

# Aqaseem Factory Co, for Chemical & Plastic Industry

| Annual Report 2022 |

## **TABLE OF CONTENTS**

Table of Contents .....	1
Chairman's Message .....	2
1 Company Activity .....	2
2 Company Mission .....	2-3
3 Production & Sales .....	3-6
4 Financial Results .....	6
5 Material Differences in Operational Results .....	7
6 The company's plans and future expectations .....	7
7 Human Resources .....	7
8 Information Technology .....	8
9 AL- Zakat .....	8
10 Loans .....	8-9
11 Risks .....	10
12 Results of the annual review of the effectiveness of internal control procedures .....	10-11
13 Corporate Governance .....	18-22
14 Board of the Directors .....	23
15 Board Committees .....	23
16 Evaluating the performance of the Board of Directors and its committees .....	23
17 Transactions with Related Parties .....	23
18 Purchases or Contracts that in the Interest of Members of the Board of Directors and Executives .....	23
19 Statutory Payments .....	24
20 Dividend Policy .....	24
21 Dividends - Year 2021 .....	24
22 Application of International Accounting Standards .....	24
23 The Chartered Accountant Report .....	24
24 Shareholders' Rights .....	24
25 Actions Taken by the Board of Directors to Brief its Members, Especially Non-Executives .....	27
26 Company Declarations .....	27
27 Board of Directors Assurances .....	27
Conclusion .....	41

## Chairman's Message

Dear Shareholders,  
Peace be upon you all

The company is working to continue supporting its existing operations and projects in light of the company's strategy in line with the Kingdom's Vision 2030. We, in turn, strive and endeavor to develop according to the modern economic data and what our wise leadership seeks under the patronage of King Salman bin Abdulaziz and his Crown Prince, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz (May Allah keep them safe).

The Board of Directors has taken a number of strategic decisions to serve the interests of the company, and focus on what achieves profitability, and we look forward to positive results in the coming years, InshAllah. Based on the company's experiences, the company continues its march through the development of its products, with the determination of the company's management and employees who have acquired accumulated skills and experience in facing difficulties and innovating the best solutions.

On behalf of the Board of Directors, I am pleased to extend my sincere thanks and appreciation to all the shareholders of the Company for their great confidence in the Board and in all employees of the Company.

"May you all get all the success and happiness ! Wishing you well"

Sincerely,

Muhammad Mishnan Aldossary

Chairman of the Board of Directors

Aqaseem Factory Co, for Chemical & plastic Industry

## 1- Company Activity:

The company's activity is to produce the following:

Automotive engine oils, hydraulic oils, liquid asphalt insulators, solvents, plastic caps for packages, palmic esters,

brake oils, industrial and automotive greases, acid acid for batteries, Citric acids, plastic packaging, base oils, lubricants for gasoline and diesel engines, transmission oils, cleaning oils and breaker oils.

## 2-Company Mission:

Developing and manufacturing saving products that meet all consumer needs.

### Our Goals:

- Increase revenues and raise the market share of the company.
- Raising the efficiency of operation and ensuring the continuity of growth.
- Optimal utilization and increase of available production capacity.
- Investing in human capital and raise the level of quality.

## 3-Production & Sales:

~ The actual activity of the company was started at the beginning of 2014.

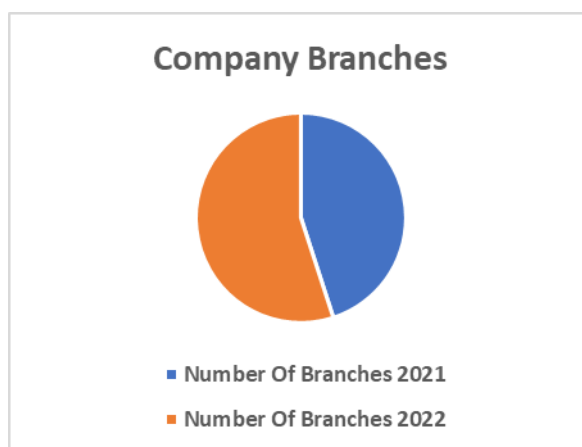
### 3.1 The company's main products:

The company owns eight different brand names, which are as follows:



### 3.2 Number of Branches:

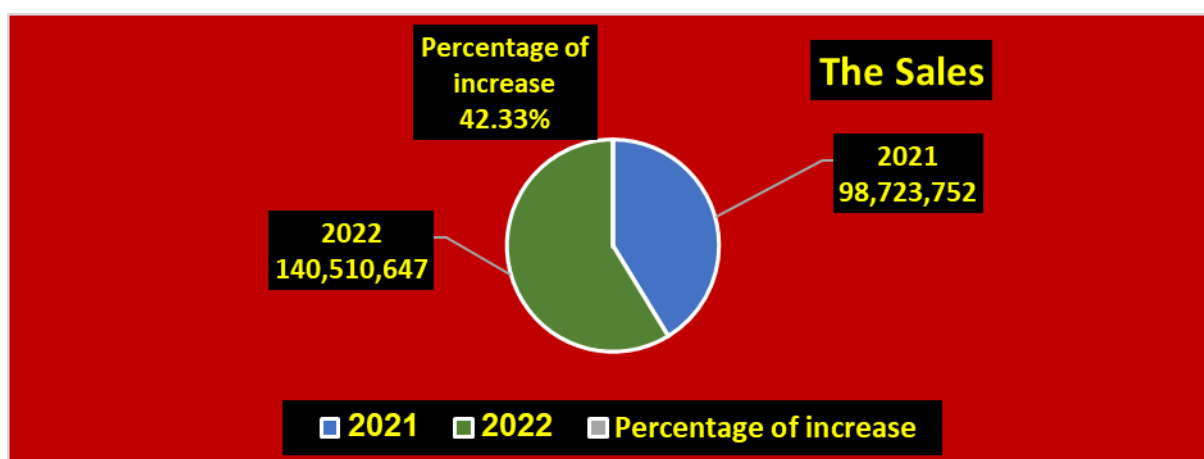
The Number of Branches reached (22) branches in 2022, compared to (18) branches in 2021.



### 3.3 The sales:

The value of sales during the year 2022 amounted to 140,510,647 riyals, compared to (98,723,752) riyals for the year 2021.

An increase of (%42.33).

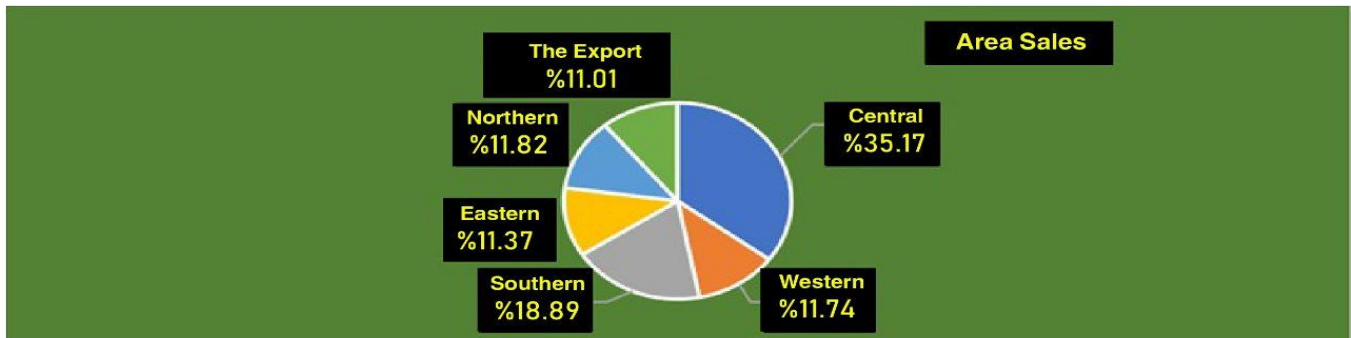


- The impact of the increase is due to the expansion of sales in all wholesale, retail, industrial, and export. Also adding new products and spreading to new areas.

### 3.4 The statement below shows the geographical analysis of the company's revenues:

Percentage	Regions	
%35.17	49,415,134.30	Central Region
%11.74	16,500,883.78	Western Region
%18.89	26,549,279.66	Southern Region

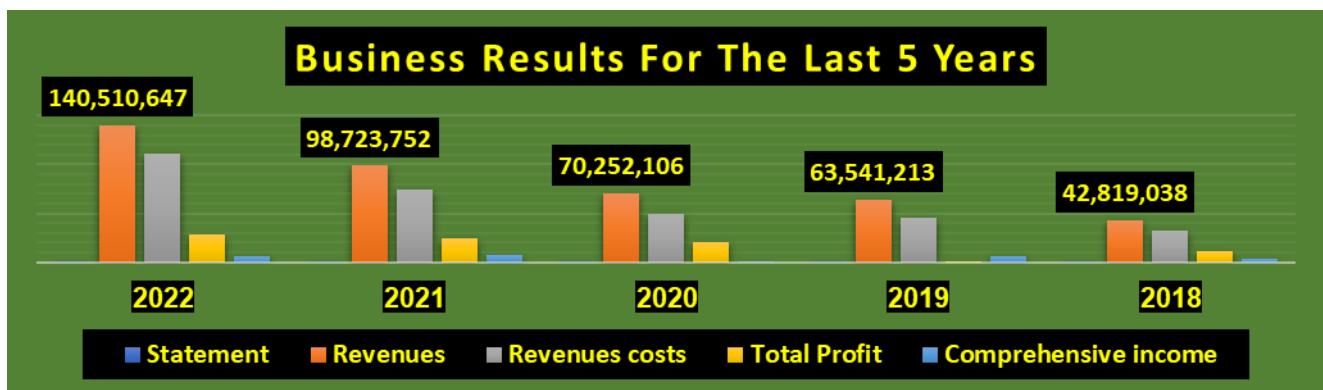
Percentage	Regions	
%11.37	15,974,307.39	Eastern Region
%11.82	16,601,432.96	Northern Region
%11.01	15,469,608.91	The Export
%100	140,510,647.00	Total



**3.5 A summary statement of the company's assets and liabilities and its results for the last five financial years:**

**Comparison of the company's business results:**

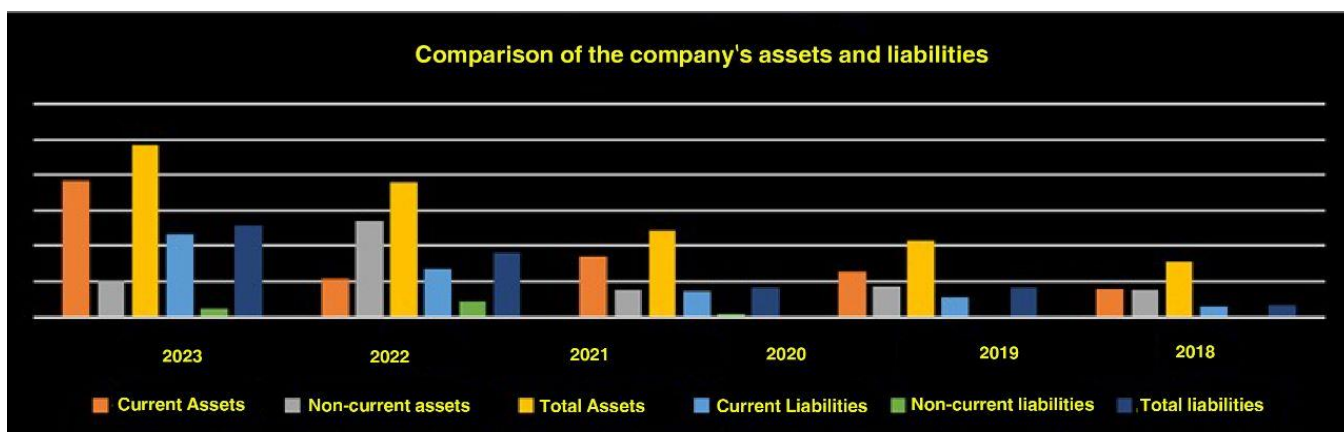
2018	2019	2020	2021	2022	Statement
42,819,038	63,541,213	70,252,106	98,723,752	140,510,647	Revenues
31,845,525	45,177,559	49,677,728	74,840,553	111,491,197	Revenues costs
10,973,513	18,363,654	20,574,378	23,883,199	29,019,450	Total Profit
3,232,871	5,551,291	7,569,621	7,220,113	5,828,641	Comprehensive income



**Comparison of the company's assets and liabilities:**

2018	2019	2020	2021	2022	The Statement
16,070,836	25,950,717	33,857,814	54,343,547	76,514,048	Current Assets

<u>14,969,661</u>	<u>17,203,171</u>	<u>15,222,700</u>	<u>21,559,702</u>	<u>20,641,422</u>	Non-current assets
<u>31,040,497</u>	<u>43,153,888</u>	<u>49,080,514</u>	<u>75,903,249</u>	<u>97,155,470</u>	Total Assets
<u>6,324,185</u>	<u>10,610,912</u>	<u>14,271,571</u>	<u>26,939,746</u>	<u>46,781,588</u>	Current Liabilities
<u>418,616</u>	<u>6,003,303</u>	<u>2,081,443</u>	<u>9,023,769</u>	<u>4,605,507</u>	Non-current liabilities
<u>6,742,801</u>	<u>16,614,215</u>	<u>16,353,014</u>	<u>35,963,515</u>	<u>51,387,095</u>	Total Liabilities



## 4-Financial Results:

### 4.1 Consolidated Statement of Profit or Loss and Comprehensive Income: (SAR)

2018	2019	2020	2021	2022	The statement
<u>42,819,038</u>	<u>63,541,213</u>	<u>70,252,106</u>	<u>98,723,752</u>	<u>140,510,647</u>	Activity revenue
<u>31,845,525</u>	<u>45,177,559</u>	<u>49,677,728</u>	<u>74,840,553</u>	111,491,197	Activity costs
10,973,513	18,363,654	20,574,378	23,883,199	29,019,450	Total profit of the activity
<u>1,395,318</u>	<u>2,752,216</u>	<u>2,833,497</u>	<u>5,731,063</u>	<u>5,788,986</u>	Administrative, general and financing expenses
<u>6,442,489</u>	<u>9,894,312</u>	<u>9,985,238</u>	<u>10,593,693</u>	<u>15,056,437</u>	Selling and distribution expenses
<u>386,478</u>	<u>186,089</u>	<u>234,894</u>	<u>353,269</u>	<u>965,478</u>	Other Income - Net
<u>289,313</u>	<u>351,924</u>	<u>420,915</u>	<u>691,626</u>	<u>986,769</u>	Zakat
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>191,104</u>	Non-continuous operations
3,232,871	5,551,291	7,569,622	7,220,113	5,828,641	Net Comprehensive Income Profit (Loss)

### 4.2 Consolidated Statement of Financial Position (SAR)

2018	2019	2020	2021	2022	The statement
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<u>16,070,836</u>	<u>25,950,717</u>	<u>33,857,816</u>	<u>54,343,547</u>	<u>76,514,048</u>	<b>Current assets</b>
<u>0</u>	<u>2,287,198</u>	<u>1,715,398</u>	<u>3,154,007</u>	<u>2,182,338</u>	<b>Right to use assets</b>
<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<b>Fame</b>
<u>8,969,661</u>	<u>8,915,973</u>	<u>7,507,302</u>	<u>12,405,695</u>	<u>12,459,084</u>	<b>Fixed assets</b>
<u>31,040,497</u>	<u>43,153,888</u>	<u>49,080,516</u>	<u>75,903,249</u>	<u>97,155,470</u>	<b>Total Assets</b>
<u>6,324,185</u>	<u>10,610,912</u>	<u>14,271,571</u>	<u>26,939,746</u>	<u>46,781,588</u>	<b>Current Liabilities</b>
<u>418,616</u>	<u>2,145,187</u>	<u>2,081,443</u>	<u>3,637,210</u>	<u>3,194,177</u>	<b>Non-current liabilities</b>
<u>0</u>	<u>3,858,116</u>	<u>0</u>	<u>5,386,559</u>	<u>1,411,330</u>	<b>Long-term loans</b>
<u>6,742,801</u>	<u>16,614,215</u>	<u>16,353,014</u>	<u>35,963,515</u>	<u>51,387,095</u>	<b>Total Liabilities</b>
<u>300,000</u>	<u>300,000</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>	<b>Paid-up capital</b>
<u>15,105,132</u>	<u>20,656,423</u>	<u>7,719,621</u>	<u>14,939,734</u>	<u>20,768,375</u>	<b>Reserves &amp; Rounded Profits</b>
<u>8,892,564</u>	<u>5,583,250</u>	<u>7,881</u>	<u>0</u>	<u>0</u>	<b>Shareholders' Rights</b>
<u>31,040,497</u>	<u>43,153,888</u>	<u>49,080,516</u>	<u>75,903,249</u>	<u>97,155,470</u>	<b>Total Liabilities and Shareholders' Equity</b>

### 5 Material Differences in Operational Results:

Causes	Percentage change	2021	2022	The Statement
Expansion of wholesale and retail sales, export, addition of new products, spread in new areas, high cost of raw materials and increase in marketing	42.33%	<u>98,723,752</u>	<u>140,510,647</u>	<b>Sales / Revenue</b>
	48.97%	<u>74,840,553</u>	<u>111,491,197</u>	<b>Cost of Sales / Revenue</b>
	21.51%	<u>23,883,199</u>	<u>29,019,450</u>	<b>Total Profit</b>
	42.13%	<u>10,593,693</u>	<u>15,056,437</u>	<b>Selling and distribution expenses</b>
	5.07%	<u>13,289,506</u>	<u>13,963,013</u>	<b>Profit (Loss) - Operational</b>

### 6 - The company's plans and future expectations:

The company's board of directors and its management works to develop and expand company business by preparing future plans to ensure the company's presence in the market and increase the company's market share, Among the most important of these pillars on which the company's plan was based are the following:

- Ensure the activation and application of governance in the company in accordance with the Corporate Governance Regulations issued by the Capital Market Authority, the Companies Law issued by the Ministry of Commerce, and the instructions of the supervisory and supervisory authorities.
- Expansion to reach 30 branches within the next five years.
- Training, development, continuous evaluation and investment in human capital.
- Motivating and training employees and developing training plans for them.
- Work to achieve the highest local and international quality standards.
- Work to strengthen the internal control system in accordance with the approved standards and best practices.
- Increase financial resources and reduce costs.
- Involve customers in the continuous evaluation of performance and products.

## 7- Human Resources:

Since the establishment of the company, senior management has taken upon itself the importance of human resources as the most important elements of the production process, which requires the search for good competencies capable of performance and distinguished giving.

Where the Saudization rate for the year 2022 reached 25%, and the company is looking forward to more in the future.

## 8- Information Technology:

**The company has made many developments to the technical work environment in the company.**

- 1- Register in the security field approved by the government to obtain a secure site.
- 2- Transfer the domain to the government-approved registrar (*Noor Net*) for a secure website.
- 3- Organization of the server room according to the standard IT policy.
- 4- Install the original Windows and Office 365 license for all head office and factory users.
- 5- Installing an antivirus in the server and all users of the headquarters and factory.
- 6- Install updates for Onyx server and vendor application.
- 7- Make secure network connections for all users.
- 8- Inventory a list of all computers, laptops, printers and phones.

## 9- Zakat:



The amount of Zakat for the fiscal year 2022 amounted to (986,769) riyals, and the company formed a provision for Zakat in the amount of (986,769) riyals for the Zakat due for the year 2022.

**Note that** the company obtained the Zakat certificate from the Department of Zakat and Income for the year 2021 and the company obtained the Zakat certificate from the Department of Zakat and Income Tax for the year 2022.

### 10- Loans:

- Maalem Finance Company Murabaha contract of (3,000,000) riyals to be paid over 24 months and extended for 9 months and the full financing was paid during the year 2022.
- Maalem Finance Company Murabaha contract amount (500,000) riyals to be repaid over 12 months and the loan has been fully repaid.
- Ajel Company has an agreement for the purchase and sale of goods for Tawarruq in the amount of (10,000,000) riyals to be paid over 36 months, part of which was paid during 2021 and 2022.
- Arab Bank has an agreement for the sale and purchase of Tawarruq commodities for the amount of (2,000,000) riyals, and the loan was fully repaid during the year 2021.

#### Statement of the movement of long-term loans during the year 2022: (Saudi Riyal):

2022/12/31 Balance	Repaid from the loan	Addition during the year	Benefits	Principal of the loan	Statement
5,973,344	6,026,656	00	1,200,000	10,000,000	Ajel Company Loan

#### Statement on the movement of short-term loans during 2022: (SAR)...

2021/12/31 Balance	Repaid from the loan	Addition during the year	Benefits	Principal of the loan	Statement
00	545,004	00	45,004	500,000,	Maalem Company Loan
1,496,788	2,043,212	00	540,000	3,000,000	Maalem Company Loan

#### The Arab Bank

#### Statement on the movement of short-term loans during 2022: (SAR)...

Balance 2021/12/31	Repaid from the loan	In addition, during the year	Benefits	Principal of the loan	Statement
00	,2,120,000	00	120,000	2,000,000	Arab Bank Loan

### 12- Risks:

The company pays attention to the potential risks as a result of the expected competition as a result of the entry of new companies and expansions in other companies. The company reviews all the risks that it may be exposed to and then takes the necessary measures to reduce the repercussions of those risks on performance and overcome them. The company achieves this through its management, committees and control tools. Represented by the audit committee and periodic reports on the financial and operational aspects and comparison of performance indicators.

The risks mentioned in the notes to the financial statements attached to this report explain the Company's position on these risks, which are as follows:

### **12.1 - Risks of exchange rate changes**

It is the risk of change in the value of financial instruments due to changes in foreign exchange rates. The management monitors fluctuations in foreign exchange rates and believes that the company is not exposed to the risks of changing exchange rates to a large extent, given that the official currency of the company is the Saudi riyal, which is the basic currency in which the company deals, and its price is currently fixed. And a small margin against the US dollar.

### **12.2 - Credit Risk**

It is the risk of the inability of other parties to fulfill their obligations towards the company, which leads to the company incurring a financial loss. The company deposits its cash balances in several financial institutions with high credit capacity. For customers, the company relies on deferred sales and preserves their right through a set of credit policies and procedures. In addition to promissory notes for each client and follow-up of debts on an up-to-date basis, the management does not see any significant concentrations of credit risks.

### **12.3 - Liquidity risk**

It is the risk that the company will be exposed to difficulties in obtaining funds to meet the obligations associated with financial instruments. Liquidity is managed by periodically ensuring that it is available in sufficient quantities to meet any future obligations. The company does not believe that it is exposed to significant risks related to liquidity.

### **12.4 - Operating Systems and IT Risks**

The company relies on information technology systems to manage its business in general, and the importance of relying on it lies in the fact that it helps in managing the company's sales, documenting purchasing operations and their details that take place daily, and linking branches in addition to the human resource planning system. Therefore, the company's failure to maintain and develop information technology systems or the existence of any malfunctions in its functions will negatively affect the company's business and results.

### **12.5 - Legal risks**

The company is exposed to risks related to legislative and legal changes in the Kingdom, whether from taxes, labor regulations, increasing obligations, limiting expansion operations, and others.

### **12.6 - Risks of epidemics**

Epidemics and disasters are among the risks that affect the economy in general, and the company's activity, including what the whole world witnessed after the outbreak of the Corona epidemic, which may negatively affect the company's productivity and sales, due to the precautions and precautionary measures that may be issued by

the competent authority. Like what happened during the fiscal year 2020.

## 12.7 - Risks of high raw materials used

There are risks facing the company, which are the risks of high shipping prices and high prices of raw materials such as oils and chemical additives, iron and plastic containers, or packaging materials.

## 13-The results of the annual review of the effectiveness of the company's internal control procedures:

The Board of Directors of the company seeks to develop and support internal control and control systems, and prepare an annual plan for the audit process, which aims to evaluate the internal control and control system. The Internal Audit Department submits periodic reports to the Audit Committee on the operational, administrative and financial audits that It carries out it on an ongoing basis, which aims to verify with a reasonable degree of assurance that the company's objectives are achieved, represented in the protection of the company's assets, the accuracy and completeness of the accounting records, and adherence to the regulations and policies adopted by the management to achieve the company's goals and is constantly monitored by the audit committee, and to make recommendations regarding them The audits carried out by the Internal Audit Department and the external auditors of the effectiveness and procedures of internal control and control did not show a fundamental weakness in the company's internal control and control system, which may indicate a reasonable degree of assurance of the effectiveness and efficiency of the internal control system's procedures.

## 14- Corporate Governance:

The company applies the standards of the governance system in order to adhere to the best practices that guarantee the protection of the rights of shareholders, stakeholders and employees of the company, and the company is keen on the rights of its shareholders as well as the stakeholders dealing with it through the existence of policies and regulations that ensure the organization of the company's business internally in accordance with With the governance regulations, and accordingly, it was one of the priorities of the Board of Directors to implement what was stated in the corporate governance regulations issued by the Board of the Capital Market Authority.

Therefore, the Company has completed its Internal Governance Regulations (Corporate Governance Manual) for the year 2020, in accordance with the Corporate Governance Regulations issued by the Board of the Capital Market Authority:

Reason	Article / Paragraph Text	Article
Guidance, and the company is working on developing training programs	Training, supporting and evaluating the members of the Board of Directors and the executive management, and developing the necessary programs for this.	39
indicative, The Remuneration and Nomination Committee uses	The Board of Directors, upon the proposal of the Nomination Committee, shall establish the evaluation and mechanisms necessary to evaluate the performance of the	41

some means in their evaluation.	Board, its members, committees and executive management annually.	
Indicative, and the company works on developing development and motivation programs	The company develops programs to develop and stimulate participation and performance for employees in the company	85
Guideline, and work is done to apply it when adhering to it.	The Ordinary General Assembly shall establish, upon the proposal of the Board of Directors, a policy that ensures that a balance is established between its objectives and the objectives that the community aspires to achieve in order to develop the social and economic conditions of the community.	87
Indicative, and will be applied when adhered to	<ul style="list-style-type: none"> <li>• Develop measurement indicators that link the company's performance to its initiatives in social work, and compare this with other companies with similar activities.</li> <li>• Develop awareness programs to introduce the company's social responsibility</li> </ul>	88
The Board of Directors continuously follows up on the Company's implementation of all governance regulations and is applied when complied with.	In the event that the Board of Directors forms a specialized committee for corporate governance, it must delegate to it the competencies stipulated in Article 94 of these regulations, and this committee must follow up on any issues related to governance applications and provide the Board of Directors at least annually with reports and recommendations.	95

## 15- Board of Directors:

### 15.1 Composition of the Board of Directors

The company is headed by a Board of Directors consisting of (5) members, and the members are classified according to the definitions contained in Article Two of the Corporate Governance Regulations issued by the Capital Market Authority. The number of Board of Directors meetings held during the year 2022 reached four (4) meetings. During which a package of decisions and recommendations included in the agenda of the meetings for the current session. The following table shows the most important information about the members of the Board of Directors:

#### **A. Members of the Board of Directors**

Experiences	Qualifications	Previous Posts	Current Positions	Name	No
<ul style="list-style-type: none"> <li>General Manager of the Four Orbits Trading Company</li> <li>General Manager of Sariyat Al Shamal Trading Company</li> <li>General Manager of the Sixth Network Trading Company</li> <li>General Manager at aqaseem factory co.,</li> <li>General Manager at the Muhammed Mishnan Al-Dossary Factory for Metal Industries</li> </ul>	<p><b>High School Certificate from Riyadh, Saudi Arabia in 1995</b></p>	<ul style="list-style-type: none"> <li>General Manager of the Four Orbits Trading Company</li> <li>General Manager of Sariyat Al Shamal Trading Company</li> <li>General Manager of the Sixth Network Trading Company</li> <li>General Manager at aqaseem factory co.,</li> <li>General Manager at the Muhammed Mishnan Al-Dossary Factory for Metal Industries</li> </ul>	Chairman of the Board of Directors	Muhammad Bin Mishnan Bin Suleiman Aldossary	1
<ul style="list-style-type: none"> <li>CEO of Aqasim Factory Co, for chemicals and plastics industry</li> <li>General Manager of the Decoration Drawing Foundation</li> <li>General Manager of Khitam Al-Roya Trading Company.</li> </ul>	<p><b>Holds a high school diploma from Riyadh, Saudi Arabia in 2000</b></p>	<ul style="list-style-type: none"> <li>CEO of Aqasim Factory Co, for chemicals and plastics industry</li> <li>General Manager of the Decoration Drawing Foundation</li> <li>General Manager of Khitam Al-Roya Trading Company.</li> </ul>	Vice Chairman & CEO	Faisal Bin Khatim Bin Awad Alzahrani	2
<ul style="list-style-type: none"> <li>Human Resources Consultant at the Food Development Business Company</li> <li>Chief Executive Officer of an activity contracting company</li> <li>Senior Director of Business Development in Poultry Company</li> <li>Business consultant in the Office of Nobles of the East for Consulting</li> <li>Organizational advisor at the Institute of Development and Consulting Studies at Princess Noura bint Abdul Rahman University</li> <li>Business developer at Sahara National Company Limited</li> <li>Trainer and management consultant at the Institute of Public Administration</li> </ul>	<ul style="list-style-type: none"> <li>Holds a MBA Middlesex University in the United Kingdom in 2014</li> <li>Holds a professional master's degree in administration (high diploma) - Institute of Public Administration in Saudi Arabia in 1996</li> <li>He holds a bachelor's degree in business administration, majoring in Marketing, from King Saud University, Riyadh, in 1993</li> </ul>	<ul style="list-style-type: none"> <li>Human Resources Consultant at the Food Development Business Company</li> <li>Chief Executive Officer of an activity contracting company</li> <li>Senior Director of Business Development in Poultry Company</li> <li>Business consultant in the Office of Nobles of the East for Consulting</li> <li>Organizational advisor at the Institute of Development and Consulting Studies at Princess Noura bint Abdul Rahman University</li> <li>Business developer at Sahara National Company Limited</li> <li>Trainer and management consultant at the Institute of Public Administration</li> <li>Investment Officer at Riyadh Bank</li> </ul>	Board Member	Hassan bin Omar bin Ali in Al-Khamis	3
<ul style="list-style-type: none"> <li>General Manager of Engineering Operation and Maintenance Department at Al Salam Health Medical Company</li> <li>Senior Manager of Security, Safety, Health and Environment Department at the National Water Company</li> <li>Engineer, Head of Department, Supervisor, Manager and Consultant at Saudi Arabian Oil Company (Saudi Aramco)</li> <li>Project Engineer of King Fahd Hospitals in the Technical Affairs Department of the</li> </ul>	<p>holds a Bachelor of Science degree in Civil Engineering and Construction from King Saud University in Riyadh in 1993.</p>	<ul style="list-style-type: none"> <li>General Manager of Engineering Operation and Maintenance Department at Al Salam Health Medical Company</li> <li>Senior Manager of Security, Safety, Health and Environment Department at the National Water Company</li> <li>Engineer, Head of Department, Supervisor, Manager and Consultant at Saudi Arabian Oil Company (Saudi Aramco)</li> <li>Project Engineer of King Fahd Hospitals in the Technical Affairs Department of the National Guard</li> </ul>	Board Member	Nasser Abdullah Saad Al , Nasser	4

Experiences	Qualifications	Previous Posts	Current Positions	Name	No
National Guard					
<ul style="list-style-type: none"> <li>Advisor to the retail banking sector at Riyadh Bank</li> <li>Branch Services Manager at Riyadh Bank</li> <li>Manager of the Customer Service Center at Riyadh Bank</li> <li>Director of the quality of electronic services in Riyadh Bank</li> <li>Director of Banking Cards Operations at Riyadh Bank</li> <li>Manager of automated teller operations at Riyadh Bank</li> <li>Director of Points of Sale and Merchant Operations at Riyadh Bank</li> </ul>	holds a bachelor's degree in business administration specializing in marketing from King Saud University in Riyadh in 1993.	<ul style="list-style-type: none"> <li>Advisor to the retail banking sector at Riyadh Bank</li> <li>Branch Services Manager at Riyadh Bank</li> <li>Manager of the Customer Service Center at Riyadh Bank</li> <li>Director of the quality of electronic services in Riyadh Bank</li> <li>Director of Banking Cards Operations at Riyadh Bank</li> <li>Manager of automated teller operations at Riyadh Bank</li> <li>Director of Points of Sale and Merchant Operations at Riyadh Bank</li> </ul>	Board Member	Muhammad Abdullah Abdul karim Alsaleh	5

- Names of companies inside or outside the Kingdom in which a member of the company's board of directors is a member of its current and previous boards of directors or one of its managers:

The legal entity -listed joint stock - Unlisted joint stock - limited liability / ...	Inside Outside the KSA	Names of companies in which a member of the Board of Directors was a member of its previous board of directors or one of its managers	Inside Outside the KSA	Names of companies in which a board member is a member of its current board of directors or one of its managers	Name	
.....	.....	.....	.....	.....	.....	1
.....	.....	.....	.....	.....	.....	2

- Composition of the Board of Directors and classification of its members as follows: Executive Board

Member - Non-Executive Board Member - Independent Board Member:

Membership classification (executive / non-executive / independent)	Member name	
non-executive	Muhammad bin Mishnan bin Suleiman Al-Dosari	1
Executive	Faisal bin Khatam bin Awad Al-Zahrani	2
non-executive	Hassan bin Omar bin Ali Bakhmis	3
non-executive	Nasser Abdullah Saad Al-Nasser	4
non-executive	Muhammad Abdullah Abdul Karim Al-Saleh	5

### 15.2 Statement of attendance at the meetings of the Board of Directors for the year

2022/12/07	2022/10/24	2022/06/06	2022/03/24	Name
✓	✓	✓	✓	Muhammad bin Mishnan bin Suleiman Al-Dosari
✓	✓	✓	✓	Faisal bin Khatam bin Awad Al-Zahrani
✓	✓	✓	✓	Hassan bin Omar bin Ali Bakhmis
✓	✓	✓	✓	Nasser Abdullah Saad Al-Nasser
✓	✓	✓	✓	Muhammad Abdullah Abdul Karim Al-Saleh

### 15.3 Interest and rights of board members and senior executives:

#### 15.3.1 The interests and rights of the members of the Board of Directors

percentage change	Net change	on 2022/12/31		on 2022/01/01		Name of the interested party	No
		percent	Number of Shares	percent	Number of Shares		
%0	%0	%13.135	328,375	%13.135	328,375	Muhammad bin Mishnan bin Suleiman Al-Dosari	1
%0	%0	%12.996	324,893	%12.996	324,893	Faisal bin Khatam bin Awad Al-Zahrani	2

#### 15.3.2 The rights of the wives and minor children of the members of the Board of Directors

None of the wives of the members of the Board of Directors or their minor children own any shares in the company.

percentage change	Net change	End of the year		beginning of the year		relative relation	Name of the interested party	No
		percent	Number of Shares	percent	Number of Shares	Wife-son-daughter		
-	-	-	-	-	-	-	-	

### **15.3.3 Interest and rights of senior executives :**

The shares owned by senior executives in the company.

percentage change	Net change	on2022/12/31		on 2022/01/01		Name of the interested party	No
		Number of Shares	Number of Shares	Number of Shares	Number of Shares		
%0	%0	%12.996	324,893	%12.996	324,893	Faisal bin Khatam bin Awad Al-Zahrani	1

### **15.3.4 Rights of wives and minor children of senior executives:**

The wives or minor children of senior executives do not own any shares in the company

percentage change	Net change	End of the year		beginning of the year		relative relation	Name of the interested party	No
		percent	Number of Shares	percent	Number of Shares			
-	-	-	-	-	-	Wife-son-daughter	-	-

### **15.3.5 Disclosure of remuneration policies for members of the Board of Directors, Board Committees and Executive Management:**

The following is the policy for the remuneration of members of the Board of Directors, Board committees, and executive management, in accordance with Article (93) of the Corporate Governance Regulations. These policies aim to set clear standards, controls, and procedures for compensation and rewards for members of the Board of Directors and members of its committees. The provisions of Paragraph (1) of Article 61 of the Corporate Governance Regulations in the Kingdom of Saudi Arabia, in application of the Board of the Capital Market Authority under Resolution No. (8-16-2017) dated 5/16/1438 AH corresponding to 2/13/2017.

#### **First: The remuneration of the members of the Board of Directors**

Bonuses are sums, allowances, profits and the like, periodic or annual bonuses related to performance, short or long-term incentive plans, and any other in-kind benefits except for the reasonable actual expenses incurred by the company on behalf of a member of the Board of Directors. This remuneration may be an amount or an allowance for attendance at the sessions, in-kind benefits, or a certain percentage of the net profits, and it is permissible to combine two or more of these benefits, and if the reward 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 the application of the provisions of the system and the company's articles of association, and after distributing a profit to the shareholders of no less than a deduction of (5%) from the company's capital, within the limits stipulated in the system Companies, corporate governance regulations and articles of association of the company.

#### **Second: Standards, controls and procedures for remunerating members of the Board of Directors and Board Committees:**



- 1- That the remuneration be fair and proportionate to the member's competencies, business and responsibilities that the members of the Board of Directors undertake and assume, in addition to the goals set by the Board of Directors to be achieved during the fiscal year.
- 2- The rewards shall be based on the recommendation of the Nominations and Remunerations Committee
- 3- The rewards should be commensurate with the company's activity and the skill needed to manage it. And their size and the experience of the members of the Board of Directors and the Committees of the Board of Directors in the work related to the company.
- 4- The remuneration should be reasonably sufficient to attract, motivate and retain board members with appropriate competence and experience, taking into account the maximum limit (500,000 Saudi riyals) stipulated in Paragraph (3) of Article (76) of the Companies Law.
- 5- A member of the Board of Directors may obtain a remuneration for his membership in the audit committee formed by the General Assembly, or for any additional executive, technical, administrative or advisory work or positions - under a professional license - assigned to him in the company, in addition to the remuneration that can He obtains it in his capacity as a member of the Board of Directors and in the committees formed by the Board of Directors, in accordance with the Companies Regulations and the Company's Articles of Association. And that the total rewards obtained by the member in accordance with the above do not fall within the scope of the maximum limit for the reward stipulated in Paragraph (3) of Article (76) of the Companies Law described in Paragraph (4) above.
- 6- The remuneration of the members of the Board of Directors may vary in amount to reflect the extent of the member's experience, specializations, tasks entrusted to him, his independence, the number of sessions he attends and other considerations.
- 7- The remuneration of the independent members of the Board of Directors shall not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company. This is so that their remuneration is not linked to the company's performance or any other factors affecting the independence of their decisions.
- 8- In accordance with what was stated in Article 21 of the Company's Articles of Association, the Board of Directors determines, at its discretion and by a decision issued by it, the special remuneration received by the Chairman, his deputy and the Managing Director "if any" for each of them, in addition to the remuneration prescribed for the members of the Board of Directors, within the limits What is stipulated in the Companies Law and its regulations.
- 9- Members of the Board of Directors may not vote on the item of remuneration of members of the Board of Directors at the meeting of the General Assembly, in order to ensure the independence of the decision issued by the General Assembly of the company regarding the item of remuneration of members of the Board of Directors.
- 10- If the General Assembly decides to terminate the membership of a member of the Board of Directors who is absent due to his failure to attend three consecutive meetings of the Board without a legitimate excuse, then this

member shall not be entitled to any rewards for the period following the last meeting he attended, and he must return all the rewards paid to him for that period.

11- If the Audit Committee or the Capital Market Authority finds out that the remunerations paid to any of the members of the Board of Directors are based on incorrect or misleading information that was presented to the General Assembly or included in the annual report of the Board of Directors, then he must return them to the company, and the company has the right to ask him to return them. This does not absolve a member of the Board of Directors from any responsibilities for any damages incurred by the company, its shareholders, or any other related persons as a result-.

12- The Board of Directors must disclose in its annual report the details of the policies related to remuneration and the mechanisms for determining them, as well as the amounts and financial and in-kind benefits paid to each member of the Board of Directors in return for any executive, technical, administrative or advisory jobs or positions.

### **Third: Rewards and fees for members of the Board of Directors and Board Committees:**

According to the above, the remuneration and fees of the Board of Directors are calculated as follows:

1- Annual remuneration for members of the Board of Directors and committees emanating from the Board of Directors 40,000 riyals / year.

2- Annual remuneration for membership of committees emanating from the Board of Directors for external members:

2.1 - Audit Committee 40,000 riyals / year.

2.2 - Other committees 15,000 riyals.

3- The allowance for attending the meetings of the Board of Directors and the committees emanating from the Board of Directors for all members is 1,500 riyals for each session.

4- The Board of Directors determines, at its discretion and by a decision issued by it, the special remuneration received by the Chairman, his deputy and the managing director - if any - for each of them, in addition to the remuneration prescribed for the members of the Board of Directors.

### **Fourth: Senior Executives Remuneration:**

**The Board of Directors - based on the recommendation of the Nomination and Remuneration Committee - determines the remuneration of senior executives, provided that it is in accordance with the following principles:-**

1- That rewards and compensation be compatible with the company's strategic objectives, and a factor to motivate senior executives to achieve those goals and enhance the company's ability and develop its business.

2- It should be appropriate to the nature of the company's business, its activity, its size, and the required skills and experience.

3- To enable the company to attract senior executives with capabilities, skills and qualifications necessary to enable the company to achieve its objectives.

4- Not to cause any conflict of interests that would negatively affect the interest of the company and its ability to achieve its objectives. The remuneration of the executive management includes the following:

A-- basic salary and allowances according to the contract to be paid at the end of each Gregorian month on an ongoing basis, health insurance for him and his family members, an annual bonus linked according to the annual evaluation, and an end-of-service bonus according to the work system

b-- The Chief Executive Officer implements the remuneration policy for employees and senior executives in light of the plans, programs and general directives approved by the Nominations and Remunerations Committee.

### 15.3.6 - The company's total payments to five senior executives, including the general manager and financial Manager:

NOTES	total summation	Total executive remuneration for the board, if any	Indemnity	Variable rewards						Fixed rewards				Senior executive positions	
				Total	Granted shares (the value is entered)	Long term incentive plans	Short term incentive plans	earnings	Periodic bonuses	Total	Kind advantages	allowances	salaries		
	508,003	.....	28,003	-	.....	.....	.....	.....	.....	.....	480,000	.....	240,000	240,000	CEO
	153,573	.....	36,573	-	.....	.....	.....	.....	.....	.....	117,000	.....	66,000	51,000	V.CEO
	451,264	.....	101,264	-	.....	.....	.....	.....	.....	.....	350,000	.....	200,000	150,000	FM
	329,250	.....	25,250	-	.....	.....	.....	.....	.....	.....	304,000	.....	172,000	132,000	Factory manager
	332,691	.....	37,691	120,000	.....	.....	120,000	.....	.....	.....	175,000	.....	100,000	75,000	Sales Manager
	186,964	.....	54,964	-	.....	.....	.....	.....	.....	.....	132,000	.....	66,000	66,000	Purchases Manager
	1,961,745	-	283,745	120,000	-	-	120,000	-	-	-	1,558,000	-	844,000	714,000	Total

### 15.3.7 Board members remuneration:

comments	Expense allowance	total summation	Indemnity	المكافآت المتغيرة						المكافآت الثابتة							
				Total	Granted shares (the value is entered)	Long term incentive plans	Short term incentive plans	Periodic bonuses	percentage of profits	Total	العضو المنتدب	administrative and	Kind advantages	Total allowance for attending committee	Allowance for attending council		a certain amount
First: the independent members																	
...	0	53500	0	0	0	0	0	0	0	53500	0	0	0	13500	1500	40000	Hassan bin Omar bin Ali Bakhmis
	0	47500	0	0	0	0	0	0	0	47500	0	0	0	7500	1500	40000	Nasser Abdullah Saad Al-Nasser
	0	47500	0	0	0	0	0	0	0	47500	0	0	0	7500	1500	40000	Muhammad Abdullah Abdul Karim Al-Saleh

0	0	148500	0	0	0	0	0	0	0	0	148500	0	0	0	28500	4500	120000	<b>Total</b>
<b>Second: Non-executive members</b>																		
...	0	49000	0	0	0	0	0	0	0	0	49000	0	0	0	9000	1500	40000	Muhammad Mishnan Al-Dosari
0	0	49000	0	0	0	0	0	0	0	0	49000	0	0	0	9000	1500	40000	<b>Total</b>
<b>Third: Executive members</b>																		
...	...	47500	...	...	...	...	...	...	...	...	47500	0	0	0	7500	1500	40000	Faisal Khatem Al-Zahrani

### **15.3.8 Committee members remuneration:**

Total	allowance for attending sessions	Fixed remuneration (except for attendance allowance)	Audit committee members
47500	7500	40000	<b>Ibrahim Al-Maqhem</b>
47500	7500	40000	<b>Hisham Al-Muqrin</b>
25000	10000	15000	<b>Secretary of the Council and Committees</b>

\* We would like to point out here that there are no deviations between the rewards granted and the applicable reward policies.

### **15.3.9 Board members who waived their remuneration:**

waiver number. .... From the members of the Board of Directors for their remuneration and allowance for attending sessions in support of the company, and they are

.....

الصفة	Name
...	...
...	...
...	...

### **16- Board Committees:**

#### **Audit Committee 16.1**

The Audit Committee consists of three members, and the General Assembly approved the rules for selecting the members of the Committee, the term of their membership, and the method of work of the Committee. The Audit Committee consists of the following:

Experience	previous job	Current Position	qualification	Members hip status	Category	Name	No
------------	--------------	------------------	---------------	--------------------	----------	------	----

<p><b>Director of the investment sector at the National Housing Company</b></p> <p><b>Senior Manager in the Listing Department of the Saudi Tadawul Company</b></p> <p><b>Accountant in the financial and investment sector at the Saudi Basic Industries Corporation, SABIC</b></p>	<p>Senior Manager in the Listing Department of the Saudi Tadawul Company</p> <p>Accountant in the financial and investment sector of the Saudi Basic Industries Corporation, SABIC</p>	<p><b>Director of the investment sector at the National Housing Company</b></p>	<p>Master of Business Administration in Finance from the University of Scranton, Pennsylvania, USA, in .2012</p> <p>Bachelor's degree in Finance from King Saud University in 2007</p>	<p>independent</p>	<p>non-executive Chairman of the review committee</p>	<p>Ibrahim Abdulaziz Ibrahim Al-Muqhem</p>	<p>1</p>
<p>Served as an advisor to KASAB Financial Company (a closed joint stock company operating in the field of financial services) since 2017 until now</p> <p>Held the position of CEO of The Investor Securities Company (a closed joint stock company operating in the field of financial services) during the period from .2015G to 2017G</p> <p>He held the position of CEO of Tharawat Securities Company (a closed joint stock company operating in the field of financial services) during the period from .2014 to 2015</p> <p>He held the position of Executive Vice President of Support Real Estate Investment Company (a limited liability company working in the field of real estate investments) during the period from .2013 to 2014</p> <p>He held the position of Executive Vice President of The Investor Securities Company (a closed joint stock company operating in the field of financial services) during the period from 2000 o 2003</p>	<p>Held the position of CEO of The Investor Securities Company (a closed joint stock company operating in the field of financial services) during the period from 2015G to .2017G</p> <p>He held the position of CEO of Tharawat Securities Company (a closed joint stock company operating in the field of financial services) during the period from 2014 to 2015</p> <p>He held the position of Executive Vice President of Support Real Estate Investment Company (a limited liability company working in the field of real estate investments) during the period from 2013 to 2014</p> <p>He held the position of Financial Director of The Investor Securities Company (a closed joint stock company operating in the field of financial services) during the period .from 2008 AD to 2012 AD</p> <p>He held the position of Financial Director of Al-Bilad Financial Company (a closed joint stock company working in the field of financial services) during the period .from 2007 AD to 2008 AD</p> <p>He held the position of Director of the Finance and Administration Department of Riyadh Holding Group (a closed joint stock company operating in the diversified investment sector) during the period .from 2003 AD to 2007 AD</p> <p>He held the position of head of the administrative support team for the Ministerial Committee for Administrative Organization (a committee that aims to develop and modernize the government apparatus, raise the level of its performance and rationalize its cost) .during the period from 2000 o 2003</p>	<p>Served as an advisor to KASAB Financial Company (a closed joint stock company operating in the field of financial services) since .2017 until now</p>	<p> Holds a master's degree in accounting from Southeast Missouri State University, USA, .in 1998</p> <p>He holds a bachelor's degree in administrative sciences - Accounting from King Saud University in .Riyadh in 1993</p>	<p>independent</p>	<p>Non-executive member of the Audit Committee</p>	<p>Hisham Abdul Rahman Muhammad bin Muqrin</p>	<p>2</p>

<p>.2013 He held the position of • Financial Director of The Investor Securities Company (a closed joint stock company operating in the field of financial services) during the period from 2008 to .2012</p> <p>He held the position of • Financial Director of Al- Bilad Financial Company (a closed joint stock company working in the field of financial services) during the period from .2007 AD to 2008</p> <p>He held the position of • Director of the Finance and Administration Department of Riyadh Holding Group (a closed joint stock company operating in the diversified investment sector) during the period .from 2003 AD to 2007</p> <p>He held the position of • head of the administrative support team for the Ministerial Committee for Administrative Organization (a committee that aims to develop and modernize the government apparatus, raise the level of its performance and rationalize its cost) during the period from .2000 AD to 2003</p>							
<p>He occupies the position of human • resources advisor at the Food Development Business Company (a public joint stock company working in the field of beverages and food) .since 2020 AD until now</p> <p>He held the position of Chief • Executive Officer in an activity contracting company (a one-person</p>	<p>He occupies the position of • human resources advisor at the Food Development Business Company (a public joint stock company working in the field of beverages and food) since 2020 .AD until now</p> <p>He held the position of Chief •</p>	<p><b>He occupies • the position of human resources advisor at the Food</b></p>	<p>Holds a Master's • degree in Business Administration (MBA) from Middlesex University in the United .Kingdom in 2014</p>	<p>indepe ndent</p>	<p>Non- executive committe e member</p>	<p>Hassan bin Omar bin Ali Bakhmis</p>	<p><b>3</b></p>

<p>company with limited liability operating in the field of contracting) during the period from 2020 AD to 2020 AD</p> <p>He held the position of Senior • Manager of Business Development in the Company's Poultry Company (a limited liability company working in the field of food production) during the period from 2019 AD to 2020 AD</p> <p>He held the position of business • consultant in the Nawabigh Al Sharq Consulting Office (a professional office in the field of providing management consulting and business solutions) during the period from 2016 AD to 2019 AD</p> <p>He held the position of an • organizational consultant at the Institute of Development and Consulting Studies at Princess Noura bint Abdul Rahman University (a governmental university affiliated to the Ministry of Higher Education) during the period from 2016 AD to 2018 AD</p> <p>He held the position of business • developer in Sahara National Company Limited (a limited liability company operating in the field of general trade) during the period from 2015 AD to 2016 AD</p> <p>He held the position of trainer and • management consultant at the Institute of Public Administration (a governmental institute working in the training and consulting sector) during the period from 1995 AD to 2013 AD</p> <p>He held the position of investment officer at Riyadh Bank (a public shareholding company operating in the field of banking services) during the period from 1993G to 1994G</p>	<p>Executive Officer in an activity contracting company (a one-person company with limited liability operating in the field of contracting) during the period from 2020 AD to 2020 AD</p> <p>He held the position of Senior • Manager of Business Development in the Company's Poultry Company (a limited liability company working in the field of food production) during the period from 2019 AD to 2020 AD</p> <p>He held the position of • business consultant in the Nawabigh Al Sharq Consulting Office (a professional office in the field of providing management consulting and business solutions) during the period from 2016 AD to 2019 AD</p> <p>He held the position of an • organizational consultant at the Institute of Development and Consulting Studies at Princess Noura bint Abdul Rahman University (a governmental university affiliated to the Ministry of Higher Education) during the period from 2016 AD to 2018 AD</p> <p>He held the position of • business developer in Sahara National Company Limited (a limited liability company operating in the field of general trade) during the period from 2015 AD to 2016 AD</p> <p>He held the position of trainer • and management consultant at the Institute of Public Administration (a governmental institute working in the training and consulting sector) during the period from 1995 AD to 2013 AD</p> <p>He held the position of investment officer at Riyadh Bank (a public shareholding company operating in the field of banking services) during the period from 1993G to 1994G</p>	<p><b>Development Business Company (a public joint stock company working in the field of beverages and food) since 2020 AD until .now</b></p>	<p>Holds a professional • master's degree in administration (high diploma) from the Institute of Public Administration in the Kingdom of Saudi Arabia in 1996</p> <p>He holds a Bachelor's degree in Business Administration, majoring in Marketing, from King Saud University, Riyadh, in 1993</p>				
--	---	---	---	--	--	--	--

**16.2 Duties of the audit committee:**

- Supervising the internal audit department in the company, to verify its effectiveness in carrying out the tasks and tasks assigned to it by the Board.
- Studying the internal control system and preparing a written report on its opinion and recommendations in this regard.
- Studying the internal audit reports and following up on the implementation of corrective measures for the observations contained therein.
- Recommending to the Council the appointment and dismissal of chartered accountants and fixing their fees. When recommending appointment, care must be taken to ensure their independence.
- Follow-up the work of chartered accountants and approve any work outside the scope of the audit work assigned to them while they are carrying out audit work.
- - Coordination between the various departments of the company and the external control authorities, including the external auditor, the Capital Market Authority, and other external supervisory authorities.
- Follow up on the implementation of what was stated in the registration and listing regulations issued by the Capital Market Authority.
- Studying the audit plan with the chartered accountant to express her observations thereon.
- Studying the notes of the chartered accountant on the financial statements and following up on what has been done in this regard.
- - Studying the primary and secondary financial statements before presenting them to the Board and expressing an opinion and recommendation in their regard.
- Studying the accounting policies followed and expressing an opinion and recommendation to the Board in this regard.

The meetings of the Audit Committee held during the year 2022 amounted to 3 meetings, noting that there is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors.

### **16.3 Statement of attendance at audit committee meetings for the year 2022:**

09/17	05/26	03/25	Name
√	√	√	Ibrahim Abdulaziz Ibrahim Al-Muqhem
√	√	√	Hisham Abdul Rahman Muhammad bin Muqrin
√	√	√	Hassan bin Omar bin Ali Bakhmis



## 17- Evaluating the performance of the Board of Directors and its committees:

This is done through the Nominations and Remunerations Committee, where it identifies strengths and weaknesses in the Board of Directors and proposes to address them.

## 20- Transactions with related parties:

There were no transactions during the year with related parties within the group's normal business and with the approval of the management, and the management believes that these transactions are no different from any other transactions presented to a third party.

## 21- Purchases or Contracts that in the Interest of Members of the Board of Directors and Executives:

There are no purchases or contracts concluded by the company during the year 2022 AD that have an interest for a member of the Board of Directors or senior executives.

### ~ Shares and debt instruments issued to the subsidiary company

There are no shares or debt instruments issued by Agaseem Factory Co, for Chemical and Plastic Industry:

## 23- Regular payments due to government agencies:

2022	Statement
986,769	Zakat
986,769	Total

## 24- Dividend Policy

According to Articles (42) and (43) of the Company's Articles of Association, the company's profits shall be distributed as follows:

The company's annual net profits shall be distributed after deducting all general expenses and other costs as follows:

of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may stop (%10) .this set aside when the aforementioned reserve reaches half of the capital

The Ordinary General Assembly may, upon a proposal by the Board of Directors, set aside a percentage of the net profits to form convention reserves and allocate them for a specific purpose or purposes. A down payment of at least 5% of the paid-up capital shall be distributed from the remainder to the shareholders

1- After the aforementioned, a percentage not exceeding 10% of the remainder shall be allocated for the remuneration of the Board of Directors, taking into account the regulations and instructions issued by the Ministry of Commerce and Industry in this regard, and the rest shall be distributed after that to the shareholders as an additional share in the profits.

2- 2- The profits to be distributed to the shareholders shall be paid at the place and times determined by the Board of Directors in accordance with the instructions issued by the Ministry of Commerce and Industry.

### **25-Dividends - Year 2021:**

The company did not distribute dividends during the year 2022 .

### **26- Application of International Accounting Standards:**

The company applied international accounting standards and issued its financial statements for the year 2022 accordingly.

### **27- The Chartered Accountant Report:**

Al-Kharashi Office of Certified Public Accountants and Auditors, as an external auditor for the company's accounts for the fiscal year ending on 12/31/2022 AD, reviewed the company's financial statements, and the report of the company's certified accountant did not include any reservations on the annual financial statements, and the office issued the following opinion:

The financial statements present fairly, in all material aspects, the financial position of the company as of December 31, 2022, its financial performance and its cash flows for the year ending on that date in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other standards and publications approved by the Saudi Organization for Auditors and Accountants.

### **28- Shareholders' Rights:**

The Board of Directors and the executive management of the company are committed to working to protect the rights of shareholders in a manner that guarantees justice and equality among them, and not to discriminate between shareholders who own the same class of shares, and not to withhold any right from them, and to inform the members of the Board of Directors of the opinions, suggestions and observations of shareholders regarding the company and its performance And discussing them with them, and the Chairman of the Board also informs and communicates the opinions of the shareholders to the Board of Directors during the meetings of the Board without the presence of any executive member if the need arises...

### **29- Actions Taken by the Board of Directors to Brief its Members, Especially Non-Executives:**

The Chairman of the Board of Directors, at the first meeting of the Board of Directors, informs the members of the Board of Directors, especially the non-executive members, of the shareholders' proposals and their observations regarding the company, its performance, and the results of its operations...

### **30- Company Declarations:**

- .That the account records have been properly prepared -
- .The internal control system was prepared on sound foundations and implemented effectively -
- .There is no significant doubt about the company's ability to continue its activities -
- That there are no works or contracts concluded by the company or in which there was an interest for a -
- .member of the Board of Directors or senior executives or any person related to any of them
- .There are no treasury shares with the company -

....

## 31- Board of Directors Assurances

The Board confirms that:

- No loan was granted to any of the members of the Board of Directors or the Executive Management.
- The company did not enter into any transactions related to the company's shares with any of the members of the Board of Directors or those who have a direct relationship.
- The company's financial statements have been prepared in accordance with the accounting standards issued by the Saudi Organization for Certified Public Accountants.
- There are no observations or reservations in the external auditor's report.
- There are no voting shares belonging to persons who informed the company of these rights during - year 2021
- There are no arrangements or agreements between the company and a shareholder to waive his share in the profits.
- It did not create any reserves or savings for the benefit of the company's employees, other than the provision for end-of-service benefits.
- There are no convertible debt instruments into shares, and there are no recoverable debt instruments for the company and its subsidiaries.
- There are no purchases or contracts in which a member of the Board of Directors or executives has an interest
- There are no arrangements or agreements under which a member of the Board of Directors or a senior executive in the company waived any salary or compensation that was not disclosed.

## Conclusion

In conclusion, the Chairman of the Board of Directors and the members of the Board extend their sincere thanks to the shareholders for answering the invitation to attend and for the trust you placed in the Board, which it appreciates and cherishes.

The Board of Directors expresses its appreciation and gratitude to the government of King Salman bin Abdulaziz and his trustworthy Crown Prince, His Royal Highness Prince Muhammad bin Salman bin Abdulaziz, may Allah preserve them, and the Capital Market Authority, all supervisory, regulatory authorities for their cooperation and continuous support for the company.

The Board also thanks and Appreciates to all the company's employees for their sincerity, dedication, and continuous support to the company.