

***Board of director's report***  
***The company's balance sheet***  
***For the fiscal year ending on 31 December 2020***

***Honorable shareholders,***

*Peace, mercy and blessings of Allah be upon you,*

*The Board of Directors is pleased to present to you the annual report of the Saudi Industrial Export Company for the year 2020, which highlights basic information about the company's activity and the most prominent projects it has undertaken. In addition to analyzing the operating and financial results, as well as income statements, cash flow, changes in shareholders' equity, the structure of the company's board of directors, the extent of the company's compliance with the provisions of the corporate governance regulations, and information about the activities of the company and its subsidiaries. In addition to an analytical presentation of the company's consolidated operational results and the current and expected risks it faces, which reviews the most important developments that have occurred in the company's activities and annual financial results, and the challenges faced by companies and current global economic conditions and the current crisis through the spread of the virus (Covid-19). Whereas, the company, praise be to Allah, has taken all necessary measures that would preserve the health and safety of its employees and clients through this pandemic, which affected all sectors in the world.*

*The company has undertaken a restructuring and a future strategic plan to cope with the changing market conditions, focusing on innovation in its high profitable products and businesses, improving performance and concentrating on all targeted sectors, increased expenditures, and distributions. In order to be able to maintain its competitive advantages; the suspension of shipment and export during the outbreak of the Corona virus pandemic had a negative impact on the company's financial results. The management has exploited all possible ways to improve in all cases and advance the company to serve our shareholders, customers and employees; we pray to Allah to crown our efforts with success.*

*In conclusion, we pray to Allah Almighty to reconcile our steps, and help us to continue the company's journey to the fullest.*

***Board of Directors***

**1) The provisions of the Corporate Governance Regulations that have been applied and what are not, and the reasons for that:-**

The company applies all provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the provisions listed below:

Article number in the regulation	Clause	Article/Clause text	Reasons for not applying
39 (Training)	(2)	2) Develop the necessary mechanisms for the members of the Board of Directors and the Executive Management to obtain continuous training programs and courses, with the aim of developing their skills and knowledge in areas related to the company's activities.	The article is indicative and has not been applied
41 (Evaluation)	(A)	a) The Board of Directors, based on the proposal of the Nominations Committee, shall set the necessary mechanisms for annually evaluating the performance of the Board, its members, committees and the Executive Management. This is done through appropriate performance measurement 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 and a proposal to address them in line with the company's interest.	The article is indicative and has not been applied
85 (Motivating Employees)	(2)	2) Programs for granting employees shares in the company or a share of the profits it achieves, retirement programs, and the establishment of an independent fund to spend on those programs.	The article is indicative and has not been applied
85 (Motivating Employees)	(3)	3) Establishment of social institutions for the company's employees.	The article is indicative and has not been applied
87 (Social Responsibility)		The Ordinary General Assembly, based on a proposal from the Board of Directors, sets a policy that ensures a balance - between its goals and the goals that society aspires to achieve, for developing the social and economic conditions of society.	The article is indicative and has not been applied
88 (Social Action Initiatives)		The Board of Directors sets the programs and determines the means necessary to present the company's initiatives in the field of social work.	The article is indicative and has not been applied
95		In the event that the Board of Directors forms a committee specialized in corporate governance, it must delegate to it the competencies stipulated	The article is indicative and has not been applied because there

<i>(Formation of the Corporate Governance Committee)</i>		<i>under Article Ninety Four of these Regulations. This committee must follow up on any issues related to governance applications, and provide the Board of Directors, at least annually, with the reports and recommendations it reaches.</i>	<i>are specialists in corporate governance in the management of the company, and accordingly the company considers it unnecessary to form this committee now.</i>
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**2) Names of the members of the Board of Directors, members of the committees, and the executive management, and their current and previous positions, qualifications and experience:**

**a) Board of Directors**

#	Name	Current title	Previous titles	Qualifications	Experiences
1	Hatem Hamad Al-Suhaibani	General Manager of Honorable Concepts Trading Company	Transport engineer	Bachelor of Mechanical Engineering	12 years of experience in engineering, design and asset management
2	Ahmed Mohammed Al-Arini	Executive Director of the Information Technology Department at the General Investment Authority	Director of Branch Expansion Department at Al Rajhi Bank	Master of Computer Science	13 years of experience in management, business analysis and technical project implementation
3	Abdullah Abdul-Aziz Al-Mishaal	General Manager of Hazoon Catering Services Company	Businessman	Bachelor of Sharia	16 years of experience in the field of commerce and business
4	Salman Muhammed Al Suhaibani	CEO of Labas Health Insurance Claims Settlement Company	Head of Compliance, Anti-Money Laundering and Suspicious Activities Reporting Saudi Arabia Lazard Company	Master of Business Administration	12 years of experience in the field of corporate governance, control and management
5	Khaled Abdullah Al-Dhubaib	Director General of the General Department for Initiatives at the Ministry of Communications and Information Technology	Project Manager for Digital Transformation and Change at Al Rajhi Bank	Master of Business Administration	12 years of experience in strategic management, project management and business development.

6	<i>Hussam Yahya Al-Ghrimail</i>	<i>Executive Director</i>	<i>Information and Communication Technology Consultant</i>	<i>Master of Business Administration</i>	<i>14 years of experience in the field of information technology, communications and management.</i>
7	<i>Ali Saleh Al Humaidan</i>	<i>Executive Director of the Arab Trade Identity Company</i>	<i>Co-founder of a professional marketing company</i>	<i>Master of Business Administration</i>	<i>12 years of experience in management, project management and business development.</i>
8	<i>**Hazem Fahd Al-Dosari</i>	<i>Resigned from the board of directors of the Saudi Industrial Export Company</i>	<i>Adviser at the Public Investment Fund</i>	<i>Master of Business Administration</i>	<i>18 years of experience in management.</i>

*\*\* Mr. Hazem Fahd Al-Dosari submitted his resignation from the Board of Directors on 28.12.2020; The Board of Directors approved the resignation of the member on 29.12.2020.*

b) Committee members

#	Name	Current title	Previous titles	Qualifications	Experiences
1	Hatem Hamad Al-Suhaibani	General Manager of Honorable Concepts Trading Company	Transport engineer	Bachelor of Mechanical Engineering	12 years of experience in engineering, design and asset management
2	Ahmed Mohammed Al-Arini	Executive Director of the Information Technology Department at the General Investment Authority	Director of Branch Expansion Department at Al Rajhi Bank	Master of Computer Science	13 years of experience in management, business analysis and technical project implementation
3	Abdullah Abdul-Aziz Al-Mishaal	General Manager of Hazoon Catering Services Company	Businessman	Bachelor of Sharia	16 years of experience in the field of commerce and business
4	Salman Muhammed Al Suhaibani	CEO of Labas Health Insurance Claims Settlement Company	Head of Compliance, Anti-Money Laundering and Suspicious Activities Reporting Saudi Arabia Lazard Company	Master of Business Administration	12 years of experience in the field of corporate governance, control and management
5	Khaled Abdullah Al-Dhubaib	Director General of the General Department for Initiatives at the Ministry of Communications and Information Technology	Project Manager for Digital Transformation and Change at Al Rajhi Bank	Master of Business Administration	12 years of experience in strategic management, project management and business development.
6	Hussam Yahya Al-Ghrimail	Executive Director	Information and Communication Technology Consultant	Master of Business Administration	14 years of experience in the field of information technology, communications and management.
7	Ali Saleh Al Humaidan	Executive Director of the Arab Trade Identity Company	Co-founder of a professional marketing company	Master of Business Administration	13 years of experience in management, project management and business development.

8	<i>Suleiman Hamad Al-Jedaie</i>	<i>CEO of the Saudi Industrial Export Company.</i>	<i>Logistical consultant</i>	<i>PhD in Industrial Engineering (specializing in Logistics)</i>	<i>More than 10 years of international experience in supply chain management, logistics and operations management</i>
9	<i>Mohammed Azzam Al Shuwaier</i>	<i>CEO of Mining House Company</i>	<i>Senior Audit Manager, Saudi Telecom Channels Company</i>	<i>Bachelor of Information Systems</i>	<i>Director of Group Policies Department at Saudi Civil Aviation Holding Company Director of Operational Excellence Department at National Gas and Industrialization Company and consultant at Al-Elm Company for Information Security Consultant at Accenture International Company</i>

c) *Executive Management*

<b>#</b>	<b>Name</b>	<b>Current title</b>	<b>Previous titles</b>	<b>Qualifications</b>	<b>Experiences</b>
1	<i>Suleiman Hamad Al-Jedaie</i>	<i>CEO of the Saudi Industrial Export Company.</i>	<i>Logistical consultant</i>	<i>PhD in Industrial Engineering (specializing in Logistics)</i>	<i>More than 10 years of international experience in supply chain management, logistics and operations management</i>
2	<i>Zaid Ahmed Al-Harbi</i>	<i>Chief Financial Officer</i>	<i>Senior Manager Receivables and Reforms</i>	<i>Master's in Information Security Systems Management</i>	<i>8 years of experience in financial management</i>

**3) 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.**

<i>Member's name</i>	<i>Names of the companies in which a member of the board of directors is a member of their current boards of directors, or one of their managers</i>	<i>Inside / Outside KSA</i>	<i>Legal Entity (listed/unlisted/limited liability/etc.)</i>	<i>Names of companies in which a member of the board of directors is a member of their previous boards of directors or one of their managers</i>	<i>Inside / Outside KSA</i>	<i>Legal Entity (listed/unlisted/limited liability/etc.)</i>
<i>Hatem Hamad Al-Suhaibani</i>	<i>Ayan Investment Company</i>	<i>Inside</i>	<i>Listed joint stock company</i>			
<i>Ahmed Mohammed Al-Arini</i>				-	-	-
<i>Abdullah Abdul-Aziz Al-Mishaal</i>				-	-	-
<i>Salman Muhammed Al Suhaibani</i>	<i>Aldrees Petroleum and Transport Services Company</i>	<i>Inside</i>	<i>Listed joint stock company</i>	-	-	-
<i>Khaled Abdullah Al-Dhubaib</i>	-	-	-	-	-	-
<i>Hussam Yahya Al-Ghrimail</i>	<i>Bethel Riyadh Co. Ltd.</i>	<i>Inside</i>	<i>Limited liability</i>	-	-	-
<i>Ali Saleh Al Humaidan</i>	-	-	-	-	-	-

**4) The composition of the board of directors and the classification of its members as follows: an executive board member - a non-executive board member - an independent board member.**

<i>Members' name</i>	<i>Membership classification (executive - non-executive – independent)</i>
<i>Eng. Hatem Hamad Al-Suhaibani</i>	<i>Independent</i>
<i>Mr. Ahmed Mohammed Al-Arini</i>	<i>Independent</i>
<i>Mr. Abdullah Abdul-Aziz Al-Mishaal</i>	<i>Non-Executive</i>
<i>Mr. Salman Muhammed Al Suhaibani</i>	<i>Independent</i>
<i>Mr. Khaled Abdullah Al-Dhubaib</i>	<i>Independent</i>
<i>Eng. Hussam Yahya Al-Ghrimail</i>	<i>Non-Executive</i>
<i>Mr. Ali Saleh Al Humaidan</i>	<i>Independent</i>
<b><i>Vacant</i></b>	<b><i>Vacant</i></b>

**5) Actions taken by the Board of Directors to inform its members - especially non-executives - of the shareholders' proposals and comments regarding the company and its performance.**

The proposals and comments of the company's shareholders, if any, are presented in the meeting of the Board and Board committees after the Board members are notified by phone or by e-mail.

**6) A brief description of the committees' terms of reference and tasks, such as: the Audit Committee, the Nomination Committee and the Remuneration Committee, indicating the names of the committees, their chairmen and members, the number of their meetings, the dates of their meetings, and the attendance data of members for each meeting**

**1. Audit Committee**

It is chaired by Mr. Salman Mohammed Al-Suhaibani - a member of the Board of Directors, the membership of Mr. Ahmed Mohammed Al-Arini - a member of the Board of Directors, and the membership of Mr. Mohammed Azzam Al Shuwaier - a member of the committee from outside the board. The Committee is responsible for assisting the Board in fulfilling its responsibilities entrusted to it, and in particular to assisting in verifying the adequacy of the internal control system and its effective implementation; In addition to submitting any recommendations to the Board of Directors that would activate and develop the system to achieve the objectives of the company and protect the interests of shareholders and investors with high efficiency and reasonable cost. From this concept, the tasks of the committee do not include carrying out any executive tasks or taking any decisions. Rather, its tasks are limited to presenting recommendations to the Board of Directors to take what it deems appropriate in this regard. The committee held (6) meetings during the fiscal year 2020, according to the following details:

Members' name	Members' capacity	1 <sup>st</sup> meeting 24.03.2020	2 <sup>nd</sup> meeting 22.04.2020	3 <sup>rd</sup> meeting 15.06.2020	4 <sup>th</sup> meeting 24.08.2020	5 <sup>th</sup> meeting 10.11.2020	6 <sup>th</sup> meeting 15.11.2020	Number of meetings attended by the member
Mr. Salman Mohammed Al-Suhaibani	Committee Chairman	✓	✓	✓	✓	✓	✓	6
Mr. Ahmed Mohammed Al-Arini	Member	✓	✓	✓	✓	✓	×	5
Mr. Mohammed Azzam Al Shuwaier	Member	✓	✓	✓	✓	×	✓	5

✓ Attending in person

× Absence



\* Duties and scope of work of the Audit Committee:

*The Audit Committee is responsible for monitoring the company's business and verifying the integrity of its reports, financial statements and internal control systems. The committee's tasks include in particular the following:*

- i. Request documents, reports, clarifications and other appropriate information from the company's executive managers and officials.*
- ii. Inviting the company's executive directors, officials and employees to the committee's meetings to ask them and request clarifications and explanations from them.*
- iii. The use of experts, consultants and specialists from outside the company.*
- iv. Perform any duties assigned to them by the Board of Directors within the powers of the Audit Committee*
- v. Carrying out the annual review and evaluation of its bylaws and preparing recommendations to the Board of Directors regarding the amendment of part of it (if required.)*
- vi. Preparing reports on a periodic basis to the Board of Directors, provided that they are submitted to the Board upon the completion of the committee meeting.*
- vii. Dealing with the information available to the committee because of carrying out its work in strict confidence.*
- viii. Inform the Board of Directors of developments that affect its independence or conflict of interests related to the decisions taken by the Audit Committee in preparing an annual evaluation and review of the activities of the Audit Committee and its members, including the degree of compliance of the Committee with its regulations.*

Financial reports

- i. Study the company's initial and annual financial statements and its announcements related to its financial performance before presenting them to the Board of Directors, to ensure their integrity, fairness and transparency, and express their opinion.*
- ii. Expressing a technical opinion at the request of the Board of Directors whether the Board's report 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 or position, its performance, business model and strategy.*
- iii. Study any important or unfamiliar issues included in the financial reports.*
- iv. Thoroughly researching any issues raised by the company's financial manager, or whoever assumes his duties, the company's compliance officer, or the auditor.*
- v. Verification of accounting estimates in the material issues contained in the financial reports.*
- vi. Studying the accounting policies followed in the company and expressing an opinion and recommendation to the Board of Directors in this regard.*

Internal Audit

- i. Studying and reviewing the company's internal and financial control and risk management systems, and preparing a written report that includes its recommendations and opinion on the adequacy of these systems and the work they performed that fall within the scope of their competence. Provided that the board of directors deposits a sufficient copy of this report at the*

- company's head office at least ten days before the date of the general assembly, to provide the shareholders with a copy of it, and the report is read during the assembly.
- ii. Studying the internal audit reports and following up the implementation of corrective actions for the observations contained therein.
  - iii. Monitor and supervise the performance and activities of the internal auditor and the internal audit department in the company, if any, to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to them. If the company does not have an internal auditor, the committee must submit its recommendation to the Board regarding the need for his appointment.

#### Auditing

- i. Recommending the Board of Directors to appoint and dismiss auditors, determine their fees, and evaluate their performance, after ensuring their independence and reviewing the scope of their work and the terms of their contract.
- ii. Verifying the independence and objectivity of the auditor, and the effectiveness of audit work, taking into account the relevant rules and standards.
- iii. Review the company's auditor's plan and work, and verify that he has not submitted technical or administrative works that are outside the scope of audit work, and provide its views in this regard.
- iv. Answering corporate auditor inquiries.
- v. Studying the auditor's reports and his notes on the financial statements and following up on what was taken in their regard.

#### Commitment Guarantee

- i. Reviewing the results of the reports of the regulatory authorities and verifying that the company has taken the necessary measures in this regard.
- ii. Verify the company's compliance with relevant laws, regulations, policies and instructions.
- iii. Reviewing the contracts and transactions proposed to be conducted by the company with related parties, and submitting what it deems appropriate to the Board of Directors.
- iv. Submit any issues it deems necessary to take action on to the Board of Directors, and make recommendations on the steps to be taken.

## 2. Nomination and Remuneration Committee

Chaired by Mr. Ahmed Mohammed Al-Arini - Vice Chairman of the Board of Directors, the membership of Mr. Abdullah Abdul-Aziz Al-Mishaal - Member of the Board of Directors, and the membership of Mr. Ali Saleh Al Humaidan - Member of the Board of Directors. The Committee held two meetings during the fiscal year 2020 according to the following details:

Members' name	Members' capacity	4 <sup>th</sup> meeting 13.07.2020	5 <sup>th</sup> meeting 21.09.2020	Number of meetings
Mr. Ahmed Mohammed Al-Arini	Committee Chairman	✓	✓	2
Mr. Abdullah Abdul-Aziz Al-Mishaal	Member	✓	✓	2
Mr. Ali Saleh Al Humaidan	Member	✓	✓	2

✓ Attending in person

× Absence

### \* Duties and duties of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee is responsible for the following:

- i. Preparing a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the Executive Management, and submitting it to the Board of Directors for consideration in preparation for its approval by the General Assembly. Provided that, in this policy, consideration should be given to following performance-related standards, disclosing them, and verifying their implementation.
- ii. Clarify the relationship between the remuneration granted and the applicable remuneration policy, and indicate any material deviation from this policy.
- iii. Periodically reviewing the remuneration policy, and evaluating its effectiveness in achieving its objectives.
- iv. Recommend to the Board of Directors the remuneration of the members of the Board of Directors and its committees and senior executives of the company in accordance with the approved policy, review the work contract and position of the CEO or the general manager, and plans for the annual financial remuneration for employees in the affiliated companies, and in accordance with the approved policy of those companies, and raise the recommendation to the Board of Directors.
- v. Propose clear policies and criteria for membership in the Board of Directors and the Executive Management.
- vi. Recommending the Board of Directors to nominate and re-nominate members in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a crime against honor and honesty.
- vii. Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and occupying executive management positions.
- viii. Determining the time that the member should allocate for the work of the Board of Directors.
- ix. Annual review of the necessary needs of appropriate skills for membership of the Board of Directors and executive management functions.

- x. Review the structure of the Board of Directors and the Executive Management and make recommendations regarding changes that can be made.
- xi. Ensure on an annual basis the independence of the independent members and the absence of any conflict of interest if the member is a member of the board of directors of another company.
- xii. Develop job descriptions for executive members, non-executive members, independent members, members of the executive management and senior executives.
- xiii. Establishing special procedures in the event of a vacancy in the position of a member of the Board of Directors or senior executives.
- xiv. Identifying weaknesses and strengths in the Board of Directors, and proposing solutions to address them in line with the company's interest.
- xv.

### 3. Executive and Investment Committee

Chaired by Eng. Hatem Hamad Al-Suhaibani - Chairman of the Board of Directors, and the membership of Mr. Salman Muhammed Al Suhaibani- Member of the Board of Directors, Mr. Khaled Abdullah Al-Dhubaib - Member of the Board of Directors, and Mr. Hussam Yahya Al-Ghrimail - Member of the Board of Directors. The committee held (5) meetings during the fiscal year 2020, according to the following details:

Members' name	Members' capacity	5 <sup>th</sup> meeting 28.06.2020	6 <sup>th</sup> meeting 07.09.2020	7 <sup>th</sup> meeting 14.09.2020	8 <sup>th</sup> meeting 21.09.2020	9 <sup>th</sup> meeting 28.09.2020	Number of meetings
Eng. Hatem Hamad Al-Suhaibani	Committee Chairman	✓	✓	✓	✓	✓	5
Mr. Salman Muhammed Al Suhaibani	Member	✓	✓	✓	✓	✓	5
Mr. Khaled Abdullah Al-Dhubaib	Member	✓	✓	✓	✓	✓	5
Mr. Hussam Yahya Al-Ghrimail	Member	✓	✓	✓	✓	✓	5
**Hazem Fahd Al-Dosari	Member	✓	✓	✓	×	✓	4

✓ Attending in person

× Absence

\*\* Mr. Hazem Fahd Al-Dosari submitted his resignation from the Board of Directors on 28.12.2020; The Board of Directors approved the resignation of the member on 29.12.2020.

\* Powers and Responsibilities of the Executive and Investment Committee

- i. *The Investment Executive Committee is responsible for overseeing the executive decision-making process and represents the role of the Supervisory Board in between Board meetings.*
- ii. *The committee discusses and takes decisions related to issues that need to take urgent decisions in emergency events within the limits of the powers granted to it by the board of directors.*
- iii. *Receive reports from management regarding legal issues and lawsuits of material importance to the company.*
- iv. *With regard to the company's strategy and objectives, the committee does the following:*
  - a. *Reviewing the company's strategic planning procedures and processes in cooperation with the CEO.*
  - b. *Ensuring that the company's strategic plans have been translated into actual actions and actions aimed at achieving the company's goals.*
  - c. *Review the CEO's recommendations regarding the distribution of the Company's resources aimed at achieving alignment between the Company's strategic plans and its long-term operational objectives.*
  - d. *Periodic review of the company's strategic plans and operational objectives to ensure their compatibility with the company's mission and objectives.*
  - e. *Reviewing the marketing and sales strategy and recommending the modifications required by it before approving this strategy.*
  - f. *The Committee reviews and prepares recommendations to 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.*
- v. *With regard to the company's financial planning and dividend policy, the Committee does the following:*
  - a. *Preparing and reviewing recommendations to the Board of Directors related to annual and long-term financial goals and strategies, as well as the performance indicators associated with them.*
  - b. *Preparing and reviewing the recommendations submitted to the Board of Directors related to the company's dividend policy and how to implement it.*
  - c. *Periodic review of actual capital expenditures and review them with previously approved budgets. The committee reviews and prepares recommendations to the Board of Directors regarding strategic decisions related to the opportunities facing the company that aim to improve the quality of the products and services provided by the company and rationalize the related costs.*
- vi. *Studying and advising the Board on the proposed mergers and acquisitions, increasing or decreasing the company's capital.*
- vii. *Develop the company's investment policies, procedures, strategies and programs and recommend them to the Board of Directors for approval, including policies and guidelines related to diversifying investments (investment in stocks, bonds, currencies...etc.) and its limits, and prohibited investments.*

- viii. *Preparing a diversification plan for investments in line with the company's needs and the acceptable degree of risk, and recommending it to the Board of Directors for approval.*
- ix. *Recommend to the Board of Directors regarding the approval of an investment and reinvestment of the company's funds. The committee may delegate investment operations to employees in the company and to external investment managers.*
- x. *Studying and advising the Board on proposed mergers and acquisitions and the like.*
- xi. *Reviewing the company's capital plan, studying and making recommendations to the Board on important financial policies and matters related to the company's financing including, dividend distribution policy, and share repurchase program, issuance or exclusion of debt bonds and others.*
- xii. *Monitor the management of the company's funds by reviewing the reports of the management and the investment advisory managers, and discussing them during the committee's meetings.*
- xiii. *Evaluating the investment and portfolio performance of the company by comparing the actual return with the expected returns, and the returns of other companies selected by the committee or the board of directors from time to time. This evaluation will take into account the extent of adherence to investment policies, guidelines and risk levels.*
- xiv. *Reviewing all investment transactions that require the approval of the Board of Directors and recommending them to the Board.*
- xv. *Studying and evaluating potential investments and determining the type of investment most appropriate for the company and recommending it to the Board.*
- xvi. *Reviewing important financial matters of the company, such as matters related to the company's capital, the company's credit rating, cash flows, borrowing activities, and investment deposits, in cooperation with the Audit Committee.*
- xvii. *Carrying out any other matters assigned by the Board of Directors to the Committee.*

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

*During the year 2020, no accreditation method approved by the Board of Directors was applied in evaluating its performance and the performance of its committees and members from any external party.*

**8) Disclosure of the remuneration of the members of the Board of Directors and the Executive Management in accordance with what is stipulated in Article Ninety Three of the Corporate Governance Regulations.**

**A. Remuneration policy for board members and executive management in the company:**

*The remuneration policy for the Board of Directors, its committees and the executive management was prepared for the Board of Directors of the Saudi Industrial Export Company in order to comply with the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (2017-16-8) dated 16/05/1438 corresponding to 13/02/2017, which stipulated that the Nominations and Remunerations Committee shall prepare a clear policy for the remunerations of the members of the Board of Directors, the committees emanating from the Board and the Executive Management, and submit it to the Board of Directors for consideration in preparation for approval by the General Assembly.*

**Policy Objectives**

*This policy aims to:*

- i. Defining clear criteria for the remuneration of the members of the Board of Directors, its committees and senior executives, in light of the requirements of the company's system and the regulations and regulations of the Capital Market Authority.*
- ii. The policy aims to attract individuals with a degree of competence, ability and talent to work on the board of directors and executive committees, by adopting incentive plans and programs for remuneration linked to performance, which contributes to improving the company's performance, achieving the company's performance and achieving the interests of its shareholders.*

**General criteria for Remuneration**

*The Nominations and Remunerations Committee is concerned with recommending to the Board the remunerations of the Board members, members of the committees and senior executives of the company in accordance with the approved criteria as follows:*

- i. The remuneration should be commensurate with the company's activity, strategy, objectives, and the skills necessary to manage it.*
- ii. Consider linking the variable portion of remuneration to long-term performance.*
- iii. The company considers the consistency of the remuneration with its strategy and objectives and with the size, nature and degree of risks it has.*
- iv. The company takes into account the practices of other companies, what is prevalent in the labor market, in determining the remuneration, while avoiding the unjustified rise in remuneration that might result.*
- v. Remuneration are determined based on the job level, the tasks and responsibilities assigned to the incumbent, educational qualifications, practical experience, skills and level of performance.*
- vi. The remuneration shall be reasonably sufficient to attract, motivate and retain suitable qualified and experienced persons.*

- vii. *The remuneration of the members of the Board of Directors shall be determined to reflect the member's experience, competencies, tasks entrusted to him, the number of sessions he is prohibited from, and other considerations.*
- viii. *The remuneration payment or refund shall be suspended if it is found that it was decided based on inaccurate information provided by the member of the board of directors or the executive management in order to prevent the exploitation of the job position to obtain undeserved remuneration*
- ix. *In the event of developing a program to grant shares in the company to the executive management and its employees, whether it is a new issue or shares purchased by the company, this must be done under the supervision of the Nominations and Remunerations Committee and in accordance with the company's articles of association and the relevant Capital Market Authority regulations and rules, and in accordance with the share grant plan approved by the Extraordinary General Assembly.*

#### Remuneration of board members

- i. *The remuneration of the members of the Board of Directors of the Saudi Industrial Export Company consists of the following:*
  - *A certain amount*
  - *Or instead of attending the sessions*
  - *Or expense allowance*
  - *Or a percentage of the profits*

*It is permissible to combine two or more of these benefits without exceeding what is stipulated in the Companies Law and the Company's Articles of Association, and in accordance with the details of the remuneration of members of the Board of Directors and its committees contained in this policy, and in accordance with any amendments that occur later to be approved in accordance with the Law.*

- ii. *This remuneration may be of varying amount and in light of a policy issued by the Nomination and Remuneration Committee and approved by the General Assembly. The annual report of the board of directors to the general assembly of shareholders must include a statement of the benefits, and also include a statement of what the board members received in their capacity as workers or administrators or in return for technical, administrative or consulting work (if any). It must also include a statement of the number of council sessions, and the number of sessions attended by each member from the date of the last meeting of the general assembly.*
- iii. *In the event that the remuneration of the members of the Board of Directors is a percentage of the profits, the provisions of the Companies Law and the relevant regulations and the articles of association of the company must be observed, provided that the total remuneration and financial benefits received by one member of the Board of Directors in all cases does not exceed the amount of (500,000) five hundred thousand Saudi riyals annually.*



### Remuneration of committee members

- i. *The Board of Directors determines and approves the membership remuneration of its committees, attendance allowances and other entitlements based on the recommendation of the Nomination and Remuneration Committee.*
- ii. *The allowance for attending meetings and other benefits as described in this policy shall be paid in accordance with the details of the remuneration of the members of the Board of Directors and its committees and the Secretary of the Board.*

### Executive Management Remuneration

- i. *The Nomination and Remuneration Committee reviews the salary scale set for all employees, senior executives, and the incentive program, plans on an ongoing basis, and approves them based on the recommendation of the executive management. The remunerations of the executive management include the following:*
  - *Basic salary (paid at the end of each Gregorian month and on a monthly basis) and allowances including, but not limited to, housing allowance, transportation allowance, children's education allowance, and telephone allowance.*
  - *An annual remuneration for the company's employees linked to the achievement of the annual objectives approved by the Nominations and Remunerations Committee and the Board of Directors, in accordance with the annual evaluation carried out in this regard.*
  - *Short-term incentive plans related to exceptional performance and long-term incentive plans such as stock options programs (if any) benefits including, but not limited to, annual leave, annual travel tickets and severance pay as per the work system and human resources policy approved by the company.*
- ii. *The Nomination and Remuneration Committee approve the plans and programs for the remuneration of senior executives.*
- iii. *The CEO of the company implements the remuneration policy for the company's employees and senior executives in light of the plans, programs and general guidelines approved by the committee.*

### Additional parameters for remuneration and disbursement method

- i. *The members of the Board of Directors are not allowed to vote on the remuneration of the members of the Board of Directors at the meeting of the general assembly of shareholders.*
- ii. *The company discloses the remunerations of the members of the Board and the Executive Committees in the annual report of the Board of Directors in accordance with the controls and directives issued under the Companies Law, the Capital Market Authority regulations, and their executive regulations.*
- iii. *The member shall be entitled to the remuneration as of the date of joining the board or committee and according to the term of his membership.*

- iv. *The procedures for disbursing the remuneration of the members of the Board of Directors and the committees are prepared by the Secretary of the Board, provided that the payment order is approved by the CEO of the company.*
- v. *The allowance for attending the meetings of the Council, the remuneration of the committees, and the allowance for attending the meetings of the committees shall be paid within one month from the holding of the meeting. As for the annual remuneration for the Council, it shall be paid in full after its approval in the annual General Assembly meeting.*

*An explanation of the details of the remuneration of the members of the Board of Directors and its committees:*

- i. *Members of the Board of Directors*
  - *It is determined annually not to exceed 500 thousand riyals according to the companies' law, and is due on the condition that the member attends 70% of the meetings of the Board of Directors.*
  - *Additional allowance (travel and transportation) for those who are outside the city of the meeting location (Riyadh) according to the actual expense.*
- ii. *Committee members*
  - *An annual remuneration of 100,000 one hundred thousand riyals for each committee member from within the council, and it is due to the member, if the member attends 70% of the committee's meetings.*
  - *An annual remuneration of 50,000 fifty thousand riyals for each committee member from outside the council, which is due to the member, provided that the member attends 70% of the committee's meetings.*
  - *An annual remuneration of 50,000 fifty thousand riyals for the Secretary of the Board of Directors.*
  - *An allowance for attending the Board of Directors' meetings and the committees emanating from the Board meetings for all members of the Board and members of the committees on an amount of 3000 riyals for each member for each meeting.*

*Remuneration adjustment:*

- *The amount of the annual remuneration for a member of the Board of Directors may be reviewed from one period to another based on the recommendation of the Nomination and Remuneration Committee in light of the performance-related variables, and then obtaining the approval of the General Assembly of Shareholders on this.*
- *The amount of the annual remuneration for a member of the Board of Directors may be reviewed from one period to another based on a recommendation from the Remuneration and Nominations Committee in light of the performance-related variables, and then obtaining the approval of the Shareholders' General Assembly.*
- *The meeting attendance allowance shall be paid after each meeting.*

- The remunerations of the committee members and the council secretary shall be paid at the beginning of each Gregorian year, and in the event of membership termination or resignation, they shall be paid for the remainder of the year only.
  - The annual remuneration shall be paid to the members of the board of directors after it is approved by the general assembly of shareholders (as stipulated in the Companies Law).
- B. Remuneration of the Board of Directors

Remuneration of the Board of Directors

	Fixed Remuneration							Variable Remuneration					End of service benefits	Grand Total	Expenses allowance	
	A certain amount	Allowance for attending board sessions	Total allowance for attending committee sessions.	In-kind benefits	A statement of what the members of the board of directors received in their capacity as workers or Remuneration of the chairman, managing director, or secretary, if he is a member			Total	Percentage of profits	Regular Remuneration	Short-term incentive plans	Long-term incentive plans				Granted Shares (Value shall be entered)
<i>First: Independent members</i>																
Eng. Hatem Hamad Al-Suhaibani	-	12.000	3.000	-	-	-	15.000	-	-	-	-	-	15.000	-	15.000	-
Mr. Salman Muhammed Al Suhaibani	-	12.000	21.000	-	-	-	33.000	-	-	-	-	-	33.000	-	33.000	-
Mr. Khaled Abdullah Al-Dhubaib	-	12.000	3.000	-	-	-	15.000	-	-	-	-	-	15.000	-	15.000	-
Mr. Ali Saleh Al Humaidan	-	12.000	6.000	-	-	-	18.000	-	-	-	-	-	18.000	-	18.000	-
Mr. Ahmed Mohammed Al-Arini	-	12.000	21.000	-	-	-	33.000	-	-	-	-	-	33.000	-	33.000	-
<b>Total</b>	-	<b>60.000</b>	<b>54.000</b>	-	-	-	<b>96.000</b>	-	-	-	-	-	<b>96.000</b>	-	<b>96.000</b>	-
<i>Second: Non-executive members</i>																
Mr. Abdullah Abdul-Aziz Al-Mishaal	-	9.000	6.000	-	-	-	15.000	-	-	-	-	-	15.000	-	15.000	-
Eng. Hussam Yahya Al-Ghrimail	-	9.000	3.000	-	-	-	12.000	-	-	-	-	-	12.000	-	12.000	-

Eng. Hussam Yahya Al-Ghrimail	-	9.000	3.000	-	-	-	12.000	-	-	-	-	-	12.000	-	12.000	-
<b>Total</b>	-	<b>27.000</b>	<b>12.000</b>	-	-	-	<b>39.000</b>	-	-	-	-	-	<b>39.000</b>	-	<b>39.000</b>	-
<i>Third: executive members</i>																
----	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\*\* Mr. Hazem Fahd Al-Dosari submitted his resignation from the Board of Directors on 28.12.2020; The Board of Directors approved the resignation of the member on 29.12.2020.

### Senior Executives Remuneration

	Fixed Remuneration					Variable Remuneration					End of service benefits	Grand Total	Expenses allowance
	Salaries	Allowances	In-kind benefits	Total	Regular remuneration	Profits	Short-term incentive plans	Long-term incentive plans	Granted Shares (Value shall be determined)	Total			
CEO	882.000	308.700	-	-	-	-	-	-	-	1,090,700	-	1,090,700	-
Financial Director	298.668	104,533.8	-	-	-	-	-	-	-	403,201.8	-	403,201.8	-
<b>Total</b>	<b>1.180.668</b>	<b>413.233.8</b>	-	-	-	-	-	-	-	<b>1,593,901.8</b>	-	<b>1,593,901.8</b>	-

*Committee member remuneration*

	<i>Fixed remuneration (except for the allowance for attending sessions)</i>	<i>Allowance for attending sessions</i>	<i>Total</i>
<b><i>Members of the Audit Committee</i></b>			
<i>Mr. Salman Mohammed Al-Suhaibani</i>	-	<i>18,000</i>	<i>18,000</i>
<i>Mr. Ahmed Mohammed Al-Arini</i>	-	<i>15,000</i>	<i>15,000</i>
<i>Mr. Mohammed Azzam Al Shuwaier</i>	-	<i>15,000</i>	<i>15,000</i>
<b><i>Total</i></b>	-	<b><i>48,000</i></b>	<b><i>48,000</i></b>
<b><i>Members of the Nominations and Remunerations Committee</i></b>			
<i>Mr. Ahmed Mohammed Al-Arini</i>	-	<i>6,000</i>	<i>6,000</i>
<i>Mr. Abdullah Abdul-Aziz Al-Mishaal</i>	-	<i>6,000</i>	<i>6,000</i>
<i>Mr. Ali Saleh Al Humaidan</i>	-	<i>6,000</i>	<i>6,000</i>
<b><i>Total</i></b>	-	<b><i>18,000</i></b>	<b><i>18,000</i></b>
<b><i>Members of the Executive and Investment Committee</i></b>			
<i>Eng. Hatem Hamad Al-Suhaibani</i>	-	<i>3,000</i>	<i>3,000</i>
<i>Mr. Salman Muhammed Al Suhaibani</i>	-	<i>3,000</i>	<i>3,000</i>
<i>Mr. Khaled Abdullah Al-Dhubaib</i>	-	<i>3,000</i>	<i>3,000</i>
<i>Mr. Hussam Yahya Al-Ghrimail</i>	-	<i>3,000</i>	<i>3,000</i>
<i>**Hazem Fahd Al-Dosari</i>	-	<i>3,000</i>	<i>3,000</i>
<b><i>Total</i></b>	-	<b><i>15,000</i></b>	<b><i>15,000</i></b>

*\*\* Mr. Hazem Fahd Al-Dosari submitted his resignation from the Board of Directors on 28.12.2020; The Board of Directors approved the resignation of the member on 29.12.2020.*

- 9) ***Any penalty, penalty, precautionary measure or precautionary restriction imposed on the company by the Authority or any supervisory, regulatory or judicial authority, with a statement of the reasons for the violation, the signatory to it, and ways to remedy it and avoid its occurrence in the future:***

*There is no penalty, penalty, precautionary measure or precautionary restriction imposed on the company by the authority or any supervisory, regulatory or judicial authority, with the exception of the precautionary measures of curfew imposed by the Ministry of Interior to address the Corona pandemic (COVID- 19).*

**10) Results of the annual review of the effectiveness of internal control procedures:**

*The company's audit committee, consisting of three members, is primarily concerned with studying periodic reports related to internal control procedures by the internal auditor.*

*Several periodic audits have been developed and implemented, which ensure the company is fully assured of the accuracy and effectiveness of performance and quality, in addition to the committee's contribution to reviewing the initial and final financial statements and submitting a recommendation on them to the Board of Directors.*

*The committee also coordinates the work of external regulators. The Audit Committee reviewed the reports submitted on the company's business.*

*Thus, the committee sees the adequacy of the company's internal control system through periodic follow-up with the company's internal control from time to time.*

**11) Recommendation of the Audit Committee regarding the need to appoint an internal auditor in the company in the absence of one:**

*The Audit Committee recommends appointing an internal auditor for the company during the year 2020, due to the weakness of the procedures followed within the company.*

**12) The recommendations of the Audit Committee that conflict between them and the decisions of the Board of Directors, or which the Board refused to accept regarding the appointment and dismissal of the company's auditor, determining his fees, evaluating his performance or appointing the internal auditor, the justifications for those recommendations, and the reasons for not taking them into account:**

*No recommendation was issued by the Audit Committee that contradicts the decisions of the Board of Directors, and no recommendation was rejected by the Board.*

**13) The company's social contribution**

*There are no social contributions to the company during the year 2020.*

14) 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:

**Tenth session of the board of directors**

#	Name	Attendance Record
		33rd Ordinary Assembly Meeting 08.06.2020
1	Hatem Hamad Al-Suhaibani	✓
2	Ahmed Mohammed Al-Arini	✓
3	Abdullah Abdul-Aziz Al-Mishaal	✓
4	Salman Muhammed Al Suhaibani	×
5	Khaled Abdullah Al-Dhubaib	✓
6	Hussam Yahya Al-Ghrimail	✓
7	Ali Saleh Al Humaidan	✓
8	**Hazem Fahd Al-Dosari	✓

✓ Attending in person

× Absence

\*\* Mr. Hazem Fahd Al-Dosari submitted his resignation from the Board of Directors on 28.12.2020; The Board of Directors approved the resignation of the member on 29.12.2020.

**15) The main activity of the company:**

*Marketing and exporting industrial and other national products, mining and petroleum products and their branches, and manufacturing industries and their branches according to industrial licenses. Electricity, gas, water and its branches, construction and building, transportation, storage and refrigeration, financial and business services and other services. Trade, information technology, security and safety inside and outside the Kingdom of Saudi Arabia for the company's account or for the account of others. Re-exporting, bartering, and importing for its own account or for others, providing marketing and export services to Saudi factories and companies, entering into supply contracts and exporting national products abroad. In doing so, it may carry out activities complementary to its purposes, including commercial agencies. The company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.*

**Description of the activities of the subsidiaries of "Sadirat"**

**A. Sara Medical Supplies Factory**

*It was purchased on 03/02/2016 with a capital of 3,467,416 riyals and a percentage of ownership (100%). It is located in the Third Industrial City in Riyadh, and its activity is the production of medical, laboratory and consumable plastic supplies, a unit for feeding bottles, pacifiers, plastic baby supplies, and a unit for solutions, eye drops, eyewash, glasses, creams and medicines.*

**B. Saudi Industrial Exports Company (Hashemite Kingdom of Jordan):**

*It is a Saudi company with a capital of 1,327,500 riyals and a percentage of ownership (100%) of the capital. It is a limited liability company. It was established on 12/28/2017, and is headquartered in Amman, Hashemite Kingdom of Jordan.*

**C. Saudi Industrial Exports Company (Republic of Sudan):**

*It is a Saudi company under commercial license No. 2450 and the ownership percentage (100%), and it is a branch of the company. It was established on 27/11/2019, and is located in Qary Free Zone, Republic of Sudan.*

**D. Saudi Industrial Exports Company (United Arab Emirates):**

*It is a Saudi company under commercial license No. 1473310 and the ownership percentage (100%). It is a branch of a Gulf company, established on 12/24/2019, and located in Dubai - United Arab Emirates.*



**16) A description of the company's most important plans and decisions, future expectations and risks:**

*The company faced a great challenge due to the global economic crisis for exporting the Corona virus (COVID- 19), as it constituted a major obstacle in the company's business plan for the year 2020, as the company's sales decreased during the year 2020 compared to the year 2019 by 51%.*

*As well as stopping the means of international shipping, in addition to the decrease in the prices of raw materials and plastic, and the decrease in demand and the decrease in the prices of raw materials by 80%, as plastic (polymer) sales amounted to 6 million riyals during the year 2020 for the Republic of Sudan.*

*The company also executed deals for (sulfur) with total sales of 5.1 million riyals during the year 2020 for North African markets. The company also implemented deals for (iron) with total sales of 5.5 million riyals during the year 2020, as well as deals for foodstuffs with total sales of 4.8 million riyals. In addition to executing several deals for batteries and chemicals totaling 10 million riyals during the year 2020.*

*During the year 2021, the company will adopt its marketing strategy, which is summarized in diversifying the sources of income by strengthening the main accounts of the company by obtaining contracts with major Saudi companies such as SABIC, and through manufacturing. Also by finding additional opportunities to export Saudi Cyclo and Saudi oils (base oil) to the countries of the Americas and Europe. In addition to the actual presence in the region's markets by opening branches of the company in the United Arab Emirates, the Republic of Sudan and the Republic of Iraq to export Saudi products and to increase its market share in the target markets through a contract to find financial and logistical solutions to facilitate the buyer in order to increase and stabilize the market share.*

*Accordingly, the company has started working on introducing new and multiple products into its closed electronic platform and opening new markets in anticipation of that, and the company will continue its modern and technical marketing and investment strategy to increase the company's financial returns.*

*With reference to the **Sara Medical Supplies Factory**, work is underway to complete the issuance of licenses for the concerned authorities and to conduct a market study for the products required in the local market.*

*In terms of other activities, the company will continue to do the following during the year 2021:*

- *Focusing on strategic relations with local manufacturers and change the targeted products to the most profitable and stable.*
- *Working on creating strategic relationships in terms of selling products in several industrial stages (raw materials, manufactured materials and ready-to-sale materials).*
- *Creating a healthy competitive environment between the Saudi market and the global market.*
- *Focusing on tenders and sales to Arab, African and Islamic countries that are financed by the Kingdom of Saudi Arabia in the form of grants or loans, and coordinate with donors in the Kingdom of Saudi Arabia to obtain the necessary support, through the Export Financing Program and the Export Guarantee Program of the Saudi Fund for Development.*
- *Re-opening the African and Asian markets that were previously dealt with and have purchasing power through the company's branches in the target market areas, and re-evaluating the commercial activity of those countries and neighboring countries of South Africa, based on the*

*needs of those countries for Saudi products, or other Islamic countries that are members in The Islamic Development Bank, and benefit from the guarantees and loans offered by the Bank.*

- *Carrying out periodic visits to the Islamic Corporation for the Insurance of Investment and Export Credit, the Arab Investment Guarantee Corporation, the Export Financing Program, and the Export Guarantee Program of the Saudi Fund for Development and the Export Development Authority; In addition to attending conferences held by them in African and Asian countries due to the presence of a large number of companies. In order to introduce the company and obtain commercial deals with those companies.*

***17) Information related to the risks faced by the company and the policy for managing and monitoring these risks:***

*After the company relied during the past years on one product based on the contract signed with Saudi Aramco on the basis that it should be renewed annually, this contract was canceled due to the failure of the previous administration in not managing the risks of this contract, and accordingly the contract with Saudi Aramco was canceled in 2014. The process of evaluating risks is carried out on a continuous basis at the strategic level by the executive management and the board of directors, where the relevant procedures are followed up periodically and continuously in order to deal with them and take the necessary measures and preventive measures to prevent or reduce these risks by relying in the company's business dealings on the presence of sufficient bank guarantees. The process of evaluating risks is carried out on a continuous basis at the strategic level by the executive management and the board of directors, where the relevant procedures are followed up periodically and continuously in order to deal with them, and take the necessary measures and preventive measures to prevent or reduce these risks. That is based on the company's commercial dealings on the existence of sufficient bank guarantees.*

*The Board of Directors has also approved policies for provisions and the Board is constantly reviewing the company's policies related to risk management to ensure the implementation of the approved policies and programs in order to reduce the risks that the company may face, especially with regard to export operations by obtaining bank guarantees approved by Saudi banks. Policies for provisions have also been approved by the Board of Directors, and the Board is constantly reviewing the company's policies related to risk management in order to ensure the implementation of the approved policies and programs, in order to reduce the risks that the company may face, especially with regard to export operations; This is done by obtaining bank guarantees approved by Saudi banks.*

*In terms of currency risks, there are no fundamental risks, as the company's transactions are in Saudi riyals and US dollars, and all sales of the company are made through bank guarantees or cash.*

**18) Business results for the last five fiscal years:**

*Business results for the last five years:*

<i>Statement</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>
<i>Revenues</i>	36,635	80.578	118.271	19.224	0.623
<i>Cost of Revenues</i>	(35,029)	(83.004)	(116.911)	(21.746)	(0.307)
<i>Gross profit</i>	1,607	(2.426)	1.360	(2.522)	0.317
<i>Net profit (loss)</i>	(13,181)	12.625	6.426	(110.991)	(14.157)

*Assets and liabilities for the last five years:*

<i>Statement</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>
<i>Current Assets</i>	35,171	52.857	64.972	7.961	71.544
<i>Non-Current Assets</i>	4,789	10.277	11.799	11.124	44.670
<i>Total Assets</i>	39,960	63.134	76.771	19.085	116.214
<i>Current Liabilities</i>	11,168	7.719	8.842	7.703	9.540
<i>Non-Current Liabilities</i>	1,056	1.230	0.474	0.382	1.552
<i>Total Liabilities</i>	12,224	8.949	9.316	8.085	11.092

**19) Geographical analysis of the company's total revenue and its subsidiaries:**

<i>Year</i>	<i>Geographical analysis of the company's total revenue</i>				
	<i>Total revenue</i>	<i>Local Markets</i>	<i>Asia</i>	<i>Africa</i>	<i>Total</i>
<i>2020</i>	36,635	8,045	7,877	20,713	36,635

**20) Clarification of the significant differences in operating results:**

Statement	2020	2019	changes + or -	Change Ratio
Sales / Revenue	36,635	80,578	(37,693)	- 31.87 %
Cost of sales/revenue	(35,028)	(83,004)	(33,908)	- 29 %
Gross profit	1,607	(2,426)	(3,786)	- 278 %
Other operating income	.	0	0	0
Other operating expenses	(14,177)	(8,281)	(584)	- 6.95 %
operating profit (loss)	12,570	(10,707)	(3,202)	- 42.66 %

Based on the foregoing, the company did not achieve net profits during the year ending on 31.12.2020 compared to the previous year 2019. The reason for the company's loss for the year 2020 is due to several reasons, including: the global economic crisis for export due to the Corona virus (Covid-19), which formed a major obstacle in the company's work plan for the year 2020, as the company's sales decreased during the year 2020 compared to the year 2019. In addition to the drop in the prices of raw materials and plastic, and the weak global demand for raw materials, as a result of the precautionary measures taken to limit the spread of the new Corona virus, and the suspension of transport and shipping companies, which negatively affected the company's profits for the current period 2020. This led, in turn, to a decrease in sales, in addition to an increase in general expenses, as well as a decrease in other revenues compared to the previous year of 2019.

**21) Explanation of the difference from the accounting standards:**

The company's financial statements were prepared during the fiscal year ending on 31.12.2020, in accordance with the international accounting standards IFRS recognized in the Kingdom of Saudi Arabia, issued by the Saudi Organization for Certified Public Accountants.

## 22) Subsidiaries

<i>Subsidiary name</i>	<i>Its Capital</i>	<i>Percentage of the company's ownership</i>	<i>Main activity</i>	<i>The country of the principal place of its operations</i>	<i>Country of incorporation</i>
<i>Shahd Al Sahraa Distribution Company - Riyadh</i>	<i>1.000.000 SAR</i>	<i>51 %</i>	<i>Wholesale and retail trade in sheep and their accessories.</i>	<i>The commercial register has been written off and the company is being liquidated</i>	
<i>Sara Medical Supplies Factory</i>	<i>3.467.416 SAR</i>	<i>100 %</i>	<i>Producing medical, laboratory and consumable plastic supplies, feeding units, pacifiers, plastic baby supplies, solutions unit, eye drops, eye washes glasses, creams and medicines.</i>	<i>Kingdom of Saudi Arabia</i>	<i>Kingdom of Saudi Arabia</i>
<i>Branch of the Saudi Industrial Export Company (Jordan)</i>	<i>1.327.5000 SAR</i>	<i>100 %</i>	<i>General Trading</i>	<i>Hashemite Kingdom of Jordan</i>	<i>Hashemite Kingdom of Jordan</i>
<i>Branch of the Saudi Industrial Export Company (Sudan)</i>	<i>Free Zone</i>	<i>100 %</i>	<i>import and export</i>	<i>Sudanese Republic</i>	<i>Sudanese Republic</i>
<i>Branch of the Saudi Industrial Export Company (UAE)</i>	<i>-</i>	<i>100 %</i>	<i>Trading of greases and lubricants</i>	<i>United Arab Emirates</i>	<i>United Arab Emirates</i>

**23) Shares and debt instruments issued for each subsidiary company:**

*The company has no subsidiaries to issue shares or debt instruments.*

**24) Company's Policy on Dividend Distribution:**

*As stated in the text of Article (49) of the company's articles of association: "The company's annual net profits shall be distributed after deducting all general expenses and other costs" as follows:*

- a. (10%) of the net profits shall be set aside as a statutory reserve, and the Ordinary General Assembly may discontinue this set-up when the said reserve reaches (30%) of the paid-up capital.*
  - b. The Ordinary General Assembly may, based on a proposal by the Board of Directors, set aside a percentage not exceeding (20%) of the net profits to form a consensual reserve and allocate it for a specific purpose or purposes.*
  - c. After that, a first payment to shareholders equal to (5%) of the paid-up capital shall be distributed from the rest.*
  - d. Subject to the provisions of Article (76) of the Companies Law, after the above, a percentage not exceeding (5%) of the remainder shall be allocated as a remuneration to the members of the Board of Directors, with a maximum limit of (500,000) five hundred thousand riyals for each member in return for his membership in the Board of Directors.*
  - e. The shareholder shall be entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard. The decision shall indicate the due date and the date of distribution, and the eligibility for profits shall be for the owners of shares registered in the company's records at the end of the day specified for entitlement.*
  - f. The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis after authorizing the company's general assembly to the Board to distribute interim dividends by virtue of a resolution that is renewed annually.*
  - g. The remainder is then distributed to the shareholders as an additional share in the profits or transferred to the retained earnings account.*
- The Board of Directors proposes not to distribute dividends for the fiscal year ending on 31 December 2020.*

**25) Interests of persons in the company's shares:**

*During the fiscal year ending on 31.12.2020, there is no interest in the class of shares entitled to vote for any persons.*

**26) The interests and rights of board members and senior executives in the company's shares:**

Shares of the members of the Board of Directors, senior executives, their spouses and their minor children (10th term) from 01.01.2020 to 31.12.2020.

A description of any interest belonging to the members of the Board of Directors, senior executives, their spouses and minor children in the shares or debt instruments of the company or any of its subsidiaries							
#	Beneficiary Name	As on 01.01.2020		As on 31.12.2020		Net change	Change ratio %
		Number of Shares	Debt instruments	Number of Shares	Debt instruments		
1	Hatem Hamad Al-Suhaibani	10	N/A	10	N/A	N/A	100 %
2	Ahmed Mohammed Al-Arini	1966	N/A	0	N/A	N/A	100 %
3	Abdullah Abdul-Aziz Al-Mishaal	0	N/A	0	N/A	N/A	100 %
4	Salman Muhammed Al-Suhaibani	0	N/A	0	N/A	N/A	100 %
5	Ali Saleh Al Humaidan	0	N/A	0	N/A	N/A	100 %
6	Khaled Abdullah Al-Dhubaib	700	N/A	7	N/A	N/A	100 %
7	Hussam Yahya Al-Ghrimail	36	N/A	36	N/A	N/A	100 %
8	Suleiman Hamad Al-Jedaie	0	N/A	0	N/A	N/A	100 %
9	Zaid Ahmed Al-Harbi	0	N/A	0	N/A	N/A	100 %

- Noting that the members of the families of the members of the Board of Directors (their spouses and their minor children) do not own any shares in the Saudi Industrial Export Company.

**27) Total loans on the company and its subsidiaries:**

There are no loans on the company during the year 2020.

**28) Description of debt instruments convertible to shares and any contractual securities or subscription notes:**

There are no debt instruments convertible into shares, or any option rights, or subscription right notes or similar rights issued or granted by the company during the financial year ending on 31.12.2020.

**29) Description of the transfer and subscription rights and any contractual securities:**

There are no transfer, subscription or debt convertible rights into shares, option rights or similar rights certificates issued or granted by the Company during the financial year ending on 31.12.2020.

**30) Description of redeemable debt instruments:**

*There is no refund, purchase or cancellation by the Company of any redeemable debt instruments.*

**31) Board meetings (10<sup>th</sup> session):**

*The Board of Directors held four (4) meetings during the fiscal year 2020, and the attendance of the members was as follows:*

<b>Board member</b>	<b>4<sup>th</sup> meeting 13.05.2020</b>	<b>5<sup>th</sup> meeting 02.09.2020</b>	<b>6<sup>th</sup> meeting 09.11.2020</b>	<b>7<sup>th</sup> meeting 30.12.2020</b>	<b>Number of meetings attended by the member</b>
<i>Hatem Hamad Al-Suhaibani</i>	✓	✓	✓	✓	4
<i>Ahmed Mohammed Al-Arini</i>	✓	✓	✓	✓	4
<i>Abdullah Abdul-Aziz Al-Mishaal</i>	✓	●	✓	✓	3
<i>Salman Muhammed Al Suhaibani</i>	✓	✓	✓	✓	4
<i>Khaled Abdullah Al-Dhubaib</i>	✓	✓	✓	✓	4
<i>Hussam Yahya Al-Ghrimail</i>	✓	✓	✓	✓	4
<i>Ali Saleh Al Humaidan</i>	✓	✓	●	✓	3
<i>**Hazem Fahd Al-Dosari</i>	✓	✓	✓	●	3

**Didn't attend ●**

**Attended by agent ×**

**Attended ✓**

*\*\* Mr. Hazem Fahd Al-Dosari submitted his resignation from the Board of Directors on 28.12.2020; The Board of Directors approved the resignation of the member on 29.12.2020.*



**32) The number of the company's requests for the shareholders' register, the dates of those requests and their reasons**

<i>The number of the company's applications to the shareholders' register</i>	<i>Date</i>	<i>Reasons</i>
1	2.01.2020	Companies Procedures
2	03.02.2020	Companies Procedures
3	03.02.2020	Companies Procedures
4	10.03.2020	Companies Procedures
5	08.04.2020	Companies Procedures
6	04.06.2020	Companies Procedures
7	16.07.2020	Companies Procedures
8	25.08.2020	Companies Procedures
9	03.11.2020	Companies Procedures
10	09.12.2020	Other
11	27.12.2020	Companies Procedures
12	27.12.2020	Companies Procedures

**33) Description of any transaction between the issuer and a related party:**

*The Board of Directors acknowledges that there are no contracts for the company in which there is a material or non-material interest for any member of the Board of Directors, the CEO, the financial manager, or any person related to any of them.*

**34) Interests in company contracts:**

*During the year 2020, there were no contracts in which the company was a party or in which the members of the Board of Directors, the CEO, the financial officer, or any person related to any of them had an interest.*

**35) Waivers of Salaries, Compensation and Profits:**

*There is no waiver arrangement or agreement under which a member of the company's board of directors or a senior executive has waived any salary or compensation.*

**36) Shareholders' Waiver of Rights to Dividends:**

*During the year 2020, there are no arrangements or assignment agreements under which any of the shareholders has waived his rights to profits.*

### 37) Regular payments due:

The company is subject to Sharia Zakat in accordance with the instructions issued by the Department of Zakat and Income Tax, as shown in the company's balance sheet in Note No. (16) paragraph "Zakat Provision", and the following is a table of the value of the regular payments due on the company in million:

Description	2020		Brief description	Reasons
	Paid	Due until the end of the annual financial period and has not been paid		
Zakat	1,551	1,086	Zakat	Mandatory
Tax	.	324	-	Mandatory
GOSI	223	39	Pay company's subscriptions	Mandatory
Costs of visas, passports and labor office fees	203	-	Pay residency, visa and passport fees	Mandatory

### 38) Incentive programs for company employees:

During the year 2020, there are no incentive programs for the company's employees.

### 39) Acknowledgments of the Board of Directors:

The Board of Directors acknowledges the following:

- That the account records are properly prepared.
- The internal control system was prepared on sound foundations and implemented effectively.
- There is no doubt about the issuer's ability to continue its activity.

### 40) The company's chartered accountant report:

The company's auditor report included reservations about the annual financial statements ending on 12/31/2020, which led to his disclaimer opinion. Work has been done to end the core reservations of the external auditor, reissue the annual financial statements ending on 12/31/2020 and amend the opinion of the external auditor (reservative opinion )

### 41) Recommendation of the board of directors regarding the company's chartered accountant:

No recommendation was issued by the Board of Directors to replace the chartered accountant.

### 42) The treasury shares held by the company and details of the uses of these shares:

During the year 2020, there are no treasury shares held by the company.

**\* Conclusion:**

*The Chairman and members of the Board of Directors extend their sincere thanks and appreciation to the government of the Custodian of the Two Holy Mosques for the support it provides to national exports, and prays to Allah Almighty to increase this country's blessings and goodness. We especially extend sincere thanks and appreciation to the Ministry of Commerce and Industry, the Capital Market Authority, and all other governmental and private sectors for their continuous support and cooperation. And the Board of Directors extends its thanks to the valued shareholders for their support and precious confidence, and to all employees of the company for their sincere efforts and their keenness on its continued progress and prosperity.*

*After this review, the board of directors presents to the esteemed thirty-fourth ordinary general assembly the following agenda:*

- 1<sup>st</sup>: Voting on the report of the Board of Directors, for the fiscal year ending on 31.12.2020*
- 2<sup>nd</sup>: Voting on the company's auditor's report for the fiscal year ending on 31.12.2020.*
- 3<sup>rd</sup>: Voting on the financial statements for the fiscal year ending on 31.12.2020.*
- 4<sup>th</sup>: Vote on the appointment of the company's auditor from among the candidates by the Audit Committee, in order to examine, review and audit the financial statements and data for the current year 2021 (the second quarter, third quarter and annual statements) and the first quarter of 2022, and determine his fees.*
- 5<sup>th</sup>: Vote on the Board of Directors' recommendation to appoint Dr. Sulaiman Hamad Al-Jadaei as an (Executive) member of the Board of Directors to complete the Board's term starting from the date of his appointment 31.12.2020 until the end of the current term on 15.06.2022 to succeed the resigned member Mr. Hazem Fahd Al-Dosari (CV attached).*

*Peace, mercy and blessings of Allah be upon you,*

**Board of Directors**