

# **Board of Directors' Report on the Financial Results for 2022**



شركة العمران للصناعة والتجارة  
Al-Omran Industries & Trading Co

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## CEO message

Dear shareholders,

Peace, mercy and blessings of God ...““

It is my pleasure to meet together and meet again in our annual meeting to complete our journey together with full confidence and steadfastness, relying on your continued support and confidence in our leadership, to be proud of the progress we have made towards the past years. With God's permission, we will do our best to present the best results in the coming years to strengthen confidence and steadfastness in the interests of Al-Omran Industries & Trading Co, in a manner that is resolutely and resolutely in line with the goals and vision of the Kingdom of Saudi Arabia 2030 and the firm steps of the development process in our dear homeland.

On behalf of the Board of Directors of Al-Omran Industries & Trading Co and all the employees of the company, I would like to review with you the company's work and achievements, especially in light of the challenges, competition and the new economic environment during the year ending 31/12/2022 and the consequences of the corona virus pandemic which has contributed to the decline in a number of economic fields and its severe impact on all levels. We thank God that under the Government of the Custodian of the Two Holy Mosques and His Highness the Crown Prince, who had May God's patronage, the primary role in promoting the economy and maintaining its balance so that it remains a model from which all countries of the world can learn in economic aspects. In this year, Al-Omran Industries & Trading Co. and Board and Board of Commerce and all its employees is keen to ensure that during 2022 results are positive results in the interest to provide customers and meeting the expectations of our fellow shareholders. We renew our pledge and our commitment to you that, God willing, we will continue to apply our plans and ambitions with determination to increase our production capacity and market share, which is in line with the vision and ambition approved by the Kingdom of Saudi Arabia and in the face of all that

hinders development and growth, taking all possible measures to maintain the efficiency of the diverse company.

### **In conclusion .....**

On behalf of my colleagues of the Board of Directors, I extend my thanks and appreciation to all the distinguished shareholders who have provided us with support and have given us their trust. We pledge to all, God willing, to be faithful to this trust. We ask the Almighty to uphold the position of Custodian of the Two Holy Mosques and Crown Prince and his wise Government, so that it may be of benefit and health, and to grant our precious homeland greater prosperity.

"May Allah Cause Success"

**Chairman**

**Mohammed Omran Al-Omran**



## **Introduction:**

### **Our Vision:**

Participation in driving the development in the Kingdom of Saudi Arabia, contributing to charitable and social work, raising labor standards in the industrial sector and incorporating new social and humanitarian concepts.

providing qualified national cadres at the highest level to the Saudi market, working in accordance with sustainable environmental controls and full awareness of our social responsibility

### **Our Mission:**

We want to be among the companies that provide industry-leading solutions and are capable of delivering the largest and most complex projects.

We want our customer services to be our own and to be added to our features.

employ and qualify our national cadres and advance the Saudi industry to have a place suitable for it in the region.

## **First: Al-Omran Industries & Trading Co General Performance in 2022**

### **1- Performance during 2022**

During 2022, the company generated sales of SAR 127 million, with SAR 4 million less than 2020.

**The following table shows the results between 2022 and 2021:**  
**(SAR 1,000)**

Statement	2022	2021	Variation + /(-)	Annual variation + / (-)
Sales	126,933	135,241	(8,308)	(6%)
Cost of sales	(92,103)	(98,394)	(6,291)	(6%)
Total income	34,830	36,847	(2,017)	(5%)
Main Business expenses	(22,738)	(21,233)	1,505	7%
Revenue from operations	12,092	15,614	(3,522)	(23%)
Other operating income	87	27	60	222%
Other operating expenses	(3,562)	(3,064)	498	16%
Zakat	(2,884)	(2,736)	(148)	-(5%)
share of non-controlling parties	59	94	(35)	(37%)
net income	5,792	9,935	(4,143)	(42%)

### **- Operational Results Difference:**

**The following table shows the differences in operational results for 2022 compared to 2021: (SAR 1,000)**

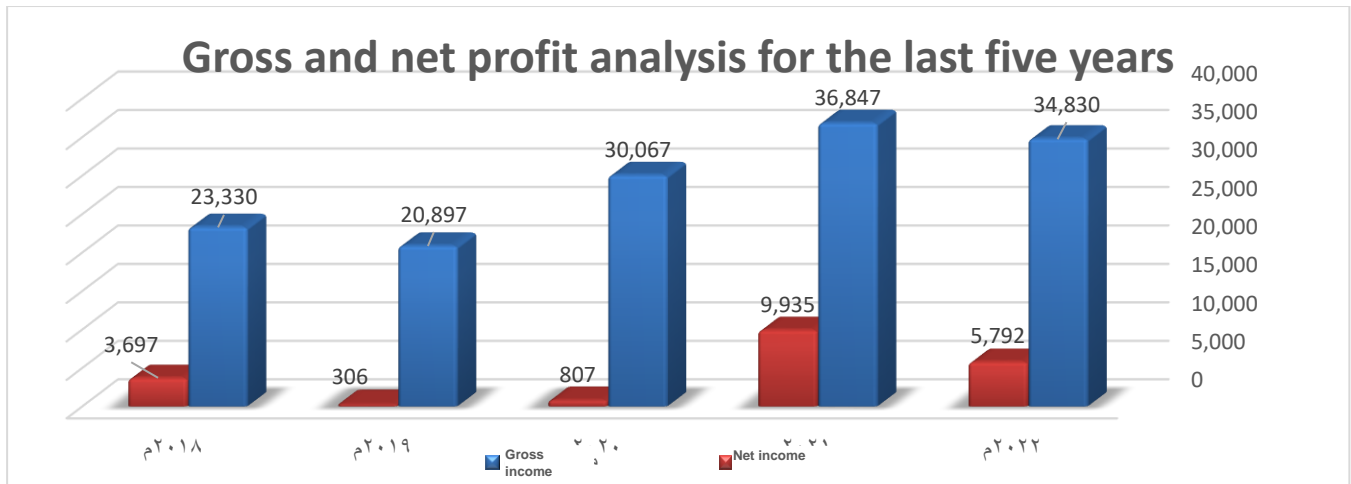
Statement	2022	2021	Change in years	
			Amount	Ratio
Gross income	34,830	36,847	(2,017)	(5%)
Revenue from operations	12,092	15,614	(3,522)	(23%)
net income	5,792	9,935	(4,143)	(42%)

- Total income decreased by 5%, from SAR 37 million in 2021 to SAR 35 million in 2022, due to a decrease in sales by 6%, as well as a decrease in cost of sales by 6%.
- Net income from operations decreased by 23% from 16 million Saudi riyals in 2021 to 12 million Saudi riyals in 2022, due to a decrease in the cost of sales by 6%, and an increase in administrative expenses by 21%, as a provision was made in the amount of 917 thousand Saudi riyals.
- Net income decreased by 42% from 9.935 million Saudi riyals to 5.792 million Saudi riyals, due to an increase in administrative expenses by 21%, as a provision was made in the amount of 917 thousand Saudi riyals, a decrease in the cost of sales by 6% and Finance costs increased by 58%.

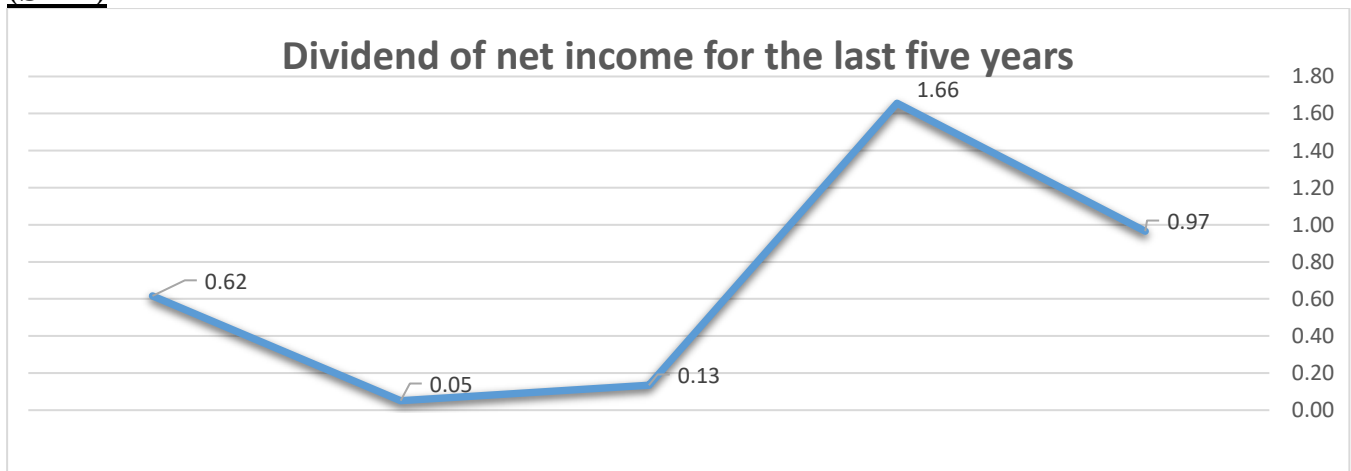
**The following table shows the results of the company's activities for the last five years (SAR 1,000)**

Statement	2022	2021	2020	2019	2018
Sales	<b>126,933</b>	135,241	139,363	115,216	116,046
Cost of sales	<b>(92,103)</b>	(98,394)	(109,296)	(94,319)	(92,716)
Gross income	<b>34,830</b>	36,847	30,067	20,897	23,330
Main Business expenses	<b>(22,738)</b>	(21,233)	(25,239)	(17,538)	(16,792)
Revenue from operations	<b>12,092</b>	15,614	4,828	3,359	6,538
financing costs	<b>(3,262)</b>	(2,067)	(1,393)	(1,491)	(1,220)
Expected Liabilities Provision Expense	<b>(300)</b>	(997)	(1,150)	0	0
other income	<b>87</b>	27	3	323	424
Net income of the year before zakat	<b>8,617</b>	12,577	2,288	2,190	5,742
Zakat	<b>(2,884)</b>	(2736)	(1,705)	(2,109)	(2,147)
share of non-controlling parties	<b>59</b>	94	224	224	102
net income	<b>5,792</b>	9,935	807	306	3,697

**The following chart shows the total income and net income for the last five years (SAR 1,000)**



**The following chart shows the share's profitability for the last five years (SAR)**



**The following table shows the change in revenues for the last five years (SAR 1,000)**

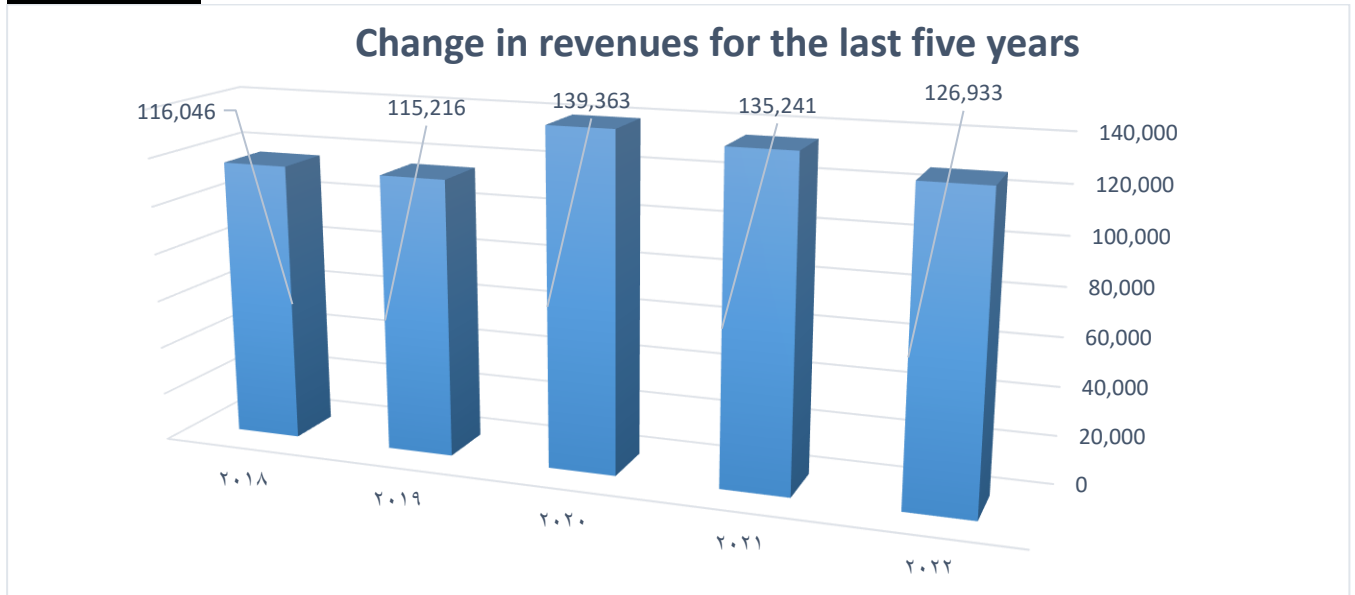
Year	Revenue	change over previous year	Ratio of change over previous year	Status change over previous year
2022	126,933	(8,308)	(6%)	Decrease
2021	135,241	(4,122)	(3%)	Decrease
2020	139,363	24,147	21%	Increase
2019	115,216	(830)	(0.72%)	Decrease
2018	116,046	(6,207)	(5%)	Decrease





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Al-Omran Industries & Trading Co

**The following chart shows the change in revenue for the last five years  
(SAR 1,000)**



**Summary of the financial position of the company during the last five years  
(SAR 1,000)**

Statement	2022	2021	2020	2019	2018
Current assets	<b>153,307</b>	152,246	145,992	112,976	105,755
Non-current assets	<b>36,863</b>	39,592	41,740	44,055	41,259
Total assets	<b>190,170</b>	191,838	187,732	157,031	147,014
Current liabilities	<b>65,534</b>	67,312	72,445	43,579	35,952
Non-current liabilities	<b>9,686</b>	9,220	8,667	6,285	4,838
Total Liabilities	<b>75,220</b>	76,532	81,112	49,864	40,790
Total equity	<b>115,463</b>	115,783	107,029	107,370	106,223
Equity of non-controlling parties	<b>-513</b>	-477	-409	-203	1
Total Liabilities and equity	<b>190,170</b>	191,838	187,732	157,031	147,014

### Chart of assets and liabilities (SAR 1,000)



#### - Investments and reserves of Company Employees:

The company has not made any investments for its employees. The following table shows the reserves that have been recorded for the company's employees as at 31/12/2022: (SAR 1,000)

Statement	2022	2021
<b>End of service benefits Provision</b>	<b>7,741</b>	<b>6,942</b>

The provision for end-of-service benefits has been adjusted in line with the Labor and Workers Regulations of the Kingdom of Saudi Arabia following the application of the International Accounting Standards.

- Total debts:
  - short-term funding.

The company obtained Islamic Shariah-compliant banking facilities from local banks in the form of paper credits that are subject to profitable ratios consistent with prevailing commercial rates and that these facilities are guaranteed by order bonds.

**The following table shows the facilities due from the company at the end of 2022: (SAR)**

SN.	The providing body	The Balance of the beginning of the year	Additional balance during the year	Amounts paid	end-of-year balance
1	Riyad Bank	35,021,066	105,846,261	105,250,768	35,616,559
2	The Saudi Investment Bank	1,049,033	16,187,360	8,811,718	8,424,675
2	Alinma Bank	9,637,177	1,575,119	9,637,178	1,575,118
	Total	45,707,276	123,608,740	123,699,664	45,616,352



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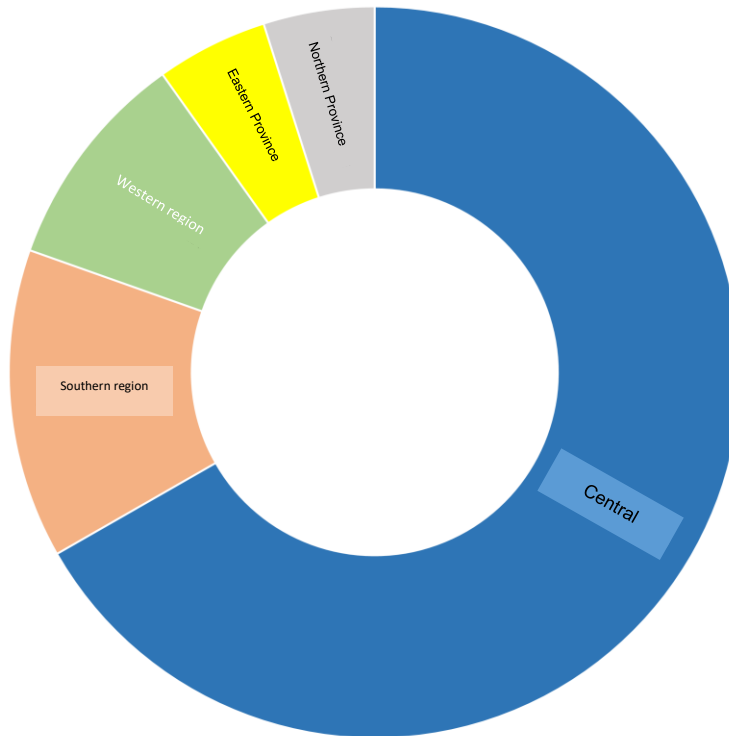
### **Geographical analysis of total company revenue**

**The following table shows income by geographical location for the year 2022: (SAR 1,000)**

SN.	Area	Revenues	Percentage of total
1	Southern region	17,362	14%
2	Central region	84,709	66%
3	Northern region	6,242	5%
4	Eastern province	6,275	5%
5	Western region	12,345	10%
	<b>Total</b>	<b>126,933</b>	

### **- Geographical Analysis Of Total Company Revenue**

#### **Geographical Analysis Of Total Company Revenue**



## **2. Company activities and strategy:**

### **Company activity**

The company's activities include the production of household appliances, electronics, metal, plastic, paper and cardboard industries, supplementary and complementary works for them, the import, export, wholesale and retail trade in household and electronic appliances, plastic, paper and cardboard products, and spare parts, and the purchase of land for building construction, investment for the company, and the administration and operation of real estate for the company.

### **Company factories:**

The company has a number of factories through which it produces its industrial products and can be summarized as follows:

#### **1- Al-Omran Metal Kitchen Factory:**

This factory produces all kinds of store-specific shelves of a variety of modern designs and measurements according to customers' needs under the Registered Trademark (Architecture) as well as storage systems, refrigerator and display freezers. The company handles major companies in storage systems and is a leader in the storage, refrigerator and market processing systems.

#### **2- Air conditioner factory:**

The factory produces desert air conditioners of all sizes and sizes in modern designs and different cards. These air conditioners are manufactured under the registered trademarks names (El-Reif-Unix-Max Cool). The factory also produces all types of water coolers in sizes and sizes from 70 to 1,000 liters, with different trademarks such as El-Reif, Unix and Max Cool.

### **Commercial Department:**

The company has a number of special exhibitions to showcase and sell their products, as well as authorized distributors throughout the kingdom. The company also has a large maintenance team to perform the after-sales service to the fullest extent, and the maintenance team arrives at the customer wherever they are located and at the right time.

The company is one of the specialized companies in Saudi Arabia in the field of air conditioning, refrigeration, household appliances (Asplit air conditioners and nets of all sizes and scales), ovens, washing machines, refrigerators and monitors of all sizes and sizes under registered trademarks (Unix-Rantic).

### **Company strategies for product development:**

Omran is continually searching for new products with high profitability and growing market demand as it seeks to significantly tap into its position as a leader in various market sectors locally and globally.

The company's risks are low because of the variety of sectors it operates in and the variety of customers that results from the company's products and activities. The company always assigns the best cadres with a high level of professionalism; This will have a positive impact on the company's financial and competitive performance. The company is developing carefully-planned plans to expand all sectors, as it has drawn up plans for all factories to increase production capacity and meet market demands.

### **Strengths and competitive advantages**

In its work, the company relies on the development of certain competitive advantages which it seeks to use intensively to improve its financial situation. These advantages are in line with the set of goals and principles set by the management to strengthen the company's activities:

- 1- Strong brands.
- 2- Presence of experienced and competent labor.
- 3- liquidity requirement.
- 4- wide area network.
- 5- Variety of company activities.

### **3. Affiliates:**

Below you will find the name, capital, ownership ratio, main activity, center of operations, and country of incorporation of each subsidiary/associates:

Company name	Capital	Ratio ownership	Main activity	company operations lead store	State of incorporation
AL-Omran Plastic Industries Co	100,000 SAR	%70	Plastic Products	Saudi Arabia	Saudi Arabia

#### **4. Transactions with a related party: (SAR)**

the owner of the relationship	Relationship type	Term	Contract term	type of Transaction	Transaction size
Abaad Real Estate Investment Company	Affiliated company	interactions during the year	In contracting with the parties concerned, the company follows the same conditions as it does with others	Funding from Abaad	(1.250.000)
				Expenses by proxy	111,784
				Rents	(1.090.050)

All such transactions are presented to the regular General Assembly on an annual basis, and do not include any loans or balances payable after more than one financial year, all of which are considered current balances.

#### **5. Risks:**

The most significant operational and funding risks facing the company are:

##### **1- Raw materials:**

The raw materials represent a large percentage of the cost components of the company's products. Consequently, the company may be exposed to the risks of fluctuations and fluctuations in the prices of the main raw materials. To reduce these risks, the company strives to reduce their effects by closely monitoring and following the fluctuations of iron prices in local and international markets.

##### **2- Currency Risk**

The risks stemming from the change in the value of financial instruments as a result of the fluctuations in the exchange rates of foreign currencies are that the company's transactions are mostly in Saudi Riyals and the US dollar. Since the



Saudi Riyal is effectively linked to the US dollar, the exchange risks are also effectively managed.

### **3- Credit Risk**

The risk is that one party will not be able to meet its obligations, resulting in a financial loss to the other.

Cash was deposited with national and multinational banks with good credit ratings showing credit risk on debtor of the original amount after deducting the doubtful debt stock.

### **4- Liquidity Risk:**

the company's risk of having difficulty obtaining funds to meet obligations related to financial instruments.

Liquidity risks may result from the inability to sell assets quickly and at near-fair value.

The company's management monitors liquidity requirements on an orderly basis and ensures sufficient funds are available to meet any future obligations.

## **6. Statutory payments**

Statement and summary description of the value of regular payments due:

- Zakat: The company is regulated by the General Authority for Zakat and Income in Saudi Arabia.
- Taxes: The company is subject to the value-added tax (VAT) regulations that have been in place in Saudi Arabia since the beginning of 2018.
- Social insurance: The company is subject to the social insurance system and social insurance fees are recorded according to the accrual basis. Social insurance is paid monthly on the basis of the previous month's benefit.

- Labor office fee: It's the costs of getting a work permit and changing jobs.

**The main statutory payments are as follows: (SAR)**

Statement	2022	
	Paid	Due
Zakat and Income Authority	<b>1,451,784</b>	<b>4,199,159</b>
General Social Insurance Institution	<b>1,495,137</b>	<b>99,597</b>
Labor office fee	<b>321,925</b>	<b>0</b>
VAT	<b>14,526,891</b>	<b>543,560</b>

**7. Dividend Policy:**

The distribution and amount of profits shall be based on the net realized profits and cash flows of the company in accordance with the distribution policy set out in the Company's Regulations in Articles 45 to 47. The annual net profits of the company shall be distributed as follows:

1. A net profit shall be set aside (10%) for the formation of the firm's statutory reserve. The ordinary General Assembly may decide to discontinue such a set-off when the said reserve reaches (30%) of the paid capital.
2. The ordinary General Assembly may, on the proposal of the Board of Directors, avoid (5%) the net profit to form an agreement reserve to be allocated for a particular purpose.
3. The ordinary General Assembly may decide to establish other reserves, to the extent that it is in the interest of the company or to ensure that fixed profits are distributed as far as possible to the shareholders. The said Assembly may also deduct from the net profits sums for the establishment of social enterprises for the company's employees or to aid existing ones.

4. The remainder shall then be distributed to shareholders with a minimum of 5% of the paid capital of the company.
  5. Subject to the provisions stipulated in Article (20) of the said law and Article (76) of the Companies Law, 10% of the remainder shall be allocated to reward the board of directors, provided that the entitlement to such reward shall be in accordance with the regulations issued in this regard.
- The shareholder shall be entitled to its share of the dividend in accordance with the relevant General Assembly resolution. The decision shall state the due date and the date of distribution. The dividend shall be payable to the shareholders registered in the shareholders' registers at the end of the day specified for the benefit.

## **Second: Board of Directors and Subcommittees:**

### **1- Company's Governance:**

The Company has developed written policies and, in order to ensure adherence to good governance rules and practices, the following have been adopted:

Article/paragraph	Article/paragraph Context	Statement
60/B	Work List of the Awards and Nominations Committee	The regulation of the Rewards and Nominations Committee was adopted in the minutes of the ordinary General Assembly meeting on 11/06/2020
22/3	Policies, standards and procedures for membership in the Board of Directors and executive management and their rewards.	The policies, criteria and procedures for membership in the Board of Directors were adopted in the minutes of the ordinary General Assembly meeting on 11/6/2020. The regulation was amended and will be presented to the next General Assembly
73	Adoption of the Regulation on Internal Oversight	Approved by the Board

The Company applies all the provisions of the Corporate Governance Regulation issued by the Financial Market Authority except the following:

Article/paragraph	Article/paragraph Context	Reasons for not applying
95	Formation of corporate governance committee	Guidance article
71	Members of the Risk Committee	Guidance article
83	A policy of professional conduct and ethical values	Guidance article
85	Incentive scheme	Guidance article
87	Social responsibility plan	Guidance article
88	Social action initiative plan	Guidance article

## **2- Board of Directors**

The Company is managed by a board of directors composed of five members, who are elected by the ordinary general assembly of shareholders for a term not exceeding three (3) years.

SN.	Name	Position
1	Mohammed Omran Al-Omran	Chairman
2	Nasir Muhammad Omran	Vice Chairman
3	Abd El-Rahman Mohammed Omran	Managing director
4	Abdullah Abd El-Aziz Al-Ghadir	Member
5	Fahad Saad Abd Allah Al-Huweimil	Member

### **3- Composition of the Board and classification of its members:**

SN.	Member Name	Membership classification		
		Executive	Non-Executive	Independent
1	Mohammed Omran Al-Omran		√	
2	Nasir Muhammad Omran		√	
3	Abd El-Rahman Mohammed Omran	√		
4	Abdullah Abd El-Aziz Al-Ghadir			√
5	Fahad Saad Abd Allah Al-Huweimil			√

### **EXPERIENCE**

SN.	Name	EXPERIENCE
1	Mohammed Omran Al-Omran	48 years of experience in administration, industry and production, as well as membership of the boards of a number of companies
2	Nasir Muhammad Omran	32 years of experience in administration, industry and production, as well as membership of the boards of a number of companies
3	Abd El-Rahman Mohammed Omran	29 years of experience in administration, industry and production, as well as being on the boards of a number of companies
4	Abdullah Abd El-Aziz Al-Ghadir	24 years of financial experience at Al-Yamamah Cement Company
5	Fahad Saad Abd Allah Al-Huweimil	22 years of experience in auditing, as well as finance affairs at the specialist hospital in Riyadh

**4- The participation of board members in the membership of the boards of directors of other companies or their management according to the following table:**

SN.	Name	Current Position	Previous Position	Qualifications
1	Mohammed Omran Al-Omran	Chairman of the Board of Directors of Al-Omran Industries & Trading Co	Chairman of the Board of Directors of Al-Omran Industries & Trading Co	Completion of general education in the Kingdom
2	Nasir Muhammad Omran	Vice -Chairman of the Board of Directors of Al-Omran Industries & Trading Co	Vice -Chairman of the Board of Directors of Al-Omran Industries & Trading Co	Completion of general education in the Kingdom
3	Abd El-Rahman Mohammed Omran	Managing director	Managing director	Accounting diploma
4	Abdullah Abd El-Aziz Al-Ghadir	Member of the board of Directors of Al-Omran Industries & Trading Co	Head of accounts at Al Yamama cement Company	Bachelor of accounting King Saud University
5	Fahad Saad Abd Allah Al-Huweimil	Member of the board of Directors of Al-Omran Industries & Trading Co	A Financial Manager at the specialist hospital in Riyadh	Bachelor of Accounting, University of Toronto Toronto, Canada

**5- The names of companies inside or outside the Kingdom of Saudi Arabia of which a member of the Board of Directors is a member of the current and previous Boards of Directors.**

Member Name	Names of companies for which a member of the board of directors is a member of their previous boards or directors.	Inside KSA / Outside KSA	Legal entity (Listed Joint Stock/ unlisted Joint Stock/ limited liability)	Names of companies for which a member of the board of directors is a member of their previous boards or directors.	Inside KSA / Outside KSA	Legal entity (contribution included/contribution not included/limited liability)
Mohammed Omran Al-Omran	Al-Omran Industries & Trading Co	Inside KSA	listed Joint Stock Company	-	-	-
	Abaad Real Estate Investment Company	Inside KSA	un-listed Joint Stock Company			
	Upcon Cable / Czech Republic	Outside KSA	un-listed Joint Stock Company			
Nasir Muhammad Omran	Al-Omran Industries & Trading Co	Inside KSA	listed Joint Stock Company	-	-	-
	Abaad Real Estate Investment Company	Inside KSA	un-listed Joint Stock Company			
	Upcon Cable / Czech Republic	Outside KSA	un-listed Joint Stock Company			
Abd El-Rahman Mohammed Omran	Al-Omran Industries & Trading Co	Inside KSA	listed Joint Stock Company	-	-	-
	Abaad Real Estate Investment Company	Inside KSA	un-listed Joint Stock Company			
	Upcon Cable / Czech Republic	Outside KSA	un-listed Joint Stock Company			
Abdullah Abd El-Aziz Al-Ghadir	Al-Omran Industries & Trading Co	Inside KSA	listed Joint Stock Company	-	-	-
Fahad Saad Abd Allah Al-Huweimil	Al-Omran Industries & Trading Co	Inside KSA	listed Joint Stock Company	-	-	-

## **6- Committees' tasks, members and attendance record:**

The formation of the Board of Directors committees and its committees for the session of the Board that starts from 09-18-2022 to 17/09/2025 was approved by the decision of the Extraordinary General Assembly on 07/09/2022. Accordingly the committees, namely the Audit Committee and the Nominations and Remunerations Committee and the Executive Committee were formed by a decision from the Board of Directors.

### **Audit Committee:**

Names, current and previous positions, and qualifications of the audit committee members.

SN.	Name	Position	Current Position	previous Position	Qualifications
1	Fahad Saad Abd Allah Al-Huweimil	chairman of the committee	Member of the board of Directors of Al-Omran Industries & Trading Co	Director of Payroll Department at King Faisal Specialist Hospital in Riyadh	Bachelor of Accounting, University of Toronto, Canada
2	Yousef Mohammed Al-Omran	Member	Auditor of KPMG Al-Fawzan Associates Accountants and auditors	Auditor of KPMG Al-Fawzan & co. accountants and auditors N.	BA in Accounting, King Saud University, and MA in Economics at old dominion university
3	Saleh Abdullah Almuneer	Member	Senior accountant in KFSRC Hospital	Public Accountant in Almashraq Contracting Co.	Bachelor in Commerce from South Newhamppshire University and MBA from William Paterson Univerisity

### **Functions and responsibilities of the Audit Committee:**

- Supervise the internal control department to verify its effectiveness in the implementation of the work and tasks set for it by the board of directors.
- Study the internal control system and prepare a written report on its opinion and recommendations thereon.



- Study internal audit reports and follow up on the implementation of corrective actions for the observations contained therein.
- Recommend to the board of directors the appointment of Chartered Accountants – after confirming their independence-and dismiss them and determine their fees.
- Follow up on the work of the Certified Public Accountants and approve any work outside the scope of the audit work assigned to them while carrying out the audit work.
- Study the audit plan with the chartered accountant and make the committee's comments on it.
- Study the notes of the chartered accountant on the financial statements and follow up on what has been done in this regard.
- Study the initial and annual financial statements before presenting them to the board of directors and give an opinion and recommendation thereon.
- Study the accounting policies followed and give an opinion and recommendation to the board of directors.

**The results of the annual review of the effectiveness of the Company's internal control procedures in addition to the audit committee's opinion on the adequacy of the Company's internal control system.**

During the financial year 2022, the Company appointed Saad Abdulrahman Almotreb Chartered Accountant to carry out the audit activities for the year 2022.

The independent auditor has conducted its activities under the internal control procedures set by the Audit Committee and the BoDs, and found no material impact during the then ended year.

During the financial year ended 31/12/2022, the committee held four meetings as shown in the following table:

Member Name	Position	First meeting 26/03/2022	Second meeting 18/05/2022	Third meeting 17/08/2022	Forth meeting 02/11/2022
Fahad Saad Abd Allah Al-Huweimil	Chairman	√	√	√	√
Yousef Mohammed Al-Omran	Member	√	√	√	√
Sami Mohammed Al Shiha	Member	√	X	X	<b>He was not a member at that time</b>
Saleh Abdullah Almuneer	Member	<b>He was not a member at that time</b>			√

### **Nomination and Remuneration Committee:**

The nomination and Remuneration Committee shall review the structure of the board of directors and the effectiveness and performance of its members, make recommendations regarding changes that can be made, identify weaknesses and strengths, ensure the independence and absence of conflicts of interest for the member, recommend the nomination of the member according to the Required Needs, and review the remuneration and compensation of the committees of the board, the managing director and senior management.

During 2022, the N&R Committee held two (2) meetings as follows:

Member Name	Position	First meeting 19/09/2022	Second meeting 2022/11/07
Fahad Saad Abd Allah Al-Huweimil	Chairman	√	√
Mohammed Omran Al-Omran	Member	√	√
Nasir Muhammad Omran	Member	√	√

The Charter and remuneration of N&R Committee members was adopted on 11/06/2020.

### **Executive Committee:**

Names, current and previous jobs and qualifications of the Executive Committee are shown below:

Name	Position	Past position	Qualification
Abdul Rahman Muhammad bin Omran	Managing Director	MD	Bachelor in Commerce
Imran Mohammed Al-Omran	MD Deputy	Director in Al-Omran Industry and Trading	BA Bachelor
Saber Mohamed Hegazy	CFO	CFO in Falcon Industries	Bachelor in commerce, major: accounting in 1979 from Tanta University, Egypt
Adeeb Mahmoud poured milk	Director of Operations Department	Director of Production and Engineering Processes from Abedon Industries Co. Jordan	Bachelor in HVAC
Muhammad Al-Mamoon Muhammad Abdullah	Director of External Procurements	Sales Director of the Southern Region, Al Jazeera Home Appliances Company	Bachelor of BA from Alnelain University

During 2022, the Executive Committee held Four (4) meetings as follows:

Member Name	Title	First Meting 28/10/2022	Second Meting 06/11/2022	Third Meting 18/12/2022	Fourth Meting 29/12/2022
Abdul Rahman Muhammad bin Omran	Chairman	√	√	√	√
Imran Mohammed Al-Omran	Member	√	√	√	√
Saber Mohamed Hegazy	Member	√	√	√	√
Adeeb Mahmoud poured milk	Member	√	√	√	√
Muhammad Al-Mamoon Muhammad Abdullah	Member	√	√	√	√

**7- Remunerations and Bonus paid to members of the Board of Directors and Senior Executives:**

Name	Title	Attendance allowance	Bonus	Total
Abdul Rahman Muhammad bin Omran	Chairman	14,000		14,000
Imran Mohammed Al-Omran	Chairman Deputy	14,000		14,000
Saber Mohamed Hegazy	MD	14,000		14,000
Adeeb Mahmoud poured milk	Member	14,000	40,000	54,000
Muhammad Al-Mamoon Muhammad Abdullah	Member	14,000	40,000	54,000
<b>Total</b>		<b>70,000</b>	<b>80,000</b>	<b>150,000</b>

The remuneration was approved according to the board of directors ' remuneration policies approved by the General Assembly on 11/06/2020.

### **Senior Executives Bonuses (SAR):**

The following is a breakdown of the bonuses paid to three senior executives who received the highest bonuses, including the managing director and CFO during the fiscal year 2022.

Statement	Fixed rewards			Variable rewards		End-of-service benefit	Total Executive Remuneration for the Board	Total
	Salaries	Allowances	Total	Short-term incentive plans	Long-term incentive plans			
Total	1,110,720	364,800	1,475,520	10,560	231,661	115,700	14,000	1,847,441

Al-Omran Industries & Trading Co has committed to disclose the bonuses granted to senior executives in aggregate in accordance with the statutory requirements contained in sub-paragraph (4/B) of Paragraph (A) of Article No. 93 of the corporate governance regulation, without disclosing them separately, to protect the interests of the Company because of the damage that may be caused to the Company if mentioned in detail is to create a climate of competition and job instability, which reflects on the performance of the Company and therefore on shareholders.

### **Rewards for committee members (SAR):**

SN.	Audit committee members	Fixed rewards	Meeting attendance allowance	Total
1	Fahad Saad Abd Allah Al-Huweimil	15,000	6,000	21,000
2	Yousef Mohammed Al-Omran	15,000	6,000	21,000
3	Sami Mohammed Al Shiha	3,750	1,500	5,250
4	Saleh Abdullah Almuneer	3,750	1,500	5,250
	Total	37,500	15,000	52,500

SN.	Nominations and rewards committee members	Fixed rewards	Meeting attendance allowance	Total
1	Fahad Saad Abd Allah Al-Huweimil	15,000	3,000	18,000
2	Mohammed Omran Al-Omran	15,000	3,000	18,000
3	Nasir Muhammad Omran	15,000	3,000	18,000
	Total	45,000	9,000	54,000

### Interests of board members and senior executives:

During 2022, there are some interests in shares belonging to some members of the board of directors and senior executives, as follows:

SN.	Name	End of year		Beginning of insertion		Net Change	Ratio Change
		Number of shares	Debt instruments	Number of shares	Debt instruments		
1	Mohammed Omran Al-Omran	2,400,000	-	1,133,942	-	-	(53%)
2	Nasir Muhammad Omran	240,000	-	240,000	-	-	0%
3	Abd El-Rahman Mohammed Omran	242,937	-	242,937	-	-	0%

### Board meetings and attendance record for each meeting:

SN.	Name	Attendance record - number of meetings (seven)						
		First meeting	Second meeting	Third meeting	Fourth meeting	Fifth meeting	Sixth meeting	Seventh meeting
		24/01/2022	24/03/2022	10/05/2022	19/05/2022	20/08/2022	07/09/2022	08/10/2022
1	Mohammed Omran Al-Omran	√	√	√	√	√	√	√
2	Nasir Muhammad Omran	√	√	√	√	√	√	√
3	Abd El-Rahman Mohammed Omran	√	√	√	√	√	√	√
4	Abdullah Abd El-Aziz Al-Ghadir	√	√	√	√	√	√	√
5	Fahad Saad Abd Allah Al-Huweimil	√	√	√	√	√	√	√

**8- Dates of the General Assemblies of Shareholders held during 2022, and names of present members:**

SN.	Name	Attendance register
		Second Extraordinary General Assembly Second on 07/09/2022
1	Mohammed Omran Al-Omran	√
2	Nasir Muhammad Omran	√
3	Abd El-Rahman Mohammed Omran	√
4	Abdullah Abd El-Aziz Al-Ghadir	√
5	Fahad Saad Abd Allah Al-Huweimil	√

SN.	Name	Attendance register
		Second Ordinary General Assembly Second on 19/06/2022
1	Mohammed Omran Al-Omran	√
2	Nasir Muhammad Omran	√
3	Abd El-Rahman Mohammed Omran	√
4	Abdullah Abd El-Aziz Al-Ghadir	√
5	Fahad Saad Abd Allah Al-Huweimil	√

## 9- Company requests for shareholder record:

Company's Request for Shareholders' Register	Request date	Request Reasons
1	2022/06/19	General Assembly
2	2022/06/22	Earnings file
3	2022/06/22	Earnings file
4	2022/06/26	Earnings file
5	2022/09/07	General Assembly
6	2022/12/04	Company procedures



**10- Sanctions and penalties imposed against the Company:**

There are no material penalties, sanctions or other punishments imposed against Al-Omran Industries & Trading Co. by a regulatory, supervisory or judicial authorities for the financial year 2022.

**11- Declarations of the Board of Directors and Company's Management:**

The board of directors and the management of the Company declare that:

- The accounting records are validly prepared;
- The internal control system is prepared on sound and effective basis;
- There is little doubt that the Company is capable of continuing its activity

**12- Conclusion**

In conclusion, the board of directors extends its sincere thanks and appreciation to our wise government for its support and support to the private sector. the board is also pleased to register its thanks to the shareholders of the Company for their support and to the customers of the Company for their trust in the Company and its products, as well as to the employees of the Company for their sincere efforts to develop and improve performance and achieve the Company's goals.

**"May Allah Cause Success"**

**BOARD OF DIRECTORS**