

# **THIMAR Development Holding Company**

The National Agricultural Marketing Company - THIMAR (formerly)

THIMAR Development Holding Co.

Saudi joint- stock company



**The Board of Directors' Draft Report**

**2021**

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## Board Members



Engineer / Abdullah bin Udah Al-Anzy  
(Chairman)



Mr. Mohammed bin Abdul-Wahhab As-Skeet  
(Board Member)



Mr. Melfi bin Manahi Al-Marzouqi  
(Board Member - Managing Director)



Mr. Khaled bin Asaad Khashoqji  
(Vice Chairman of the Board of Directors)



Mr. Ibrahim bin Mohammed Alshabeeb  
(Board Member)



Mr. Sarry bin Ibrahim Al Maiuof  
(Board Member)



Mr. Ibrahim bin Abdulkarim Al Maiuof  
(Board Member)

## 1. Introduction:

The Board of Directors of THIMAR Development Holding Company (formerly the National Agricultural Marketing Company - THIMAR) has the pleasure to submit to the esteemed shareholders its annual report along with the financial statements for the fiscal year expiring on December 31, 2021. The report contains the main business results and developments that have been achieved during the same year. All the achievements could be attributable to the efforts of employees and sustained observance of the directives of the Chairman and the Board members.

## 2. About the Company:

THIMAR Development Holding Company (formerly the National Agricultural Marketing Company - THIMAR) has been registered as a Saudi joint-stock company as per Ministerial Resolution No. (364), dated 18/5/1408 AH, corresponding to 8/1/1988. The Company has the Commercial Register No 1010068222, issued in the city of Riyadh on 17/5/1408 AH, corresponding to 7/1/1988.

## 3. Capital:

The Company's capital is 100,000,000 SAR (only one hundred million Saudi Riyals). It is made up of 10,000,000 shares, and the value of each share is 10 Saudi riyals.

## 4. Main Activity:

THIMAR is engaged in marketing agricultural and animal products through wholesale and supply outlets to major customers, including palaces, hotels and hospitals in Riyadh and Jeddah. There are other sale outlets in Al-Azizia and Rabwah markets in Riyadh and the retail sector. After the Company's name had been changed to **(THIMAR Development Holding Company)**, its activity was oriented towards the management of holding companies' subsidiaries, owning real estate and movables for holding companies, owning holding companies' subsidiaries' industrial Equity, and investing holding companies' subsidiaries' funds.

## 5. The Company's plan:

The Company is currently under financial regulation, and an ambitious strategic plan has been drawn up by the current management to advance the Company.

## 6. Financial Affairs:

### A) Income statement summary for the last five years:

For the year ending on December 31					
	2017	2018	2019	2020	2021
Sales	136,512,212	71,052,175	41,887,332	3,668,062	425,304
Sales cost	(100,710,877)	(54,169,125)	(41,443,286)	(7,224,311)	(410,643)
<b>Total profits</b>	<b>35,901,335</b>	<b>16,883,050</b>	<b>444,046</b>	<b>(3,556,249)</b>	<b>14,661</b>
Operating expenses	(25,040,702)	(18,153,178)	(14,567,752)	(8,769,750)	(79,156,388)

Financial restructuring expenses	-	-	-	-	(275,000)
Expected credit loss allowance	-	-	(23,355,080)	-	(22,210,602)
Debit balances allowance-enforcement court	-	-	-	-	(4,015,027)
Depreciation losses of property and machinery	-	-	-	-	(12,672,951)
Lawsuits and financial claims	-	-	-	-	(45,508,738)
Losses of excluding projects in progress	-	-	(15,125,115)	-	-
The Company's share in the profits (losses) of subsidiaries	(1,471,641)	(1,194,844)	(2,974,588)	-	-
Other revenues (expenses)	373,987	203,309	665,774	646,316	1,390,947
<b>Operation profit (loss)</b>	<b>9,762,978</b>	<b>(2,261,663)</b>	<b>(54,912,715)</b>	<b>(11,679,683)</b>	<b>(162,433,098)</b>
Financing costs	-	(791,644)	(557,550)	-	(18,296)
<b>Profit (loss) before zakat</b>	<b>9,762,978</b>	<b>(3,053,307)</b>	<b>(55,470,265)</b>	<b>(11,679,683)</b>	<b>(162,451,394)</b>
Zakat Provision	(1,074,066)	(1,437,486)	(1,264,743)	-	-
<b>Net profit (loss) for the year</b>	<b>8,688,912</b>	<b>(4,490,793)</b>	<b>(56,735,008)</b>	<b>(11,679,683)</b>	<b>(162,451,394)</b>

**b) Comparison of operating results for two years:**

For the year ending on December 31				
	2020	2021	Net variations	Variation percentage
Sales	3,668,062	425,304	(3,242,758)	(%88)
Sales cost	(7,224,311)	(410,643)	(6,813,668)	(%94)
<b>Total profits</b>	<b>(3,556,249)</b>	<b>14,661</b>	<b>(3,570,910)</b>	<b>(%100)</b>
Operating expenses	(8,769,750)	(79,156,388)	(70,386,638)	%803
Financial restructuring expenses	-	(275,000)	(275,000)	-
Expected credit loss allowance	-	(22,210,602)	(22,210,602)	-
Debit balance allowance-enforcement court	-	(4,015,027)	(4,015,027)	-
Depreciation losses of property and machinery	-	(12,672,951)	(12,672,951)	-
Lawsuits and financial claims	-	(45,508,738)	(45,508,738)	-
Other revenues (expenses)	646,316	1,390,947	744,631	%115
<b>Operation loss</b>	<b>(11,679,683)</b>	<b>(162,433,098)</b>	<b>(150,753,415)</b>	<b>%1291</b>
Financing costs	-	(18,296)	18,296	-
<b>Loss before zakat</b>	<b>(11,679,683)</b>	<b>(162,451,394)</b>	<b>(150,771,711)</b>	<b>%1291</b>
Zakat Provision	-	-	-	-
<b>Net loss for the year</b>	<b>(11,679,683)</b>	<b>(162,451,394)</b>	<b>(150,771,711)</b>	<b>%1291</b>

**c) financial position summary**

As of December 31,					
	2017	2018	2019 adjusted	2020	2021
Current assets	75,776,951	130,047,190	97,710,485	91,545,131	<b>2,333,530</b>

Non-current assets	108,535,393	51,274,421	29,634,090	27,846,656	11,713,391
<b>Total assets</b>	<b>184,312,344</b>	<b>181,321,611</b>	<b>127,344,585</b>	<b>119,491,787</b>	<b>14,046,921</b>
Current liabilities	34,393,280	51,197,514	76,798,399	80,318,971	139,409,488
Non-current liabilities	34,505,805	25,321,362	2,478,459	2,784,772	856,066
<b>Total liabilities</b>	<b>68,899,085</b>	<b>76,518,876</b>	<b>79,276,858</b>	<b>83,103,743</b>	<b>140,265,554</b>
Shareholders' equity	115,413,259	194,802,735	48,067,727	36,388,044	(126,218,633)
<b>Total liabilities shareholders' equity</b>	<b>184,312,344</b>	<b>181,321,611</b>	<b>127,344,585</b>	<b>119,491,787</b>	<b>14,046,921</b>

## 7. Zakat and other government payments:

THIMAR made a total allowance of (zero) for the estimated zakat for 2021, and the zakat due until 2021, amounting to (15,776,941 SAR). The following is a summary of the zakat status:

- The Company obtained a final assessment for the year expiring on December 11, 2020.
- The declarations were submitted for the period 2006 - 2017 via the Zakat Authority website, and the Company obtained a limited certificate.
- The Company's management sees that the provision made is sufficient and there is no need to increase it, as it was calculated according to the Zakat base.
- On 16/12/2018, a plan to collect zakat dues into 11 installments started with a total amount of 6,943,873 riyals. The value of each installment is 182,733 riyals starting on 16/12/2018.
- **The financial statements expiring on 31/12/2021 for the Company on 15/01/2023 have been issued, and there is no zakat provision for 2021.**

**Government payments:** The following are the details of amounts due to government entities:

	Paid	Due
Zakat, Tax and customs Authority	-	15,776,941
General Organization for Social Insurance	-	1,765,958
Contributions, visas and other expenses	-	599,637
<b>Total government expenditure</b>	<b>-</b>	<b>18,142,536</b>

## 8. Loan summary:

The following are the details of THIMAR loans:

Financer	Credit limit	Withdrawals	Advance payments	Outstanding balance	Payments made in 2021
Short-term loans and credit facilities					
The Saudi British Bank	-	-	-	32,024,465	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,024,465</b>	<b>-</b>

## 9. General Assembly meetings:

### The General Assembly meetings during the year:

The following table shows the number of meetings of the General Assembly during the year and the names of the Board members attended:

No	Member's name	Ordinary General Assembly 4/7/2021	Extraordinary General Assembly 12/10/2021
1	Abdullah bin Udah Al-Anzy	Was not a Board member	Attended
2	Khaled bin Asaad Khashoqji	Was not a Board member	Attended
3	Melfi bin Manahi Al-Marzouqi	Was not a Board member	Attended
4	Mohammed bin Abdul- Wahhab As-Skeet	Was not a Board member	Attended
5	Ibrahim bin Abdulkarim Al Maiuof	Attended	Not attended
6	Sarry bin Ibrahim Al Maiuof	Attended	Not attended
7	Ibrahim bin Mohammed Alshabeeb	Attended	Not attended

## 10. Board of Directors:

### a. The composition of THIMAR's Board of Directors:

The Board of Directors composition is as follows:

No	Member's name	Position
1	Abdullah bin Udah Al-Anzy *	Chairman of the Board - Non-executive
2	Khaled bin Asaad Khashoqji *	Vice Chairman - Non-Executive
3	Melfi bin Manahi Al-Marzouqi *	Managing Director – Executive – Since 19/08/2021
4	Mohammed bin Abdul-Wahhab As-Skeet *	Member – independent
5	Ibrahim bin Abdulkarim Al Maiuof	Member – independent
6	Sarry bin Ibrahim Al Maiuof	Member - non-executive - Until 16/08/2021
7	Ibrahim bin Mohammed Alshabeeb	Member - independent

\* Elected on 4/7/2021 to the end of the current Board of Directors' term on 13/5/2023.

b) The current and previous positions of the existing members of the Board of Directors, their qualifications, and the names of the companies in which they work as Board members:

Member of Board	Current position	Previous position	Academic qualifications
Abdullah bin Udah Al-Anzy	Chairman of THIMAR's Board of Directors	Managing Director of the Saudi Paper Manufacturing Company	Bachelor of Mechanical Engineering Master of Executives Postgraduate Diploma - Administration
	Chairman of Al Jouf Cement Company's Board of Directors		
	Director-General of the Consulting Business Structuring Company	Chief Executive of Alujain Corporation	
Khaled bin Asaad Khashoqji	Member of THIMAR's Board of Directors	Member of the Saudi-French Business Council	Bachelor of Business Administration



	Member of Calin Capital Group's Board of Directors		
	Member of the Marketing Committee, Chemanol Company	Member of the Saudi-British Business Council	
Melfi bin Manahi Al-Marzouqi	Board Member - Managing Director THIMAR Development Holding Company	Senior CEO / Etihad Etisalat Company (Mobily)	Bachelor of Business Administration
	Member of Chemanol Company's Board of Directors		
Mohammed bin Abdul-Wahhab As-Skeet	Member of THIMAR's Board of Directors	Director of Compliance, Governance, AML/CFT / Solidarity Company	Bachelor of Public Administration The International Certificate to practice commitment profession Diploma in Banking Management and Investment
	Head of Compliance, Governance and Relations / Saudi Paper Manufacturing Company		
Ibrahim bin Abdulkarim Al Maiuof	Board Member	Adviser, General Directorate of Planning and Budget, Ministry of Defense and Aviation	BA, MA in Administration and Law
Sarry bin Ibrahim Al Maiuof	Board Member	CEO	Bachelor of Business Administration
Ibrahim bin Mohammed Alshabeeb	Board Member	CEO of Gourmet Gulf	MA in Information

### c) Board meetings:

No	Member's name	First meeting 8/7/2021	Second meeting 21/11/2021	Third meeting 30/12/2021
1	Abdullah bin Udah Al-Anzy	Attended	Attended	Attended (online)
2	Khaled bin Asaad Khashoqji	Attended	Attended	Attended (online)
3	Melfi bin Manahi Al-Marzouqi	Attended	Attended	Attended (online)
4	Mohammed bin Abdul-Wahhab As-Skeet	Attended (online)	Attended (online)	Attended (online)
5	Ibrahim bin Abdulkarim Al Maiuof	Attended	Attended (online)	Attended (online)
6	Sarry bin Ibrahim Al Maiuof	Attended	Attended (online)	Attended (online)
7	Ibrahim bin Mohammed Alshabeeb	Attended	Attended	Attended (online)

### 11. Board Committees:

There are three board committees as follows:

#### a) [Audit Committee:](#)

##### **Audit Committee's terms of reference and responsibilities:**

The Audit Committee monitors the Company's business and verifies the integrity of reports, financial statements and internal control systems. The Committee's duties include:

- Obtaining the necessary assurances on the effectiveness of the Company's internal control systems, and preparing a written report including its recommendations and views on the adequacy of such systems and the effort it has made to ensure their efficiency within the scope of the Committee's competence, provided that this report is submitted on an annual basis unless there is a need to submit it earlier.
- Considering draft policies and powers and commenting on them in light of its supervisory role before they are approved by the Board of Directors.
- Reviewing the regulations of the Board of Directors and its committees and commenting on them in light of their supervisory role before they are approved by the Board of Directors.
- Reviewing the executive management reports related to the internal control system and its components, and commenting thereon.
- Considering the subjects referred to it by the Board of Directors to give recommendations regarding them to the Board in light of its supervisory role.
- Considering the initial and annual financial statements of the Company and its subsidiaries before submitting them to the Board of Directors and recommending their approval.
- Considering any important or unusual issues contained in the financial reports.
- Verifying accounting estimates in the core issues contained in the financial reports.
- Considering and commenting on the accounting and financial policies adopted by the Company and giving recommendations to the Board of Directors regarding them.
- Giving a technical view, at the request of the Board of Directors, as to whether the report of the Board of Directors and the Company's financial statements are fair and balanced and include information that allows

shareholders to assess the Company's financial position, performance, business model and strategy.

- Careful examination of what the Company's financial manager or his deputy, or the Company's internal audit, or the auditor may raise.
- Considering the internal audit report, including internal audit comments and relevant recommendations and making the necessary plan to implement the corrective measures for these comments.
- Controlling and supervising the performance and activities of the Company's internal audit department to ensure that the necessary resources are available and assist in effectively performing the tasks assigned to it.
- Reviewing and approving the internal audit charter.
- Considering and approving the strategic and annual internal audit plan.
- Recommending that the Board of Directors appoint the Director of the Internal Audit Department and proposing his remuneration in accordance with the Company's internal regulations.
- Adopting the organizational structure of the internal audit function in a way that ensures its independence and effective and efficient performance of its work.
- Considering and reviewing the Company's risks.
- The internal audit unit/department prepares a written report on its work and submits it to the Board of Directors, the Audit Committee, and the executive management on a quarterly basis. This report must include an assessment of the Company's internal control system and the audit unit or department's findings and recommendations. It must also embody a statement of the measures taken by each department to address the results and recommendations of the previous audit, any comments thereon, especially in the event that they are not dealt with in timely manner the justifications for that.
- The audit unit/department operates according to a comprehensive annual audit plan approved by the Audit Committee and Executive Management, and this plan must be updated on an annual basis.
- Recommending that the Board of Directors nominate and remove the external auditor, determine his fees and assess his performance, after checking his independence and reviewing the scope of his work and the terms of contracting with him.

- Verifying the independence of the external auditor, determining the objectivity and fairness of his reports, and the effectiveness of audit work, taking into consideration the related rules and standards.
- Reviewing the external auditor's plan and work, verifying that he has not submitted technical or administrative work that is outside the scope of the audit work, and commenting on it.
- Considering the external auditor's report and comments on the financial statements and following up on the action taken in this respect.
- Responding to the external auditor's questions in coordination with the executive management.
- Considering the report of the external auditor and his comments on the financial statements and following up on what has been taken in this regard after they are approved by the committee.
- Reviewing the findings of the regulators' reports and checking that the Company has taken the required measures.
- Verifying the Company and its employees' compliance with internal laws, regulations, policies, and instructions, in addition to those issued by the relevant regulators and supervisory authorities.
- Reviewing and advising on the systems and practices established by the Board of Directors to monitor compliance with laws, regulations and conflict of interest policies.
- Verifying an effective policy for reporting administrative, financial and behavioral irregularities and fraud cases.
- Reviewing contracts and transactions proposed to be conducted by the Company with related parties, and submitting its comments thereon to the Board of Directors.
- Submitting to the Board of Directors the issues that they deem necessary to take action on and making recommendations for the measures to be taken.

**Audit Committee's Report:**

The Audit Committee is perfectly willing to state that the current members of the Committee- at the time when this report is prepared on **15/01/2023** were not present during 2021. They were appointed by the Extraordinary General Assembly on 12/10/2021. Based on the Company's management's statement as well as the external auditor that there were no financial and accounting documents and

information related to 2021, the Audit Committee failed to prepare its annual report for the General Assembly for 2021.

#### **Audit Committee's Members:**

Based on the approval of the Extraordinary General Assembly on 12/10/2021 concerning the formation of the following audit committee:

1. Mr. Aziz Mohammed Al-Qahtany (Chairman of the Committee)
2. Mr. Abdulaziz Awajan Ar-Rashidy (Committee member)
3. Mr. Khaled Asaad Khashoggi (Committee member)

#### **Audit Committee's meetings:**

No	Member's name	First meeting 14/10/2021	Second meeting 19/10/2021	Third meeting 29/12/2021
1	Aziz Mohammed Al-Qahtany	Attended	Attended	Attended (online)
2	Abdulaziz Awajan Ar-Rashidy	Attended	Attended	Attended (online)
3	Khaled Asaad Khashoqji	Attended (online)	Attended (online)	Attended (online)

#### **b) Nominations and Remunerations Committee**

**The Nominations and Remunerations Committee's terms of reference and responsibilities:**

- Determining the skills, capacity, qualifications, background and expertise needed to strengthen the Board of Directors and boost their balance, and to nominate new members to fill existing vacancies accordingly.
- Developing clear policies and ensuring their alignment with corporate governance regulations and the adoption of performance-related standards.
- The Committee takes into account several factors that include:
  - Integrity, honesty and responsibility.
  - Successful leadership experiences in the same area.
  - Farsightedness and strategic focus.
  - The ability to work together within the Board's system.
- The ability to devote the necessary time to carry out the responsibilities required by his membership in the Committee.
- Submitting its recommendations to the Board regarding the nomination of the members who will be chosen in the Board's various subcommittees, taking into account the following:

- Qualifications required for membership in each of the committees, particularly the audit committee, one of whose members should be an expert on financial and accounting affairs.
- A policy related to the periodical rotation of members.
- Constraints related to the number of consecutive years when a committee member can retain his seat in any other committee. The committee ensures that the term of membership of the Board member has not exceeded the maximum term of the specified membership if the term of membership of any committee's members is outlined in by the system or the Company's governance framework.
- Making recommendations regarding the Board members proposed for chairing the different committees.
- Making its final nomination recommendations on potential members who the Committee thinks capable of enhancing the Board's capacity to effectively manage and direct the Company's affairs.
- Developing and presenting an induction program for new Board members.
- Providing a continuing education program for all Board members.
- The Committee determines the time that each member should devote to performing the tasks related to his membership in the Board of Directors.
- Helping the Board to select and develop potential candidates for the Company's senior management positions and the long-term succession plan when needed.
- The Committee annually verifies the independence of members and the absence of any conflict of interest in the event that the member is a Board member for two entities at the same time.
- Ensuring that the Executive Director has prepared the necessary procedures to transfer his responsibilities in a timely and effective manner in case of his sudden incompetence or in the event of leaving the Company and reviewing them with the Executive Director and receiving his recommendations on the long-term succession arrangements.
- Ensuring that the Board members' remunerations are aligned with the Company's articles of association.
- Reviewing the periodic reports submitted by the Company's management on the matters related to the nomination or selection of the Company's Board members, preparing an annual report for the Nominations and Remunerations Committee to include the remunerations and

compensations paid to the Board members and the Company's five senior executives as set forth in the Company's annual report in accordance with the established rules and regulations as well as the Company's articles of association.

- Annually reviewing the Committee's performance and these regulations.
- Preparing the Committee's action guide, which defines its responsibilities, reviewing this guide when needed, updating it on an annual basis, and making recommendations for approval by the Board of Directors.
- Carrying out other duties or responsibilities assigned to it by the Board of Directors.

#### **The Nominations and Remunerations Committee's Members:**

1. Mr. Ibrahim Mohammed Ash-Shabib (Chairman) until 7/7/2021
2. Ibrahim bin Abdulkarim Al Maiuof (committee member) until 7/7/2021
3. Mohammed bin Abdul-Wahhab As-Skeet (chairman)
4. Abdullah bin Udah Al-Anzy (committee member)
5. Mohammed bin Khaled Al-Mutairy (committee member)

\* The Nominations and Remunerations Committee was formed by a decision of the Board of Directors, dated 8/7/2021.

#### **Nominations and Remunerations Committee meetings:**

No	Member's name	First meeting 13/7/2021	Second meeting 16/10/2021
1	Mohammed bin Abdul-Wahhab As-Skeet	Attended	Attended
2	Abdullah bin Udah Al-Anzy	Attended	Attended
3	Mohammed bin Khaled Al-Mutairy	Attended	Attended

#### **Executive Committee:**

##### **The Executive Committee's terms of reference:**

- Providing support to the Board of Directors to supervise competency.
- Assessing the Company's long-term productivity.
- Reviewing and approving strategic operational plans and policies.
- Approving the Company's operating budget.
- Approving the appointment of key employees.
- Reviewing performance development activities and efforts to boost profit.
- Assessing, defining, applying the Company's scope of business, practice, and governance.
- Reviewing profit and making recommendations thereon.

- Reviewing the Company's vertical and horizontal expansion and making the necessary recommendations, within the scope of the region, the country and other countries.
- Periodically reviewing capital expansion in comparison with the approved budgets.
- Recommending positive opportunities that will improve the Company's results.

**Executive Committee's members:**

1. Ibrahim bin Abdulkarim Al Maiuof (Chairman) until 15/8/2021
2. Ibrahim bin Mohammed Alshabeeb (Member) until 15/8/2021
3. Engineer. Abdullah bin Udah Al-Anzy (Chairman)
4. Mr. Khaled bin Asaad Khashoqji (Member)
5. Mr. Melfi bin Manahi Al-Marzouqi (Member)
6. Engineer. Waleed bin Abdulaziz Ash-Shuwayer (Member)

\*The Executive Committee was formed by a decision of the Board of Directors, dated 16/8/2021.

\*\*Engineer. Walid Ash-Shuwayer was appointed by the decision of the Board of Directors, dated 1/12/2021, based on the recommendation of the Nominations and Remunerations Committee.

**Executive Committee meetings:**

No	Member's name	First meeting 2/8/2021	Second meeting 2/9/2021	Third meeting 12/10/2021	Fourth meeting 18/11/2021	Fifth meeting 14/12/2021
1	Abdullah bin Udah Al-Anzy	Attended	Attended	Attended	Attended	Attended
2	Khaled bin Asaad Khashoqji	Attended	Attended (online)	Attended (online)	Attended (online)	Attended (online)
3	Melfi bin Manahi Al-Marzouqi	Attended	Attended	Attended	Attended	Attended
4	Waleed bin Abdulaziz Ash-Shuwayer	Was not a member	Was not a member	Was not a member	Was not a member	Attended

**12. Description of any interest belonging to Board members, senior executives and their relatives:**

This report was prepared on 15/01/2023. Because the appointment of the majority of the current Board members was approved by the General Assembly, on 8/7/2021 and some documents and information are unavailable, it was not possible to disclose all the details.

There were no transactions or contracts during the year between the Company and a related party, Board members or senior executives.



### 13. Rewards and fees for the Board members, committees and senior executives

#### a) Remunerations of Board and committee members:

According to the Company's Articles of Association:

- The remuneration the Board of Directors' chairman shall be an amount of 180,000 riyals (one hundred and eighty thousand Saudi riyals annually) for the services he performs.
- The remuneration for each member of the Board of Directors shall be an amount of 120,000 (one hundred and twenty thousand Saudi riyals annually) for the services he performs.
- This shall be within the limits stipulated by the corporate law or any regulations, decisions or other instructions complementary thereof, and after at least (5%) dividends are distributed to the shareholders. Chairman and each Member shall be paid an amount of 3000 riyals (three thousand Saudi riyals) for each Board meeting he attends and an amount of 1500 riyals (one thousand five hundred Saudi riyals) for each of the meetings of the Board of Directors' subcommittees. The Company shall also pay the Chairman and Board Members the actual expenses that they incur in order to attend the Board's meetings or those of its subcommittees, including travel, accommodation, and subsistence expenses.

The Board of Directors' report for the Ordinary General Assembly shall include a comprehensive statement of all that the Board members had received during the fiscal year in terms of salaries, share in the profit, attendance allowance, expenses, and other benefits. The same report shall also include a statement of what the Board members received in their capacity as employees or administrators or what they have been awarded in return for technical, administrative or consulting work. The Company shall also ensure that the General Assembly approves the terms of remunerations and compensation in a General Assembly in which the Board members do not have the right to vote on these terms. The remunerations of the Board members may be modified with the approval of the Extraordinary General Assembly, taking into account the relevant regulations and instructions.



II: Non-executive members														
1	.	0	0	0	0	0	0	0	0	0	0	0	0	0
III: Executive members														
1	Sarry bin Ibrahim Al Maiuof	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Melfi bin Manahi Al-Marzouqi	120,000	9,000	100,000	7,500	0	0	0	0	0	0	0	0	0

The following table shows the remuneration and rewards of Board members for their office in the Board and Committees for 2021. (Only attendance allowance has been released and no other payments have been made to date)

\* Based on the General Assembly resolution dated 16/08/2022G, which included bringing a liability case against former members of the Board of Directors, the Board resolved to suspend the remuneration of Mr. Ibrahim bin Abdulkarim Al Maiuof, Mr. Sarry bin Ibrahim Al Maiuof and Mr. Ibrahim bin Mohammed Alshabeeb, pending the case is considered.

#### **b) Remuneration of Committee Members.**

The Committees' Regulations adopted by the General Assembly or the Board of Directors include remuneration received by the Members of the Committees of SAR 120,000 per Committee member in proportion to his attendance at the number of meetings, and an attendance allowance of SAR 3000 per meeting. The company shall pay for travel and transportation expenses to the city where the meeting will take place.

The following table shows the remuneration and rewards of Committees' Members for their office in the Committees for 2021. (Only attendance allowance has been released and no other payments have been made to date)

In (SAR)	Fixed remuneration (excluding attendance allowance)	Attendance allowance	Total
<b>Members of the Audit committee</b>			
Aziz Mohammed Al-Qahtany	120,000	4,500	124,500
Abdulaziz Awajan Ar-Rashidy	100,000	4,500	104,500
Khaled Asaad Khashoqji	100,000	4,500	104,500
<b>Total</b>	<b>320,000</b>	<b>13,500</b>	<b>333,500</b>
<b>Members of the Nominations and Remuneration Committee</b>			
Mohammed bin Abdul-Wahhab As-Skeet	60,000	3,000	63,000
Abdullah bin Udah Al-Anzy	50,000	3,000	53,000
Ibrahim bin Mohammed Alshabeeb**	0	0	0
Mohammed Khaled Al-Mutairy	50,000	3,000	53,000
Ibrahim bin Abdulkarim Al Maiuof**	0	0	0
<b>Total</b>	<b>160,000</b>	<b>9,000</b>	<b>169,000</b>
<b>Executive Committee's members:</b>			
Abdullah bin Udah Al-Anzy	120,000	7,500	127,500
Melfi bin Manahi Al-Marzouqi	100,000	7,500	107,500
Khaled Asaad Khashoqji	100,000	7,500	107,500
Waleed bin Abdulaziz Ash-Shuwayer	20,000	1,500	21,500
Ibrahim bin Abdulkarim Al Maiuof**	0	0	0
Ibrahim bin Mohammed Alshabeeb**	.	.	.
<b>Total</b>	<b>340,000</b>	<b>24,000</b>	<b>364,000</b>

\*\*Based on the General Assembly resolution dated 16/08/2022G, which included bringing a liability case against former members of the Board of Directors, the Board resolved to suspend the remuneration of Mr. Sarry bin Ibrahim Al Maiuof and Mr. Ibrahim bin Mohammed Alshabeeb, pending the case is considered.

### c) Senior Executives Remuneration

Based on recommendation of the Nominations and Remuneration Committee, the Board of Directors determines the terms of contracting, including remuneration for the CEO and the Company's Senior Executives, within the criteria periodically reviewed with respect to annual fixed remuneration and variable bonuses based on a financial and non-financial evaluation of performance, and criteria for long-term incentives with a view to link the interests of Directors to those of the Company's Shareholders, taking into account the basic trends in the labor market and shall be raised by the Board to the General Assembly for approval. The table below sets out the remuneration and rewards of the Senior Executives for 2021:

Senior Executives' Positions		Fixed remuneration				Variable Remuneration						Other		
		Salaries	Allowances	in-kind benefits	total	Periodic remuneration	profits	Short-term incentive plans	Long-term incentive plans	(Shares awarded (add value	total	EOS benefits	Board Total remuneration, if any	Grand Total
1	Sarry bin Ibrahim Al Maiuof	2,205,000	0	0	2,205,000	0	0	0	0	0	0	0	0	2,205,000
2	Mohammed Fahd Al-Otaibi	480,000	168,000	0	648,000	0	0	0	0	0	0	0	0	648,000

#### **14. Relationship between the remuneration awarded and the applicable remuneration policy:**

There is no material deviation between the remuneration awarded to Board Members, Committees' Members and Senior Executives from the relevant remuneration policies during the year.

#### **15. Arrangements or agreement for a Board member or executive's waiver of any profit rights:**

There are no arrangements or agreements whereby any of the Members of the Board of Directors or an Executive has waived any remuneration.

## **16. Arrangements or agreement for a shareholder's waiver of any profit rights:**

There are no arrangements or agreements whereby any of the Company's shareholders have waived any profit rights.

## **17. Dividend Policy:**

- The Ordinary General Assembly, based on a proposal by the Board of Directors, may appropriate 20% of the net profit to form a voluntary reserve that is allocated to a specific purpose or purposes.
- The remainder shall then be distributed as a down payment to the shareholders, constituting 5% of the paid-up capital.

## **18. Potential commercial risks:**

The Company's activities are prone to a variety of financial risks: market risks (including currency risk, fair value risk, cash flow and currency rate risk and exchange risk), credit and liquidity risks. The Company's overall risk management program focuses on the unpredictability of the conditions of the financial markets and seeks to reduce the potential adverse impacts on the Company's financial performance. Risks are managed by the senior management in accordance with the policies approved by the Board of Directors.

## **19. Results of the annual review of the effectiveness of the Company's internal control system:**

The Audit Committee is willing to state that the current members of the Committee-when preparing this report on **15/01 /2023** were not present during 2021. They were appointed by the Extraordinary General Assembly on 12/10/2021. Based on the statement of the Company's management as well as the external auditor that there are no financial and accounting documents and information related to 2021, the Audit Committee failed to prepare its annual report for the General Assembly for 2021.

## **20. The External Auditor's report**

### **Disclaimer of Opinion**

We have contracted to review the financial statements of THIMAR Development Holding Company (The National Agricultural Marketing Company - THIMAR formerly) (a Saudi joint-stock company). These included the statement of financial position on December 31, 2021, the statement of profit or loss and other comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the fiscal year expiring on that date, in addition to the clarifications attached to the

financial statements, including a summary of primary accounting policies and other explanations.

We have not commented on the Company's attached financial statements due to the importance of the issues described in the Basis for Disclaimer of Opinion section of our report. This was due to the fact that we were unable to get appropriate audit evidence to provide a basis for an audit the opinion on these financial statements.

## **21. The corporate governance regulations that were applied and those which were not:**

This report was prepared on 15/01 /2023 Because the appointment of the majority of the current Board members was approved by the General Assembly, on 8/7/2021 and some documents and information were unavailable, it was not possible to disclose all the details.

## **22. The number of the Company's requests for the register of shareholders, and the dates and reasons for these requests:**

The following table shows the number of the Company's requests for the register of shareholders during the year, and the dates and reasons for these requests:

No	Reason for the request	Equity file date	Request date
1	The Company's procedures	6/6/2021	6/6/2021
2	The Company's procedures	4/7/2021	4/7/2021
3	The Company's procedures	4/7/2021	4/7/2021
4	General Assembly	2/9/2021	2/9/2021
5	The Company's procedures	20/9/2021	20/9/2021
6	The Company's procedures	12/10/2021	12/10/2021

## **23. Declarations of the Board of Directors:**

Due to the Company's inability to announce the financial results on time, in addition to unavailability of data and documents by the previous management of the Company, and whereas the present Board of Directors was appointed by the General Assembly dated (08/07/2021), and the present Board willingness to clarify that when this report is prepared on 15/01/2023, the Board has no data or documents to be confirmed. The Board therefore resolved, in compliance with the statutory requirements, not to object to the publication of this report with no liability for the content of the report as a result of the losing certain documents, most importantly, the financial documents. The Board safeguarded the Company's rights and its valued shareholders by directing the current Executive Management to take the necessary actions to hold those responsible accountable.

## 24. Conclusion

both the Chairman and members of the Board of Directors extend their heartfelt thanks and appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, to His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince and Deputy Prime Minister, and the wise government for their ongoing support and encouragement.

Thanks are also offered to the shareholders for their unwavering support, as well as the Executive Management and the Company's employees for their efforts during 2022.

**Board of Directors**