

شركة وفرة للصناعة والتنمية

Wafrah for Industry & Development

*Board of Directors  
report 2023*



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## Opening Speech

**Gentlemen and women, distinguished shareholders of the Wafra Industrial and Development Company**

We are pleased at the board of directors of Wafra Industrial and Development Company to present to you the annual report of Wafra for the financial year ended December 31, 2023AD.

The report was prepared in accordance with the Corporate Governance Regulations and Deposit Rules issued by the Saudi Arabian Financial Market Authority with the aim of informing shareholders of full transparency regarding the company's overall performance, business developments, financial and operational performance, and strategic directions during the financial year ended December 31, 2023, with a summary of audited and approved financial lists - according to the International Accounting Standards (IFRS) - by the auditor of the company. The Financial Regulations of the Bank of Saudi Arabia Arabian Capital Market were summarized and approved by the International Accounting Standards (IFRS) by the auditor of the company auditor.

During 2023, quarterly and annual profits continued, moving the company from the loss box to the profits and the company's loss ratio declined.?

Important events during the year include:

- Riyadh opens branch for sales department in al-Mulz neighborhood
- Finishing the installation of new lines and starting the trial production of the new meat plant
- Pasta factory to install new lines
- Improve pasta product quality and develop Caprine product logo
- Upgrading Manufacturers' Infrastructure (Green and Pasta)
- Modernizing the company's identity and restructuring some of the administrations to comply with the requirements of renewal and development, and creating new departments and sections, namely legal administration, support of the collection administration and the agricultural division. The latter will deal with the activity of providing and reproducing seeds, which will help the company secure its needs for agricultural raw materials.

We hope that these steps will be the beginning of the company's foray into the blessed steps to achieve the goals of the vision (2020-2030). I ask God that the blessing of security, safety and stability prevail in Saudi Arabia under the leadership of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz, and his Crown Prince, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, for all their great efforts and unlimited support to stimulate the business environment in the private sector and develop the country's economy.

God is the one to be successful,

**Saad Salib Mutlaq Al-Otaibi**

**Chairman of the Board**

## 2 - Profile of the company and its activities

Wafra Industrial and Development Company was established in accordance with the provisions of the corporate system issued by Royal Decree No. (6/M) of 22/03/1385 A.H. It was amended by the issuance of the new corporate system by Royal Decree No. (3/M) of 28/01/1437 AH. and a regulation and in accordance with Cabinet Decree No. (403) of 24/07/1439 AH. According to the system, it was established as a listed Saudi stock company, with a capital of 200 million Saudi Riyals divided into 20 million shares at a value of 10 riyals each, all common shares.

*The reduction in capital was effected by a decision of the extraordinary General Assembly on 15 Shaaban 1441H (8 April 2020) on the recommendation of the Board of Directors to reduce the capital to cover up accumulated losses. The company's capital was reduced from 200,000,000 Saudi Riyals to 77,170,350, and the number of shares from 20,000,000 shares to 7,717,035 shares valued at SAR 10. The company subsequently proceeded to increase the capital to implement its plans to upgrade the company by offering equity in the amount of 14,444,440,0000 shares, approved by the General Assembly 06/2022 on the recommendation of the Board of Directors to increase the capital to 231,511,050 riyals, raising the number of company shares to 23,151,105 shares.*

### **Company Purposes**

*The modification of the company's purposes began in 2022 to be arranged in accordance with the National Classification of Economic Activities of the International Standard Industrial Classification of All Economic Activities - Revision 4 (ISIC4).*

*The purposes are detailed below:*

- 1- Manufacturing Industries*
- 2- Agriculture and forestry*
- 3- Transport and storage*
- 4- Wholesale and retail trade*
- 5- Real estate activities*

*In 2023, the addition of a new activity was modified: agricultural production and seed multiplication.*

*The company carries out its activities in accordance with the regulations in force and after obtaining the necessary licenses from the competent authorities.*

*The company is headquartered in Riyadh and has sales and marketing branches in the kingdom's central, western, eastern and southern regions.*

*The company is a leading company in the food industry with an extended legacy.*

*The company has four functioning factories that use multiple production lines that use many of the raw materials produced inside Saudi Arabia to produce, distribute, and market various types of high-quality foodstuffs that are provided to the company's customers in the central, wholesale, and retail markets and supply all over the kingdom. The four factories in operation are located in the Industrial City in the second and third phases of Riyadh. They are the vegetable products factory, the Wafra factory for pasta and noodles, the Ready-made Foods (Meat) factory, and the Iftar pills factory.*

*There is a fifth date processing plant in the city of Kharg.*

### **3- The contribution of each manufacturer to the company's revenues for 2023.**

#### **I. Factory of Vegetable Products**

*The plant has a main line of production of frozen potato chips, where the products are packaged under multiple names and used with excellent quality and specification potatoes produced by major Saudi agricultural companies.*

*Thanks to the high quality that we maintain, and thanks to a balanced price, our main brand (Wafra) has become one of the best names in the Saudi potato market, unquestionably competing with world famous companies in the sector.*

*The factory's sales of vegetable products reached 2023th. SR99,911,764, representing 61.8% of the company's revenue.*

### **Second: An abundance factory for pasta and noodles (pastries)**

*The pastry factory is one of the important factories of Wafra Industrial and Development Company, thanks to the flexibility in production that enabled the company to distribute products and packaging under brand names, Wafra, Saudi Gardens, Cabrini, and Aghsan. The key to quality is the use of some of the finest durum semolina, which produces the best pastries, and use of Saudi wheat flour.*

*The factory consists of four production lines:*

- *Two for the production of short pasta of all kinds (one was installed in 2014).*
- *III Long pasta (spaghetti) production.*
- *IV Noodles production.*

*In 2023, the pastry factory sold 46,272,615 riyals, representing 28.6% of the company's revenue.*

*The year 2023 also saw the start of a capital increase project with the purchase of additional lines for long macaroni and wrapped noodles. The supply of machines, installation, and experimental and commercial operation will be completed by 2024. The new lines will transform the quantity and quality of noodles and noodles products. The new lines are supplied by the venerable Italian company Pavan, which has become a subsidiary of the giant German industry (GIA)*

### **III. Ready-made Foods (Meat) Factory**

*The factory consists of multi-purpose production units for the manufacture of high value frozen meat products including burgers, kebabs, sausage, cooked meat strips such as martadella, etc. with flexibility in producing more varieties and various packages of meat and chicken products.*

*These products are marketed in abundance.*

*The sales of the meat factory in 2023 amounted to 9,642,598 riyals. It represents 6% of the company's revenue.*

*The year 2023 saw the start of a major expansion of the factory and products and the modernization and automation of lines in the meat factory, one of the projects to increase capital. One of the largest food factories in Europe (the German company GIA) was contracted.*

### **Breakfast cereal and nuts factory**

*The plant has two lines, the first producing breakfast cereals, various roasted cornflakes (Corn Felix, Cornflex sweetener, Bran Felix, Rice puffer and chocolate puffer).*

*Despite its poor performance, there has been a surge in sales and customer volume.*

*The sale of the cereal plant during 2023 was QR5,804,448. It represents 3.6% of the company's revenue. A project to upgrade some lines at the plant has yet to start.*

- *Previously, peanut and nut production lines were moved from the vegetable produce plant to the breakfast cereal plant, where they mainly produced peanut butter and salted peanuts. Sales of cereals and nut lines have been modest for years compared to those of the other company, but efforts are bearing fruit after contracting with different parties to produce their own signs of breakfast cereals and nuts, and have improved since 2022. The company is keen to raise quality, update products and invent new methods of selling.*

### **The date factory abroad**

*The plant has always been a source of losses for the company. The plant was designed to manufacture date-processing products such as date paste, date molasses, vinegar and feed production from date residue, and also includes a line for the production of jam from dates and other fruits. However, the products of this factory have not spread as planned.*

## **4- Future plans and projections for Wafra Industrial and Development**

*The company has developed the Business Plan, which became the focus of the plans submitted to shareholders and the Capital Market Authority within the framework of the Capital Increase Request Procedures in 2022. The plan focused on rehabilitating the factories by reducing reliance on manual processes by purchasing high-automation lines, as well as focusing on horizontal expansion of sales by doubling the number of customers throughout the kingdom to increase sales, expanding the central market sector and supermarkets (supermarkets and supermarkets), increasing market and natural quota, and paying attention to food quality and safety.*

*The company pays great attention to the manufacture of high quality products and according to strategic directions, and the company manufactures pasta, potatoes and cereals — as special labels for other enterprises and companies, some of which are large companies.*

*As for the new projects, the new lines, high automation, in the meat factory were installed in 2023 and it is planned to start commercial operation in the second quarter of 2024, with the announcement of the end of the trial operation in March 2024.*

*The installation of the new lines at the pasta and noodles factory began in 2023, and they are expected to be put into trial and commercial operation in 2024. The installation and operation of the new production lines at the pastry factory is expected to be completed in 2024.*

## **5 - Potential financial and operational risks to the company's business**

*Just like any other economic entity, Wafra Industrial and Development Company is exposed to some risks by the nature of its industrial activity. As a company engaged in commodities, food, and retail, the Board of Directors has attached great importance to the monitoring, review, and evaluation of risk management policy from time to time, in order to verify the existence of effective regulatory systems to monitor those risks. The company is keen to follow up on the risks, in particular the operational risks, such as the provision of raw materials, packing and packaging materials, and spare parts needed to ensure continuous operation.*

**5.1 Risks of raw materials supply and storage:** *To avoid these risks, PIC has expanded its supplier base to ensure that its needs are met and to avoid price fluctuations, PIC has signed binding contracts with some major suppliers, which were announced during the year in circulation and on the PIC website.*

*The company was interested in increasing storage capacity and had built refrigerated and frozen warehouses for the storage of basic raw materials (potatoes and meat) due to their seasonality and purchase at the time of their low prices. It also has the option of renting refrigerated warehouses as needed. In the field of flour and fertilizer, the company has used the large storage capacity it built in the past by building new silos to benefit from additional quotas of flour provided by the General Organization for Grain Silos and Flour Mills in Riyadh and in regional branches. As for spare parts, the company deals directly with factory suppliers and authorized agents, especially in large spare parts, in order to ensure the acquisition of the original parts and to avoid any emergency disruption. The company also maintains the spare parts necessary for the periodic maintenance of the factories in the spare parts warehouse.*

### **(5.2) Financial instruments**

*The financial instruments listed in the Financial Center list mainly include cash in the Fund, banks, debtors, other assets, investments, creditors, outstanding claims, loans and non-current claims. The company also recognizes*



*assets and liabilities in the Financial Center list when it becomes a party to the contractual performance provisions.*

### **(5.3) Competition and market risks**

*One of the most prominent features of this sector is its fierce competition, which is why the company has resorted to a variety of methods to meet and keep up with this competition. These include signing contracts with the biggest outlets in the Kingdom of Saudi Arabia, such as Abdullah Al-Othaim Company, Al-Aziziya Banda Company, Carrefour Company, and most of the Hyper Market Companies, in order to ensure that their products reach the largest possible number of consumers .*

### **(5.4) Credit risk**

*Credit risk represents a risk of financial loss to the company as a result of the customer or corporate party failing to perform a financial instrument on its contractual obligations.*

*A company's exposure to credit risk is primarily influenced by the privacy of each customer, the demographic nature of the company's customers, including the default risks of the activity, and the country in which the customer works, has less impact on credit risk.*

### **(5.5) Currency risk**

*Most of the assets and financial requirements of the company are in Saudi Riyal. Most of the company's transactions are generally in Saudi Riyal and US dollars. Because the exchange rate of the dollar against the Saudi riyal is stable, the company's management believes that it does not face the risks of fundamentally fluctuating exchange rates.*

### **(5-6) Liquidity risk**

*Liquidity risks are those arising from a company's inability to meet its due obligations in respect of financial requirements settled through the provision of cash or other financial assets. The company's management of liquidity consists in ensuring to the extent possible that the company always maintains sufficient liquidity to meet its obligations when it becomes obligated in normal and emergency circumstances without incurring unacceptable losses or risks that may affect the company's reputation.*

*The company is eager to have enough cash to cover the expected operating expenses, including liabilities, but without any potential impact from severe and unpredictable conditions like natural disasters. It is also keen to link short-term deposits with the liquidity of banks with strong financial positions, good credit ratings, and good returns.*

### **(5-7) Fair value**

A fair value by which an asset is exchanged or a commitment is made between willing parties with fair terms of dealing, and where a company's balance sheet is prepared in accordance with the historical cost principle, it can produce differences between book value and estimated fair value. The Administration considers that the fair value of the company's assets and financial requirements is not significantly different from its book value.

## **6 The company's financial centers comply with International Accounting Standards (IFRS)**

The Company applied and prepared quarterly financial statements and annual financial lists, financial performance and cash flows for the year ended December 31, 2023 in accordance with the International Standards for Financial Reporting adopted in Saudi Arabia and other standards and issuances adopted by the Saudi Commission of Auditors and Accountants.

## **7 Results of the company's work over the past five years**

### **Summary of last five-year income list (in Riyal)**

<i>statement</i>	<i>2019 pm</i>	<i>2020 pm</i>	<i>2021 pm</i>	<i>2022</i>	<i>2023</i>
<i>Sales</i>	82,816,966	83,777,853	64,967,601	135,048,211	161,631,425
<i>Sales cost</i>	(66,058,166)	(64,363,423)	(53,474,887)	(86,553,631)	(111,043,586)
<i>Total Profit</i>	16,758,800	19,414,430	11,492,714	43,962,854	50,587,839
<i>Total expenses</i>	(27,240,825)	(25,909,007)	(23,400,746)	(29,403,045)	(43,034,200)
<i>Net (loss) profit from activity</i>	(10,482,052)	(6,494,577)	(11,908,032)	14,559,809	7,553,639
<i>Loan guarantee (related party)</i>	(8,063,390)	0	0	0	
<i>Fair value investment losses</i>	(4,354,480)	0	0	0	15,018,528
<i>Profit/loss</i>					
<i>Real estate investment undervaluation gain/loss</i>	(1,008,252)	333,368	0	0	
<i>Allocation of anticipated credit losses</i>	(1,175,915)	(1,326,059)	(269,529)	(760,338)	(3,282,241)
<i>Decay in property, machinery and equipment</i>	0	0	(468,578)	444,577	
<i>Custom Reply No Purpose</i>	0	0	761,698	482,112	

<i>inventory subsidy</i>	0	(606,477)	0	0	
<i>Dedicated to slow-moving goods</i>	(927,060)	(1,426,484)	0	0	(1,767,624)
<i>Funding expenses</i>	(300,000)	(630,000)	(420,000)	0	
<i>Financing costs</i>	(190,020)	(188,497)	(168,898)	(888,227)	(669,584)
<i>Currency conversion losses</i>					
<i>Other income</i>	2,420,198	1,482,535	3,528,801	1,995,567	7,894,365
<i>Net profit (loss) before Zakat</i>	(24,080,971)	(8,856,191)	(8,944,538)	15,883,500	24,747,083
<i>discretionary zakat and zakat difference</i>	(1,288,762)	(3,522,897)	(1,986,049)	(2,016,377)	(3,783,484)
<i>Net profit(loss) of year</i>	(25,369,733)	(12,379,088)	(10,930,587)	13,817,123	20,963,599
		)	)		
<i>Universal Income Items:</i>					
<i>Change in fair investment value</i>	(83,305)	84,360	50,615	(285,769)	(37,435)
<i>Accessory losses of obligations and employee benefits</i>	(372,400)	(1,056,317)	1,394,803	733,719	(1,312,294)
<i>Total Gross Income</i>	(455,705)	(971,957)	1,445,418	447,950	(1,349,729)
<i>Year's total loss</i>	(25,825,438)	(13,351,054)	(9,485,169)	14,265,073	19,613,870
		)			

**The summary of the income list shows**

- Gross profit in 2023. 50,587,839 riyals. It was 43,962,854 riyals in 2022.
- Total gross income in 2023. Amount (1,349,729) Riyal. In 2022, Liaoning reported 447,950 riyals in losses.
- Sales in 2023 amounted to 161,631,425 riyals, while in 2022, they were 130,516,485 riyals, a rise of 23.84%.
- Total expenses rose by 13,631,155 riyals from the previous year.

**Top profits:**

- Sales up 24%
- The rise of overall profit.
- Profit from investment in fair value financial instruments
- Other revenue increases .

**8 - Statement of the company's assets and liabilities in the last five years**

**Summary of financial position for the last five years**

<i>statement</i>	<i>2019 pm</i>	<i>2020 pm</i>	<i>2,021m modified</i>	<i>2022m rate</i>	<i>2023</i>
<i>Current assets</i>	46,893,843	51,017,019	50,913,707	224,118,243	149,911,267
<i>Current Requirements</i>	47,712,401	66,853,749	73,048,894	84,655,645	75,337,950
<i>working capital</i>	(818,558)	(15,836,730)	(22,135,187)	139,462,598	74,573,317
<i>Other long-term assets</i>	13,601,492	13,871,605	4,132,782	4,609,500	95,121,619
<i>Fixed assets</i>	103,551,023	96,434,618	87,198,471	80,661,742	76,952,353
<i>Total assets</i>	164,046,358	161,323,242	142,244,960	309,389,485	321,985,239
<i>Long-term loans</i>	25,000,000	16,000,000	6,000,000	0	0
<i>Other requirements</i>	15,637,966	16,124,547	14,013,906	11,878,806	14,178,385
<i>Total requirements</i>	88,350,367	98,978,296	93,062,800	96,534,451	89,516,335
<i>Paid-in capital</i>	200.000.000	77,170,350	77,170,350	231,511,050	231,511,050
<i>Reserves and dividends</i>	(124,304,009)	(14,825,404)	(27,988,190)	(18,656,016)	957,854
<i>Shareholder rights</i>	75,695,991	62,344,946	49,182,160	212,855,034	232,468,904
<i>Total liabilities and equity</i>	164,046,358	161,323,242	142,244,960	309,389,485	321,985,239

**The list of financial position concluded on 31/12/2023 as follows:**

The total assets (assets) were 321,985,239 riais in 31-12-2023 AD. as against 309,389,485 rials in 31-12-2022 with an increase of 4,07%.

The total requirement was 89,516,335 riyals in 31-12-2023. As compared to 96,534,451 riyals in 31-12-2022.02. a decline of 7.27%.

The shareholders' rights increased from 212,855,034 riyals to 232,468,904 riyals by 9.21%.

The working capital was 74,573,317 rials at 31-12-2023 compared to 139,462,598 at 31-12-2022AD.

**9- Comparison of operational results for 2023 with the previous year 2022 (in R)**

<i>statement</i>	<b>2022</b>	<b>2023</b>	<b>Change amount</b> <b>+ or (-)</b>	<b>Rate of change</b> <b>(%)</b>
<i>Sales</i>	130,516,485	161,631,425	31,114,940	23.84%
<i>Sales cost</i>	(86,553,631)	(111,043,586)	24,489,955	28.29%
<i>operating profit total</i>	43,962,854	50,587,839	6,624,985	15.07%
<i>Total expenses</i>	(29,403,045)	(43,034,200)	13,631,155	46.36%
<i>Net profit (loss) from activity</i>	14,559,809	7,553,639	(7,006,170)	- 48.12%
<i>Custom loan guarantee response - related party</i>	482,112	0	0	
<i>Restitution (decay) of property and equipment</i>	444,577	0	0	
<i>Allocation of anticipated credit losses</i>	(760,338)	(3282241)	(2,521,903)	331.68%
<i>The Wind of Investment in Financial Instruments</i>	0	15,018,528	15,018,528	100%
<i>Customize slow-moving inventory</i>	0	(1,767,624)	(1,767,624)	100%
<i>Financing costs</i>	(888,227)	(669,584)	(218,643)	- 24.62%
<i>Other income</i>	1,995,567	7,894,365	5,898,798	295.60%
<i>discretionary zakat</i>	(2,016,377)	(3,783,484)	1,767,107	87.64%
<i>Net profit (loss)</i>	13,817,123	20,963,599	7,143,476	51.70%
<i>Universal Income Items:</i>				
<i>Change in fair investment value</i>	(285,769)	(37,435)	(248,334)	-13.10%
<i>Actuarial Profits(Losses) for End-of-Service Bonus</i>	733,719	(1,312,294)	2,046,013	-278.86%
<i>Total Gross Income</i>	447,950	(1,349,729)	1797679	-401.31%
<i>Total gross income for the year</i>	14,265,073	19,613,870	5,348,797	37.50%
<i>Share loss</i>	1.38			

**A comparison of the operational results for 2023 with the year before 2022 shows:**

- Sales in 2023 compared with 2022 rose by 23.84%.
- The cost of sales rose in 2023. of 24,489,955 riyals.
- Profit from operational operations in 2023. It was 7,553,639 riyals. for 14,559,809 rials .
- Total gross income in 2023. It was 19,613,870 rials. It was 14,265,073 rials in 2022.

- Expenses rose in 2023. compared to 2022 at 46.36%.
- The 2023 net profit was 20,963,599 compared to 13,817,123 in 2022.

#### 10 - Causes of deviations in operating results

- 1 - High sales.
- 2- High administrative and public expenses.
- 3- Higher natural and marketing expenses

#### 11- Geographical analysis of the sales of Wafra Industrial and Development Company (in Riyals)

Year	Statement	Inside the Kingdom	Outside the Kingdom	Total
2022	Sales	135,048,211	0	135,048,211
2023	Sales	161,631,425	0	161,631,425

All sales within the kingdom rose by 31,114,940 riyals

#### 12 - VAT

Based on the agreement of the GCC countries to implement VAT as one of the important economic reforms in the GCC countries, the company has adhered to regulations and legislation in the application of VAT since the beginning of 2018.

The company paid all the amounts due to it in accordance with the tax declarations during 2023, with the exception of the December 2023 tax declaration dues, which were paid in January 2024 according to the system.

#### 13 - Equity

##### dividend distribution policy

Shown in company platform

##### ARTICLE (43): Distribution of profits

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

1. 10% of the net profits are avoided for the formation of the firm's statutory reserve. The ordinary General Assembly may decide to discontinue such set-off once the said reserve reaches 30% of the paid capital.
2. The General Assembly, on the proposal of the Board of Directors, should avoid (10%) of net profits to form an agreement reserve to be allocated to the benefit of the company.

3. *The ordinary General Assembly may decide to establish other reserves, to the extent that they are in the interest of the company or to ensure that as much fixed profits are distributed to the shareholders as possible. The Association may also deduct from the net profits sums to establish or support existing social enterprises for the employees of the company.*

4. *The remainder is then distributed to shareholders as a proportion of 5% of the company's paid capital.*

5. *Subject to the provisions set forth in Article (20) of this Law, and Article (76) of the Companies Law, 10% of the remainder shall be allocated to the Board of Directors' Compensation, provided that the benefit of such reward is proportionate to the number of meetings attended by the member.*

#### **Article 44 of the Statute (Benefit Entitlement)**

*The shareholder shall be entitled to its share of the dividends in accordance with the relevant General Assembly resolution. The resolution shall set the due date and the date of distribution. The shareholder shall be entitled to the dividends registered on the shareholder register at the end of the maturity day.*

*The company did not distribute profits during the different periods of the fiscal year and did not propose to the General Assembly a percentage of profits to distribute at the end of the fiscal year of 2023.*

#### **14. Meetings of the Governing Council**

##### **Governing Council (12th session)**

*The session of the Governing Council began on 14/01/2021 and ended on 13/01/2024. The Governing Council is composed of the following:*

*§ Saad Salib Mutlaq Al-Otaibi- Chairman of the Board of Directors (He joined the Board on 28/02/2024 and assumed the position of Chairman on 05/03/2024)*

*2- Mohamed Yacoub Youssef Al-Makhdab - Deputy Chairman of the Board of Directors (since the restructuring of the Board on 05/03/2024)*

*3- Seat of Ibrahim Ramthan Al-Otaibi- Managing Director (since the reconstitution of the Council on 05/03/2024)*

*2- Muhammad Hindi Shujaa al-Otaibi, Vice-President of the Council, who has been a member since the reconstitution of the Council on 05/03/2023*

*3- Faisal Muhammad Abdul Aziz Al-Khudairi (resigned from the position of Deputy Member and from the Council on 27/02/2024)*

4- Mohammed Saoud Abdullah al-Sammari, member

5- Iyad Abdel Rahman Mohammed Al-Bunyan

6- Faisal Abdallah Mohammed al-Qahtani

**Board meetings:**

Article (21) of the Basic Law of the Company stipulates that the Board of Directors shall meet at least four times a year at the invitation of its President. The President of the Council should also invite the Council to meet when requested by two members and in accordance with the corporate system.

The number of meetings of the Governing Council during 2023 was four (4):

**Record of attendance of members of the Board of Directors at meetings of the Board during 2023**

<b><u>Board members</u></b>	<b><u>03/05</u></b> <b><u>2023</u></b>	<b><u>03/18</u></b> <b><u>2023</u></b>	<b><u>05/27</u></b> <b><u>2023</u></b>	<b><u>09/12</u></b> <b><u>2023</u></b>	<b><u>Sentence</u></b>	<b><u>Rate</u></b>
<i>Saad Salib Mutlaq Al-Otaibi</i>	√	√	√	√	4	100%
<i>Muhammad Yaqub Yusuf al-Mukhtaba</i>	√	√	√	√	4	100%
<i>Ibrahim Ramthan Al-Otaibi</i>	√	√	√	√	4	100%
<i>Mohammed Hindi Shuja Al-Otaibi</i>	√	√	√	√	4	100%
<i>Mohammed Saoud Abdullah Al-Samari</i>	√	√	X	√	3	75%
<i>Iyad Abdel Rahman Mohammed Al-Bunyan</i>	√	√	√	√	4	100%
<i>Faisal Abdallah Mohammed Al-Qahtani</i>	√	√	X	√	3	75%



***15- Members of the Governing Council, their current and past functions, qualifications and experience***

<b><i>Expertise</i></b>	<b><i>Previous job</i></b>	<b><i>Current job</i></b>	<b><i>Qualifications</i></b>	<b><i>Name</i></b>
<b><i>Create and manage business</i></b>	<b><i>Saad Bin Salib Al-Otaibi and Sons Holding Company Chairman</i></b>	<b><i>Saad Bin Salib Al-Otaibi and Sons Holding Company Chairman</i></b>	<b><i>Bachelor of Education</i></b>	<b><i>Saad Salib al-Utaibi*</i></b>
<b><i>- The field of contracting</i></b> <b><i>- Stock sector</i></b> <b><i>- Sales domain</i></b>	<b><i>Al-Jazeera Bank Stock Broker and Head of Trading Group</i></b>	<b><i>CEO of Insaab Contracting.</i></b>	<b><i>Bachelor of Economics and Guidance</i></b>	<b><i>A. Mohammed Yacoub Al-Makhdab</i></b>
<b><i>Executive Directorate</i></b>	<b><i>General Manager, First Packaging Industries</i></b>	<b><i>Wafra Industrial and Development Company</i></b>	<b><i>Bachelor of Marketing</i></b>	<b><i>a. Ibrahim Al-Otaibi Stadium</i></b>
<b><i>Law and legal advice</i></b>	<b><i>lawyer</i></b>	<b><i>Lawyer and legal adviser</i></b>	<b><i>- Bachelor of Laws</i></b>	<b><i>MR. Muhammad Hindi Shuja Al-Otaibi</i></b>
<b><i>- Recruitment and manpower</i></b> <b><i>- Contracting Field</i></b>	<b><i>Chairman of the Board of Directors of the Construction Schedules Contracting Company</i></b>	<b><i>Al-Dana Labor Recruitment Company Founder and Director</i></b>	<b><i>Information Systems Management Bachelor</i></b>	<b><i>MR. Faisal Muhammad Abd Al-Aziz Al-Khudairi</i></b>
<b><i>- Banking and insurance</i></b>	<b><i>Regional Director - Bank Al Jazeera</i></b>	<b><i>Vice President and Chairman of the Al Jazeera Bank</i></b>	<b><i>Commercial accounting diploma</i></b>	<b><i>MR. Muhammad Saud Abdullah Al-Samari</i></b>

	<b>- Chairman of the Board of Directors of a safety company for the insurance agency</b>	<b>Branch and Distribution Channel Network</b>		
<b>- Real estate investment and the development of residential complexes and commercial centers</b>	<b>- Al-Rashid Trading and Contracting Company</b>	<b>- Managing Director and Chief Executive Officer, Argan Projects Corporation</b>	<b>- Bachelor of Architecture</b>	<b>MR. Iyad Abdul Rahman Mohammed Al-Bunyan</b>
<b>Banking Sector</b>	<b>Bank Al-Bilad Branches Manager for Eastern and Northern Regions</b>	<b>Regional Director - National Arab Bank</b>	<b>- Bachelor of Laws</b>	<b>MR. Faisal Abdullah Muhammad al-Qahtani</b>

\* Started on 28/02/2023

\*\* Started on 28/02/2023

\*\*\* Term of office expired on 27/02/2023

### 16- Committee members, current and past functions, qualifications and experience

#### Review Committee members

<b>Expertise</b>	<b>Previous job</b>	<b>Current job</b>	<b>Qualifications</b>	<b>Name</b>
<b>Banking Sector</b>	<b>Bank of the Country Branch Manager</b>	<b>Regional Director - National Arab Bank</b>	<b>- Bachelor of Laws</b>	<b>MR. Faisal Abdullah Muhammad al-Qahtani</b>
<b>Financial Sector</b>	<b>- Co-CEO- Family Office Company</b>	<b>Deputy Governor of the State Real Estate Authority- Investment and Business Development Sector</b>	<b>- Accounting Bachelor</b>	<b>MR. Hani Abdullah Siraj Abu Al-Naja</b>
<b>financial analysis / management</b>	<b>Managing Director- Agdi Food Trading Company</b>	<b>Administrative Partner - Advanced Analytics Company</b>	<b>- Bachelor's of Finance- Master's</b>	<b>A. Abdul Rahman Abdul Muhsin Suleiman Ghuneim</b>

			<i>Applied Mathematics</i>	
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**Members of the Awards and Nominations Committee**

<i>Expertise</i>	<i>Previous job</i>	<i>Previous job</i>	<i>Qualifications</i>	<i>Name</i>
<i>- Banking and insurance</i>	<i>Regional Director - Bank Al Jazeera - Chairman of the Board of Directors of a safety company for the insurance agency</i>	<i>Vice President and Chairman of the Al Jazeera Bank Branch and Distribution Channel Network</i>	<i>Commercial accounting diploma</i>	<i>MR. Muhammad Saud Abdullah Al-Samari</i>
<i>Law and legal advice</i>	<i>lawyer</i>	<i>Lawyer and legal adviser</i>	<i>- Bachelor of Laws</i>	<i>MR. Muhammad Hindi Shuja Al-Otaibi</i>
<i>Banking Sector</i>	<i>Bank of the Country Branch Manager</i>	<i>Regional Director - National Arab Bank</i>	<i>- Bachelor of Laws</i>	<i>MR. Faisal Abdullah Muhammad al-Qahtani</i>

**Executive Committee members**

<i>Expertise</i>	<i>Previous job</i>	<i>Current job</i>	<i>Qualifications</i>	<i>Name</i>
<i>Create and manage business</i>	<i>Saad Bin Salib Al-Otaibi and Sons Holding Company Chairman</i>	<i>Saad Bin Salib Al-Otaibi and Sons Holding Company Chairman</i>	<i>Bachelor of Education</i>	<i>Saad Salib al-Utaibi*</i>
<i>- The field of contracting - Stock sector - Sales domain</i>	<i>Al-Jazeera Bank Stock Broker and Head of Trading Group</i>	<i>CEO of Insaab Contracting.</i>	<i>Bachelor of Economics and Guidance</i>	<i>A. Mohammed Yacoub Al-Makhdab</i>

<i>Executive Directorate</i>	<i>General Manager, First Packaging Industries</i>	<i>Wafra Industrial and Development Company</i>	<i>Bachelor of Marketing</i>	<i>a. Ibrahim Al-Otaibi Stadium</i>
<i>- Real estate investment and the development of residential complexes and commercial centers</i>	<i>- Al-Rashid Trading and Contracting Company</i>	<i>- Managing Director and Chief Executive Officer, Argan Projects Corporation</i>	<i>- Bachelor of Architecture</i>	<i>MR. Iyad Abdul Rahman Mohammed Al-Bunyan</i>

**17- Executive management, current and past functions, qualifications and experience**

<i>Expertise</i>	<i>Previous job</i>	<i>Job</i>	<i>Qualifications</i>	<i>Name</i>
<i>- Executive management - Sales management area</i>	<i>CEO Sales Vice President - Spemaco (Pharmaceutical)</i>	<i>CEO of Wafra Industrial and Development Company</i>	<i>- Bachelor of Pharmacy - Master of Business Administration</i>	<i>D. Muhammad Abdulaziz Al-Fadhli</i>
<i>- Financial management</i>	<i>Financial manager</i>	<i>CFO - Abundance</i>	<i>Accounting Bachelor of Science</i>	<i>MR. Ahmad Abdullah Saleh Al-Dahham</i>
<i>- In the area of human resources</i>	<i>Director of Common Services</i>	<i>Shared Services Manager - Plenty</i>	<i>Bacalarius</i>	<i>Abdullah Mohammed Abdullah Al-Shehri</i>
<i>- Food processing - Quality control</i>	<i>quality manager</i>	<i>Operations Manager - Plenty</i>	<i>Bachelor of Chemical Engineering (food processing)</i>	<i>Omar Abd El-Karim Naqadallah</i>
<i>- Sales domain</i>	<i>Kingdom sales manager</i>	<i>Kingdom Sales Manager - Wafra</i>	<i>Bachelor of Chemistry</i>	<i>Gamal Radi Al-Karim</i>

**18 - Composition and classification of the Governing Council on an executive, non-executive or independent basis**

<i>independent</i>	<i>non-executive</i>	<i>Executive</i>	<i>Attribute</i>	<i>Member Name</i>
	√		<i>Chairman of the Board</i>	<i>Saad Salib al-Utaibi*</i>
√			<i>Vice-Chairman of the Board</i>	<i>MR. Muhammad Yaqub al-Makhdab</i>
		√	<i>managing director</i>	<i>a. Ibrahim Al-Otaibi Seat **</i>
		√	<i>managing director</i>	<i>MR. Faisal Muhammad al-Khudairi***</i>
√			<i>Vice-President</i>	<i>MR. Muhammad Hindi Al-Otaibi</i>
√			<i>council member</i>	<i>MR. Muhammad Saud Al-Samari</i>
√			<i>council member</i>	<i>MR. Iyad Abdul Rahman Al-Bunyan</i>
√			<i>council member</i>	<i>MR. Faisal Abdullah Al-Qahtani</i>

\* Started on 28/02/2023

\*\* Started on 28/02/2023

\*\*\* Membership of the Board expired on 27/02/2023

**19- Companies inside or outside the Kingdom of which a member of the board of directors of the company is a member of the current and previous boards of directors**

<i>Member Name</i>	<i>Current company names</i>	<i>Within the Kingdom/Outside the Kingdom</i>	<i>Legal form of company</i>	<i>Previous company names</i>	<i>Within the Kingdom/Outside the Kingdom</i>	<i>Legal form of company</i>
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<i>A. Saad Salib Mutlaq Al- Otaibi</i>	<i>- Saad Bin Salib Al-Otaibi and Sons Holding Company - Insaab General Contracting Company. - Maras Oriental Investment Company - Al-Arabiya Transformers Company - Information Technology Communication Space Company Sky Five Arabia</i>	<i>Inside the Kingdom "" "" "" "" ""</i>	<i>holding limited liability  limited liability limited liability  limited liability  limited liability</i>	<i>-  - - - -</i>	<i>-  - - - -</i>	<i>-  - - - -</i>
<i>MR. Muhammad Yaqub Yusuf al-Mukhdab</i>	<i>- Genealogies for general contracting - Genealogy of real estate - Facilitation of land transportation</i>	<i>Inside the Kingdom "" ""</i>	<i>limited liability "" ""</i>	<i>Tables  Construction for Contracting</i>	<i>Inside the Kingdom</i>	<i>limited liability</i>
<i>MR. Muhammad Hindi Shuja Al-Utaibi</i>	<i>- Mohammed bin Hendi al-Otaibi Law Office</i>	<i>Inside the Kingdom</i>	<i>Individual</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>MR. Faisal Muhammad Abd al-Aziz al-Khudairi *</i>	<i>- Al-Dana Labor Recruitment Company</i>	<i>Inside the Kingdom</i>	<i>limited liability</i>	<i>Construction schedules for contracting</i>	<i>Inside the Kingdom</i>	<i>limited liability</i>
<i>MR. Muhammad Saud Abdullah Al- Samari</i>	<i>- Al-Jazeera Bank - Insurance Agency Safety Company</i>	<i>Inside the Kingdom</i>	<i>listed contribution - Owned by Al-Jazeera Bank</i>	<i>Al-Jazeera Bank</i>	<i>Inside the Kingdom</i>	<i>listed contribution</i>

<i>MR. Iyad Abdul Rahman Mohammed Al-Bunyan</i>	<i>- Argan Projects Company — City of Economic Knowledge - Al-Ittihad Insurance</i>	<i>Inside the Kingdom "" ""</i>	<i>closed contribution  listed contribution  listed contribution</i>	<i>Inside the Kingdom  Al-Bilad Bank</i>	<i>Inside the Kingdom  ""</i>	<i>listed contribution</i>
<i>MR. Faisal Abdullah Muhammad al-Qahtani</i>	<i>- Ayaan Investment Company - National Arab Bank</i>	<i>"" ""</i>	<i>listed contribution  listed contribution</i>	<i>Al-Bilad Bank</i>	<i>Inside the Kingdom</i>	<i>listed contribution</i>

*\* Leaving the Council on 27/02/2023*

**20 - Actions taken by the Governing Council to inform its members — in particular non-executives — of the shareholders' proposals and observations regarding the company and its performance.**

*Contributors' proposals and observations were presented through the extraordinary meeting of the General Assembly on 13/02/2023 and the Regular Assembly on 01/06/2023A.M. The minutes of the aforementioned associations were also published on the company's website to inform shareholders, board members and others about them.*

**21 - Communication with shareholders and investors**

*The Company recognizes the importance of communication with its shareholders and of providing them with information. In application of the principle of disclosure and transparency, the Company:*

*Publication of quarterly financial statements and final accounts for fiscal year 2023. on a trading website, and published it within the period specified by the system.*

*Adhering to the wording of the declarations made by the CMA and the CMA*

*The report of the Governing Council shall be prepared in accordance with the disclosure requirements of the Governance Regulation.*

*All shareholders of the company -without exception- can access the minutes of the company's public assemblies, any annual reports, and any advertisements of the board of directors on the trading website and the company's website.*

The company, through its Investor Relations Division, responds to shareholder inquiries regarding their shares and dividends and explains what changes the company is making that affect them financially and otherwise, such as the increase in capital, their priority rights, priority compensation, etc.

## 22- Ownership of company shares by members of the Board of Directors

A description of any interest, contractual securities, and subscription rights of board members and their relatives in shares or instruments of the company's debt or any of its subsidiaries, or any change in that interest or rights during fiscal year 2023

M. M. Mmm	Name	The beginning of the year		End of year		net change	change ratio
		Number of shares	Religion tools	Number of shares	Religion tools		
11	MR. Saad Salib Al-Otaibi*	1,080,845	0	1,080,845		0	0%
2	MR. Muhammad Yaqub al-Makhdab	6538	0	6538	0	0	0%
3	MR. Ibrahim Al-Otaibi**	0	0	0	0	0	0
4	MR. Muhammad Hindi Al-Otaibi	0	0	11	0	11	-
5	MR. Muhammad Saud Al-Samari	3,000	0	3,000	0	0	0%
6	MR. Iyad Abdul Rahman Al-Bunyan	40,000	0	45,500	0	05,500	13.75%
7	MR. Faisal Abdullah Al-Qahtani	100	0	0	0	100	100%
8	MR. Faisal Muhammad al-Khudairi ***	10	0	-	-	-	-

\* Entered the Council on 28/02/2023

\* The Maras Al-Sharq Investment Company is owned by one person and owns 25.568% of the company's shares

\*\* Entered the Council on 28/02/2023

\*\*\* Leaving the Council on 27/02/2023

## 23- Ownership of company shares by senior executives



**A description of any department, or any change in any of its subsidiaries' debt stock or instruments held by the chief executives or their relatives during fiscal year 2023 .**

<i>change ratio</i>	<i>net change</i>	<i>End of year</i>		<i>The beginning of the year</i>		<i>Job</i>	<i>Name</i>
		<i>Religion tools</i>	<i>Number of shares</i>	<i>Religion tools</i>	<i>Number of shares</i>		
0%	0	0	0	0	0	Chief executive	D. Muhammad Abdulaziz Al-Fadhli
0%	0	0	0	0	0	Financial Manager	MR. Ahmed Abdullah Al-Dahham
0%	0	0	0	0	0	Director of Common Services	MR. Abdullah Muhammad Abdullah Al-Shihri
0%	0	0	0	0	0	operations manager	M/ Omar Abdul-Karim Naqadallah
0%	0	0	0	0	0	Kingdom sales manager	MR. Jamal Radi Al-Karim

**24- The dates of the general shareholders' associations and the names of the members of the Board of Directors in 2023**

<i>Description</i>	<i>Members present at this Assembly</i>	<i>Association type</i>	<i>History of associations</i>
<i>President of the Council</i>	<i>A. Mohammed Yacoub Al-Mukhtaba</i>	<i>abnormal</i>	<i>02/13/2023</i>
<i>Vice-President of the Council</i>	<i>MR. Muhammad Hindi Shuja Al-Otaibi</i>		
<i>managing director</i>	<i>MR. Faisal Muhammad Abd Al-Aziz Al-Khudairi</i>		
<i>Member</i>	<i>MR. Muhammad Saud Abdullah Al-Samari</i>		
<i>Member</i>	<i>M/ Iyad Abdul Rahman Mohammed Al-Bunyan</i>		

<b>Member</b>	<i>MR. Faisal Abdullah Muhammad al-Qahtani</i>		
<b>Vice-President of the Council*</b>	<i>A. Mohammed Yacoub Al-Mukhtaba</i>	<b>Normal number (40)</b>	<b>06/01/2023</b>
<b>Member Delegate *</b>	<i>MR. Ibrahim Ramthan Al-Otaibi seat</i>		
<b>Member</b>	<i>MR. Muhammad Hindi Shuja Al-Otaibi</i>		
<b>Member</b>	<i>MR. Muhammad Saud Abdullah Al-Sammari</i>		
<b>Member</b>	<i>MR. Iyad Abdul Rahman Mohammed Al-Bunyan</i>		
<b>Member</b>	<i>MR. Faisal Abdullah Muhammad al-Qahtani</i>		

\* The Council was restructured on 05/03/2023

**25- Statement of the number of meetings of the Board and the number of meetings attended by each member from the date of the last meeting of the General Assembly in 2023**

<b><u>Rate</u></b>	<b><u>Sentence</u></b>	<b><u>09/12/2023</u></b>	<b><u>Member</u></b>
<b>100%</b>	<b>11</b>	√	<i>Saad Salib Mutlaq Al-Otaibi</i>
<b>100%</b>	<b>11</b>	√	<i>Muhammad Yaqub Yusuf al-Mukhtaba</i>
<b>100%</b>	<b>11</b>	√	<i>Ibrahim Al-Otaibi Stadium</i>
<b>100%</b>	<b>11</b>	√	<i>Mohammed Saoud Abdullah Al-Samari</i>
<b>100%</b>	<b>11</b>	√	<b><i>Mohammed Hindi Shuja Al-Otaibi</i></b>
<b>100%</b>	<b>11</b>	√	<i>Iyad Abdel Rahman Mohammed Al-Bunyan</i>
<b>100%</b>	<b>11</b>	√	<i>Faisal Abdallah Mohammed Al-Qahtani</i>

**26 - Methods on which the Governing Council has relied in evaluating its performance and that of its committees and members**

No evaluation of the performance of the Board and its members has been undertaken.

**27- Number of shareholder record company applications, dates and reasons.**

The Contributor Record has been requested (7) times as described below:

<b><i>Reasons for Request</i></b>	<b><i>Request Date</i></b>	<b><i>The number of company requests for the shareholder record</i></b>
<i>An Extraordinary General Assembly</i>	<i>02/13/2023</i>	<i>(1)</i>
<i>Ordinary General Assembly</i>	<i>06/01/2023</i>	<i>(2)</i>
<i>Corporate Actions</i>	<i>03/09/2023</i>	<i>(3)</i>
<i>Corporate Actions</i>	<i>09/11/2023</i>	<i>(4)</i>
<i>Corporate Actions</i>	<i>10/01/2023</i>	<i>(5)</i>
<i>Corporate Actions</i>	<i>10/17/2023</i>	<i>(6)</i>
<i>Corporate Actions</i>	<i>11/28/2023</i>	<i>(7)</i>

**28 - Electronic voting**

According to the system, the company allowed registered shareholders to vote remotely in public assemblies held in 2023 through the Financial Market Authority's My Trades Service website. This service is available free of charge to all contributors to participate in remote electronic voting on the items of the General Assemblies' Meeting if they choose this path.

**29- Annual balance sheet reservations by the Company's auditor**

***No reservations were received in the report of the auditor***

**30 - Remuneration policy for Board members and executive management**

- *The policy adopted on 09/06/2022 has not changed in 2023.*

*The regular approval by the General Assembly of the remuneration of members of the Board of Directors, Board Committees and Executive Management was established as part of the approval of the company remuneration policy recommended by the Committee on Rewards and Nominations and approved by the Governing Council, which in turn submitted it to the regular General Assembly No. 39 of 09/06/2022. The General Assembly approved the policy that established a remuneration for members of the Board and the Committees for attending meetings and moving from one city to another to attend meetings. In addition, annual remuneration is given to members of the Governing Council and to members of the committees (internal and external).*

- *The policy also included the following bonuses in addition to those for board members:*

*1- The Chairman of the Board was granted an additional special bonus (not applied during 2023).*

*9 Grant the delegated member a monthly salary or special bonus.*

*10 Also, at the recommendation of the Rewards and Nominations Committee and the approval of the Board of Directors, the member of the Board of Directors may be awarded sums for his assigned technical, administrative or advisory work (not applied during 2023).*

▪ *The policy clarified that the remuneration of the Managing Director and Chief Executive shall be determined by the Governing Council, on the recommendation of the Awards and Nominations Committee.*

▪ *With regard to executive management remuneration, the policy makes clear that the Rewards and Nominations Committee continuously reviews and approves the salary scales for all staff members and chief executives and the incentive program and plans, upon recommendation of the executive management. The Governing Council, on the recommendation of the Rewards and Nominations Committee, adopts the following:*

*11 The amount of CEO rewards per company performance target.*

*12 Rewards are linked to performance indicators.*

**31 - The relationship between remuneration awarded and the remuneration policy in force, and the statement of any material deviation from this policy:**

*The rewards granted were following the applicable policy and no deviation was recorded from it.*

**32 - Remuneration and compensation for members of the Governing Council**

*The company has paid annual bonuses, bonuses and expenses for meeting attendance to board members and members of committees of the board, in accordance with the company's statutes and the bonus list of shareholders included in the bonus policy adopted by the General Assembly. No other bonuses have been paid to board members.*

**Remuneration and compensation for members of the Board of Directors (Real)**

Board members	Fixed bonus						variable award					End-of-service bonus	Grand total	Expense allowance	
	Special Allowance	Allowance for attendance at Board meetings	Attendance allowance for committee sessions	In-kind benefits	Rewards of Technical, Administrative and Advisory Work	Remuneration of the Chairman, Managing Director or Secretary if any	Total	Percentage of profits	Periodic bonus	Short-term stimulus plans	Long-term stimulus plans				Donated shares
<b><u>Number one: independent members</u></b>															
A. Mohammed Yacoub Al-Mukhtaba	-	12,000	6,000	4,000		22,000		400,000						422,000	-
MR. Muhammad Hindi Shuja Al-Otaibi	-	12,000	24,000	4,000		40,000		400,000						440,000	-
MR. Mohammed Saud Abdullah Al-Samari	-	9,000	24,000			33,000		400,000						433 000	-
MR. Iyad Abdul Rahman Al-Bunyan	-	12,000	6,000			18,000		400,000						418,000	-
MR. Faisal Abdullah Muhammad al-Qahtani		9,000	39,000			48,000		400,000						448,000	
<b>Total</b>	-	54,000	99,000	8,000		161,000		200,000						2161000	-
<b><u>Non-executive members</u></b>															-
MR. Saad Mutlaq Al-Otaibi		12,000	6,000	8,000		26,000		168750						194750	
<b>Total</b>		12,000	6,000	8,000		26,000		168750						194750	
<b><u>Executive members</u></b>															
MR. Faisal Muhammad al-Khudhairi*	-	-		26892	92200	119092		231,250						350,342	-
MR. Seat of Ibrahim Al-Otaibi *		12,000	6,000	295,000	905,000	1218,000		168750						1386750	
<b>Total</b>	-	12,000	12,000	321,892	997,200	1337092		400,000						1737092	-
<b>Grand total</b>		78,000	111,000	337892	997,200	1524092		2568750						4092842	

**Item (periodic remuneration) containing rewards for two years (2022 and 2023)**

**\* In-kind benefits include accommodation and transportation allowance and airline tickets for the managing director of the company.**

**33 - Remuneration and compensation for five senior executives who received the highest remuneration and compensation, including the Chief Executive and the Chief Financial Officer**

	<i>Static Accessories</i>				<i>variable award</i>					<i>End-of-service bonus</i>	<i>Total executives' remuneration, if any, for the Board</i>	<i>Grand total</i>
	<i>Salaries</i>	<i>Suits</i>	<i>In-kind benefits</i>	<i>Total</i>	<i>Periodic bonus</i>	<i>dividend</i>	<i>Short-term stimulus plans</i>	<i>Long-term stimulus plans</i>	<i>Total</i>			
<i>Chief Executive</i>	1086900	361998	17800	1466698								1466698
<i>Financial Manager</i>	559,600	163216	18795	741611								741611
<i>operations manager</i>	144,600	36150	19,000	199750	95,000				95,000			294,750
<i>Director of Common Services</i>	<u>230,100</u>	<u>66281</u>	<u>12790</u>	<u>309,171</u>								<u>309,171</u>
<i>Kingdom sales manager</i>	186300	51450	29330	267,080	108,500				108,500			375,580
<i>Total</i>	2207,500	679095	97715	2984310	203,500				203,500			3187810

\* *In-kind benefits include medical insurance, airline tickets, assignments and transfers*

\* *Periodic bonus including bonuses and commissions of sale .*

**34 - Governing Council committees and functions**

**Description of Governing Council committees and their functions**

*At the beginning of the session, the Board of Directors established a three-member Rewards and Nominations Committee, with the Rewards Committee and the Nominations Committee being included in a single committee. All its members are independent. The Review Committee shall be composed of one of the members of the Board,*

*two non-members of the Board, the composition of the Executive Committee, and the composition and approval of the Rules Governing the Work of the Executive Committee. This continued unamended in 2023.*

*The General Assembly approved the amendments to the regulations governing the work of the Review and Remuneration Committees and nominations on 09/06/2022. The regulations went into effect in 2023 without amendment.*

### **(34.1) - Review Committee**

#### **Tasks:**

*The functions and responsibilities of the Review Committee shall be summarized as follows:*

- (1) study the preliminary and annual financial statements of the company before presenting them to the Governing Council, expressing its opinion and recommending them in order to ensure their integrity, fairness and transparency.*
- (2) To give a technical opinion, at the request of the Governing Council, on whether the Company's balance sheets are fair, balanced and understandable, and include information that allows shareholders and investors to assess the Company's financial position, performance, business model and strategy.*
- (3) To examine any important or unusual issues contained in financial reports.*
- (4) carefully examine any questions raised by the Finance Director of the company, the person in charge, the company's compliance officer or the auditor.*
- (5) verify the accounting estimates on material matters contained in the financial reports.*
- (6) study the accounting policies of the company and make an opinion and recommendation to the Governing Council.*
- (7) study and review the internal control, financial and risk management systems of the company.*
- (8) Examine internal audit reports and follow up on the implementation of the corrective actions of the notes thereto*
- (9) the supervision and supervision of the performance and activities of the internal audit of the company to verify the availability of the necessary resources and their effectiveness in performing the tasks entrusted to them.*
- (10) Prepare and read out the annual report of the Review Committee to the General Assembly of contributors at its annual meeting.*

*(11) Recommend to the Governing Council the nomination and dismissal of auditors, the determination of their fees, the evaluation of their performance after verifying their independence and the review of their scope of work and the terms of their engagement.*

*(12) Verify the independence, objectivity and fairness of the auditor and the effectiveness of the audit work, taking into account relevant rules and standards.*

*(13) To study the plan and work of the auditor of the company and verify that it does not submit substantive or administrative works outside the scope of the audit work, and to make its views known.*

*(14) Answer the inquiries of the Company's auditor.*

*15 Examination of the report of the Auditor and observations on the financial statements and action taken thereon.*

*(16) Review the results of the oversight bodies' reports and verify that the company has taken the necessary action.*

*(17) verify the company's compliance with the relevant regulations, regulations, policies and instructions.*

*(18) Review the contracts and transactions proposed to be conducted by the company with the parties concerned and submit its views thereon to the Governing Council.*

*(19) Submit to the Governing Council any matters it deems necessary for action and make its recommendations for action.*

*(20) The Audit Committee shall meet periodically and shall meet at least four times during the financial year of the company.*

*(21) The Audit Committee shall meet periodically with the auditor of the company and with the internal auditor of the company.*

*22 The auditor has requested to meet with the audit committee as needed.*

*(23) The Review Committee shall have access to the records and documents of the company.*

*(24) The Review Committee shall have the right to request any explanation or statement from the members of the Governing Council or the Executive Directorate.*

*(25) The Audit Committee may request the Board of Directors to convene the General Assembly of the Company if the Board of Directors impedes its work or if the Company suffers serious damage or loss.*

*(26) The validity of a meeting of a review committee shall be conditional on the attendance of a majority of its members. Decisions shall be issued by a majority of the votes of the members present. When the votes are equal, the side with which the chairman voted shall prevail.*



(27) The remuneration of members of the Commission for attending meetings shall be equal to the remuneration of members of the Governing Council for attending meetings of the Council.

(28) The secretariat of the Audit Committee shall be accountable to two non-members of the Committee.

29 The Review Committee held 5 meetings during 2023. It evaluated the balance sheets and exercised various oversight functions over the executive and financial performance of the company. Each committee member received a 3,000 riyal attendance award for each session.

#### **Review Committee Meetings**

<i>Meetings</i>	<i>MR. Faisal Abdullah Al- Qahtani</i>	<i>MR. Hani Abdullah Abul Naga</i>	<i>A. Abdul-Rahman Abdul-Muhsin Ghoneim</i>
<i>Meeting (24): 23/03/2023</i>	√	√	√
<i>Meeting (25): 09/05/2023</i>	√	√	√
<i>Meeting (26): 31/07/2023</i>	√	√	√
<i>Meeting (27): 09/08/2023</i>	√	√	√
<i>Meeting (28): 28/10/2023</i>	√	√	√
<i>Sentence</i>	<b>5</b>	<b>5</b>	<b>5</b>
<i>Attendance rate</i>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### **(34.2) - Awards and Nominations Committee**

##### **Functions and responsibilities of the Awards and Nominations Committee**

##### **The following functions are listed in the Committee's Regulation:**

1. To prepare a clear policy for rewarding the members of the Governing Council, the committees of the Council and the Executive Directorate and to submit it to the Governing Council for its consideration for adoption by the General Assembly, taking into account the sale, disclosure and verification of performance-related standards and the implementation of the policy. The Executive Board should adopt the same measures to ensure that performance is .

2 - To clarify the relationship between the bonuses granted and the policy of bonuses in force and to indicate any substantial deviation from the policy.

- 3 - Periodically review the policy of remuneration and assess its effectiveness in achieving its intended objectives.
- 4 - Recommend to the Governing Council that members of the Governing Council, its committees and senior executives of the company be remunerated in accordance with the approved policy.
- 5 - Propose clear policies and criteria for membership in the Governing Council and executive management.
- 6 - Recommend to the Governing Council that its members be nominated and re-nominated in accordance with established policies and standards, taking into account that no person convicted of a crime against the Secretariat shall be nominated.
- 7 - Prepare a description of the capacity and qualifications required for membership of the Governing Council and for executive management posts.
- 8 - Specify the time for the member to allocate to the work of the Governing Council.
9. Annual review of the required skills or expertise required for the membership of the Governing Council and the functions of the Executive Directorate
- 10 - Review the structure of the Governing Council and executive management and make recommendations on possible changes.
- 11 - To verify on an annual basis the independence of the members and the absence of any conflict of interest if the member is a board member of another company.
- 13 - Establish special procedures in the event of a vacancy in the position of a Governing Council member or chief executive officer.
- 14 - Identify weaknesses and strengths in the board of directors and propose solutions to address them in the interest of the company.

The Nomination and Remuneration Committee held eight meetings during 2023, as follows:

**Remuneration and Nominations Committee meetings**

<i>Meetings</i>	<b>MR.</b> <i>Muhammad Saud Abdullah Al-Samari (Chairman of the Committee)</i>	<i>MR. Muhammad Hindi Shuja Al- Otaibi (Member)</i>	<b>MR.</b> <i>Faisal Abdullah Muhammad al- Qahtani (Member)</i>
<i>Meeting (20) - 27/02/2023</i>	√	√	√
<i>Meeting (21) - 16/03/2023</i>	√	√	√

Meeting (22) - 19/03/2023	√	√	√
Meeting (23) - 21/03/2023	√	√	√
Meeting (24) - 20/08/2023	√	√	√
Meeting (25) - 11/02/2023	√	√	√
Meeting (26) - 11/25/2023	√	√	√
Meeting (27) - 24/12/2023	√	√	√
Sentence	<b>8 meetings</b>	<b>8 meetings</b>	<b>8 meetings</b>
Attendance per member	<b>100%</b>	<b>100%</b>	<b>100%</b>

### **34.3 Executive Committee:**

The Executive Committee was formed at the beginning of the session to assist the Governing Council in its work, the work of studies, and the issuance of recommendations or decisions, and was reconstituted in 05-03-2023. The functions of the Committee are as follows:

**13** Follow up, update and occasionally review the company's long, medium and short-term strategic plans.

**14** Follow up on the implementation of the company's financial, administrative, and oversight policies and regulations and propose amendments thereto to the Board of Directors.

**15** Meeting with department directors, department heads, auditor, internal auditor and all those involved to monitor the company's operational and financial performance.

4- Follow up on the implementation of the company's estimated budgets, analyze the causes of deviations, if any, and make recommendations thereon.

**16** Review and control approved capital expenditures.

**17** Review the monthly and quarterly balance sheets and closing accounts of the company.

**18** Follow-up to the implementation of important recommendations made by the Internal Auditor and Auditor.

8- Take the necessary decisions to increase the company's revenues and reduce its expenditures.

9- To select and assign advisory bodies as it sees fit in the interest of work.

10- Any other tasks assigned to the Committee by the Governing Council

The Committee met two meetings (2) during the year and members of the Committee were remunerated for attending meetings on the same terms as members of the Governing Council.

### ***Executive Committee meetings:***

<i>Iyad Abdel Rahman Al-Bunyan</i>	<i>a. Ibrahim Al-Otaibi (member)</i>	<i>a. Muhammad Yaqub al-Makhzaf</i>	<i>a. Saad Salib Al-Otaibi (Chairman)</i>	<i>Meetings</i>
√	√	√	√	<i>Meeting (10), 19/07/2023</i>
√	√	√	√	<i>Meeting (11), Date <u>11/21/2023</u></i>
<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<i><u>Sentence</u></i>
<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<i><u>Attendance per member</u></i>

**35- Remuneration of committee members**

<b><i>Total Real</i></b>	<b><i>Attendance allowance (RIAL)</i></b>	<b><i>Fixed rewards Real</i></b>	<b><i>Committee members</i></b>
			<i><u>Review Committee members</u></i>
<i>115,000</i>	<i>15,000</i>	<i>100,000</i>	<i>MR. Faisal Abdullah Muhammad al-Qahtani</i>
<i>215,000</i>	<i>15,000</i>	<i>200,000</i>	<i>MR. Hani Abdullah Siraj Abu Al- Naja</i>
<i>215,000</i>	<i>15,000</i>	<i>200,000</i>	<i>A. Abdul-Rahman Abdul-Muhsin Ghoneim</i>
<b><i>545,000</i></b>	<b><i>500,000 45,000</i></b>		<b><i>Total</i></b>
			<b><i><u>Members of the Nomination and Remuneration Committee</u></i></b>
<i>124,000</i>	<i>24,000</i>	<i>100,000</i>	<i>MR. Muhammad Saud Abdullah Al-Samari</i>
<i>124,000</i>	<i>24,000</i>	<i>100,000</i>	<i>MR. Muhammad Hindi Shuja Al- Otaibi</i>
<i>124,000</i>	<i>24,000</i>	<i>100,000</i>	<i>MR. Faisal Abdullah Muhammad al-Qahtani</i>
<b><i>372,000</i></b>	<b><i>72,000,300</i></b>		<b><i>Total</i></b>

			<b><u>Executive Committee members</u></b>
56,000	6,000	50,000	MR. Saad Salib Al-Utaibi
106,000	6,000	100,000	A. Mohammed Yacoub Al-Makhdab
56,000	6,000	50,000	MR. Ibrahim Al-Otaibi seat
106,000	6,000	100,000	M/ Iyad Abdul Rahman Al-Bunyan
50,000	-	50,000	MR. Faisal Muhammad al-Khudhairi
<b>374,000</b>	<b>24,000,350</b>		<b>Total</b>

\* Fixed remuneration of committee members for two years (2022 and 2023)

### **36 - Statement of loan movement**

The company obtained a long-term loan from the Saudi Industrial Development Fund on 9 May 2012 for the purpose of financing the establishment and expansion of a plant producing frozen vegetables and potatoes. The total facilitation of the approved loan amounted to SAR 34,000,000. The loan will be repaid over a six-year period and in semi-annual installments beginning on August 1, 2015. During 2016, the loan was rescheduled, with the first installment due after rescheduling on December 2, 2019. The value of the loan was paid back to SR 1,000,000 in 2015, SR 1,500,000 in 2016, and SR 3,500,000 in 2018. The total value of the loan as of December 30, 2020 was SR 20,000,000. During 2019, the loan was rescheduled, with the first installment due after rescheduling on 1/12/2020, and was not repaid. During 2021, the amount of SAR 2,500,000 was repaid. During 2022, SAR 13,500,000 was repaid, and the loan balance became SR 12,000,000 as of 31 December 2022. The loan is secured by mortgaging both the Whole Meat Production Food Factory and the Food Processing Plant to fully freeze vegetables in favor of the Fund as collateral for the loan. The loan agreement contains commitments including, among other things, to limit future capital expenditures to maintain certain capital ratios, there was no breach of these undertakings during the year.

<b>2022</b>	<b>2023</b>	
25,500,000	<b>12,000,000</b>	Balance on January 10
(13,500,000)	<b>(10,000,000)</b>	Paid during the year
<u>12,000,000</u>	<u><b>2,000,000</b></u>	Total long-term government loan
<u>12,000,000</u>	<u><b>2,000,000</b></u>	Long-term government loan rolling portion
<u>-</u>	<u>-</u>	Non-current portion of long-term government loan

\*Financing expenses incurred as a result of the government loan for the year ended December 31, 2023 amounted to 180,000 Saudi riyals (2022: 386,000 Saudi riyals, 2021: 420,000 Saudi riyals).

**37- A statement of the amount of regular payments due for the payment of any zakat, taxes, fees or other dues that were not paid until the end of the annual financial period 2023.**

Value (in rials)	statement
3,542,156	deserved legal zakat
645,721	VAT
1,395	Withholding tax
186,892	Social insurance due
<b>3,730,443</b>	<b>Total</b>

**Zakat position**

**١) ligament position**

Zakat Authority, Tax and Customs Authority ("the Authority") zakat declarations were submitted for all years until 31 December 2220AD and received a certificate of registration for the year ended 31 December 2022 AD and received a final certificate in force until 30 April 2023 AD.

During 2018, the Authority issued preliminary links for the years 2008 to 2011. Based on these links, the company objected to them and received the modified zakat link, which resulted in zakat differences of SR 4,021,425. The discrepancies were confirmed within the 2018 zakat allocation.

In 2020, the Zakat, Tax and Customs Authority issued preliminary bonds for the years 2014 to 2018. Based on these links, the company objected to them and received the modified zakat bond, which resulted in zakat difference of 3,582,039 Saudi Riyals. The company objected to the modified zakat bond, and received an amended zakwi bond of 2,728,946 Saudi Riyals. The company objected to it and filed a complaint with the General Secretariat of the Tax Committee for Adjudication of Irments and Tax Disputes. The Committee issued a decision to file an appeal for 201418 years The preliminary decision of the Appeals Chamber for Income Tax Violations and Disputes to reject the company's appeal and to uphold the decision of the Dismissal Chamber. This decision is considered final in accordance with the provisions of Article 47 and 48 of the Rules of Work of the Committees for the Adjudication of Tax Violations and Disputes. The discrepancies have been proven within the discretionary zakat allocation for 2021.

During 2021, Zaki's bond was issued by the Zakat and Tax Authority and Customs for the years 2019-2020, resulting in zakat differences of SR 483,478.

**↔ Zakat allocated transaction**

January 1, 2022	December 31, 2022	December 31, 2023	
6,392,274	4,714,993	<b>4,745,034</b>	Balance as at 1 January
1,502,571	2,016,088	<b>3,152,225</b>	Component Within Year
483,478	289	631,259	Isospermia
(3,663,330)	(1,986,336)	(2,647,347)	Zakat paid during the year

<u>4,714,993</u>	<u>4,745,034</u>	<u>5,881,171</u>	<i>Balance as at 31 December</i>
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**38 - Reserves for staff.**

The company shall establish an end-of-service remuneration allowance for all employees in accordance with the Saudi Labor Law. It shall be disbursed to them at the end of their service in accordance with the system and its gross statement as follows:

<i>Amount (riyal)</i>	<i>statement</i>
<i>7,964,501</i>	<i>Custom end-of-service bonus</i>

**39 - Governing Council disclosures**

***The Board of Directors of the Company shall:***

- 1 - The records of the accounts have been properly prepared.*
- 2 - The system of internal control was well established and effectively implemented.*
- 3 - There is little doubt about the ability of the company to continue its activity.*

**40 - Recommendation of the Governing Council for the replacement of the Chartered Accountant**

*There is no recommendation to change the statutory accountant before the period for which it is assigned has ended.*

**41 - Disclosure in the report of the Governing Council of the applicable provisions of the Corporate Governance Regulation and of those not applied**

*The company is keen to abide by the rules and regulations concerning corporate governance stipulated in the Companies Regulation issued by the Ministry of Trade and Investment and the Financial Market Authority's regulations concerning the rights of shareholders, and to abide by transparency and continuous disclosure. In this regard, the company has applied all the provisions stipulated in the Corporate Governance Rules issued by the Financial Market Authority (CMA) except the following :*

<i>Reasons not to apply</i>	<i>Article / Paragraph text</i>	<i>Article number</i>
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<p><i>The article is indicative-amended-application from 01-01-2024.</i></p>	<p><i>Training: The company should pay sufficient attention to the training and qualification of board members, committee members and executive management and draw up the necessary programs</i></p>	<p><i>thirty-seventh</i></p>
<p><i>The material is indicative</i></p>	<p><i>Rating :</i></p> <p><i><u>19</u> The Governing Council - at the proposal of the Nominations Committee -</i></p> <p><i>The necessary mechanisms to assess the performance of the board, members, committee and executive management annually, through appropriate measurement indicators related to the achievement of the company's strategic goals, the quality of risk management, and the adequacy of internal control systems, among others, and to identify and propose addressing strengths and weaknesses in accordance with the company's interest</i></p> <p><i>(b) The performance appraisal procedures shall be in writing and clear, and shall be disclosed to the members of the Governing Council and the persons concerned with the appraisal</i></p> <p><i>(j) Performance appraisal should include the skills and experience possessed by the Council, identification of weaknesses and strengths, and action to address weaknesses in possible ways, such as the nomination of qualified professionals who can develop the Council's performance. Performance appraisal should also include an assessment of the Council's working mechanisms in general</i></p> <p><i>(d) The individual evaluation of the members of the Governing Council shall take into account the extent of the member's effective participation and commitment to the performance of his or</i></p>	<p><i>thirty-ninth</i></p>



	<p><i>her duties and responsibilities, including attendance at the meetings of the Council and the Committee, and the allocation of the necessary time therefor</i></p> <p><i>(h) The Governing Council shall arrange for a competent external evaluation of the performance of each three-year period</i></p> <p><i>(f) Non-executive board members shall periodically evaluate the performance of the chairman after taking the views of executive members- without the chairman attending the discussion devoted to this purpose, and shall identify the strengths and weaknesses and propose that they be addressed in the best interest of the company</i></p>	
<p><i>The Remuneration Committee and the Nominations Committee have been merged into a single committee called the Rewards and Nominations Committee</i></p>	<p><i>(a) A committee called the "Remuneration Committee" shall be established by a decision of the Board of Directors of the company from non-executive board members, at least one of whom shall be an independent member</i></p> <p><i>(b) The General Assembly of the Company-at the proposal of the Board of Directors-shall issue the Rules of Procedure of the Committee on Remuneration. Such Regulations shall cover the rules and procedures of the Committee, its functions, the rules for the selection of its members, the duration of their membership and their remuneration</i></p> <p><i>-Terms of reference of the Rewards Committee - Rewards Policy - Rewards Committee meetings</i></p>	<p><i>fifty-seventh</i></p> <p><i>fifty-eighth</i></p> <p><i>fifty-ninth</i></p> <p><i>Article 60</i></p>
<p><i>It does not apply as the company has a committee of rewards and nominations in one panel</i></p>	<p><i>A committee called the "Nominations Committee" shall be established by a decision of the board of directors of the company, from which no executive board member is appointed</i></p>	<p><i>Sixty-one</i></p> <p><i>sixty-second</i></p> <p><i>sixty-third</i></p> <p><i>sixty-fourth</i></p>

	<p><i>The General Assembly of the Company shall issue, at the proposal of the Board of Directors, a working regulation for the Nominations Committee. Such regulation shall include the rules and procedures of the Committee, its functions, the rules for the selection of its members, the duration of their membership, and their remuneration.</i></p> <p><i>- Terms of reference of the Nominations Committee-Nomination Procedures - Nominations Committee meetings</i></p>	
<i>Guidance materials</i>	<p><i>A committee called the "Risk Management Committee" shall be established by a decision of the board of directors of the company. Its chairman and the majority of its members shall be non-executive board members. It is required that their members possess an appropriate level of knowledge in risk management and finance.</i></p> <p><i>- Terms of reference of the Risk Management Committee - Risk Committee meetings</i></p>	<p><i>sixty-seventh</i></p> <p><i>sixty-eighth</i></p> <p><i>sixty-ninth</i></p>
<i>The material is indicative</i>	<p><i>Motivate workers :</i></p> <p><i>The company shall develop programs to promote participation and performance in</i></p> <p><i>The company ..</i></p>	<i>eighty-second</i>
<i>The material is indicative</i>	<p><i>Social responsibility:</i></p> <p><i>The ordinary General Assembly - at the suggestion of the Governing Council- formulates a policy to ensure a balance between its objectives and those of society, with a view to developing the social and economic conditions of society</i></p>	<i>eighty-fourth</i>

<i>The material is indicative</i>	<i>Social work initiatives: The Board of Directors shall develop programs and determine the necessary means to launch the company's initiatives in the field of social work.</i>	<i>eighty-fifth</i>
<i>The material is indicative</i>	<i>Formation of the Corporate Governance Committee.</i>	<i>ninety-second</i>

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

Wafra Industrial and Development Company contracted a specialist accountant's office, RSM, to perform the company's internal audit functions, which is certified and efficient.

The Audit Committee is not subject to any influence by the Board of Directors or the Executive Department and has full powers to access any documents it deems necessary and to assist in the full completion of its work. The Audit Committee seeks to monitor and review all administrative, operational and financial risks, seeks to apply internal regulations and procedures for internal control of the company, the Audit Committee supervises and meets with the internal audit work-based RSM, and the company reviews the periodic reports of the Office on internal audit on a continuous basis. The audit committee also approves RSM's internal audit plan.

The audit committee also found no significant weaknesses affecting the adequacy of the internal control system or any substantive observations requiring disclosure.

**43 - Recommendations of the Audit Committee that are in conflict with or have been rejected by the Board of Directors regarding the appointment, dismissal, apportionment, performance appraisal or appointment of the internal auditor.**

There is no conflict between audit committee recommendations and Governing Council decisions

**44 - Recommend the Audit Committee to appoint an internal auditor to the company if it recommends such appointment during the last financial year**

The company contracted with the RSM Office to perform internal audit functions of the company, which is a certified and highly efficient office. It also appointed a resident internal auditor to the company, based on the audit committee's recommendation.

**45 - Company auditor**

*The auditor of a company shall be appointed by the ordinary General Assembly upon nomination by the Board of Directors, taking into account that the recommendation for his nomination shall be made by the Audit Committee, that he shall be licensed to audit the participating companies, that he shall meet the conditions prescribed by the competent authority, that his interests shall not conflict with the interests of the company, and that he shall have experience, competence and integrity.*

**46 - Accounting standards applied in Wafra Industrial and Development**

*There is no difference in the accounting standards applied by Wafra Industrial and Development Company, namely the International Financial Reporting Standards in Saudi Arabia, and other standards and issuances adopted by the Saudi Arabian Board of Certified Accountants.*

**47 - The name, capital, ownership ratio, main activity of each subsidiary, the principal operating home State and the State of incorporation.**

*Not applicable*

**48 - Details of shares and debt instruments issued to each subsidiary .**

*Not applicable*

**49 - - A description of any interest in the category of voting shares of persons (other than board members, senior executives and relatives) who have informed the company of those rights under Article 85 of the Securities Listing Rules, and any change in those rights during the last financial year.**

*There are no valid shares and the company has not received any notification*

**50 - A description of the categories and numbers of any convertible debt instruments and any contractual securities, writing notes or similar rights issued or granted by the company during the financial year, indicating any compensation the company has received in return.**

*Not applicable.*

**51 - A description of any transfer or subscription rights under convertible debt instruments, contractual securities, notaries or similar rights issued or granted by the company**

*Not applicable.*

**52 - A description of any recovery, purchase or cancelation by the company of any refundable debt instruments and the value of the outstanding securities, with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries.**

*Not applicable.*

**53- A statement of any arrangements or agreement whereby a member of the company's board of directors or a senior executive waived any remuneration.**

*There is no arrangement or agreement whereby a member of the Governing Council or a senior executive waived any remuneration.*

**54- A statement of any arrangements or agreement under which a shareholder of a company surrenders any rights to profits**

*There is no arrangement or agreement under which a shareholder of the company waives any rights of profits.*

**55 - Statement of the value of any investments or reserves established for the benefit of the company's employees.**

*Not applicable.*

**56- Description of any characteristic between the company and a related party**

*The company has a relationship with a related party, the Rakha Agricultural Investment and Development Company (a related company), and the related party is required by the relevant party on 31/12/2023, for a sum of 1,798,256 Saudi riyals.*

**57- Contracts between the company and others**

*PIC acknowledges that there are no contracts relating to any business or contracts to which the company is a party, or in the interest of a board member, CEO, CFO, or any related person.*

*58- Information concerning any competing business of the company or any of the branches of the activity performed by or by any of the members of the board of directors, including the names, nature and conditions of the competing business: The company acknowledges that none of this exists.*

**59. Penalties and sanctions applied to the company**

*No penalties, penalties, or reserve restrictions imposed by the Financial Market Authority or any other supervisory, regulatory, or judicial entity were applied to the company during 2023.*

**60 - Social responsibility**

**Human resources**

*The company developed human resources, maintained a record of employing outstanding Saudi staff, and focused on employing Saudis. The women's section also developed by hiring more female Saudi employees to work in the administrative, procurement, and accounting fields, as well as in production lines.*

*In 2023, the resettlement rate was raised by 31%, and the company's scope in the Ministry of Labor was raised from red to medium green.*

### **Staff participation in celebrations**

*The ceremonies were arranged for official events and awareness-raising with the participation of management and all staff, which contributed to respecting the work environment, contributing to its preservation, and promoting the participation in its preparation. These events include the following :*

- *Foundation Day*
- *National Day*
- *Religious holidays*
- *An invitation to all company employees for a Ramadan breakfast established at the company's account*
- *Educate all company personnel against breast cancer*
- *Thanks for the company's efforts on Women's Day*

### **College student training:**

*The company trains King Saud University students in two types of training:*

- 20** Field visits to factories as part of the curriculum so that those enrolled in the course receive practical training related to the content of the course material.*
- 21** Give some graduate students the opportunity to research company-specific projects and oversee the technical side of research.*

### **Comprehensive quality**

- *The BRC Food Safety Certificate was renewed for the B+ grade Agri-Food Plant*
- *The Noodles and Noodles Factory food facility maintained a 92% rating*
- *Raising the Grain Plant Food Facility Valuation from 86.15% to 94%*
- *Getting a 92.09% Takeaway Food Factory Assessment*
- *Getting an 89% vegetable factory food rating*

### **Staff development and recognition**

*The company motivates its employees and holds regular meetings to listen to them and discuss issues related to their work. It also trains and rehabilitates its staff.*

*In the area of staff training, a staff training plan was developed for 2023 to raise productivity, improve employee performance and enable employees to work, after assessing employee needs and analyzing the strengths and weaknesses of each department. The company also aimed to develop skills for workers with a vision to enhance leadership and innovation, thereby ensuring the continued growth of the company and employees in a productive environment.*

- *Quality Department*

- *operations section*
- *Human Resources Section*
- *Finance Department*
- *Governance Department*
- *Legal Department*
- *Security and Safety Division*

*In other words, 85% of employees were trained in 2023.*

*The company also maintains special needs citizens in jobs that match their abilities and nature of their disability.*

*The company also offers bonuses and commission programs for sales management and other employees.*

### **Staff health and safety**

*The company provides health care for workers and their families, provides safety on the job, and provides security equipment to keep workers safe and alive.*

### **22 - The most important events during the financial year ending on 31/12/2023 AD**

- *Riyadh opens sales department branch*
- *Update company identity*
- *The completion of the installation of new production lines and the beginning of the experimental production of the new meat plant*
- *Construction begins on new production lines at pasta factory*
- *Improve pasta product quality and develop Caprine product logo*
- *Upgrading the infrastructure of the plant (Vegetables and Pasta)*
- *Restructure some departments to meet requirements for renovation and development*

*Some divisions were also created after a study of the company's situation and confirmation of the need to add it :*

- ***The Legal Department:*** *aims to:*

*Provide legal support to the company*

*Review administrative decisions, ensure compliance with regulations and rules, and ensure the legality of the workflow*

*Easy to defend the rights of the company before all courts and judicial authorities.\*

- ***collection section***

*As collection management plays an important role in stabilizing the financial situation of the company, attention has been paid to this division and attracting competent employees to the management.*

- ***Agricultural Department***

*Aims to achieve the following items:*

*.Managing and securing the needs of the vegetable plant for potato raw, creating sustainable suppliers for the company's future due to global food changes*

*Follow up on the receipt of the raw materials and their complete supervision at the factory from the beginning of receipt and storage until the end of production.*

### **23 - Closing word (for review and update)**

*And after,*

*We look forward to a better year than the previous one and hope that the company will continue on the path towards its intended goals, which meet the aspirations of shareholders.*

*The Company's board of directors and employees also raise their highest thanks and appreciation to the position of the Custodian of the Two Holy Mosques, his Crown Prince, his wise government, and its institutions for the unlimited support of the private sector, especially listed public companies.*

*We also extend our thanks and gratitude to the generous shareholders who placed their trust in the board of directors and supported the board with their ideas and suggestions as they looked forward to a better future for the company, which began to usher in the good fortune thanks to God.*

*We thank the employees of the company for their dedication and dedication in working to develop and improve the company. We are now more confident and optimistic about overcoming these obstacles and moving towards wider horizons in the near future, God willing.*

*And we ask God to give you success,,,*

***Saad Salib al-Utaibi***

***Board of Directors***