



Board of Directors Annual Report
&
Closing Accounts for the Fiscal Year Ended on
31 December 2020

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Board of Directors Report
For
The Fiscal Year Ended on 31 December 2020

Shareholders of ALDREES Petroleum & Transport Services Co.

Dear Sirs,

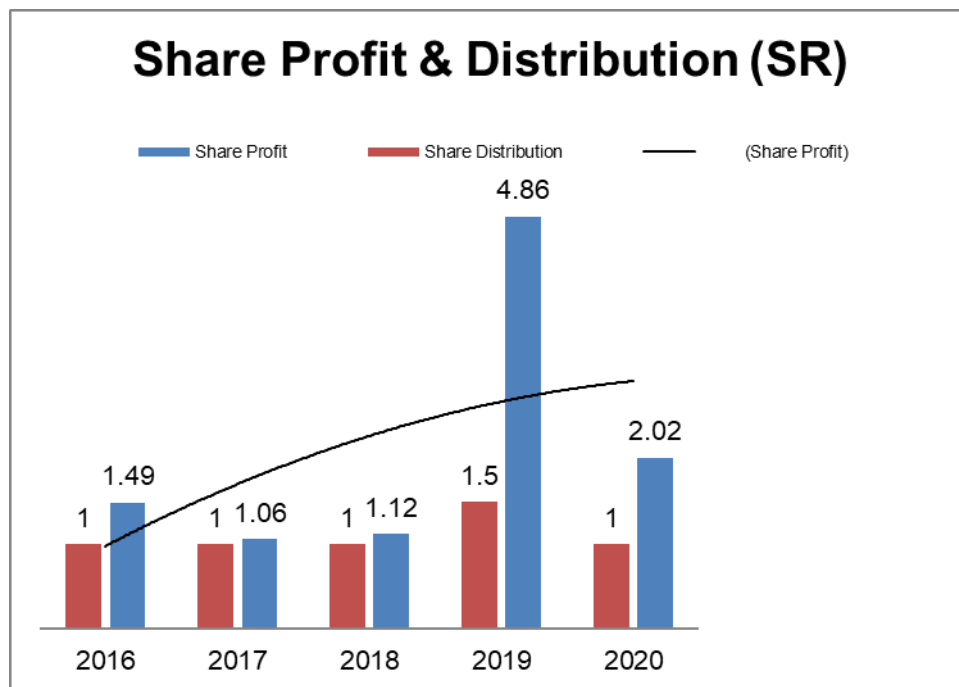
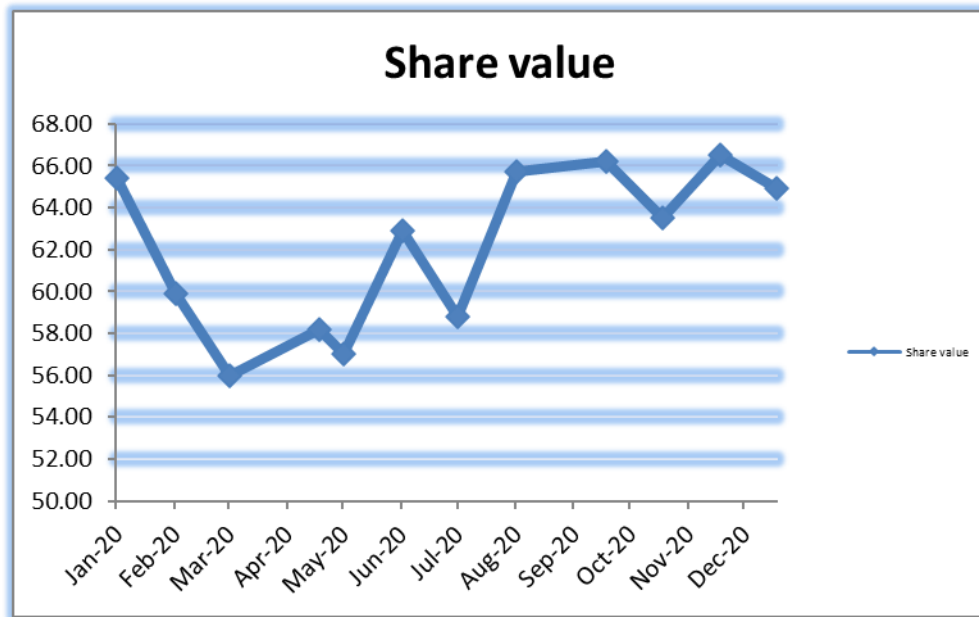
The Board of Directors is pleased to present the Annual Financial Report for the Fiscal Year (ended) 31 December 2020. It was difficult and different from the previous years with its challenges and crises due to the Coronavirus (Covid-19) pandemic that paralyzed the global economy.

Thanks to ALLAH and the efforts of the employees in the company, and the implementation of strategic plans have resulted in FY 2020 good performance with total sales amounted to 5,062.1 Million riyals compared to 5,681.1 Million riyals of FY2019 an decrease of -12.4% and net profit amounted to 121.1 Million riyals, a decrease of -58.50% compared with FY 2019.

The implementation of the strategic plans in our operations and the completion of plans to develop all the stations in the Kingdom have led for the Ministry of Municipal and Rural Affairs to certify operations high standard and qualified to receive the (adjusted) profit margin for the certified companies; and the Smart Fuelling Technology (WAIE) attracted new customers attributed to higher sales. The expansion of Logistics Services contributed to keep the company's market share and leadership position, with strong competence and strategic marketing approaches; and the distinctive management of Human Resources led to desirable operating performance and profitability that supported the company's dividend distribution policies to the shareholders.

Finally, we would like to express our deepest thanks for your confidence in Company Management, welcoming a new year with more confidence and optimism to achieve more successes during Y2021 and we hope to see you at the annual meeting of Shareholders General Assembly to answer your questions regarding the matters stated in this Report.

Diagram - Share Performance during 2020



MISSION AND VISION

As the company's management seeks to keep up with the Kingdom's Vision 2030 aiming at developing all fields in KSA, ALDREES Petroleum & Transport Services Company has developed a future vision for the upcoming five years that would help develop its services, exert all necessary efforts to improve performance and develop the working environment to achieve KSA's future vision.

Vision

Our vision is to become the most efficient company in terms of managing and operating fuel stations and logistics services in addition to transporting various goods with the assistance of qualified personnel using the latest technologies.

Mission

Our mission is to take advantage of every possible opportunity to fulfill our declared actions and decisions:

- ❖ Provide the best services to our clients
- ❖ Continue training and developing the skills of our staff
- ❖ Use the latest world class methods in our operational processes
- ❖ Achieve the best returns to our shareholders.
- ❖ Community services

The Message

Achieving a leading position for the company in the field of operating, managing and maintaining petrol stations, service centers, logistics and transportation, raising the level of quality, and achieving customer and shareholder satisfaction and stakeholders in accordance with our social responsibility.

Our Responsibility:

Our commitment to our social and environmental responsibilities is reflected through the integrated methodology on which our work scope is based, as we are constantly keen to contribute effectively to achieving real and positive development within the society in which we work to contribute to advancing development throughout the Kingdom.

Objective

The company aims to achieve the best returns for shareholders, and to provide the best distinguished services to its customers through continuous development and raising the efficiency of human resources, as the operational operations are supervised by a trained team of engineers, technicians and manpower, which guarantees the safety of trucks, devices, equipment and stations, and before that their professional safety.

Description of Company Activity, Sectors and Subsidiaries:

The company activities include, pursuant to the Commercial Registration thereof, Retail and Wholesale trade of fuel, oil, gas, car spare parts, tires, batteries. Cargo services, hauling/bulk transportation to all domestic routes in KSA and cross-borders of all kinds of goods and products, water, chemicals, etc. Land transport services, maritime and air passengers. Customs clearance of products and goods services, packaging, packing, and all Logistics and complementary services for all company purposes, inside and outside KSA by land, sea and air. Establishing workshop, mechanics, electricity, blacksmithing, painting, plumbing and car washrooms. Purchasing parcels of land and, build, develop and investment through sale or rent to company; Retail and Wholesale trade of food products; establishing, managing, operating, renting, restaurants and fast food service centers (for hot and cold drinks and snacks). Subsistence services: Cooked and uncooked. Management, operating and maintenance of fuel stations, and carwash & polishing . Investment through purchasing commercial and residential buildings. Purchase, or owns medical centers for company. Import apparatus, equipment, spare parts, system automation, fuel pumps systems, tanks, and all the supplies needed to operate fuel stations. Building general contractor. Maintenance, cleaning, installation, restoration, demolition, gypsum, decoration, electrical and plumbing works Roads, asphalt, lighting, extension of telephone networks, water, sanitation, carpentry, air

conditioning and landscaping. The company carries out its activities in accordance with the established regulations and after obtaining the necessary licenses from the competent authorities, if any.

The below Report shows activity and revenue analyses of each sector separately as follows:

Description	2020	2019	2018	2017	2016
Income statement (SR in thousand)	SR	SR	SR	SR	SR
Sales:					
Petroleum	4,738,495	5,375,560	4,930,309	3,223,327	3,261,699
Transport	235,586	305,569	246,276	186,271	199,650
Total	4,974,081	5,681,129	5,176,585	3,409,598	3,461,349
Sales Percentage:					
Petroleum	95.26%	94.62%	95.24%	94.54%	94.23%
Transport	4.74%	5.38%	4.76%	5.46%	5.77%
Growth Percentage:					
Petroleum	-11.85%	9.03%	52.96%	-1.18%	59.14%
Transport	-22.90%	24.08%	32.21%	-6.70%	-21.22%
Total	-12.44%	9.75%	51.82%	-1.50%	50.30%

First: (Petroleum) Sector:

The Company applies state of the art technology; quality and safety standards, continuous improvement and development of our employees abilities along with the best international and scientific methods to our operations, so as to provide good services. This led for the Ministry of Municipal and Rural Affairs to certify operations high standard and qualified to receive the (adjusted) profit margin for the certified companies. As a result of the new requirements by the Official Authorities (economic and regulatory changes regarding the fuel stations), the rehabilitation and development of the stations inside the cities and in the highways, necessitate long-term investments, with the aim to achieve and sustain the level of profitability, that resulted to a network of (544) stronghold Service Stations.

The following is a summary of the number of owned and leased service stations:

Description	2020	2019	2018	2017	2016
Company owned					
At start of year	16	16	16	15	14
Additions during the year	1	-	-	1	1
Exclusions	-	-	-	-	-
At the end of year	17	16	16	16	15
Leased Rentals					
At start of year	466	429	448	458	472
Additions during the year	73	58	22	23	43
Exclusions	12	21	41	33	57
At the end of Year	527	466	429	448	458
Total stations.	544	482	445	464	473
Growth Rate	12.9%	8.3%	-4.1%	-1.9%	-2.7%

Second: Transport Sector

The company provides the best transportation fleet using modern trucks and maintenance methods employing only high-quality spare parts, and continuous training & development in human resources efficiency. Maintenance works are managed by a competent technical team under the supervision of highly efficient engineers to ensure safety of the drivers, trucks and equipment. The highly reputed operation of transport fleet is well-known across the Gulf Cooperation Council Countries (GCC) and some of the neighboring Arab countries. the company decides to acquire additional trucks and trailer heads to meet the rising demands of company's hauling contracts servicing, and Logistics expansions.

The following is the company's fleet summary (number of trucks and transportation units):

Description	2020	2019	2018	2017	2016
Truck Head:					
Year start	1255	1283	1291	1285	1278
Additions during the year	100	-	-	6	10
Exclusions	105	28	8	-	3
Year end	1250	1255	1283	1291	1285
Trailers:					
Year start	2390	2437	2386	2204	2044
Additions during the year	71	105	151	204	173
Exclusions	17	152	100	22	13
Year end	2444	2390	2437	2386	2204
Total truck heads and trailers	3694	3645	3720	3677	3489

Description of Plans, Decisions and Future Expectations: Petroleum Sector Strategy:

- ❖ Aggressive acquisitions of profitable service stations.
- ❖ Establish modern stations and provide excellent services.
- ❖ Lease station facilities to big companies with good reputations and with registered trade mark.
- ❖ Networks of mega-service-stations on highways by means of one-stop all-in-one integrated service centers to provide convenience.
- ❖ Integration of technologies by fuel filling automations as well as all operational and administrative processes.
- ❖ Maximising non-fuel revenue (other than sale of fuel) to increase company revenue.
- ❖ Supporting efficient human resources particularly the local talents in order to improve the operational level and competitiveness.
- ❖ Strategic partnership with respect to the operation of other services associated with gasoline sale.

Transport Sector Strategy:

- ❖ Capitalize with current assets for maximum profitability, as per the demand of business operations.
- ❖ Expand our activities in Total Supply Chain.
- ❖ Onsite & offsite logistics services (New JV)
- ❖ Invest in warehousing business.
- ❖ Engage in Retail logistic services
- ❖ Expand Material Mgmt., Manpower & Eqpt. (MRO & Chemicals onsite).
- ❖ Container Yard Storage (shipping lines).
- ❖ Container Yard port Operations
- ❖ Local petrol distribution expansions

The future plans aim in sustaining the company's growth and development in transport/hauling & logistics services taking the existing operations to new heights and higher profitability.

Human Resources:

Delivering the best services to customers is primary goal of the company, for this purpose the company continues to train and develop the competency of its employees through in-house training center to raise the marketing and supervisory culture and awareness, and to promote skills in the area of Petroleum Services through (Petrol Centers) as well as the services provided to customers via Transport Sector.

The Company is the first ever in Saudi Arabia to get ISO 9001: 2008 certificate of quality and the first to receive the latest version thereof. SAI GLOBAL awarded the company ISO 9001: 2008 Quality Management System Certification on 25 February 2009, after complying with all the necessary certification's requirements. The said Certificate covers management services related to fuel stations and land transport services.

The quality certificate has been obtained with its new version (ISO 9001: 2015) for a period of three years until 20/02/2024, including periodical reviews to make sure of Company's adherence to the global standards it gained. This showed our continuous hard work towards competency and fair business practices that the valuable consuming public is well-deserved.

Given the weight on the importance of Quality & Safety in our business and all aspects of life, the Management stressed the necessity of continuous development of safety system in line with work volume and integration of future expansion. Thus, compliance to secure international certifications ensures our commitment to all the required safety regulations in our business practices.

After the development of the safety system and work environment in conformity with the international standards of safety, we are awarded the coveted (OHSAS 18001: 2007) Occupational Health and Safety Certificate. The company received the Occupational Health and Safety Certificate on 29 January 2010 without difficulty due to the strength of safety system that was in place. The said certificate has been renewed until 26 January 2023. In its pursuit to become a global standard the company once again awarded another ISO recognition recently, the ISO 45001:2018.

The third certificate is Safety and Quality Assessment System (SQAS) awarded by (GPCA). This certificate proves the application of quality and safety standards by another global body. The said certificate has been renewed until 03 February 2024.

The company got a new certificate in Responsible Care (RC 14001:2015) in compliance of transporting and handling methods of hazardous chemicals. This certificate is valid until October 21, 2021. The company also obtained an Environmental

Management System (ISO 14000: 2015) in its commitment to protect and care the environment, the certificate is valid until October 21, 2021.

The company got the coveted qualification certificate in Management, Operation and Maintenance of Gas Stations and Service Centers on Regional Highways. This was granted after the Ministry of Municipal and Rural Affairs facilitated the evaluations on company's file and application as per the provisions and standards of the list of fuel stations and service centers Ministry's rehabilitation approval. The certificate is valid until 15/01/1445H (G: August 2, 2023).

The company is keen in Saudizing all jobs. At present, there are many technical positions occupied by citizens who are provided with theoretical and field training courses. The company employs strategic Human Resourcing processes to get the best cadres of talent pools among the locals to replace foreign employees.

Company Board of Directors recommends the following:

- ❖ Distribution of dividends for FY 2020 amounting (60) Millions, SAR (1) per share equivalent to 10% of shares eligible for dividends.
- ❖ The cash dividends shall be paid to eligible shareholders registered in the Securities. The eligibility of the dividends shall be for shareholders owning shares by the end of trading day of the General Assembly meeting date (which will be announced later) and are registered at Depository Center at the end of the second trading day following the General Assembly Meeting date. The distribution date will be determined later.
- ❖ Increase the company's capital by granting bonus shares to the company's shareholders as follows:
 - The capital before the increase is (600) million riyals, the capital after the increase is (750) million riyals.
 - The percentage of increase (25%).
 - The number of shares before the increase (60) million shares, the number of shares after the increase (75) million shares.
 - One (1) share will be awarded for every (4) shares.
 - The company aims to raise the capital to match the size of the company's business and its future strategic business plans.
 - The increase will be made by capitalizing (150) million riyals from the retained earnings account.
 - Eligibility for the bonus shares will be for shareholders registered in the company's records at the Securities Depository Center (Depository Center) at the end of the second trading day following the date of the meeting of the general assembly that will approve the distribution of profits, and the date of which will be decided later.
 - In the event of stock fractions, the fractions will be collected in one portfolio and then sold in the market within a period of (30) days from the date of completion of the allocation of the new shares.
 - The grant is conditional upon obtaining the approval of the official authorities and the General Assembly to increase the capital and the number of shares awarded.
- ❖ Distribution bonus of SAR (3.5) Million, the total fees of the BOD for the FY 2020, so that the total of rewards and benefits for the member of the board will be in accordance with the controls set by the Ministry of Trade and the Capital Market Authority.
- ❖ Distribution of payments to the Audit Committee for the year 2020, each by the amount of (75) thousand riyals.
- ❖ Allocation of a maximum amount of (1) Million SR to be disbursed during 2021 for community service and the delegation of the CEO of the company to disburse it during the year 2021 according to practice.

- ❖ Approve the recommendation of audit committee during their meeting no. 1 regarding the selection of External Auditor from among the candidates nominated to review and audit the quarterly and the annual financial statements of the company for the FY2021 and the 1st quarter of the FY2022 and the corresponding audit fees.
- ❖ Approval of the Board of Directors Report for the financial year ended 31 December 2020.
- ❖ Approval of the External Auditor report for the financial year ended 31 December 2020.
- ❖ Approval of the financial statements for the financial year ending on 31/12/2020.
- ❖ Clearance of the Chairman and members of the Board of Directors with respect to the management of the company for the year ended 31 December 2020.
- ❖ Approval of the contracts and businesses that took place between the company and the companies owned by some of the members of the Board of Directors as related parties and authorizing such transactions and contracts until the end of the fiscal year which ends on 31 December 2021, noting that the contracts do not have any preferential conditions and these transactions include the following:-
 - Aldrees Industrial and Trading Company (ALITCO)
 - Seven Orbit Trading Co.
 - Hamad Mohammed Aldrees – owner of Al Manakh station.
 - Abdulmohsen Mohammed Aldrees - owner of Jizan Property that is being used for the workshop, office and accommodation of transport sector.
- ❖ Increase investment in Saudi stocks with an increase of (80) million riyals, so that the total investment amount is (100) million riyals, through one the licensed companies of the approved by the Capital Market Authority.
- ❖ Expanding logistics services, exploring a specialized company in the field to cooperate with them.
- ❖ We are looking for other opportunities or business activities to improve or contribute further revenue growth.

RISK MANAGEMENT:

POLICY:

To structure and formalize the risk management activities across the business units, the company has developed a risk management framework. The company business units are required to implement and use this common risk management framework.

The company takes risks inherent to its strategy in order to achieve its corporate and business units' objectives and to deliver superior shareholder returns. It is developing and implementing a common and systematic approach for managing risk across the company. This approach increases risk awareness, ensures the appropriate management of risks, and makes the business unit risk profiles transparent, thus enabling risks to be compared and aggregated and allowing one to take a portfolio approach to risk management.

The company business units are expected to actively anticipate and manage their risks, taking advantage of opportunities and containing potential hazards in line with their risk tolerance. The external and internal risks facing the company business units are changing constantly and the business units are expected to proactively:

- ❖ Utilize experience through knowledge sharing;
- ❖ Deal with ambiguity, uncertainty and increasing complexity;
- ❖ Prioritize, make decisions and implement solutions on a timely basis;
- ❖ Recognize and act on opportunities as they occur;
- ❖ Ensure results despite a changing business unit environment.

Objectives of RM

The primary objectives of RM in the Company are:

- ❖ **"Keep the Company out of Trouble,"** by ensuring effective and efficient management of risk and thereby, minimizing the likelihood of occurrence and the impact of risk incidents.
- ❖ **"Make the Company's Business Better,"** by assisting the management in managing risk and leveraging risk opportunities.
- ❖ Foster a **culture of risk awareness** where management embraces Risk Management and accept ownership of risk and accountability for the management of those risks.

- ❖ **Embed an efficient Risk Management process** at the Company by optimizing the cost of managing business risk.
- ❖ **Maintain a current and accurate assessment of all significant business risks at the company**, and ensure that appropriate risk treatment plans are in place.
- ❖ **Provide required assurance to the Board and senior management** with regards to the "Risk Management Process."
- ❖ **"Risk Management" is embedded in the management decision-making and strategic planning process.**

DEFINITIONS:

- ❖ **Risk Management Policy** – The present policy document summarizing the objectives and requirements for risk management;
- ❖ **Risk Management Process** – A common four-step process for identifying, assessing, responding to and monitoring business unit risks;
- ❖ **Roles and Responsibilities** – Clearly defined responsibilities for managing and reporting on risks within line management and separately for supporting and auditing the risk management process;
- ❖ **Risk Reporting** – Common terminology, formats, and frequencies for reporting on key business unit risks;
- ❖ **Risk Measurement** – Common scales for measuring the likelihood and potential impact of risks;
- ❖ **Risk Categorization** – Common categories for risks, allowing risk consolidation and identification of key risk areas;
- ❖ **Assurance Structure** – An accompanying assurance structure, including a risk compliance auditor, which monitors and assures the application of the risk management framework within the business units;
- ❖ **Support Structure** – A dedicated support function (Risk Support Officer) and a set of common user-friendly tools that allow the business units to implement and apply the elements of the risk management framework.

PROCEDURES:

Risk Strategy and Risk Tolerance

Risk is part of doing business and risk management is therefore part of day-to-day business management. The company aims to formalize risk management to the extent that business units will be able to apply best-practice techniques, to share knowledge and experience, and to make the key risks to the shareholders transparent.

The company aims to be risk aware, but not overly risk averse, and to actively manage business unit risks to protect and grow the business units. To achieve its business unit objectives, it recognizes that it will take on certain business unit risks. It aims to take risks in an informed and proactive manner, such that the level of risk is consistent with the potential business unit rewards and that the company understands and is able to manage or absorb the impact of the risk in the event that it materializes. The Management will establish such risk responses as are required to achieve the business unit objectives in accordance with the acceptability of the risk. Quantified business unit risk tolerances will be formulated and regularly updated by management at group, divisional and business-unit level. I likewise aim to actively avoid risks that could:

- ❖ Negatively affect the safety of our employees or other stakeholders, such as customers;
- ❖ Negatively affect our reputation;
- ❖ Lead to laws or regulations being breached and legislation.
- ❖ Endanger the future existence of the company.

Risk Management Requirements

In order to formalize risk management across company and in order to set a common level of transparency and risk management performance, several requirements have been defined for the business units. The company group, divisions and business units are obliged to address the following requirements about risk management:

- ❖ Develop and review, at least annually, a statement on the risk tolerance of the group/division/business unit.
- ❖ Conduct a formalized risk assessment at least annually, this assessment to include the identification, prioritization, measurement and categorization of all key risks that could potentially affect the business unit's objectives.
- ❖ Report annually on the key business unit risks as identified in company's risk reporting formats.

- ❖ Continuously monitor key risks and controls and implement appropriate risk responses where necessary.
- ❖ Formalize responsibilities for managing risk and for sustaining the company's risk management framework within the business unit.
- ❖ Monitor and review the application of the risk management framework.

Assurance

The company has a corporate internal audit function that conducts a systematic program of operational and financial audits across the business units. Through the risk management process, the business units themselves are responsible for assessing their risks, for implementing appropriate controls, for monitoring risks and controls, and for gaining assurance that the risks are being managed as intended. Formalized assurance from a corporate level focuses on auditing how the business units apply the risk management framework. Operational and financial audits will be executed on a regular basis from corporate level. The outcome of the risk assessment process will be used as input for the audit planning by corporate audit

Risk Management Roles and Responsibilities

Risk management is primarily the responsibility of line management. Specific responsibilities for applying, supporting, and auditing the risk management processes are detailed in this section.

Business Unit Management (Risk Management Officers of Divisions and HO Department)

By definition, risk management is a normal part of day-to-day management practice. The specific responsibilities of business unit management with respect to structured risk management are to:

- ❖ Implement the risk management framework within the business unit.
- ❖ Develop and review the business unit's risk tolerance.
- ❖ Identify and assess the risks faced, and report material risk information annually as part of the budget and ad-hoc in the case of significant new risks arising.
- ❖ Manage the material risks within the business unit and ensure the actual risk profile is consistent with the risk tolerance.
- ❖ Develop and maintain an appropriate organization to facilitate the application of the risk management framework.

RISK MANAGEMENT COMMITTEE

- ❖ Formulate and update the company's Risk Management Policy;
- ❖ Formulate the corporate risk tolerance; review and approve the business unit risk tolerance statements;
- ❖ Determine, communicate and support the company's risk management approach to the business units;
- ❖ Review business unit risk reporting critically and provide feedback to the business units as part of the Three-year Planning process;
- ❖ Ensure that the appropriate structure, processes and competences are in place across company in order to address the requirements set out in this policy;
- ❖ Report to the Supervisory Board and the Audit Committee on material risks.

Audit Committee/Supervisory Board of Directors (BOD)

- ❖ Review and approve the risk management policy insofar as it is consistent with the company's corporate objectives;
- ❖ Review and approve the corporate risk tolerance (risk appetite);
- ❖ Be aware of the most significant risks across the business units and of whether management is responding appropriately;
- ❖ Review the portfolio of risks and consider it in the light of the corporate risk tolerance;
- ❖ Monitor and ensure the appropriate application of the risk management framework within the business units.

Risk Support Officer

The Risk Support Officer is a dedicated part-time function at company level, which is filled by the Head of Internal Audit. The Risk Support Officer ensures that risk management is conducted in a structured, systematic, and continuous manner across the company business units. The Risk Support Officer's specific responsibilities are to:

- ❖ Maintain company's risk management framework (tools and methodologies);
- ❖ Support business units in their use of these tools and methodologies;
- ❖ Maintain risk management communication within the company organization;

- ❖ If requested by a business unit, facilitate a risk assessment as part of the Three-year Plan and as part of support for key decisions;
- ❖ Provide an annual risk report for Company Holding, as well as a consolidated risk report;
- ❖ Coordinate and supply training in risk management.

Risk Compliance Auditor

The Risk Compliance Auditor is responsible for reviewing and reporting on how well the business units are addressing the requirements set out in company's Risk Management Policy. The Risk Compliance Auditor is generally externally resourced and reports directly to the Audit and Compliance Committee. The Risk Compliance Auditor's specific responsibilities are to:

- ❖ Evaluate and report on the compliance of the business units with company's Risk Management Policy;
- ❖ Evaluate controls in key risk areas on an ad-hoc basis;
- ❖ Evaluate compliance with other company policies on an ad-hoc basis;
- ❖ Review and report on the extent to which management has applied company's risk management framework.

Each one who has a desire for investment shall carefully study all information stated in this Report, including risk factors indicated below. The company activity, financial position, business results and cash flows may be adversely and materially affected in the event of occurrence of a risk factor that company management believes at .

The present time is important or any other risks that the Management could not identify or believes they are immaterial, or if the latter become significant. The occurrence of one or some of these risks may lead to a decline in the share price in the market; hence, the investor may lose the whole or part of its investment in company shares.

Risks related to Company Activity:

1. Risks associated with legislations and regulations:

Petroleum and Transport services in Saudi Arabia shall be subject to specific instructions and rules to be complied with by the company, such as renewal of Transport License by the Ministry of Transport; a license to be regularly renewed before expiry thereof. Although the company renews the said license and did not previously face any obstacles in this regard, there is no guarantee for future renewal in the future, which may significantly influence the company's ability to continue transport activity.

A license for each station shall be issued by the Ministry of Municipal and Rural Affairs as well as the General Directorate of Civil Defense And the General Authority for Meteorology and Environmental Protection so as to conduct business related to petroleum services for each station separately. In the future, if the company cannot obtain these licenses for the new stations or renew the same for the existing ones, the business thereof may be affected.

A large number of the company's employees are non-Saudis (fuel station workers and trailer drivers). If more stringent requirements for Saudization are applied, the company may be adversely affected. It may be difficult to obtain visas for the purpose of labor recruitment. This will in turn cause inability to operate the stations and transport.

In general, any amendment to the regulations and instructions relating to company's business, including transport, loading, unloading and storage of petroleum products as well as hazardous and flammable substances, and to the requirements of environment protection and cafe licensing would materially increase the costs and burdens of the company, which may be negatively reflected on the company's financial position, business results and cash flows.

2. Reliance on Customers by Governmental Agencies and Companies:

The percentage of revenues earned from contracts signed with the governmental agencies and private companies in 2020 were about 16.2% of the Petroleum Services total revenues, while Transport Sector revenues depend on companies. Whereas the contracts are renewed through open tenders, but there is no guarantee that the same will be renewed in the future. In case of inability to renew these contracts, the company's financial position, business results and cash flows thereof may be adversely affected.

3. Risks associated with fuels availability and prices:

The company, like others engaged in the provision of petroleum services, relies on Saudi Aramco to obtain fuels. Therefore, any delay in the supplies received from Aramco or any change in the terms of contracts signed therewith in this regard may adversely affect the company's activity.

Any significant change in fuel prices by the official bodies will have a negative effect on profit margin and may adversely affect the company's main activities, business results and cash flows. Moreover, the company's financial position may be affected in general, in case of inability to keep up with any potential rise in fuel prices by increasing the prices of its services or reducing the operating costs.

4. Risks associated with Insurance Coverage:

The company took all necessary measures to minimize any potential losses by purchasing insurance policies for Petroleum Sector, covering public liability, vehicle accidents, fire and crime. The insurance policies for Transport Sector cover vehicles, land transport services, liability against third party, fire and crime. The company net income, operation results and financial position may be affected as a result of any future losses pertaining to accidents or damages not covered by these policies or to accidents not covered by insurance such as terrorist acts and risks that may result from handling hazardous and toxic substances which may harm the environment or human beings.

5. Reliance on Important Human Cadres:

The company depends on the efficiency and expertise of the Executive Management as well as important human cadres. It took several measures to reduce loss of such cadres or inability to find suitable alternatives in case of losing the same. The company does not guarantee the possibility to keep the working qualified human cadres or to find alternatives with the same degree of qualifications in case the same are lost; which may be negatively reflected on the company's revenues, business results and financial position.

6. Reliance on Certain Important Computer Programs:

The company relies effectively on Enterprise Resource Planning (ERP) System, which provides integrated results for the company's operations and facilitates information flow among departments. Any malfunction, failure or dispute regarding the property rights of this System may adversely affect the company's operations.

7. Risks associated with Market:

A. Competitive Environment

There is no guarantee for Company ability to continue effective competition against existing or new companies in the market. Changes in the competitive environment may result in reduction of prices and profit margins as well as loss of the market share partially, which would adversely affect the company's profits.

B. Excellence of Services

The provision of excellent services at reasonable prices is one of the most important factors that have made the company a strong competitor in the market. It cannot guarantee the inability of existing or potential competitors to provide services that might be better and more distinctive than those offered by the company, which may adversely affect the operating results.

C. Mergers and Alliances

It is possible to merge or unite companies engaged in petroleum and transport services in order to constitute rapidly evolving competitive consortiums, which could enable the same to get a larger share in the market on the company's account.

8- Distribution of Profits:

The company's resolution on the distribution of any future profits depends on several factors, including profit realization, financial position, working capital requirements, distributable profits, credit limits available for company along with the general economic situation. It also relies on many other factors to be evaluated by the Board of Directors. Accordingly, the company does not assure the existing or prospective shareholders that any profits will be distributed in the future or confirm the amount of profits to be distributed in case of distribution approval.

9- Financial Risk:

Financial risk can occur if the company fails to provide adequate liquidity to meet the firm's obligations or manages financial risks in a manner that is inconsistent with the firm's business objectives. Its severity depends on several factors, which include the firm's size, industry, financial position (e.g., public/private, advantage, free cash flow to equity, etc.), and the direction of the market as a whole.

1-Price Risk: The exposure of earnings or net worth to changes in market factors (e.g., interest rates, currency rates), which affect income, expense, or balance sheet values

a. Interest Rate Risk

The risk that interest rates deviate from their expected value, resulting in lower-than-expected investment yields, higher-than-expected borrowing or product costs, or deterioration of the firm's competitive position in its industry.

b. Currency Risk

The exposure to fluctuations in exchange rates may arise as a result of business activity in foreign markets and investment in securities, which are issued by overseas entities or are denominated in a foreign currency

c. Equity Risk

The exposure to fluctuations in the income stream and/or value of equity ownership in an incorporated entity

d. Commodity Risk

This can be a financial market risk if a company chooses an investment as part of a diversification strategy for managing investment risk. From the industrial perspective, commodity risk is the exposure to fluctuations in prices of commodity-based materials or products (e.g., gold, energy, copper, coffee)

e. Financial Instrument Risk

Financial market risk can vary depending upon the particular segment of the market to which the holder of a financial instrument is exposed, or the way in which the exposure is structured

2-Liquidity Risk: The exposure to loss because of the inability to meet cash flow obligations in a timely and cost-effective manner. Liquidity risk often arises because of an investment portfolio with a cash flow and/or maturity profile, which differs from the underlying cash flows dictated by the company's operating requirements and other obligations.

a. Cash Flow Risk

Actual losses incurred because of the inability to fund the operational or financial obligations of the business.

b. Opportunity Cost Risk

The use of funds in a manner that leads to the loss of economic value, including time value losses, transaction costs due to inappropriate or inefficient management of cash flows, and other causes of loss of value

c. Concentration Risk

Exposure to loss as a result of the inability to access cash in a timely manner due to the inability to liquidate exposures without moving the market, unusual market conditions, use of “proprietary” financial products, or excessive reliance on a small number of funding sources

3-Credit Risk: The exposure to actual loss or opportunity cost as a result of default (or other failure to perform) by an economic or legal entity (the debtor) with which the company does business.

a. Default Risk

A counterparty will be unable to fulfill its obligations

b. Concentration Risk

Inappropriate emphasis of sales volume or revenues on a single customer, industry sector, or other economic segment leads to exposure to excessive loss

c. Settlement Risk

In financial terms, this risk arises when financial counterparties effect their payments to each other at different times or in different locations. In a non-financial context, settlement risk describes the risk of unexpected costs and/or administrative inconvenience, associated with the failure to deliver payment in the right place at the right time.

d. Collateral Risk

This is the risk that the value of an asset is provided as collateral for a loan, receivable, or commitment to perform may be partially or totally lost.

10- Information for Decision-Making Risk:

The risk that information used to support strategic, operational, and financial decisions is not relevant or reliable. This risk relates to the usability and timeliness of information that is either created or summarized by processes and application systems or a failure to understand information needs.

1-Operational Risk

- ❖ **Budget and Planning Risk:** Budgets and business plans are not realistic, based on appropriate assumptions, based on cost drivers and performance measures, accepted by key managers, or used as a monitoring tool.
- ❖ **Product/Service Pricing Risk:** The Company's price is more than customers are willing to pay or does not cover production and distribution costs.
- ❖ **Contract Commitment Risk:** The Company does not have information that effectively tracks contractual commitments outstanding at a point in time, so that

the financial implications of decisions to enter into incremental commitments can be appropriately considered by decision-makers.

- ❖ **Measurement (Operations) Risk:** Process performance measures do not provide a reliable portrayal of operating performance and do not accurately reflect reality. The measures do not provide relevant information for decision-making because they are not informative, understandable, believable, actionable, or indicators of change.
- ❖ **Alignment Risk:** The objectives and performance measures of the company's business processes are not aligned with its overall business objectives and strategies. The objectives and measures do not focus people on the right things and lead to conflicting, uncoordinated activities.
- ❖ **Accounting Information Risk:** Financial accounting information used to manage business processes is not properly integrated with non-financial information focused on customer satisfaction, measuring quality, reducing cycle time and increasing efficiency. The result is a myopic, short-term fixation on manipulating the outputs of business processes to achieve financial targets, rather than fulfilling customer expectations by controlling and improving processes.

2-Public Reporting:

- ❖ **Financial Reporting Evaluation Risk:** Financial reports issued to existing and prospective investors and lenders include material misstatements or omit material facts, making them misleading.
- ❖ **Internal Control Evaluation Risk:** Failure to accumulate sufficient relevant and reliable information to assess the design and operating effectiveness of internal control over financial reporting, resulting in inaccurate assertions by management in the internal control report.
- ❖ **Executive Certification Risk:** Failure to accumulate sufficient, relevant and reliable information to assess the design and operating effectiveness of disclosure controls and procedures, resulting in material information not being disclosed timely to certifying officers and in public reports.
- ❖ **Taxation Risk:** Significant transactions of the company have adverse tax consequences that could have been avoided had they been structured differently. Failure to comply with all tax regulations (e.g. payment and filing requirements) creates risks.
- ❖ **Regulatory Reporting Risk:** Reports of operating and financial information required by regulatory agencies are incomplete, inaccurate or untimely, exposing the company to fines, penalties and sanctions.

3-Strategic Risk

- ❖ **Environmental Scan Risk:** The failure to monitor and stay in touch with a rapidly changing environment, resulting in obsolete business strategies.
- ❖ **Business Model Risk:** The organization has an obsolete business model and does not recognize it and/or lacks the information needed to make an up-to-date assessment of its current model and build a compelling business case for modifying that model on a timely basis.
- ❖ **Business Portfolio Risk:** The risk that a firm will not maximize business performance by effectively prioritizing its products or balancing its businesses in a strategic context.
- ❖ **Investment Valuation/Evaluation Risk:** Management does not have sufficient financial information to make informed short-term and long-term investment decisions and link the risks accepted to the capital at risk. Management and key decision-makers are unable to reliably measure the value of a specific business or any of its significant segments in a strategic context.
- ❖ **Organization Structure Risk:** The Company's organizational structure does not support change or the company's business strategies.
- ❖ **Measurement (Strategy) Risk:** Occurs when overall organizational performance measures focus primarily on near-term financial results or are not consistent with and do not support business strategies.
- ❖ **Resource Allocation Risk:** The Company's resource allocation process does not establish and sustain competitive advantage or maximize returns for shareholders.
- ❖ **Planning Risk:** the Company's business strategies are not driven by creative and intuitive input or based on current assumptions about the external environment, resulting in strategies that are out-of-date and unfocused.
- ❖ **Lifecycle Risk:** An organization's approach to managing the movement of its product lines and evolution of its industry along the lifecycle (e.g., start-up, growth, maturity and decline) threatens the ultimate success of its business strategies.
- ❖ **Compliance risk:** The objectives and performance procedures of the company's business operations are not consistent with the overall objectives and strategies. Objectives and actions do not focus on the right things and lead to inconsistent and conflicting activities.
- ❖ **Accounting information risk:** The financial accounting information used in managing business operations is not integrated with non-financial information focused on customer satisfaction, measuring quality, reducing cycle time and increasing effectiveness. The result is a short look and a short-term fix in dealing

with business process outputs to accomplish financial goals rather than meeting client expectations by controlling process improvement.

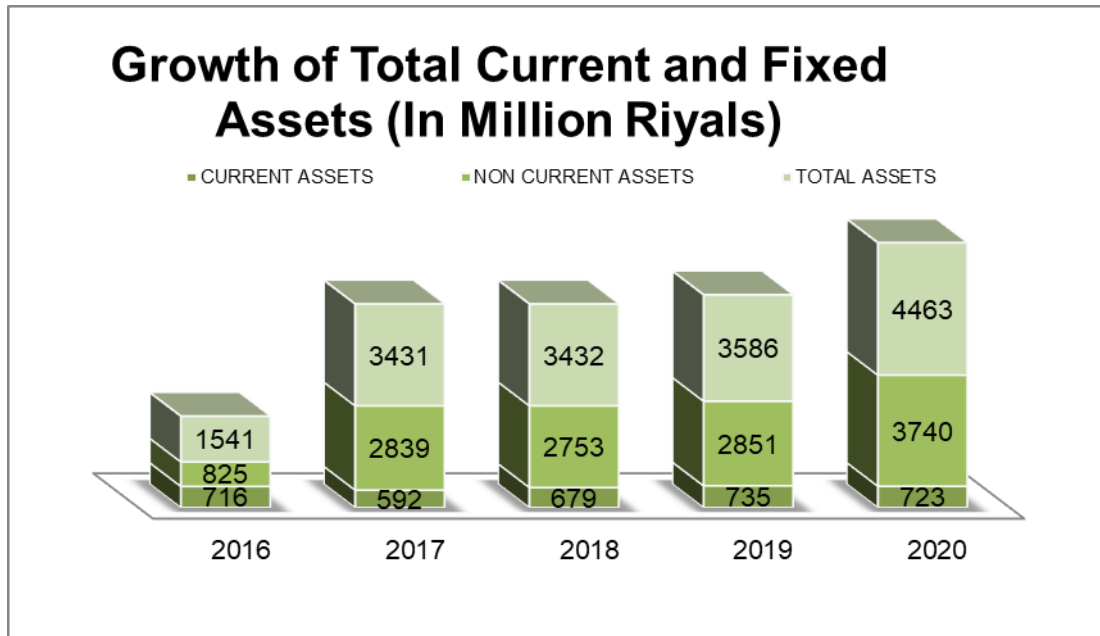
Financial Results and Profits:

The following figures summarize the statement of financial position, statement of income, statement of cash flows for the fiscal years ended on 31 December 2020, 2019, 2018, 2017, 2016.

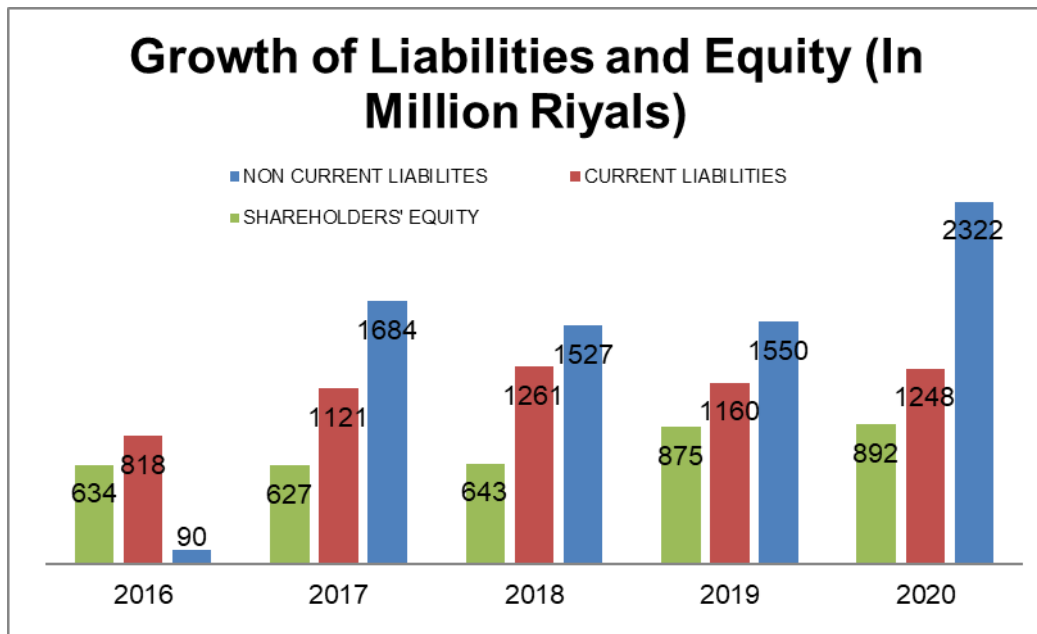
Table - Items of Assets, Liabilities and Equity

Statement	2020	2019	2018	2017	2016
Financial Position (In Thousands)	SR	SR	SR	SR	SR
Current asset	722,513	734,548	678,870	592,457	716,332
Current liabilities	1,248,406	1,160,452	1,261,283	1,120,586	817,978
Working capital	(525,893)	(425,904)	(582,413)	(528,129)	(101,646)
other long-term assets	2,562,710	1,760,314	1,693,895	1,802,578	18,860
Fixed assets	1,177,530	1,090,358	1,068,192	1,036,880	806,054
Total assets	4,462,753	3,585,220	3,431,498	3,431,915	1,541,246
Current liabilities	1,248,406	1,160,452	1,261,283	1,120,586	817,978
Long-term loans	76,429	60,316	102,808	171,785	34,241
Other liabilities	2,245,436	1,489,685	1,424,151	1,512,350	55,302
Total liabilities	3,570,271	2,710,453	2,788,242	2,804,721	907,521
Paid capital	600,000	600,000	500,000	500,000	400,000
Reserves and retained earnings	292,482	274,767	143,256	127,194	233,725
Shareholders' equity	892,482	874,767	643,256	627,194	633,725
Total liabilities and shareholders' equity	4,462,753	3,585,220	3,431,498	3,431,915	1,541,246

Figure - Items of Assets, Liabilities and Equity



Company assets continued to grow through the past five years from 1,541 million Saudi riyals in 2016 to 4,463 million Saudi riyals in 2020



Equity also continued its growth during the past five years from 634 million Saudi riyals in 2016 to 892 million Saudi riyals in 2020

Table - Statement of Income

Statement	2020	2019	2018	2017	2016
Income statement (In Thousands)	SR	SR	SR	SR	SR
Sales	4,974,081	5,681,129	5,176,585	3,409,598	3,461,349
Cost of sales	4,648,343	5,219,530	4,923,616	3,226,761	3,253,962
Total Profit	325,738	461,599	252,969	182,837	207,387
Sale expenses	3,308	5,113	6,814	6,776	8,968
General and administrative expenses	134,117	142,650	98,790	94,793	93,953
Income from main activities	188,313	313,836	147,365	81,268	104,466
Financing expenses	84,249	74,328	81,415	17,715	14,238
Provision For Contingent Liabilities		17,407			
Profit (loss) of joint investment	3,424	2,314	2,550	489	1,323
other revenues	18,842	83,579	831	2,544	1,995
Income before Zakat	126,330	307,994	69,331	66,586	93,546
Zakat	5,247	16,250	2,426	1,940	2,523
Net income	121,083	291,744	66,905	64,646	91,023
Re-measurement for employees end of service	10,092	8,133	-556	1,207	1,871
NET COMPREHENSIVE INCOME	110,991	283,611	67,461	63,439	89,152

Figure - Statement of Income (In Thousand riyals)

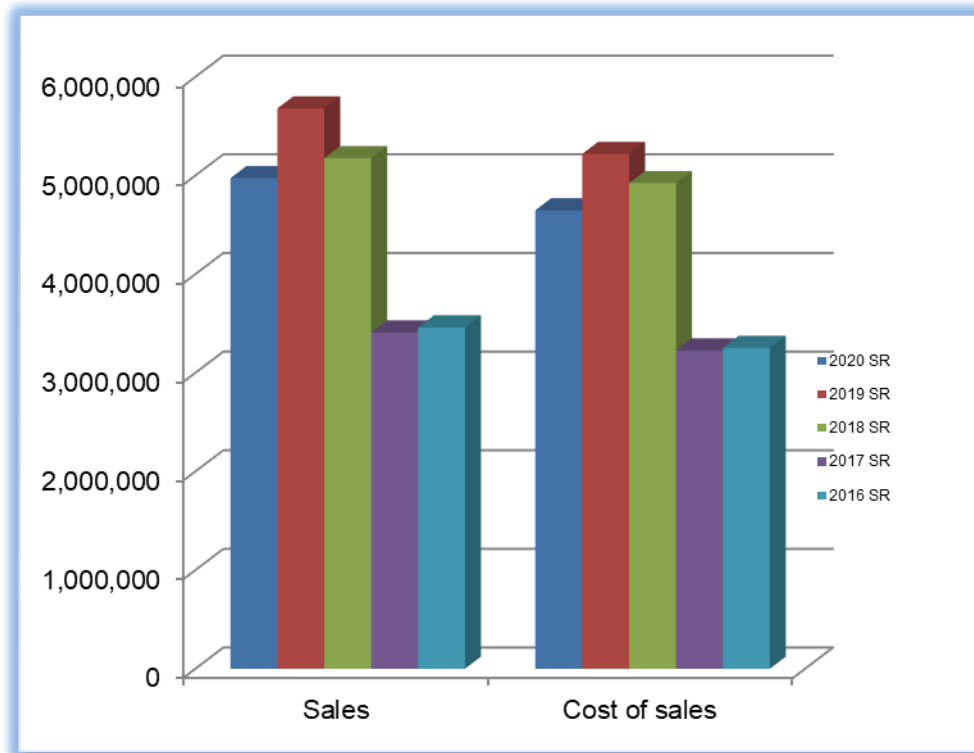


Figure - Statement of Income (In Thousand riyals)

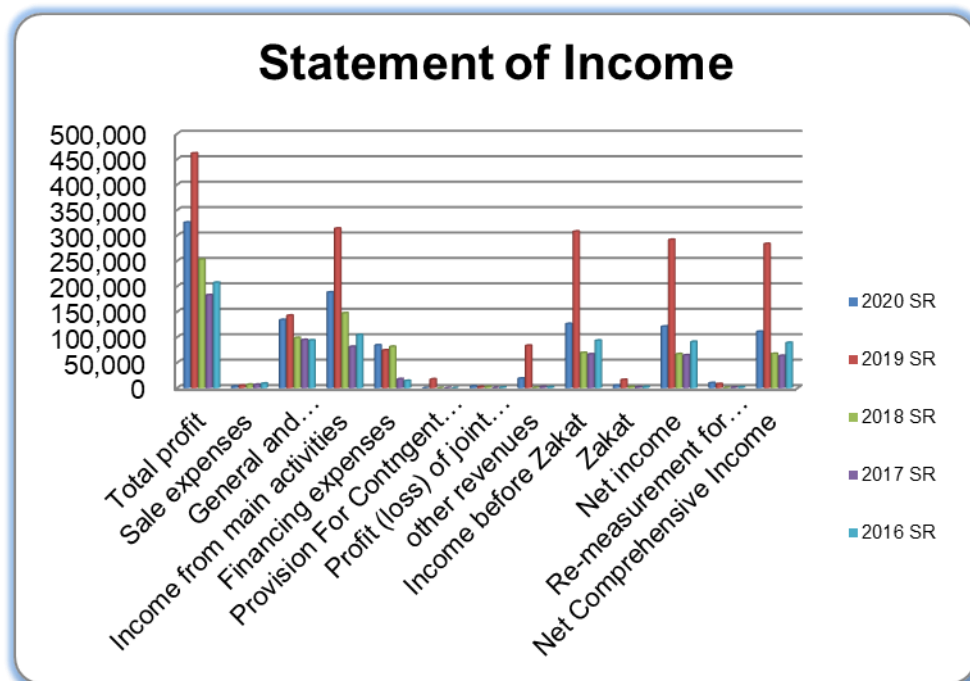


Table - Statement of Income as a percentage of Revenues

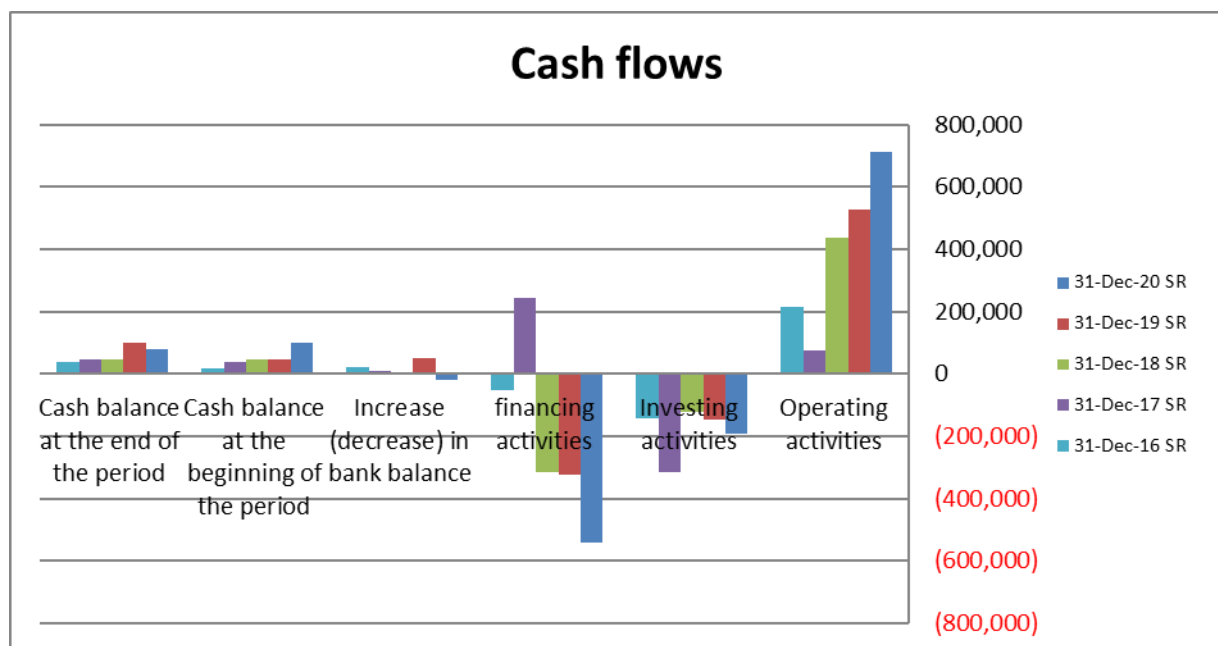
Statement	2020	2019	2018	2017	2016
Income statement (In Thousands)	SR	SR	SR	SR	SR
Sales	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of sales	93.45%	91.87%	95.11%	94.64%	94.01%
Gross Profit	6.55%	8.13%	4.89%	5.36%	5.99%
Sale expenses	0.07%	0.09%	0.13%	0.20%	0.26%
General and administrative expenses	2.70%	2.51%	1.91%	2.78%	2.71%
Income From Operations	3.78%	5.52%	2.85%	2.38%	3.02%
Financing expenses	1.69%	1.31%	1.57%	0.52%	0.41%
Provision For Contingent Liabilities	0.00%	0.31%	0.00%	0.00%	0.00%
Profit (loss) of joint investment	0.07%	0.04%	0.05%	0.01%	0.04%
other revenues	0.38%	1.47%	0.02%	0.07%	0.06%
Income before Zakat	2.54%	5.42%	1.35%	1.95%	2.70%
Zakat	0.11%	0.29%	0.05%	0.06%	0.07%
Net income	2.43%	5.14%	1.30%	1.90%	2.63%
Re-measurement for employees end of service	0.20%	0.14%	-0.01%	0.04%	0.05%
NET COMPREHENSIVE INCOME	2.23%	5.00%	1.31%	1.86%	2.58%

Cash flows:

Cash flows from operating activities are the main source for funding the company activities, profit distribution and capital expansions:

Cash flows	2020	2019	2018	2017	2016
Cash flows (In Thousands)	SR	SR	SR	SR	SR
Operating activities	710,818	525,657	437,004	76,452	212,589
Investing activities	(192,003)	(149,092)	(122,482)	(313,982)	(141,050)
financing activities	(540,003)	(324,480)	(314,543)	245,011	(51,237)
Increase (decrease) in bank balance	(21,188)	52,085	(21)	7,481	20,302
Cash balance at the beginning of the period	98,147	46,062	46,083	38,602	18,300
Cash balance at the end of the period	76,959	98,147	46,062	46,083	38,602

Figure - Cash Flows (Thousands Riyals)



Total Geographical Analysis of Company Revenues and Subsidiaries

Year	Statement	Central Region	Eastern Region	Western Region	Qassim and Hail Region	Southern Region	Northern Region	Road Stations	Total
Geographical Analysis (In Million)		SR	SR	SR	SR	SR	SR	SR	SR
2020	Revenues:								
	Fuel Sales	1,667.5	926.5	1,288.0	198.7	67.6	335.3	254.9	4,738.5
	Chemicals transport revenues	0.0	79.1	8.7	0.0	0.0	65.5	0.0	153.3
	Foodstuff transport revenues	0.0	0.0	7.4	0.0	0.0	0.0	0.0	7.4
	Revenues of fuel transport and others	12.0	29.9	13.8	0.0	0.0	19.2	0.0	74.9
	Total	1,679.5	1,035.5	1,317.9	198.7	67.6	420.0	254.9	4,974.1
2019	Revenues:								
	Fuel Sales	2,186.4	905.3	1,212.4	172	149.3	69.8	654.5	5,349.7
	Chemicals transport revenues	0.0	42.5	12.0	0.0	0.0	151.2	0.0	205.7
	Foodstuff transport revenues	0.0	0.0	10.1	0.0	0.0	0.0	0.0	10.1
	Revenues of fuel transport and others	19.2	62.6	20.6	1.3	2.8	9.1	0.0	115.6
	Total	2,205.6	1,010.4	1,255.1	173.3	152.1	230.1	654.5	5,681.1

Operation Results:

Statement	2020	2019	Changes (+) or (-)	Percentage change
income statement (In Thousands)	SR	SR		
Sales	4,974,081	5,681,129	(707,048)	-12.4%
Cost of sales	4,648,343	5,219,530	(571,187)	-10.9%
Gross profit	325,738	461,599	(135,861)	-29.4%
other revenues	22,266	85,893	(63,627)	-74.1%
Financing expenses	84,249	91,735	(7,486)	-8.2%
Income from main activities	188,313	313,836	(125,523)	-40.0%

Based on the foregoing, the Statement of Income for the year ended on 31 December 2020 compared to 2019 was decrease. In 2020, Company revenues amounted to 4,974 million Saudi riyals, while the same were 5,681 million Saudi riyals in 2019 by a decrease rate of -12.4%. This was due to the decrease of Petrol and Transport Divisions in the company's revenues this year. Revenues, gained from Petroleum Sector and Transport Sector, represent 95.26% and 4.74% of Company revenues for 2020 respectively. The operating profit generated from Company main business was 188.3 million Saudi riyals in 2020, while the same amounted to 313.8 million Saudi riyals in the previous year by the decrease rate of -40%. Further, the net profit for 2020 was 121,1 million Saudi riyals while the same amounted to 291,7 million Saudi riyals in the previous year by the decrease rate of -58.50%.

The reason of decrease in net profit during the current period compared with the same period of the previous year is due to the decrease in the sales of Petrol and Transport Divisions because of the precautionary measures against the emerging corona virus (COVID-19) during the year, as well as the decrease in other income. It should be noted that 2019G includes other income related to the year 2018G (as explained below).

There is also unrealized losses from re-evaluation of investment at fair value through profit and loss, and increased financial expenses due to the application of International Accounting Standard No. 16, despite the decrease in Marketing, General, Administrative and Zakat expenses, and the increase in investment profits in the joint venture.

The company has recorded the effect of the increase in the profit margin for the FY ending on December 31, 2019 by reducing the cost of sales in the comprehensive income statement for the year ending December 31, 2019. As for the effect of the increase in the profit margin from August 23, 2018 to December 31, 2018 the effect was recorded as other income in the fourth quarter of FY 2019.

The reason of the decrease in the Total comprehensive income statement compared to the same period of the previous year is because of re-measurement of employees' defined benefits.

- ❖ There is no difference to the accounting standards approved by the Saudi Commission for Certified Public Accountants

Subsidiaries:

Investment in Joint Ventures:

- ❖ On 21 Shaaban 1434 A.H. (corresponding to 30 June 2013), has extracted incorporation and commercial registration number 1010433172 Company concluded a joint venture agreement with Bertschi AG to establish a jointly managed firm with a capital of one million Saudi riyals owned equally by both companies, 50%- 50%, regarding the capital, investments and profits. The duration of the Agreement shall be twenty-four (24) months and shall end upon the establishment of jointly managed firm and when the joint venture agreement forms an integral part of the future partner agreements. The new Company will be managed by an independent team comprising the two companies inside Saudi Arabia. Company will be engaged in providing services related to management of logistics and storage operations of chemical, industrial and service facilities as well as containers, and of chemicals transport tankers cleaning stations, taking into account that Bertschi is a Swiss Company engaged in the field of logistic and chemical transport services through land and sea tankers together with trains in Europe, China and Singapore.

The apparent balance in the balance sheet for the period ended 31 December 2020 with an amount of SR 1,954,722 (2019: 2,791,944) for Al Drees Bertschi AG, the Swiss company.

The following is the movement in the investments account.

	Bertschi AG		Bertschi AG
	2020		2019
	SR		SR
At the beginning of the period	5,778,342		4,861,563
Additions	-		-
Disposals	-		-
Gain of joint venture	4,527,062		916,779
At 31 December	10,305,404		5,778,342

INVESTMENT AT FAIR VALUE THROUGH PROFIT AND LOSS

During the 2019, the company purchased 2 million units in Al-Khair Capital Fund (Aramco) with a value of 20 million Saudi riyals and the investment was classified as a fair value through profit and loss investment. Because the company's management keeps it for sale in the short term, with the unrealized profits and losses from the revaluation including the net asset value of the fund in the profit and loss statement.

The investment movement at fair value through profit and loss during the year was as follows:

	2020		2019
	SR		SR
At the beginning of the period	21,397,727		-
Purchase	-		20,000,000
Additions	-		-
Disposals	-		-
Unrealized gain from revaluation	(1,103,527)		1,397,727
At 31December	20,294,200		21,397,727

Profit Distribution Policy Description:

Company annual net profits are distributed as follows:

1. Ten percent (10%) of the net profits shall be retained to form statutory reserve.
2. The Ordinary General Assembly may stop such retention when the said reserve reaches 30% of the capital.
3. The Ordinary General Assembly may, upon the Board of Directors proposal, set aside a certain percentage of the net profits to form eventual reserve and assign the same for a certain purpose or purposes to the extent that it serves the interests of the Company or ensures the distribution of fixed profits - to the extent possible - to the shareholders.

4. The Ordinary General Assembly may decide to deduct amounts from the net profits for the establishment of social institutions for the employees of the company or to help the existing ones.
 5. After that, a first payment, equivalent to (5%) of the paid capital, from the remaining profits shall be distributed to shareholders.
 6. A percent not exceeding (10%) of the remaining profits shall be assigned to reward the Board of Directors, provided that the same shall not, in all cases, exceed the maximum limits allowed according to the decisions and instructions issued by the official authorities.
- ❖ Already distribute cash dividends for the fiscal year 2019 with a total amount of 90 Million Saudi Riyals, 1.5 Saudi Riyals per share distributed. These distributed dividends represent 15% of a share nominal value
 - ❖ Recommendation of cash dividends for the fiscal year 2020 with a total amount of 60 Million Saudi Riyals, 1 Saudi Riyal per share shall be distributed. These distributed dividends represent 10 % of a share nominal value

Payment of Profits:

The shareholder is entitled to his share of the profits according to the decision of the General Assembly issued in this regard. The eligibility of the dividends shall be for shareholders owning shares by the end of trading day of the General Assembly meeting date (which will be announced later) and are registered at Depository Center at the end of the second trading day following the General Assembly Meeting date . The distribution date to be announced accordingly.

The Board of Directors shall implement the resolution of the Ordinary General Assembly on the distribution of profits within the period specified for that purpose.

- ❖ There are no shares or debt instruments issued to each subsidiary.
- ❖ Description of any interest in voting shares of persons (other than directors and senior executives as well as their relatives) and any change in such rights during the fiscal year.

Sr. No.	Stakeholder Name	Beginning of Year		End of Year		Net Change	Change Ratio
		Number of shares	Debt instruments	Number of shares	Debt instruments		
1			-		-		

- ❖ Description of any interest, contract securities, and underwriting rights belonging to members of the Board of Directors, senior executives, and their relatives in the shares or debt instruments of the company or any of its subsidiaries, and any change in those rights during the year
- ❖ Description of any interest, contract papers, and underwriting rights belonging to members of the Board of Directors and their relatives in the shares or debt instruments of the company (previous).

Sr. No.	Stakeholder Name	Beginning of Year		End of Year		Net Change	Change Ratio
		Number of shares	Debt instrume nt	Number of Shares	Debt instrument		
1	Mr. Hamad bin Mohammed Aldrees	2256048	-	2256048	-	-	-
2	Eng. Abdulmohsen bin Mohammed Aldrees	17917	-	17917	-	-	-

3	Mr. Hussain bin Abdulrahman Alazel	2400	-	2400	-	-	-
4	Mr. Ahmed bin Abdullah Alaqeel	6000	-	6000	-	-	-
5	Mr. Eid bin Falih Alshamri	3000	-	3000	-	-	-
6	Mr. Adil bin Faris Alotaybi	-	-	-	-	-	-
7	Eng. Abdulelah bin Saad Aldrees	2400	-	2400	-	-	-

❖ Description of any interest, contract papers, and underwriting rights belonging to members of the Board of Directors and their relatives in the shares or debt instruments of the company (Present)

Sr. No.	Stakeholder Name	Beginning of Year		End of Year		Net Change	Change Ratio
		Number of shares	Debt instrument	Number of Shares	Debt instrument		
1	Mr. Hamad bin Mohammed Aldrees	2256048	-	2256048	-	-	-
2	Eng. Abdulmohsen bin Mohammed Aldrees	17917	-	17917	-	-	-
3	Mr. Eid bin Falih Alshamri	3000	-	3000	-	-	-

4	Mr. Adil bin Faris Alotaybi	-	-	-	-	-	-
5	Eng. Abdulelah bin Saad Aldrees	2400	-	2400	-	-	-
6	Mr. Shehail Abdulaziz Ahmed Al-Shehail	-	-	-	-	-	-
7	Mr. Salman Mohammed Suleiman Al-Sehebani	-	-	-	-	-	-

❖ **Description of any interest, contract papers, and underwriting rights of the senior executives and their relatives in the shares or debt instruments of the company**

Sr. No.	Stakeholder Name	Beginning of Year		End of Year		Net Change	Change Ratio
		Number of shares	Debt instrument	Number of shares	Debt instrument		
1	Eng. Abdulelah Bin Saad Aldrees	2400	-	2400	-	-	-
2	Mr. Khalid Bin Abdulmohsen Aldrees	-	-	-	-	-	-
3	Mr. Khalid Bin Abdulrahman Al Saheim	-	-	-	-	-	-

4	Mr. Amro Mahmoud Abouelmaaty Siam	-	-	-	-	-	-
5	Salama Bin Mufreh Daghigh Al-Anzi	-	-	-	-	-	-

- ❖ Description of any interest, contract papers, and underwriting rights belonging to members of the Board of Directors and their relatives in the shares or debt instruments of the subsidiaries company

Sr. No.	Stakeholder Name	Beginning of Year		End of Year		Net Change	Change Ratio
		Number of shares	Debt instrument	Number of Shares	Debt instrument		
		-	-	-	-	-	-
		-	-	-	-	-	-

- ❖ Description of any interest, contract papers, and underwriting rights of the senior executives and their relatives in the shares or debt instruments of the subsidiaries company

Sr. No.	Stakeholder Name	Beginning of Year		End of Year		Net Change	Change Ratio
		Number of shares	Debt instrument	Number of shares	Debt instrument		
		-	-	-	-	-	-
		-	-	-	-	-	-

❖ Detailed table indicating ownership of directors, Senior executives as well as their spouses and minor children of Company shares (previous)

Name	Number of shares at the beginning of year	Ownership ratio at the beginning of year	Net change of shares number during the year	change ratio during the year	Total shares at the end of year	Total ownership ratio at the end of year
Mr. Hamad Mohammed Aldrees	2256048	3.7601	-	-	2256048	3.7601
Eng. Abdulmohsen bin Mohammed Aldrees	17917	0.0299	-	-	17917	0.0299
Mr. Hussain bin Abdulrahman Alazel	2400	0.0040	-	-	2400	0.0040
Mr. Ahmed bin Abdullah Alaqeel	6000	0.0100	-	-	6000	0.0100
Mr. Eid bin Falih Alshamri	3000	0.0050	-	-	3000	0.0050
Eng. Abdulelah bin Saad Aldrees	2400	0.0040	-	-	2400	0.0040
Mr. Adil bin Faris Alotaybi	-	-	-	-	-	-
Mr. Khalid bin Abdulmohsin Aldrees	-	-	-	-	-	-
Mr. Khalid Bin Abdulrahman Al Saheim	-	-	-	-	-	-
Mr. Amro Mahmoud Abouelmaaty Siam	-	-	-	-	-	-
Mr. Salama bin Mufreh Daghigh Al-Anzi	-	-	-	-	-	-

❖ Detailed table indicating ownership of directors, Senior executives as well as their spouses and minor children of Company shares (Present)

Name	Number of shares at the beginning of year	Ownership ratio at the beginning of year	Net change of shares number during the year	change ratio during the year	Total shares at the end of year	Total ownership ratio at the end of year
Mr. Hamad Mohammed Aldrees	2256048	3.7601	-	-	2256048	3.7601
Eng. Abdulmohsen bin Mohammed Aldrees	17917	0.0299	-	-	17917	0.0299
Mr. Eid bin Falih Alshamri	3000	0.0050	-	-	3000	0.0050
Eng. Abdulelah bin Saad Aldrees	2400	0.0040	-	-	2400	0.0040
Mr. Adil bin Faris Alotaybi	-	-	-	-	-	-
Mr. Shehail Abdulaziz Ahmed Al-Shehail	-	-	-	-	-	-
Mr. Salman Mohammed Suleiman Al-Sehebani	-	-	-	-	-	-
Mr. Khalid bin Abdulmohsin Aldrees	-	-	-	-	-	-
Mr. Khalid Bin Abdulrahman Al Saheim	-	-	-	-	-	-
Mr. Amro Mahmoud Abouelmaaty Siam	-	-	-	-	-	-
Mr. Salama bin Mufreh Daghigh Al-Anzi	-	-	-	-	-	-

- ❖ There is no description of categories and numbers of any transferable debt instruments and any contractual securities or memorandums of subscription right or similar rights issued or granted by Company during the current year. Moreover, there is no consideration obtained by Company against the same.
- ❖ There is no transfer or subscription rights under transferable debt instruments and any contractual securities or memorandums of subscription right or similar rights issued or granted by Company.
- ❖ There is no recovery, purchase or cancellation on the part of Company regarding any recoverable debt instruments as well as the remaining securities value, provided that the listed securities purchased by Company shall be differentiated from those purchased by the subsidiaries thereof.
- ❖ There are no treasury shares held by the Company

Rewards of Board Directors 2020

The Nomination, Reward & Governance Committee has ongoing review of salaries, bonuses and benefits of the members, in accordance with the official decisions and instructions issued in this regard and the main article of the company, and the achieved results in the performance of the operating company, then submit its recommendations to the BOD. The members are entitled to get attendance allowance, in case the BOD decided to grant this allowance to all members who attend the meetings, and the BOD acknowledges based on the recommendations of the Nomination, Reward & Governance Committee the allowances earned by members of the Board for their services (as employees or administrators or technical works, or consultant).

Compensations and awards of board members and executives (Previous)

		Fixed Compensations							Senior Executive Compensations						End of service	Grand total	Expense s allowance
		certain amount	meeting attendance allowance	total allowance for attending committees;	In - kind benefits	administrative officers or for technical, administrative or consultancy services	Awards for chairman, CEO or secretary if from board member	Total	percentage of profits	periodic rewards	short term incentive	long term incentive	Granted shares, insert value	total			
First : Independent Member																	
1-	Mr. Ahmed Abdullah Alageel	-	24,000	18,000	-	-	-	42,000	-	458,000	-	-	-	458,000	-	500,000	-
2-	Mr. Eid Fali Alshamri	-	24,000	33,000	-	-	-	57,000	-	443,000	-	-	-	443,000	-	500,000	-
3-	Mr. Adil bin Faris Alotaybi	-	24,000	21,000	-	-	-	45,000	-	455,000	-	-	-	455,000	-	500,000	-
Total		-	72,000	72,000	-	-	-	144,000	-	1,356,000	-	-	-	1,356,000	-	1,500,000	-
Second: Non - Executive Members																	
1-	Mr. Hamad bin Mohammed Aldrees	-	24,000	-	-	-	-	24,000	-	476,000	-	-	-	476,000	-	500,000	-
2-	Eng. Abdulmohsen bin Mohammed Aldrees	-	24,000	30,000	-	-	-	54,000	-	446,000	-	-	-	446,000	-	500,000	-
3-	Mr. Hussain bin Abdulrahman Alazel	-	24,000	12,000	-	-	-	36,000	-	464,000	-	-	-	464,000	-	500,000	-
Total		-	72,000	42,000	-	-	-	114,000	-	1,386,000	-	-	-	1,386,000	-	1,500,000	-
Third: Executive Member																	
1-	Eng. Abdulelah bin Saad Aldrees	-	24,000	18,000	-	-	-	42,000	-	458,000	-	-	-	458,000	-	500,000	-
Total		-	24,000	18,000	-	-	-	42,000	-	458,000	-	-	-	458,000	-	500,000	-

Compensations and awards of board members and executives (Present)

		Fixed Compensations						Senior Executive Compensations						End of service	Grand total	Expense allowances	
		certain amount	meeting attendance allowance	total allowance for attending committees;	In - kind benefits	administrative officers or for technical, administrative or consultancy services	Awards for chairman, CEO or secretary if from board member	Total	percentage of profits	periodic rewards	short term incentive	long term incentive	Granted shares, insert value	total			
First : Independent Member																	
1-	Mr. Adil bin Faris Alotaybi	-	3,000	-	-	-	-	3,000	-	-	-	-	-	-	-	3,000	-
2-	Mr. Shehail Abdulaziz Ahmed Al-Shehail	-	3,000	-	-	-	-	3,000	-	-	-	-	-	-	-	3,000	-
3-	Mr. Salman Mohammed Suleiman Al-Sehebani	-	3,000	-	-	-	-	3,000	-	-	-	-	-	-	-	3,000	-
Total		-	9,000		-	-	-	9,000	-	-	-	-	-	-	-	9,000	-
Second: Non - Executive Members																	
1-	Mr. Hamad bin Mohammed Aldrees	-	3,000	-	-	-	-	3,000	-	-	-	-	-	-	-	3,000	-
2-	Eng. Abdulmohsen bin Mohammed Aldrees	-	3,000	-	-	-	-	3,000	-	-	-	-	-	-	-	3,000	-
3-	Mr. Eid Fali Alshamri	-	3,000	-	-	-	-	3,000	-	-	-	-	-	-	-	3,000	-
Total		-	9,000	-	-	-	-	9,000	-	-	-	-	-	-	-	9,000	-
Third: Executive Member																	
1-	Eng. Abdullelah bin Saad Aldrees	-	3,000	-	-	-	-	3,000	-	-	-	-	-	-	-	3,000	
Total		-	3,000	-	-	-	-	3,000	-	-	-	-	-	-	-	3,000	-

Senior Executive Compensations

Five of the senior executives who received the highest rewards and compensations plus the Chief Executive Officer and Chief Financial Officer	Fixed Compensations				Variable Compensations						End of service Award	Total compensation	Gross
	Salaries	allowances	In - kind benefits	total	periodic rewards	percentage of profits	short term incentive plans	long term incentive plans	Granted shares insert value	total			
	7,572,000	1,023,192	-	8,595,192	7,907,433	-	-	-	-	7,907,433	1,041,648	482,000	18,026,273

Compensations Of Committees' Members

		Fixed bonus Except attendance allowance	Allowance for attending Board Meetings	Total
Members of Audit Committee				
1-	Mr. Eid Falih Alshamri	75,000	21,000	96,000
2-	Mr. Adil bin Faris Alotaybi	75,000	21,000	96,000
3-	Mr. Khalid Mohammed Al Khuater	75,000	21,000	96,000
4-	Mr. Saad Hamad Aldrees	75,000	21,000	96,000
Total		300,000	84,000	384,000
Member of Nomination, Reward & Governance Committee				
1-	Eng. Abdulmohsen Mohammed Aldrees	-	12,000	12,000
2-	Mr. Hussain Abdulrahman Alazel	-	12,000	12,000
3-	Mr. Eid Falih Alshamri	-	12,000	12,000
Total		-		
Member of Executive Committee				
1-	Eng. Abdulmohsen Mohammed Aldrees	-	18,000	18,000
2-	Mr. Ahmed Abdullah Alaqeel	-	18,000	18,000
3-	Eng. Abdulelah Saad Aldrees	-	18,000	18,000
4-	Mr. Khalid Abdulmohsen Aldrees	-	18,000	18,000
Total		-	72,000	72,000

Loans:

Company obtains Islamic banking facilities from local banks on down payments in the current account as follows:

Table - Loans

Statement	2020	2019
Loan No. 1	19,705,065	44,149,508
Loan No. 2	-	5,085,129
Loan No. 3	-	32,000,000
Loan No. 4	-	85,000,000
Loan No. 5	-	40,000,000
Loan No. 6	-	40,000,000
Loan No. 7	-	90,000,000
Loan No. 8	-	50,000,000
Loan No. 9	-	80,000,000
Loan No. 10	72,000,000	-
Loan No. 11	37,747,819	-
Loan No. 12	10,000,000	-
Loan No. 13	37,500,000	-
Loan No. 14	30,000,000	-
Loan No. 15	-	-
Loan No. 16	-	-
Total	206,952,884	466,234,637

Loan Maturities:

Statement	In Thousands Riyals	In Thousands Riyals
	2020	2019
Less than a year	130,524,312	405,918,462
From one to two years	33,071,428	47,816,175
From two to five years	43,357,144	12,500,000
More than five years	-	-

Table - Movement of Loans for 2020 (In Million Riyals)

Donator	Principal	Due part	Duration	Balance at the beginning of the year	Amount paid during the year	Issue Date	Maturity Date
Albilad Bank	22	Long term	36 months	5.09	5.09	17/08/2020	17/08/2020
Albilad Bank	50	Long term	48 months	50	12.5	12/12/2019	12/12/2023
Albilad Bank	40	Short term	21 days	40	40	18/12/2019	7/1/2020
Albilad Bank	90	Short term	24 days	90	90	29/12/2019	21/01/2020
Albilad Bank	40	Short term	8 days	0	40	29/01/2020	5/2/2020
Albilad Bank	90	Short term	22 days	0	90	29/01/2020	19/02/2020
Albilad Bank	90	Short term	29 days	0	90	27/02/2020	26/03/2020
Albilad Bank	45	Short term	13 days	0	45	26/03/2020	7/4/2020
Riyad Bank	88	Long term	36 months	44.1	24.4	28/12/2017	23/08/2021
Riyad Bank	40	short term	13 days	40	40	26/12/2019	7/1/2020
Riyad Bank	90	short term	12 months	0	52.3	7/5/2020	6/5/2020
Riyad Bank	75	short term	30 days	0	75	14/04/2020	13/05/2020
Riyad Bank	75	short term	30 days	0	75	14/04/2020	13/05/2020
Riyad Bank	75	short term	30 days	0	75	13/05/2020	11/6/2020
Riyad Bank	75	short term	30 days	0	75	13/05/2020	11/6/2020
Riyad Bank	110	short term	26 days	0	110	31/05/2020	25/06/2020
Riyad Bank	75	short term	30 days	0	75	11/6/2020	9/7/2020

Riyad Bank	25	short term	20 days	0	25	25/06/2020	14/07/2020
Riyad Bank	65	short term	18 days	0	65	27/07/2020	13/08/2020
Riyad Bank	65	short term	25 days	0	65	27/07/2020	20/08/2020
Riyad Bank	25	short term	30 days	0	25	27/07/2020	25/08/2020
Riyad Bank	80	short term	10 days	0	80	30/08/2020	8/9/2020
Riyad Bank	80	short term	17 days	0	80	30/08/2020	15/09/2020
Riyad Bank	40	short term	23 days	0	40	30/08/2020	21/09/2020
National Bank	120	Long term	36 months	32	32	15/08/2017	15/02/2020
National Bank	80	Short term	17 days	80	80	29/12/2019	14/01/2020
National Bank	45	Short term	8 days	0	45	29/01/2020	5/2/2020
National Bank	85	Short term	15 days	0	85	29/01/2020	12/2/2020
National Bank	65	Short term	5 days	0	65	1/3/2020	5/3/2020
National Bank	85	Short term	12 days	0	85	1/3/2020	13/03/2020
National Bank	80	Short term	17 days	0	80	1/3/2020	17/03/2020
National Bank	80	Short term	24 days	0	80	29/03/2020	21/04/2020
National Bank	85	Short term	30 days	0	85	29/03/2020	27/04/2020
National Bank	10	Short term	13 days	0	10	14/04/2020	26/04/2020
National Bank	80	Short term	22 days	0	80	21/04/2020	12/5/2020
National Bank	60	Short term	24 days	0	60	27/04/2020	20/05/2020
National Bank	25	Short term	15 days	0	25	20/05/2020	4/6/2020
National Bank	65	Short term	19 days	0	65	31/05/2020	18/06/2020

National Bank	70	Short term	23 days	0	70	29/6/2020	21/07/2020
National Bank	48	Short term	25 days	0	48	29/6/2020	23/07/2020
National Bank	80	Short term	9 days	0	80	29/09/2020	7/10/2020
National Bank	81	Short term	9 days	0	81	28/10/2020	5/11/2020
National Bank	30	Short term	8 days	0	0	28/12/2020	4/1/2021
Samba Bank	85	Short term	31 days	85	85	23/12/2019	22/01/2020
Samba Bank	72	Long term	48 months	0	0	9/6/2020	19/05/2020
Samba Bank	85	Short term	29 days	0	85	28/01/2020	25/02/2020
Samba Bank	85	Short term	22 days	0	85	27/02/2020	19/03/2020
Samba Bank	85	Short term	29 days	0	85	19/03/2020	16/04/2020
Samba Bank	85	Short term	31 days	0	85	16/04/2020	14/05/2020
Samba Bank	85	Short term	28 days	0	85	14/05/2020	11/6/2020
Samba Bank	85	Short term	28 days	0	85	11/6/2020	9/7/2020
Samba Bank	85	Short term	28 days	0	85	9/7/2020	6/8/2020
Samba Bank	30	Short term	8 days	0	30	29/11/2020	6/12/2020
SABB BANK	4	Short term	7 days	0	4	26/08/2020	2/9/2020
SABB BANK	85	Short term	21 days	0	85	28/09/2020	18/10/2020
SABB BANK	10	Short term	8 days	0	0	28/12/2020	4/1/2021
EMIRATES BANK	90	Short term	17 days	0	90	27/10/2020	12/11/2020
EMIRATES BANK	58	Short term	15 days	0	58	29/11/2020	13/12/2020
	3,853.00			466.19	3,497.29		

Table - Movement of Loans for 2019 (In Million Riyals)

Donator	Principal	Due part	Duration	Balance at the beginning of the year	Amount paid during the year	Issue Date	Maturity Date
Albilad Bank	14	Long term	36 months	0.6	0.6	3/26/2015	3/26/2019
Albilad Bank	19	Long term	36 months	3.3	3.3	7/28/2015	7/28/2018
Albilad Bank	22	Long term	36 months	12.6	7.5	8/17/2017	8/17/2020
Albilad Bank	50	Long term	48 months	0	0	12/12/2019	12/12/2023
Albilad Bank	70	Short term	9 days	70	70	12/30/2018	1/8/2019
Albilad Bank	70	Short term	16 days	70	70	12/30/2018	1/15/2019
Albilad Bank	70	Short term	10 days	0	70	1/29/2019	2/7/2019
Albilad Bank	30	Short term	28 days	0	30	1/29/2019	2/25/2019
Albilad Bank	80	Short term	25 days	0	80	2/26/2019	3/21/2019
Albilad Bank	80	Short term	16 days	0	80	3/27/2019	4/11/2019
Albilad Bank	80	Short term	16 days	0	80	4/29/2019	5/14/2019
Albilad Bank	50	Short term	19 days	0	50	5/26/2019	6/13/2019
Albilad Bank	70	Short term	24 days	0	70	5/28/2019	6/20/2019
Albilad Bank	90	Short term	27 days	0	90	6/27/2019	7/23/2019
Albilad Bank	40	Short term	15 days	0	40	9/24/2019	10/8/2019
Albilad Bank	50	Short term	14 days	0	50	9/25/2019	10/8/2019
Albilad Bank	90	Short term	17 days	0	90	9/29/2019	10/15/2019

Albilad Bank	50	Short term	23 days	0	50	29/09/2019	21/10/2019
Albilad Bank	80	Short term	10 days	0	80	10/29/2019	11/7/2019
Albilad Bank	40	Short term	19 days	0	40	10/27/2019	11/14/2019
Albilad Bank	70	Short term	24 days	0	70	10/29/2019	11/21/2019
Albilad Bank	70	Short term	15 days	0	70	11/21/2019	12/5/2019
Albilad Bank	50	Short term	23 days	0	50	11/26/2019	12/18/2019
Albilad Bank	50	Short term	29 days	0	50	11/26/2019	12/24/2019
Albilad Bank	40	Short term	21 days	0	0	12/18/2019	1/7/2020
Albilad Bank	90	Short term	24 days	0	0	12/29/2019	1/21/2020
Riyad Bank	88	Long term	36 months	70.9	26.8	12/28/2017	1/17/2020
Riyad Bank	50	short term	12 months	12.7	12.7	3/13/2018	3/12/2019
Riyad Bank	60	short term	25 days	60	60	12/26/2018	1/21/2019
Riyad Bank	137	short term	8 days	137	137	12/30/2018	1/7/2019
Riyad Bank	70	short term	17 days	0	70	1/29/2019	2/14/2019
Riyad Bank	70	short term	24 days	0	70	1/29/2019	2/21/2019
Riyad Bank	70	short term	7 days	0	70	2/28/2019	3/7/2019
Riyad Bank	50	short term	11 days	0	50	3/3/2019	3/14/2019
Riyad Bank	60	short term	23 days	0	60	3/3/2019	3/26/2019
Riyad Bank	70	short term	9 days	0	70	3/27/2019	4/4/2019
Riyad Bank	60	short term	31 days	0	60	3/26/2019	4/25/2019

Riyad Bank	60	short term	31 days	0	60	3/26/2019	4/25/2019
Riyad Bank	50	short term	31 days	0	50	4/1/2019	5/1/2019
Riyad Bank	75	short term	17 days	0	75	4/21/2019	5/7/2019
Riyad Bank	40	short term	11 days	0	40	4/29/2019	5/9/2019
Riyad Bank	90	short term	15 days	0	90	5/27/2019	6/10/2019
Riyad Bank	85	short term	12 days	0	85	6/30/2019	7/11/2019
Riyad Bank	40	short term	19 days	0	40	6/30/2019	7/18/2019
Riyad Bank	50	short term	22 days	0	50	7/29/2019	8/19/2019
Riyad Bank	60	short term	29 days	0	60	7/29/2019	8/26/2019
Riyad Bank	80	short term	12 days	0	80	8/25/2019	9/5/2019
Riyad Bank	50	short term	31 days	0	50	8/27/2019	9/26/2019
Riyad Bank	40	short term	13 days	0	0	12/26/2019	1/7/2020
National Bank	120	Long term	36 months	80	48	8/15/2017	2/15/2020
National Bank	50	Short term	117 days	0	50	5/1/2019	8/25/2019
National Bank	90	Short term	23 days	0	90	3/27/2019	4/18/2019
National Bank	55	Short term	27 days	0	55	4/30/2019	5/26/2019
National Bank	70	Short term	30 days	0	70	5/28/2019	6/26/2019
National Bank	70	Short term	9 days	0	70	6/26/2019	7/4/2019
National Bank	70	Short term	16 days	0	70	7/22/2019	8/6/2019
National Bank	5	Short term	16 days	0	5	7/22/2019	8/6/2019

National Bank	80	Short term	31 days	0	80	7/22/2019	8/21/2019
National Bank	80	Short term	17 days	0	80	8/27/2019	9/12/2019
National Bank	90	Short term	24 days	0	90	8/27/2019	9/19/2019
National Bank	50	Short term	29 days	0	50	9/19/2019	10/17/2019
National Bank	75	Short term	16 days	0	75	11/27/2019	12/12/2019
National Bank	80	Short term	17 days	0	0	12/29/2019	1/14/2020
Samba Bank	80	Short term	24 days	0	80	4/28/2019	5/21/2019
Samba Bank	85	Short term	29 days	0	85	5/28/2019	6/25/2019
Samba Bank	85	Short term	30 days	0	85	6/26/2019	7/25/2019
Samba Bank	85	Short term	32 days	0	85	7/25/2019	8/25/2019
Samba Bank	85	Short term	31 days	0	85	8/25/2019	9/24/2019
Samba Bank	85	Short term	31 days	0	85	9/24/2019	10/24/2019
Samba Bank	85	Short term	32 days	0	85	10/24/2019	11/24/2019
Samba Bank	85	Short term	30 days	0	85	11/24/2019	12/23/2019
Samba Bank	85	Short term	31 days	0	0	12/23/2019	1/22/2020
	4,765.00			517.10	4,165.90		

Board of Directors Meetings:

During the year 2020, the Board of Directors held eight meetings. The following table includes the relevant attendance sheet. (Previous)

Sr. No.	Name	Dates of the Board of Directors Meetings							
		22/3	30/3	04/5	20/7	16/8	24/9	18/10	15/12
1	Hamad bin Mohammed Aldrees	√	√	√	√	√	√	√	√
2	Eng. Abdulmohsen bin Mohammed Aldrees	√	√	√	√	√	√	√	√
3	Hussain bin Abdulrahman Alazel	√	√	√	√	√	√	√	√
4	Ahmed bin Abdullah Alaqeel	√	√	√	√	√	√	√	√
5	Eid bin Falih Alshamri	√	√	√	√	√	√	√	√
6	Eng. Abdulelah bin Saad Aldress	√	√	√	√	√	√	√	√
7	Adel bin Faris Alotaybi	√	√	√	√	√	√	√	√

√ Attendance in person

x Attendance by proxy through another director

xx Apology

During the year 2020, the Board of Directors held meeting. The following table includes the relevant attendance sheet. (Present)

Sr. No.	Name	20/12	
1	Hamad bin Mohammed Aldrees	√	
2	Eng. Abdulmohsen bin Mohammed Aldrees	√	
3	Eid bin Falih Alshamri	√	
4	Eng. Abdulelah bin Saad Aldress	√	
5	Adel bin Faris Alotaybi	√	
6	Mr. Shehail Abdulaziz Ahmed Al-Shehail	√	
7	Mr. Salman Mohammed Suleiman Al-Sehebani	√	

√ Attendance in person

x Attendance by proxy through another director

xx Apology

- ❖ Record the Company's applications for the register of shareholders, the dates of such applications, and their reasons

Number of the company's applications for the register of shareholders	The date of application	Reasons for the request
(1)	07/01/2020	Other
(2)	19/04/2020	Company procedures
(3)	21/04/2020	Company procedures
(4)	30/04/2020	General Assembly Other
(5)	06/10/2020	General Assembly Other
(6)	08/11/2020	Company procedures
(7)	16/11/2020	General Assembly

- ❖ A list of the dates of the General Assembly of shareholders held during the fiscal year 2020

And the names of the members of the Board of Directors present that meetings

Sr. No.	Name	Attendance Record	Attendance Record
		Assembly meeting 28/04/2019	Assembly meeting 16/11/2019
1	Hamad bin Mohammed Aldrees	√	√
2	Eng. Abdulmohsen bin Mohammed Aldrees	√	√
3	Hussain bin Abdulrahman Alazel	√	√
4	Ahmed bin Abdullah Alaqueel	√	X
5	Eid bin Falih Alshamri	√	√
6	Eng. Abdulelah bin Saad Aldress	√	√
7	Adel bin Faris Alotaybi	√	√

- ❖ Transactions with related parties during the FY2020 continued for some contracts in which Aldrees was a party and in which there was an interest for some members of the Board of Directors and some of these contracts were agreed upon from previous years and come as an extension of continuous relations and there is an interest for members of the Board of Directors in the company's private contracts :Directors have interest in Company contracts:

	Member Name Senior Executives or Anyone related to any of them	Related party name	Nature of the contract	Terms of contract	Duration of the contract	Contract Value Million SR
1	<ul style="list-style-type: none"> - Eng. Abdulmohsen bin Mohammed Aldrees - Mr. Hussain bin Abdulrahman Alazel 	Aldrees Industrial & Trading Company (AL ITCO) Tools and Equipment Sector	Purchasing Gasoline pumps, knowing that the prices are competitive, There is no specific duration of the contract (multi).	There are no preferential terms	Yearly	4,4
2	Mr. Hamad bin Mohammed Aldrees, Board Chairman	Mr. Hamad bin Mohammed Aldrees, Board Chairman	Rent station / Al Manakh Station	There are no preferential terms	16 years 14 remaining years	1,2
3	<ul style="list-style-type: none"> - Mr. Hamad bin Mohammed Aldrees - The Seven Orbits, - - Eng. Abdulmohsin bin Mohammed Aldrees - Mr. Hussain bin Abdulrahman Alazel 	The Seven Orbits, 50% investment with Aldrees Industrial & Trading Company (AL ITCO)	Al Nour Al Zahran Stations in the Eastern region	There are no preferential terms	10 years. 5 years remaining.	0.6

4	- Mr. Hamad bin Mohammed Aldrees - The Seven Orbits, - - Eng. Abdulmohsin bin Mohammed Aldrees - Mr. Hussain bin Abdulrahman Alazel	The Seven Orbits, 50% investment with Aldrees Industrial & Trading Company (AL ITCO)	Al Nour Al Ahadthah Stations in the Eastern region	There are no preferential terms	9 years 4 years remaining.	0.4
5	Eng. Abdulmohsen bin Mohammed Aldrees, Board Vice-Chairman	Eng. Abdulmohsen bin Mohammed Aldrees, Board Vice-Chairman	A location in Jizan is rented for Transport Sector as a workshop, management center and housing	There are no preferential terms	Yearly	0.2

Note No. (25), page (33 - 34) regarding balances and transactions with the relevant authorities, included in Company balance sheet shall be referred.

The said transactions with the relevant authorities were approved by the Board of Directors. Permission for approval of the seventh ordinary general assembly held on 28 April 2020 regarding such transactions was obtained, and there are no preferential conditions for these transactions.

The Board of Directors acknowledges that there are no Deal or contracts that have not been submitted.

Permission will be obtained from the general assembly regarding the relevant transactions according to the conditions approved for the year 2021.

- ❖ **There is no arrangement or agreement whereby a director or a senior executive waives any salary or compensation.**
- ❖ **There is no arrangement or agreement whereby a Company shareholder waives any rights pertaining to profits.**

Table - Accrued Regular Payments:

Statement	2020		Description	Reasons
	Amount paid during the year	The end of the annual financial period has not yet been paid		
Zakat	10,454,591	7,976,316	Zakat is provided on accrual basis in accordance with the Regulations of the General Authority for Zakat and Income ("DZIT")	Due year and previous year
General Organization for Social Insurance	10,135,827	-	Social Insurance	-
Value-Added tax	47,306,137	(697,952)	accordance with the Regulations of the General Authority for Zakat and Income ("DZIT") 5% 15%	December 2020 balance worthy in the Yepaper 2021
Exit reentry fees renewal visas	5,461,100	-	Costs of employment and exit, return and renewal visas	-
Labor office fees	46,289,315	-	Labor office fees	-

Customs	1,929,515	-	Customs duties for the company's imports	
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There are no investments or reserves established for the benefit of Company employees.

❖ **We acknowledge the following:**

1. The account records were properly prepared.
2. The internal control system was prepared according to sound bases and implemented effectively.
3. There is no doubt to be mentioned as to Company ability to continue the activity thereof.

❖ **Similarly, Company Board of Directors confirms the following:**

- All listed financial information was extracted from the audited financial statements of Company, without any material amendment thereto. The financial statements were also prepared and audited in accordance with the accounting standards issued by the Saudi Organization for Certified Public Accountants.
- There is no material or negative change in the financial and commercial positions of Company during the year ended on 31 December 2020.

❖ **The auditor's report does not include any reservations to the annual financial statements for the period ended 31/12/2020.**

❖ **There is no recommendation from the Board of Directors to change the auditor before the end of the period designated for it**

❖ **Corporate Governance Regulation:**

It has been approved and Accreditation by your Assembly, which is not contrary to the guiding governance issued by the Capital Market Authority and the regulations in force , which the objectives of the company and how to achieve them and methods of monitoring performance.

Corporate Governance means the set of procedures, laws, standards, regulations and decisions ensuring transparency and fairness with a view to realizing quality and excellent performance. This could be done through the rationalization of Management actions to exploit the available economic resources in a manner realizing the best possible benefits for all interested parties by developing strategies, plans, policies, control and follow-up regarding all

works related to Company affairs. Interested parties include employees, suppliers, customers, banks, third party lenders, legislators, work climate and the entire community, On December 03, 2017, the General Assembly approved the update of the Company's Corporate Governance Regulation and Policies, which include the policies of the Company's Board of Directors, its remuneration, its committees and the Audit Committee's Rules.

- ❖ **The following is a summary of the provisions that have been applied along with the provisions that have not been applied and reasons therefore.**

Company adhered to all regulations of the governance.

❖ **The names of the companies inside or outside the Kingdom of which the board member is a member of its current and previous boards of directors or its director.**

Member Name	Names of companies in which the board member is a member of its current board of directors or its directors	Inside the Kingdom / outside the Kingdom	Legal entity (Joint stock company/shareholding not included / limited liability / 000)	The names of the companies in which the member of the board of directors is a member of its previous board of directors or its directors	Inside the Kingdom / outside the Kingdom	Legal entity (Joint stock company/shareholding not included / limited liability / 000)
Mr. Hamad bin Mohammed Aldrees	Hamad Muhammad Aldrees and Partners Company for Industry and Mining	Inside the Kingdom	Joint stock company Unregistered	Hamad Muhammad Aldrees and Partners Company for Industry and Mining	Inside the Kingdom	Joint stock company Unregistered
Eng. Abdulmohsen bin Mohammed Aldrees	Aldrees Industrial & Trading Company (ALITCO)	Inside the Kingdom	Joint stock company Unregistered	Aldrees Industrial & Trading Company (ALITCO)	Inside the Kingdom	Joint stock company Unregistered
Mr. Hussain bin Abdulrahman Alazel	Aldrees Industrial & Trading Company (ALITCO)	Inside the Kingdom	Joint stock company Unregistered	Aldrees Industrial & Trading Company (ALITCO)	Inside the Kingdom	Joint stock company Unregistered
Mr. Ahmed bin Abdullah Alaqeel	Arab National Bank	Inside the Kingdom	Joint stock company	Arab National Bank	Inside the Kingdom	Joint stock company

Mr. Eid bin Falih Alshamri	- Ithraa Capital Company	Inside the Kingdom	Joint stock company Unregistered	- Ithraa Capital Company	Inside the Kingdom	Joint stock company Unregistered
Mr. Eid bin Falih Alshamri				Banque Saudi Fransi (Audit Committee).	Inside the Kingdom	Joint stock company
Mr. Eid bin Falih Alshamri	Al Hassan Ghazi Ibrahim Shaker Co.	Inside the Kingdom	Joint stock company	Al Hassan Ghazi Ibrahim Shaker Co.	Inside the Kingdom	Joint stock company
Mr. Eid bin Falih Alshamri	Fawaz Abdulaziz Alhokair Co.	Inside the Kingdom	Joint stock company	Fawaz Abdulaziz Alhokair Co.	Inside the Kingdom	Joint stock company
Mr. Eid bin Falih Alshamri	Almarai Co. Audit committee	Inside the Kingdom	Joint stock company			
Mr. Eid bin Falih Alshamri	Taiba Investments Co. Audit committee	Inside the Kingdom	Joint stock company			
Eng. Abdulelah bin Saad Aldrees	Arab Club Company	Inside the Kingdom	Joint stock company Unregistered	Arab Club Company	Inside the Kingdom	Joint stock company Unregistered
Eng. Abdulelah bin Saad Aldrees	Foods Gate Trading Co.	Inside the Kingdom	Limited company			

Mr. Salman Mohammed Suleiman Al-Sehebani	Saudi Industrial Export Co.	Inside the Kingdom	Joint stock company			
Mr. Salman Mohammed Suleiman Al-Sehebani	Morni Holding - Abu Dhabi	Outside Kingdom	Limited company			
Mr. Salman Mohammed Suleiman Al-Sehebani	Global appreciation	Inside the Kingdom	Limited company			
Mr. Salman Mohammed Suleiman Al-Sehebani	Saleh Al-Bazai Trading Company	Inside the Kingdom	Joint stock company Unregistered			

❖ List of the Members of the Board of Directors, Members of the Committees and the Executive Management

Their current and past positions, qualifications and experience

First Members Board of Directors :-

Sr.No	Member Name	Current position	Previous position	Qualifications	Experience
1	Mr. Hamad bin Mohammed Aldrees	Businessman Chairman of the Board of Directors	Businessman Chairman of the Board of Directors	----	45 Chairman of Mohamed Saad Aldrees and Sons Company 15 YRS as Chairman of the Board of Directors of Aldrees Petroleum &Transport Services Co. 3 YRS as Chairman of the Board of Directors Aldrees Industrial & Trading Company (ALITCO) 27 Hamad M. Aldrees & Partners Co

2	Eng. Abdulmohsen bin Mohammed Aldrees	Businessman Chairman of the Board of Directors Aldrees Industrial & Trading Company (ALITCO)	Businessman Chairman of the Board of Directors Aldrees Industrial & Trading Company (ALITCO)	Master of Mechanical Engineering	45 YRS as Deputy Chairman of the Board of Directors of Mohamed Saad Aldrees and Sons Company 15 YRS as Deputy Chairman of the Board of Directors of Aldrees Petroleum &Transport Services Co. 15 YRS as Chief of Executive Committee of Aldrees Petroleum &Transport Services Co. 15 YRS as Chief of Governance Committee of Aldrees Petroleum &Transport Services Co 9 YRS as Chairman of the Board of Directors Aldrees Industrial & Trading Company (ALITCO) 12 YRS as Chief of Governance Committee of of Aldrees Industrial & Trading Company (ALITCO)
3	Mr. Hussain bin Abdulrahman Alazel	Businessman	Businessman General Secretary of the Chamber of Commerce and Industry - Riyadh	Master of Business Management	12 YRS as Member of the Board of Directors of Aldrees Petroleum &Transport Services Co. 9 YRS as Member of the Board of Directors Aldrees Industrial & Trading Company (ALITCO) 12 YRS as Chief of Governance Committee of Aldrees Petroleum &Transport Services Co.
4		Retired	Retired	Master of Economics and Mathematics	12 YRS as Member of the Board of Directors of Aldrees Petroleum &Transport Services Co. 12 YRS as Member of Executive Committee of Aldrees Petroleum &Transport Services Co.

	Mr. Ahmed bin Abdullah Alaqeel				<p>9 YRS as Member of the Board of Directors of South Province Cement CO.</p> <p>9 YRS as Member of the Board of Directors of Arab National Bank</p> <p>4 YRS as Member of the Board of Directors Aldrees Industrial & Trading Company (ALITCO)</p>
5	Mr. Eid bin Falih Alshamri	<p>Businessman</p> <p>Chief Executive Officer</p>	<p>Businessman</p> <p>Chief Executive Officer</p>	<p>Bachelor of Science Management of the American Accountants Association CPA</p>	<p>15 YRS as Member of the Board of Directors of Aldrees Petroleum &Transport Services Co.</p> <p>15 YRS as Chief of Audit Committee of Aldrees Petroleum &Transport Services Co.</p> <p>15 YRS as Member of Governance Committee of Aldrees Petroleum &Transport Services Co.</p> <p>9 YRS as Member of the Board of Directors Aldrees Industrial & Trading Company (ALITCO)</p> <p>9 YRS as Chief of Audit Committee of Aldrees Industrial & Trading Company (ALITCO)</p> <p>9 YRS as Member of Governance Committee of Aldrees Industrial & Trading Company (ALITCO)</p>

6	Eng. Abdulelah bin Saad Aldrees	Chief Executive Officer Aldrees Petroleum &Transport Services Co.	Deputy General Manager of Mohamed Saad Al Drees and Sons Company	Bachelor of Civil Engineering	<p>29 Deputy General Manager of Mohamed Saad Al Drees and Sons Company</p> <p>15 YRS as Member of the Board of Directors of Aldrees Petroleum &Transport Services Co.</p> <p>15 YRS as Member of Executive Committee of Aldrees Petroleum &Transport Services Co.</p> <p>16 YRS as CEO of Aldrees Petroleum &Transport Services Co.</p>
7	Mr. Adil bin Faris Alotaybi	Director of Operations Department General Organization for Social Insurance	Director of Registration Department Organization for Social Insurance GOSI	Master of Science in Finance and Protection Policy	<p>8 years Director of Registration and Contributions to the General Organization for Social Insurance (GOSI)</p> <p>7 years Insurance Researcher at the General Organization for Social Insurance</p> <p>2 years Audited by the General Organization for Social Insurance</p> <p>6 YRS as Member of the Board of Directors of Aldrees Petroleum &Transport Services Co.</p> <p>6 YRS as Member of Audit Committee of Aldrees Petroleum &Transport Services Co.</p>
8	Mr. Shehail Abdulaziz Ahmed Al-Shehail	Financial Advisor at the	Acting Chief Financial	Bachelor of Business	Director of Risk Management - National Company for Cooperative Insurance

		Tourism Development Fund	Officer - Al-Athban Holding	Administration	<ul style="list-style-type: none"> • Financial Director - Walaa Cooperative Insurance Company • Chief Financial Officer - Walaa Cooperative Insurance Company Acting CEO for Financial Affairs - Al-Athban Holding • Financial Advisor - Tourism Development Fund
9	Mr. Salman Mohammed Suleiman Al-Sehebani	General Manager of Labas Health Insurance Claims Settlement Company	CEO - Advanced Innovation Company (Morni)	Master of Business Administration	Fraud Control Officer - Al-Rajhi Takaful Cooperative Insurance <ul style="list-style-type: none"> • Compliance Supervisor - Weqaya Takaful Insurance and Reinsurance Company • Head of Compliance and Anti-Money Laundering - Lazard Saudi Arabia Founder and CEO - Advanced Innovation Company (Zayed - Morni - Taqdeer) <ul style="list-style-type: none"> • General Manager of Labas Health Company for settlement of insurance claims

Second Members Committee :

Sr.No	Member Name	Current position	Previous position	Qualifications	Experience
1	Eng. Abdulmohsen bin Mohammed Aldrees	Businessman Chairman of the Board of Directors Aldrees Industrial & Trading Company	Businessman Chairman of the Board of Directors Aldrees Industrial & Trading Company	Master of Mechanical Engineering	45 YRS as Deputy Chairman of the Board of Directors of Mohamed Saad Al-Drees and Sons Company 15 YRS as Deputy Chairman of the Board of Directors of Aldrees Petroleum &Transport Services Co. 15 YRS as Chief of Executive Committee of Aldrees Petroleum &Transport Services Co. 15 YRS as Chief of Governance Committee of Aldrees Petroleum &Transport Services Co 9 YRS as Chairman of the Board of Directors Aldrees Industrial & Trading Company (ALITCO) 12 YRS as Chief of Governance Committee of of Aldrees Industrial & Trading Company (ALITCO)
2	Mr. Hussain bin Abdulrahman Alazel	Businessman	Businessman General Secretary of the Chamber of Commerce and Industry - Riyadh	Master of Business Management	12 YRS as Member of the Board of Directors of Aldrees Petroleum &Transport Services Co. 9 YRS as Member of the Board of Directors Aldrees Industrial & Trading Company (ALITCO) 12 YRS as Chief of Governance Committee of Aldrees Petroleum &Transport Services Co.

3	Mr. Ahmed bin Abdullah Alaqeel	Retired	Retired	Master of Economics and Mathematics	<p>12 YRS as Member of the Board of Directors of Aldrees Petroleum &Transport Services Co.</p> <p>12 YRS as Member of Executive Committee of Aldrees Petroleum &Transport Services Co.</p> <p>9 YRS as Member of the Board of Directors of South Province Cement CO.</p> <p>9 YRS as Member of the Board of Directors of Arab National Bank</p> <p>4 YRS as Member of the Board of Directors Aldrees Industrial & Trading Company (ALITCO)</p>
4	Mr. Eid bin Falih Alshamri	Businessman Chief Executive Officer	Businessman Chief Executive Officer	Bachelor of Science Management of the American Accountants Association CPA	<p>15 YRS as Member of the Board of Directors of Aldrees Petroleum &Transport Services Co.</p> <p>15 YRS as Chief of Audit Committee of Aldrees Petroleum &Transport Services Co.</p> <p>15 YRS as Member of Governance Committee of Aldrees Petroleum &Transport Services Co.</p> <p>9 YRS as Member of the Board of Directors Aldrees Industrial & Trading Company (ALITCO)</p> <p>9 YRS as Chief of Audit Committee of Aldrees Industrial & Trading Company (ALITCO)</p>

					9 YRS as Member of Governance Committee of Aldrees Industrial & Trading Company (ALITCO)
5	Eng. Abdulelah bin Saad Aldrees	Chief Executive Officer Aldrees Petroleum &Transport Services Co.	Deputy General Manager of Mohamed Saad Aldrees and Sons Company	Bachelor of Civil Engineering	<p>29 Deputy General Manager of Mohamed Saad Aldrees and Sons Company</p> <p>15 YRS as Member of the Board of Directors of Aldrees Petroleum &Transport Services Co.</p> <p>15 YRS as Member of Executive Committee of Aldrees Petroleum &Transport Services Co.</p> <p>16 YRS as CEO of Aldrees Petroleum &Transport Services Co.</p>
6	Mr. Adil bin Faris Alotaybi	Director of Operations Department General Organization for Social Insurance	Director of Registration Department Organization for Social Insurance GOSI	Master of Science in Finance and Protection Policy	<p>8 years Director of Registration and Contributions to the General Organization for Social Insurance (GOSI)</p> <p>7 years Insurance Researcher at the General Organization for Social Insurance</p> <p>2 years Audited by the General Organization for Social Insurance</p> <p>6 YRS as Member of the Board of Directors of Aldrees Petroleum &Transport Services Co.</p>

					6 YRS as Member of Audit Committee of Aldrees Petroleum & Transport Services Co.
7	Mr. Shehail Abdulaziz Ahmed Al-Shehail	Financial advisor at the Tourism Development Fund	Acting Chief Financial Officer - Al-Athban Holding	Bachelor of Business Administration	Director of Risk Management - National Company for Cooperative Insurance <ul style="list-style-type: none"> • Financial Director - Walaa Cooperative Insurance Company • Chief Financial Officer - Walaa Cooperative Insurance Company Acting CEO for Financial Affairs - Al-Athban Holding <ul style="list-style-type: none"> • Financial Advisor - Tourism Development Fund
8	Mr. Salman Mohammed Suleiman Al-Sehebani	General Manager of Labas Health Insurance Claims Settlement Company	CEO - Advanced Innovation Company (Morni)	Master of Business Administration	Fraud Control Officer - Al-Rajhi Takaful Cooperative Insurance <ul style="list-style-type: none"> • Compliance Supervisor - Weqaya Takaful Insurance and Reinsurance Company • Head of Compliance and Anti-Money Laundering - Lazard Saudi Arabia Founder and CEO - Advanced Innovation Company (Zayed - Morni - Taqdeer) <ul style="list-style-type: none"> • General Manager of Labas Health Company for settlement of insurance claims
9	Khalid Mohammed Alkhowaiter	Chairman of the Professional Monitoring Committee	Finance Manager	Bachelor of Accounting	Chairman of the Executive Committee for Accounting Standards. Deputy Chairman of the Executive Committee for Accounting Standards.

		Saudi Organization for Certified Public Accountants		CPA	Member of Audit Committee of STC Member of the Board of Directors of Saudi Air Navigation Services Chairman of the Advance Arabian Simulation Co (AASC) Member of Audit Committee of Aldrees Petroleum &Transport Services Co. (currently)
10	Saad Hamad Aldrees	General Manager Directors Aldrees Industrial & Trading Company (ALITCO)	General Manager Directors Aldrees Industrial & Trading Company (ALITCO)	Bachelor of Administrative Sciences - Marketing	Several administrative and financial positions at Riyadh Bank Assistant Finance Manager of Mohammed Al-Saad Al-Drees & Sons Company Member of Audit Committee of Aldrees Petroleum &Transport Services Co. (currently)

Sr. No	Member Name	Current position	Previous position	Qualifications	Experience
1	Eng. Abdulelah bin Saad Aldrees	Chief Executive Officer Aldrees Petroleum &Transport Services Co.	Deputy General Manager of Mohamed Saad Al Drees and Sons Company	Bachelor of Civil Engineering	<p>29 Deputy General Manager of Mohamed Saad Al Drees and Sons Company</p> <p>14 YRS as Member of the Board of Directors of Aldrees Petroleum &Transport Services Co.</p> <p>15 YRS as Member of Executive Committee of Aldrees Petroleum &Transport Services Co.</p> <p>16 YRS as CEO of Aldrees Petroleum &Transport Services Co.</p>
2	Khalid Abdulmohsen Aldrees	GM- Petroleum Division	Personnel Manager	Bachelor of Business Administration	<p>5 YRS admin. in Mohammed Saad Aldrees & Sons Company</p> <p>4 YRS Assistant Personnel Manager</p> <p>9 YRS Personnel Manager and Public relations</p> <p>From 2004 to date Secretary of the Board of Directors of Aldrees Petroleum &Transport Services Co.</p> <p>Two years general manager of a petroleum sector in Al-Drees Petroleum and Transport Services</p>

					General Director of the Petroleum Sector, Aldrees Petroleum and Transport Services Company
3	Khalid Abdulrahman Bin Saheim	GM-Transport Division	Manager Global Sourcing and Contracting - SABIC	---	27 YRS experience in SABIC, which includes many positions and sections 3 years general manager of a transport sector in Al-Drees Petroleum and Transport Services
4	Amro Mahmoud Abo El Maaty	CFO	GM-Finance Petrol Division	Bachelor of Accounting	3 years auditor of Aldrees Petroleum &Transport Services Co. 3 years account – Petrol Division of Aldrees Petroleum &Transport Services Co. 4 years senior account – Petrol Division of Aldrees Petroleum &Transport Services Co. 6 years chief account – Petrol Division of Aldrees Petroleum &Transport Services Co. 4 years Member of the Management Committee of United Fuel Company (UNFCO) 11 years finance Manager– Petrol Division of Aldrees Petroleum &Transport Services Co.

					From May 05, 2017 to date – CFO of Aldrees Petroleum & Transport Services Co.
5	Salamah Bin Mufreh Daghigh Al-Anzi	GM-Human Resources	Deputy GM-Human Resources	Master of Business Administration	<ul style="list-style-type: none"> • 3 years, the Administrative Affairs Coordinator at Muhammad Saad Al Drees and Sons Company • 3 years, Deputy Director of Special Projects for Muhammad Saad Al-Drees and Sons Company • 16 years, Deputy General Manager for Human Resources at Aldrees Petroleum and Transport Services Company • General Manager of Investor Relations at Aldrees Petroleum and Transport Services Company • General Manager of Human Resources at Aldrees Petroleum and Transport Services Company

❖ **Board of Directors Composition and Classification of its Directors (Previous)**

Name	Position	Classification
Mr. Hamad bin Mohammed Aldrees	- Chairman of the Board of Directors	Non-executive
Eng. Abdulmohsen bin Mohammed Aldrees	- Deputy chairman of the Board of Directors	Non-executive
Mr. Hussain bin Abdulrahman Alazl	- Board Director	Non-executive
Mr. Ahmed bin Abdullah Alaqeel	- Board Director	Independent
Mr. Eid bin Falih Alshamri	- Board Director	Independent
Eng. Abdulelah bin Saad Aldrees	- Board director and chief executive officer	Executive
Mr. Adil bin Faris Alotaybi	- Board director	Independent

❖ **Board of Directors Composition and Classification of its Directors (Present)**

Name	Position	Classification
Mr. Hamad bin Mohammed Aldrees	- Chairman of the Board of Directors	Non-executive
Eng. Abdulmohsen bin Mohammed Aldrees	- Deputy chairman of the Board of Directors	Non-executive
Mr. Eid bin Falih Alshamri	- Board Director	Non-executive
Eng. Abdulelah bin Saad Aldrees	- Board director and chief executive officer	Executive
Mr. Adil bin Faris Alotaybi	- Board director	Independent
Mr. Shehail Abdulaziz Ahmed Al-Shehail	- Board director	Independent
Mr. Salman Mohammed Suleiman Al-Sehebani	- Board director	Independent

- ❖ **Actions taken by the Board of Directors to inform its members, especially non-executives of shareholders' proposals and their remarks about the Company and its performance by including them in the agenda of the following Board Meeting after the Assembly, to discuss and take the proper position.**

❖ **Board of Directors Committees:**

Three committees emerge from the Board of Directors, namely: "Executive Committee", "Audit Committee" and "Nomination, Reward & Governance Committee". The said committees comprise the directors, Board Secretary and members who are not Board Directors as per the regulating instructions and procedures. A description of each committee is provided for hereinafter:

❖ **Executive Committee:**

Responsibilities and tasks of the Executive Committee are as follows:

- 1) Preparing Company balance sheets.
- 2) Presenting reports and proposals to the Board of Directors on appointing the managing members of the Executive Committee.
- 3) Supervising the implementation of Company comprehensive strategy.
- 4) Controlling the practical and financial operating performance of Company.
- 5) Presenting reports on all financial and strategic matters and matters related to Company Board of Directors.

Executive Committee comprises (4) four members: Eng. Abdulmohsen bin Mohammed Aldrees (Chairman), Mr. Ahmed bin Abdullah Alaqeel (Member), Eng. Abdulelah bin Saad Aldrees (Member), and Mr. Khalid bin Abdulmohsen Aldrees (Member).

The Executive Committee for the new session was formed by four members: Eng. Abdul Mohsen bin Muhammad Al-Drees (Chairman), Mr. Hussein bin Abdulrahman Al-Azel (Member), Engr. Abdulelah bin Saad Al-Drees (Member), Mr. Salman bin Muhammad Al-Suhaibani (Member) .

The following table includes an attendance sheet of Executive Committee

Meetings during 2020 **(Previous):**

No.	Name	Dates of Executive Committee Meetings					
		22/3	30/3	04/5	20/7	18/10	15/12
1	Eng. Abdulmohsen Mohammed Aldrees	√	√	√	√	√	√
2	Mr. Ahmed Abdullah Alaqeel	√	√	√	√	√	√
3	Eng. Abdulelah Saad Aldrees	√	√	√	√	√	√
4	Mr. Khalid Abdulmohsen Aldrees	√	√	√	√	√	√

- ✓ Attendance in person
 x Attendance by proxy through another director
 xx Apology

❖ Audit Committee:

Audit Committee assists the Company Board of Directors in undertaking its responsibility for supervising the following matters entrusted to the Audit Committee:

- 1) Enabling the Board of Directors to conduct an annual audit of the work and referred to powers delegated to the Audit Committee, and presenting its recommendations to Company Board of Directors for the purpose of ensuring that the said Committee properly and efficiently performs its duties.
- 2) Studying the effect of internal control system soundness on preparing financial reports, and controlling the efficiency of the said systems.
- 3) Obtaining reports on the most important results, recommendations and corrective action plans that intended to be implemented by the management, and checking the adequacy of the corrective procedures as to the findings of internal audit.
- 4) Submitting recommendations to the Board of Directors on appointing, retaining and dismissing of the chartered accountants.
- 5) Exercising all the powers related to the recommendations of appointing the external auditor, determining the fees due thereto, and supervising the work of the said external audit.
- 6) Ensuring the independence of Internal Audit Department.
- 7) Following up the works of the chartered accountants and approving any work outside the scope of audit works entrusted to the said chartered accountants during audit works.
- 8) Reviewing the maintenance of coordination between the tasks entrusted to internal and external auditors.
- 9) Studying auditor's remarks on the financial statements, and following up procedures taken regarding the same.
- 10) Auditing the annual revised financial reports and ensuring its quality together with auditing press statements issued in this regard and results of auditing Company fiscal year in coordination with the external auditors and appropriate representatives of the Management.
- 11) Studying all transactions of the related parties as determined by the applicable laws, rules and regulations.
- 12) Auditing Company policies and practices as related to the financial and accounting reports, including any significant changes to such policies and practices, and discussing the same with Company Chief Financial Officer and external auditor.
- 13) Studying, evaluating and reporting the efficiency of determining risks significant to Company activity and method therein Company manages such risks, and submitting suitable recommendations in this regard to the Board of Directors.
- 14) Assuming the responsibility for implementing any other tasks entrusted thereto by the Board of Directors, and submitting to the Board a periodical report on audits performed by Audit Committee and its recommendations regarding the same.

The Ordinary General Assembly approved on 16 November 2020 the approval of the composition of the Audit Committee and its functions and controls and the remuneration of its members for the new session of the Council, which begins on 22/12/2020 and for three years as follows:

- Adil bin Faris Alotaybi– Chairman
- Eid bin Falih Alshamri - Member
- Saad bin Hamad Aldrees - Member
- Khalid Mohammed Alkhwaiter - Member

The following table includes an attendance sheet of Audit Committee meetings during 2020 (Previous):

No.	Name	Dates of Audit Committee Meetings						
		22/3	30/3	21/4	04/5	20/7	18/10	15/12
1	Mr. Eid Falih Alshamri	√	√	√	√	√	√	√
2	Mr. Adil bin Faris Alotaybi	√	√	√	√	√	√	√
3	Mr. Khalid Mohammed Alkhwaiter	√	√	√	√	√	√	√
4	Mr. Saad Hamad Aldrees	√	√	√	√	√	√	√

- ✓ Attendance in person
- x Attendance by proxy through another director
- xx Apology

❖ **Nomination, Reward Committee**

Based on the Board of Directors Decision No. (1) on 12/24/2020 AD to amend the name of the “Nominations, Remuneration and Governance Committee” to “Nominations and Remuneration Committee” only. The responsibilities and tasks of the Governance Committee are integrated to the Nominations and Remuneration Committee.

The purpose of the committee is to assist the company’s board of directors with the following:

- 1) Looking for qualified individuals to elect them as Board directors for the purpose of ensuring that the Board includes members having appropriate skills and experience, selecting the said individuals based on the standards of membership set forth in the principles and rules of corporate governance, and making sure that any person previously convicted of a crime involving a breach of honor is not nominated for the membership of the Board.
- 2) Studying and evaluating the independency of each nominee for the Board membership, considering the instructions of Company on independency and standards determined by the "Capital Market Authority" by virtue of registration and listing rules.
- 3) Auditing the principles, policies and procedures of Company governance once annually at least, and submitting recommendations to the Board of Director so as for the Board to make any changes to the same, if appropriate.
- 4) Supervising the evaluation of Company Board of Directors and its organizational management in the light of the rules of corporate governance.
- 5) Submitting the recommendations of Governance Committee on the suitable composition of the Board and its efficiency in meeting its obligations towards Company and its shareholders.
- 6) Developing and applying Company policies and programs on rewards and salaries due to the chief executive officers and Board directors.
- 7) Auditing, approving and following up Company Professional and Ethical Code of Conduct.
- 8) Ensuring that there is no conflict of interests in case that a Board director serves as a member of the board of directors of another company.
- 9) Auditing the classification of each Board director as an independent director once annually at least. In order to determine whether the Board directors are qualified to be independent ones or not, each director shall fill in a questionnaire to be audited by the Governance Committee.

Nomination, Reward & Committee comprises (3) three members: Eng. Abdulmohsen bin Mohammed Aldrees - Chairman, Mr. Hussain bin Abdulrahman Alazel – Member, and Eid bin Falih Alshamri – Member.

The Award and Remuneration Committee for the new session was formed of (3) three members: Mr. Adel bin Faris Al-Otaibi - Chairman, Mr. Eid bin Faleh Al-Shamri - Member, Mr. Shehail bin Abdulaziz Al-Shehail - Member.

The following table includes an attendance sheet of Audit Committee meetings during 2020 (**Previous**):

No.	Name	Committee Meetings			
		22/3	04/5	13/8	23/9
1	Eng. Abdulmohsen Mohammed Aldrees	√	√	√	√
2	Mr. Hussain Abdulrahman Alazel	√	√	√	√
3	Mr. Eid Falih Alshamri	√	√	√	√

- ✓ Attendance in person
- x Attendance by proxy through another director
- xx Apology

- ❖ Where the methods used by the Board of Directors to assess its performance and the performance of its committees and members and the external entity that has evaluated and its relationship with the Company (if any) :
 - The Board as a whole ensures periodic self-evaluation under the supervision of the Committee.
- ❖ Details of the company's social contributions
 - The maximum amount of SR One Million to be disbursed during the year to serve the community and the delegation of the CEO of the company to dispose of them.

- ❖ **There is no sanction, penalty or reserve provision imposed on Company by Capital Market Authority (CMA) or any other supervisory, regulatory or judicial entity.**
- ❖ **Annual audit of the efficiency of controlling procedures & results of auditing the internal control system:**

The company has an internal autonomous audit department directly reporting to the Board of Directors and Audit Committee. The Internal Audit Department performs its duties in accordance with the Audit Regulation approved by Company board of directors. In addition, Internal Audit Department provides autonomous advisory and substantive services for the purpose of assisting the Board of Directors, Audit Committee and Executive Management in performing their responsibilities. Furthermore, the Executive Management has no influence over the Internal Audit Department. Internal Audit Department is entitled to exercise the full unrestricted powers of accessing any documents in accordance with the requirements of its work. To perform its works, Internal Audit Department adopted a regular approach of evaluating and improving the efficiency of internal control system; enabling the company to achieve its goals and safeguard assets thereof. Internal Audit Department work scope included checking the efficiency and adequacy of company's bylaws for the purpose of verifying whether they (bylaws) are accurately applied, as necessary, and are as required for ensuring the realization of the company goals or not. There are no remarks or material events during the period of the annual audit performed to evaluate the efficiency of the internal control procedures. In addition, the work scope of Internal Control Department included the following:

- 1- Most of the company's divisions and departments are being checked and audited periodically, conditional on giving internal priority to the activities and functions of high risks.
- 2- Officers of different departments, whose works are being audited, are notified of findings discovered during the above-mentioned audit, and Management recommends in addressing such findings.
- 3- Review and evaluate the procedural frameworks by different departments for the purpose of addressing the concerns if any, evaluate and recommend if found that the taken procedures are not adequate. The same was discussed with the officers of different departments to ensure that taken procedures are adequate and efficient.

Audit Committee studied and followed up the implementation of the approved audit plan for 2020, in cooperation with Internal Audit Department, and further followed up the implementation of recommendations provided for in the reports of internal audit. The Audit Committee seeks to preserve the assets of the company and provide reasonable assurance of the safety of financial reports prepared from the records of accounting, and it examines the company's internal control system frequently to ensure its efficiency and effectiveness and to carry out financial and administrative and operational audits to

evaluate the work of the company and this in coordination, and under the supervision of the Committee Review.

❖ **Revisers & Auditors:**

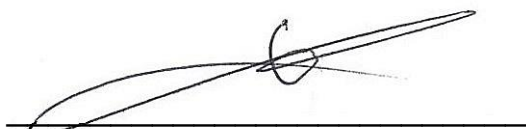
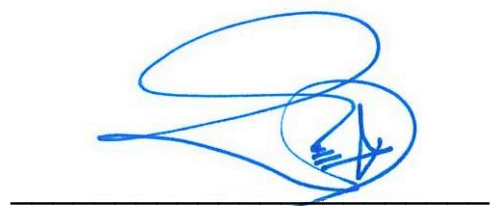
As there is no conflict between the Audit Committee and the Board of Directors' decisions regarding the appointment of the Company's auditor, its dismissal, the identification of its fees, the evaluation of its performance and the evaluation of the internal auditor.

The new external auditor will be selected from among the candidates by the Audit Committee to review the company's financial statements for the fiscal year 2021 (quarterly and annually) financial statements and determine its fees as per regulation.

❖ **Conclusion:**

"Management Discussion and Analysis of Company Financial Position and Business Results" was prepared by the Management and Audit Committee and approved by the Board of Directors. The Management attests that no changes (having material impact) on the financial statements or future expectations. In addition, Company Management shall be fully responsible for the accuracy and credibility of what provided information and financial analysis therein. Furthermore, Management confirms that it has taken all required procedures and fairly and fully disclosed such data, and there are no other documents or information whose omission may result in realizing financial data and information received as misleading in any way or whatsoever.

Finally, the Board of Directors of Aldrees Company would like to thank and show its appreciation to all the company's employees, shareholders, banks, and all the governmental authorities for their continuous support and cooperation that will greatly help us in achieving our strategic plans in the future.


Hamad bin Mohammed Aldrees
Chairman Board of Directors
Khalid Abdulmohsen Aldrees
Secretary Board of Directors