



Al-Jouf Agricultural Development Company

Saudi joint stock company

Annual Report of the Board of Directors

For the fiscal year ended on 31/12/ 2022 AD

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<p>Member of the Board of Directors</p>  <p>(Mr. Maqead Bin Abdullah Bin Abdul Mohsen Alkhamis)</p>	<p>Deputy Chairman</p>  <p>(Dr. Rasheed Bin Rashid Bin Saad Al-Aween)</p>	<p>Chairman of Board of Directors</p>  <p>(Eng. Badr Bin Hamed Bin Abdul Raziq Al-Aujan)</p>
<p>Member of the Board of Directors</p>  <p>(Mr. Ali Bin Riyad Bin Muhammad Al Humaidan)</p>	<p>Member of the Board of Directors</p>  <p>(Mr. Abdul Rahman Bin Abdulaziz Al-Yamani)</p>	<p>Member of the Board of Directors</p>  <p>(Mr. Khaled Bin Muhammad Bin Abdullah Al-Arifi)</p>
<p>Member of the Board of Directors</p>  <p>(Ms. Nawar Bint Hamad Bin Ibrahim AlBahili)</p>	<p>Member of the Board of Directors</p>  <p>(Mr. Ahmed Bin Ibrahim Bin Mohammed Hayjan)</p>	<p>Member of the Board of Directors</p>  <p>(Mr. Omar Bin Riyad Bin Muhammad AlHumaidan)</p>

Chairman's Speech



Gentlemen / Shareholders of the Company

Peace, mercy and blessings of Allah,

Praise be to Allah, prayer and peace be upon the Messenger of Allah **before and** after...

I, personally, and on behalf of my colleagues on the Company's Board , pleased to present you the Company's Annual Report of Fiscal Year 2022, which contains the Board 's Annual Performance Report of the Company, Audited Financial Statements and the Auditor's Report of the Fiscal Year ended December 31, 2022, for discussion and approval at Ordinary General Assembly No. 36

We will review with you the Company's operational and financial performance and capital investments this year. In this regard, the Company has begun to implement its strategy of transforming from from an agricultural Company to an agro-industrial Company, that transforms its agricultural products into consumer food through manufacturing. Th Company continues to develop and improve its performance in olive oil manufacturing, filtration, refining, and packaging. According to this strategy, the construction of a potato chip factory is currently being completed, and production is expected to begin in 3Q of Fiscal Year 2023.

The report also includes comprehensive information on the Company's financial performance contained in the audited financial statements and acCompanying notes, as well as the external auditor's report of the Fiscal Year ended on 31/12/2022 AD

In the area of governance, the report summarizes the mechanisms for implementing corporate governance, as well as disclosures related to board composition, remunerations, duties, committees' structure and mandates, senior executives remunerations, and related parties transactions, if any. The report, also, includes a Board 's declarations and the the Company's compliance with Corporate Governance Regulations.

We hope to succeed in our efforts. We greet a new year with greater confidence and determination to continue our growth and expansion plan in all business areas. We assure that that we will achieve the aspirations of our shareholders by making the best use of our Company's resources, continue to

**Al-Jouf Agricultural Development Company Report of the Board of Directors
for the fiscal year ending on 31/12/2022AD**



develop and drive it forward. We are committed to be one of the pillars contributing to the food security and sustainability and support the national economy in our beloved Kingdom by entering a wider field to promote the agricultural development and related manufacturing industries.

Hope to safeguard our homeland, and maintain the grace of security and stability on it under our rational government and wise leadership.

Almighty God .

Chairman of Board of Directors
Eng. Badr Hamed Al-Aujan

CEO's Speech



Gentlemen / Shareholders of the Company

Peace, mercy and blessings of Allah,

For many years, in your Company, we have chosen to be ambitious, optimistic about the future prospects, and adhere to achieving the desired goals. We are determined to make every effort and perseverance to achieve this goal and worked wholeheartedly with the Company's Board , its executive management, and all employees to develop and improve the Company performance, in an all-round way considering continuity and sustainability. We endeavor to make our Company a leading agricultural and industrial Company in the Kingdom of Saudi Arabia and one of the largest contributing companies supporting KSA's Vision 2030 .

the strategic transformation from an agricultural Company to an industrial agricultural one, recently approved by the Company in line with the KSA's Vision 2030, has had the greatest impact on the formation of a clearly defined future vision. The first achievement of this strategy is the establishment of a potato chips factory, the construction and equipment installation of which have been basically completed, and it is expected to be put into operation in 3Q of fiscal year 2023. This step, together with the improvement and development of olive oil and products manufacturing factory, will have a positive impact on the Company and all its shareholders, as Al-Jouf Agricultural Development Company still a leading Company in KSA that engages in olive cultivation and production, as well as the extraction of organic olive oil. Moreover, as the largest modern organic olive plantation in the world, the Company also plays a leading role in cultivating many other strategic crops such as wheat, potatoes which help maintain the food security of KSA while maintaining the sustainability of natural resources in line with the Strategy of the Ministry of Environment, Water, and Agriculture.

Al-Jouf Agricultural Development Company Report of the Board of Directors for the fiscal year ending on 31/12/2022AD



Finally, I am pleased to submit you the Company's annual business report for Fiscal Year 2022 . Here, I can only express my heartfelt gratitude and appreciation. I would like to thank the Board of Directors for their continued support, team members for their dedication, and unremitting efforts to achieve their aspirations, with special thanks to all partners of the Company for their various successes including its shareholders, customers, and suppliers.

Almighty God .

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CEO

Eng. Mazen bin Abdullah Badawood

About the Company

Al-Jouf Agricultural Development Company (“the Company”) is a Saudi Joint Stock Company established pursuant to Royal Decree No. 4/237/M dated 1/27/1409 AH under License No. 535 dated 06/08/1408 AH in accordance with the Companies Law promulgated by Royal Decree No. (M/6) dated 03/22/1385 AH with a capital of SAR 200Mn, which was increased to SAR 300 Mn divided into SAR 30 Mn shares, with a nominal value of SAR 10 per share. Since its establishment, the Company has gone through various stages of development and carried out various activities, until it has reached the current situation.

The Company’s projects are located in the Basita Al-Jouf Region in Wadi Al-Sarhan in the northern part of the Kingdom. The project area is considered one of the most suitable areas for the Company’s agricultural projects in the Kingdom in terms of its storage of groundwater, the fertility of its soil and the suitability of its climate for the cultivation of all crops throughout the year. The project area is 60 thousand hectares. According to the ownership Decision promulgated by the Ministry of Environment, Water Resources and Agriculture dated 30/01/1443H (Corresponding to 08/09/2021AD), the Company owned 42,000 hectares of land in 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 to multiply olive and fruit seedlings to preserve the unique varieties owned by the Company to produce all varieties of olives and fruits and to meet the Company and farmers' needs that are commensurate with the nature of the region

JADCO cultivates large areas of wheat that have been allocated by the Seed Producers Committee under the auspices the Ministry of Environment, Water and Agriculture in the Kingdom of Saudi Arabia. These lands are invested in the production of accredited wheat seeds for the purpose of cultivation by farmers with the aim of producing wheat and supplying it to silos, as the Company has 5 silos for storing grain with a total capacity of 15,000 tons, in addition to a free storage area with a total capacity of 80,000 tons. Due to the favorable weather conditions, JADCO also features the production of potatoes over two seasons (spring and autumn). This project is one of the highest productivity projects in Saudi Arabia, covering the demand of local markets and factories for fresh potatoes. The Company is known for its diverse potato production.

In the manufacturing sector, JADCO owns the largest plant for the production, squeezing and filling of oil in the Middle East. The daily production capacity of the squeezing lines is approximately 600 tons of fruits, and the annual capacity of packaging lines of various sizes exceeds 8000 tons with a storage capacity of 6000 tons. JADCO is the leader of potatoes, and fruits cultivation with the highest production in the region. The Company also adopts the most advanced irrigation methods in the world to save water resources. As part of its transition to manufacturing, the Company established a potato chips production plant this year, and is currently constructing its facilities and installing its equipment. It is expected to begin operations in the 3Q of fiscal year 2023.

JADCO Main Activities

According to the JADCO 's Articles of Association, Memorandum of Association, and amendments thereto, the JADCO 's objectives are summarized as follows:

1. Crop cultivation, livestock production, fishing and related services.
2. Establishing and managing plant and animal farms associated with the realization of the Company's objectives and the reclamation and investment of agricultural lands.
3. Production, manufacture and packaging of olive oil and vegetable oils, marketing and selling, and importing all the machinery, devices, equipment, and means of transport, building and establishing the plants and factories necessary for the purposes of the Company and its industries and warehouses for preserving, storing and displaying its products and other aspects that the Company needs to use in manufacturing and storage, selling, buying, importing, exporting, and establishing other industries that complement their industries alone or in participation and participation in them with other companies, institutions and individuals.
4. Agricultural production of animals and plants and poultry breeding - and eggs -apiaries, fish and shrimp.
5. Fishing and aquaculture.
6. Wholesale and retail trade in food and non-food items.
7. Manufacturing of food products.
8. Investment in import and export for the Company and for others in various types of agricultural, food and animal materials, health materials, grains, seeds, fodder, barley, feed additives, and fish wealth.
9. Retail sale of fresh and preserved fruits and vegetables and dates.
10. Retail sale of dairy products, eggs, olives, pickles and honey.
11. Pickles industry (pickling).
12. Water and ice production and packaging.
13. Investing in the industrial field by establishing, managing and operating industrial projects of all kinds. 1
14. Road transport of goods.
15. Support activities for crops production and agricultural services - leasing agricultural equipment - irrigation projects, greenhouse installation and all other activities related to support activities for crops production. Commercial agency business and distribution contracts.
17. Buying and selling lands, real estate and factories necessary to achieve the Company's objectives.

The Company exercises its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

JADO Strategy

Currently, JADCO's Board and executive management of the Company are re-formulating its vision and strategy, studying strategic initiatives that can help shape the Company's future direction and rethinking its business model and plans:

The Company's current overall strategy focuses on several key themes:

1st Theme: Transformation from the agricultural sector to the agro-industrial sector.

2nd Theme: Developing sales channels and maximizing the use of assets.

3rd Theme: Focus on high-profit crops and transform them into value-added products.

4th Theme: Greater market share of all products of the Company.

5th Theme: The largest Company in the locally produced French Fries potato chips market.

6th Theme: Reducing production costs, improving water use efficiency and stoping wasting water.

7th Theme: The largest wheat producer and wheat breeder in the Kingdom.

1. Governance Regulations :

The purpose of formulating these rules is to clarify JADCO's approach towards corporate governance. JADCO is committed to implementing high-standard corporate governance. Good corporate governance is a key tool to maximize the long-term value of shareholders, which is in line with its commitment to all operations and product quality. Governance Regulations promulgated by the Capital Markets Authority (CMA) defines corporate governance as rules to lead and guide the Company that includes mechanisms to regulate the various relationships between the Board, Executive Directors, shareholders and Stakeholders, by establishing rules and procedures to facilitate the decision making process and add transparency and credibility to it with the objective of protecting the rights of shareholders and Stakeholders and achieving fairness, competitiveness and transparency on the Exchange and the business environment.

The corporate governance structure specify the distribution of powers and responsibilities among the Board , directors, shareholders, and other parties, as well as the rules and procedures for making decisions related to Company's affairs. Thereby, it provides a structure that allows setting Company's objectives and methods for achieving them, as well as monitoring performance.

The role of shareholders in governance is to elect Board 's members, establish audit committees, appoint independent auditors, determine their remuneration, reappoint and change them, approve their reports, and ensure the efficiency and effectiveness of governance rules.

Board shall have the power to set the strategic objectives of the Company, provide leadership to achieve them, supervise the management of the Company, and preparing reports to shareholders on their management of the Company. The work of Board shall be governed by the laws and regulations issued by the competent authorities. JADCO's governance rules are formulated in accordance with the Governance Regulations promulgated by CMA and the regulatory requirements issued by the competent authorities of the Kingdom, which shall be regarded as the framework of governance requirements of JADCO. The Company, from time to time, makes appropriate amendments to the governance rules included in the Corporate Governance Regulations in accordance with the amendments made from time to time to the governance rules included in the Model Governance Regulations promulgated by CMA.

Governance regulations shall be considered in the context of the applicable legislative frameworks in the Kingdom of Saudi Arabia.

Issues, requirements, and other matters not covered by governance regulations must shall be considered, in particular the following:

- Requirements of CMA and Saudi Stock Exchange (Tadawul)
- The Companies Law of KSA and relevant ministerial directives promulgated by the Ministry of Commerce.
- JADCO'S MoA

In this context, JADCO'S Board continued to perform its duties in the 2022 fiscal year, supervising the Company's operations in accordance with the Companies Law, Companies Regulations and Corporate Laws and Regulations promulgated by CMA, approved Corporate Governance Regulation and their amendments. According to Article (90.1) of the Corporate Governance Regulations promulgated by CMA, JADCO shall apply the mandatory provisions set forth in therein, particularly in regards:

- 1) Shareholders' rights and the general assembly in promoting the exercise of shareholders' rights and access to information, rights during Company's assemblies, voting rights, shareholders' rights in dividends, and the right to dispose of shares. The Executive Management provides shareholders with all the information that enables them to fully exercise their rights. They provided with complete, accurate, regularly and timely updated information, without discrimination.
- 2) The general policies for disclosure, transparency and disclosure in Board's report
- 3) Board, its key duties, responsibilities, composition, subsidiary committees, their remuneration and conflict of interest.
- 4) The obligation to publish quarterly and annual financial results on the Tadawul website within the prescribed dates.
- 5) Preparing Board's report in accordance with the rules of the Corporate Governance Regulations.
- 6) Adhering to the announcements format set by CMA and the dates for publishing essential information in accordance with the CMA's instructions regarding Company announcements.
- 7) Formulating the rules of professional Code of Conduct for the Company's directors and employees so as to meet the appropriate professional ethics standards and regulate the relationship between them and the stakeholders.

a. JADCO shall apply all provisions of the Corporate Governance Regulations, with the exception of some of the following guidelines:

Article/Clause No.	Article/Clause provision	Reasons for inapplicability
Article (25.8)	Develop succession plans for the management of the Company.	Efforts are being made to implement this clause
Article (41.e) Guidance Article	Board shall make the necessary arrangements to obtain an assessment of its performance from an independent third party every three years.	Efforts are being made to implement this clause
Article 70 Guidance Article	Pursuant to a resolution of the Company's Board, a committee called the "Risk Management Committee" shall be formed. The chairman and majority of its members shall be non-executive directors, and their members shall have an appropriate level of risk management and financial knowledge.	Efforts are being made to implement this clause

b. JADCO'S Announcements During the Fiscal Year 2022

#	Event	2022
1	JADCO announces an update on its Board resolution to approve the project of establishing a potato French Fries factory at its meeting held on	21.11.2022
2	JADCO announces signing of a Sharia-compliant Bank Facilities Agreement with Banque Saudi Fransi.	15.11.2022
3	JADCO announces its Interim Financial Results for the Period Ending on 30.09.2022 (Nine Months)	09.11.2022
4	JADCO announces the date and method of distributing of cash dividends to shareholders for the first half of fiscal year 2022	16.08.2022
5	Addendum Announcement from JADCO in regards to the Company announcement of signing of a loan agreement with the Agricultural	10.08.2022
6	JADCO announces the date and method of distributing of cash dividends to shareholders for the first half of fiscal year 2022	10.08.2022
7	JADCO announces its Interim Financial Results for the Period Ending on 30.06.2022 (Nine Months)	10.08.2022
8	JADCO announces the Results of the Ordinary General Assembly Meeting (Second Meeting)	15.05.2022
9	JADCO announces its Interim Financial Results for the Period as of 31.03.2022 (Nine Months) (Three months).	15.05.2022
10	JADCO announces to Invites its Shareholders to Attend the (First Meeting) Ordinary General Assembly Meeting	07.04.2022
11	JADCO announces its Annual Financial Results for the Period Ending on 31.12.2021	03.03.2022
12	JADCO announces signing of a loan agreement with the Agricultural Development Fund.	17.02.2022

2. Names of Board 's members, committees' members and the executive managementtheir current positions, qualifications and experience:

a. Board of Directors:

#	Name	Current Positions	Qualifications	Experience
1	Eng. Badr bin Hamid bin Abdul Raziq Al-Aujan	Chairman of the Board	Bachelor of Engineering	30 years in Engineering and Business Administration
2	Dr. Rasheed Rashid Awain	Vice-Chairman of the Board	Phd. on Engineering	39 in Business Administration

3	Mr. Ahmed Ibrahim Hayjan	Member	Bachelor of Accounting	13 years in Internal Audit and Risk Management
4	Mr. Khaled Mohammed Abdullah Al-Arifi	Member	Bachelor's Degree in Accounting	32 years in Accounting, Auditing and Administration
5	Mr. Abdul Rahman Abdul Aziz Al-Yamani	Member	Bachelor of Arts - Geography Major	30 years in Business Administration
6	Mr. Ali Riyadh Muhammad Al Humaidan	Member	Diploma in Business Administration	14 years in Business Administration
7	Mr. Omar Riyadh Muhammad Al Humaidan	Member	Bachelor of Shariah and Law	24 years in Administration
8	Mr. Maqead Abdullah Abdul Mohsen Al-Khamis	Member	Bachelor of Accounting	20 years in Banking, Investment and Administration
9	Ms. Nawar Bint Hamad Ibrahim AlBahili	Member	Bachelor's degree in Finance	12 years in Administration and Finance

b. Executive Committee:

	Name	Current Positions	Qualifications	Experience
1	Eng. Badr bin Hamid bin Abdul Raziq Al-Aujan	Chairman of the Committee	Bachelor of Engineering	30 years in Engineering and Business Administration
2	Dr. Rasheed Rashid Awain	Member	Phd. on Engineering	39 in Business Administration
3	Mr. Omar Riyadh Muhammad Al Humaidan	Member	Bachelor of Shariah and Law	24 years in Administration

c. Audit Committee

Sr.	Names	Current Positions	Qualifications	Experience
1	Mr. Muhammad Ahmed Yassin Al-Sheikh	Chairman of Committee	Bachelor of Administrative Sciences	41 years in Administration and Accounting
2	Mr. Khaled Mohammed Abdullah Al-Arifi	Member	Bachelor's Degree in Accounting	32 years in Accounting, Auditing and Administration
3	Mr. Ahmed Ibrahim Hayjan	Member	Bachelor of Accounting	13 years in Internal Audit and Risk Management

d. Remuneration and Nominations Committee

Sr.	Name	Current Positions	Qualifications	Experience
1	Mr. Maqead Abdullah Abdul Mohsen Al-Khamis	Chairman of Committee	Bachelor of Accounting	20 years in Banking, Investment and Administration
2	Mr. Abdul Rahman Abdul Aziz Al-Yamani	Member	Bachelor of Arts - Geography Major	30 years in Business Administration
3	Mr. Ali Riyad Muhammad Al Humaidan	Member	Diploma in Business Administration	14 years in Business Administration
4	Ms. Nawar Bint Hamad Ibrahim AlBahili	Member	Bachelor's degree in Finance	12 years in Administration and Finance

c. Executive Management

Sr.	Names	Current Positions	Qualifications	Experience
1	Mazen Abdullah Badawood	CEO JADCO's Representative at CMA	Bachelor of Chemical Engineering	30 years in Management
2	Ahmed Al-Salwi	Member of Human Resource A senior executive	Bachelor of Business Administration	12 years in Management
3	Sarhan Saud Shwait Al-Subaie	Member of the Agricultural Development Department A senior executive	Bachelor of Agricultural Engineering	25 years in the Agricultural Sector
4	Ziad Mohammed AlJaafra	Member of Finance Department	Bachelor of Commerce Department of Accounting CPA and CFE certificates	25 years in Administration and Finance
5	Ihab Abdullah Rajab Al-Sharqawi	Sales and Marketing Director	Bachelor of Commerce Department of Accounting	25 years in Sales and Marketing

3. Names of companies inside and outside the Kingdom of which a member of the Company's Board is a member of its Board :

Sr.	Name	Title:	Membership in the Boards of other joint companies
1	Eng. Badr bin Hamid bin Abdul Raziq Al-Aujan	Board 's Chairman	Jarir Company - Abdullah Al-Othaim Markets Company (Egypt), Arab Agricultural Services Company (ARASCO) (Closed), Fourth Milling Company (Closed), Abdullah Al-Othaim Markets Egypt Company (Closed), Maeen Human Resources Company (Closed), Riyadh Food Company (Closed), Al Woustah Food Services (WLL). Riyadh Food Industries Company, the Saudi Agricultural and Livestock Investment Company (SALIC)
2	Dr. Rasheed Rashid Saad Awain	Vice-Chairman of the Board	United Wire Factories Company (ASLAK)
3	Mr. Ahmed Ibrahim Hayjan	Member	-
4	Mr. Khaled Mohammed Abdullah Al Ali Al-Arifi	Member	RAZA Real Estate Company
5	Mr. Abdul Rahman Abdul Aziz Al-Yamani	Member	18 years of experience in the boards of directors of companies And before that, 12 years in the executive management of the Saudi Pharmaceutical Industries Company (Spimaco)
6	Mr. Ali Riyadh Muhammad Al Humaidan	Member	-
7	Mr. Omar Riyadh Muhammad Al Humaidan	Member	The National Company for Glass Industries (ZOUJAJ) Fitaihi Holding Group
8	Mr. Maqead Abdullah Abdul Mohsen Al-Khamis	Member	United International Transportation Co (BUDGET SAUDI)
9	Ms. Nawar Bint Hamad Ibrahim AlBahili	Member	

4. The Board of Directors Composition and Structure:

Sr.	Name	Title	Membership		
			Executive	Non-Executive	Independent
1	Eng. Badr bin Hamid bin Abdul Raziq Al-Aujan	Board 's Chairman		√	
2	Dr. Rasheed Rashid Saad Awain	VICE CEO		√	
3	Mr. Ahmed Ibrahim Hayjan	Member			√
4	Mr. Khaled Mohammed Abdullah Al Ali Al-Arifi	Member			√
5	Mr. Abdul Rahman Abdul Aziz Al-Yamani	Member		√	
6	Mr. Ali Riyad Muhammad Al Humaidan	Member		√	
7	Mr. Omar Riyad Muhammad Al Humaidan	Member		√	
8	Mr. Maqead Abdullah Abdul Mohsen Al-Khamis	Member			√
9	Ms. Nawar Bint Hamad Ibrahim AlBahili	Member			√

5. Procedures taken by the Board to inform its members, especially the non-Executives of shareholders' suggestions and remarks on the Company and its performance :

- Convening periodic meetings between Board 's Chairman and non-executive directors to encourage them to to effectively perform their duties, in the best interest of the Company and ensure fairness of opinions and obtain their views on progress of the Company's operations.
- Make minutes of meetings of the Board and its committees available to Board and committees members for review (Audit Committee–Nomination and Remuneration Committee–Executive Committee), discuss the proposals submitted by shareholders to the General Assembly, record and discuss their inquiries in the minutes of meetings and discuss them with Board members, and act according the same if beneficial to the Company and avoid any feedback on the Company's performance.
- **Communication with Shareholders and Investors:**
The Company is aware of the importance of communicating with shareholders and providing them with information. To apply the principles of disclosure and transparency, the Company has taken the following procedures:
 - Publish the quarterly financial statements and final accounts for the fiscal year 2020 on Tadawul website, and publish them within the period prescribed by the Law
 - Adhere to the announcements format set by CMA, the essential information that shall be included therein, and the dates for publishing these announcements.
 - Preparing Board 's report in accordance with disclosure requirements set forth in the Governance Regulations.
 - All shareholders of the Company, without exception, can review the minutes of the meeting and any annual report of the Board on the Tadawoor website and the Company website, or attend in person or obtain them via email or fax
 - A Company-specific email has been created to receive complaints and suggestions from all stakeholders (shareholders, customers, suppliers, and employees).

- During 2022, Board held 5 meetings, as follows:

Sr.	Member Name	Members hip Type	Date					Attend ance
			2-Mar	12-May	9-Aug	8-Nov	15-Dec	
1	Eng. Badr bin Hamid bin Abdul Raziq Al-Aujan	Board 's Chairman	√	√	√	√	√	100%
2	Dr. Rasheed Rashid Saad Awain	VICE Board's Chairman	√	√	√	√	√	100%
3	Mr. Ahmed Ibrahim Hayjan	Member	√	√	√	√	√	100%
4	Mr. Khaled Mohammed Abdullah Al Ali Al-Arifi	Member	√	√				100%
5	Mr. Abdul Rahman Abdul Aziz Al-Yamani	Member	√	√	√	√	√	100%
6	Mr. Ali Riyad Muhammad Al Humaidan	Member	√	√	√	√	√	100%
7	Mr. Omar Riyad Muhammad Al Humaidan	Member	√	√	√	√	√	100%
8	Mr. Maqead Abdullah Abdul Mohsen Al-Khamis	Member	√	√	√	√	√	100%
9	Ms. Nawar Bint Hamad Ibrahim AlBahili	Member	√	√	√	√	√	100%

6. A brief description of the mandates of the Board's key committees, their duties, chairmen and members, and the frequency and dates of their meetings and attendance of members at each meeting:

1- Executive Committee:

1. Overview of the composition of the Executive Committee

The executive Committee consists of the chairman and two members, all of them are members of the Board

2. Committee's Members

1- Eng. Badr Hamed Al-Aujan/ Chairman of Committee

2- Dr. Rashid Rashid Saad Al-Aween/ Member

3- Mr. Omar Riyad Muhammad Al Humaidan/ Member

- The Company's executive committee is appointed by the Board to provide the ability to respond quickly in emergency situations. In addition, it assists the board in efficiently and effectively performing its supervisory duties, especially with regard to implementing the Company's strategic objectives and prioritizing financial and operational matters.

4- Audit Committee

1. 1. Overview of the composition of the Audit Committee

The audit committee consists of three members, one from outside the Board, and two are independent members.

2. Committee Members

- **Mr. Mohamed Ahmed Yassin Al-Sheikh**, Chairman of the Committee - a member from outside the Board
- **Mr. Khaled Mohammed Abdullah Al-Ali Al-Arifi**, Member of the Committee, Independent Member of the Board
- **Mr. Ahmed Ibrahim Mohammed Hayjan**, Member of the Committee, Independent Member of the Board

3. Roles and responsibilities:

The audit committee shall be responsible for supervising the operation of the Company and verify the accurateness and integrity of its reports, financial statements, and internal control systems. The duties of the committee shall include, inter alia:

أ. Financial Report:

- 1) Before submitting to the Board, review the Company's quarterly and annual financial statements, and express opinions and recommendation thereon.
- 2) Express technical opinions, at the request of the Board, on whether the Board report and the Company's financial statements are fair, balanced, and understandable, and include information that allows shareholders and investors to evaluate the Company's financial position, performance, and business model and strategy.

- 3) Consider any important or unfamiliar matters contained in the financial reports
- 4) Carefully consider any issues raised by the Company's CFO, person in charge of or officer or compliance, or auditor.
- 5) Verify accounting estimates for significant issues in financial reports.
- 6) Review the financial and accounting policies adopted by the Company, and provide opinions and recommendation to the Board thereon.

ب. Internal Audit

- 1) Review and examine the Company's internal and financial control, and risk management systems.
- 2) Review the internal audit reports and follow up with by the executive management in the implementation of corrective measures and the remarks contained therein
- 3) Control and monitor the performance and activities of internal auditors, manage the Company's internal audits (if any), approve Company bylaws, ensure availability and effectiveness of necessary resources to perform its works and duties. In the absence of internal auditor, the Committee shall advise the Board whether it is necessary to appoint it
- 4) Approve the annual audit plan and possible amendments thereto, and approve the estimated budget and training plan of the internal audit department.
- 5) Make recommendation to the Board to appoint or dismiss the Director of the Internal Audit Department, and proposing his remuneration.

ج. Auditor:

- 1) Make recommendation to the Board to appoint or dismiss auditors, determine their remuneration, evaluate their performance, and review their scope of work and contract terms.
- 2) Verify the independence, objectivity, and impartiality of auditors' opinions, as well as the effectiveness of audit work, taking into account relevant rules and standards.
- 3) Review the plans and work of the Company's auditors, verify that they have not submitted technical or administrative work outside the scope of the audit work, and express its opinions thereon.
- 4) Review the auditor' reports and its opinions on the financial statements, and follow up on the actions taken thereon
- 5) Follow up the work of the auditors and approve any work outside the scope of the audit work assigned to them during the audit process.
- 6) Find solutions for possible inconsistencies between management and auditors in the interpretation of financial statements or financial accounting policies.

3. Compliance

- 1) Review the results of the regulatory authorities' reports and verify that the Company has taken the necessary measures in this regard
 - 2) Submit to the Board of Directors any matters it deems necessary to take action, and make recommendations on measures to be taken
- The audit committee supervises the Company's internal audit, reviewing periodic financial reports, internal and external audit reports, and their efficiency, and verifies the efficiency of the control systems, recommending the establishment of effective control systems, and follow up the work of certified accountants. The term of office of the committee shall be three years, the same as the term of office of the Board

4. Audit Committee Meetings during 2022

During 2022, Audit Committee held 9 meetings, as follows:

	Name	Memb ership Type	Audit Committee Meeting Date									Atten dance Rate
			Jan uar y 27	Feb ruar y 28	Mar ch 28	May 10	Augu st 6	Aug ust 31	Octo ber 18	Nov ember 1	Dece mber 7	
1	Mr. Muhammad Ahmed Yassin Al-Sheikh	Chairman	√	√	√	√	√	√	√	√	√	100%
2	Mr. Khaled Mohammed Al-Arifi	Member	√	√	√	√	√	√	√	√	√	100%
3	Mr. Ahmed Ibrahim Havian	Member	√	√	√	√	√	√	√	√	√	100%

5- Remuneration and Nominations Committee:

- The committee shall assist the Board to efficiently and effectively perform its supervisory duties. In particular, the committee shall be responsible for identifying Board members and qualified senior executives, and to verify that the Company's nomination policy can lead to correct appointments and the development and retention of Board members and outstanding directors. Thereby, helping the Company achieve its goals, establish criteria for determining the independence of Board members, establish appropriate mechanisms to inform shareholders of any changes that may cause members to lose their independence, and ensure that there is no conflict of interest if a member is a board member of another Company.

- The committee shall also annually review the requirements for membership of the Board in accordance with the approved policies and standards, review the structure of the Board, submits recommendations regarding changes, and ensures independence, of independent members, ensure that there is no conflict of interest if a member is a member of another board. The term of office of the committee shall be three years, the same as the term of office of the Board. The committee responsibilities are as follows:

Responsibilities of Remuneration and Nominations Committee

As for Nominations:

- 1) Review the appropriate skill needs of board members annually, and prepare a description of the required competencies and qualifications, including determining the time members need to allocate to the board works.
- 2) Review the structure of the board of directors and make recommendations on possible changes.
- 3) Identify weaknesses and strengths of the Board and propose solutions based on the Company's interests.
- 4) Develop criteria for determining the independence of Board members, establish appropriate mechanisms to inform shareholders of any changes that may cause members to lose their independence, and ensure that there is no conflict of interest if a member is a board member of another Company.
- 5) Make recommendations to the Board to determine the specific criteria for selecting persons to hold the positions of managing director or CEO and department manager positions, who shall directly reporting to the managing director/CEO.
- 6) Prepare a preliminary evaluation of candidates for managing director or CEO and department manager positions, who shall directly reporting to the managing director/CEO.
- 7) Prepare job descriptions and contract terms for the positions of CEO and department managers of the Company.

b. As for remunerations:

- 1) Develop appropriate criteria and procedures to evaluate the performance of Company CEOs and department managers.
- 2) Regularly evaluate the activities of the Company's CEO and department managers.
- 3) Develop policies related to continuous improvement of senior levels employee performance.
- 4) Review the CEO/Director General's recommendations on general guidelines and standards for CEO financial incentives and other benefits, and approve these recommendations for implementation by the CEO.

c. As for the Governance

- 1) Consider the issues submitted to the committee by the Board and make recommendations thereon
- 2) Annually review and evaluate its bylaws to ensure that it fulfills its responsibilities, and propose amendments thereon to the Board.
- 3) Annually submit a periodic report on its work to the Board

- The following is a record of committee members and meeting attendance for 2022:

Sr.	Member Name	Membership Type	Date			Attendance Rate
			January 26, 2022	May 25, 2022	September 6, 2022	
1	Mr. Maqead Abdullah Abdul Mohsen Al-Khamis	Chairman of the Committee	√	√	√	100%
2	Mr. Abdul Rahman Abdul Aziz Al-Yamani	Member	√	√	√	100%
3	Mr. Ali Riyadh Muhammad Al Humaidan	Member	√	√	√	100%
4	Ms. Nawar Bint Hamad Ibrahim AlBahili	Member	√	√	√	100%

2- Executive Committee:

1. Overview of the composition of the Executive Committee

The executive Committee consists of the chairman and two members, all of the are members of the Board

2. Committee's Members

6- Eng. Badr Hamed Al-Aujan/ Chairman of Committee

7- Dr. Rashid Rashid Saad Al-Aween/ Member

8- Mr. Omar Riyad Muhammad Al Humaidan/ Member

- The Company's executive committee is appointed by the Board to provide the ability to respond quickly in emergency situations. In addition, it assists the board in efficiently and effectively performing its supervisory duties, especially with regard to implementing the Company's strategic objectives and prioritizin financial and operational matters.

3. Roles and responsibilities:

- The executive committee raises recommendations to the board of directors concerning various operational matters, and the board of directors may delegate the committee to handle some of its duties.
 1. Participate in setting new strategic plans for the company and evaluate proposals submitted by the executive management for such plans, including but not limited to mergers and acquisitions, entering into new projects, expanding existing production capacity, and raising recommendations regarding these matters and others to the Board of Directors.
 2. Review the company's performance based on the monthly management reports in light of the set objectives and the estimated budget, results-based performance appraisals, and deliberate the impact of future external and internal factors on the company's business.
 3. Raise recommendations to the Board of Directors concerning the Projected Budget
 4. Review and assess the new capital investment proposals and make decisions concerning the subjects within the scope of the committee's designation according to the company's approved roles and responsibilities guide.
 5. Review policies and regulations the executive management proposes and recommend the appropriate decision to the board of directors.
 6. Regularly review the company's governance rules, policies, and professional conduct discipline rules according to governance rules and raise the recommendations to the board of directors for any needed procedures
 7. Follow up on the implementation of the board of directors and the executive committee and perform any duties delegated to the committee by the board of directors.

8. Review the annual budget with the management before raising it to the board of directors for approval.
 9. Supervise economic feasibility studies, advisory studies, and executive plans.
 10. Follow up on the company's financial position, cash flow, funding sources, if necessary, and operational and marketing policies.
 11. Study and follow up on any actions affecting the company's reputation and image.
- The Executive Committee recommended to the Board of Directors to approve the increase in the capital costs of the “French fries” project by 20 million riyals, bringing the total capital cost to 212 million riyals, especially since this increase will not affect the economic feasibility of the project, which was previously presented to the esteemed Council. The recommendation was accepted and implemented.
- The decisions and recommendations of the executive committee's twelfth meeting in the board of director's eleventh session held on Wednesday 18/02/1444, Corresponding to 14/09/2022 G**

* The committee approved the potato supply plan for the factory in 2023 and 2024.

* The Executive Committee approved the financial results for August 2022. The committee commended the results and affirmed commitment to the results of the fiscal year 2022. It submitted a recommendation to the Council, and it was approved.

- Decisions and recommendations of the thirteenth meeting regarding the Executive Committee in the eleventh session of the Board of Directors, held on Wednesday 18/02/1444 AH corresponding to 14/09/2022:

- **The committee recommended the approval of the capital budget and submitted a recommendation to the Board of Directors for approval. It was approved.**
- The committee recommended moving from Riyadh bank to the French bank regarding the banking facilities and requested the board of directors approve it. Therefore, it was approved.
- The committee recommended that the board of directors reconsider the investment in Rakhaa company for agricultural investment- in Egypt and agree with the auditors to submit the assessment in the first month of the next year to raise to the board of directors for approval. The executive committee, in its fourteenth adjunct meeting in the eleventh board of directors, held on Sunday, 17/05/1444, corresponding to 11/12/2022 the following decisions and recommendations:
- The Committee recommended that the Secretary of the Committee submit a proposal for the meeting schedule between the board and the committee for the next year, 2023, and the General Assembly meeting date for CEO approval. The approved schedules are sent to the Chairman of the Board and the members of the committees. It was submitted and approved.
- **The executive committee of the board of directors held (9) meetings in 2022, and the attendees were as follows:**

Sr.	Member Name	Members hip Type	Date									Attend ance
			6-Feb	15-Mar	9-May	22-Jun	3-Aug	14-Sep	3-Nov	6-Dec	11-Dec	
1	Eng. Badr bin Hamid bin Abdul Raziq Al-Aujan	Chairman of the Committee	√	√	√	√	√	√	√	√	√	100%
2	Dr. Rasheed Rashid Saad Awain	Member	√	√	√	√	√	√	√	√	√	100%
7	Mr. Omar Riyad Muhammad Al Humaidan	Member	√	√	√	√	√	√	√	√	√	100%

7. Methods the Board of Directors relied upon in appraisal of its performance and the performance of its committees, members, and external parties performing the appraisal and their relation to the company (N/A)

Eighth: Disclosure of the remuneration of the members of the Board of Directors, its committees, and the executive management

Remuneration distribution policy for members of the Board, Committees, and Executive Management: -

In light of the provisions regulating the remuneration of members of the Board of Directors and its sub-committees stipulated in the company's articles of association, the corporate governance regulations, and the regulatory controls and procedures issued in implementation of the companies' system for listed companies; and the company's Articles of Association. The remunerations of the members of the Board of Directors, its sub-committees, and the executive management shall be. The aim of the remuneration policy for the members of the Board of Directors and its sub-committees is to organize the remunerations to attract members of the board or committees with scientific, technical, and administrative competence and commensurate experience to enable them to perform their tasks and duties with professionalism and high efficiency; taking into account the sector in which the company operates and the skills needed for the management.

The company also aims to create an attractive work environment. through which it can attract and retain human resources with the required skills and experience to sustain its growth and achieve its vision. This is achieved through the regulatory framework for the remuneration of senior executives in the company so that it is compatible with the relevant regulations, legislation, and applicable laws and falls within the scope of the powers of the General Assembly of shareholders to determine and approve the fees that the members of the Board of Directors receive as a result of their service in the Board or its subcommittees.

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, in-kind benefits, or a certain percentage of the net profits. Combining two or

Al-Jouf Agricultural Development Company Report of the Board of Directors for the fiscal year ending on 31/12/2022AD



more benefits is permissible while adhering to the instructions stated in the Governance Regulations issued by the Capital Market Authority and the Companies Law.

a. Remuneration of Board members for the year 2022:

a. Remuneration of Board members for the year 2022:																	
	Fixed Rewards							Variable rewards						end-of-service gratuity	Grand Total	- Movement) accommodation Expenses (on	
	A certain amount annuad (bonus)	Allowance e to attend Board	allowance for attendance	Members hip bonus in affiliates	Attendance allowance in	Chairman's Bonus	TOTAL	Percentage of profits	Periodic rewards	-Short term stimulus plans	-Long term stimulus plans	Value of shares awarded	TOTAL				
I: Independent Members																	
Eng. Badr bin Hamid bin Abdul Raziq Al-Aujan		15,000	27,000	50,000			92,000		250,000				250,000		342,000		
Mr. Ahmed Bin Ibrahim Hayjan		15,000	27,000	75,000			117,000		200,000				200,000		317,000		
Mr. Khaled Bin Mohammed Ali Al-Arifi		15,000	27,000	75,000			117,000		200,000				200,000		317,000		
Mr. Maqead BinAbdullah Abdul Mohsen Al-Khamis		15,000	9,000	50,000			74,000		200,000				200,000		274,000		
Ms. Nawar Bint Hamad Ibrahim AlBahili		15,000	9,000	50,000			74,000		200,000				200,000		274,000		
II: Non-executive members																	
Dr. Rasheed Rashid Saad Awain		15,000	27,000	50,000			92,000		200,000				200,000		292,000		
Mr. Abdul Rahman Abdul Aziz Al-Yamani		15,000	9,000	50,000			74,000		200,000				200,000		274,000		
Mr. Ali Riyad Muhammad Al Humaidan		15,000	9,000	50,000			74,000		200,000				200,000		274,000		
Mr. Omar Riyad Muhammad Al Humaidan		15,000	27,000	50,000			92,000		200,000				200,000		292,000		
TOTAL		135,000	171,000	500,000	0	0	806,000	0	1,850,000	0	0	0	1,850,000	0	2,656,000	0	

b. The total salaries, allowances, and maximum bonuses received by the Company's five senior executives (including the CEO and CFO) in 2022:

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for the fiscal year ending on 31/12/2022AD**



Job title	Fixed Rewards			TOTAL	المكافآت المتغيرة					TOTAL	the end of service g	Executive remuneration	TOTAL
	SALARY	allowances	in-kind benefit		Periodic Bonus	profits	Short term	Long-term	plans	Value of shares			
Chief Executive Officer	1,527,771	534,729	-	2,062,500	1,400,000					1,400,000			3,462,500
Chief Financial Officer	412,668	148,932	-	561,600									561,600
Director of Agricultural Development	300,480	66,096	-	366,576									366,576
Director of Administrative Affairs	341,700	77,400	-	419,100									419,100
Sales Manager	403,500	153,645	-	557,145									557,145
Total	2,986,119	980,802	-	3,966,921	1,400,000					1,400,000			5,366,921

c.Committee members' remuneration:

Remuneration of members of the Board of Directors' committees meeting in 2022:

Item	Fixed remuneration except for attendance allowance	attendance allowance	Total
<u>Audit Committee</u>			
Mr. Muhammad Ahmed Yassin Al-Sheikh	120,000	27,000	147,000
Mr. Khaled Mohammed Abdullah Al-Ali Al-Arifi,	275,000	27,000	302,000
Mr. Ahmed Ibrahim Hayjan	275,000	27,000	302,000
Total	670,000	81,000	751,000
<u>Remuneration and Nominations Committee</u>			
Mr. Maqead Abdullah Abdul Mohsen Al-Khamis	250,000	9,000	259,000
Mr. Abdul Rahman Abdul Aziz Al-Yamani	250,000	9,000	259,000
Mr. Ali Riyadh Muhammad Al Humaidan	250,000	9,000	259,000
Ms. Nawar Bint Hamad Ibrahim AlBahili	250,000	9,000	259,000
Total	1,000,000	36,000	1,036,000
<u>Executive Committee:</u>			
Eng. Badr bin Hamid bin Abdul Raziq Al-Aujan	300,000	27,000	327,000
Dr. Rasheed Rashid Saad Awain	250,000	27,000	277,000
Mr. Omar Riyadh Muhammad Al Humaidan	250,000	27,000	277,000

Total	800,000	81,000	881,000
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9. Any penalties, sanctions, preventive measures, or precautionary attachment imposed on the Company by the Authority or any regulatory, supervisory, or judicial authority

S/N	Penalty or Disciplinary Measure	Cause of the fine	Authority imposing it	Ways to remedy and avoid such penalties	Fine value in SAR
١	Saudization Default	Employing an expatriate in professions restricted to Saudis	Ministry of Human Resources	Replace the employee with a Saudi national - changing the employee's profession.	SAR 20,000
٢	Violation of the storage shelves of the Riyadh exhibition	Storage shelves should be replaced from wood with steel	Ejada (municipality)	Shelves have been replaced, and the situation has been corrected	SAR 1000
٣	Saudization Default	Employing an expatriate in professions restricted to Saudis	Ministry of Human Resources	The problem was solved, and the employee was replaced with a Saudi national	SAR 7,000

10. The results of the annual review of the effectiveness of the company's internal control procedures and the audit committee's opinion on the adequacy of the company's internal control system.

- The Audit Committee can give reasonable assurance about the adequacy of the internal control systems in the company. The Audit Committee has not found any noticeable or fundamental weakness or defect in the internal control systems and policy, noting that it is impossible to confirm the effectiveness of any system of control and internal control to a degree of complete reliability. Therefore, the committee recommends that the company update systems, policies, and procedures that enhance the internal control environment.

11. A recommendation from the Audit Committee regarding the need to appoint an internal auditor in the company:

1) A contract is underway with an accredited internal audit office to modernize the internal audit department's infrastructure and implement some audit programs based on a risk-based audit.

2) Due to the unfortunate death of the internal audit manager, the company is currently searching for a new internal audit manager to occupy the position.

12. Recommendations of the Audit Committee that came contradictory with the decisions of the Board of Directors or which the board refused to take into account regarding the appointment of the company's auditor, dismissing him, determining his fees, evaluating his performance, or appointing the internal auditor, and the justifications for those recommendations and the reasons for not taking them into account.

There is no contradiction or rejection between the audit committee recommendations and the board of directors' resolutions.

Thirteenth: Details of the Company's Social Contributions during 2022:

The Company carried out social duties in compliance with its social responsibility as follows:

(a) Environment, Health, Security and Safety:

- Al-Jouf Company is committed in its project to achieving the highest levels of performance in the fields of environment, health, security and safety to complete its operations beyond the level of the desired commitment and the consolidation of this approach among all employees of the Company and its partners and clients. The Company also seeks in all its operations to keep pace with the best levels and to be a model of commitment and preservation of environment, health, safety and security.
- The Company's performance in the areas of environment, health, security and safety is among the highest levels known among companies. It continues to improve this performance and place it within its future goals. The Company achieves this outstanding performance through the commitment of all of its executive leaders to unlimited support and assistance in all technical, training and educational fields to support the Company's business journey to reach leadership.

(b) Work Environment:

- The Company pays great attention to the interests of its employees and the multiculturalism including the different nationalities of employees and providing care and precautions for security and safety
- Improving the living conditions of employees by adhering to the policy of granting incentives and production bonuses.
- Providing social and cultural services, suitable housing for employees and their families, and suitable means of transportation.

- Interest in cultural, sports and religious activities for all employees and officials of the Company of different nationalities and cultures.
- Conducting sports, religious and cultural competitions for all nationalities.
- Making trips to holy places on a regular basis.
- Establishing a homogeneous urban community of different nationalities and cultures within the Company's project.

(c) Markets and Customers:

- The Company takes care of the consumer in the first place and provide all facilities to deliver the Company's products wherever in the Kingdom.
- The Company pays great attention to the interests of its clients 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 and Product Development Department devotes all efforts to providing the best products always to ensure the highest standards of excellence.
- Our development is the result of our constant striving for the best. The development also includes a mixture of distinguished infrastructure that includes farms, factories, and distribution networks of international standards.
- Achieving the required balance between supply and market demand and maintaining prices at levels that make access to food products available to all segments of society with different income levels
- Implementation of quality systems for the various points and stages of production to ensure and assure consumers' access to high quality products and competitive prices

(d) Community Contribution:

Al-Jouf Agricultural Development Company believes in its pioneering and social role, which aims to adopt social sustainable responsibility economically and environmentally. The Company also encourages making a positive impact through the Company's sustainable development activities on the environment, employees and society, in addition to supporting education projects, employment, innovation and economic development plans, as follows:

1- Sponsorship of Al-Jawf International Agricultural 1st Forum:

The Company sponsored Al-Jawf International Agricultural 1st Forum held in Sakaka on 5/12/2022, under the auspices of His Royal Highness Prince Faisal bin Nawaf bin Abdulaziz, Governor of Al-Jawf Region, in the presence of His Excellency the Minister of Environment, Water and Agriculture, Eng. Abdul Rahman Al-Fadhli. The Forum witnessed many events. Many scientific papers were presented, which presented presentations to a number of scientists around the world centered on agriculture and its applications that rationalize water consumption while giving the best results in crop production. Participants from international

experts also discussed a number of working sheets in the sector. On the side-lines of the forum, an exhibition of major agricultural companies and farmers was held.



2. The Golden Sponsor of the International Olive Festival in its 15th Edition:

The Olive Festival in Al-Jawf is one of the largest and most famous olive festivals, not only in the region, but also in the world. It aims to market the production of olives and olive oil to farmers and large companies in the Al-Jawf region. The first edition of the festival was launched in 2008. The festival is held at the Prince Abdul-Ilah bin Abdul-Aziz Center in Sakaka every year. In its fifteenth edition, several Arab and foreign countries participated. The festival witnesses a remarkable development yearly.

Golden sponsor of the International Olive Festival in its 15th edition



3. The Company concluded a sponsorship contract for the first football team at Al-Orouba Saudi Club in Sakaka, Al-Jawf region, in order to support sports activities in the region

Sponsoring the 1st football team at Al-Orouba Club in Al-Jawf.



4. Silver Sponsor of the Camel Auction Festival in Al-Jawf: It is an annual festival includes various activities, and individual awards for the best camels sold at auction.

Silver sponsor of the camel auction festival in Al-Jawf



5- The Diamond Sponsor of the Award of His Royal Highness Prince Faisal bin Nawwaf bin Abdulaziz Al Saud for Educational and Institutional Excellence. The launch of the award for educational and institutional excellence in its second session on November 17, 2022 is an extension of what the Company is doing in this vital field and in line with the support and interest provided by our wise leadership to build people and invest in minds for the creative people of this country to participate towards excellence.

Diamond Sponsor Award of His Royal Highness Prince: Faisal bin Nawwaf bin Abdulaziz Al Saud for Educational and Institutional Excellence.



Fourteenth: A statement of the dates of the general assemblies of shareholders held during the last fiscal year and the attending Board Members

S	Name	The 35 th Ordinary General Assembly Dated 12/05/2022 _ (second meeting)
		Attendance Record
1	Eng. Badr bin Hamid bin Abdul Raziq Al-Aujan	√
2	Dr. Rashid bin Rashid Awain	√
3	Mr. Ahmed bin Ibrahim bin Mohammed Hejan	√
4	Mr. Khaled bin Mohammed bin Abdullah Al-Ali Al-Arifi	√
5	Mr. Abdul Rahman bin Abdul Aziz Al-Yemeni	√
6	Mr. Ali bin Riyadh bin Muhammad Al-Humaidan	√
7	Mr. Omar bin Riyadh bin Muhammad Al-Humaidan	√

8	Mr. Miq'ad bin Abdullah bin Abdul Mohsen Al-Khamis	√
9	Mrs. Nawar bint Hamad bin Ibrahim Al-Bahli	√

Fifteenth: Description of the main types of activities of the Company and their contribution to the results:

Al-Jouf Agricultural Development Company intensifies its activities in the field of agricultural and manufacturing production and marketing. The Company's project is considered one of the best regions in the Kingdom in terms of its stock of groundwater and soil fertility, which enabled it to achieve the highest average productivity of all crops. After a short period of time since its establishment, it has become one of the most important agricultural and pioneering companies in the field of food security. Al-Jouf Company follows in the field of marketing and sales, reaching excellence in high competencies.. The Company always seeks to deliver its products to all consumer sectors within the Kingdom, through sales points spread throughout the Kingdom, in order to satisfy the citizen's needs of foodstuffs produced by the Company and meet their needs. Through this, we seek to maximize sales and profits to benefit the shareholder

The following is a description of the main activities of the Company:

Wheat

There is no doubt that wheat is one of the Company's important strategic crops characterized by its high productivity compared to other companies and the modern irrigation methods used in cultivation. This crop is also considered one of the most important crops that are part of the country's strategy to provide food security. The Company is also authorized by the Ministry of Environment, Water and Agriculture "MEWA" to provide seeds to farmers



Olives :

Undoubtedly, olive sector is one of the important sectors of the Company and one of its main pillars. The Company made large investments in this field after studying the market needs and the size of the demand. Al-Jawf olive oil is considered the best oil in the Middle East and even the world, according to the results of our participation in international competitions in Italy, America and Spain (New York Olive oil international competition). New varieties, exclusive to the Company, have been selected that are characterized by increased productivity and quality, which distinguishes the Company from other companies by producing high quality oil. The Company's oil is 100% organic. The Company obtained certificates from the largest centers specialized in supervising organic farming (TAWTHIQ) & (BCS) in Germany. In addition:-

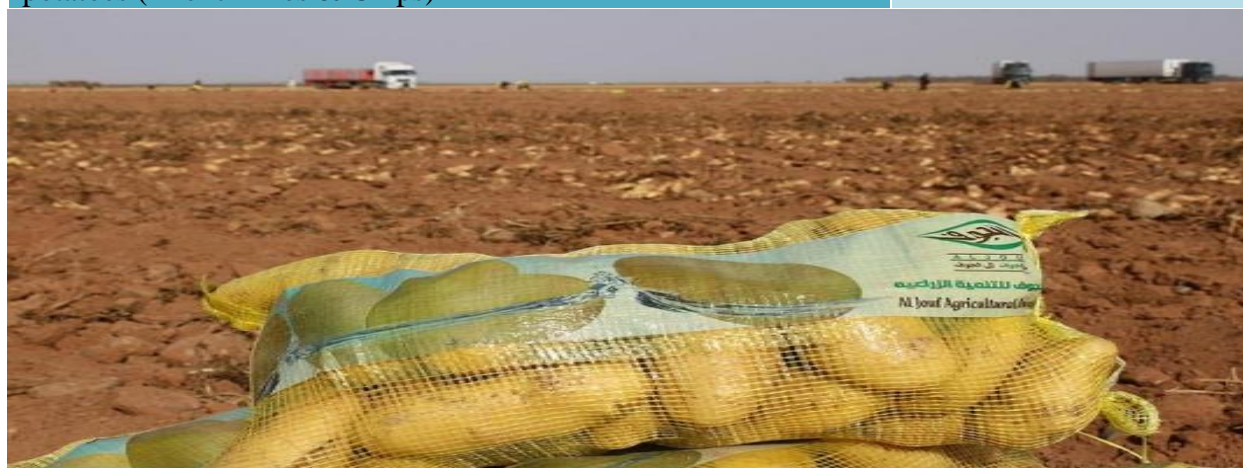
- 1) A member of the Saudi Society for Organic Agriculture; the largest producer of organic olives in the Middle East.**
- 2) ISO22000 & HACCP certified, which includes our compliance with international standards safety standards.**



- 3) The Company has production lines with a capacity of 600 tons of fruits per day, and olive oil filling and packaging lines with a production capacity of 8,000 tons annually.
- 4) The Company, during the fiscal year 2022, is also constantly developing and improving the equipment and production lines of the olive oil factory, to be among the largest countries in terms of quality and production of olive oil in the world.
- 5) The Company is constantly, through its participation in specialized societies and periodicals that publish globally about the production and industry of olives and olive oil in the world, to identify the latest technologies that contribute to improving the Company's performance in the field of olive cultivation, the processed olive industry and the olive oil industry. The Company intensively provides the necessary training for its cadres working in this field to achieve the desired goals.

Potatoes

Al-Jouf Company is characterized by the production of potatoes over two cycles (spring - autumn) due to the suitability of weather conditions. The project is considered one of the highest productive projects in the Kingdom of Saudi Arabia. The needs of local markets and factories are covered by fresh potatoes, and the Company is distinguished by the diversity in its production of potatoes (French fries & Chips)



Date Palms

Expansion is underway in the cultivation of date palms, Barhi variety after the success of this type in the Company. This type is the best in the Kingdom in terms of size and quality. The Company produces such type today in a vast area estimated at about 150 hectares containing more than 15,000 Date palm trees.



Fruit

The Company's plan is being completed regarding the replacement of economically useless items with modern ones whose efficiency has been confirmed in terms of production and marketing. The Company follows modern methods of cultivation in the form of V to increase the number of trees per unit area and to obtain the highest productivity at a lower cost. The varieties grown by the Company are (peach - apricot - nectarine - grapes).



Nursery

The Company owns a large nursery with a modern irrigation system to propagate various seedlings such as (fruit seedlings, olive seedlings, and ornamental tree seedlings) to meet the Company's needs for seedlings instead of importing them at a high cost, and to meet the local market's demands for seedlings and support farmers by providing seedlings of guaranteed origin and suitable for the region's climate.



“Contribution of the Sectors to the Company’s Revenues and Profits.”

(The sector’s contribution to the Company’s revenue and profitability 2022)			
Activity Type	Activity Revenue	Ratio	Impact on Results
Agricultural manufacturing activity	185,292,165	54.18%	49,024,039
Agricultural activity	156,704,477	45.82%	2,041,223
Total	341,996,642	100.00%	51,065,262

Sixteenth: Description of the Company's important plans and decisions and future expectations for the Company's business (structure and strategy):

A diagnostic study of the Company was conducted by an independent consultant to determine the current situation of the Company and its strengths, weaknesses, opportunities and threats “SWOT”. The Company is re-establishing the strategy, including the objectives and strategic axes, in the light of the study findings, taking advantage of the available opportunities and the optimal utilization of resources, taking into account the preservation of groundwater wealth and the advancement of the Company and placing it in the ranks of the ancient national companies to be a tributary of food security in our beloved homeland.

Key Future Plans and Decisions:

- 1) Work is underway to complete the works and construction of the potato chip factory, where during the fiscal year 2022, after the foundation stone for the factory was laid during on 2021, 50% of the project work was completed as planned. It is planned that the factory will start operating at the end of the third quarter of the fiscal year 2023 AD.
- 2) Optimal utilization of the Company's resources.
- 3) Recruiting the national competencies and expertise that the Company needs to carry out its tasks and to achieve the strategic objectives.
- 4) Raising the production efficiency of all crops with less water requirements.
- 5) Continuing to reduce costs and 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 qualification 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 resources, the Company is moving towards finding alternatives that achieve added value, which is the industrial environment. Taking care of 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.

Seventeenth: Information related to any risks that the Company faces (the risks that the Company faces in light of the current and future challenges):

(i) Financial Risk Management:

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

Financial Risk Management Framework:

The Company's senior management implements the risk management policy in accordance with the policies approved by the Board of Directors. Senior management identifies, evaluates and hedges financial risks in close collaboration with the operating units of the Company. The most important types of risk are credit risk, currency risk or fair value and interest rate cash flow risks. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies as the work team meets regularly for this regard. Any changes or matters relating to compliance with policies are reported to the Board through the Audit Committee.

The Company's executive management reviews risk management systems regularly to reflect changes in market conditions and the Company's activities. The Company aims, through its training, management standards and procedures, to develop a responsible and constructive control environment in which 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. The Committee also 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, expenses paid in advance and other debit balances, loans and payables, accruals and other credit balances. The realization methods used are disclosed in the statement of policies related to each item.

Offsetting takes place between financial assets, liabilities and the net amounts reported in the financial statements when there is a binding legal right to offset these listed amounts, as well as when the Company has the intention to settle them on a net basis or sell the assets to settle the liabilities at the same time.

(ii) 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 risks: interest rate risk, currency risk, and other price risks:

(iii) Interest Rate Risk:

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

(iv) Fair Value Risk:

It is the value that would be received for selling an asset or paid for transferring 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. In the opinion of management, the fair values of current assets and liabilities do not differ significantly from their book values.

(v) Credit Risk:

It is the inability of one party to fulfill its obligations, which causes financial losses to the other party. The management continuously manages exposure to credit risk and makes provisions against those bad balances to mitigate those risks.

(vi) Concentration Risk:

Concentration risk arises when a number of counterparties are engaged in similar activities, or in activities in the same geographical area, or activities that have the same economic advantages, which could affect their ability to fulfill contractual obligations similarly when any economic or political changes or any circumstances occur. Other concentrations indicate the relative sensitivity of a Company's performance to developments affecting particular industries.

(vii) Liquidity Risk:

It is the risk of the Company's exposure to difficulties in obtaining the financing necessary to fulfill obligations related to financial instruments. Liquidity risk may result in 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.

(viii) Capital Management Risk:

Upon managing capital, the Company aims 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 a strong core capital to support the Company's business.

The Company manages the capital structure by monitoring returns on net assets and makes adjustments to them 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 the shareholders or may increase the capital. The Company also monitors capital using the borrowing ratio, which is total debt (interest-bearing loans and advances including financing costs and trade and other payables). Capital refers to shareholders' equity as shown in the statement of financial position in addition to total debt.

(ix) Risks Related to Human Resources:

The Company's performance depends mainly on the expertise, skills and abilities of its executives and other senior employees. The future performance of the Company depends to a large extent on its ability to attract individuals with high caliber and qualifications, as well as the ability to retain, at the present time, employees who have the required extensive experience because the competition is fierce. The Company seeks to reduce employee turnover to limit 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 of the same level of qualifications, capabilities and experience. The Company may be affected by the loss of the services of one or more of its key employees who cannot be replaced in the short and medium term, which may lead to disruption of some business and may adversely affect the Company's financial position and the results of its operations. The Company has so far been able to replace these departed employees 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 larger 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 actual need to attract competencies in specific locations.

Eighteenth: the Company's achievements, challenges and solutions during the fiscal year 2022:

Achievements:

- Reducing irrigation with wheat by 5%. Introducing a new wheat harvester with a capacity equivalent to 10 old harvesters.
- High rate of potato production to 45 tons / ha
- Four (4) new finger cultivars were tested in both spring and autumn to select the best cultivars and study their behavior and their ability to store.
- Reducing the intensity of olive alternate bearing and producing better quantities than expected
- Increasing the productivity of nurseries.
- Cultivation of 3,500 hectares of wheat for the purpose of producing wheat seeds for farmers.
- Performing an experiment in planting potatoes under the drip irrigation system for the second season on an area of approximately 108 hectares.
- Raising the exploitation capacity of the circles.
- Achieving a record in the production and packaging of olive oil.
- Achieving a record in the production and packaging of pickles.
- Obtaining a certificate from an international competition stating that Al-Jawf olive oil is the best oil in the Kingdom of Saudi Arabia.
- Using the ERP program to create production orders and deliver and receive the product as an alternative to the old system.

- Digital transformation of all human resource transactions from hard to an integrated digital system.
- Increasing the percentage of Saudization from low green for a Company to high green with the developed Nitaqat system.
Launching Al-Jawf Training Academy.
- Launching a gymnasium for employees.
- Rehabilitating many staff housing.
- Ensuring that the potato project is financed according to the required cash flow schedule and without affecting the project.
- Completing the structuring of bank facilities and signing facilities with banks with a commission and better facilities than before.
- Commitment to the dates of issuing the financial statements and the Company's announcements on Tadawul website without delay for the Company, as well as the monthly closings
- Appointing 5 Saudi accountants and achieving a Saudization rate of 50%, compared to less than 5% upon initiation of the Financial Department.
- Agricultural sector: The growth in the value of sales in the agricultural sector compared to the previous year increased by 13%.
- Achieving net sales in E-Commerce, with an increase of 30% over 2021
- The brand topped the Saudi market and is a major player in the olive market.
- An increase in sales of modern markets (hypermarkets and supermarkets) by 50% compared to the previous year.
- Increasing the storage area of the final product warehouses in the project by 200%.
- Automating shipping orders from branches in the system and activating SLA between warehouses and sales.
- Reducing product transportation prices.
- Reducing the cost of some main materials used in warehouses.
- No deaths occurred due to work.
- Decrease in the number of accidents and the number of lost working hours by 50% compared to last year.
- Activating a number of safety and security policies. This reflected positively on employees.
- Reducing the loss of the Company's property in the fourth quarter by 100%.
- Increasing staff awareness of food safety.
- Increasing the exploitation of the storage capacity of products.
- Operation of a seed purification and packing station.
- Improving the fuel supply chain within the Company to reduce consumption costs.
- Production and manufacturing unit in the ERP system.
- Transition from paper transactions to digital transactions.
- Completing the implementation of mobile applications related to the human resources system in the Company.
- Completion of interconnected programs within the Company.
- Completing the full connection of the VPN infrastructure.

- Protection of Company data and information
- The percentage of irrigation pivots failures decreased during the season by 41% compared to the year 2021
- The percentage of pump failures for wells decreased by 30% compared to 2021.
- Updating the Company's equipment, machinery, and machines to keep pace with the increases in the agricultural plan
- The harvester with the highest productivity in the world was purchased and operated, and it is the first in the Middle East to hold the Guinness World Records, with a production capacity of 80 hectares / 10 hours.
- A contract has been signed for two new harvesters that will be received.
- The purchase and operation of the latest olive pressing line with a capacity of 13 tons / hour, which is the sixth line in Al-Jouf Agricultural Company.
- Achieving net sales of 5 million in E-Commerce
- 60% increase in the number of visitors to the Company's website.
- Increasing the market share (quantities - value) to reach a record number.
- Renewing all systems certificates 9001 - 45001 - 22000 - 14001 FSSC.
- The scope of the Global Gabe certification was expanded to include all the Company's crops.
- Renewal of an organic resort certificate.
- Pickled olives have been registered as an organic product.
- All Al-Jawf olive oil is organic.

Solutions and future plans:

- Expansion of olive cultivation.
- Expansion of potato cultivation in different regions to supply potato fingers factory.
- Expanding wheat cultivation.
- Focusing on water rationalization.
- Training courses for the team.
- Cultivating new economically feasible crops in greenhouses.
- Continue the quinoa cultivation program.
- Starting the work of a committee to evaluate the efficiency of irrigation for 2023 season.
- Evaluation of the irrigation system by dragoline in a wheat circle.
- Improving and developing automated harvesting processes for processed.
- Renewing the Guinness World Records certificate.
- Increasing the extraction rate by 0.5% oil.
- Increasing the storage capacity of olive oil and pickles.
- Purchasing a new automatic production line to produce new packages suitable for the market.
- Increasing the added value of the by-products of olive pressing operations.
- Payment methods have been changed to be of 60 days from the date of the invoice for some packaging materials from outside the Kingdom, such as olive oil and pickles cans for the industrial complex.

- Attracting new suppliers and providing the required quantities. Increasing the number of approved suppliers and applying the credit purchase system therein.
- Improving the purchasing cycle and reducing the number of days in which it is completed.
- Financing the potato project and future projects
- Application of the new Microsoft AX system.
- Developing and changing the branding of Al-Jouf Company.
- Increasing the Company's market share in olive oil.
- Developing and changing the branding of Al-Jouf Company.
- Increasing the Company's market share in olive oil.
- Reaching **zero** non-working hours.
- Full activation of occupational safety and health models.
- Reducing olive oil pressing losses by improving the performance of pressing machines.
- Increasing the agricultural area .
- The transition to clean energy project.
- Transformation project to the financial and accounting program.
- Introducing the quality system within the AX program
- Activating audit programs and renew ISO certificates
- Activation of the ISO 45001 & ISO 9001 system for the entire Company.
- Obtaining a BRC certificate based on the ISO 17025 system.

Potato Fingers Project - 2022

- Undoubtedly, the strategic transformation approved by the Company to move from an agricultural Company to an agro-industrial Company, in line with the Kingdom's Vision 2030, had the greatest impact in shaping a clear future vision. This resulted in achieving that strategy and laying the foundation stone for the establishment of the potato chip factory on 28/8/2021, which will be one of the most important industrial pillars of the Company. The project is considered one of the huge and distinguished projects that are carried out under the umbrella of Al-Jouf Agricultural Development Company. Work began at a cost of 70 million Saudi riyals in the first quarter of 2021, provided that the trial production will continue for a full month. Processed potatoes will be produced to supply major processed potato product factories throughout the year. This will have a great positive impact on the Company and all its shareholders when it starts operating in the third quarter of 2023.
- Moreover, the project has reached a very advanced stage today. 99% of the contracts have been completed. Designs have been completed by 100%. The construction has reached 77%. Work is underway to recruit the necessary workers, as the factory will start work with about 200 workers.
- Experimental production will start in September 2023 and continue until the end of the year, and then commercial operation will begin.

Nineteenth: The Company's assets, liabilities, and results of its operations for the last five years 2018 AD - 202 AD

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

Statement / Year	2018	2019	2020	2021	2022
Total current assets	281,429,589	231,859,074	241,426,875	241,161,830	284,877,098
Net fixed assets	565,663,848	542,247,953	490,456,438	509,452,573	623,843,781
Total assets	847,093,437	774,107,027	731,883,313	750,614,403	908,720,879
Total current liabilities	65,702,436	60,363,920	94,674,330	97,299,005	116,746,652
Total non-current liabilities	87,211,722	87,499,794	29,074,737	25,693,125	124,437,671
Total liabilities	152,914,158	147,863,714	123,749,067	122,992,130	241,184,323
Shareholders' equities	694,179,279	626,243,313	608,134,246	627,622,273	667,536,556
Total liabilities and shareholders' equity	847,093,437	774,107,027	731,883,313	750,614,403	908,720,879

statement /Year	2018	2019	2020	2021	2022
Revenues	358,934,363	224,447,971	223,210,102	312,660,455	341,996,642
Revenue cost	255,559,513	183,955,192	158,922,930	244,161,514	221,711,058
Total profit	103,374,850	40,492,779	64,287,172	68,498,941	120,285,584
Net profit	35,762,762	(20,798,707)	21,350,507	17,374,482	51,065,262

(b) Summary of business results for five years:

Twentieth: Geographical analysis of the Company's total revenues for the year 2022:

Geographical analysis of the Company's total revenues (value in SAR)						
Total Revenue	Northern Region	Central Region	Western Region	Eastern Region	Southern Region	E-Sales
341,996,642	178,963,874	73,376,986	50,980,242	16,682,180	17,458,328	4,535,031

Twenty-first: A summary of the essential differences in the operating results for the year 2022 AD compared to 2021 AD:

Statement	2021	2022	Change	Ratio
Total sales	312,660,455	341,996,642	29,336,187	9.38%
Sales cost	244,161,514	221,711,058	(22,450,456)	-9.19%
Total income	68,498,941	120,285,584	51,786,643	75.60%
Marketing expenses	27,088,208	33,966,953	6,878,745	25.39%
Administrative and general expenses	21,572,878	29,615,364	8,042,486	37.28%
Depreciation in the values of properties, plant, equipment and vital assets	19,837,855	56,703,267	36,865,412	185.83%
Operating profit	312,660,455	341,996,642	29,336,187	9.38%

Twenty-second: There is no difference in the conformity of the accounting standards used by the Company with the standards issued by the Saudi Organization for Certified Public Accountants (SOCPA).

Twenty-third: There are no subsidiaries of the Company inside or outside the Kingdom of Saudi Arabia.

Twenty-fourth: There are no shares or debt instruments issued to subsidiaries, since the Company does not have subsidiaries.

Twenty-fifth: Description of the Company's Dividends policy:

Profits are distributed in accordance with the text of Article 47 of the Memorandum and Articles of Association of the Company. The annual net profits are distributed after deducting all general expenses and other costs as follows:

- Setting aside 10% of the net profits to form the Company's statutory reserve. The Ordinary General Assembly may decide to stop this present when the aforementioned reserve reaches 30% of the paid-up capital.
- The Ordinary General Assembly, based on a proposal by the Board of Directors, may set aside 10% of the net profits to form an agreement reserve and allocate it for a specific purpose(s). This reserve may not be used for a purpose other than the designated purpose 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 to achieve the interest of the Company or guarantee the distribution of fixed profits as much as possible to the shareholders. The aforementioned Assembly may also deduct a percentage that does not exceed 10% of the net profits as amounts to establish social institutions for the Company's employees or to assist the existing ones.
- No less than 5% of the paid-up capital of the Company may 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, or benefits in kind, or a certain percentage of net profits. It is permissible to combine two or more of these benefits.
- If the remuneration is a specific 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 after distributing a profit to the shareholders of not less than 5% of the capital, provided that the entitlement to this remuneration is commensurate with the number of sessions attended by the member.
- In all cases; all financial or in-kind rewards and benefits of a member of the Board of Directors receives may not exceed five hundred thousand riyals (500,000) annually, according to the controls set by the competent authority.
- The Company may distribute interim profits to its shareholders on a quarterly or semi-annual basis, according to an authorization from the General Assembly of the Board to be renewed annually.

The total dividends for the fiscal year 2022 AD proposed to be distributed as follows:

Statement	Dividend for 2022	Dividends at the End of the Year	Total
Date	25/8/2022	0	15,000,000
Ratio	5%	0	
Total	15,000,000	0	

- **Twenty-seventh:** There is no interest in the category of voting shares for persons (other than the Company's board of directors, senior executives and their relatives) who informed the Company of those rights under Article 68 of the RULES ON THE OFFER OF SECURITIES AND CONTINUING OBLIGATIONS and any change in those rights during the fiscal year 2022 AD.
- **Twenty-eighth:** There is no interest, contractual securities, and subscription rights to 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 these rights during the fiscal year 2022 AD. As for shares, there are only ownership percentages for members of the Board of Directors and their relatives, according to the following statement:

- (a) Ownership of Board members
- (b) Ownership of Senior Executives:

- There is no ownership of the rest of the senior executives in the Company's shares.

Twenty-seventh: Information Related to Loans:

- The Company declares that it does not have any loans to any party, whether payable or not, as follows:

S	Lender	Principal loan	Loan term	Amount paid during the year	Remaining amount of the loan	Company's total debt
1	Saudi Industrial Development Fund	15,350,000	5 years	4,225,000 ---	2,225,000	2,225,000
2	Agricultural Development Fund	101,994,735	10 years	0	101,994,735	101,994,735

Twenty-ninth: There are no transferable debt instruments, any contractual securities, subscription right notes, or similar rights issued or granted by the Company during the fiscal year 2021, with an explanation of any compensation the Company received thereof.

Thirty: There are no transfer or subscription rights under transferable debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the Company during the fiscal year 2021.

Thirty-first: There is no recovery, purchase or cancellation by the Company of any recoverable 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.

Thirty-second: The number of Board of Directors meetings held during 2022, the dates of their holding, and the attendance record of each meeting:

#	Name	Title	Meeting Date					Attendance %
			2-Ma r	12-Ma y	9-Au g	8-Novembe r	15-De c	
1	Eng. Badr bin Hamid bin Abdul Raziq Al-Aujan	Chairman	√	√	√	√	√	100%

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2	Dr. Rashid bin Rashid bin Saad Awain	Vice Chairman	√	√	√	√	√	100%
3	Mr. Ahmed bin Ibrahim bin Mohammed Hejan	Member	√	√	√	√	√	100%
4	Mr. Khaled bin Mohammed bin Abdullah Al-Ali Al-Arifi	Member	√	√	√	√	√	100%
5	Mr. Abdul Rahman bin Abdul Aziz Al-Yemeni	Member	√	√	√	√	√	100%
6	Mr. Ali bin Riyadh bin Muhammad Al-Humaidan	Member	√	√	√	√	√	100%
7	Mr. Omar bin Riyadh bin Muhammad Al-Humaidan	Member	√	√	√	√	√	100%
8	Mr. Miq'ad bin Abdullah bin Abdul Mohsen Al-Khamis	Member	√	√	√	√	√	100%
9	Mrs. Nawar bint Hamad bin Ibrahim Al-Bahli	Member	√	√	√	√	√	100%

Thirty -third: Company's applications for the register of shareholders, and the dates and reasons thereof:

S	Company's applications for the register of shareholders	Application Date	Application Reason
1	1	12/5/2022	General Assembly
2	1	13/8/2022	Corporate Procedures
3	1	17/8/2022	Earnings file

Thirty-Fourth : Transactions between the Company and related parties during 2022 :

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S	Related party	Transaction amount
1	Abdullah Al-Othaim Markets	24,474,924 riyals

Transactions with related parties: Transactions between Al-Jouf Agricultural Development Company and Abdullah Al-Othaim Markets Company, which are sales of olive oil, as follows:

- 1- Eng. Badr bin Hamid bin Abdul Raziq Al-Aujan, Chairman of the Board of Directors of Al-Jouf Agricultural Development Company
- 2- Eng. Badr bin Hamed bin Abdul Raziq Al-Aujan, Vice-Chairman of the Board of Directors of Abdullah Al-Othaim Markets Company.

Thirty-fifth: 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 has an interest therein during the year 2022 AD.

S	Work Nature	Work amount	Work duration	Work conditions	Related party
1	Sales of olive oil and pickles	24,474,924 SR	Year	Free market	Eng. Badr bin Hamid bin Abdul Raziq Al-Aujan

Thirty-sixth: There is no arrangement or agreement under which a member of the Company's board of directors or a senior executive waived any remuneration during the fiscal year 2022 AD.

Thirty-seventh: There is no arrangement or agreement under which one of the Company's shareholders waived any rights to profits during the fiscal year 2022.

Thirty-eighth: A statement of the value of statutory payments made and due for the payment of any zakat , taxes , fees , or any other dues that were not paid until the end of the fiscal period 2022, with a brief description of them and their reasons:

Statement	202 2		Brief description	Reasons
	payer	Unpaid until the end of the annual financial period		
				-

Zakat	4,772,242	6,194,756	Zakat 2022 to be paid after submitting tax return	-
Tax	19,748,278	0		-
GOSI	3,303,809	312,575	Due for December 2022 to be paid in January 2023	-
Visas and Passport Costs	1,426,877	-	-	-
Labor fees	4,939,550	-	-	-

Thirty-ninth: There are no investments or reserves established for the benefit of the Company's employees during the fiscal year 2020 AD

Forty: The Board of Directors declares the following: -

- 1) The account records have been properly prepared.
- 2) The internal control system needs to be developed and updated.
- 3) There is no doubt about the issuer's ability to continue its activity.

Forty -first: There are no reservations on the financial statements by the Company's auditor.

Forty-second: There is no recommendation by the Board of Directors to change the Company's auditor before the end of its appointment period.

Forty-third: There are no treasury shares held by the Company.

Forty -fourth: The Company confirms that it has never received from shareholders who own 5% of the capital or more a request to convene the General Assembly during the ending fiscal year, or to add one or more subjects to the agenda of the General Assembly when preparing it.

Forty -fifth: The Company affirms 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 suit against the members of the Board, based on the Company's Articles of Association. Also, such shareholder has the right to attend the general assemblies, participate in their deliberations and vote on their decisions as stipulated in Article Five (Rights Related to Shares) of the Corporate Governance Regulations .

Forty-sixth: No party has requested access to the annual reports of corporate investors who act on behalf of others, such as investment funds.

Declarations of the Board and Executive Management

The Board of Directors is keen to ensure the professional performance of the Company during the fiscal year 2022 ending on 31/12/2022 and declares the following.

- No stock shares or debt instruments owned by the subsidiaries, and there are no subsidiaries in the first place
- There are no transferable debt instruments nor any securities, or contractual rights for subscription, or similar rights issued or granted by Al-Jouf Company, nor any compensation obtained thereof.
- There are no transfer or subscription rights under transferable debt securities, or any securities, 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 2022 AD.
- The Board did not receive a request from the external auditor to call the General Assembly to convene during the fiscal year 2022
- The Board did not receive a request from shareholders who own 5% or more of the Company's capital to call the General Assembly to convene during the fiscal year. 2022 AD.
- There are no procedures that impede the right of shareholders to vote
- The Company did not provide loans or credit facilities to any member of the Board of Directors
- Accounting records have been properly prepared and updated
- The internal control system has been prepared on sound foundations and has been applied effectively
- No significant doubts exist about the ability of Al-Jouf Agricultural Development Company to continue its activities
- There are no material events that affect the soundness of the Company's financial position after the end of the financial year for the fiscal year 2022 that require disclosure, other than the information available and announced in the notes to the financial statements.
- **Board's recommendations:**
- After reviewing the most important operational and financial activities for fiscal year 2022, the Board recommends to the General Assembly that
- Approval of the **Board's** report for the year ended 31/12/2022
- Approval of the auditor's report for the financial year ended in 31/12/2022
- Approval of financial lists for the financial year ending in 31/12/2022
- Approval of the discharge of the members of the **Board** for the financial year ended in 31/12/2022
- To vote on the appointment of the company's auditor from among the candidates on the recommendation of the Audit Committee, in order to examine, audit and audit the financial statements and zakat for the first, second, third, fourth and annual quarters of fiscal year 2023 and the first quarter of 2024 and determine fees
- To vote on the authorization of the Board of Directors to distribute a progress dividend to the shareholders of the Company for the financial year 2022, in a semi-annual or quarterly manner, setting the dates of eligibility and payment in accordance with the regulations and procedures issued by the CMA

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In conclusion, the Board of Directors extends its thanks and appreciation to the shareholders, executive management, employees of the Company and all stakeholders, wishing the best of all for them.

Al-Jouf Board of Directors

March 2023 AD