



Al-Jouf Agricultural Development Company

Saudi joint stock company

Annual Report of the Board of Directors

For the fiscal year 2021 AD

CONTENTS

No	Content	Page
1	Chairman's word	4
2	CEO Speech	5
3	Brief information about the company	6
4	The main activities of the company	7
5	Company Strategies	8
Disclosure and Transparency (Corporate Governance)		
6	What provisions of this regulation have been applied, and the provisions that have not been applied, and the reasons for that.	9-11
7	Names of the members of the Board of Directors, members of the committees and the executive management, their positions, qualifications and experiences.	11-14
8	Names of companies inside and outside the Kingdom for which a member of the company's board of directors is a member of its board of directors.	15
9	Formation of the Board of Directors and classification of its members as follows: Member of the Board of Directors (executive - non-executive - independent).	15- 16
10	Actions taken by the Board of Directors to inform its members of the shareholders' proposals and comments regarding the company and its performance.	16-17
11	A brief description of the functions of the main board of directors' committees, their tasks, their chairmen and members, and the number of their meetings during the year 2021.	17-25
12	Remunerations of the members of the Board of Directors and the Executive Management in accordance with Article Ninety-Three of the Governance Regulations	26-30
13	The results of the annual audit of the effectiveness internal control procedures and Audit committee report.	31-33
14	Details of the company's social contribution.	34-36
15	A statement of the dates of the general assemblies of shareholders held during the year 2021 and the names of the attending board members.	37
16	A description of the company's main activities and their contribution to the results.	38-40
17	A description of the company's important plans and decisions and future expectations for the company's business.	41
18	The risks faced by the company in light of the current and future challenges	42-44
19	The assets, liabilities and results of the company's business.	45
20	Geographical analysis of the company's total revenue.	46
21	Summary of material differences in operating results.	46
22	A description of the company's dividend policy.	46-47
23	Ownership percentages of board members, senior executives and their relatives in the company's shares.	48
24	Loan information.	48
25	Number of Board of Directors meetings held during the year 2021 AD and attendance record.	49-50
26	company's requests for the shareholders' register, the dates of those requests and reasons.	50
27	A statement of the value of the regular payments paid and due to pay any zakat, taxes, fees or any other entitlements.	51
28	Board declarations.	52
29	Tables of the General Assembly.	54 – 55

Board of Directors

Member of the Board of Directors



(Mr. Ahmed Ibrahim Hayjan)

Deputy Chairman of the Board



(Dr. Rashid Al-Aween)

Chairman of Board of Directors



(Eng / Badr bin Hamed Al-Aujan)

Member of the Board of Directors



(Mr. Ali Riyad Muhammad Al-Humaidan)

Member of the Board of Directors



(Mr. Abdul Rahman Al-Yamani)

Member of the Board of Directors



(Mr. Khaled Al-Arifi)

Member of the Board of Directors



(Ms. Nawar Bint Hamad Ibrahim Al-Bahili)

Member of the Board of Directors



(Mr. Maqead Alkhamis)

Member of the Board of Directors



(Mr. Omar Riyad Muhammad Al-Humaidan)

Chairman's word



Gentlemen / shareholders of the company

Praise be to God, the maximum amount of praise and thanks be to God before and after, and prayers and peace be upon the Messenger of God, may God's prayers and peace be upon him, on my own behalf and on behalf of my fellow members of the company's board of directors, to put before you the company's annual and performance, attached to it the financial statements and audited and the auditor's report on the accounts The fiscal year ending on December 31, 2021 and submitted to your esteemed General Assembly 35 for discussion and approval.

Where we review with you the company's operational and financial performance and capital investments during this year. The report also includes a summary of the mechanisms for applying corporate governance and disclosures related to the composition of the board of directors, its remunerations, duties, the structure of its committees and tasks, the bonuses of senior executives, and transactions with related parties (if any). The report also includes declarations The board and the extent of the company's compliance with the corporate governance regulations. This report also includes the audited financial statements and the explanations attached to them, and the external auditor's report for the fiscal year ending on 12/31/2021 AD.

We ask God Almighty to crown our efforts with success as we welcome the new year with more confidence and determination to continue the plan of growth and expansion in all areas of work. The tributaries that contribute to the food security of our beloved kingdom, asking God Almighty to preserve the homeland, and to perpetuate the blessing of security and stability under our rational government and wise leadership.

Chairman of Board of Directors

Engineer / Badr bin Hamed Al-Aujan

CEO's word



Praise be to God alone, and prayers and peace be upon the one after whom there is no prophet

Gentlemen and ladies / shareholders and contributions of Al-Jouf Company for Agricultural Development

We have chosen in your full-fledged company for many years to speak the language of ambition, optimism in the outlook, insistence on achieving the desired goals, and we resolved to make every effort and perseverance for that, and we worked with dedication and sincerity - and to God be praise and grace - starting with the company's board of directors. And passing through its executive management. Finally, all its employees; In pursuit of the comprehensive development of the company's performance, taking into account continuity and sustainability; In order to make it one of the best leading agricultural and industrial companies in Saudi Arabia.

The strategic transformation - which was approved by the company a while ago - to move from an agricultural company only to an agricultural and industrial company, in line with the vision of the Kingdom 2030, had the greatest impact in shaping a clearly defined future vision, from which emerged the first fruits of achieving that strategy .represented in laying the foundation stone To establish a potato chip factory, which will have a positive impact on the company and all of its shareholders - God willing - when it starts operating in the third quarter of 2023 AD. Especially since Al-Jouf Agricultural Development Company is still at the top of the list of companies that are concerned with the cultivation and production of olives and the extraction of organic olive oil in the Kingdom of Saudi Arabia, in addition to maintaining its leadership position as it is considered the largest modern (organic olive farm), in addition to its continuous leadership In the cultivation of many other strategic agricultural crops such as wheat, potatoes and fruits that contribute to maintaining food security in the kingdom. While maintaining the sustainability of natural resources with the strategy, the Ministry of Environment, Water and Agriculture.

In conclusion, I am pleased to put in your hands the annual report of the company's business during the fiscal year 2021 AD, and on this occasion I can only extend my sincere thanks and appreciation - after thanking God Almighty - to the company's board of directors for the continuous support, and to my fellow members of the company's work team for their dedication, giving and effort Thanks to all the company's partners in its various successes, including shareholders, customers and suppliers.

God grants success,,,

Chief Executive Officer
Engineer / Mazen bin Abdullah Badawud

Company Profile

Al-Jouf Agricultural Development Company is a Saudi joint stock company listed on the stock market. The company was established according to the noble Royal Decree No. 4/237/m dated 27/1/1409 AH under License No. 535 dated 06/08/1408 AH in accordance with the Companies Law issued by Royal Decree No. (M/6) dated 03/22/1385 AH with a capital of 200 million riyals, and it was increased to 300 million Saudi riyals divided into 30 million shares, with a nominal value of 10 riyals per share. It got to where it is now.

The company's projects are located in the Basita Al-Jawf area in Wadi Al-Sarhan in the northern part of the Kingdom. The project area is considered one of the best regions of the Kingdom in terms of its underground water storage, soil fertility and suitable climate for the cultivation of all crops throughout the year. The project area is 60 thousand hectares. During 2021, the company acquired an area of 42 One thousand hectares by the ownership decision issued by the Ministry of Environment, Water and Agriculture. On 01/30/1443 AH corresponding to 9/8/2021 Al-Jouf Company owns the largest modern olive farm in the world and the largest producer of organic olives in the Middle East, with 5 million olive trees.

The company owns a modern nursery for the propagation of olive and fruit saplings to preserve the distinctive varieties owned by the company to produce all kinds of olives and fruits and to secure the needs of the company and farmers that are commensurate with the nature of the region.

This is in addition to owning the largest oil production, pressing and filling plant in the Middle East, where the production capacity of the pressing lines is 600 tons of fruits per day, and the filling lines of all sizes with an annual capacity of more than 8,000 tons, and the storage capacity is 6000 tons

Al-Jouf Company is one of the leading companies in the Kingdom in cultivating wheat, potatoes and fruits and its products are among the highest in the region. The company also uses the latest international methods in irrigation operations to conserve water resources.

The company owns a modern nursery for the propagation of olive and fruit saplings to preserve the distinctive varieties owned by the company to produce all kinds of olives and fruits and to secure the needs of the company and farmers that are commensurate with the nature of the region.



The main activities of the company

The objectives of the company are summarized in the following:

- 1-Crop cultivation, animal production, fishing, and related services.
- 2-Establishing and managing plant and animal farms related to achieving the company's objectives and the reclamation and investment of agricultural lands.
- 3-Producing, manufacturing, and packing olive and vegetable oils, marketing and selling them, and importing all that is required of machines, machines, and devices.
- Equipment, means of transportation, building and construction of laboratories and factories necessary for the purposes of the company and its industries, and warehouses to store its products storage, display, and other aspects that the company needs to use in manufacturing, storing, selling, buying, importing and exporting and establishing other industries complementary to its industries alone or jointly and contributing thereto with other companies, institutions and individuals.
- 4 -Carrying out agricultural production, both plant and animal, and raising poultry - eggs - apiaries, fish and shrimp.
- 5 -Fishing and aquaculture.
- 6 -Wholesale and retail trade in foodstuffs and non-food items.
- 7 -Manufacture of food products.
- 8-Investment in the field of import and export for the company and for others in agricultural, food and animal materials of all kinds, health materials and grains Seeds, feed, barley, feed additives and fisheries.
- 9 -Retail sale of fresh and preserved fruits, vegetables and dates.
- 10-Retail sale of dairy products, eggs, olives, pickles, and honey.
- 11 -Manufacture of pickles (pickling).
- 12 -Production and bottling of water and ice.
- 13-Investment in the industrial field by establishing, managing and operating industrial projects of all kinds.
- 14- Land transportation of goods.

15 -Support activities for crop production and agricultural services - rental of agricultural equipment - irrigation and installation project farmhouses and all other activities related to support activities related to crop production.

16 -Business of commercial agencies and distribution contracts.

17 -Buying and selling lands, real estate, and factories necessary to achieve the company's objectives.

The company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if its available.

Company Strategy

The company's board of directors is currently working with the executive management on reformulating the company's vision and strategy, and then studying strategic initiatives that contribute to shaping the company's future direction, as well as re-studying the company's business model and business plans:

The company's current general strategy is summarized in several main axes:

The first: the shift from the agricultural sector to the agro-industrial sector.

The second: developing sales channels and raising the used capacity of factories.

The third: focus on highly profitable crops and convert them into value-added products.

Fourth: A larger market share for all the company's products.

Fifth: The largest company in the potato market, French Fries, produced locally in the Kingdom.

Sixth: Reducing production costs, improving water consumption efficiency and stopping water wastage.

Seventh: One of the largest producers of wheat and wheat seeds in the Kingdom

Corporate Governance Rules

The objective of setting these rules is to clarify the approach of Al-Jouf Agricultural Development Company towards institutional governance. Al-Jouf Agricultural Development Company is committed to applying high standards of corporate governance, and sound corporate governance is an essential tool in maximizing the value achieved for shareholders in the long term, which is consistent with its commitment to quality in all its operations and products. The Corporate Governance Regulations issued by the Capital Market Authority defined corporate governance as: Rules to lead and direct the company and include mechanisms to regulate the various relations between the board of directors, executives, and shareholders by setting special rules and procedures to facilitate the decision-making process and impart transparency and credibility in order to protect the rights of shareholders and stakeholders and achieve justice, competitiveness and transparency in the market and business environment.

The corporate governance structure determines the distribution of powers and responsibilities to the various parties in the company, the board of directors, managers, shareholders, and others, in addition to setting rules and procedures for taking decisions related to the company's affairs.

The role of shareholders in governance is to elect members of the board of directors, form an audit committee, appoint independent auditors, determine their remuneration, re-appointment, change them, approve their reports, and ensure the efficiency and effectiveness of governance rules.

The board of directors is responsible for setting the company's strategic goals, providing leadership that works to achieve them, supervising the company's management, and submitting reports to shareholders on their management of the company.

The work of the Board of Directors is subject to the rules and regulations issued by the competent authorities, and the governance rules for Al-Jouf Agricultural Development Company have been prepared in accordance with the principles of the governance regulations issued by the Capital Market Authority and the regulatory requirements issued by the competent authorities in the Kingdom, and they must be treated as a basis for the framework of governance requirements in Al-Jouf Agricultural Development Company.

The governance regulation must be viewed in the context of the applicable legislative frameworks in the Kingdom of Saudi Arabia.

The issues, requirements, and other matters not covered by the rules of the Governance Regulations, in particular the following matters, must also be taken into consideration

- Requirements of the Capital Market Authority and the Saudi Stock Exchange (Tadawul) .
- The Companies Law in the Kingdom of Saudi Arabia and related ministerial directives issued by the Ministry of Commerce and Investment.
- The articles of association of Al-Jouf Agricultural Development Company.

In the same context, the Board of Directors of Al-Jouf Agricultural Development Company continued to perform its duties during the fiscal year 2021 AD and supervised the company's operations in accordance with the Companies Law and the Companies' Regulations and Regulations issued by the Capital Market Authority and the approved Corporate Governance Regulations, which some updates were made on 6/23/2021 and based on To paragraph (1) of

Article Ninety of the Corporate Governance Regulations issued by the Capital Market Authority, the company applies the mandatory articles of the Corporate Governance Regulations, especially with regard to the following :

- 1) The rights of shareholders and the general assembly in terms of facilitating the shareholders' exercise of their rights and their access to information, their rights during the company's assemblies, voting rights, shareholders' rights in dividends, and the right to dispose of shares, and the executive management provided shareholders with all the information that enables them to exercise their rights to the fullest Direct, so that this information is complete, accurate, and updated regularly and on time, without discrimination between them.
- 2) The general policies for disclosure, transparency and disclosure in the Board of Directors' report.
- 3) The Board of Directors, its basic functions, responsibilities, composition, its sub-committees, their remuneration, and conflict of interests.
- 4) The obligation to publish the quarterly financial results and the annual financial results during the regular dates on the Tadawul website.
- 5) Preparing the report of the Board of Directors in accordance with the rules of the Corporate Governance Regulations.
- 6) Commitment to the format of advertisements set by the Capital Market Authority and the dates of publishing material information in accordance with the instructions of the Authority regarding corporate advertisements.
- 7) Drafting the rules of professional conduct for the managers and employees of the company in a way that conforms to sound professional and ethical standards and regulates the relationship between them and stakeholders.

(1) Unenforced Provisions of the Governance Regulations:

The following are the points that have not been fully applied from the corporate governance regulations and the reason for this is as follows:

Article number	paragraph Text of the article	Reasons for non-application
Article 25, paragraph 8	laying down administrative succession plans for the company's management. Work is in progress	Work is underway to activate this item
Article 41 Paragraph E A guiding article	The Board of Directors makes the necessary arrangements to obtain an evaluation of its performance by a competent third party every three years. This item is being activated	This item is being activated
Article 70 A guiding material.	is formed by a decision of the company's board of directors, a committee called the (risk management committee) whose chairman and the majority of its members are non-executive members of the board of directors - and its members are required to have an appropriate level of knowledge of risk management and financial affairs	This item is being activated

(2) The names of the members of the Board of Directors, members of the committees and the executive management, and their positions, qualifications, and experience:

(a) Board of Directors (old board)

NO	Name	Nature of member	Qualifications	Experiences
1	His Royal Highness Prince/ Abdulaziz bin Mishaal bin Abdulaziz	Chairman of Board of Director	Bachelor of Business Administration	40 years of business management
2	Dr. Rashid bin Rashid Awain	vice presidents	PhD in nuclear engineering	38 years of business management
3	Mr. Abdul-Aziz bin Muhammad Al-Hussein	Managing Director and General Manager	Bachelor of Public Administration	30 years of business management
4	Mr. Abdul-Rahman bin Abdul-Aziz Al-Yamani	Member of the Board of Directors	Bachelor of Geography	39 years of business management
5	A / Mazrou' Abdullah Hamad Al-Mazrou	Member of the Board of Directors	Bachelor of Geography	39 years of business management
6	Mr. Omar Riyad Muhammad Al-Humaidan	Member of the Board of Directors	Bachelor's of Sharia and Law	23 years of business management
7	Mr. / Yasser Yahya Abdel Hamid Abd Rabbo	Member of the Board of Directors	Bachelor of Commerce	29 years of financial management
8	Mr. Ali Riyad Muhammad Al-Humaidan	Member of the Board of Directors	High school	19 years of business management
9	Dr. Mohamed Ahmed Hassan Fitaihi	Member of the Board of Directors	PhD and MBA	28 years of business management

(a) Board of Directors (New Board)

No	Name	Membership	Qualifications	Experiences
1	Eng. Badr Hamed Abdul Raziq Al-Aujan	Chairman of the Board	Bachelor of Engineering	29 years engineering & business management
2	Dr. Rashid Rashid Awain	vice president	PhD in nuclear engineering	38 years of business management
3	Mr. Ahmed Ibrahim Muhammad Hayjan	Member of the Board of Directors	Bachelor of Accounting	11 years in finance and management
4	Mr. Khalid Muhammad Abdullah Al-Ali Al-Arifi	Member of the Board of Directors	Master of Accounting	29 years in accounting and management
5	Mr. Abdul Rahman Abdul Aziz Al-Yemeni	Member of the Board of Directors	Master's degree in geography	39 years of business management
6	Mr. Ali Riyad Mohammed Al Humaidan	Member of the Board of Directors	High school	19 years of business management
7	Mr. Omar Riyad Mohammed Al Humaidan	Member of the Board of Directors	Bachelor of Sharia and Law	23 years in management
8	Mr. meqad Abdullah Abdul Mohsen Al-Khamis	Member of the Board of Directors	Bachelor of Accounting	19 years in accounting and management
9	Ms. Nawar Hamad Ibrahim Al-Bahli	Member of the Board of Directors	Bachelor of Finance	11 years in finance and management

(b) Board committees.

Executive Committee (old council)

N	Name	Postion	Qualifications	Experiences
1	Mr. Omar Riyadh Muhammad Al-Humaidan	Committee president	Bachelor of Sharia & Law	22 years in business administration
2	Dr. Rashid Rashid Owain	Committee member	PhD in Nuclear Engineering	37 years in business administration
3	Mr. Abdul Aziz Muhammad Al-Hussein	Committee member	Bachelor of Public Administration	29 years in business administration
4	Mr. Abdul Rahman bin Abdul Aziz Al-Yamani	Committee member	Bachelor's degree in Geography	38 years in business administration
5	Mr. Yasser Yahya Abd Al-Hamid Abd Rabbo	Committee member	Bachelor of Commerce	28 Financial Management

Executive Committee (new council)

No	Name	Membership	Qualifications	Experiences
1	Eng. Badr bin Hamed bin Abdul Raziq Al-Aujan	Chairman of the Board	Bachelor of Engineering	29 years engineering & business management
2	Dr. Rashid bin Rashid bin Awain	vice president	PhD in nuclear engineering	38 years of business management
3	Mr. Omar Riyadh Muhammad Al-Humaidan	Committee president	Bachelor of Sharia & Law	22 years in business administration

Audit Committee (Old Board)

N	Name	Postion	Qualifications	Experiences
1	Mr. Mohammed Ahmed Yassin Al Sheikh	Committee president	Bachelor of Administrative Sciences	41 years in management and accounting
2	Mr. Yasser Yahya Abd Al-Hamid Abd Rabbo	Committee member	Bachelor of Commerce	28 years Financial Management
3	Mr. Ali Riyadh Muhammad Al-Humaidan	Committee member	High school	18 years in business administration

Audit Committee (new board)

N	Name	Postion	Qualifications	Experiences
1	Mr. Mohammed Ahmed Yassin Al Sheikh	Committee president	Bachelor of Administrative Sciences	41 years in management and accounting
2	Mr. Khalid Muhammad Abdullah Al-Ali Al-Arifi	Member of the Board of Directors	Master of Accounting	29 years in accounting and management
3	Mr. Ahmed bin Ibrahim bin Muhammad Hayjan	Member	Bachelor of Accounting	11 years in Finance and Administration

(B) Follow the committees of the board of directors.

Nomination and Remuneration Committee (Old Board)

N	Name	Postion	Qualifications	Experiences
1	Dr. Mohamed Ahmed Hassan Fitaihi	Committee president	PhD, Master of Business Administration and Finance	28 years in business administration
2	Mr. Abdul Rahman bin Abdul Aziz Al-Yamani	Committee member	Bachelor's degree in Geography	39 years in business administration
3	Mr. Mazrou Abdullah Hamad Al-Mazrou	Committee member	Master in Geography	39 years in business administration

Nominations and Remunerations Committee (New Board)

N	Name	Postion	Qualifications	Experiences
1	Mr. Ali Riyad Mohammed Al Humaidan	Member of the Board of Directors	High school	19 years of business management
2	Mr. Abdul Rahman Abdul Aziz Al-Yemeni	Member of the Board of Directors	Master's degree in geography	39 years of business management
3	Mr. meqad Abdullah Abdul Mohsen Al-Khamis	Member of the Board of Directors	Bachelor of Accounting	19 years in accounting and management

Committee for drawing up and preparing strategic plans for the company (New board)

N	Name	Postion	Qualifications	Experiences
1	Mr. meqad Abdullah Abdul Mohsen Al-Khamis	Committee president	Bachelor of Accounting	19 years in accounting and management
2	Mr. Abdul Rahman Abdul Aziz Al-Yemeni	Committee member	Master's degree in geography	39 years of business management
3	Mr. Ali Riyad Mohammed Al Humaidan	Committee member	High school	19 years of business management
4	Ms. Nawar Hamad Ibrahim Al-Bahli	Committee member	Bachelor of Finance	11 years in finance and management

Committee for drawing up and preparing strategic plans for the company (Old board)

N	Name	Postion	Qualifications	Experiences
1	Dr. Mohamed Ahmed Hassan Fitaihi	Committee president	PhD, Master of Business Administration and Finance	27 years in business administration
2	Mr. Omar Riyadh Muhammad Al-Humaidan	Committee member	Bachelor of Sharia & Law	22 years in business administration
3	Mr. Yasser Yahya Abd Al-Hamid Abd Rabbo	Committee member	Bachelor of Commerce	28 years Financial Management

There is no committee for drawing up and preparing strategic plans in the new council

(c) Executive Management:

N	Name	Postion	Qualifications	Experiences
1	Mazen Abdullah Badaoud	chief executive officer Represente the company at the Market Authority	Bachelor of Chemical Engineering	29 years in management
2	Mohammed Humaidan Zayed Al Sharari	Director of Administrative Affairs. One of the company's senior executives	Bachelor of Public Administration	31 years in management
3	Sarhan Saud Shwait Al-Subaie	Assistant Director General for Agricultural Affairs One of the company's senior executives	Bachelor of Agricultural Engineering	24years in the agricultural sector
5	Ziad Mohammed Al-Jaafra	Director of Financial Department	Bachelor of Commerce Department of Accounting CPA certificate and CFE certificate	23 years in accounting and management
4	Ihab Abdullah Rajab Al-Sharqawi	Sales and Marketing Director	Bachelor of Commerce Department of Accounting	23 in Sales and Marketing

(2) The names of companies inside and outside the Kingdom for which a member of the company's board of directors is a member of its board of directors (the board whose term ended on 3/21/2021).

N	Name	Postion	Membership in the boards of other joint companies
1	Prince / Abdul Aziz bin His Royal Highness Mishaal bin Abdul Aziz	Chairman of Board	Yanbu Cement Company - City Cement
2	Dr. Rashid bin Rashid Owain	Deputy manager	Federation of Wire Factories (Aslak) - Petrochem Company
3	Mr. Abdul Aziz bin Muhammad Al-Hussein	Member	Nill
4	Mr. Abdul Rahman bin Abdul Aziz Al-Yemeni	Member	Saudi Chemical
5	Mazroua Abdullah Hamad Al-Mazrou	Member	Nill
6	Mr. Omar Riyadh Muhammad Al-Humaidan	Member	Fitaihi Group – Glass
7	Mr. Yasser Yahya Abd Al-Hamid Abed Rabbo	Member	Nill
8	Mr. Ali Riyadh Muhammad Al-Humaidan	Member	Nill
9	Dr. Mohamed Ahmed Hassan Fitaihi	Member	Nill



(3) The names of companies inside and outside the Kingdom for which a member of the company's board of directors is a member of its board of directors (the board whose term began on 3/22/2021)

N	Name	Postion	Membership in the boards of other joint companies
1	Eng. Badr Hamed Abdul Raziq Al-Aujan	Chairman	Jarir Company - Abdullah Al-Othaim Markets, Arab Agricultural Services (closed), Fourth Mills Company (closed), Abdullah Al-Othaim Markets Egypt (closed), Resources (Al-Wusta Company Food Services (L.L.C)
2	Dr. Rashid Rashid Saad Awain	Deputy president	Union Wire Factories - Petrochem Company
3	Mr. Ahmed Ibrahim Muhammad Hayjan	member	
4	Mr. Khalid Muhammad Abdullah Al-Ali Al-Arifi	member	Petrochem Company, Raza Real Estate
5	Mr. Abdul Rahman Abdul Aziz Al-Yemeni	member	Saudi chemist
6	Mr. Ali Riyadh bin Mohammed Al Humaidan	member	National Glass Industries Company (Glass), Fitaihi Holding Group
7	Mr. Omar Riyadh Mohammed Al Humaidan	member	
8	Mr. meqaad Abdullah Abdul Mohsen Al-Khamis	member	United International Transportation Company (Budget)
9	Ms. Nawar Hamad Ibrahim Al-Bahli	member	

(4) Composition of the Board of Directors and classification of its members Board member (executive - non-executive - independent) (the board whose term ended on 3/21/2021)

N	Name	Postion	Membership		
			Independent Board Member	Non-executive board member	Executive Board Member
1	Prince / Abdul Aziz bin His Royal Highness Mishaal bin Abdul Aziz	Chairman of the Board			
2	Dr. Rashid bin Rashid Owain	Deputy president	√		
3	Mr. Abdul Aziz bin Muhammad Al-Hussein	Managing Director	√		
4	Mr. Abdul Rahman bin Abdul Aziz Al-Yemeni	Board member		√	
5	Mazroua Abdullah Hamad Al-Mazrou	Board member	√		
6	Mr. Omar Riyadh Muhammad Al-Humaidan	Board member		√	
7	Mr. Yasser Yahya Abd Al-Hamid Abed Rabbo	Board member		√	
8	Mr. Ali Riyadh Muhammad Al-Humaidan	Board member	√		
9	Dr. Mohamed Ahmed Hassan Fitaihi	Board member		√	

Composition of the Board of Directors and classification of its members Member of the Board of Directors (executive - non-executive - independent) (the board whose term began on 3/22/2021)

N	Name	Postion	Membership		
			Independent Board Member	Non-executive board member	Executive Board Member
1	Eng / Badr Hamed Abdul Raziq Al-Aujan	Chairman of the Board		√	
2	Dr. Rashid Rashid Saad Awain	vice president		√	
3	Mr. Ahmed Ibrahim Muhammad Hayjan	member			√
4	Mr. Khalid Muhammad Abdullah Al-Ali Al-Arifi	member			√
5	Mr. Abdul Rahman Abdul Aziz Al-Yemeni	member		√	
6	Mr. Ali Riyad bin Mohammed Al Humaidan	member			√
7	Mr. Omar Riyad Mohammed Al Humaidan	member			√
8	Mr. meqaad Abdullah Abdul Mohsen Al-Khamis	member			√
9	Ms. Nawar Hamad Ibrahim Al-Bahli	member			√

(4) Actions taken by the Board of Directors to inform its members - especially non-executives - of the proposals

Shareholders and their comments about the company and its performance:

- Holding meetings on a regular basis between the Chairman of the Board and the non-executive members of the Board to encourage the non-executive members of the Board of Directors to practice their duties effectively in the public interest of the company and to ensure the impartiality of opinions and knowledge of their views on the progress of the operations of the company.
- By enabling the members of the Board and its committees to view the minutes of the meeting of the Board and its committees (the Audit Committee - the Nominations and Remunerations Committee - the Executive Committee - the Committee for drawing up and preparing the strategic plans of the company) and discussing the proposals of the shareholders present at the General Assembly and recording their inquiries in the minutes of the meeting and discussing them with the members of the Board and working on them If it is of benefit to the company and work to avoid it if it is observations on the company's performance.
- Communication with shareholders and investors:

The company realizes the importance of communicating with its shareholders and providing them with information. In application of the principle of disclosure and transparency, the company has done the following:

- Publishing the quarterly financial statements and the final accounts for the fiscal year 2021 on the Tadawul website, and publishing them within the period specified by the system.

- Commitment to the form of advertisements set by the Capital Market Authority, the essential information that should be included, and the dates of publishing such advertisements.
- Preparing the Board of Directors' report in accordance with the disclosure requirements contained in the Governance Regulations.
- All shareholders of the company - without exception - can view the minutes of the general assemblies, and any annual reports of the Board of Directors on the Tadawul website and the company's website, as well as in person, or request them via e-mail or fax.
- An email was created for the company to receive complaints and suggestions from all stakeholders (shareholders, customers, suppliers, and employees)

(6) A brief description of the functions of the main board committees, their tasks, their chairmen and members, and the number of their meeting During the year 2021:

(a) Executive Committee:

- The company's executive committee is appointed by the board of directors to provide the ability to respond quickly in emergency situations, in addition to assisting the board in performing its supervisory duties efficiently and effectively, especially with regard to implementing the company's strategic objectives and arranging its financial and operational priorities.

- The Executive Committee also submits recommendations to the Board of Directors on various issues related to operational matters, and the Board authorizes the Committee to discharge some of its tasks. The following is a statement of the Executive Committee's terms of reference in accordance with the latest update of the company's corporate governance regulation, which was approved by the General Assembly on 6/23/2021.

1-Participation in the development of the company's new strategic plans and evaluation of the proposals submitted by the executive management for such matters The plans include, but are not limited to, mergers and acquisitions, entering into new projects, and expanding energy existing productivity and making recommendations in these and other matters to the Board of Directors.

2 -Reviewing the company's performance based on the monthly management reports in light of the set goals, the estimated budget and performance measurement results and study the impact of future external and internal factors on the company's business

3 -Presenting recommendations to the Board of Directors regarding the estimated budget

4 -Reviewing and evaluating proposals for new capital investments and making a decision on issues within its competence . The committee is in accordance with the company's approved authorities and responsibilities manual.

5- Reviewing the policies and regulations proposed by the executive management and recommending the appropriate decision to the Board of Directors.

6-Periodic review of the company's corporate governance rules, policies and controls of professional conduct in accordance with the corporate governance rules and submitting recommendations to the Board of Directors to make any required amendments in this regard.

7-Follow up on the implementation of the decisions of the Board and the Executive Committee and the implementation of any tasks referred by the Board of Directors to the Committee.

8-Reviewing the annual budget with the administration before submitting it to the board of directors for approval.

9-Supervising the preparation of economic feasibility studies, advisory studies and operational plans.

10. Follow up on the company's financial position, cash flow and funding sources if necessary, and its operational and marketing policies.

11-Studying and following up on any business that may affect the company's reputation and image

On Tuesday, 3/23/2021, the company announced on Tadawul the appointment of the chairman and his deputy, and the formation of the board's committees for its new session, which began on 3/22/2021, including the executive committee.

•The following is a statement of the committee's membership and the record of attendance at its meetings during the year 2021.

Executive Committee The Council ended its session on 3/21/2021

The Executive Committee of the Council whose term ended on 3/21/2021 did not hold any meetings during the period from 1/1/2021 to 3/21/2021.

N0.	Name of Member	membership status
1	Mr. Omar bin Riyadh Al Humaidan	Chairman of the Committee
2	Dr. Rashid bin Rashid bin Awain	Committee member
3	Mr. Abdul Aziz bin Muhammad Al-Hussein	Committee member
4	Mr. Abdul Rahman bin Abdul Aziz Al-Yamani	Committee member
5	Professor / Yasser Yahya Abdel Hamid	Committee member

The Executive Committee of the Council, whose session began on 3/22/2021, held (6) six meetings during the period from 3/22/2021 to 12/31/2021, attendance was 100% for all members

N	Name	postion	The date of the meeting						Attendance
			20\12	21/11	20/10	15/9	23/6	01/04	
1	Engineer / Badr bin Hamed bin Abdul Raziq Al-Aujan	President	√	√	√	√	√	√	100%
2	Dr. Rashid bin Rashid bin Awain	Member	√	√	√	√	√	√	100%
3	Mr. Omar bin Riyad bin Mohammed Al Humaidan	Member	√	√	√	√	√	√	100%

(b) Audit Committee

The committee consists of each of (in the council whose term ended on 3/21/2021)

Mr. Muhammad Ahmed Yassin Al-Sheikh, Chairman of the Committee is independent

Mr. Yasser Yahya Abdel Hamid Abd Rabbo, Member of the Committee Non-Executive

•On 3/3/2021, the General Assembly approved the appointment of Dr. Rashid bin Rashid bin Saad Awain as a member of the Audit Committee, instead of the committee member, Mr. Ali bin Riyad Muhammad Al Humaidan, who had previously submitted his resignation on 10/17/20, provided that Dr. Rashid is a member of the Audit Committee until the end of the Board's term, which ended on 3/21/2021

•On 3/4/2021, the 33rd Ordinary General Assembly approved the formation of the Audit Committee, whose formation was as follows:

Mr. Muhammad Ahmed Yassin Al-Sheikh, Chairman of the Committee. from outside the council

Mr. Mazrou bin Abdullah bin Hamad Al Mazroua, member of the committee. from outside the council

Mr. Yasser Yahya Abdel Hamid Abd Rabbo, member of the committee. from outside the council

•On 3/4/2021, a member of the Audit Committee, Mr. Yasser Yahya Abdel Hamid Abd Rabbo, a member of the Committee, submitted. From outside the Board, his resignation from the membership of the Audit Committee to the Chairman of the Board of Directors.

•On 3/14/2021, a member of the Audit Committee, Mr. Mazrou bin Abdullah bin Hamad Al-Mazrou, a member of the committee, submitted. From outside the Board, his resignation from the membership of the Audit Committee to the Chairman of the Board of Directors

•On 3/22/2021, the Board of Directors agreed to accept the resignation of the two members of the Committee

Mr. Mazrou bin Abdullah bin Hamad Al Mazroua, member of the committee. from outside the council

Mr. Yasser Yahya Abdel Hamid Abd Rabbo, member of the committee. from outside the council

Nomination for the appointment of two new members to the Audit Committee of the General Assembly, namely:

Mr. Khalid bin Muhammad bin Abdullah Al-Ali Al-Arifi

Mr. Ahmed bin Ibrahim bin Muhammad Hayjan

On June 23, 2021, the 34th Ordinary General Assembly approved the appointment of two new members to the Audit Committee of the General Assembly, who are:

Mr. Khalid bin Muhammad bin Abdullah Al-Ali Al-Arifi

Mr. Ahmed bin Ibrahim bin Muhammad Hayjan

It also agreed to re-form the committee so that the formation of a committee would be as follows

Mr. Muhammad Ahmed Yassin Al-Sheikh, Chairman of the Committee - from outside the Council

Mr. Khalid bin Muhammad bin Abdullah Al-Ali Al-Arefi Member of the Committee Independent Board Member

Mr. Ahmed bin Ibrahim bin Muhammad Hayjan Member of the Committee Member of the Board of Directors Independent.

The main function of the audit committee is to assist the board of directors to carry out its supervisory tasks efficiently and effectively, and in particular the committee is responsible for ensuring the integrity and completeness of the lists, the internal control policies and procedures, the relationship with the chartered accountant, and the internal audit policies and procedures, studying the basic risks that the company faces, which include financial risks Operational, legal, and review of policies applied by management related to the processes of identifying, evaluating and addressing those risks, identifying and reviewing accounting problems that affect the financial reporting process and understanding the extent of their impact on the validity of those reports.

The Audit Committee is responsible for monitoring the company's business and verifying the integrity and integrity of its reports, financial statements and internal control systems. The committee's tasks include, in particular, the following:

a. financial reports

- 1) Studying the company's quarterly and annual financial statements before submitting them to the Board of Directors and expressing its opinion and recommendation in this regard.
- 2) Expressing a technical opinion at the request of the Board of Directors on whether the Board's report and the company's financial statements are fair, balanced and understandable and include information that allows shareholders and investors to assess the company's financial position, performance, business model, and strategy.
- 3) Study any important or unfamiliar issues contained in the financial reports.
- 4) Carefully researching any issues raised by the company's financial manager, or whoever undertakes the duties or compliance officer of the company, or the auditor.
- 5) Verification of accounting estimates in material issues in financial reports.
- 6) Studying the financial and accounting policies followed in the company and expressing an opinion and recommendation to the Board of Directors in this regard.

b. internal audit

- 1) Studying and reviewing the company's internal and financial control and risk management systems.
- 2) Studying the internal audit reports and following up the executive management in implementing the corrective measures and the notes contained there in.

- 3) Oversight and supervision of the performance and activities of the internal auditor and the company's internal audit department, if any, approving its regulations and verifying the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to it.
- 4) Approval of the annual audit plan and the amendments that may occur there to, and the discretionary budget of the Internal Audit Department and the training plan.
- 5) To recommend to the Board of Directors the appointment or dismissal of the Director of the Internal Audit Department, and to suggest his remuneration.

c. Auditor

- 1) management auditor by nominating accounts and auditors;
- 2) Verifying the independence, objectivity and fairness of the accounts and the validity of the audit from the audit in the relevant standards and criteria.
- 3) Reviewing the company's auditor's plan and his works, and verifying that he did not submit technical or administrative works that were outside the audit and expressing her opinion in this regard.
- 4) Studying the auditor's report and his notes on the financial evaluation and following up on what was taken.
- 5) Follow up the work of the auditor, and approve any work outside the audit work that they are assigned while they update the audit.
- 6) Find solutions to cases of incompatibility that may arise between management and auditors with regard to the clarifications of the financial statements or financial accounting policies.

d. Commitment Guarantee

- 1 -Reviewing the results of the reports of the supervisory authorities and verifying that the company has taken the necessary measures in this regard.
- 2 - Submit the issues it deems necessary to take action on to the Board of Directors and make recommendations for the actions to be taken.

•On Tuesday, 3/23/2021, the company announced on Tadawul the appointment of the chairman and his deputy, and the formation of the board's committees for its new session, which started on 3/22/2021, including the audit committee.

•On Tuesday, March 23, 2021, the company announced on Tadawul the resignation of a member of the Audit Committee

Mr. Mazrou bin Abdullah bin Hamad Al-Mazroua, member of the committee. from outside the council

•On Tuesday, March 23, 2021, the company announced on Tadawul the resignation of a member of the Audit Committee

Mr. Yasser Yahya Abdel Hamid Abd Rabbo, member of the committee. from outside the council.

• On Tuesday, 23/6/2021, the company announced on Tadawul the results of the 34th General Assembly, and among the Assembly's items was the approval of the formation of the Audit Committee in its current status.

• On 12/7/2021, the Committee established the Internal Audit Department and shifted from relying on an external service provider outsourcing to insourcing conducting internal audits through the company's Internal Audit Department.

The Audit Committee supervises the internal audit of the company and studies periodic financial reports and internal and external audit reports and their efficiency. It also verifies the efficiency of the control systems. It was recommended to work on building effective control systems, and it follows up on the work of certified accountants. The term of membership of the Committee is three years in conjunction with the term of membership with the Board of Directors.

Audit Committee The Board whose session ended on 3/21/2021

The Audit Committee of the Council, whose session ended on 3/21/2021, held from 1/1/2021 to 3/21/2021, numbered (5) five Meetings and the attendance rate for members was 100% for all members.

N	Name	postion	The date of the meeting					Attendance
			18\3	28\2	28\1	11\1	4\1	
1	Mr. Mohamed Ahmed Yassin Sheikh	President	√	√	√	√	√	100%
2	Mr. Yasser Yahya Abdel Hamid Abd Rabbo	Member	√	√	√	√	√	100%
3	Dr. Rashid bin Rashid Saad Awain	Member	√	√	√	√	√	100%

Audit Committee The Board whose session started on 3/22/2021

The Audit Committee of the Council, whose session began on 3/22/2021 from 3/22/2021 to 12/31/2021, held (8) eight meetings, and the attendance rate for members was 100% for all members.

Thus, the number of meetings of the Audit Committee during the fiscal year 2021 will be (13) thirteen meetings

Name	postion	The date of the meeting								Attenda nce
		30/3	6/4	3/5	12/7	2/8	21/9	30/10	13/12	
Mr. Mohamed Ahmed Yassin Sheikh	President	√	√	√	√	√	√	√	√	100%
Mr. Khaled Muhammad Abdullah Al-Ali Al-Arefi	Member	√	√	√	√	√	√	√	√	100%
Mr. Ahmed Ibrahim Muhammad Hayjan	Member	√	√	√	√	√	√	√	√	100%

c) Nomination and Remuneration Committee:

- The committee assists the board of directors in performing its supervisory duties efficiently and effectively, and in particular, the committee is concerned with identifying board members and competent executives and assuring that the company's nominations policy results in correct appointments and leads to development and retention of board members and distinguished managers and thus helps the company in achieving its goals Develop criteria to determine the independence of a member of the board of directors, and put in place an appropriate mechanism to inform shareholders of any changes that may lead to the member losing his independence, and to ensure that there is no conflict of interest if the member is a member of the board of directors of another company.
- The Nominations and Remunerations Committee also annually reviews the requirements for membership of the Board of Directors in accordance with the approved policies and standards, reviews the structure of the Board of Directors, makes recommendations regarding changes, and annually ensures the independence of the independent members and the absence of conflicting interests of the member if he is a member of other boards. The term of membership of the Committee is three years in conjunction with The term of membership of the Board of Directors, and the responsibilities of the Nomination and Remuneration Committee are as follows:

Responsibilities of the Nomination and Remuneration Committee:

(a) With regard to nominations :

- 1) Requirement's requirements of the appropriate skills for membership of the Board of Directors A description of the capabilities and qualifications required for membership in the Board of Directors, including determining the appropriate requirements for membership for the work of the Board.
- 2) Reviewing the structure of the board of directors and raising the status in a commercial case.
- 3) Determining the weaknesses and strengths of the board of directors and treating them in line with the company's interest.
- 4) Develop indicators to determine the independence of a member of the Board of Directors, and develop appropriate indicators to inform the information contained in the contribution of profiles, and ensure that there is no conflict of interest if the member is a member of the Board of Directors of another company.
- 5) Preparing recommendations for the Board of Directors related to setting specific criteria for selecting persons to fill the position of the Managing Director or the CEO, and the directors of departments whose reference is directly to the Managing Director/CEO.
- 6) Preparing an initial evaluation for the persons nominated for the position of the Managing Director or the CEO, and the directors of the departments whose reference is directly to the Managing Director/CEO.
- 7) Preparing a job description and contract terms for each of the CEO positions and the company's department managers.

b) In respect of remuneration:

1) Setting appropriate standards and procedures for evaluating the performance of the CEO and department managers in the company.

2) Conducting a periodic evaluation of the activities of the CEO and the directors of the company's departments.

3) Develop policies related to continuous improvement in the performance of employees at senior management levels.

4) Reviewing and approving the recommendations of the CEO/General Manager regarding the general guidelines and standards for financial rewards and other benefits for senior executives, which are implemented by the CEO

c) Regarding Governance:

1) Studying the issues referred by the board of directors to the committee and making recommendations to the board in their regard

2) The committee will conduct an annual review and evaluation of its bylaws in order to ensure that it fulfills its duties and submit recommendations to the Board of Directors regarding making amendments thereto.

3) The Committee will submit a periodic report on its activities to the Board of Directors annually.

• On Tuesday, 3/23/2021, the company announced on Tadawul the appointment of the chairman and his deputy and the formation of the board's committees for its new session, which began on 3/22/2021, including the Board Nominations and Remuneration Committee, which started

Its session is on 3/22/2021

• The following is a statement of the committee's membership and the record of attendance at its meetings during the year 2021.

The Board Nominations and Remunerations Committee whose term ended on 3/21/2021

The Nominations and Remunerations Committee of the Council, whose term ended on 3/21/2021 during the year 2021, held (1) one meeting, and the attendance rate for members was 100% for all members

	Name	postion	Meeting date	Attendance
			14/2	
1	Mr. Abdul Rahman bin Abdulaziz Al-Yamani	President	√	100%
2	Dr. / Mohamed Ahmed Hassan Fitaihi	Member	√	100%
3	Mr. Mazrou Hamad bin Abdullah Al-Mazroua	Member	√	100%

The Nominations and Remunerations Committee of the Board whose session began on 3/22/2021

The Nominations and Remunerations Committee in the Council, whose session began on 3/22/2021 during the year 2021, held (4) four meetings, and the attendance rate for members was 100% for all members.

N	Name	postion	The date of the meeting				Attendance
			29/3	4/4	15/8	24/10	
1	Mr. Meqaad Abdullah Abdul Mohsen Al-Khamis	President	√	√	√	√	100%
2	Mr. Abdul Rahman bin Abdulaziz Al-Yamani	Member	√	√	√	√	100%
3	Mr. Ali bin Riyad Mohammed Al Humaidan	Member	√	√	√	√	100%
4	Ms. Nawar bint Hamad bin Ibrahim Al-Bahli	Member	√	√	√	√	100%

Thus, the number of meetings of the Nomination and Remuneration Committee during the fiscal year 2021 is (5) five meetings

D) Committee for drawing up and preparing the company's strategic plans, the Board whose term ended on 3/21/2021

•The committee for drawing up and preparing the company's strategic plans submits a recommendation to the board of directors on various issues related to the preparation and drawing of the company's strategic plans - the term of membership of the committee is three years in conjunction with the term of membership of the board.

•The following is a statement of the committee's membership and the record of attendance at its meetings during the year 2021

The committee for drawing up and preparing the company's strategic plans during the period from 1/1/2021 to 3/21/2021 did not hold any meetings

No	Name	Postion
1	Dr. Mohamed Ahmed Hassan Fetihi	President
2	Mr. Omar Bin Riyadh Al-Humaidan	Member
3	Mr. Yasser Yahya Abdel Hamid	Member

D) Committee for drawing up and preparing strategic plans for the company, the board of which began its session on 3/22/2021

No committee was formed to draw up and prepare strategic plans in the council, which started its session on 3/22/2021

(7) Where applicable, the methods that the board of directors relied on in evaluating its performance, the performance of its committees and members, and the external party that carried out the evaluation and its relationship with the company (there is none).

(8) Remunerations of Board Members and Executive Management in accordance with Article Ninety Three of the Governance Regulations:

Policy of distributing remuneration to members of the Board, committees and executive management :

In light of the provisions regulating the remuneration of the members of the Board of Directors and its sub-committees and stipulated in the company's system, the corporate governance regulation, and the regulatory controls and procedures issued in implementation of the companies' law for listed companies; and the company's articles of association; The remunerations of the members of the Board of Directors and its committees emanating from it and the executive management. The objective of the remuneration policy for the members of the Board of Directors and its sub-committees is to organize remuneration to attract members of the Board or committees with scientific, technical, and administrative competence and commensurate experience so that they can perform their tasks and duties professionally and efficiently; Taking into account the sector in which the company operates and the skills necessary to manage it. The company also aims to create an attractive environment to work in; Through it, it can attract and retain human resources with the required skills and experience to sustain its growth and achieve its vision; This is done through the organizational framework for the remuneration of senior executives in the company in order to comply with the relevant laws, legislation and applications and falls under the authority of the general assembly of shareholders to determine and approve the fees received by members of the board of directors as a result of their service in the board or its committees.

The remuneration of the members of the Board of Directors is calculated as follows :

The remuneration of a member of the board of directors may be a certain amount - or an allowance for attending sessions, benefits in kind, or a certain percentage of net profits.



(A) The remuneration of the members of the Board of Directors, the Board whose term ended on 3/21/2021

Remuneration of members of the Board of Directors whose term ended on 3/21/2021

Remuneration for Board Members							
	Fixed Bonuses			Variable Bonuses		severance pay	Total
	Allowance for attending council sessions	Allowance for attending committee sessions	Total	Periodic reward	Total		
1 st : Independent Members							
His Royal Highness Prince / Abdulaziz bin Mishaal Al Saud	0	0	0	100,000	100,000		100,000
Dr. Rashid bin Rashid Saad Awain	3,000	3,000	6,000	100,000	100,000		106,000
Mr. Mazroa bin Hamad bin Abdulaziz Al-Mazrou	0	3,000	3,000	100,000	100,000		103,000
Mr. Abdulrahman bin Abdulaziz Al-Yamani	3,000	3,000	6,000	100,000	100,000		106,000
2 nd : Non-executive members							
Mr. Omar Riyadh Al-Humaidan	3,000	0	3,000	143,835	143,835		146,835
Mr. Yasser Yahya Abdel Hamid Abd Rabbo	3,000	15,000	18,000	143,835	143,835		161,835
Mr. Ali Raban Riad Al-Humaidan	3,000	0	3,000	143,835	143,835		146,835
Mr. Mohammed Ahmed Hassan Fitaihi	3,000	3,000	6,000	143,835	143,835		149,835
3 rd : Executive members							
Mr. Abdulaziz Bin Mohammed Al-Hussaim	0	0	0	100,000	100,000		100,000

Note

The allowance for attending the meeting of the Board of Directors is the allowance for the General Assembly held on 3/4/2021.



Remuneration of the members of the Board of Directors whose term began on 3/22/2021

Remuneration for Board Members							
	Fixed Bonuses			Variable Bonuses		severance pay	Total
	Allowance for attending council sessions	Allowance for attending committee sessions	Total	Periodic reward	Total		
1 st : Independent Members							
Mr. Ahmed Ibrahim Muhammad Hayjan	21,000	24,000	45,000	137,500	137,500		182,500
Mr. Khalid Muhammad Abdullah Al-Ali Al-Arifi	21,000	24,000	45,000	137,500	137,500		182,500
Mr. Ali Riyad bin Al Humaidan	21,000	12,000		125,000			
Mr. Omar Riyad Al Humaidan	21,000	18,000		125,000			
Mr. meqaad Abdullah Al-Khamis	21,000	12,000		125,000			
Ms. Nawar Hamad Ibrahim Al-Bahli	21,000	12,000	33,000	125,000	125,000		158,000
2 nd : Non-executive members							
Eng .Badr Hamed Abdul Raziq Al-Aujan	21,000	18,000	39,000	150,000	150,000		189,000
Dr. Rashid bin Rashid bin Awain	21,000	18,000	39,000	125,000	125,000		164,000
Mr. Abdul Rahman bin Abdul Aziz Al-Yamani	21,000	18,000	125,000	125,000	125,000		158,000

The allowance for attending the meetings of the Board of Directors includes the allowance for attending the General Assembly meeting held on 23/6/2021

(B) A statement of the total salaries, wages, allowances, and highest remunerations obtained by five senior executives of the company, including the CEO and the financial manager:

Senior Executives Salaries

Postion	fixed rewards			Variable rewards		Total
	Salary	allowance	Total	Profit	Total	
CEO	1,111,116	388,884	1,500,000	750,000	750,000	2,250,000
Financial Director	382,224	133,776	516,000			516,000
Agricultural Development Manager	300,480	66,096	366,576			366,576
Director of Administration	324,000	70,800	394,800			394,800
Sales manager	360,000	126,000	486,000			486,000
Total Amount	2,477,820	785,556	3,263,376	750,000		4,013,376

(C) Remuneration of Committee Members:

Remuneration of committee members to the council whose term ended on 3/21/2021

Statement	Fixed rewards	attending sessions Allowance	Total
Review Committee			
Mr. Mohammed Yassin Sheikh	0	15,000	15,000
Mr.Yasser Yahya Abdel Hamid	0	15,000	15,000
Dr. Rashid Rashid Saad Awain	0	3,000	3,000
Total	0	33,000	33,000
Nomination and Reward Committee			
Mr. Abdul Rahman Al-Yamani	0		3,000
Mr.Mazrou Abdullah Al-Mazrou	0		3,000
Dr.Mohamed Ahmed Fitaihi	0		3,000
Total	0		9000
Strategic Committee			
Dr.Mohammed Ahmed Fitaihi	0	0	0
Mr. Omar Riyadh Al-Humaidan	0	0	0
Mr. Yasser Yahya Abdel Hamid	0	0	0
Total	0	0	0
executive committee			
Mr. Omar Riyadh Al-Humaidan	0	0	0
Dr. Rashid bin Rashid bin Awain	0	0	0
Mr. Abdul Aziz Al-Hussein	0	0	0
Mr. Abdul Rahman Al-Yamani	0	0	0
Mr.Yasser Yahya Abdel Hamid	0	0	0
Total	0	0	



(C) Remuneration of Committee Members:

Remuneration of committee members to the council, which started its session on 3/21/2021

Statement	Fixed rewards	attending sessions Allowance	Total
Review Committee			
Mr. Mohamed Ahmed Yassin Sheikh	0	24,000	24,000
Mr. Khaled Muhammad Abdullah Al-Ali Al-Arefi	0	24,000	24,000
Mr. Ahmed bin Ibrahim bin Muhammad Hayjan	0	24,000	24,000
Total	0	72000	72000
Nomination and Remuneration Committee			
Mr. Meqaad Abdullah Abdul Mohsen Al-Khamis	0	12,000	12,000
Mr. Abdul Rahman bin Abdul Aziz Al-Yemeni	0	12,000	12,000
Mr. Ali bin Riyadh bin Mohammed Al Humaidan	0	12,000	12,000
Ms. Nawar bint Hamad bin Ibrahim Al-Bahli	0	12,000	12,000
Total	0	36000	36000
executive committee			
Eng. Badr bin Hamed bin Abdul Raziq Al-Aujan	0	18000	18000
Dr. Rashid bin Rashid bin Saad Awain	0	18000	18000
Mr. Omar bin Riyadh bin Mohammed Al Humaidan	0	18000	18000
Total	0	54000	54000

(9) Any penalty, penalty, precautionary measure, or precautionary restriction imposed on the company by the Authority or any supervisory authority, regulatory, or judicial.

A violation was signed by the Ministry of Labor, the details of which are as follows:

No	Punishment or penalty	The reason for the fine	Who imposed it?	Treat it and avoid it	Sr
1	localization violation	Employing a foreigner in professions restricted to Saudis	Ministry of Human Resources	Replacing a job with a citizen - changing the employee's profession	20,000
2	storage shelves Violation - Riyadh exhibition	Storage shelves should be replaced from wood to steel	Ejada (Municipality)	The shelves were replaced and the position corrected	1,000
3	localization violation	Employing a foreigner in professions restricted to Saudis (Dammam)	Ministry of Human Resources	The problem was resolved and replaced with a citizen employee	7,000

The company corrected the situation to ensure that this does not happen in the future.

(10) The results of the annual review of the effectiveness of the company's internal control procedures, in addition to the audit committee's opinion on the adequacy of the company's internal control system.

Audit Committee Report 2021

1) Brief on the formation of the Audit Committee

The Audit Committee consists of three members, one of whom is from outside the Board of Directors, and two are non-executive:

2) Committee Members:

- Mr. Muhammad Ahmed Yassin Al-Sheikh, Chairman of the Committee - a member from outside the Board of Directors
- Mr. Khaled Muhammad Abdullah Al-Ali Al-Arefi Member of the Committee Member of the Board of Directors - Independent
- Mr. Ahmed bin Ibrahim bin Muhammad Hayjan, member of the committee, member of the board of directors - independent.

3 - Duties and Responsibilities:

The Audit Committee is responsible for monitoring the company's business and verifying the integrity and integrity of its reports, financial statements and internal control systems. The committee's tasks include, in particular, the following:

The Audit Committee is responsible for monitoring the company's business and verifying the integrity and integrity of its reports, financial statements and internal control systems. The committee's tasks include, in particular, the following:

A. financial reports

- 1) Studying the company's quarterly and annual financial statements before submitting them to the Board of Directors and expressing its opinion and recommendation in this regard.
- 2) Expressing a technical opinion at the request of the Board of Directors on whether the Board's report and the company's financial statements are fair, balanced and understandable and include information that allows shareholders and investors to assess the company's financial position, performance, business model, and strategy.
- 3) Study any important or unfamiliar issues contained in the financial reports.
- 4) Carefully researching any issues raised by the company's financial manager, or whoever undertakes the duties or compliance officer of the company, or the auditor.
- 5) Verification of accounting estimates in material issues in financial reports.

6) Studying the financial and accounting policies followed in the company and expressing an opinion and recommendation to the Board of Directors in this regard.

B. internal auditing

1) Studying and reviewing the company's internal and financial control and risk management systems.

2) Studying the internal audit reports and following up the executive management in implementing the corrective measures and the notes contained therein.

3) Oversight and supervision of the performance and activities of the internal auditor and the company's internal audit department, if any, approving its regulations and verifying the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to it.

4) Approval of the annual audit plan and the amendments that may occur thereto, and the discretionary budget of the Internal Audit Department and the training plan.

5) To recommend to the Board of Directors the appointment or dismissal of the Director of the Internal Audit Department, and to propose his remuneration.

C. auditor

1) Recommending the Board of Directors to nominate and dismiss the auditor, determine their fees, evaluate their performance, review the scope of their work and the terms of their contract.

2) Verify the auditor's independence, objectivity, fairness, and effectiveness of audit work, taking into account the relevant rules and standards.

3) Reviewing the company's auditor's plan and his works, and verifying that he did not submit technical or administrative works outside the scope of the audit work, and expressing its views in this regard.

4) Studying the auditor's report and his notes on the financial statements, and following up on what has been done about them.

5) Follow up the work of the auditor, and approve any work outside the scope of the audit work they are assigned to do while they are performing the audit work.

6) Find solutions to cases of incompatibility that may arise between management and auditors with regard to the clarifications of the financial statements or financial accounting policies.

D. Commitment Guarantee

1) Reviewing the results of the reports of the regulatory authorities and verifying that the company has taken the necessary measures in this regard.

2) To submit the issues, it deems necessary to take action in this regard to the Board of Directors and to present its recommendations for the actions to be taken.

(4) Audit Committee meetings during the year 2021 AD:

- The Audit Committee held thirteen meetings during the year 2021.

(5) Results of the Annual Review of the Effectiveness of Internal Control Procedures:

- 1) The Audit Committee operates in accordance with the instructions in the Companies Law and the Corporate Governance Regulations issued by the Capital Market Authority, and the company's executive management is responsible for providing internal control procedures that reasonably guarantee the effectiveness and efficiency of the company's operations and the control procedures applied therein, including the credibility of financial reports Its integrity and extent of compliance with applicable laws, regulations and policies.
- 2) Based on the reports received from the Accounting, Auditing and Financial Consulting Company (KPMG) and based on the annual examination of the internal control procedures for the fiscal year 2021 AD by the Audit Committee, work is underway to restructure the company, modernize the organizational structure, develop policies and procedures, attract qualified human cadres, and establish control systems Effective internal affairs and the consequent update of the work flow, policies and procedures, the matrix of powers and responsibilities, and the basis for preparing estimated budgets in order to address the shortcomings in the internal control systems.

(11) Recommendation from the Audit Committee regarding the need to appoint an internal auditor in the company-

The Director of the Internal Audit Department was appointed on 12/7/2021

(12) The recommendations of the Audit Committee, which conflict with the decisions of the Board of Directors or which the Board refused to accept regarding the appointment and dismissal of the company's auditor, determining his fees, evaluating his performance, or appointing the internal auditor, the justifications for those recommendations and the reasons for not taking them into account.

None - Recommendations from the Audit Committee that conflict between them and the decisions of the Board of Directors or the decisions the Board refused to take regarding the appointment and dismissal of the company's auditor, determining his fees, evaluating his performance, or appointing an internal auditor.

(13) The company's social contribution:

The company has carried out societal duties in compliance with its social responsibility

(a) Environment, Health, Security and Safety:

• Al-Jouf Company is committed in its project to achieve the highest levels of performance in the areas of environment, health, security and safety represented in the completion of its operations with a performance that exceeds the desired level of commitment and the consolidation of this trend among all the company's employees and dealers. The company also seeks in all its operations to keep pace with the best levels and to be a model of commitment and preservation Environment, health, safety and security.

•The company's performance in the areas of environment, health, security and safety is one of the highest levels known among companies, and it continues to improve this performance and place it within its future goals. This outstanding performance has been achieved by the commitment of all the executive leaders in the company to unlimited support and assistance in all technical, training and educational fields to support the company's march to reach to leadership.

(b) Work Environment:

•Taking into account the interests of employees and the multiplicity of cultures resulting from the different nationalities of employees and the provision of care and safety and security precautions.

•Improving the living conditions of employees through commitment to the policy of granting incentives and production bonuses.

• Providing social and cultural services and appropriate housing for employees and their families, and p • Paying attention to the cultural, sports and religious activities of all the company's employees and employees of their different nationalities and cultures.

•Running sports, religious and cultural competitions for all nationalities.

•Making trips to the holy places on a regular basis.

•Creating a homogeneous urban community of different nationalities and cultures within the company's project.

(c) Markets and Customers:roviding them with appropriate means of transportation.

•Paying attention to the consumer in the first place and providing all facilities to deliver the company's products to the farthest place in the Kingdom.

- Taking into account the interests of customers and consumers in choosing the type of agricultural and commercial investments for the company.
- Our commitment to quality is the basis of our investments. Quality management and product development dedicate all efforts to always provide the best products to ensure the highest standards of excellence.
- Our development is the result of our constant pursuit of the best and the finest. The development also includes a mixture of distinguished infrastructure that includes farms, factories and distribution networks of international standards.
- We seek to achieve the required balance between supply and market demand and maintain prices at levels that make access to food products available to all segments of society with different levels of income.
- Commitment to the application of quality systems for the various points and stages of production in a way that ensures and assures consumers of obtaining high quality products at competitive prices

(d) Community Contribution:

Al-Jouf Agricultural Development Company believes in its pioneering and social role, which aims to adopt social responsibility economically and environmentally sustainability and encourage a positive impact through the company's sustainable development activities on the environment, employees and society, in addition to supporting education, employment, innovation and economic development plans. This has been translated into the following:

- The company's active participation and sponsorship of the Al-Jouf Olive Festival, as a contribution to increasing interactive activities in the community, and the company's participation in its products in the festival through its own pavilion, and the company's keenness to sell its products at competitive prices to visitors to the festival. On the sidelines of the festival's activities, lectures are organized for many experts, specialists and those interested in olives, under Title of health and therapeutic benefits of olive oil.
 - Active participation in supporting training programs for Saudi youth to work to qualify them to enter the competition in finding suitable job opportunities according to their academic qualifications.
 - The company is constantly seeking to Saudize many jobs by attracting national cadres, qualifying and training newly graduated Saudis and motivating them, in addition to training and Saudizing some leadership positions in all areas of work in order to prepare a supportive row of leaders to take on the responsibility of developing and managing the company's business.
 - Supplying 100,000 seedlings to Al Ber Charity Association
- Believing in social responsibility, one hundred thousand olive seedlings were supplied to the Al-Bir Charitable Association, which is part of the Million Olive Endowment implemented by the Al-Birr Association in the city of Tabarjal.

- Signing a memorandum of understanding with the General Corporation for Technical and Vocational Training under the patronage of His Royal Highness Prince Faisal bin Nawaf, Governor of Al-Jawf Region
- Contributing to equipping the laboratory of the Emirate of Al-Jouf
- Participation in the production of wheat seeds in the Kingdom
- Active participation in the International Olive Festival annually
- Organizing workshops for automatic olive picking methods in coordination with Al-Jouf University

Contributing to the Al-Jouf Award for Excellence and Creativity

- The company's contribution to the "We are all Ahl" campaign
- Contribute to ensuring food security
- Contribute to the World Civil Defense Day
- Contribute to supporting the activities of Al Ber Charity Association
- Contributing as a sponsor for the participation of the Emirate of Al-Jouf region in the Camel Festival
- Contributing to the Educational and Institutional Excellence Award of the Education Department



(14) The thirty-third general assembly of shareholders held on 3/4/2021 and the names of the members of the board of directors present:

The 33rd Ordinary General Assembly on 4/3/2021	Name	No
Attendance Record		
	His Royal Highness Prince / Abdul Aziz bin Mishaal bin Abdul Aziz Al Saud	1
√	Dr. Rashid bin Rashid bin Saad bin Awain	2
√	Mr. Abdul Rahman bin Abdul Aziz Al-Yameni	3
	Mr. Abdul-Aziz bin Muhammad Al-Hussein	4
	Mr. Mazrou bin Abdullah Al-Mazrou	5
√	Mr. Omar bin Riyadh Al-Humaidan	6
√	Mr. / Yasser Yahya Abdul Hamid Abed Rabbo	7
√	Mr. Ali bin Riyadh Al Humaidan	8
√	Dr. Mohamed Ahmed Hassan Fitaihi	9

(14) The thirty-fourth general assembly of shareholders held on 23/6/2021 and the names of the members of the board of directors present

The 34th Ordinary General Assembly on 23/6/2021	Name	No.
Attendance Record		
√	Engineer / Badr bin Hamed bin Abdul Raziq Al-Aujan	1
√	Dr. Rashid bin Rashid Awain	2
√	Mr. Ahmed bin Ibrahim bin Muhammad Hayjan	3
√	Mr. Khalid bin Muhammad bin Abdullah Al-Ali Al-Arifi	4
√	Mr. Abdul Rahman bin Abdul Aziz Al-Yemeni	5
√	Mr. Ali bin Riyadh bin Mohammed Al Humaidan	6
√	Mr. Omar bin Riyadh bin Mohammed Al Humaidan	7
√	Mr. mequad bin Abdullah bin Abdul Mohsen Al-Khamis	8
√	Ms. Nawar bint Hamad bin Ibrahim Al-Bahli	9

(15) A description of the company's main activities and its contribution in the results:

Al-Jouf Agricultural Development Company is intensifying its activities in the field of agricultural and industrial production and marketing, and the company's project is considered one of the best areas in the Kingdom in terms of its underground water stock and the fertility of its soil, which enabled it to achieve the highest average productivity of all crops and after a short period of time since its establishment it became one of the most important and leading agricultural companies In the field of food security, and in the field of marketing and sales, Al-Jouf Company pursued excellence in high competencies, and the company always seeks to deliver its products to all consumer sectors within the Kingdom, through sales outlets spread throughout the Kingdom in order to reach the citizen's needs of foodstuffs that The company produces it and fills the need, and through that we strive to achieve the goal in maximizing sales and then maximizing profits to benefit the shareholder, the following is a description of the company's main activities:

Olive



The olive sector is one of the important sectors in the company and one of its main pillars. The company has pumped great investments in this field after studying the market needs and the volume of demand. Thankfully, Al-Jouf Company's olive oil is considered the best oil in the Middle East and even in the world, according to the results of our participation in international competitions in Italy, America and Spain (New York Olive oil international competition) and new, exclusive varieties have been selected for the company, characterized by increased productivity and quality, which distinguishes us from others by producing high-quality oil. TAWTHIQ & (BCS) German In addition to that the company:

- 1) is a member of the Saudi Society for Organic Agriculture and the largest producer of organic olives in the Middle East.
- 2) (Obtaining the ISO22000 & HACCP certificate, which includes our compliance with international standards for food safety.
- 3) It has production lines with a capacity representing 600 tons of fruits per day and olive oil packaging lines with a production capacity of 8,000 tons annually.

Wheat



Wheat is considered one of the important strategic crops for the company, which is distinguished in terms of high productivity compared to other companies and the modern irrigation methods used in its cultivation. This crop is also one of the most important crops that flow into the state's strategy, may God protect it, in providing food security.

Nursery



The company has a large nursery based on a modern irrigation system for the propagation of different seedlings (such as fruit seedlings, olive seedlings and seedlings of ornamental trees) in order to meet the company's needs of seedlings instead of importing them at a high cost, as well as meeting the local market's demands for seedlings and supporting farmers by providing seedlings with guaranteed source and suitable for the region's climate.

Onions



The company grows onions as it is one of the crops with the highest productivity and then the cost of production is low. The company has succeeded in focusing on the good varieties in terms of production and marketing. The company has achieved great successes in cultivating onions of both types (yellow & white) and there is a great demand for the company's production of high quality onions as well as for It is put to the market fresh without storage under the company's logo (from Al-Jawf to Al-Jawf) and the company's onion is characterized by a low percentage of moisture, which helps to withstand the storage period.

Potatoes



Al-Jouf Company is characterized by the production of potatoes over 3 loops (spring - summer - autumn) due to the appropriate weather conditions. The needs of local markets and factories are covered with fresh potatoes. The company is distinguished by its diversity in its production of potatoes (French fries & Chips).

Palm Trees



Expansion is underway in the cultivation of palm trees, the Barhi variety, after the success of its experience in the company. Barhi Al-Jawf is characterized as being the best in the Kingdom in terms of size and quality. New varieties were planted last season (Ajwa Al-Madina - Al-Saq'i - Al-Majdoul - Sweet Al-Jawf) that will enter the production stage next season.

The Fruit



The company's plan is being completed regarding the replacement of economically unfeasible varieties with modern varieties whose efficiency has been confirmed in terms of production and marketing and modern methods of planting in the form of V have been followed to increase the number of trees in units of area and obtain the highest productivity at a lower cost (Peach - apricot - nectarine - grape – plum)

(Contribution of sectors to the company's revenues and profitability 2021)

Activity type	Activity revenues	Ratio	Impact on results
agricultural manufacturing activity	172,412,613	55%	19,484,827
agricultural activity	140,247,842	45%	(2,110,345)
Total	312,660,455	100%	17,374,482

(16) Description of the company's important plans and decisions and future expectations of the company's business: (Structure and Strategy):

A diagnostic study was carried out for the company through an independent consultant to find out the current situation of the company and to identify the strengths and weaknesses as well as the challenges and opportunities, and accordingly the company re-establishes the strategy, including the strategic goals and axes in the light of the outcomes of that study and to work on exploiting the available opportunities and optimizing the use of resources taking into consideration the preservation of the underground water wealth and working on the advancement of the company and placing it in the ranks of the reputable national companies to be one of the tributaries of food security in our beloved country.

Among the most important future plans and decisions are the following:

- 1) The foundation stone of the Potato Fingers Factory was laid on 28/8/2021, which, God willing, will be one of the most important industrial pillars of the company.
- 2) Optimum utilization of the company's resources.
- 3) Attracting the national competencies and expertise that it needs to carry out its tasks and achieve the strategic objectives for which it was established.
- 4) Raising the production efficiency of all crops with less water needs.
- 5) Continuing to work to reduce costs, reduce expenses and achieve rewarding returns for shareholders in line with their aspirations.
- 6) The company's management aims to maintain a positive, stimulating and highly productive work environment.
- 7) The company's management works to provide training and rehabilitation programs for its employees to raise their efficiency and qualify them for the work available in the company.

8) In line with the state's policy aimed at preserving water wealth, the company pushed to find alternatives that achieve an added value, which is the industrial environment, as the interest in this environment within the company represents one of the main axes to meet the requirements of the next stage after preparing a feasibility study in this regard.

(17) The risks that the company faces in light of the current and future challenges:

(1) Financial Risk Management:

The Company's activities are subject to a variety of financial risks: Market risk (including currency risk, fair value, cash flow, interest rate risk and price risk) credit risk and liquidity risk The company's overall risk management program focuses on the fluctuations of financial markets and the company's management attempts to minimize the negative effects potential impact on the company's financial performance, therefore the company uses derivative financial instruments to hedge exposure to certain risks.

Financial risk management framework:

The risk management policy is implemented by the senior management in accordance with the policies approved by the Board of Directors. The senior management determines, assesses and hedges financial risks in close cooperation with the operating units of the company - the most important types of risks are credit risk, currency risk or fair value and interest rates for cash flows - The Board of Directors has overall responsibility for establishing and overseeing the company's risk management framework. The Executive Management team is responsible for developing and monitoring the company's risk management policies. The business team conducts regular meetings. Any changes or matters relating to compliance with the policies are reported to the Board through Review Committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and company activities - the company aims through training, management standards and procedures to develop a responsible and constructive control environment so that all employees are aware of their roles and obligations.

The Audit Committee oversees management's compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The financial instruments included in the statement of financial position include cash, trade receivables, prepaid expenses and other debit balances, loans, accounts payable, accruals and other credit balances - the methods of evidence used are disclosed in the statement of policies related to each item.

Offsetting takes place between financial assets and liabilities and the net amounts stated in the financial statements when there is a statutory right to set-off for those listed amounts, as well as when the company intends to settle them on a net basis or sell the assets to pay the liabilities simultaneously.

(1) Market Price Risk:

Market price risk is that the fair value or cash flows of financial instruments may fluctuate due to changes in market prices. Market risk consists of three types of risk: interest rate risk, currency risk, and other price risk:

(2) Interest Rate Risk:

It is the exposure to various risks associated with the impact of fluctuations in the prevailing interest rates on the financial position and cash flows of the company. The Company manages this risk through risk management policies and management believes that the Company is not exposed to significant interest rate risk.

(3) Fair Value Risk:

The amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Since the financial statements are prepared on the basis of historical cost, differences may arise between the estimates of book values and fair values - and in the opinion of management, the fair values of current assets and liabilities do not differ significantly from their carrying values.

(4) Credit Risk:

The risk of one party being unable to meet its obligations, causing financial losses to the other party - The management continuously manages exposure to credit risk and creates provisions against doubtful balances to mitigate those risks.

(5) Concentration Risk:

Concentration risk arises when a number of counterparties are engaged in similar activities, or activities in the same geographical area or activities with similar economic advantages, which could affect their ability to fulfill contractual obligations similarly upon the occurrence of any economic or political changes or any circumstances. other. Concentrations indicate the relative sensitivity of the company's performance to developments affecting particular industries.

(6) Liquidity Risk:

It is the risk that the company will encounter difficulties in obtaining the financing necessary to meet obligations associated with financial instruments, and liquidity risk may result when the inability to sell a financial asset quickly at a value close to its fair value. Liquidity risk is managed through

regular monitoring of the adequacy of liquidity available to meet the company's financial obligations.

(7) Capital Management Risks:

When managing capital, the Company's objective is to ensure the Company's ability to continue as a going concern so that it can continue to provide returns to shareholders, and to maintain strong seed capital to support its business.

The Company manages its capital structure by monitoring returns on net assets and making adjustments to it in light of changes in economic conditions. For the purpose of maintaining or adjusting the capital structure, the company may adjust the amount of dividends paid to shareholders or may increase the capital. The Company also monitors capital using the borrowing ratio, which is the total debt (interest bearing loans and advances including financing costs, trade payables and other credit balances) capital refers to shareholders' equity as shown in the statement of financial position plus total debt.

(8) Risks related to human resources

The company's performance depends mainly on the experiences, skills and capabilities of its executives and other senior employees. The company's future performance depends to a large extent on its ability to attract highly qualified individuals as well as the ability to retain them, as competition is intense, at the present time for such employees who have Extensive expertise required and the company works to reduce employee leakage from it to reduce the effects of losing key employees, but there are no guarantees that the company's business will not be affected in the event that it is unable to attract, develop and retain qualified employees or replace them with employees at the same level of qualifications, capabilities and experience and may be affected The company as a result of the loss of the services of one or more of its key employees Those who cannot be replaced in the short and medium term, which may lead to the disruption of some businesses and may negatively affect the company's financial position and results of its operations. The company has so far been able to replace those employees who have left with other qualified employees. The company always seeks to attract qualified and professional employees in addition to developing the capabilities of the current employees to carry out greater tasks and occupy senior positions in the company. The Human Resources Department follows up on evaluating the performance of the existing manpower and determining the extent of the actual need to attract talent in certain locations.

(18) The assets, liabilities, and results of the company's business for the past five years 2017 to 2021

statement / year	2017	2018	2019	2020	2021
Total current assets	257,632,290	281,429,589	231,859,074	241,426,875	241,161,830
net fixed assets	602,765,954	565,663,848	542,247,953	490,456,438	509,452,573
total assets	860,398,244	847,093,437	774,107,027	731,883,313	750,614,403
Total current liabilities	81,844,123	65,702,436	60,363,920	94,674,330	750,614,403
Total non-current liabilities	93,318,079	87,211,722	87,499,794	29,074,737	25,693,125
Total Liabilities	175,162,202	152,914,158	147,863,714	123,749,067	122,992,130
statement / year	257,632,290	281,429,589	231,859,074	241,426,875	241,161,830
Total current assets	602,765,954	565,663,848	542,247,953	490,456,438	509,452,573

(a) The assets and liabilities of the company's business for five years:

(18) Continued assets, liabilities, and results of the company's business for the past five years 2017 – 2021

(b) Summary of Business Results for Five Years:

Income statement/year	2017	2018	2019	2020	2021
Revenues	305,615,188	358,934,363	224,447,971	223,210,102	321,660,455
revenue cost	231,222,752	255,559,513	183,955,192	158,922,930	244,161,514
gross profit	74,392,436	103,374,850	40,492,779	64,287,172	68,498,941
Net profit	25,600,983	35,762,762	20,798,707	21,350,507	17,374,482

(19) A geographical analysis of the company's total revenues for the year 2021:

Year	Geographical analysis of the company's total revenue (value in riyals)					
	Total Revenues	Northern Region	Central Region	Western Region	Eastern Region	Southern Region
2021	312,660,455	166,898,695	65,677,945	44,681,508	12,682,039	22,720,268

(20) Summary of the essential differences in the operational results for the year 2021 AD compared to the year 2020:

Statement	2020	2021	Change	Ratio
Total sales	223,210,102	312,660,455	89,450,353	40%
Sales cost	158,922,930	244,616,514	85,238,584	54%
total income	64,287,172	68,498,941	4,211,769	7%
Marketing expenses	27,762,520	27,088,208	674,312	-2%
General and administrative expenses	21,943,627	21,572,878	370,749	-2%
Decreased values of property, plant, equipment and vital assets	6,478,234	-	6,478,234	
operating profit	8,102,791	19,837,855	11,735,064	154%

(21) There is no difference in matching the accounting standards used by the company with the standards issued by the Saudi Organization for Certified Public Accountants.

(22) There are no subsidiaries of the company inside or outside the Kingdom of Saudi Arabia.

(23) No - Shares or debt instruments issued to subsidiaries, as the company does not own subsidiaries.

(24) Description of the Company's Dividend Policy:

Profits are distributed in accordance with the text of Article 47 of the company's articles of incorporation and articles of association. The annual net profits are distributed after deducting all public expenses and other costs as follows:

- 10 % of the net profits shall be set aside to form the statutory reserve of the company. The Ordinary General Assembly may decide to stop this deduction when the said reserve reaches 30% of the paid-up capital.

- The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside 10% of the net profits to form an agreement reserve and allocate it for a specific purpose or purposes, and it is not permissible to use that agreed reserve for a purpose other than the purpose for which it was allocated, except by a decision of the General Assembly based on a proposal by the Board of Directors.
- The Ordinary General Assembly may decide to form other reserves; This is to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The aforementioned assembly may also deduct a percentage not exceeding 10% of the net profits as amounts to establish social institutions for the company's employees or to assist the existing ones of these institutions.
- After that, a percentage of no less than 5% of the company's paid-in capital shall be distributed to the shareholders.
- The remuneration of a member of the Board of Directors may be a specific amount of 200,000 riyals, or an allowance for attending sessions, benefits in kind, or a certain percentage of net profits, and two or more of these benefits may be combined.
- If the remuneration is a certain percentage of the company's profits, then this percentage may not exceed 10% of the net profits, after deducting the reserves decided by the general assembly in application of the provisions of the law and the company's articles of association, and after distributing a profit to shareholders of no less than 5% of the capital The paid company, provided that the entitlement to this bonus is proportional to the number of sessions attended by the member.
- In all cases; The sum of the remunerations and benefits and financial or in-kind benefits that a member of the Board of Directors receives shall not exceed five hundred thousand riyals annually, in accordance with the regulations set by the competent authority.
- The company may distribute interim dividends to its shareholders on a quarterly or semi-annual basis under a mandate from the General Assembly of the Board, to be renewed annually.

The total dividends distributed for the fiscal year 2021 were proposed to be distributed as follows :

Statement	Profits distributed during the year 2021	profits to distributed at end of year	Total profits
Date	11/02/2021	0	7,500,000
The ratio	2.5%	0	
Total	7,500,000	0	

(25) There is no interest in the class of shares entitled to vote belonging to persons (other than the company's board of directors, senior executives and their relatives) who informed the company of those rights under Article Sixty-eight of the rules on the offering of securities and continuing obligations and any change in those rights during the fiscal year 2021 M.

(26) There is - no interest, contractual securities and subscription rights belonging to the members of the company's board of directors, senior executives and their relatives in the company's debt instruments or any change in that interest or those rights during the fiscal year 2019 AD

- As for the shares, there are only ownership percentages of the members of the board of directors and their relatives, according to the following statement :

(a) Board members own the board

	Name	Total shares at the beginning of the year	Ownership percentage at the year beginning	The net change in the number of shares during the year	The change during the year	Total shares at the end of the year	Ownership percentage at the end of the year
1	His Royal Highness Prince / Abdulaziz bin Mishaal bin Abdulaziz Al Saud	26164	0.08721%	—	—	0	
2	Dr. Rashid Rashid Al-Owain	46000	0.1533%	—	—	6000	0.0200%
3	Mr. Abdul Rahman Al-Yamani	1500	0.005%	—	—	1500	0.005%
4	Mr. Abdul Aziz bin Muhammad Al-Hussein	1000	0.003%	—	—		
5	Mr. Mazroua Abdullah Al-Mazrou	1000	0.003%	—	—	0	
6	Mr. Omar Riyadh Muhammad Al-Humaidan	16000	0.05333	—	—	0	
7	Mr. Yasser Yahya Abd Al-Hamid Abed Rabbo	0	—	—	—	0	
8	Mr. Ali Riyadh Muhammad Al-Humaidan	16012	0.05337	—	—	0	
9	Dr. Mohamed Ahmed Hassan Fitaihi	0	—	—	—	0	

(b) Senior Executives own:

1) There is no ownership of the company's shares by the remaining senior executives.

(27) Information related to loans:

•The company declares that it does not have any loans to any party, whether they are payable or not, that are not shown in the following statement:

The company's total debt	The remaining amount of the loan	Amount paid during the year	loan term	The principal amount of the loan	Name of the grantor of the loan	
6,450,000 SAR	6,268,381 SAR	4,300,000 SAR	5 Years	15,350,000 SAR	Saudi Industrial Development Fund	1

(28) There are no convertible debt instruments, contractual securities, subscription right memoranda, or similar rights issued or granted by the company during the fiscal year 2021, with an explanation of any compensation obtained by the company in exchange for that.

(29) There are - no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right memoranda, or similar rights issued or granted by the company during the fiscal year 2021.

(30) None - There is no redemption, purchase or cancellation by the company of any redeemable debt instruments and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries.

(31) The number of Board meetings held during the year 2021 AD The Board whose term ended on 3/21/2021.

The Board of Directors, whose session ended on 3/21/2021, met during the period from 1/3/2021 to 3/21/2021. The number of three meetings was by passing, and the dates of those meetings were as follows:

(Board meeting dates by scrolling)

Name of the members	7/2	1/3	17/3
His Royal Highness Prince / Abdulaziz bin Mishaal bin Abdulaziz	√	√	√
Mr. Abdul Aziz bin Muhammad Al-Hussein	√	√	√
Dr. Rashid bin Rashid Owain	√	√	√
Dr. Mazroua Abdullah Hamad Al-Mazroua	√	√	√
Mr. Omar Riyadh Muhammad Al-Humaidan	√	√	√
Mr / Yasser Yahya Abd Al-Hamid Abed Rabbo	√	√	√
A / Abdul Rahman bin Abdul Aziz Al-Yemeni	√	√	√
Mr. / Ali Riyadh Muhammad Al-Humaidan	√	√	√
Dr. / Mohamed Ahmed Hassan Fitaihi	√	√	√

The date of the last meeting of the thirty-third ordinary general assembly on 3/04/2021 for the council whose term ended on 3/21/2021

•The Board of Directors of the company, whose term ended on 3/21/2021, held three (3) meetings by passing during the year 2021 AD.

(31) Meetings of the Board of Directors held during the year 2021 AD, the Board whose term began on 3/21/2021.

No	Name	Position	Meeting date						
			27/12	11/4	3/8	27/6	4/5	22/3	
1	Eng. Badr Hamed Abdul Raziq Al-Aujan	Chairman of the Board	√	√	√	√	√	√	100%
2	Dr. Rashid Rashid Saad Awain	vice president	√	√	√	√	√	√	100%
3	Mr. Ahmed Ibrahim Muhammad Hayjan	board member	√	√	√	√	√	√	100%
4	Mr. Khalid Muhammad Abdulla Al-Arifi	board member	√	√	√	√	√	√	100%
5	Mr. Abdul Rahman Abdul Aziz Al-Yemeni	board member	√	√	√	√	√	√	100%
6	Mr. Ali Riyadh bin Mohammed Al Humaidan	board member	√	√	√	√	√	√	100%
7	Mr. Omar Riyadh Mohammed Al Humaidan	board member	√	√	√	√	√	√	100%
8	Mr. meqaad Abdullah Al-Khamis	board member	√	√	√	√	√	√	100%
9	Ms. Nawar Hamad Ibrahim Al-Bahli	board member	√	√	√	√	√	√	100%

(32) The number of the company's requests to the shareholders' register, the dates of those requests and their reasons:

No	Requests reason	Requests date 2021	the company's requests to the shareholders register
1	Earnings file	31/01	1
2	Corporate Actions	01/03	1
3	General Assembly	04/03	1
4	Corporate Actions	01/04	1
5	Corporate Actions	19/04	1
6	General Assembly	03/06	1

(33) Transactions between the company and related parties during the year 2021:

No	The name of the relevant party	Transaction amount
1	Abdullah Al-Othaim Markets Company	12,472,781 SR

Transactions with related parties represent transactions between Al-Jouf Agricultural Development Company and Abdullah Al-Othaim Markets Company, which are olive oil sales and the origin of transactions for related parties from the following:

Engineer / Badr bin Hamed bin Abdul Raziq Al-Aujan, Chairman of the Board of Directors of Al-Jouf Company for Agricultural Development

Eng. Badr bin Hamed bin Abdul Razek Al Aujan, Vice Chairman of the Board of Directors of Abdullah Al Othaim Markets Company

(34) Any business or contracts the company is a party to, or in which a member of the company's board of directors, senior executives, or any related person had an interest during the year 2021.

Related party	Conditions of work	Duration of work	Amount of work	Nature of work
Eng. Badr bin Hamed bin Abdul Razek Al-Aujan	the free market.	per year	12,472,781 riyals	Sales of olive oil

(35) There is no arrangement or agreement under which a member of the company's board of directors or a senior executive has waived any remuneration during the fiscal year 2021.

(36) There is no arrangement or agreement under which one of the company's shareholders has waived any rights to profits during the fiscal year 2021.

(37) A statement of the value of the paid and due statutory payments to pay any zakat, taxes, fees, or any other dues that have not been paid until the end of the financial period 2021, with a brief description of them and a statement of their reasons:

statment	2021		Description	Statement reasons
	paid up/ Riyals	the end of the annual financial period and has not been paid		
Zakat	5,638,163	4,731,583	Zakat 2021 will be paid after submitting the declaration	-
Tax	12,456,188	1,410,255		-
The Public Institution for Social Security	3,213,286	274,551	insurances for the December 2021 were paid in January 2022	-
visas and passports	1,187,224	-	-	-
Labor office fees	7,062,417	-	-	-

(38) There are - no investments or reserves established for the benefit of the company's employees during the fiscal year 2021.

(39) The company's board of directors acknowledges the following- :

- 1) That the accounting records are properly prepared.
- 2) The internal control system needs to be developed and updated.
- 3) That there is no doubt about the issuer's ability to continue its activity.

(40) There are no reservations on the financial statements by the company's auditor.

(41) There is - no recommendation by the Board of Directors to change the company's auditor before the end of the period for which it was appointed.

(42) None - Treasury shares held by the company.

(43) The company confirms that it has not received from shareholders owning 5% of the capital or more a request to convene the general assembly during the ended fiscal year, or to add one or more topics to the agenda of the general assembly when it was prepared.

(44) The company confirms that the shareholder has the right to obtain a share of the company's assets upon liquidation, and the right to monitor the work of the Board of Directors and file a liability claim against the members of the Board, based on what was stated in the company's articles of association, and he has the right to attend the general assemblies, participate in its deliberations and vote on its decisions And all that was stated in Article Five (Rights Associated with Shares) of the Corporate Governance Regulations.

(45) No party has requested access to the annual reports of investors who are legal persons who act on behalf of others, such as investment funds.

Declarations of the Board of Directors and Executive Management

The Board of Directors was keen to ensure the professional performance of the company during the 2021 fiscal year ending on 12/31/2021 and acknowledges the following.

- There are no shares or debt instruments owned by the subsidiaries, and there are no subsidiaries at all
- There are no convertible debt instruments, no securities, contractual rights to subscribe, or similar rights Issued or granted by Al-Jouf Agricultural Development Company, and there is no compensation obtained by Al-Jouf Company return.

- There are no transfer or subscription rights under convertible debt securities, or any securities, or subscription right or similar rights issued or granted by Al-Jouf Agricultural Development Company
- There is no material conflict of interest during the fiscal year 2021
- The Board did not receive a request from the external auditor to invite the General Assembly to convene during the fiscal year 2021
- The Board did not receive a request from the shareholders owning 5% or more of the company's capital to invite the General Assembly to be held during the fiscal year 2021.
- There are no procedures that would obstruct the shareholders' right to vote
- The company did not provide loans or credit facilities to any member of the Board of Directors
- Accounting records have been prepared and updated correctly
- The internal control system has been prepared on sound foundations and has been effectively applied
- There are no significant doubts about the ability of Al-Jouf Agricultural Development Company to continue its activities
- There are no material events that affect the safety of the company's financial position after the end of the fiscal year for the fiscal year 2021 that require disclosure, other than the information available and announced in the supplementary notes to the financial statements

board of directors' recommendations

After reviewing the most important operational and financial activities for the fiscal year 2021, the Board recommends to the General Assembly:

- Approval of the report of the Board of Directors for the year ended 31/12/2021
- Approval of the company's auditor's report for the fiscal year ending on 12/31/2021
- Approval of the financial statements for the fiscal year ending on 31/12/2021
- Approval to absolve the members of the Board of Directors from liability for the fiscal year ending on 31/12/2021
- Vote for the appointment of the company's auditor from among the candidates based on the recommendation of the Audit Committee, and this is done to examine, review and audit the financial statements and zakat for the

second, third, fourth and annual quarters of the fiscal year 2022 AD and the first quarter of 2023 and determine its fees.

- To vote on authorizing the Board of Directors to distribute interim dividends to the company's shareholders for the fiscal year 2022,

On a semi-annual or quarterly basis, with defining eligibility and payment dates in accordance with regulatory controls and procedures issued by the Capital Market Authority.

The venue and date of the General Assembly and any other items on the agenda will be announced at a later date.

Agenda of the General Assembly

- 1- Voting on the report of the Board of Directors for the year ending on December 31, 2021
- 2- Voting on the company's auditor's report for the fiscal year ending on December 31, 2021
- 3- Vote on the financial statements for the fiscal year ending on 31/12/2021
- 4- Vote for the appointment of the company's auditor from among the candidates based on the recommendation of the Audit Committee, to examine, review and audit the financial statements and zakat for the second, third, fourth and annual quarters of the fiscal year 2022 AD and the first quarter of 2023 and determine his fees.
- 5- Vote to absolve the members of the board of directors from liability for the fiscal year ending on December 31, 2021
- 6- Vote on authorizing the Board of Directors to distribute interim dividends to the company's shareholders for the fiscal year 2022, on a semi-annual or quarterly basis, with defining eligibility and payment dates in accordance with the regulatory controls and procedures issued by the Capital Market Authority.
- 7- Voting on the business and contracts that took place between the company and the company (Abdullah Al-Othaim Markets Company), in which the Chairman of the Board (Eng. Badr bin Hamed bin Abdul Razek Al-Aujan) has an (indirect) interest in his capacity as a board member in the Abdullah Al-Othaim Markets Company, which is It is (commercial transactions carried out according to market conditions) amounting to (12,472,781) riyals. (attached)

- 8-** To vote on delegating the Board of Directors to the authority of the Ordinary General Assembly with the authorization contained in Paragraph (1) of Article 71 of the Companies Law, for a period of one year from the date of approval by the General Assembly or until the end of the delegated Board of Directors' session, whichever is earlier, in accordance with the conditions contained in the controls and procedures Regulatory regulations issued in implementation of the Companies Law for Listed Joint Stock Companies

In conclusion, the Board of Directors extends its thanks and appreciation to the shareholders, the executive management, the employees of the company and all stakeholders, praying to God Almighty to help us and you for the good of all.

Board of Directors of Al-Jouf Company

March 2022 AD