP Paribas, a public joint-stock company operating in the financial sector.

From 2012 to 2013:

Director of Financial Institutions Relationship at Saudi British Bank, a public joint-stock company operating in the financial sector.

From 2008 to 2011:

Product Manager at SABB Takaful Company, a public joint-stock company operating in the financial sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

AMRISH KUMAR SHAH

- Chief Financial Officer

Nationality: Indian

Educational Qualifications:

Certified Accountant from the Institute of Chartered Accountants in India.

Work Experience:

From 2020 to present:

Chief Financial Officer at Quara Finance Company, a closed joint-stock company operating in the financial sector.

From 2020 to 2020:

Chief Financial Officer at THIMAR Al Arabiya Company, a limited liability company operating in the construction sector.

From 2018 to 2020:

Chief Financial Officer and Operations Manager at CARVI Financial Services Limited in India - a limited liability company operating in financial services.

From 2007 to 2018:

Chief Financial Officer at Reliance Commercial Finance and Real Estate in India, a public limited company operating in the finance sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

NAWAF NASSER ABDULAZIZ AL SALEH

- Human Resources Management Director

Nationality: Saudi

Educational Qualifications:

Master's degree in Human Resources Management and Organization from the University of Nottingham.

Bachelor's degree in Business Administration from King Saud University.

Work Experience:

From 2021 to 2023:

Assistant General Manager (CBA) at a governmental entity affiliated with King Saud University operating in the education sector.

From 2012 to 2021:

Assistant Professor at King Saud University, a governmental entity operating in the education sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

MUSA MOHAMMED AL ASAOUS

- Chief Internal Auditor

Nationality: Saudi

Educational Qualifications:

Bachelor's degree in Economics from Imam Muhammad Ibn Saud Islamic University.

Work Experience:

From 2023 to present:

Chief Internal Auditor at Quara Finance Company.

From 2022 to 2023:

Internal Audit Manager at AL TANMIAH AL GIDAIHAH Company.

From 2021 to 2022:

Senior Internal Auditor at the General Authority for the Guardianship of Minors' Funds.

From 2020 to 2021:

Senior Internal Auditor at Mediterranean and Gulf Insurance Company

From 2018 to 2020:

Internal Auditor at FAWAZ ALHOKAIR Group.

From 2017 to 2018:

Operations Management Officer at Al Rajhi Takaful Company.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

SALMA ABDULLAH AL-FAEM

- Head of Legal Affairs and Governance

Nationality: Saudi

Educational Qualifications:

Bachelor's degree in Law from Princess Nora bint Abdulrahman University.

Work Experience:

From 2023 to present:

Head of Governance and Legal Affairs at Quara Finance Company, a closed joint-stock company operating in the financial sector.

From 2021 to 2023:

Legal Representative at Quara Finance Company, a closed joint-stock company operating in the financial sector.

From 2020 to 2021:

Legal Advisor at MAKMIN Solutions for E-Marketing, a limited liability company operating in the electronic and technical sector.

In 2020:

Trainee Lawyer (Internship) at ABDULRAHMAN AL RAMAIH Law Firm and Notary, a private law firm operating in the legal sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

BANDAR ABDULQADER AL-MARISHAD

- Chief Information Technology Officer

Nationality: Saudi

Educational Qualifications:

Diploma in Business Administration.

Work Experience:

From 2023 to present:

Acting Chief Information Officer at Quara Finance Company.

From 2021 to 2022:

Technical Support Manager at Quara Finance Company

From 2016 to 2021:

Technical Support Officer at Saudi Finance Company.

From 2016 to 2021:

Samba Phone Banking Center - Information Technology Department at Saudi American Bank.

From 2003 to 2005:

Maintenance Engineer and Technical Support at Saudi Research and Media Company.

From 2002 to 2003:

Maintenance Engineer and Technical Support at Horizon Information Technology Company.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

SAMI MOHAMMED SALEH AL-SHAMMARI

- Director of Retail Business Sector

Nationality: Saudi

Educational Qualifications:

Bachelor's degree in Business Administration from King Faisal University.

Work Experience:

From 2015 to 2022:

Sales Manager at Saudi Finance Company, a closed joint-stock company operating in the financial sector.

From 2004 to 2015:

Sales Team Manager at Samba Financial Group, a public joint-stock company operating in the banking and financial sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

MUHAMMAD JASSIM AL SWEDEN

- Head of Customer Care.

Nationality: Saudi

Educational Qualifications:

Diploma in Computer Networks from Teachers College, Damman.

Work Experience:

2022 AD - until now:

Quara Finance Company, Head of the Customer Care Unit, is a closed joint stock company operating in the financial sector.

Year 2013 AD - Year 2022 AD:

Customer Care Manager at Saudi Comprehensive Care Company, a limited liability company operating in the insurance claims settlement sector.

Year 2007 AD - Year 2013 AD:

SABB Bank has a Customer Service Supervisor and is a company operating in the financial sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

YOUSSEF MUHAMMAD AL-TASAN

- Head of Collection Department.

Nationality: Saudi

Educational Qualifications:

Business management diploma.

Work Experience:

2023 AD - until now:

Consultant to the Head of Collection Management at Quara Finance Company.

Year 2020 AD - 2023 AD:

Consultant to the head of collection management at the Saudi Finance Company.

Year 2016 AD - 2020 AD:

Head of Collections at Arco Human Resources Company.

Year 2008 AD - 2015 AD:

Head of Collections at Riyadh Bank.

Year 1999 AD - 2008 AD:

Credit Manager at Riyadh Bank.

Year 1996 AD - 1999 AD:

Head of Applications at Riyadh Bank.

Year 1991 AD - 1995 AD:

Credit officer at Saudi American Bank.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

TARIQ SALEH AL-HADITHI

- Chief Operations Officer

Nationality: Saudi

Educational Qualifications:

Master of Business Administration

Work Experience:

From 2023 to present:

Chief Operations Officer at Quara Finance Company, a closed joint-stock company operating in the financial sector.

From 2019 to 2023:

Construction Project Manager at Al-INSHA Business Establishment for Contracting, an individual establishment operating in the contracting sector.

From 2018 to 2019:

Assistant to the Deputy CEO at Saleh Suleiman Al-Rajhi Group, a limited liability company operating in investment.

From 2014 to 2018:

Deputy General Manager at AL-ASIMA Engineering Consultancy Establishment, an individual establishment operating in the engineering consulting sector.

From 2013 to 2014:

Deputy Marketing Manager at ZAWAYA Real Estate, a closed joint-stock company operating in the real estate sector.

From 2010 to 2012:

Product Sales Manager at Samba Financial Group, a public joint-stock company operating in the banking sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

AHMED BIN ABDULLAH AL-HASAN

- Chief Information Security Officer

Nationality: Saudi

Educational Qualifications:

Bachelor's degree in Information Technology from Edith Cowan University, Australia.

Higher Diploma in Network Technician from New Horizons.

Diploma in Microsoft Support Specialist from New Horizons.

Work Experience:

From 2018 to 2022:

Cybersecurity Manager at the Ministry of National Guard (Government sector)

From 2016 to 2018:

Information Technology Security Engineer at the Ministry of National Guard (Government sector)

From 2015 to 2016:

Senior System Project Engineer at the Ministry of National Guard (Government sector)

In 2014:

Senior IT Technology Analyst at Bank Al-AWAL, a public joint-stock company operating in the financial sector.

From 2007 to 2008:

Service Desk Support Specialist at Bank Al-AWAL, a public joint-stock company operating in the financial sector.

From 2006 to 2007:

Trading Technical Support at Al-Rajhi Bank, a public joint-stock company operating in the financial sector.

In 2005:

Digital Communications Engineer at Arabian Internet Services Company (AWALNET), a listed Saudi joint-stock company operating in the technical sector.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Company Governance

The main principles of governance in financial institutions under the supervision of the Saudi Central Bank aim to establish the minimum requirements to enhance effective management in financial institutions. This includes directing their financial and non-financial resources towards achieving their strategic objectives, maintaining their stability, and safeguarding the interests of stakeholders. Effective governance entails independence and separation of the chairman of the board from the CEO, requiring good organizational and administrative structures, clarity in authorities and responsibilities among key parties within the financial institution, including board members and executives. This also involves establishing a general framework for oversight through risk management, internal audit management, compliance management, internal control systems, and external auditing.

The core principles of governance in financial institutions under the supervision of the Saudi Central Bank, along with all related directives issued by the central bank, which should be read alongside them, include behavioral principles and ethics in financial institutions, compliance principles for banks and commercial banks operating in the Kingdom of Saudi Arabia, requirements for appointments in leadership positions in financial institutions supervised by the Saudi Central Bank, and the framework of Sharia governance in financial companies - the requirements imposed on financial institutions regarding governance.

Cybersecurity Management

Cybersecurity management at Quara Finance Company is responsible for monitoring alerts and warnings issued by network systems around the clock and contributing to the development of information security policies and procedures. The management also enhances the concept of Cybersecurity among employees by sending awareness messages and conducting training programs to raise awareness among the company's staff.

Compliance Management, Anti-Money Laundering, and Counter-Terrorist Financing

An independent management team identifies and assesses risks of non-compliance with laws, regulations, rules, and publications at Quara Finance Company. They provide advice, guidance, monitor, and prepare compliance-related reports for the company. They help mitigate reputation and financial losses that the company may suffer due to its failure to comply with laws, regulations, codes of conduct, and standards through a compliance oversight program.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Key Functions of Compliance Management, Anti-Money Laundering, and Counter-Terrorist Financing:

- Identifying, measuring, and evaluating the risks of non-compliance.
- Assisting senior management through the implementation of compliance programs.
- Awareness and education by preparing training programs for all employees and sending internal circulars to ensure employees' familiarity with legislative instructions.
- Conducting regular monitoring by reviewing the company's departments to ensure the adequacy and effectiveness of control measures and generating necessary reports that highlight identified gaps and assess the level of compliance within the company.
- Communication: Correspondence with legislative and regulatory authorities, ensuring Quara Company's representation to these entities in a suitable manner and contributing to obtaining necessary approvals.
- Assessing products and services before their initiation based on a risk-based approach.
- Ensuring due diligence is applied in all justified cases to mitigate money laundering and terrorist financing risks.
- Monitoring and surveillance of high-risk accounts and related activities.
- Conducting periodic assessments of policies and procedures related to anti-money laundering and counter-terrorist financing and updating them as needed to ensure effectiveness.
- Collaboration with relevant government agencies and other financial institutions in combating money laundering and terrorist financing, participating in the exchange of relevant information and expertise.
- Analyzing and identifying compliance risks, including identifying potential risks related to money laundering and terrorist financing, assessing them to prioritize and take necessary measures to address them.
- Developing and implementing compliance programs ensuring adherence to laws and regulations and achieving the highest levels of integrity and excellence in business operations.
- Awareness and training: Developing and implementing training programs and awareness sessions for employees to increase awareness of money laundering and terrorist financing risks, explaining how to deal with them, and reporting any suspicious activity.
- Regular assessment and review: Conducting periodic assessments of policies to ensure their efficiency and effectiveness, and conducting internal reviews to verify the institution's compliance with regulatory requirements.
- Cooperation with regulatory authorities through active participation with legislative and regulatory bodies involved in combating money laundering and terrorist financing, exchanging information and expertise with them to enhance joint efforts in this field.
- Establishing an effective monitoring and surveillance system for high-risk accounts and potential money laundering and terrorist financing activities, taking maximum measures to ensure the legitimacy of these activities.
- Preparation and submission of required reports and disclosures to legislative and regulatory authorities periodically according to legal and regulatory requirements.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Internal Audit Management

Based on the company management's responsibility to establish a comprehensive and effective internal control system to achieve the approved objectives, a number of policies, procedures, regulations, and plans were adopted/reviewed during the year 2023 through the Audit Committee.

During the year 2023, the internal audit management conducted a comprehensive assessment of the company's risks and internal auditing across all company departments according to the internal audit plan for the year 2022.

Additionally, the internal audit management conducted an audit on customer service and internal compliance for both the Anti-Money Laundering department according to the agreed-upon schedule and the action plan for the year 2023. Furthermore, the management executed the following activities:

- Monitoring, verifying, and closing Central Bank notes on various company departments in a timely manner.
- Monitoring the Saudi Central Bank survey for company departments, including the survey related to the technical department.

Risk Management

The board of directors of Quara Finance and its Risk and Credit Committee have approved the general framework for risk management, including the policies and procedures related to credit risks, fraud risks, operational risks, as well as ensuring business continuity. The risk management department in the company is keen on disclosing the extent of acceptable risks, ensuring the effectiveness of implementing these policies and regulations, and managing the risks related to the company's operations, which are reviewed by the compliance management and risk management led by the CEO, the Risk and Credit Committee, and the Audit Committee of the company.

Quara Finance's risk management plan and strategy aim to assist in achieving the company's objectives by identifying risks, assessing the level of risks and mechanisms for mitigating them, controlling risks, and submitting relevant reports. Additionally, it involves escalating risks that exceed the acceptable limit to senior management according to the agreed risk appetite by the relevant committees, and continuously applying control tools and monitoring their effectiveness.

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Regular penalties

In line with the Central Bank of Saudi Arabia Circular No. (41047953) dated 07/10/1441 AH, the following table shows the executive decisions issued by the Central Bank of Saudi Arabia towards Quara Finance Company.

Subject of the violation	2022		2023	
	Number of executive decisions	Total amount of financial fines in Saudi Riyals	Number of executive decisions	Total amount of financial fines in Saudi Riyals
Violating the Central Bank's supervisory and regulatory instructions	1	500.000	3	357.500
Violating Central Bank instructions regarding customer protection	-	-	-	-
Violating the instructions of the Central Bank to exercise due diligence in combating money laundering and terrorist financing	-	-	-	-

Board members' remuneration

The total remuneration of members of the Board of Directors for the fiscal year 2023 amounted to thirty-six thousand Saudi riyals in exchange for holding board meetings, and the total remuneration of committee members for the same amount amounted to eighty-five thousand Saudi riyals, amounting to a total of one hundred and twenty-one thousand Saudi riyals. The company did not decide to distribute rewards to senior executives for the fiscal year 2023 to date.

Public

**Financial statements
For
Quara Finance company of 2023**

Report of the Board of Directors of Quara Finance Company for the financial year 2023

Financial results

Particulars	FY 2023	FY 2022
Total return	194.67	178.77
The cost of funding	8.90	14.43
Loss/profit adjustment	-	0.69
net income	185.77	165.03
Total operating expenses	116.21	94.85
Provision for doubtful debts	6.51	9.77
Profits/loss before zakat	63.05	60.41
Profits/loss after zakat	53.79	50.84

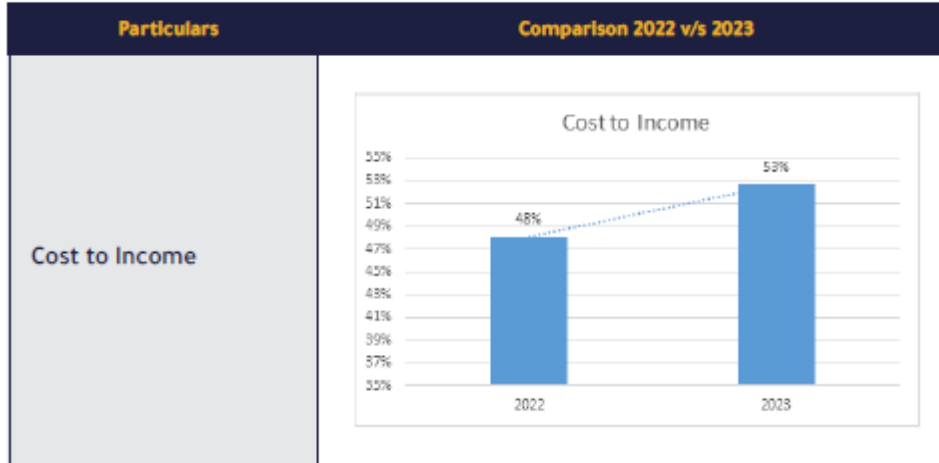
Report of the Board of Directors of Quara Finance Company for the financial year 2023

Particulars	Comparison 2022 v/s 2023						
Profit After Zakat	 <p>Profit After Zakat in SAR mm</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Profit After Zakat (SAR mm)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>50.84</td> </tr> <tr> <td>2023</td> <td>53.79</td> </tr> </tbody> </table>	Year	Profit After Zakat (SAR mm)	2022	50.84	2023	53.79
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Report of the Board of Directors of Quara Finance Company for the financial year 2023

Particulars	Comparison 2022 v/s 2023						
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Report of the Board of Directors of Quara Finance Company for the financial year 2023



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Work results

- Net receivables as of fiscal year 2023 amounted to 677 million Saudi riyals, compared to 713 million riyals for fiscal year 2022, a decrease of 5.05%.
- Total income for the year 2023 increased to 194.67 million compared to the fiscal year 2022, 178.77 million riyals, recording an increase of 8.9%.
- Profits after Zakat for the fiscal year 2023 amounted to 53.79 million riyals, compared to 50.84 million for the fiscal year 2022, which represents an increase of 5.80%.
- In 2023, the company lent a value of 625 million Saudi riyals, compared to 559 million Saudi riyals in the fiscal year 2022, which represents an increase of 11.8%, with a high focus on retail sales.
- The provision for impairment of the company's financial instruments increased to 21 million Saudi riyals from 15 million Saudi riyals, mainly due to an increase in non-performing assets from 5% in 2022 to 9% in 2023.

Dividend Distribution

The process of dividend distribution is subject to certain constraints according to the Executive Regulations of the Supervision of Finance Companies System and the company's Articles of Association. According to Article 26 of the Executive Regulations of the Supervision of Finance Companies System, finance companies must obtain a letter from the Saudi Central Bank stating its non-objection before approving any distribution of profits, other distributions, recommending it, or announcing it, after ensuring the fulfillment of the following conditions:

1. The distribution does not lead to a decrease in the adequacy level of the capital and liquidity below the prescribed levels.
2. The total distributions in the fiscal year do not exceed the profits earned during the previous fiscal year.
3. Any other conditions determined by the Saudi Central Bank.

Report of the Board of Directors of Quara Finance Company for the financial year 2023



As for Article 47 of the company's Articles of Association, without violating the provisions of Article 26 of the Executive Regulations of the Supervision of Finance Companies System, the net annual profits of the company are distributed as follows:

1. Allocation of 10% of the net profits to form the company's statutory reserve, and the ordinary general assembly may decide to waive this allocation when the mentioned reserve reaches 30% of the paid-up capital.
2. The ordinary general assembly, based on the board of directors' proposal, may allocate not less than 5% of the net profits determined by the ordinary general assembly to establish a contingency reserve and allocate it for a specific purpose or purposes determined by the ordinary general assembly.
3. The ordinary general assembly may decide to form other reserves to the extent that it serves the company's interest or ensures the distribution of fixed dividends as much as possible to the shareholders. The mentioned assembly may also allocate from the net profits to establish social institutions for the company's employees or to assist existing institutions.
4. The remainder is then distributed to the shareholders a certain percentage of the net annual profits as determined by the ordinary general assembly of the shareholders.
5. The remaining profits are transferred to the retained earnings account.
6. The company may distribute interim dividends to its shareholders quarterly or semi-annually according to the regulations determined by the competent authority.
7. The shareholder is entitled to their share of the profits according to the decision of the ordinary general assembly issued in this regard. The decision shall specify the entitlement date, distribution date, and the right to profits for the shareholders registered in the shareholders' records at the end of the specified entitlement day.

Article 21 of the company's Articles of Association addresses the issue of board member bonuses, stating that these bonuses consist of a fixed amount or attendance allowances for meetings, within the limits set by the company's regulations and bylaws, provided that the total amount received by a board member, in their capacity as a board member, in financial or in-kind bonuses and benefits does not exceed five hundred thousand Saudi Riyals annually. The board of directors' report to the ordinary general assembly must include a comprehensive statement of all bonuses, expense allowances, and other benefits received by board members during the fiscal year, as well as a statement of what members of the board received as employees or administrators or for technical or administrative work or consultations. It should also include a statement of the number of board meetings and the number of meetings attended by each member from the date of the last general meeting.

According to Article 48 of the company's Articles of Association, the shareholder is entitled to their share of the profits according to the decision of the ordinary general assembly issued in this regard. The decision should specify the entitlement date, distribution date, and the right to profits for shareholders registered in the shareholders' records at the end of the specified entitlement day.

Despite the company's desire to distribute dividends to its shareholders to enhance the value of their investments, it does not provide any guarantees regarding dividend distribution, nor does it guarantee the value of these dividends that can be distributed during any specific year. This depends on the company's income, financial position, market conditions, general economic climate, and other factors, including analysis of available investment opportunities for the company, its need for reinvestment, cash requirements, capital requirements, and future expectations, as well as other legal and regulatory considerations.

It is noted that the company did not distribute any dividends for the period ending on December 31, 2023.



Capital:

The company's capital remains at the same level, amounting to 300 million Saudi Riyals, with no changes.

Loans:

Loans from local banks:

During the year, the company obtained a facility from Bank ALINMA amounting to 50 million Saudi Riyals (40 million Saudi Riyals utilized as of December 31, 2023) at an annual rate of 3% in addition to the SAIBOR rate for a period of three months. The facility is revolving with a repayment period of 60 months, with payments made every three months.

Loan from the Saudi Central Bank:

In 2020, the company entered into the SAMA Financing Program, where the program guarantees 95% of the financing amount for clients of small and medium-sized enterprises (SMEs). During the period ending on December 31, 2023, an additional financing of 93.75 million Saudi Riyals was received. The financing period is thirty-six months. The net impact of the current financing from the Saudi Central Bank and the interest with the low-rate loaded on financing for SME clients does not materially affect the income statement.

Secured financing from the Saudi Central Bank:

As of December 31, 2023, all grants received from the Saudi Central Bank have been repaid.

Documents:

In 2018, the company obtained approval from the Saudi Central Bank to issue private Documents certificates totaling 500 million Saudi Riyals. The first phase of the Documents issuance amounted to 100 million Saudi Riyals, issued in 2018. In March 2020, the company issued the second phase of Documents totaling 100 million Saudi Riyals. During the period ending on September 30, 2023, the company fully repaid the Documents.

Expected Credit Loss Model:

The modified rules published by the Saudi Central Bank for calculating expected credit losses have been updated. When determining whether the risks of default have increased significantly since initial recognition, the company takes into account reasonable and relevant supporting information available. This includes quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment.



Transactions with Related Parties:

The company engaged in transactions and contracts with Al KHAIR Capital Saudi Arabia, in which the Chairman of the Board of Directors, Mr. ABDULLAH BIN ABDULRAHMAN AL SHALASH, Mr. MAJED BIN ABDULRAHMAN AL QASSIM, and Mr. ABDULRAHMAN ABDULAZIZ AL MUSNID, have an indirect interest. These transactions include an affiliation agreement concluded between the company and Al KHAIR Capital Saudi Arabia on October 13, 2022. The agreement does not contain any preferential terms or advantages.

Additionally, the company entered into a portfolio management account agreement with Al KHAIR Capital Saudi Arabia on May 19, 2020 (corresponding to 26/09/1441 AH). Under this agreement, the company opened an investment account with Al KHAIR Capital Saudi Arabia for the purpose of investing in products and investment services provided by them, as determined by the company according to its Annex No. (1). The total value of transactions, represented by interest income on short-term deposits, for the fiscal year ending December 31, 2022, amounted to SAR 3,663,655. The net balance resulting from these transactions and contracts, represented by short-term deposits as of December 31, 2022, amounted to SAR 120,451,322. These transactions and contracts were executed without any preferential terms or advantages.

Activities related to listing on the parallel market:

The company has applied to the Saudi Capital Market Authority (CMA) for listing on the Parallel Market - NOMU. Subsequently, it obtained a no-objection certificate from the Saudi Central Bank. The company submitted an issuance prospectus after completing the financial statements for the year 2022 and the first annual report for the year 2023. Approval for listing was granted by the Capital Market Authority and the Saudi Stock Exchange (TADAWUL) by the end of the fiscal year 2023.

The company expects to be listed in the beginning of the first quarter of 2024. For more information, please refer to the approved issuance prospectus available on the website www.quarafinance.com.

Significant and material orders:

During the fiscal year 2023, no significant or material orders were issued by any entity or court that would affect the status of the establishment and the company's operations in the future.

Conclusion

The Board of Directors would like to express its gratitude and appreciation for the support and cooperation among its members, the Saudi Arabian Monetary Authority, other regulatory authorities, banks, financial institutions, and Documents holders. The Board also sincerely acknowledges the members of the committees derived from the Board for their diligent work in accordance with the regulations, rules, and legal quorum, as well as the continuity of holding meetings as stipulated by them.

Thanks are also extended to the executive management and staff for their outstanding performance, which positively reflected on the financial results and the company's compliance with regulatory and supervisory authorities, thus enhancing customer satisfaction.

On behalf of the Board of Directors,

ABDULLAH BIN ABDULRAHMAN AL-SHALASH

Chairman of the Board of Directors

Signed