



Annual Report 2022

Board of Directors Report

To:
Dear Shareholders of Ayyan Investment Company

Greetings,

The Chairman and members of the Board of Directors of Ayyan Investment Company are pleased to present to the company's valued shareholders the annual report, which sheds light on the most important achievements of the company and its subsidiaries and its financial position for the fiscal year ending on December 31, 2022 AD, which was prepared in accordance with the requirements of the corporate governance regulations issued by the Capital Market Authority (CMA), the Saudi Companies Law, and the company's Articles of Association, hoping that this report will reflect the shareholders' aspirations for further progress.

Chairman's Speech

Our Valued Shareholders,

May the peace, blessings, and mercy of Allah be upon you.

Myself and on behalf of the honorable members of the Board of Directors, we present to you the annual report for the year 2022, which reviews the company's performance, activities, events and achievements during the past year.

Based on the strategy adopted by the company to focus on investing in the health care sector, as it is one of the most important economic sectors growing in light of the Kingdom's vision 2030, we have become fully confident in our capabilities after the success of our plans to expand investment in the health care sector, where, with the grace and success of God, the opening of Al-Salam Hospital In the city of Al-Khobar, after obtaining a license from the Ministry of Health in October 2022, which is the most important current investment for the company. It will be reflected in the future on the growth of performance rates, future revenues, and the maximization of shareholders' equity.

We are fully aware of the rapid transformations and changes facing the global economy that require us to continue strengthening the principles of governance and related internal and external control systems and sound management of potential risks. And since the executive regulations issued by the Capital Market Authority are subject to continuous updating, we have updated the corporate governance regulations and approved them from the General Assembly of Shareholders.

The company will continuously evaluate and distribute its investments in line with its strategy, with the aim of raising the efficiency of the performance of its investment assets and strengthening its financial position to achieve better results in the coming years.

In conclusion, I would like to thank our esteemed shareholders for their confidence in their company, looking forward with you towards more success and growth, and God is the Grantor of success.

Mr. Faisal bin Abdullah Al-Qahtani
Chairman of the Board of Directors

▪ **Incorporation:**

The company was established as a Saudi joint stock company pursuant to Ministerial Resolution No. 573 dated 14/4/1414 AH corresponding to 1/10/1993, and was registered in Commercial Register No. 2252021816 on Jumada al-Thani 1, 1414 AH corresponding to November 15, 1993. And on June 25, 2020 has agreed to change the company's name to AYYAN INVESTMENT Company. It has also been approved to change the company's headquarters to Al-Khobar City, with Commercial Registration No. 2051064048.

▪ **Activity:**

- Establishing, managing, operating and maintaining various industrial projects alone or jointly with other companies, organizations or individuals.
- Maintenance, management and operation of industrial, residential and commercial cities, facilities and public and private facilities.
- Owning and reclaiming lands and using them to establish agricultural and animal production projects.
- Owning, managing, operating, and maintaining real estate and lands; constructing commercial and residential facilities on them; and investing them by selling, buying, and leasing in cash or in installments.
- Owning, investing, managing, operating and maintaining hotels, hospitals; and health, educational, recreational, and tourism facilities.
- Establishing, managing, operating and maintaining cold stores transportation fleets; maintenance and repair workshops; and fuel stations.
- Wholesale and retail trade of what falls within the scope of the company's industrial, agricultural, touristic, and health activities; and exporting the Kingdom's various products to other countries.
- Obtaining commercial agencies.

▪ **Capital:**

- The company was established with a Capital of SAR.300,000,000 and based on the approval of the extraordinary general assembly on 3 Dhul Qi'dah 1426 AH corresponding to December 5, 2005, a free share was paid for every seven shares in exchange for increasing the company's Capital to SAR.343,000,000.
- Based on the approval of the Extraordinary General Assembly on 11 Jumada Al-Awwal 1427 AH corresponding to June 7, 2006, a free share was paid for every four shares in exchange for an increase in the Company's Capital to become SAR. 428,750,000.
- Based on the approval of the Extraordinary General Assembly on Dhul Hijjah 3, 1429 AH corresponding to December 1, 2008, a free share was paid for every seven shares in exchange for increasing the Company's Capital to SAR.490,000,000.

- Based on the approval of the Extraordinary General Assembly held on February 02, 2020, the Capital has been increased from SAR. 490,000,000 to SAR. 737,320,690 in order to acquire the entire shares of Al Salam Medical Services Company.
- Based on the approval of the Extraordinary General Assembly held on 19/11/2021, the capital has been increased from SAR. 737,320,690 to SAR. 806,363,280 in order to acquire the shares of Al-Ahsa Medical Services Company.

▪ **Vision:**

We seek to be a distinguished investment company mainly in the healthcare sector, with a positive contribution to raising the quality of the sector and building strong relationships with all relevant parties.

▪ **Message/Mission:**

- Developing the company's assets through acquisition and merger, while building strategic partnership relationships.
- Improving the return on investments by developing business, development, and continuous expansion.
- Developing the capabilities and cadres of the company in the administrative, financial, and medical fields.

▪ **Fiscal year:**

The company's fiscal year ends on December 31 of each calendar year.

▪ **Auditor for the Year 2022 :**

The office of Abdullah Muhammad Al-Azem, Salman Bandar Al-Sudairy and Musab Abdul-Rahman Aal Al-Sheikh (Al-Azem, Al-Sudairy, Al-Sheikh and their Partners) Certified Accountants and Auditors.

1. Description of the Main Activities of the Company and its Subsidiaries, Indicating Each Activity and the Extent of its Impact on the Volume of the Company's Business and its Contribution to the Results:

The company's investments are mainly divided into the Health-sector and Various other investments, as follows:

First: The Health Sector:

The Company's strategy is focused on investing in the health sector, and these investments are as follows:

A) Al-Ahsa Medical Services Company (a subsidiary):

The Company was established in 1418 AH with a Capital of SR.150,000,000. The activity of Al-Ahsa Medical Services Company is to establish, manage, operate and maintain hospitals, clinics and medical centers; wholesale and retail trade in medical devices and equipment; hospital supplies, perfumes; and cosmetics.

Al-Ahsa Hospital is a private hospital with an advanced design that has the ability to expand in the future, taking into account health care trends in the region and the increase in demand for high-quality services. The hospital building consists of five floors and a basement floor with a capacity of 220 beds.

It is worth mentioning that the Revenues of Al-Ahsa Medical Services Company during the year amounted to SR 246.2 million. In addition to the above, Ayyan Investment Company owns a controlling stake representing 96.37% of the company's capital.

B) Al-Salam Medical Services Company (a subsidiary company):

In the year 2020, the company acquired Al-Salam Medical Services Company. It is worth noting that Al-Salam Medical Services Company was established in 1436 AH with a Capital of SR.200,000,000; its activity is to manage and operate Al-Salam Hospital in Al-Khobar. It is worth noting that the final license was received from the Ministry of Health on Wednesday 09/03/1444 H, corresponding to 05/10/2022, for the operation of Al-Salam Hospital (Al-Salam Medical Services Company - a subsidiary), as all medical procedures and tests have been completed and the medical personnel required to start the operation were provided. The hospital was equipped with the latest medical and construction technologies to provide medical care, and Al-Salam Hospital in Al-Khobar began receiving patients starting from Sunday 13/03/1444 AH, corresponding to 9/10/2022 AD, thanks to Allah Almighty. At the beginning of 2023, a number of agreements were signed with insurance companies to receive insured patients.

C) Twareat Medical Care Company:

The Company's Capital is SR.20,000,000; and its activity is in medical marketing for treatment abroad; health care centers; general medical complex; medical operation of private and government hospitals; and the other activities relating to hospitals. Ayyan Investment Company owns an effective share representing 25% of Twareat company; and it is worth mentioning that the Revenues of Twareat company during the year amounted to SR. 157.9 million.

Second: Other Investments:

Other Investments represent multiple investments in different fields as follows:

- **Al-Ahsa Food Industries Company (a subsidiary):**
The company was established in 1416 AH with a capital of SR. 20,000,000 . The company's activity is represented in the production of dates and their transformational derivatives, and the establishment of cold stores and renting them to third parties. The company achieved Annual Sales during the year 2022 with a total of SR. 19.2 million. Ayyan Investment Company owns 100% of the company's capital.
- **Manufacturing and Energy Services Company(TAQA):**
TAQA was established in 2003 as a closed joint stock co. with a capital of SR. 7.17 billion and includes several subsidiaries. Its activities are mainly summarized in carrying out industries and services related to the petroleum, mineral, petrochemical, electrical and water desalination industries directly or through the establishment of specialized subsidiaries. The share of Ayyan Investment Company amounts to 0.95% of the company's capital. The manufacturing and energy services company continued its work, and no dividends were distributed during the year 2022.
- **Arab Paper Manufacturing Company(WARAQ):**
The company was established in 1416 AH, a closed joint stock company with a capital of SR.425 million and it operates in the production of paper and cardboard rolls; marketing of paper products; wholesale and retail trade in materials, tools, equipment and devices for the paper industry; commercial services; and wholesale and retail trade in paper, cardboard, plastic and rubber. Ayyan's share is 4.74% of the company's capital; and during the year 2022 profits of SR. 2.1 million were distributed.
- **Arabian Industrial Fibers Company (Ibn Rushd):**
The Ibn Rushd company was established in 1993 with a capital of SR.2 billion. The company's complex is located in Yanbu city, and it consists of three main sections. Each section represents a stand-alone factory, noting that the three sections are complementary to each other. A provision has been formed with the full value of the investment. Annual investment evaluation is carried out according to International Accounting Standard No. 9. Ayyan's share is 0.42% of the company's capital.
- **Al-Ahsa Amusement & Tourism Company (Al-Ahsa Tourism):**
The company's activity is to establish, operate and manage tourism projects and entertainment centers, and to establish and operate restaurants, hotels, rest houses, and botanical gardens. The investment is evaluated annually to comply with international accounting standards. Ayyan Investment Company owns 7.568% of this company's capital, and no dividends were received during the year 2022.

- **Taleem Investments Limited:**

The company's activity is to invest in educational projects, as it is currently investing in developing one of the buildings of Amity School in Dubai, the value of the investment is SR19.2 million . It is worth noting that the company distributed profits during the year 2022, in which company's share amounted to SR 1.9 million.

- **Investing in the Real Estate Sector:**

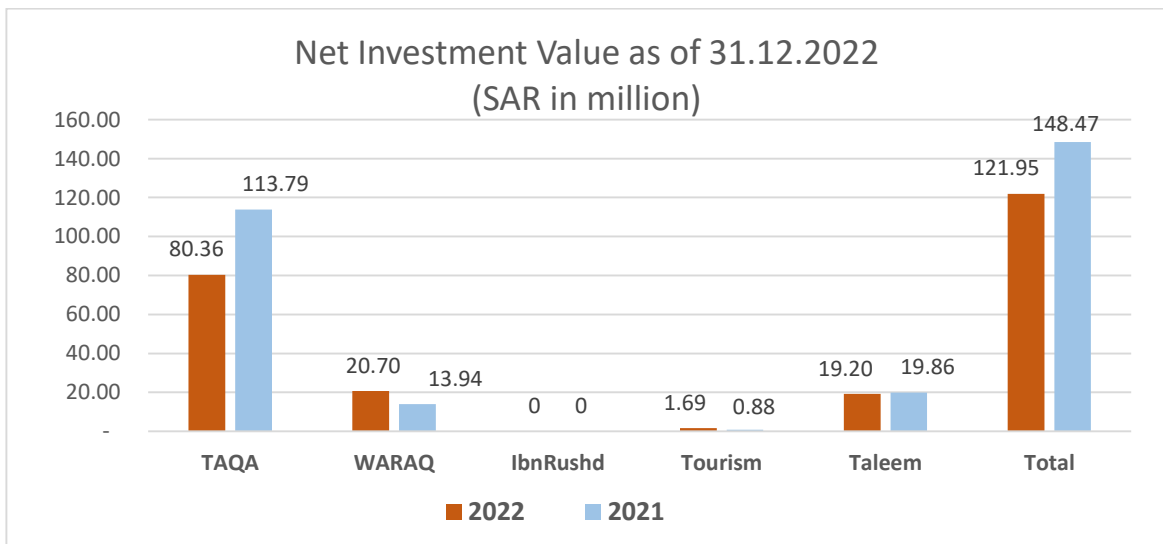
Real estate investment is represented in a group of lands in Riyadh, with a net value of SR. 121.34 million, after excluding provisions for impairment.

- **Investing in the Stock Sector:**

During the year 2022, due to the high rates of return on the money markets, the company sold all investments in securities at a value of SR.59 million ; and to take advantage of the high rates of return in the money markets, the investment was made in these markets with an average rate of return of 5%.

Third: Summary Describing the impact of the Company's Investments on the Business Magnitude and its Contribution Ratio to the Results as on 31 December 2022 .

Activity	Impact on the Business Magnitude		Contribution to Business Results	
	Revenues	%	Dividends in the Activity	%
Investment in the Medical Sector	246,971,020	93%	-49,461,765	111%
Investment in the Industrial Sector	19,255,760	7%	2,421,773	-5%
Investment in the Services Sector	0	0%	0	0%
Investment Sector	0	0%	2,408,913	-5%
Total	266,226,780	100%	-44,631,079	100%



2. Description of the Company's Important Plans and Decisions, Future Expectations of its Business and the Risks it Faces:

First: Future Plans

During the year 2022, the company's Board of Directors has determined the sectors in which it wishes to invest, as the main objectives and features have been identified. Then the annual plan has been prepared to determine the company's goals and actual indicators during the previous years, and to study developments in the opportunities available in the health sector market, taking into account the Kingdom's Vision 2030.

Second: Main Objectives

The Executive Management of the company seeks, based on the directives of the Board of Directors, to maximize the profitability of its shareholders by managing the company's financial resources to achieve the best returns, as well as applying the concept of total quality management to enhance confidence among its customers in the subsidiaries through the continuous development of its services and achieving the level of quality that its customers aspire to in order to enhance its position in the market.

Third: The Most important Achievements during the year 2022

- Opening Al-Salam Hospital in Al-Khobar and obtaining the final operating license.
- Work to redistribute the investment portfolio in line with the strategic objectives of the company.

Fourth: Future Expectations:

During the year 2023, the company expects an increase in the company's revenues due to the start of operation of Al-Salam Hospital in Al-Khobar.

3. Risks faced by the Company:

The Company's internal audit department studies the risks to which the company is exposed according to the results of the internal audit plan, which is reviewed by the audit committee, where a draft risk policy is prepared, and then a detailed record of the risks and proposals necessary to reduce their impact on the company's performance rates is prepared, and the risk record is updated continuously under the supervision of the Audit Committee. Among the most important risks that the company is exposed to at the level of the consolidated financial statements are the following:

- Risks related to the decrease in the market value of the company's investments.
- Risks related to maintaining the level of sales and revenues of subsidiaries and trying to control the increase in costs.

As for the risks mentioned in the notes to the financial statements, they explain the company's position on these risks as follows:

- **Market risk**
- **Currency risk**
- **Interest rate risk**
- **Capital management**

4. The Assets and Liabilities of the Company and the results of its operations for the last five years: Statement of Profit & Loss (in SAR)

Description	2022	2021	2020	2019	2018
Revenues	266,226,780	269,562,709	255,316,389	245,504,829	225,653,951
Revenue Costs	(249,393,623)	(205,010,728)	(187,451,036)	(176,125,579)	(172,921,546)
Total Profit	16,833,157	64,551,981	67,865,353	69,379,250	52,732,405
General & Admin. Overheads	(72,825,239)	(73,723,314)	(65,206,206)	(74,389,904)	(57,199,563)
Sales & Distribution Expenditures	(1,144,722)	(951,797)	(929,852)	(1,293,507)	(1,413,420)
Operation Profits & (Losses)	-57,136,804	-10,123,130	1,729,295	-6,304,161	-5,880,578
Financing Expenses	(3,387,122)	(2,934,573)	(2,570,845)	(433,495)	-
Shares in Sister Company Results	5,556,569	2,301,324	275,005	(2,517,648)	-
Dividends Received	4,036,235	3,485,526	2,705,639	6,125,634	14,606,534
Investment Revenues (Losses)	1,616,331	12,633,061	10,639,320	-	-
Depreciation in Investments Value	-	-	-	-	-
Purchase Gain at the Differential Price	-	-	14,580,063	-	-
Other Revenues	10,600,577	5,645,907	7,207,004	8,030,756	7,445,697
Net (Loss)/Profit on Ongoing Operations	-38,714,214	11,008,115	34,565,481	4,901,086	16,171,653
Net (Loss)/Profit on non-continuous Operations	-	-	3,011,839	-	(26,250)
Zakat	(5,916,865)	(4,632,251)	(6,730,167)	(4,174,794)	(4,944,848)
Net Profit	-44,631,079	6,375,864	30,847,153	726,292	11,200,555
Net (Loss)/Profit Attributable to Shareholders	(44,767,736)	4,294,315	27,293,701	(1,283,443)	7,221,260
Net Profit Attributable to Non-Controlling (Non-dominant Shareholders)	(136,657)	2,081,549	3,553,452	2,009,735	3,979,295
Net Profit (Loss) for the Year	(44,631,079)	6,375,864	30,847,153	726,292	11,200,555

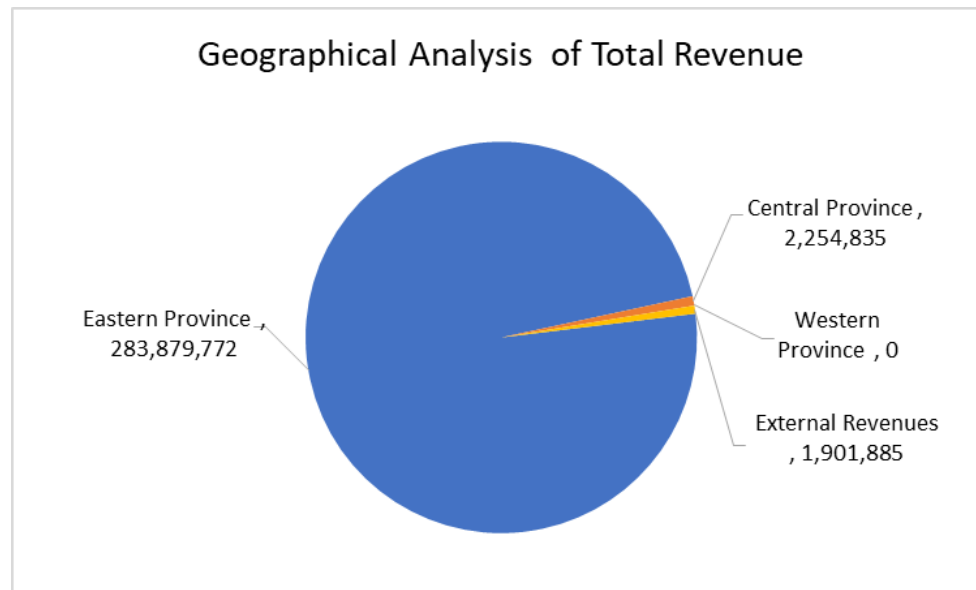
• Statement of Financial Position (SAR)

Description	2022	2021	2020	2019	2018
Assets :					
Current Assets	238,311,501	227,043,076	205,659,017	128,860,509	199,554,520
Non-current Assets	1,397,931,356	1,290,360,372	1,105,561,405	544,972,783	511,095,573
Total Assets	1,636,242,857	1,517,403,448	1,311,220,422	673,833,292	710,650,093
Liabilities and shareholders' Equity :					
Current Liabilities	316,162,315	114,707,626	239,412,566	48,842,671	50,105,738
Non-current Liabilities	575,987,169	585,793,659	252,804,118	42,825,422	35,866,872
Total Liabilities	892,149,484	700,501,285	492,216,684	91,668,093	85,972,610
Net Stockholders' Equity	735,735,808	808,658,495	750,803,473	516,925,539	525,607,392
Non-controlling (Non-dominant) Equity	8,357,566	8,243,668	68,200,265	65,239,660	99,070,091
Total Liabilities and Shareholders' Equity	1,636,242,857	1,517,403,448	1,311,220,422	673,833,292	710,650,093

5. Geographical Analysis of The Company's Total Revenues According to the Consolidated Financial Statements:

Description	Geographical Distribution				
	Total Revenues	Eastern Province	Central Province	Western Province	External Revenues
Revenues of Subsidiary Co. Sales	266,226,780	266,226,780			
Co.'s Dividend from Sister Co. Profits	5,556,569	5,556,569			
Other Revenues	9,962,073	9,962,073			
Profits Distribution Revenues	4,036,235	2,134,350			1,901,885
Investments Profits	2,254,835		2,254,835		
Total	288,036,492	283,879,772	2,254,835	0	1,901,885

**Geographical Analysis of the Company's Total Revenue with a Graph
Total Revenues SAR. 288.03 million**



6. Significant differences in Operating Results from the results of the previous year or any expectations announced by the company:

Description	2022	2021	Change + or -	Change %
Revenues	266,226,780	269,562,709	(3,335,929)	-1%
Revenues Cost	(249,393,623)	(205,010,728)	(44,382,895)	22%
Gross Profit	16,833,157	64,551,981	(47,718,824)	-74%
General & Administrative Expenses	(72,825,239)	(73,723,314)	898,075	-1%
Selling & Distribution Expenses	(1,144,722)	(951,797)	(192,925)	20%
Operation Profit & Loss	(57,136,804)	(10,123,130)	(47,013,674)	464%
Dividends Received	4,036,235	3,485,526	550,709	16%
Financing Expenses	(3,378,122)	(2,934,573)	(452,549)	15%
Unrealized gains from investments at fair value through profit and loss	-	10,424,296	(10,424,296)	-100%
Realized gains from investments at fair value through profit and loss	1,616,331	2,208,765	(592,434)	-27%
The share of results of associate companies	5,556,569	2,301,324		
Other revenue	10,600,577	5,645,907	4,954,670	88%
Net profit from continuing operations	(38,714,214)	11,008,115	(49,722,329)	-452%
Profit (loss) from discontinued operations	-	-		
Legal zakat	(5,916,865)	(4,632,251)	(1,284,614)	28%
Net profit	(44,631,079)	6,375,864	(51,006,943)	-800%
Net profit attributable to shareholders	(44,767,736)	4,294,315	(49,062,051)	-1142%
Net profit attributable to non-controlling interests	136,657	2,081,549	(1,944,892)	-93%
Net profit (loss) for the Year	(44,631,079)	6,375,864	(51,006,943)	-800%

The most important reasons for the changes in operating results compared to the results of the previous year:

Realizing losses during the year compared to achieving profits during the previous year is due to the following:

1. Low revenue
2. The high cost of revenue due to the appointment of human cadres to Al-Salam Hospital before operation, in order to obtain the necessary licenses to perform their work tasks
3. High selling and financing expenses
4. There are no unrealized profits from investments at fair value through profit and loss
5. Decrease in realized profits from investments at fair value through profit and loss
6. An increase in the legal zakat expense

7. Clarification of any difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants:

The financial statements have been prepared in accordance with the international accounting standards that have been approved in the Kingdom of Saudi Arabia, and there is no difference from the international accounting standards approved by the Saudi Organization for Certified Public Accountants.

8. The Name of the Subsidiaries, their capital, the percentage of the company's ownership therein, the place of main activities and the place of their operations: (Amount in SAR million):

Company Name	Company's Capital	Ayyan's Ownership percentage	Company's Main Activity	Operations Head Office	Country
Al-Ahsa Medical Services Company	150	96.37%	Establishing, managing, operating and maintaining hospitals and medical centers	AlAhsa	Saudi Arabia
Al-Salam Medical Services Company	200	100%	Establishing, managing, operating and maintaining hospitals and medical centers	AlKhobar	Saudi Arabia
Al-Ahsa Food Industries Company	20	100%	Production of dates and their transformational derivatives, establishment of cold stores and renting them to third parties	AlAhsa	Saudi Arabia

9. Details of shares and debt instruments issued for each subsidiary:

During the year 2022, the company or its subsidiaries did not issue any shares or debt instruments.

10. The company's policy for distributing profits:

Article (45) of the Company's Articles of Association stipulates the dividend policy as follows:

- The company's annual net profits are distributed after deducting all general expenses and other costs as follows:
- Set aside 10% of the net profits to form a statutory reserve. The Ordinary General Assembly may stop this set aside when the aforementioned reserve reaches 30% of the paid-up capital.
- A down payment of 5% of the paid-up capital will be distributed from the remainder.
- After the aforementioned, no more than 10% of the remainder shall be allocated for the remuneration of the members of the Board of Directors and according to what is decided by the competent authorities, in addition to the allowance for attending the sessions that the member is entitled to in each session and travel and transportation expenses for the non-resident member. It is decided by the assembly or carried over to the following years.

It is worth noting that no recommendations were made to distribute dividends during the year 2022.

11. A description of any interest in the class of shares with the right to vote during the year 2020 belonging to persons (other than members of the company's Board of Directors, Senior Executives and their relatives).

During the year 2022, there is no interest in the class of eligible shares.

12. Contractual securities and subscription rights belonging to members of the company's Board of Directors, Senior Executives and their relatives in shares or debt instruments of the company or any of its subsidiaries.

The following table shows the number of shares owned by Members of the Board of Directors, Senior Executives and their relatives in the company as follows:

**Members of the Board of Directors and senior executives
during the period from 01-01-2022 to 30-06-2022.**

#	Name	Beginning of the Period		End of Period		Net Change	Change %
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
1	Abdul-Rahman A. Balghunaim	1,000	-	1,000	-	-	-
2	Saad A. Al-Shammary	1,000	-	1,000	-	-	-
3	Ahmad Al Al-Khayyal	2,000	-	2,000	-	-	-
4	Moaath M. Al-Ohali	1,000	-	1,000	-	-	-
5	Adel A. Al-Saleh	1,200	-	1,200	-	-	-
6	Faisal A. Al-Qahtani	1,000	-	1,000	-	-	-
7	Hatim H. Al-Suhaibani	1,000	-	1,000	-	-	-

**Members of the Board of Directors and senior executives
during the period from 01-07-2022 to 31-12-2022:**

#	Name	Beginning of the Period		End of the Period		Net Change	Change %
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
1	Faisal A. Al-Qahtani	1,000	-	1,000	-	-	-
2	Abdul-Aziz A. Aal Al-Shaikh	-	-	-	-	-	-
3	Ahmed A. Al-Khayyal	1,000	-	1,000	-	-	-
4	Ayham M. Al-Yousuf	-	-	-	-	-	-
5	Abdulaziz M. Al-Kassabi	1,000	-	1,000	-	-	-
6	Mohammad A. Al-Mansour	1,000	-	1,000	-	-	-
7	Waleed A. Al-Rumaih	1,000	-	1,000	-	-	-

Except for what was mentioned above, there are no percentages of ownership in the company's shares belonging to Members of the Board of Directors and other Senior Executives and their relatives. Also, there are no interests, other contractual securities, or subscription rights belonging to Members of the Board of Directors, Senior Executives and their relatives in the company's shares or debt instruments or any of the company's debt instruments during the year 2022, whether in the company or its subsidiaries, and there is no representative of a legal person among the Members of the Board of Directors.

13. Existing loans to the company and its subsidiaries, which were repaid during the year:

The following data shows the details of the loans granted to Ayyan Investment Company and its subsidiaries as of 31/12/2022:

A) Ayyan Investment Company Loans:

Ayyan Investment Company declares that there are no loans from the company to any financing entity until 31/12/2022, and that the loans shown in the consolidated financial statements belong to the subsidiaries as follows:

Fund Source	Affiliated company	Basic Financing Amount (Million)	Financing period	Method of Payment	Additions during the year (million)	Amount paid during the year	As at December 31, 2022 (Million)	Due date
Riyad Bank	Al-Ahsa Med. Ser.Co	25	3 Yrs	Qtrly	0	10.3	0	2021
Alinma	Al-Salam Med. Ser.Co.	476	12 Yrs	Midterm	35.7	69.6	407.31	-2023 2033
Alinma	Al-Salam Med. Ser.Co.	65	9 Months	-	64	-	64	2023
AlRajhi Bank	Al-Ahsa Med. Ser.Co	50	5 Yrs	Midterm	50	-	50	2027
AlRajhi Bank	Al-Ahsa Med. Ser.Co	50	9 Months	-	20	-	20	2023
Bank AlBilad	Al-Ahsa Med. Ser.Co	30	6 Months	-	30	-	30	2023
MoF	Al-Salam Med. Ser.Co.	194	25 Yrs	Midterm	49.6	-	96.1	-2023 2042
Alinma	Al-Ahsa Food Ind.Co.	5	6 Months	-	6	8.5	2	2021
Total		895			255.30	88.40	669.41	

14. The Company did not grant or issue during the year 2022 any transferable debt instruments, any contractual securities, subscription right notes, or similar rights issued or granted by the company during the fiscal year 2022.

15. A Description of any transfer or subscription rights under transferable debt instruments, contractual securities, subscription right notes or similar rights.

During the year 2022, the company did not issue or grant any transfer or subscription rights under transferable debt instruments, contractual securities, subscription right notes, or similar rights.

16. A description of any redemption, purchase or cancellation by the company of any redeemable debt instruments, and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those purchased by subsidiaries.

During the year 2022, there are no redemption, purchase or cancellation transactions by the company or its subsidiaries for any recoverable debt instruments.

17. Board meetings and attendance record for each meeting:

The following table shows the attendance record for the Board of Directors meetings during the period from 01/01/2022 to 30/06/2022:

#	Name	Membership Type	No. of Meetings = 2	
			First Meeting 20/03/2022	Second Meeting 15/05/2022
1	Abdul-Rahman A. Balghunaim	Chairman	Attended	Attended
2	Saad A. Al-Shammary	Vice Chairman	Attended	Attended
3	Ahmed A. Al-Khayyal	Member	Attended	Attended
4	Moaath M. Al-Ohali	Member	Attended	Attended
5	Adel A. Al-Saleh	Member	Attended	Attended
6	Faisal A. Al-Qahtani	Member	Attended	Attended
7	Hatim H. Al-Suhaibani	Member	Attended	Attended

The following table shows the attendance record for the Board of Directors meetings during the period from 01/07/2022 AD to 31/12/2022 :

#	Name	Membership Type	No. of Meetings = 2	
			Third Meeting 03/07/2022	Forth Meeting 08/09/2022
1	Faisal A. Al-Qahtani	Chairman	Attended	Attended
2	Abdul-Aziz A. Al AlShaikh	Vice Chairman	Attended	Attended
3	Ahmed A. Al-Khayyal	Member	Attended	Attended
4	Waleed M. Al-Yousuf	Member	Attended	Attended
5	Abdul-Aziz M. Al-Kassabi	Member	Attended	Attended
6	Mohammad A. Al-Mansour	Member	Attended	Attended
7	Waleed A. Al-Rumaih	Member	Attended	Attended

18. The number of the company's requests for the register of shareholders, the dates and reasons for those requests:

#	Request Date	Request Reasons
1	21/02/2022	Other
2	22/05/2022	Other
3	29/05/2022	Other
4	02/06/2022	Other
5	31/12/2022	General Assembly

19. Transactions between the Company and Related parties:

During the year 2022, and among the company's regular activities, the following is a description of transactions with related parties, in which the company is a party, and for which the chartered accountant submitted his report.

#	Contracting Party	Related Party	Nature of the Transaction	Contract Duration & Transaction	Transaction Value	Repaid During 2022	Balance at the End of 2022
1	Al Othman Group of Companies	Al Othman Holding having direct interest in Salam Medical Services Co. through its major shareholder in Ayyan Investment Co	Purchase of Computer software and equipment	Supply Order	4,260,682	256,724	4,003,958
2	Al Othman Group of Companies		Provide some construction work including architectural engineering, labor & accommodation service	Supply Order	6,389,925	2,880,020	4,986,252
3	Al Othman Group of Companies	Al Othman Holding having direct interest in Salam Medical Services Co. through its major share- holder in Ayyan Investment Co.	During the construction of the building, we get an amount of SR 12.7 million was obtained from the holding company major share-holder (Al Othman Holding) without any interest *		12,700,000	7,247,365	5,452,635

* Before issuing this report, all payments of SR. 14.4 million were made from Al-Salam Medical services Company to Al-Othman Group.

#	Contracting Party	Related Party	Nature of the Transaction	Contract Duration & Transaction	Transaction Value	Repaid During 2022	Balance at the End of 2022
1	Al Othman Agricultural Production & Processing Co. (Nada)	A subsidiary of Al Othman Holding Company one of the major share- holders of the holding Co (Ayyan Investment)	Provide medical services to employees	Supply Order	71,184	18,298	52,885
2	Al Othman Agricultural Production & Processing Co. (Nada)	A subsidiary of Al Othman Holding Company one of the major share- holders of the holding Co (Ayyan Investment)	Buying juice and dairy products	Supply Order	284,550	201,730	82,820
3	System of Strategic Business Solutions (SSBS)	A subsidiary of Al Othman Holding Company one of the major share- holders of the holding Co (Ayyan Investment)	Purchase of Computer Software and Equipment	Supply Order	2,640,984	2,340,984	300,000
4	Properties Security for Security	A subsidiary of Al Othman Holding Company one of the major share- holders of the holding Co (Ayyan Investment)	Offering Security Services	1 Year	5,283,468	1,870,867	3,412,601

These dealings and contracts with related parties do not have a negative and material impact on the company's profits. The company confirms, as at the date of this report, that there are no agreements or transactions that took place during the year 2022 AD with related parties that were not mentioned in this report, and that there are no discussions or negotiations with related parties regarding new or potential agreements or transactions that were not mentioned in this report. And that the company has no intention to cancel or amend the agreements or transactions that will be in place with related parties during the year 2022 .

The company and members of its Board of Directors confirm that all transactions with related parties have been carried out in a regular, legal and commercial manner, and none of these related parties have received any preferential treatment in this regard. It is worth noting that the company's audit committee reviews all contracts with related parties and submits its recommendations to the board of directors.

And that all transactions and contracts between the company and related parties will be presented for approval at the next general assembly, God willing

The company has also complied with the provisions of Articles (40) to (45) of the Corporate Governance Regulations related to the section on conflict of interests, and the company includes the item of contracts and dealings with related parties, item by item, on the agenda of the General Assemblies on an annual basis for voting.

20. Information related to any business or contracts to which the company is a party or in which there was an interest of a member of the Board of Directors or senior executives or any person related to any of them, including the names of those involved in the business and contracts and the nature, conditions, duration and amount of these works:

Contracting Party	Related Party	Terms of Business or Contract	Nature of Work or Contract	Duration of Work	Transaction Amount	Name of the Board Member/Senior Executives (Stakeholders)
Al-Othman Group of Companies	A Subsidiary of Al-Othman Holding Co, one of the major share-holders. Also, a member of the Board, Mr. Ahmed Abdullah Al-Khayyal, was during the year representing one of the Senior Executives of Al-Othman Holding	Purchasing computer software and equipment	Supply request	Supply request	4,260,682	Mr. Ahmed Abdullah Al-Khayyal Being one of the senior executives of Al-Othman Holding Company, which represented the major shareholders of Ayyan Investment Company
Al-Othman Group of Companies	A Subsidiary of Al-Othman Holding Co, one of the major share-holders. Also, a member of the Board, Mr. Ahmed Abdullah Al-Khayyal, was during the year representing one of the Senior Executives of Al-Othman Holding	Providing some engineering and architectural construction works and providing labor and accommodation	Supply request	Supply request	6,389,925	Mr. Ahmed Abdullah Al-Khayyal Being one of the senior executives of Al-Othman Holding Company, which represented the major shareholders of Ayyan Investment Company
Al-Othman Group of Companies	A Subsidiary of Al-Othman Holding Co, one of the major shareholders. Also, a member of the Board, Mr. Ahmed Abdullah Al-Khayyal, was during the year representing one of the Senior Executives of Al-Othman Holding	During the construction of the building, we obtained an amount of SR. 12.7 million obtained from the main shareholder of the holding company (Al-Othman Holding) without any interest	Supply request	Supply request	12,700,000	Mr. Ahmed Abdullah Al-Khayyal Being one of the senior executives of Al-Othman Holding Company, which represented the major shareholders of Ayyan Investment Company

Al-Othman Company for Agricultural Production and Processing (Nada)	A Subsidiary of Al-Othman Holding Co, one of the major shareholders. Also, a member of the Board, Mr. Ahmed Abdullah Al-Khayyal, was during the year representing one of the Senior Executives of Al-Othman Holding	Providing medical services to employees	Supply request	Supply request	71,184	Mr. Ahmed Abdullah Al-Khayyal Being one of the senior executives of Al-Othman Holding Company, which represented the major shareholders of Ayyan Investment Company
Al-Othman Company for Agricultural Production and Processing (Nada)	A Subsidiary of Al-Othman Holding Co, one of the major shareholders. Also, a member of the Board, Mr. Ahmed Abdullah Al-Khayyal, was during the year representing one of the Senior Executives of Al-Othman Holding	Buying juices and dairy products	Supply orders	Supply orders	284,550	Mr. Ahmed Abdullah Al-Khayyal Being one of the senior executives of Al-Othman Holding Company, which represented the major shareholders of Ayyan Investment Company
Strategic Business Solutions System (SSBS)	A Subsidiary of Al-Othman Holding Co, one of the major shareholders. Also, a member of the Board, Mr. Ahmed Abdullah Al-Khayyal, was during the year representing one of the Senior Executives of Al-Othman Holding	Purchase of computer software and hardware	Supply request	Supply request	2,640,984	Mr. Ahmed Abdullah Al-Khayyal Being one of the senior executives of Al-Othman Holding Company, which represented the major shareholders of Ayyan Investment Company
Property Security for Security	A Subsidiary of Al-Othman Holding Co, one of the major shareholders. Also, a member of the Board, Mr. Ahmed Abdullah Al-Khayyal, was during the year representing one of the Senior Executives of Al-Othman Holding	Providing security services	One year	Supplying security services for a year for Al-Ahsa Medical Services Company	5,283,468	Mr. Ahmed Abdullah Al-Khayyal Being one of the senior executives of Al-Othman Holding Company, which represented the major shareholders of Ayyan Investment Company

Other than the above, there are currently no commercial dealings with any of its board members or executive managers or any of their relatives who have a direct or indirect material interest in these dealings, and there are no powers that give any of them the right to vote on these transactions. In accordance with the text of Articles (71 and 72) of the Companies Law and in line with the policy of disclosing the conflict of interests adopted by the company in the field of regulating the relationship between the company and members of its Board of Directors and senior executives, the members of the Board of Directors (related parties) informed the Board of their personal interest in transactions made for the company's account.

21. A statement of any arrangements or agreement under which a member of the company's board of directors or a senior executive waived any salaries or compensation

During the year 2022, there are no agreements or arrangements under which a member of the company's board of directors or a senior executive waives salaries or compensation.

22. There are no arrangements or agreements under which a shareholder of the company waives any rights to profits.

During the year 2022, there are no arrangements or agreements under which one of the company's shareholders waived any rights to profits.

23. Regular Payments to Government agencies:

The company has paid dues to government agencies as follows:

Description	2022		Brief Description
	Paid Amounts	Accrual by the end of the year	
Zakat	5,560,475	5,882,484	Shows the zakat paid and due for the year 2022
Tax	29,659,796	2,451,172	It represents the value added tax for the year 2022
Social Insurance	4,924,636	575,112	Represents contributions paid to the Social Insurance Authority
Total	40,144,906	8,908,768	

Zakat Status:

The group submits a unified zakat declaration on behalf of Ian Investment Company and Al-Ahsa Food Industries Company. The group submitted its zakat declaration for the years up to December 31, 2021 and obtained the certificate and official receipts valid until April 30, 2023. The group received the final zakat assessments until the year 2020 from the General Authority of Zakat and Income.

Al-Ahsa Medical Services Company:

The company submitted its zakat declaration for the years until December 31, 2021, and obtained a valid zakat certificate until April 30, 2023. The final assessments until 2017 were received from the General Authority for Zakat and Income. The assessment for the years 2018 until 2022 is still under study by the Authority.

Al-Salam Medical Services Company:

The company submitted its zakat declaration for the years until December 31, 2020 and obtained a valid zakat certificate until April 30 of the year 2023. The company received the final assessments until 2017 and the remaining years are still under study by the Authority. It is worth noting that starting from 2021 the company submits its declarations within the consolidated declaration of the mother company.

The following is a statement of the Zakat position for the consolidated financial statements until the end of the fiscal year 2022:

Description	2022	2021
The Allocated Balance at the Beginning of the Period	5,524,782	6,566,518
Component Allocation	5,918,177	4,632,251
Paid Amount through the Year	(5,560,475)	(5,673,987)
The Allocated Balance at the End of the Period	5,882,484	5,524,782

Note: The consolidated financial statements include Al-Ahsa Medical Services Company and Al-Salam Medical Services Company, but the consolidated zakat declaration includes all companies except Al-Ahsa Medical Services Company.

24. A statement of the value of any investments or reserves established for the benefit of the company's employees during the year 2022 :

During the year 2022, there are no investments or reserves established for the benefit of the company's employees.

25. The Board of Directors of Ayyan Investment Company acknowledges the following:

- Account records are properly prepared.
- The internal control system was prepared on sound basis and implemented effectively.
- There is no significant doubt about the company's ability to continue its activities.
- During the year 2022, there are no treasury shares.

26. Information that must be disclosed under the Corporate Governance Regulations:

a) The following table details the company's compliance with the Governance Regulations:

#	Article statement according to the Governance Regulations	Committed	Partial-commitment	Not-committed	Reason for Non-application
1	Article Thirty Nine:			√	The article is still guiding, and when it is compulsory, the company will apply it.
2	Article Thirty Nine: The Board of Directors, based on the proposal of the Nominations and Remuneration Committee, sets the necessary mechanisms to annually evaluate the performance of the Board, its members and committees, and the executive management, through appropriate performance indicators related to the extent to which the company's strategic objectives are achieved, the quality of risk management, the adequacy of internal control systems, and others, provided that the strengths and weaknesses are identified. Proposal to deal with it in accordance with the interest of the company,		√		It is still indicative and the evaluation is done without setting performance indicators
3	Article Thirty Nine: (Paragraph e) The Board of Directors shall make the necessary arrangements to obtain an evaluation by a competent third party for its performance every three years			√	The article is still guiding, and when it is compulsory, the company will apply it.
4	Article Thirty-Nine: (paragraph f) The non-executive members of the Board of Directors conduct a periodic evaluation of the performance of the Chairman of the Board after taking the views of the executive members (without the Chairman attending the discussion designated for this purpose), provided that the strengths and weaknesses are identified and a proposal to address them is in line with the interest of the company.			√	The article is still guiding, and when it is compulsory, the company will apply it.
5	Article 67: Formation of the Risk Management Committee			√	Risk control falls within the competence of the Audit Committee. The company is satisfied with that, knowing that the company implements a complete risk control system. It has a risk policy and updates the risk register annually. An internal audit plan is prepared on the basis of risks.
6	Article 68: Terms of reference of the Risk Management Committee			√	
7	Article Sixty Nine: Meetings of the Risk Management Committee			√	
8	Article 82: Motivating employees			√	The article is still guiding, and when it is compulsory, the company will apply it.

9	Article Eighty Four: Social Responsibility		√		The company has a social contribution policy approved by the Board of Directors.
10	Article 85: Social Work Initiatives			√	The article is still guiding, and when it is compulsory, the company will apply it.
11	Article 92: Formation of the Corporate Governance Committee			√	The article is still guiding, and the company does not have a governance committee, but the audit committee reviews the extent of the company's compliance with the requirements of the relevant authorities in terms of governance responsibilities.

b) Names of Board Members, Committee Members, Executive Management, their current and previous positions, qualifications, and experience.

The period from 01/01/2022 to 30/06/2022 (1/2)				
#	Name	Qualifications & Experience	Current Jobs	Previous Jobs
1	Mr. Abdul Rahman Abdul Mohsen Balghunaim (Chairman of Board of Directors)	Qualifications: <ul style="list-style-type: none"> Bachelor of Financial Management - King Fahd University of Petroleum and Minerals 2007 Master of Applied Mathematics (specializing in statistical mathematics and probability) - DePaul University – USA. Experience in financial advisory and project management 	<ul style="list-style-type: none"> Chairman of the Board - Ayyan Investment Company Administrative Director - Ajda Food Trading Company, Saudi Arabia- 2015 to present. Managing Partner - Advanced Analytics Company LLC UAE Limited;2017 to date. 	<ul style="list-style-type: none"> Senior Credit Analyst - Saudi Industrial Development Fund(7-11) Senior Data Scientist - Center for Strategic Studies 2014 2015- Consultant and Project Manager - Ministry of Economy and Planning through the United Nations Program (UNDP) (2015-2017)
2	Engr.Saad Amash Al-Shammary (Deputy Chairman of the Board)	Qualifications: <ul style="list-style-type: none"> Master of Advanced Process Control Methods 2006 Bachelor of Chemical Engineering - King Saud University 1998 Experience: Strategic planning, business development, financial analysis, acquisitions and mergers, corporate governance and structuring 	<ul style="list-style-type: none"> Vice Chairman of the Board of Directors of Ayyan Investment Company 	<ul style="list-style-type: none"> Managing Director, Ayyan Investment Company, 2018 - 2020 CEO-Saudi Advanced Industries Co 12-17 Director of the Strategic Planning Project, National Industrialization Co, 2010-2012 SABIC Team Leader 2006-2010 Industrial Operations Development Engineer, SABIC Company,2001-2006 Operations engineer of the chemical group, SABIC, 1998-2001
3	Mr Ahmed Abdullah Al-Khayyal (Member of the Board of Directors)	Qualifications: <ul style="list-style-type: none"> Bachelor of Accounting Sciences - Portland State University - USA 2012 Experience: <ul style="list-style-type: none"> Treasury and Investment - The Saudi Investment Bank from 2013-2014 Executive Director - Sahara Gulf Chemicals Company from 2014 -to date 	<ul style="list-style-type: none"> Member of the Board of Directors - Ayyan Investment Company - from 2016 Executive Director - Sahara Gulf Chemicals Company - from 2014 	
4	Engr.Hatem Hamad Abdullah Al-Suhaibani (Member of the Board of Directors)	Qualifications: <ul style="list-style-type: none"> Bachelor's degree in Mechanical Engineering - King Saud University2008 Experience: Engineering and design, Asset management	<ul style="list-style-type: none"> General Manager of Bright Concepts Trading Company 	

5	Dr. Adel Ahmed Youssef Al-Saleh (Member of the Board of Directors)	<p>Qualifications:</p> <ul style="list-style-type: none"> • Bachelor of Administrative Sciences - King Abdulaziz University 1988 • Bachelor of Business Education - Missouri Columbia University 1992 • Master-University of North Dakota 1994 • Ph.D., Ohio State University, 1999 <p>Experience:</p> <ul style="list-style-type: none"> • Director of Administrative and Financial Affairs (Institute of Public Administration in Sharkia) • Office Administration Sector Coordinator (Institute of Public Administration in Sharkia) • Director of Research and Consulting Department (Prince Muhammad bin Fahd University) • Chief Executive Officer (Ayyan Investment Company) • Vice Chancellor for Business Development and Communication (Prince Muhammad bin Fahd University) 	Member of the Board of Directors - Ayyan Investment Company	
6	Mr. Faisal Abdullah Al-Qahtani (Member of the Board of Directors)	<p>Qualifications:</p> <ul style="list-style-type: none"> • Bachelor of Law - King Saud University 2000 <p>Experience:</p> <ul style="list-style-type: none"> • Arab National Bank • Albilad Bank 	<ul style="list-style-type: none"> • Member of the Board of Directors - Ayyan Investment Company • Arab National Bank 	
7	Mr. Moaath Majid Al-Ohali (Member of the Board of Directors)	<p>Qualifications:</p> <ul style="list-style-type: none"> • Bachelor of Banking and Financial Management - Applied Science University of Bahrain 2007 <p>Experience:</p> <ul style="list-style-type: none"> • CEO of the First International Real Estate and Investment Company - Saudi Arabia, (2015-2012) • Founder of Tamriya Company for Sweets and Pastries - Saudi Arabia • Assistant CEO at Al-Ohali Holding Company -, (2012-2010) • Financial Analyst - Ayaan Leasing and Investment Company - Kuwait (2008-2010) 	<ul style="list-style-type: none"> • Member of the Board of Directors of Ayyan Investment Co (2015-present) • CEO of Rasal Holding Company - Saudi Arabia (2015 to date) • Member of the Investment Committee - Budget Saudi Company 	Member of the Board of Directors of Al-Ohali Holding Company (2015-2017)

The period from 01/07/2022 to 31/12/2022 (2/2)

#	Name	Qualifications and Experience	Current Jobs	Previous Jobs
1	Mr. Faisal Abdullah Al-Qahtani (Chairman of Board of Directors)	<p>Qualifications:</p> <ul style="list-style-type: none"> • Bachelor of Law - King Saud University 2000 <p>Experience:</p> <ul style="list-style-type: none"> • Arab National Bank • Albilad Bank 	<ul style="list-style-type: none"> • Chairman of the Board of Directors - Ayyan Investment Company • Arab national Bank • Member of the Board of Directors - Wafra Company 	
2	Mr. Abdulaziz Abdul Rahman Al AlShaikh (Deputy Chairman of the Board)	<p>Qualifications:</p> <ul style="list-style-type: none"> • Bachelor of Science (Chemical Engineering)-King Saud University 1993 • Master of International Finance (International Finance and Marketing) - American University 1999 • Master of Business Administration (Finance and Marketing) - The American University in 1999 <p>Experience:</p> <ul style="list-style-type: none"> • Management and supervision 	<ul style="list-style-type: none"> • General Manager (Atyaf Medicine Company) 2021 to date • CEO (Spectrum Pharmaceutical Company) 2021 to date 	<ul style="list-style-type: none"> • General Manager (Jenson & Jenson Company) 2015-2021 • General Manager (Banaja Company) 2008-2015 • Sales Area Manager and Business Manager (Merc and Dome Company) 2002-2004 • Senior Customer Marketing Representative (Merck & Partners) 2001-2002

3	Mr. Ayham Muhammad Al-Yousef (Member of the Board of Directors)	Qualifications: <ul style="list-style-type: none"> • Bachelor of Industrial Management - King Fahd University of Petroleum and Minerals 1994 • Master of Business Administration - University of Washington 2001 Experience: <ul style="list-style-type: none"> • Management and supervision 		<ul style="list-style-type: none"> • General Supervisor of the Real Estate Development Fund and Advisor to the Minister of Housing 2016-2018 • CEO of Al-Bilad Financial Company 2012-2016 • CEO of Roya Capital 2008-2010 • The field of banking and finance 1995- until now
4	Mr. Ahmed Abdullah Al-Khayyal (Member of the Board of Directors)	Qualifications: <ul style="list-style-type: none"> • Bachelor of Accounting Sciences - Portland State University - USA 2012 Experience: <ul style="list-style-type: none"> • Treasury and Investment - The Saudi Investment Bank from 2013-2014 • General Manager - Sahara Gulf Chemicals Company from 2014-2022 • Chief Operating Officer - Dar and Emaar Real Estate Investment and Dev Co 2022 to date 	<ul style="list-style-type: none"> • Member of the Board of Directors - Ayyan Investment Company • Member of the Board of Directors - Al-Balour Industrial Company • Chief Operating Officer - Dar and Emaar Real Estate Investment and Development Company - from 2022 	<ul style="list-style-type: none"> • Treasury and Investment - The Saudi Investment Bank from 2013-2014 • General Manager - Sahara Gulf Chemicals Company - from 2014 to 2022
5	Mr. Abdulaziz Majid Al-Kassabi (Member of the Board of Directors)	Qualifications: <ul style="list-style-type: none"> • Bachelor of Engineering Management - Missouri University of Science & Technology 2008 • Master of Business Administration (Finance) - Drucker University of Management 2013 	<ul style="list-style-type: none"> • Saudi Musheera Company - Executive Director 	
6	Engr. Mohammed Abdullah Al-Mansour (Member of the Board of Directors)	Qualifications: <ul style="list-style-type: none"> • Bachelor of Industrial Engineering - King Fahd University of Petroleum and Minerals 1986 Experience: <ul style="list-style-type: none"> • Management and leadership, engineering, development, consulting, planning 	<ul style="list-style-type: none"> • General Manager, New Horizons Management Consulting Office 	<ul style="list-style-type: none"> • Saudi Aramco (Director of Organizational Consulting, Operations Development, Engg. and Projects)1986-2016 • Advisor to Minister of Health- 2015 • Chief Executive Officer of the Copper Star Company 2016-2017 • CEO of Namaa Chemicals Co 2019
7	Mr. Waleed Amer Al-Rumaih (Member of the Board of Directors)	Qualifications: <ul style="list-style-type: none"> • Bachelor of Business Administration - Prince Muhammad Fahd University 2014 Experience: <ul style="list-style-type: none"> • Banks and banks 		<ul style="list-style-type: none"> • Director of Banking Relationships (Alinma Bank) 2017-2018 • KPMG Public Finance 2015-2017

Committee Members from Outside the Board/Council:

#	Name	Qualifications & Experience	Current Jobs	Previous Jobs
1	Mr. Imad Mahmoud Nashar (Member of the Audit Committee)	Qualifications: <ul style="list-style-type: none"> • Bachelor of Finance - King Fahd University of Petroleum and Minerals 2005 • Master of Business Administration (Accounting) - Graduate School of Management, Clark University – 2008 Experience: <ul style="list-style-type: none"> • Investment, Banking, Finance and Accounting 	<ul style="list-style-type: none"> • Review planning and quality control 2019 – now 	<ul style="list-style-type: none"> • Compliance and reporting of money laundering 2018 - 2014 • Licensing and inspection in the Capital Market Authority 2014-2009 • Department of Investment and Private Banking Financial / Accounting 2005 AD - 2004 AD
2	Mr. Hani Abu Al-Naga (Member of the Audit Committee)	Qualifications: <ul style="list-style-type: none"> • Bachelor of Accounting - King Abdulaziz University 1992 Experience: <ul style="list-style-type: none"> • Management, consulting, committee membership, banks 	<ul style="list-style-type: none"> • Assistant Governor (General Authority for State Real Estate) 2021-present • Member of the internal audit committee at Wafra Company for Industry and Development, member of the internal audit committee 2021- now • Member of the Internal Audit Committee at Dar Al Tamleek - 2019 - now 	<ul style="list-style-type: none"> • Consultant in the Executive Office of the Ministry (Ministry of Housing) 2019-2021 • International Family Investment Office - Executive Vice President 2018-2019 • Banking expert (retail banking and branch network management) 25 years

3	<p>Mr. Rashid Abdullah Al-Rashid (Member of the Audit Committee)</p>	<p>Qualifications:</p> <ul style="list-style-type: none"> • Bachelor of Accounting-King Faisal University-1998 • Diploma in Real Estate Management - Arab Real Estate Academy - 2009 • Accreditation Certificate - Saudi Authority for Accredited Residents - 2014 <p>Most important Experiences:</p> <ul style="list-style-type: none"> • Founder / General Manager / Certified Evaluator - Shore Real Estate Corporation, • And the Shore Real Estate Appraisal Foundation, (2002-2009-present), • Founder and General Manager of Concrete Products Projects (GRC),(2018-2013) - • Founder - Easier Computer Foundation 2009- 12 • Founder-Color & Color Foundation Dyes-2006 • Founder - Al-Dar Color Foundation for Decoration Projects,(2017-2003) - • General Manager of Al-Mashreq Al-Arabia Contracting Corporation - (1999-present), 	<ul style="list-style-type: none"> • Member of the review committee of Ian Investment Company • General Manager / Certified Evaluator - Sure Real Estate Corporation, • Shore Real Estate Appraisal Corporation, (2009 - until now), 	
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Senior Executives:

#	Name	Qualifications and Experience	Current Jobs	Previous Jobs
1	<p>Mr. Raed Mohammed Al-Naeem (Chief Executive Officer)</p>	<p>Qualifications:</p> <ul style="list-style-type: none"> • Bachelor of Accounting - King Faisal University <p>Experience:</p> <ul style="list-style-type: none"> • 21 years of experience in the banking sector, working in several Saudi banks, through which he graduated in several positions in the field of corporate finance 	<ul style="list-style-type: none"> • CEO of Ayyan Investment Company 	<ul style="list-style-type: none"> • Senior Manager of the Eastern Region of Corporate Banking - Bank Albilad
2	<p>Mr. Ahmed Mahmoud Ibrahim (Finance Manager)</p>	<p>Qualifications:</p> <ul style="list-style-type: none"> • Bachelor of Commerce from Cairo University • Fellowship of the American Management Accountants Association (CMA) • (Fellowship of the American Certified Public Accountants Association – CPA) <p>Experience:</p> <ul style="list-style-type: none"> • Accountant at Tamimah Telesin Egypt • Chief Accountant at Mena Company for Touristic and Real Estate Investment, Egypt Branch • Financial Director of the Saudi Future Company. • Financial Director of Al-Ahsa Food Industries Company. 	<ul style="list-style-type: none"> • Finance Manager - Ayyan Investment Company 	<ul style="list-style-type: none"> • Financial Director - Al-Ahsa Food Industries Company

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

- The period from 01/01/2022 to 30/06/2022 :

1. The Member		Mr. Abdul-Rahman A. Balghunaim (Chairman)	
Names of Companies in which a member of the Board of Directors is a Member of their Current Boards of Directors or one of their Managers		Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)
Walaa Insurance Company (Member of the Board of Directors, Chairman of the Audit Committee, Member of the Risk Committee)		Within the Kingdom	Listed Joint Stock
Al Yusr Leasing and Finance Company (Member of the Audit and Compliance Committee)		Within the Kingdom	Closed Joint Stock
Ayyan Investment Company (Chairman of Board of Directors)		Within the Kingdom	Listed Joint Stock
Names of Companies in which a Member of the Board of Directors was a Member of its Previous Boards of Directors or one of its Managers		Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)
N/A		N/A	N/A

2. The Member		Eng. Saad Amash Al-Shammary (Vice Chairman)	
Names of Companies in which a member of the Board of Directors is a Member of their Current Boards of Directors or one of their Managers		Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)
Middle East Specialized Cables Co – Misk		Within the Kingdom	Listed Joint Stock
KASB Capital		Within the Kingdom	Non-listed Joint Stock
Ayyan Investment Company		Within the Kingdom	Listed Joint Stock
Al Jouf Cement Company		Within the Kingdom	Listed Joint Stock
Advanced Company		Within the Kingdom	Listed Joint Stock
Rawasy Constr. Co for Investment		Within the Kingdom	Non-listed Joint Stock
Deutsche Gulf Finance Company		Within the Kingdom	Non-listed Joint Stock
Obeikan Glass Company		Within the Kingdom	Non-listed Joint Stock
Computer Horizons Company		Within the Kingdom	Non-listed Joint Stock
Names of Companies in which a Member of the Board of Directors was a Member of its Previous Boards of Directors or one of its Managers		Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)
Chief Executive Officer - Saudi Advanced Industries Company		Within the Kingdom	Listed Joint Stock
Al-Salam Aircraft Maintenance Co		Within the Kingdom	Non-listed Joint Stock
Tasnee & Mutatawera for Polyol		Within the Kingdom	Non-listed Joint Stock
Gulf Salt Company		Within the Kingdom	Non-listed Joint Stock
Saudi Company for Paper Industry		Within the Kingdom	Listed Joint Stock
Al Samaani Company		Within the Kingdom	Listed Joint Stock

3. The Member		Mr. Ahmed Abdullah Al Khayyal (Member of the Board of Directors)	
Names of Companies in which a member of the Board of Directors is a Member of their Current Boards of Directors or one of their Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
Sahara Gulf Chemicals Company	Within the Kingdom	Limited Liability	
Ayyan Investment Company	Within the Kingdom	Listed Joint Stock	
Names of Companies in which a Member of the Board of Directors was a Member of its Previous Boards of Directors or one of its Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
N/A	N/A	N/A	

4. The Member		Mr. Hatem Hamad Al Suhaibani (Member of the Board of Directors)	
Names of Companies in which a member of the Board of Directors is a Member of their Current Boards of Directors or one of their Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
Ayyan Investment Company	Within the Kingdom	Listed Joint Stock	
Saudi Company for Industrial Exports	Within the Kingdom	Listed Joint Stock	
Names of Companies in which a Member of the Board of Directors was a Member of its Previous Boards of Directors or one of its Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
BATIC Investment and Logistics Company	Within the Kingdom	Listed Joint Stock	

5. The Member		Dr. Adel Youssef Ahmed Al-Saleh (Member of the Board of Directors)	
Names of Companies in which a member of the Board of Directors is a Member of their Current Boards of Directors or one of their Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
Ayyan Investment Company	Within the Kingdom	Listed Joint Stock	
Names of Companies in which a Member of the Board of Directors was a Member of its Previous Boards of Directors or one of its Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
Al-Ahsa Medical Services Co	Within the Kingdom	Non-listed Joint Stock	
Waraq Company	Within the Kingdom	Non-listed Joint Stock	

6. The Member		Mr. Faisal Abdullah Al-Qahtani (Member of the Board of Directors)	
Names of Companies in which a member of the Board of Directors is a Member of their Current Boards of Directors or one of their Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
Ayyan Investment Company	Within the Kingdom	Listed Joint Stock	
Wafra Company	Within the Kingdom	Listed Joint Stock	
Names of Companies in which a Member of the Board of Directors was a Member of its Previous Boards of Directors or one of its Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
N/A	N/A	N/A	

7. The Member		Mr. Moaath Majid Al-Ohali (Member of the Board of Directors)	
Names of Companies in which a member of the Board of Directors is a Member of their Current Boards of Directors or one of their Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
Ayyan Investment Company	Within the Kingdom	Listed Joint Stock	
Resal Holding Company	Within the Kingdom	Non-listed Joint Stock	
Investment Gateway Company	Outside the Kingdom	Non-listed Joint Stock	
Gateway Logistics Company	Outside the Kingdom	Non-listed Joint Stock	
Names of Companies in which a Member of the Board of Directors was a Member of its Previous Boards of Directors or one of its Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
N/A	N/A	N/A	

• The Period from 01/07/2022 to 31/12/2022

1. The Member		Mr. Faisal Abdullah Al-Qahtani (Chairman of the Board of Directors)	
Names of Companies in which a member of the Board of Directors is a Member of their Current Boards of Directors or one of their Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
Ayyan Investment Company	Within the Kingdom	Listed Joint Stock	
Wafra Company.	Within the Kingdom	Listed Joint Stock	
Names of Companies in which a Member of the Board of Directors was a Member of its Previous Boards of Directors or one of its Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
N/A	N/A	N/A	

2. The Member		Mr Abdulaziz AbdulRahman Al- AlShaikh (Vice Chairman of the Board of Directors)	
Names of Companies in which a member of the Board of Directors is a Member of their Current Boards of Directors or one of their Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
Spectrum Pharmaceutical Company	Within the Kingdom	Non-listed Joint Stock	
Tal Funding by Debt Co.	Within the Kingdom	Non-listed Joint Stock	
Ayyan Investment Company	Within the Kingdom	Listed Joint Stock	
Names of Companies in which a Member of the Board of Directors was a Member of its Previous Boards of Directors or one of its Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
N/A	N/A	N/A	

3. The Member		Mr. Ahmed Abdullah Al Khayyal (Member of the Board of Directors)	
Names of Companies in which a member of the Board of Directors is a Member of their Current Boards of Directors or one of their Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
Ayyan Investment Company	Within the Kingdom	Listed Joint Stock	
Al-Balour Company for Industry	Within the Kingdom	Non-listed Joint Stock	
Names of Companies in which a Member of the Board of Directors was a Member of its Previous Boards of Directors or one of its Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
N/A	N/A	N/A	

4. The Member		Mr. Ayham Muhammad Al-Youssef (Member of the Board of Directors)	
Names of Companies in which a member of the Board of Directors is a Member of their Current Boards of Directors or one of their Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
Saudi Marketing – Farm Superstores	Within the Kingdom	Listed Joint Stock	
Saudi Home Finance	Within the Kingdom	Non-listed Joint Stock	
Names of Companies in which a Member of the Board of Directors was a Member of its Previous Boards of Directors or one of its Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
N/A	N/A	N/A	

5. The Member		Mr. Abdulaziz Majid Al-Kassabi (Member of the Board of Directors)	
Names of Companies in which a member of the Board of Directors is a Member of their Current Boards of Directors or one of their Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
Petromin	Within the Kingdom/Outside The Kingdom	Non-listed Joint Stock	
Saudi Lime Industries Company	Within the Kingdom	Non-listed Joint Stock	
Elaj Group	Within the Kingdom	Non-listed Joint Stock	
Hail Cement Company	Within the Kingdom	Listed Joint Stock	
Ayyan Investment Co	Within the Kingdom	Listed Joint Stock	
Names of Companies in which a Member of the Board of Directors was a Member of its Previous Boards of Directors or one of its Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
N/A	N/A	N/A	

6. The Member		Engr. Mohammed Abdullah Al-Mansour (Member of the Board of Directors)	
Names of Companies in which a member of the Board of Directors is a Member of their Current Boards of Directors or one of their Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
Raya Finance Co. - Member of the Nominations & Remunerations Committee	Within the Kingdom	Non-listed	
Ayyan Investment Co.	Within the Kingdom	Listed Joint Stock	
Names of Companies in which a Member of the Board of Directors was a Member of its Previous Boards of Directors or one of its Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
Dammam Airports Company	Within the Kingdom	Non-listed Joint Stock	

7. The Member		Mr. Waleed Amer Al-Rumaih (Member of the Board of Directors)	
Names of Companies in which a member of the Board of Directors is a Member of their Current Boards of Directors or one of their Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
Asiyar Company for Logistics Services	Within the Kingdom	Non-listed Joint Stock	
Saudi Al-Ittifaq Club	Within the Kingdom	Non-listed Joint Stock	
Amer Al-Rumaih Charitable Foundation	Within the Kingdom	Non-listed Joint Stock	
Al-Rumaih Industrial Investment Group	Within the Kingdom	Non-listed Joint Stock	
Saudi Food Bank	Within the Kingdom	Non-listed Joint Stock	
Names of Companies in which a Member of the Board of Directors was a Member of its Previous Boards of Directors or one of its Managers	Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed joint stock / unlisted joint stock / limited liability)	
N/A	N/A	N/A	

**c) Formation of the Board of Directors and classification of its Members
 from 01/01/2022 to 30/06/2022:**

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

Name	Position	Membership Category
Abdul-Rahman A. Balghunaim	Chairman	Independent
Saad A. Al-Shammary	Vice Chairman	Non-executive
Ahmed A. Al-Khayyal	Member of the Board	Independent
Adel A. Al-Saleh	Member of the Board	Non-executive
Hatim H. Al-Suhaibani	Member of the Board	Independent
Faisal A. Al-Qahtani	Member of the Board	Non-executive
Moaath M. Al-Ohali	Member of the Board	Independent

- **Formation of the Board of Directors and classification of its Members from 01/07/2022 to 31/12/2022 :**

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

Name	Position	Membership Category
Mr. Faisal A. Al-Qahtani	Chairman	Non-Executive
Mr. Abdulaziz A. Al-AlShaikh	Vice Chairman	Independent
Mr. Ayham M. Al-Yousef	Member of the Board	Independent
Engr. Mohammad A. Al-Mansour	Member of the Board	Independent
Mr. Abdulaziz M. Al-Kassabi	Member of the Board	Independent
Mr. Ahmed A. Al-Khayyal	Member of the Board	Independent
Mr. Waleed A. Al-Rumaih	Member of the Board	Independent

- d) A Brief Description of the Terms of reference of the Main Committees of the Board of Directors and their tasks:**

Auditing Committee :

Formation of the Committee for the Period 01/01/2022 to 30/06/2022

Audit Committee	
Committee Members	Position
Moaath M. Al-Ohali	Head of the Committee
Rashid A. Al-Rashid	Member (From outside the Board)
Waleed Y. Al-Ziyad	Member (From outside the Board)
Saleh A. Al-Ghareeb	Member (From outside the Board)

Formation of the Committee for the Period 01/07/2022 to 31/12/2022

Audit Committee	
Committee Members	Position
Waleed A. Al-Rumaih	Head of the Committee
Rashid A. Al-Rashid	Member (From outside the Board)
Imad M. Nashar	Member (From outside the Board)
Hani A. Abu-AlNaja	Member (From outside the Board)

Duties of the Audit Committee and its Term of office:

Committee's Terms of Reference:

The audit committee is responsible for monitoring the company's business and verifying the integrity and integrity of the reports, financial statements and internal control systems therein. The committee's duties include, in particular, the following:

1. With regard to the function of the chartered accountant (auditor) and the preparation of financial statements and reports:
 - Recommending to the Board of Directors the appointment of chartered accountants (auditor), which includes the committee's review of their professional competencies and confirmation of their independence and the expected risks of a conflict of interest, as well as determining their fees and dismissal.
 - Verifying the auditor's independence, objectivity, fairness, and the effectiveness of audit work, taking into account the relevant rules and standards.
 - Reviewing the company's auditor's plan and his work, and ensuring that he does not submit technical or administrative work outside the scope of the audit work in accordance with the principle of independence, and expressing its views on that.
 - Answering the company's auditor's inquiries.
 - Studying the auditor's report and his observations on the financial statements and following up on the decisions taken thereon.
2. With regard to the compliance function, the committee shall:
 - Reviewing the results of the regulatory authorities' reports and verifying that the company has taken the necessary measures in this regard.
 - Verifying the company's compliance with relevant regulations, regulations, policies and instructions
 - Reviewing the contracts and transactions proposed to be conducted by the company with the relevant parties and presenting its views on this to the Board of Directors.
 - Raising what it deems of issues it deems necessary to take action in its regard to the Board of Directors and expressing its recommendations regarding the actions to be taken.
3. With regard to the internal audit function, the Committee shall:
 - Studying and reviewing the company's internal and financial control and risk management systems. And deficiencies in the general structure of the internal control systems and their work.
 - Studying internal audit reports and following up the implementation of corrective actions for the observations contained therein.
 - General supervision of the performance and activities of the internal auditor and the internal audit department in the company, in order to verify the extent of their effectiveness in carrying out the tasks and tasks assigned to them by the Board of Directors.
 - Preparing recommendations for the establishment of the company's internal audit department and its budget, selecting and appointing a director of the internal audit unit or department, and ensuring the independence of the internal auditors.
4. With regard to financial reports:
 - Studying the draft preliminary quarterly financial statements before publishing them, presenting them to the Board of Directors, and making recommendations about them if necessary.
 - Studying the draft annual financial statements before submitting them to the Board of Directors and expressing an opinion and recommendation on them.
 - Expressing an opinion, at the request of the Board of Directors, as to whether the report of the Board of Directors and the company's financial statements are fair, balanced and understandable, and include

information that allows shareholders and investors to evaluate the company's financial position, performance, business model and strategy.

- Examining any important or unusual issues contained in the financial reports.
- Examine carefully any issues raised by the company's financial manager, or whoever assumes his duties, or the company's compliance officer, or the auditor.
- Verifying the accounting estimates regarding the essential issues mentioned in the financial reports.
- Studying the accounting policies used in the company and expressing an opinion and recommendation to the Board of Directors in this regard.

5. With regard to general matters:

- The committee should formulate a mechanism that allows the company's employees to submit, in complete confidentiality, all the observations contained in the financial reports, including abuses or irregularities, and the members of the committee should conduct an independent investigation commensurate with the size of the violation.
- The Committee is responsible for its work before the Board of Directors, without prejudice to the responsibility of the Board for those actions and for the powers or authorities delegated to it.
- The committee chairman must attend the general assembly to answer shareholders' inquiries.

Committee Powers:

- The committee has the following powers:
- Request documents, records, documents, reports, clarifications and other appropriate information from members of the Board of Directors, executives and officials of the company.
- Invite the company's executives, officials and employees to the committee's meetings to answer any inquiries the committee raises to them.
- To ask the Board of Directors to call the company's general assembly to convene if the Board of Directors obstructs its work or if the company suffers serious damage or losses.
- The use of experts, consultants and specialists from outside the company during the performance of its work.
- Carry out any duties entrusted to it by the Board of Directors within the limits of its powers.
- Reviewing and evaluating the provisions of these bylaws and preparing recommendations for the Board of Directors regarding amending part of them, if required.
- Preparing quarterly reports for the Board of Directors on a periodic basis, and the Committee submits them to the Board of Directors upon completion of the Committee meeting.
- Determining monthly salaries, incentive bonuses, and other rewards for the internal audit department, the internal auditor, or the conformity and compliance department in line with the internal regulations of the company approved by the Board.
- The committee conducts an annual review and evaluation of its bylaws and makes recommendations, if necessary, to the Board of Directors regarding amending part of it.
- Dealing with the information available to them as a result of their conduct of the work of the Committee in strict confidentiality.
- Informing the Board of Directors of developments that affect their independence or conflicts of interest related to the decisions taken by the Committee.
- The committee's term of office ends with the end of the current session.

Committee Meetings:

The attendance record of the members of the Audit Committee from 01/01/2022 to 30/06/2022 :

Name	Membership Capacity	Number of Meetings = 2	
		First Meeting 14/03/2022	Second Meeting 18/05/2022
Moaath M. Al-Ohali	Head of the Committee	Attended	Attended
Rashid A. Al-Rashid	Member	Attended	Attended
Waleed Y. Al-Ziyad	Member	Attended	Attended
Saleh A. Al-Ghareeb	Member	Attended	Attended

The attendance record of the members of the Audit Committee from 01/07/2022 to 31/12/2022:

Name	Membership Capacity	Number of Meetings = 2	
		Third Meeting 18/08//2022	Fourth Meeting 03/11/2022
Waleed A. Al-Rumaih	Head of the Committee	Attended	Attended
Rashid A. Al-Rashid	Member	Attended	Attended
Imad M. Nashar	Member	Attended	Attended
Hani A. Abu-Al Naga	Member	Attended	Attended

- During the year 2022 , there is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors.

Nomination and Remuneration Committee:

Formation of the Nominations and Remuneration Committee for the period from 01/01/2022 to 30/06/2022 :

Nomination & Remuneration Committee	
Members of the Committee	Position
Hatim H. Al-Suhaibani	Head of the Committee
Abdul-Rahman A. Balghunaim	Member
Faisal A. Al-Qahtani	Member

Formation of the Nominations and Remuneration Committee for the period from 01/07/2022 to 31/12/2022 :

Nomination & Remuneration Committee	
Members of the Committee	Position
Mohammad. Al-Mansour	Head of the Committee
Ahmad A. Al-Khayyal	Member
Abdul-Aziz M. Al-Kassabi	Member

Duties of the Nominations and Remunerations Committee and its term of office:

1. The Committee shall review the remuneration policy in order to assess its effectiveness in achieving the objectives for which it was set.
2. The committee recommends annually the remuneration of the members of the Board of Directors as well as the executive management, taking into account the remuneration policy attached to these regulations, and indicating any reasons for deviation from this policy.
3. Subject to any instructions set by the Board of Directors, the Remuneration and Nominations Committee shall exercise all powers delegated to it by the Board of Directors.
4. The committee exercises all the powers granted to it to carry out its duties towards its shareholders.
5. The Committee is responsible for **nominating members of the Board of Directors and executive managers** as follows:
 - a) Study applications for candidacy for membership of the Board of Directors and document all relevant observations and recommendations, taking into account what is stated in this regulation when nominating a member, and taking into account what is stated in the governance regulations issued by the Capital Market Authority, provided that the assembly takes into account the recommendations of the Nominations and Remuneration Committee.
 - b) Recommending to the Board of Directors a nomination for membership of the Board.
 - c) Provide shareholders with sufficient information about the candidates, their qualifications and their relations with the company before voting on their selection.
 - d) Using the services of an independent specialized third party to identify additional candidates for membership of the Board of Directors, in the event that the number of candidates does not exceed the number of seats available in the Board.
 - e) The company shall publish the candidacy announcement on the company's website, the market's website, and in any other means specified by the Authority, in order to invite persons wishing to run for membership of the Board of Directors, provided that the door for candidacy remains open for at least one month from the date of the announcement.
 - f) And the. Each shareholder in the company has the right to nominate himself or others for membership of the Board of Directors in accordance with the provisions of the Companies Law and its implementing regulations.
 - g) Establishing special procedures in the event of a vacancy in the position of a member of the Board of Directors or senior executives.
6. The Committee is responsible to the Board of Directors and the Executive Directors as follows:
 - a) Review the structure of the Board of Directors and make recommendations regarding changes that can be made.
 - b) Annual review of the required requirements of appropriate skills for the membership of the Board of Directors and its committees, preparing a description of the capabilities and qualifications required for membership of the Board and its committees, and determining the time that a member needs to devote to the work of the Board and/or the Board committees.
 - c) Evaluating the structure and composition of the Council and its committees on an annual basis, identifying weaknesses in the Council and proposing the necessary steps to address them.
 - d) Evaluate the board as a whole and each member separately on an annual basis, based on transparent, formal and objective criteria.
 - e) Ensure, on an annual basis, the independence of the independent members and the absence of conflicts of interest if the member is a member of other companies.

- f) And the. Ensure that the members of the Board do not occupy the membership of the Board of Directors of more than five joint-stock companies at the same time.
 - g) Recommendation regarding the appointment and dismissal of senior management members.
 - h) Developing the career succession policy and procedures for the CEO and senior members of senior management and monitoring the implementation of succession plans and procedures for them.
 - i) Develop job descriptions for executive members, non-executive members, independent members and senior executives.
 - j) Determining strengths and weaknesses in the Board of Directors, and proposing solutions to address them in line with the company's interest.
7. The Committee is responsible for the remuneration of the members of the Board of Directors, its committees, and executive managers, as follows:
- a) Developing a clear policy for compensation, rewards and incentives for the members of the Board of Directors, its committees and the executives of the company, and submitting it to the Board of Directors and having it approved by the General Assembly, taking into account the organization of the efforts of each member of the Board of Directors and the Executive Director in implementing the strategic objectives of the company, and using standards related to performance and the committee's evaluation of their personal performance. In exchange for the goals set by the Board of Directors and disclosed.
 - b) Setting standards for the remuneration of the members and the chairman of the board of directors that enable the company to obtain outstanding performance with the aim of developing the company in the long term without affecting the independence of the members.
 - c) Continuous review of the appropriateness of the company's reward criteria against the company's performance, financial position and basic trends in the labor market.
 - d) Ensure that the company's incentive policy does not lead to taking unjustified risks.
 - e) Follow up on the implementation of the decisions taken by the general assembly of shareholders related to issues related to the remuneration of the members of the Board of Directors and senior executives of the company and the manner in which those remunerations are disclosed in the annual report of the Board of Directors.
 - f) The committee organizes how to grant free shares to members of the Board and the Executive Management.
8. The committee's term of office ends with the end of the current session .

Committee meetings:

**Attendance of the Nominations and Remuneration Committee Members
 from 01/01/2022 until 30/06/2022:**

#	Name	Membership Capacity	Number of Meetings	
			First Meeting 15/02/2022	Second Meeting 29/03/2022
1	Hatim H. Al-Suhaibani	Head of the Committee	Attended	Attended
2	Abdul-Rahman Balghunaim	Member	Attended	Attended
3	Faisal A. Al-Qahtani	Member	Attended	Attended

**Attendance of the Nominations and Remuneration Committee Members
from 01/07/2022 until 31/12/2022:**

#	Name	Membership Capacity	Number of Meetings	
			Third Meeting 01/09/2022	Fourth Meeting 20/12/2022
1	Mohammad Al-Mansour	Head of the Committee	Attended	Attended
2	Ahmad A. Al-Khayyal	Member	Attended	Attended
3	Abdul-Aziz Al-Kassabi	Member	Attended	Attended

Investment and Follow-up Committee:

**Formation of the Investment and Follow-up Committee for the Period
from 01/01/2022 to 30/06/2022:**

Committee Members	Position
Ahmed A. Al-Khayyal	Head of the Committee
Saad A. Al-Shammary	Member
Adel A. Al-Saleh	Member
Mohammad A. Al-Qatari	Member

**Formation of the Investment and Follow-up Committee for the Period
from 01/07/2022 to 31/12/2022:**

Committee Members	Position
Faisal A. Al-Qahtani	Head of the Committee
Abdul-Aziz A. Al Al-Shaikh	Member
Ayham M. Al-Yousuf	Member

Duties of the Investment and Follow-up Committee:

1. The Committee exercises all powers and assumes the duties of the Board of Directors in the period between Board meetings.
2. The committee discusses and takes decisions on issues that need urgent decisions in emergency situations.
3. The committee's responsibilities include taking routine decisions required by the company's normal business, according to the powers delegated by the Board of Directors
4. With regard to the company's strategy and objectives, the committee will:
 - Review the company's strategic planning procedures and processes.
 - Ensure that the company's strategic plans have been translated into actual actions and actions aimed at achieving the company's goals.

- Reviewing the Board's recommendations regarding the distribution of the company's resources aimed at achieving compatibility between the company's strategic plans and its long-term operational goals.
 - Periodic review of the strategic plans of the company and its subsidiaries and operational objectives to ensure their compatibility with the company's mission and objectives.
 - With regard to the company's operational priorities, the committee will review and prepare recommendations for the Board of Directors regarding strategic decisions related to operational priorities, including expansion into new markets and countries or exit from existing markets and countries.
5. With regard to the company's financial planning and dividend policy, the committee will:
- Preparing and reviewing recommendations for the Board of Directors related to annual and long-term financial goals and strategies, as well as performance indicators associated with them.
 - Review the important financial matters of the company and its subsidiaries, such as matters related to the company's capital, the company's credit rating, cash flows, borrowing activities, and investment deposits.
 - Preparing and reviewing recommendations submitted to the Board of Directors related to the company's dividend policy and how to implement it.
 - Periodic review of actual capital expenditures and their review with previously approved budgets, with regard to evaluating the company's long-term productivity and the effectiveness of its operational processes. related costs.
6. The Committee is responsible for its work before the Board of Directors, without prejudice to the responsibility of the Board for such work and for the powers or authorities delegated to it.
7. The committee chairman must attend the general assembly to respond to shareholders' inquiries

Committee Powers:

1. Request documents, reports, clarifications and other appropriate information from the officers, executives and employees of the company without any restrictions.
2. Invite the company's officials, executives and employees to attend its meetings to answer the inquiries raised by the committee.
3. Seeking the services of experts and consultants from outside the company to express opinions and advice on matters that are presented to them.
4. Perform other services required by the Board of Directors and which fall within the powers of the Committee,
5. The committee conducts an annual review and evaluation of its regulations in order to ensure that it fulfills its duties and submits recommendations to the Board of Directors regarding making amendments thereto.
6. The term of office of the committee ends with the end of the current session.

Committee Meetings:

Attendance of the members of the Investment and Follow-up Committee for the period from 01/01/2022 to 30/06/2022:

#	Name	Nature of membership	Number of meetings =	
			First meeting 16/02/2022	Second Meeting 20/04/2022
1	Ahmed A. Al-Khayyal	Head of the Committee	Attended	Attended
2	Saad Al-Shammary	Member	Attended	Attended
3	Adel A. Al-Saleh	Member	Attended	Attended
4	Mohammad Al-Qatari	Member	Attended	Attended

Attendance of the members of the Investment and Follow-up Committee for the period from 01/07/2022 to 31/12/2022

#	Name	Membership Nature	Number of meetings =	
			Third Meeting 07/09/2022	Forth Meeting 03/10/2022
1	Faisal A. Al-Qahtani	Head of the Committee	Attended	Attended
2	Abdul-Aziz A. Al AlShaikh	Member	Attended	Attended
3	Ayham M. Al-Yousuf	Member	Attended	Attended

e) The measures taken by the Board of Directors to inform its members (particularly non-executives) of the shareholders' proposals and observations regarding the company and its performance:

In the event that there are any observations from the company's shareholders, the chairman of the board informs the members of the board about the observations put forward by the shareholders, how to address them, and the ways to take them into account if their feasibility is proven in the first meeting.

f) The Remuneration policy states the following:

1. Remuneration of Members of the Board of Directors:

Article nineteen of the Company's Articles of Association and future amendments stipulate the remuneration of the members of the Board of Directors as follows:

The members of the Board of Directors of the company are paid for the services they perform, a lump sum of one hundred and fifty thousand riyals for each member for the fiscal year, provided that the entitlement to

this remuneration is proportional to the number of sessions attended by the member, in addition to an attendance allowance of three thousand riyals for each session for each A member of the Board of Directors, including the attendance allowance, the Secretary of the Board.

A lump sum of fifty thousand riyals is paid to each member participating in a committee, with a maximum of seventy thousand riyals if he is a member of more than one committee, provided that the entitlement to this reward is proportional to the number of sessions attended by the member, in addition to an attendance allowance of three thousand riyals for each member for each A session for each committee and the attendance allowance includes the secretary of the committee.

The members of the Board of Directors shall be paid a remuneration of (10%) of the net profits after deducting the reserves decided by the General Assembly and after distributing a profit to the shareholders of not less than (5%) of the company's paid-up capital.

In all cases, the sum of what a member of the Board of Directors receives in terms of financial or in-kind rewards and benefits does not exceed five hundred thousand riyals and within the limits stipulated by the Companies Law or any other complementary regulations, decisions or instructions. The report of the Board of Directors to the Ordinary General Assembly includes a statement it includes all that the members of the Board of Directors received during the fiscal year in terms of salaries, a share in the profits, attendance allowance, expenses, and other benefits. It was previously approved by the company's general assembly.

2. Executive Management Remuneration:

With regard to the policy of executive remuneration, the Nominations Committee reviews the executive regulations for executive remuneration and makes recommendations at the end of each fiscal year about the disbursement of those remunerations and their amounts.

Remunerations specified in the contracts of some senior executives are taken into account, according to which those remunerations are paid on their due date. Annually, the Nominations Committee reviews the nominations and remuneration policies to verify their compatibility with the company's strategy.

g) Clarifying the relationship between the granted rewards and the applicable rewards policy, and indicating any material deviation from this policy:

The aforementioned remuneration policy was adhered to, as the Nominations Committee recommended the disbursement of remunerations according to the remuneration policy list, and then it was approved by the Board of Directors.

h) Details of Remuneration and Compensation for Members of the Board of Directors and Senior Executives:

- **Members of the Board of Directors (Independent) for the period from 01/01/2022 to 30/06/2022:**

		1	2	3	4	5	Total
	Member's Name	Abdul-Rahman Balghunaim	Ahmad A. Al-Khayal	Moaath M. Al-Ohali	Faisal A. Al-Qahtani	Hatim H. Al-Suaibani	
Fixed Awards	Board Sessions Attendance Allowance	6,000	6,000	6,000	6,000	6,000	30,000
	Total of Committee Sessions Attendance Allowance	6,000	6,000	6,000	6,000	6,000	30,000
	The Annual Awards of the Board	75,000	75,000	75,000	75,000	75,000	375,000
	The Annual Awards of the Committees	25,000	25,000	25,000	25,000	25,000	125,000
Gross Total		112,000	112,000	112,000	112,000	112,000	560,000

- **Board Members (non-executives)**

	Member's Name	Adel A. Al-Saleh	Saad A. Al-Shammary
Fixed Awards	Board Sessions Attendance Allowance	6,000	6,000
	Total of Committee Sessions Attendance Allowance	6,000	6,000
	The Annual Awards of the Board	75,000	75,000
	The Annual Awards of the Committees	25,000	25,000
Gross Total		112,000	112,000

- **Committee Members Awards (Outside the Board)**

Audit Committee Members	Committee Members Fixed Awards (Excluding the Sessions Attendance Allowance)	Board Sessions Attendance Allowance	Total
Rashid A. Al-Rashid	25,000	6,000	31,000
Saleh A. Al-Ghareeb	25,000	6,000	31,000
Waleed Y. Al-Ziyad	25,000	6,000	31,000
Mohammad Al-Qatari	25,000	6,000	31,000
Total	100,000	24,000	124,000

• **Board Members (Independent) for the Period from 01/07/2022 to 31/12/2022**

		1	2	3	4	5	6	
	Member's Name	Mohammed Al-Mansour	Abdul-Aziz A. Al-Shaikh	Abdul-Aziz M. Al-Kassabi	Ahmad A. Al-Khayyal	Waleed A. Al-Rumaih	Ayham A. Al-Yousuf	Total
Fixed Awards	Board Sessions Attendance Allowance	6,000	6,000	6,000	6,000	6,000	6,000	36,000
	Total of Committee Sessions Attendance Allowance	6,000	6,000	6,000	6,000	6,000	6,000	36,000
	The Annual Awards of the Board	75,000	75,000	75,000	75,000	75,000	75,000	450,000
	The Annual Awards of the Committees	25,000	25,000	25,000	25,000	25,000	25,000	150,000
	Gross Total	112,000	112,000	112,000	112,000	112,000	112,000	672,000

• **Board Members (Non-executives)**

	Member's Name	Faisal A. Al-Qahtani
Fixed Awards	Board Sessions Attendance Allowance	6,000
	Total of Committee Sessions Attendance Allowance	6,000
	The Annual Awards of the Board	75,000
	The Annual Awards of the Committees	25,000
	Gross Total	112,000

• **Committee Members Awards (Outside the Board)**

Audit Committee Members	Committee Members Fixed Awards (Excluding the Sessions Attendance Allowance)	Board Sessions Attendance Allowance	Total
Rashid A. Al-Rashid	25,000	6,000	31,000
Saleh A. Al-Ghareeb	25,000	6,000	31,000
Waleed Y. Al-Ziyad	25,000	6,000	31,000
Total	75,000	18,000	93,000

• **Five Senior Executives Who Received the Highest Awards and Remuneration**

	Member's Name	CEO	Finance Manager	Total
Fixed Awards	Salaries	805,381	266,676	1,072,057
	Allowances	291,055	76,332	367,387
	Total	1,096,436	343,008	1,439,444
Variable Awards	Periodical Awards	0	0	0
End-of-service Awards		0	0	0
Gross Total		1,096,436	343,008	1,439,444

- According to the Corporate Governance Regulations, the disclosure of five senior executives who received the highest remuneration, but the current positions in the company's organizational structure include only two of the senior executives listed above (Chief Executive Officer & Finance Manager).
- With the exception of what was mentioned, none of the members of the Board of Directors or any of the senior executives received any travel expenses, transfers, bonuses or any other allowances.

i) **The means relied upon by the Board of Directors in evaluating its performance and the performance of its committees and members, and the external body that carried out the evaluation and its relationship with the company, if any.**

The Nominations and Remunerations Committee identifies strengths and weaknesses in the Board of Directors and proposes to address them in accordance with the interest of the company.

j) **A penalty, penalty or precautionary restriction imposed on the company by the Authority or any other supervisory, regulatory or judicial authority:**

There are no violations for the year 2022 .

k) **Lawsuits filed against the company: (paraphrase)**

There are no lawsuits filed against the company until 31/12/2022

l) The Results of the Annual Review of the effectiveness of the company's internal control procedures:

First: The foundations of internal control and the implementation of the control cycle within the company:

In light of the internal control reports, the audit committee reviews the control cycle for all the company's activities according to the following bases:

1. Ensuring the proper application of laws and regulations to enhance confidence in the reports of subsidiaries.
2. Evaluation of the administrative, financial, operational and marketing policies and procedures of each company according to the nature of its business.
3. Ensuring and verifying the accuracy of the information contained in the periodic reports of these companies.
4. The ability to make appropriate decisions by identifying problems and obstacles and working to solve them as a type of preventive control.
5. The Audit Committee monitors the extent of compliance with the implementation of the financial control program approved by the Board of Directors to monitor the company's investments and subsidiaries and sister companies.
6. The oversight work of Ayyan Investment Company is characterized by full independence from the internal control work of the subsidiaries and is not indispensable for it. Rather, it is considered a supportive role and a work that serves the objectives of the senior management to provide meaningful recommendations through the submitted reports.

Second: The results of the annual review of the effectiveness of internal control. The following are the most important procedures and essential observations:

- The members of the Audit Committee, since their candidacy for membership in the Committee, have been keen to direct internal control work to high-risk activities and jobs in order to raise the effectiveness, efficiency and profitability of the company's operations.
- After conducting a comprehensive assessment of the most important risks to which the company is exposed, as well as establishing an internal audit department.
- Following up and evaluating the performance of the company and its subsidiaries by comparing the planned performance with the actual performance, identifying deviations, discussing their causes and working to correct them, which had a good impact on the actual financial statements during the year 2022 and recommending corrective measures.
- Developing appropriate criteria for recommending the selection of an auditor to present it to the Ordinary General Assembly.

m) Details of the company's social contributions:

There are no social contributions from the part of the company during the year 2022.

A statement of the dates of the general assemblies of shareholders held during the last fiscal year and the names of the members of the Board of Directors attending these assemblies:

#	Name	Attendance Register
		Ordinary Assembly Meeting on 06/06/2022
1	Abdul-Rahman A. Balghiunaim	Attended
2	Saad A. Al-Shammary	Attended
3	Ahmed A. Al-Khayyal	Attended
4	Adel A. Al-Saleh	Attended
5	Faisal A. Al-Qahtani	Attended
6	Moaath M. Al-Ohali	Attended
7	Hatim H. Al-Suhaibani	Attended

1- The Report of the chartered accountant did not include any reservations about the annual financial statements for the fiscal year ending on 31/12/2022.

2- Chartered Accountant:

The thirty-second Ordinary General Assembly held on 06/06/2022 approved the proposal of the Board of Directors of the company based on the recommendation of the Audit Committee to appoint Messrs. Abdullah Muhammad Al-Azm Company, Salman Bandar Al-Sudairy and Musaab Abdul Rahman Al-Sheikh - Al-Azem, Al-Sudairy, Al-Sheikh and their partners as the Company's Chartered Accountant for the ending fiscal year On 31/12/2022 to review the company's consolidated preliminary and annual statements, and there is no recommendation from the Board of Directors to replace the chartered accountant during the period for which it is appointed.

Retained Earnings Account

Pursuant to Article (147) of the Saudi Companies Law, which requires that the report of the Board of Directors include a recommendation to shareholders on the following regarding net profits:

Description	2022 (SAR)
Net Losses of shareholders after Zakat for the year 2022	-44,767,736
Add Net Profits related to non-controlling ownership	136,657
Net Profit after Zakat for the year 2022	-44,631,079
Deducted from the Statutory Reserve	0
The remaining net Profit for the year 2022	-44,631,079
Retained Earnings as of January 2022	1,788,755
Deducts Net Profits related to non-controlling ownership	-136,657

In conclusion:

The Board of Directors approved this report, and agreed to present it to the General Assembly for approval under Resolution No. 582/2023 on 29/03/2023 .

