

THIMAR Development Holding Company

Saudi joint- stock company



The Board of Directors' Report

2022

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Board Members



Engineer / Abdullah bin Udah Al-Anzy
(Chairman)



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



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



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



Mr. Ibrahim bin
Mohammed Alshabeeb
(Board Member)

Engineer. Sarry bin Ibrahim Al
Maiuof
(Board Member)

Mr. Ibrahim bin
Abdulkarim Al Maiuof
(Board Member)

Engineer. Waleed bin Abdulaziz Ash-
Shuwayer
(Board Member)

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1) Introduction:

The Board of Directors of THIMAR Development Holding Company has the pleasure to submit to the esteemed shareholders its annual report along with the financial statements for the fiscal year expiring on December 31, 2022. The report contains the main business results and developments that have been achieved during the same year. All the achievements could be attributable to the efforts of employees and sustained observance of the directives of the Chairman and the Board members.

2) About the Company:

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

3) Capital:

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

4) Main Activity:

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

5) The company's vision, mission, objectives and values:

The Company is currently under financial regulation, and an ambitious strategic plan has been drawn up by the current management to advance the Company. Such plan depends on increasing the capital and investment in the Company's activities.



Our vision

Achieving the objectives of the vision in terms of food security and exporting local products.

Our Mission

Investing in outstanding capabilities to achieve outstanding profits and results for shareholders.

Our objectives

The main objectives of the company are:

- Exploring distinct investment opportunities in the agricultural and food fields.
- Entering into successful partnerships that achieve rewarding returns for the company.
- Supporting opportunities that can be transferred into the financial markets after helping it to achieve the necessary requirements.
- Reinstating some of the company's previously outstanding activities.

Our values

We fully understand the need to be a regulated yet flexible company in order to catch up with a rapidly evolving business environment. We believe in quality, professionalism, creativity and teamwork when we do business. We aim to achieve a prestigious position characterized by integrity in all activities.

6) Financial Affairs:

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

	For the year ending on December 31				
	2018G	2019G	2020G	2021G	2022 G
Activity revenues	71,052,175	41,887,332	3,668,062	425,304	-
Activity Cost	(54,169,125)	(41,443,286)	(7,224,311)	(410,643)	-
Total profits/ (Loss)	16,883,050	444,046	(3,556,249)	14,661	-
Operating expenses	(18,153,178)	(14,567,752)	(8,769,750)	(79,156,388)	(7,122,001)

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General and administrative expenses - Financial reorganization procedure	-	-	-	(275,000)	(550,000)
(Forming) Expected credit loss allowance	-	-	-	(22,210,602)	(256988)
Recovery of expected credit loss allowance	-	(23,355,080)	-	-	107,969
Debit balance allowance-enforcement court	-	-	-	(4,015,027)	(196,824)
Provision for contingent liabilities	-	-	-	-	(843,720)
Recovery /Depreciation losses of property and machinery	-	-	-	(12,672,951)	341,652
Lawsuits and financial claims	-	-	-	(45,508,738)	-
Losses of excluding projects in progress	-	(15,125,115)	-	-	-
The Company's share in the profits (losses) of subsidiaries	(1,194,844)	(2,974,588)	-	-	-
Other revenues (expenses), net	203,309	665,774	646,316	1,390,947	3,814,500
Revenue from Operations	(2,261,663)	(54,912,715)	(11,679,683)	(162,433,098)	(4,705,412)
Financing Cost	(791,644)	(557,550)	-	(18,296)	-
Net (loss) before zakat	(3,053,307)	(55,470,265)	(11,679,683)	(162,451,394)	(4,705,412)
Zakat	(1,437,486)	(1,264,743)	-	-	-
Net (loss) of the year	(4,490,793)	(56,735,008)	(11,679,683)	(162,451,394)	(4,705,412)
Actuarial losses from re-measurement of defined employee benefit plan liabilities	-	-	-	(155,283)	120,980
Surplus of re-evaluation	-	-	-	-	31,658,561
Total other comprehensive income	-	-	-	(155,283)	31,779,541
Total comprehensive income for the year	(4,490,793)	(56,735,008)	(11,679,683)	(162,606,677)	27,074,129

b) Comparison of operating results for two years:

	For the year ending on December 31			
	2021G	2022 G	Net variations	Variation percentage
Activity revenues	425,304	-	(425,304)	(%100)
Activity Cost	(410,643)	-	410,643	(%100)
Total profits/ (Loss)	14,661	-	(14,661)	(%100)
Operating expenses	(79,156,388)	(7,122,001)	72,034,387	(%190.85)
General and administrative expenses - Financial reorganization procedure	(275,000)	(550,000)	(275,000)	%100
(Forming) Expected credit loss allowance	(22,210,602)	(256988)	21,953,614	(%100.49)

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Recovery of expected credit loss allowance	-	107,969	107,969	-
Debit balance allowance-enforcement court	(4,015,027)	(196,824)	3,818,203	(%95.10)
Provision for contingent liabilities	-	(843,720)	(843,720)	-
Recovery /Depreciation losses of property and machinery	(12,672,951)	341,652	13,014,603	(%102.70)
Lawsuits and financial claims	(45,508,738)	-	45,508,738	(%100)
Other revenues (expenses), net	1,390,947	3,814,500	2,423,553	%174.24
Revenue from Operations	(162.433098)	(4.705,412)	157.727.686	(%97.10)
Financing Cost	(18.296)	-	18.296	(%100)
Net (loss) before zakat	(162.451.394)	(4.705.412)	157.745.982	(%97.10)
Zakat	-	-	-	-
Net (loss) of the year	(162.451.394)	(4.705.412)	157.745.982	(%97.10)
Actuarial losses from re-measurement of defined employee benefit plan liabilities	(155.283)	120.980	276.263	(%177.91)
Surplus of re-evaluation	-	31.658.561	31.658.561	-
Total other comprehensive income	(155.283)	31.779.541	31.934.824	(%20565.56)
Total comprehensive income for the year	(162.606.677)	27.074.129	189.680.806	(%116.65)

c) financial position summary

	As of December 31,				
	2018G	2019G	2020G	2021G	2022 G
Current assets	130,047,190	97,710,495	91,645,131	2,333,530	827,944
Non-current assets	51,274,421	29,634,090	27,846,656	11,713,391	43,318,376
Total assets	181,321,611	127,344,585	119,491,787	14,046,921	44,146,320
Current liabilities	51,197,514	76,798,399	80,318,971	139,409,488	143,226,799
Non-current liabilities	25,321,362	2,478,459	2,784,772	856,066	64,025
Total liabilities	76,518,876	79,276,858	83,103,743	140,265,554	143,290,824
Shareholders' equity	104,802,735	48,067,727	36,388,044	(126,218,633)	(99,144,504)
Total liabilities shareholders' equity	181,321,611	127,344,585	119,491,787	14,046,921	44,146,320

7) Zakat and other government payments:

THIMAR made a total allowance of (zero) for the estimated zakat for 2022 G, and the zakat due until 2022, amounting to (15,776,941 SAR). The following is a summary of the zakat status:




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- The Company obtained a final assessment for the year expiring on December 11, 2020.
- The declarations were submitted for the period 2006 - 2017 via the Zakat Authority website, and the Company obtained a limited certificate.
- The Company's management sees that the provision made is sufficient and there is no need to increase it, as it was calculated according to the Zakat base.
- On 16/12/2018, a plan to collect zakat dues into 11 installments started with a total amount of 6,943,873 riyals. The value of each installment is 182,733 riyals starting on 16/12/2018.
- The financial statements expiring on 31/12/2022 for the Company on 27/03/2023 have been issued, and there is no zakat provision for 2022G.

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

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

8) Loan summary:

The following are the details of THIMAR loans:

Financer	Credit limit	Withdrawals	Advance payments	Outstanding balance	Payments made in 2022
Short-term loans and credit facilities					
The Saudi British Bank	-	-	-	32,033,389	-
Total	-	-	-	32,033,389	-




9) Affiliates:

Name of the affiliate company	Capital	Ownership Percentage	Its activity	Country of operations	Country of incorporation
Fresh Fruits Company	500.000	50%	Wholesale and retail trade in vegetables and fruits	Saudi Arabia	Saudi Arabia

10) General Assembly meetings:

The General Assembly meetings during The year 2022 AD:

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

No.	Member's name	Ordinary General Assembly 16/08/2022 AD	Ordinary General Assembly 17/10/2022 AD
1	Abdullah bin Udah Al-Anzy	Attended	Attended
2	Khaled bin Asaad Khashoqi	Attended	Attended
3	Melfi bin Manahi Al-Marzouqi	Attended	Attended
4	Mohammed bin Abdul- Wahhab As-Skeet	Attended	Attended
5	Ibrahim bin Abdulkarim Al Maiuof *	Attended	Not attended
6	Sarry bin Ibrahim Al Maiuof*	Not attended	Not attended
7	Ibrahim bin Mohammed Alshabeeb**	Not attended	Not attended
8	Waleed Abdulaziz Ash-Shuwayer	Attended	Attended

* Mr. Ibrahim Al Maiuof, and Mr. Sari Al Maiuof, were removed on 16/08/2022 AD.

** Mr. Ibrahim bin Mohammed Alshabeeb resigned on 09/02/2022 AD.



11) Board of Directors:

a) The composition of THIMAR's Board of Directors:

The Board of Directors composition is as follows:

No.	Member's name	Position
1	Abdullah bin Udah Al-Anzy	Independent
2	Khaled bin Asaad Khashoqji	Independent
3	Melfi bin Manahi Al-Marzouqi	Executive
4	Mohammed bin Abdul- Wahhab As-Skeet	Independent
5	Ibrahim bin Abdulkarim Al Maiuof	Non-executive
6	Sarry bin Ibrahim Al Maiuof	Non-executive
7	Ibrahim bin Mohammed Alshabeeb	Independent
8	Waleed bin Abdulaziz Ash-Shuwayer	Independent

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

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



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	Member of Calin Capital Group's Board of Directors	Member of the Saudi-French Business Council	
	Member of the Marketing Committee, Chemanol Company		
Melfi bin Manahi Al-Marzouqi	Board Member - Managing Director of THIMAR Development Holding Company	Senior CEO / Etihad Etisalat Company (Mobily)	Bachelor of Business Administration Premier Executives Program, London Business School
	Member of Chemanol Company's Board of Directors		
Mohammed bin Abdul-Wahhab As-Skeet	Board member of THIMAR Development Holding Company	Chief Executive Officer / Basis of Creativity Consulting Company	Bachelor of Public Administration The International Certificate to practice commitment profession Diploma in Banking Management and Investment
	Head of Compliance, Governance and Relations / Saudi Paper Manufacturing Company	Director of Compliance, Governance, AML/CFT / Solidarity Company	
Waleed bin Abdulaziz Ash-Shuwayer	Board member of THIMAR Holding Company	Al Jomaih Equipment Company	Bachelor's degree in agricultural engineering
	Executive Vice President of Al Jouf Cement Company	Alkhorayef Company - Director	
	Member of Chemanol Company's Board of Directors		
Ibrahim bin Abdulkarim Al Maiuof	Board member	Adviser, General Directorate of Planning and Budget, Ministry of Defense and Aviation	BA, MA in Administration and Law
Sarry bin Ibrahim Al Maiuof	Board member	CEO	Bachelor of Business Administration



Ibrahim bin Mohammed Alshabeeb	Board member	CEO of Gourmet Gulf	MA in Information
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c) Board meetings:

No.	Member's name	First meeting 30/03/2022 G	Second meeting 30/06/2022 G	Third meeting 22/08/2022 G
1	Abdullah bin Udah Al-Anzy	Attended	Attended	Attended
2	Khaled bin Asaad Khashoqji	Attended	Attended	Attended
3	Melfi bin Manahi Al-Marzouqi	Attended	Attended	Attended
4	Mohammed bin Abdul-Wahhab As-Skeet	Attended	Attended	Attended
5	Ibrahim bin Abdulkarim Al Maiuof	Attended	Attended	-
6	Sarry bin Ibrahim Al Maiuof	Attended	Attended	-
7	Ibrahim bin Mohammed Alshabeeb	-	-	-
8	Waleed bin Abdulaziz Ash-Shuwayer	Attended	Attended	Attended

12) Board Committees: There are three board committees as follows:

a) Audit Committee:

Audit Committee's terms of reference and responsibilities:

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



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- Obtaining the necessary assurances on the effectiveness of the Company's internal control systems, and preparing a written report including its recommendations and views on the adequacy of such systems and the effort it has made to ensure their efficiency within the scope of the Committee's competence, provided that this report is submitted on an annual basis unless there is a need to submit it earlier.
- Considering draft policies and powers and commenting on them in light of its supervisory role before they are approved by the Board of Directors.
- Reviewing the regulations of the Board of Directors and its committees and commenting on them in light of their supervisory role before they are approved by the Board of Directors.
- Reviewing the executive management reports related to the internal control system and its components, and commenting thereon.
- Considering the subjects referred to it by the Board of Directors to give recommendations regarding them to the Board in light of its supervisory role.
- Considering the initial and annual financial statements of the Company and its subsidiaries before submitting them to the Board of Directors and recommending their approval.
- Considering any important or unusual issues contained in the financial reports.
- Verifying accounting estimates in the core issues contained in the financial reports.
- Considering and commenting on the accounting and financial policies adopted by the Company and giving recommendations to the Board of Directors regarding them.
- Giving a technical view, at the request of the Board of Directors, as to whether the report of the Board of Directors and the Company's financial statements are fair and balanced and include information that allows shareholders to assess the Company's financial position, performance, business model and strategy.
- Careful examination of what the Company's financial manager or his deputy, or the Company's internal audit, or the auditor may raise.
- Considering the internal audit report, including internal audit comments and relevant recommendations and making the necessary plan to implement the corrective measures for these comments.
- Controlling and supervising the performance and activities of the Company's internal audit department to ensure that the necessary resources are available and assist in effectively performing the tasks assigned to it.

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- Reviewing and approving the internal audit charter.
- Considering and approving the strategic and annual internal audit plan.
- Recommending that the Board of Directors appoint the Director of the Internal Audit Department and proposing his remuneration in accordance with the Company's internal regulations.
- Adopting the organizational structure of the internal audit function in a way that ensures its independence and effective and efficient performance of its work.
- Considering and reviewing the Company's risks.
- The internal audit unit/department prepares a written report on its work and submits it to the Board of Directors, the Audit Committee, and the executive management on a quarterly basis. This report must include an assessment of the Company's internal control system and the audit unit or department's findings and recommendations. It must also embody a statement of the measures taken by each department to address the results and recommendations of the previous audit, any comments thereon, especially in the event that they are not dealt with in timely manner the justifications for that.
- The audit unit/department operates according to a comprehensive annual audit plan approved by the Audit Committee and Executive Management, and this plan must be updated on an annual basis.
- Recommending that the Board of Directors nominate and remove the external auditor, determine his fees and assess his performance, after checking his independence and reviewing the scope of his work and the terms of contracting with him.
- Verifying the independence of the external auditor, determining the objectivity and fairness of his reports, and the effectiveness of audit work, taking into consideration the related rules and standards.
- Reviewing the external auditor's plan and work, verifying that he has not submitted technical or administrative work that is outside the scope of the audit work, and commenting on it.
- Considering the external auditor's report and comments on the financial statements and following up on the action taken in this respect.
- Responding to the external auditor's questions in coordination with the executive management.

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- Considering the report of the external auditor and his comments on the financial statements and following up on what has been taken in this regard after they are approved by the committee.
- Reviewing the findings of the regulators' reports and checking that the Company has taken the required measures.
- Verifying the Company and its employees' compliance with internal laws, regulations, policies, and instructions, in addition to those issued by the relevant regulators and supervisory authorities.
- Reviewing and advising on the systems and practices established by the Board of Directors to monitor compliance with laws, regulations and conflict of interest policies.
- Verifying an effective policy for reporting administrative, financial and behavioral irregularities and fraud cases.
- Reviewing contracts and transactions proposed to be conducted by the Company with related parties, and submitting its comments thereon to the Board of Directors.
- Submitting to the Board of Directors the issues that they deem necessary to take action on and making recommendations for the measures to be taken.

Audit Committee's Report:

During 2022, the Audit Committee of **THIMAR Development Holding Company** carried out works within its scope of competence, the most prominent of which are:

- Make Recommendation to the Board of Directors to hire an external auditor to audit the financial statements for the period ending in the first quarter of 2022 AD, the second quarter of 2022 AD, the third quarter of 2022 AD, and the last quarter of the fiscal year ending on December 31, 2022 AD, as well as the first quarter of 2023 AD.
- Supervising the work of the external auditor, reviewing the audit plan, verifying their independence and ensuring they do not provide technical or administrative services beyond the scope of the audit, and meeting with them regularly.
- Studying the quarterly and annual financial statements and submitting the necessary recommendations thereon to the Board of Directors.

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- Continuous communication with the Board of Directors to inform it of the updated recommendations of the Audit Committee, as well as with regard to the control policies and procedures in the company.

Audit Committee's Members:

- 1- Mr. Aziz Mohammed Al-Qahtany (Chairman of the Committee)
- 2- Mr. Abdulaziz Awajan Ar-Rashidy (Committee member) **resigned on 07/06/2022 AD.**
- Mr. Khaled Asaad Khashoggi (Committee member)
- 4- Waleed Abdulaziz Ash-Shuwayer (Committee member)

Audit Committee's meetings:

No.	Member's name	First meeting 28/06/2022 G	Second meeting 16/11/2022 G
1	Aziz Mohammed Al-Qahtany	Attended	Attended
2	Waleed Abdulaziz Ash-Shuwayer	Attended	Attended
3	Khaled Asaad Khashoggi	Attended	Attended
4	Abdulaziz Awajan Ar-Rashidy	Resigned on 07/06/2022 AD	

b) Nominations and Remunerations Committee

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

- Preparing a clear policy for the remuneration of the Board of Directors, the committees emanating from the Board, and the executive management, and presenting it to the Board of Directors for consideration before approving it by the General Assembly. This policy should adhere to performance-related criteria and be disclosed, with verification of its implementation.
- Clarifying the relationship between the granted remunerations and the applicable remunerations policy, and highlighting any material deviation from this policy.
- Periodic review of the remuneration policy, and evaluation of its effectiveness in achieving the desired goals.




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- Making recommendations to the Board of Directors regarding the remuneration of the Board members, the committees emanating from the Board, and the senior executives of the company, in accordance with the approved policy.
- Suggesting clear policies and criteria for membership in the Board of Directors and Executive Management.
- Making recommendations to the Board of Directors regarding the nomination and re-nomination of its members, in accordance with the approved policies and criteria.
- Making recommendations to the Board of Directors regarding the nomination of members of the subsidiary committees.
- Preparing a description of the required capabilities and qualifications for Board of Directors' membership and executive management positions."
- Determining the time commitment required from each member for Board of Directors' duties.
- Annual review of the necessary skills or appropriate experience required for Board of Directors' membership and executive management positions.
- Reviewing the structure of the Board of Directors and executive management and providing recommendations on possible changes that can be made.
- Annually verifying the independence of independent members and ensuring that there are no conflicts of interests between the company and the Board of Directors' members.
- Developing job descriptions for executive and non-executive members, independent members, and executive management, and recommending their appointment to the Board.
- Developing special procedures in the event of a vacancy in a position of a Board member or senior executive.
- Determining the strengths and weaknesses of the Board of Directors, and proposing solutions to address them in line with the interest of the company.

The Nominations and Remunerations Committee's Members:

1. Mohammed bin Abdul-Wahhab As-Skeet (chairman)
2. Abdullah bin Udah Al-Anzy (committee member)

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3. Mohammed bin Khaled Al-Mutairy (committee member)

Nominations and Remunerations Committee meetings:

No.	Member's name	First meeting 14/02/2022 G
1	Mohammed Abdul- Wahhab As-Skeet	Attended
2	Abdullah Udah Al-Anzy	Attended
3	Mohammed Khaled Al- Mutairy	Attended

c) Executive Committee:

The Executive Committee's terms of reference:

The Committee shall be authorized by the Board with full powers to:

- Providing support to the Board of Directors to supervise competency.
- Supportin, guiding and assisting the executive management in performing their duties and regularly monitoring their work.
- Making recommendations to the Board for setting and approving priorities and goals related to allocating the company's financial resources, capital expenditures for projects including financial matters and others, such as mergers and acquisitions, investments, disposal of investments, restructuring, and reorganization.
- Working in an advisory capacity to the Board regarding policies and strategies that affect the company's role.
- Drawing medium and long-term strategies and plans, reviewing them according to market changes, and ensuring their effective implementation.
- Performing any additional tasks from time to time as it deems necessary in its sole discretion and/or as assigned by the Board.
- Reviewing any amendment to the company's work regulations and policies and making recommendations to the Board.



- Formulating, reviewing and communicating with the executive management to present the company's strategy and plans.
- Studying any subject presented to it by the executive management.
- Agreeing on business policy guidelines based on the approved company strategy.
- Presenting the company's budget and plans to the Board, after verifying the budgets and plans following their approval.
- Making recommendations to the Board for ensuring appropriate levels of delegation of authority to senior management in the company.
- Ensuring the existence of an effective organizational structure and arrangement within the company, in line with the company's procedures for the effective implementation of the business plan.
- Taking such decisions that exceed the authority of the Executive Management assigned by the Board regarding capital expenditures or purchase up to an amount owed by the Board to the Committee in accordance with the approved powers.
- Supervising the company's performance, including the performance of agreed-upon key indicators in all aspects of the company's work, and submitting reports to the Board as needed.
- Evaluating the risks facing the company, mitigating them, and continuously monitoring those risks.
- Monitoring the proper implementation of the company's business plan as approved by the Board of Directors.
- Identifying and activating new job opportunities outside the scope of the company's current core activities, and studying geographical diversity.

Executive Committee's members:

1. Engineer. Abdullah bin Udah Al-Anzy (Chairman)
2. Mr. Khaled bin Asaad Khashoqji (Member)
3. Mr. Melfi bin Manahi Al-Marzouqi (Member)
4. Engineer. Waleed bin Abdulaziz Ash-Shuwayer (Member)



Executive Committee meetings:

No.	Member's name	First meeting 14/08/2022G	Second meeting 31/10/2022G
1	Abdullah bin Udah Al-Anzy	Attended	Attended
2	Khaled bin Asaad Khashoqji	Attended	Attended
3	Melfi bin Manahi Al-Marzouqi	Attended	Attended
4	Waleed bin Abdulaziz Ash-Shuwayer	Attended	Attended

13) Description of any interest belonging to Board members, senior executives and their relatives:

This report was prepared on 29/03/2023G Because the appointment of the majority of the current Board members was approved by the General Assembly, on 8/7/2021 and some documents and information were unavailable, it was not possible to disclose all the details.

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

14) Rewards and fees for the Board members, committees and senior executives:

Remunerations of Board and committee members:

According to the company's articles of association and the list of remunerations for the members of the Board of Directors and its sub-committees.



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

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

A. Remuneration due to Board Members.

The following table shows the remuneration and rewards of Board members for their office in the Board and Committees for 2022. (**Attendance allowance has been released on 31/03/2023G and no other payments have been made to date**)

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Description	Annual Remuneration	Board's Attendance Allowance	Fixed Rewards					Variable Rewards					
			Bonus and attendance allowance		In-kind benefits	Technical and consultancy & administrative works'	Or the Remuneration of Secretary (if a member)	Percentage of profits (x)	Periodic Remuneration	Short-term incentive plans	Long term incentive plans	Shares awarded (add value)	Expenses allowance
			Committees' meetings										
			(Without counting bonus and attendance allowance for the audit committee)										
Remuneration	Attendance Allowance												
1 Abdullah Udah Al-Anzy	180,000	9,000	220,000	4,500	0	0	0	0	0	0	0	0	0
2 Khaled Asaad Khashoqi	120,000	9,000	100,000	3,000	0	0	0	0	0	0	0	0	10,000
3 Mohammed Abdul-Wahhab As-Skeet	120,000	9,000	120,000	1,500	0	0	0	0	0	0	0	0	2,000
4 Ibrahim Abdulkarim Al Maiuof*	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Ibrahim Mohammed Alshabeeb**	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Waleed Abdulaziz Ash-Shuwayer	120,000	9,000	100,000	3,000	0	0	0	0	0	0	0	0	0
II: Non-executive members													
1 .	0	0	0	0	0	0	0	0	0	0	0	0	0
III: Executive members													
1 Sarry Ibrahim Al Maiuof*	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Melfi Manahi Al-Marzouqi	120,000	9,000	100,000	3,000	0	0	0	0	0	0	0	0	0



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

B. Remuneration of Committee Members.

The Committees' Regulations adopted by the General Assembly or the Board of Directors include remuneration received by the Members of the Committees of SAR 120,000 for the Committee Chairmans and SAR 100,000 per Committee member in proportion to his attendance at the number of meetings, and an attendance allowance of (SAR 1.500) per meeting. The company shall pay for travel and transportation expenses to the city where the meeting will take place.

The following table shows the remuneration and rewards of Committees' Members for their office in the Committees for 2022G. (**Attendance allowance has been released on 31/03/2023G and no other payments have been made to date**)

In (SAR)	Fixed remuneration (excluding attendance allowance)	Attendance allowance	Total
Audit Committee's Members			
Aziz Mohammed Al-Qahtany	120.000	3.000	123.000
Waleed Abdulaziz Ash-Shuwayer	100.000	3.000	103.000
Khaled Asaad Khashoqi	100.000	3.000	103.000
Abdulaziz Awajan Ar-Rashidy*	.	.	.
Total	320.000	9.000	329.000
The Nominations and Remunerations Committee's Members			
Mohammed Abdul- Wahhab As-Skeet	120.000	1.500	121.500
Abdullah Udah Al-Anzy	100.000	1.500	101.500
Mohammed Khaled Al-Mutairy	100.000	1.500	101.500
Total	320.000	4.500	324.500
Executive Committee's members			
Abdullah Udah Al-Anzy	120.000	3.000	123.000
Melfi Manahi Al-Marzouqi	100.000	3.000	103.000
Khaled Asaad Khashoqi	100.000	3.000	103.000
Waleed Abdulaziz Ash-Shuwayer	100.000	3.000	103.000
Total	420.000	12.000	432.000

* Mr. Abdulaziz Awajan Ar-Rashidy resigned on 09/02/2022 AD and did not attend any meetings.



C. Senior Executives Remuneration

Based on recommendation of the Nominations and Remuneration Committee, the Board of Directors determines the terms of contracting, including remuneration for the CEO and the Company's Senior Executives, within the criteria periodically reviewed with respect to annual fixed remuneration and variable bonuses based on a financial and non-financial evaluation of performance, and criteria for long-term incentives with a view to link the interests of Directors to those of the Company's Shareholders, taking into account the basic trends in the labor market and shall be raised by the Board to the General Assembly for approval. The table below sets out the remuneration and rewards of the Senior Executives for 2022:

Senior Executives Positions	Fixed Remuneration				Variable Remuneration						Other		Grand Total
	Salaries	Allowances	In-kind benefits	Total	Periodic Remuneration	Profits	Short-term incentive plans	Short-term incentive plans	Shares awarded (add value)	Total	EOS Indemnity	Board Total remuneration, if any	
1 Melfi Manahi Al-Marzouqi	550.000	0	0	550.000	0	0	0	0	0	0	0	232.000	782.000
2 Nassib Mahmoud Hassan	108.920	38.122	0	147.042	0	0	0	0	0	0	0	0	147.042
3 N/A	.	.	.	.	.	.	.	.	.	.	.	.	.
4 N/A	.	.	.	.	.	.	.	.	.	.	.	.	.
5 N/A	.	.	.	.	.	.	.	.	.	.	.	.	.



15) Relationship between the remuneration awarded and the applicable remuneration policy:

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

16) Arrangements or agreement for a Board member or executive's waiver of any profit rights:

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

17) Arrangements or agreement for a shareholder's waiver of any profit rights:

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

18) Dividend Policy:

The company's annual net profits are distributed as follows:

Setting aside (10%) of the net profits to be the company's statutory reserve. The Ordinary General Assembly may decide to stop this allocation when the aforementioned reserve reaches (30%) of the company's paid-up capital.

the Ordinary General Assembly, based on a proposal by the Board of Directors, may set aside 20% maximum of the net profit to form a voluntary reserve that is allocated to a specific purpose or purposes.

The remainder shall then be distributed as an initial payment to the shareholders representing (5%) of the paid-up capital.

The Ordinary General Assembly, after observing the provisions stipulated in the Articles of Association and Article (76) seventy-sixth of the Companies Law, may allocate (10%) of the remainder, after the foregoing, as the remuneration of the Board of Directors, provided that the entitlement to this remuneration is in accordance with the regulations in force in this regard.

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19) Potential commercial risks:

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

20) Results of the annual review of the effectiveness of the Company's internal control system:

The internal control system aims to ensure the efficient and effective achievement of the company's objectives, compliance with regulations, policies and systems, in addition to management of potential risks. The company's management is responsible for preparing a comprehensive and effective control system that is proportionate to the level of risks the company may face. The audit committee continuously reviews the periodic reports prepared by the external auditor and the company management related to internal control.

Based on the results of the annual audits, the audit committee wishes to note that there were no significant issues to report in this report. We also note that there is ongoing communication between the audit committee and the executive management of the company regarding the regular follow-up, assessment and review of the control system to ensure the achievement of the objectives of internal control by improving the efficiency and effectiveness of operations, while complying with relevant laws and regulations.

21) The External Auditor's report

Qualified opinion.

We have reviewed the financial statements of THIMAR Development Holding Company (a Saudi joint-stock company). These included the statement of financial position on December 31, 2022, the statement of profit or loss and other comprehensive income, the statement of changes



in shareholders' equity and the statement of cash flows for the fiscal year expiring on that date, in addition to the notes attached to the financial statements, including a summary of primary accounting policies and other explanations.

In our opinion, except for the possible effects of the reservations described in the Basis for Qualified Opinion section, the attached financial statements present fairly, in all material respects, the financial position of the company as of December 31, 2022, its financial performance, and its cash flows for the fiscal year ended on that date in accordance with the International Financial Reporting Standards (IFRSs) issued by the Saudi Organization for Certified Public Accountants (SOCPA) and other publications approved by SOCPA. The items of qualified opinion in the external auditor's report on the annual financial statements for the year ended December 31, 2022, are also attached.

22) Sanctions and penalties from the Authority or from any supervisory, regulatory or judicial authority during the year 2022G.

There are no sanctions or penalties from the Authority to date.

23) The corporate governance regulations that were applied and those which were not:

The company is working to implement the Corporate Governance Regulations issued by the Capital Market Authority through the Corporate Governance Principles system, within the framework of the company's governance rules approved by the Board of Directors, in compliance with the mandatory provisions of the Corporate Governance Regulations issued by the Capital Market Authority, and within the framework of the company's articles of association, relevant regulations, and policies and procedures related to the work of the Board of Directors, company committees, and internal regulations, policies, and procedures.

The company is also working on monitoring the implementation of these regulations and verifying their effectiveness by reviewing the mechanisms for applying governance rules, regulations, internal policies, and procedures that meet the company's needs, with the aim of continuous development and improvement towards



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best practices. The company is also reviewing its governance rules and updating them to comply with regulatory requirements and select best practices in corporate governance that are appropriate to its business nature and objectives, in order to maximize the interests of its shareholders, protect their rights, preserve the rights of stakeholders, and promote community partnership. The company has practically implemented all the provisions of the Corporate Governance Regulations issued by the Capital Market Authority, except for the provisions listed below:

Article No	Paragraph No	Article/paragraph text	Reasons for non-application
39 (Indicative Article)	-	Training (training and qualifying board members and executive management)	The company keeps the members of the Board and appointed directors informed about the company's business operations and activities. The company will also focus on studying plans for special programs, training and qualifying the members of the Board of Directors and executive management according to the company's needs.
41 (Indicative Article)	A	The Board of Directors, based on the proposal of the Nomination Committee, establishes the necessary mechanisms for evaluating the performance of the Board, its committees, and the executive management annually. This is achieved through appropriate performance measurement indicators that are linked to the extent of achieving the company's strategic objectives, the quality of risk management performance, the adequacy of internal control systems, etc., provided that it shall identify strengths and weaknesses and propose solutions that are in the best interest of the company.	This article is indicative, and it will be applied when adhered thereto. Currently, performance evaluation is being conducted without the use of performance measurement indicators.
	E	The Board of Directors shall make the necessary arrangements to obtain an evaluation by a competent third party of its performance every three years.	This article is indicative, and it will be applied when adhered thereto.
	F	The non-executive members of the Board of Directors shall conduct a periodic evaluation of the performance of the Chairman of the Board after taking the views of the executive members, without the Chairman of the Board attending the discussion designated for this purpose. The evaluation process should identify strengths and weaknesses and propose solutions that are in the best interest of the company.	This article is indicative, and it will be applied when adhered thereto.

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70 (Indicative Article)	-	Formation of Risk Management Committee	The company did not see it is necessary during the year to form a risk committee. The company will work within the framework of continuous improvement and development of internal control systems by studying the need to form a specialized risk management committee.
71 (Indicative Article)	-	Terms of reference of Risk Management Committee	The company has developed a risk management policy that is appropriate to the nature and scale of its activities, including risk analysis, categorization, and management methods through the executive management and reporting. The company will consider forming a risk management committee and determining its responsibilities in accordance with the article."
72 (Indicative Article)	-	Meetings of Risk Management Committee	In order not to form Risk Management Committee
78	A (A paragraph from Indicative Article)	The internal audit unit or department shall prepare a written report on its work and submit it to the Board of Directors and the Audit Committee on at least a quarterly basis. This report shall include an assessment of the Company's internal control system and the audit unit or department's findings and recommendations. It shall also embody a statement of the measures taken by each department to address the results and recommendations of the previous audit, any comments thereon, especially in the event that they are not dealt with in timely manner the justifications for that.	Regular reports shall be submitted to the internal audit, and the company shall study the reporting period, content, and feasibility in accordance with the nature of its business and needs.
85 (Indicative Article)	1	Forming committees or holding specialized workshops to listen to the employees' views and discuss with them the issues and topics subject to important decisions.	This article is indicative, and it will be applied when adhered thereto.
	2	The company has implemented programs to grant its employees shares in the company or a share of the profits generated thereby, as well as retirement programs. It has also established an independent fund to finance these programs.	
	3	Establishing social institutions for the company's employees	




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87 (Indicative Article)	-	Social Responsibility	The company will study the development of a social responsibility policy in accordance with Article.
88 (Indicative Article)	-	Social work initiatives	The company has not taken any initiatives for social work in accordance with the article. However, it will work on studying programs and means to introduce the company's initiatives in the field of social work and include them within the context of social responsibility through the development of a social responsibility policy.
95 (Indicative Article)	-	Formation of Corporate Governance Committee	The company did not see it is necessary to form a governance committee during 2021. The company will study the need for a specialized corporate governance committee and determine its responsibilities.
Mandatory articles which are not applicable:			
N/A			

24) The number of the Company's requests for the register of shareholders, and the dates and reasons for these requests:

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

No.	Reason for the request	Equity file date	Request time
1	Company procedures	12/04/2022	11/04/2022
2	Company procedures	14/04/2022	11/04/2022
3	Company procedures	14/04/2022	11/04/2022
4	General Assembly	16/08/2022	15/08/2022
5	General Assembly	17/10/2022	28/09/2022
6	Company procedures	08/12/2022	05/12/2022
7	Company procedures	07/12/2022	07/12/2022
8	General Assembly	07/12/2022	07/12/2022



25) Declarations of the Board of Directors:

The present Board is willing to clarify that when this report is prepared on 29/03/2023, the Board has no data or documents to be confirmed. The Board therefore resolved, in compliance with the statutory requirements, not to object to the publication of this report with no liability for the content of the report as a result of the losing certain documents, most importantly, the financial documents. The Board safeguarded the Company's rights and its valued shareholders by directing the current Executive Management to take the necessary actions to hold those responsible accountable.

26) Conclusion

The Chairman and the Board members extend their gratitude and appreciation to all the shareholders for their continuous support. The Board also expresses its appreciation to all the employees of the company, as well as all the parties associated with the company for their efforts and constructive cooperation during the fiscal year 2022. The Board looks forward to enhancing the company's performance in the coming years to meet the aspirations of its shareholders.

Board of Directors

