

بحر العرب لأنظمة المعلومات  
Arab Sea Information Systems



**ANNUAL REPORT**  
OF THE BOARD OF DIRECTORS 2023

---



In the name of God, the Most Gracious, the Most Merciful



**Custodian of the Two Holy Mosques**  
**King Salman bin Abdulaziz Al Saud**

May Allah bless him



**His Royal Highness**  
**Mohammed bin Salman bin Abdulaziz Al Saud**

The Crown Prince, Prime Minister

May Allah bless him

# OUR VISION

We at Arab Sea Company work with enthusiasm and effort to achieve the satisfaction and aspirations of our customers. We have a team of computer programs that are constantly evolving as we continue to innovate and harness all our energies to provide the best software solutions to our customers, relying on the principles of trust, integrity, simplicity, ease, perseverance, and encouraging a spirit of innovation and development.

# OUR MISSION

Providing modern, integrated software of high quality contributes to the success, growth, and development of businesses in both the public and private sectors by offering a qualified team of top programmers, specialized analysts, technicians, and trainers.

We always strive to enhance our operations and keep pace with the latest technologies to protect our strategic interests and the interests of our stakeholders. Each year, we take pride in our achievements and successes, which are the result of a collective effort from all our staff, as we look forward to stepping towards further continuous and enduring successes.





# CHAIRMAN'S MESSAGE



**Mohammed bin Saleh Al-Suhaibani**  
Chairman of The Board of Director



**The company has remained committed to achieving its vision and goals, and has continued to progress steadily in maintaining its leadership and success. It operates with utmost efficiency and effectiveness, while maintaining its commitment to providing the best possible services to its clients.**



**The company remains committed, throughout its journey, to implementing the foundations and pillars, striving for sustainable growth by harnessing all available resources and human efforts.**

#### **To our esteemed shareholders**



On behalf of myself and the Board of Directors, it is my pleasure and honor to present to you the Annual Report of Arab Sea Company for the year 2023.

The company has remained committed to achieving its vision and goals, and has continued to progress steadily in maintaining its leadership and success. It operates with utmost efficiency and effectiveness, while maintaining its commitment to providing the best possible services to its clients. The company remains committed, throughout its journey, to implementing the foundations and pillars, striving for sustainable growth by harnessing all available resources and human efforts to reach the forefront, with God's permission.

The company has continued to implement the strategic plan outlined within the framework of the comprehensive sustainable development strategy. In addition, it has enhanced its core

services through the development of its systems, as you will see from the statistics in this report. The Board of Directors will continue to be committed to implementing the highest standards of corporate governance, risk management, and business continuity to ensure continuous development.

On behalf of myself and the members of the Board of Directors, I would like to express our sincere gratitude and appreciation to the various departments of the company and its employees for their dedicated efforts, devotion, and cooperation. We would also like to thank our esteemed shareholders for their unwavering trust in the company, its Board of Directors, and its employees. We reaffirm our commitment to continuous work to serve their interests and grow their investments.

#### **With our sincere greetings and appreciation**

**Mohammed bin Saleh Al-Suhaibani**  
Chairman of The Board of Director



**The company has continued to implement the strategic plan outlined within the framework of the comprehensive sustainable development strategy. In addition, it has enhanced its core services through the development of its systems, as you will see from the statistics in this report.**





## Description of the Main Activity of The Company

Arab Sea Information Systems Company was registered in the Kingdom of Saudi Arabia as a Saudi limited liability company under Commercial Registration No. 1010169116 issued in Riyadh on 27/06/1422H (15/09/2001).

According to the decision of His Excellency the Minister of Commerce and Industry No. (128/M) dated 14/04/1429H (21/04/2009), the legal entity of the company was changed from a Saudi limited liability company to a Saudi closed joint-stock company and subsequently to a joint-stock company. It was listed on 26/02/2017 on the Saudi Stock Exchange (Nomu). On 12/04/2020, the Saudi Stock Exchange (Tadawul) approved the transfer of the company to the main market.



## The Company's Activities as Represented in the Articles of Association:



Wholesale and retail trade in computers, machinery, office equipment, medical equipment, maintenance and operation of computers, microfilm devices, electronic and electrical devices, their spare parts, tools, promotional devices, and their maintenance.



Development, import, and distribution of computer software, the company conducts its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the relevant authorities if available.



Extending computer networks and maintaining them.



Education, training, establishing training centers, distance learning, electronic training, and issuing certificates to trainees upon completing courses for accounting, administrative, and financial programs.



Electronic business



Manufacturing industries, reproducing recorded media and reproducing ready-made computer programs (software).



Third-Party Marketing Services



Information and Communication Technology (ICT), computer programming activities, design and development of custom software, consulting expertise and related activities, computer programming, providing consultations in the field of computer science and related activities, systems analysis, software maintenance, and website design, other information technology and computer services activities, computer consulting expertise, and management of computer facilities.



Commercial agencies



Software



Financial and insurance activities, payment systems, financial settlements, and services related to digital payments.

## Subsidiaries:

Company Name	Country of Incorporation	Core Business	Country of Operation	Ownership Percentage (direct and non directly)	Capital in relation to the par value of shares	Number of share
Arab Sea Financial Company Single-person company Closed joint-stock company	KSA	E - Payments	KSA	100% owned by Arab Sea Information Systems Company	15,000,000	1,500,000
Era Data Information Technology	KSA	Cloud computing services	KSA	100% owned by Arab Sea Information Systems Company	5,000,000	500,000



# Arab Sea

## Information Systems Services



Arab Sea believes in harnessing all energies to serve all its customers and build long-term relationships to achieve mutual success. Through a specialized team in study, planning, and execution according to the nature of the client's business activity and the procedures followed for business management.

### Services include:



#### Consulting and Planning:

Arab Sea team studies the technical needs of the client, develops technical and strategic plans to meet these requirements according to the nature of the work and procedures followed. The team also provides consultations in the field of software and systems, building work networks, interconnecting networks, designing and implementing integrated solutions. This includes preparing technical specifications for devices, equipment, operating systems, and all technical requirements of the project.



#### Installation:

Arab Sea Company provides its customers with a team of specialized technicians to install hardware, software, and networks at the client's premises and configure the necessary settings to provide a technological work environment for the required systems.



#### Digital payment services:

The company provides its customers with a digital payment platform for their e-commerce stores through digital media or online, in an automated, secure, and auditable manner.



#### Cloud computing services:

Arab Sea Company provides cloud computing services to its clients by hosting their data, which relies on connecting a number of web servers together. Cloud hosting is known for being more stable and flexible.



#### Training:

Arab Sea Company has a group of specialized trainers who possess high competence in training clients' employees on various company systems using modern methods and according to a training plan aimed at mastering the employee's skills in dealing with the system, utilizing its capabilities and features to serve the institution in which they work.





# Arab Sea

## Information Systems Products



More than 722,955 users use Arab Sea products daily to manage their commercial and government businesses.

The list of our products includes a selection of programs that are constantly evolving, such as SMACC program, of which 6 major versions were issued over a quarter of a century of development derived from our constant pursuit of achieving the desires of our clients and facilitating their work by creating the most effective integrated software solutions that employ the latest technologies and services.



More than  
**722,955**  
Users



Featured product  
**SMACC**  
Smacc software



of which  
**6**  
major versions  
were issued

## Our Products





# SMACC

Saudi Management and Accounting System



The development began in

**1986**



More than

**722,955**

users



The first version was issued

**1988**



## SMACC

A Saudi-developed accounting and business management software developed entirely by Arab Sea company. Its development began in 1986, and the first version was released in 1988. This program holds a deep understanding of the business environment in the Kingdom of Saudi Arabia due to its long history in the market and its continuous fulfillment of customers' technological requirements. The program caters to the desires and needs of every establishment, hence its widespread adoption with currently over 722,955 users utilizing the SMACC program.

SMACC software has gained the trust of academic institutions in the Kingdom of Saudi Arabia, as the system has been selected to be taught in accounting departments in many local and Arab academic institutions for over 15 years and continues to be used. An educational curriculum has been developed that includes a full explanation of how to use the program. Students study and train on its practical application as a fundamental requirement to complete a computerized accounting certificate. SMACC is a unified management system comprised of multiple integrated subsystems, enabling businesses to streamline operations in accounting, sales, purchases, inventory, point of sale functions, and even employee management. The software goes a step further by integrating with payroll management and utilizing fingerprint or magnetic card technology for attendance tracking.

Beyond its success in Saudi Arabia, SMACC enjoys a wide presence in the Arab region with authorized dealers in Egypt, Yemen, Sudan, Jordan, and Morocco. The software's reach extends globally, with clients using it in the USA, Singapore, China, and India.

SMACC Website : [www.smacc.com](http://www.smacc.com)

# SCRIBES

ERP SYSTEM



## SCRIBES

- Scribes ERP's ability to simplify your invoices, making the payment process quick.
- Scribes ERP's capability to carry out financial planning and analysis at any level.
- Scribes ERP's asset management system effectively handles your assets from purchase to disposal.
- Scribes ERP's interaction with your suppliers enables and enhances your relationships with them over time.
- Inventory management in Scribes ERP accelerates your business growth by helping you manage inventory items accurately.
- The inventory in Scribes ERP, in a cloud environment, allows access to the system from anywhere in the world with securely encrypted data.
- Scribes ERP's purchasing system contributes to your financial record by controlling, tracking, and reporting your company's expenses.
- Scribes ERP's sales system streamlines your sales operations while easily managing multiple sales channels.
- Scribes ERP's cost centers direct you towards achieving operational decentralization and increased sales with improved profitability.
- Scribes ERP's production management system oversees every detailed step in the product manufacturing process.
- Scribes ERP offers you the ability to monitor your business on one screen, providing all financial summaries, sales lists, and profits with a single click.

# 3S

## Point of Sale

### 3S System

 **Best Solution**  
For Retailers

 **Integrated**  
With Inventory Management

 **Ease of Use**  
And High Performance



## 3S SYSTEM

- 3S POS is designed to help boost retail sales with inventory management tools, including real-time reports and analytics.
- 3S POS works to enhance store sales using both cloud and desktop systems.
- You can have full access to all your branches without any hassle and control them from one place.
- Our reporting system works to generate comprehensive reports based on data for making informed decisions.
- 3S POS is designed to work safely with various payment methods.

[www.3spos.com](http://www.3spos.com)



# GIC

## E-Government Solutions



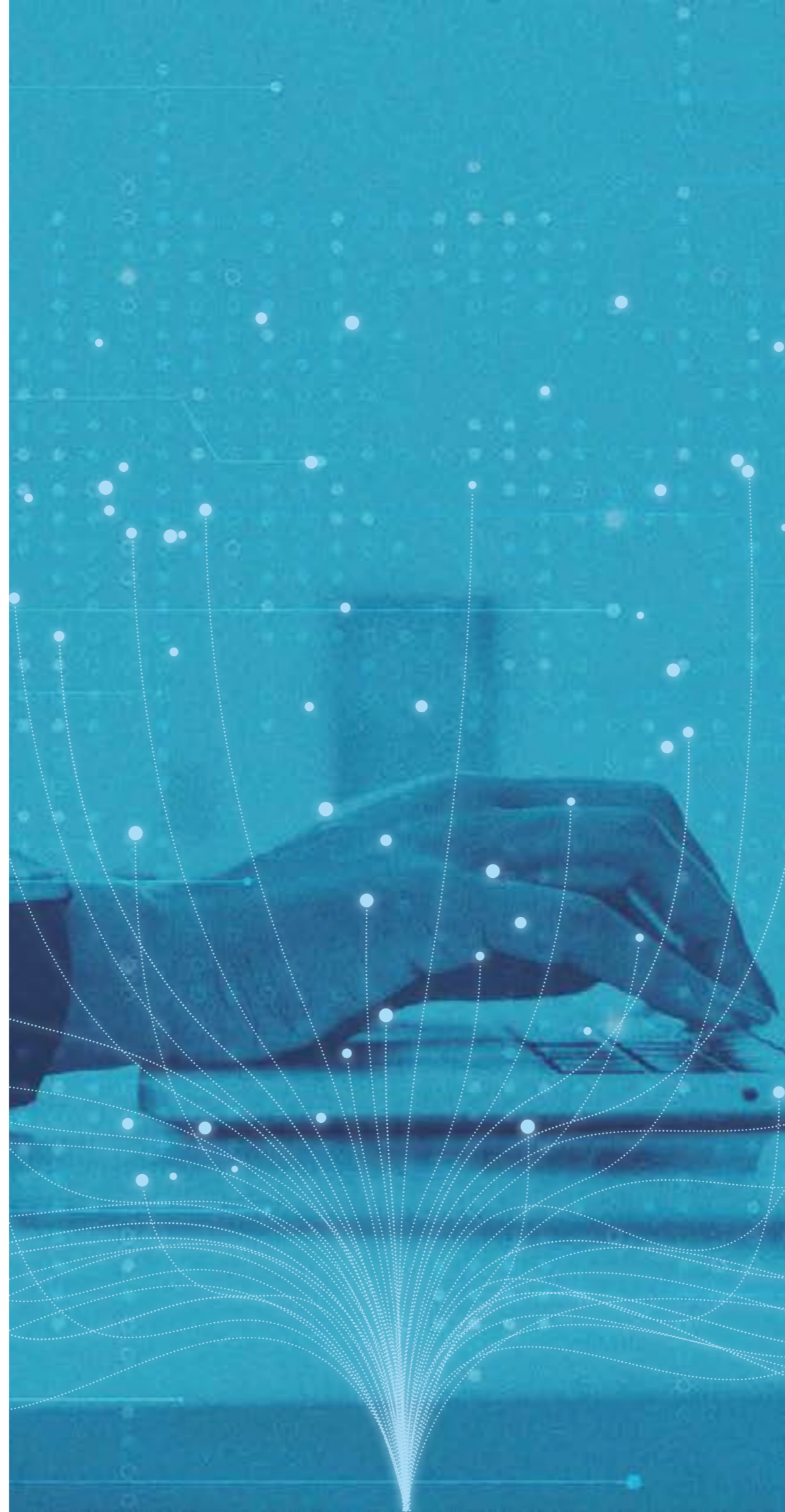
**Strong**  
Firewall



**Monitor**  
All Operations



**Possible**  
To handle any new development



## GIC

GIC is a government information management system that consists of an integrated package of applications aimed at achieving the integration of all services provided by government entities within a unified system. This system aims to provide all government services, information, and transactions electronically through a single entry point for all users.

**Mission:**

Implementing information systems for planning and managing resources in government entities contributes to enabling data exchange and transitioning to a paperless work environment.

**Vision:**

To enable all government entities to carry out their administrative and financial work efficiently and with high performance by applying advanced, secure, and suitable resource planning systems tailored to their sizes, technical environments, and activities. This allows for automated and secure data exchange between them.

**The Purpose of System Establishment:**

Driven by the desire to develop and expand its services to include government sectors, Arab Sea Information Systems Company conducted a study on government systems and the operational methods of most government entities. The study revealed variations in electronic work environments and computer systems used, lacking integration and facing challenges in sharing information among different work units due to differences in applications, databases, weak sharing systems, and inter-unit communication. The study also highlighted the lag of many current computer systems in keeping up with modern technologies in the fields of database systems, inter-unit communication, data encryption, and information security. In light of this study, Arab Sea Information Systems Company envisioned the future of government work under electronic government systems, necessitating the establishment of interconnected systems that achieve integration and focus on information security without compromising performance and government procedures, ensuring compliance with regulations and systems issued by the Ministry of Finance.

The program aimed to integrate e-government services, yielding positive results that enhance the availability, productivity, and effectiveness of electronic services provided to users. It also aimed to increase the efficiency of government institutions through optimal use of information and communication technology and simplifying government system procedures, aiming to strengthen collaboration between various government entities and increase user participation in service delivery. The main objectives of integrated e-government systems can be summarized as follows:

- Improving government services for users by providing the most efficient, effective, and easily accessible government services.
- Enhancing internal efficiency of government institutions by simplifying government procedures and coordinating between these entities.
- Enhancing governance and transparency by accelerating procedures and involving stakeholders in decision-making processes. In 2008, efforts were made to develop systems by adopting best practices. It was emphasized that in the context of digital transformation, it is essential to work towards the integration of services and processes through electronic government initiatives "Yusser."

[www.saudigrp.com](http://www.saudigrp.com)

# 3S Cart

## Smart E-Store Solution



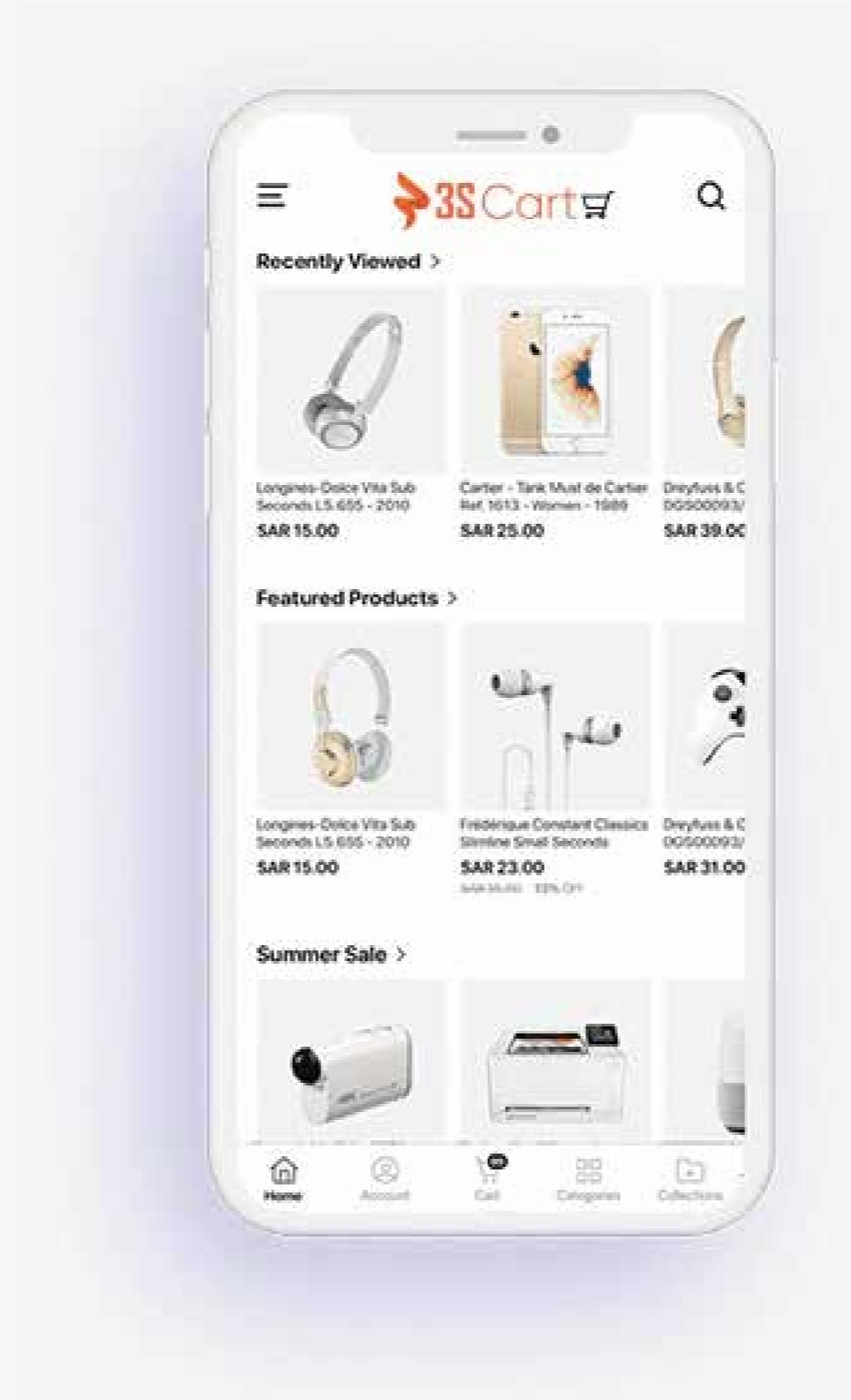
**Comprehensive**  
e-commerce platform



**Providing**  
essential marketing tools



**Simplify**  
product management



## 3S Cart

3S Cart is a comprehensive e-commerce platform for initiating and enhancing brand presence online with its comprehensive features.

3S Cart simplifies everything in the product management process such as online store orders, customers, payments, inventory, shipping, taxes, discounts, and coupons.

Platform users can create pages, categories, and groups for unlimited products and manage deals and offers for customers.

3S Cart opens up new horizons of opportunities in the field of e-commerce.

Moreover, an online store can be created regardless of the smart devices being used.

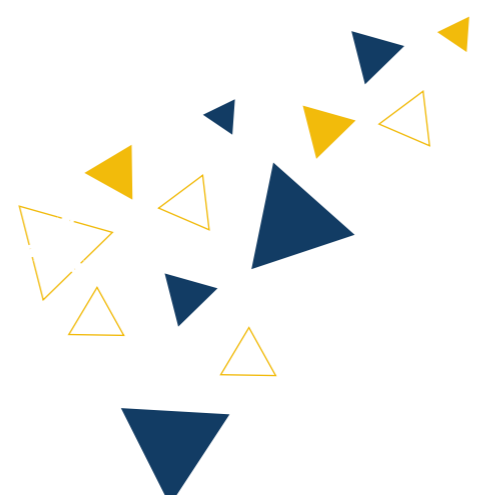
[www.3scart.com](http://www.3scart.com)



# Employees Statistics

160

Employee



## Human capital:

The human resources department is responsible for the company's most important assets and capital, which is the human element. The administration is the employee's entry gateway to the company, and it is also the exit gateway. Human resources are concerned with managing human capital and harnessing their potentials to obtain the maximum possible benefit from human capital. Through training and qualification processes, organizing and managing time, creating an ideal work environment for the company's employees, providing all the means needed by the employee to devote himself to performing his job duties as required, and achieving the highest productivity at work, in addition, the management makes proper planning to face the external challenges by Adhering to the human resources regulations and policies, and benefit from them as required, and avoids any violations that may result from non-compliance with the policies of the relevant legislative authority.

## Arab Sea Information Systems Human Resources Accomplishments in 2023:

- The company's human resources department pays great attention to human capital, as it is the main pillar that leads the wheel of growth and development, which places the company among the first companies in the Kingdom.
- Implementing the initiatives of the Ministry of Human Resources and Social Development in attracting the workforce and raising its efficiency through employment support programs and on-the-job training.
- The Human Resources Department has diversified the communication channels to harness the contemporary technological development to reach a larger segment of competencies by concluding contracts with the most important websites concerned with employment to attract Saudi young graduates and provide them with job opportunities.
- Activating the women's empowerment program in our company, which is a core objective of the Arab Sea Company and is based on the vision, which equalizes the availability of opportunities for both sexes to benefit from their skills and involve them in the development wheel.
- The Human Resources Department of the Arab Sea Company has devoted its efforts to maintain the competencies and talents of the existing workforce and develop them on the job through several initiatives.
- In an effort to measure the efficiency of the services provided to employees, the Human Resources Department of the Arab Sea Company has developed a questionnaire to measure the job satisfaction among the company's employees.

HR Management  
Arab Sea Information System



What Corporate  
Governance Regulation  
have been applied

# 1- What Corporate Governance Regulation have been applied

The company applied all mandatory provisions outlined in the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of some advisory provisions as detailed below:

Article No.	Paragraph No.	Article / Paragraph	Reason for not implementing
37	1,2	<p>The Company shall pay adequate attention to the training and preparation of the Board members, committee members, and the Executive Management, and shall develop the necessary programmes required for the same, taking the following into account:</p> <ol style="list-style-type: none"> <li>1. preparing programmes for the recently-appointed Board members, committee members, and Executive Management to familiarise them with the progress of the Company's business and activities, particularly the following:                             <ol style="list-style-type: none"> <li>A. the strategy and objectives of the Company.</li> <li>B. the financial and operational aspects of the Company's activities.</li> <li>C. the obligations of the Board members and their duties, responsibilities and rights.</li> <li>D. the duties and competencies of the committees of the Board.</li> </ol> </li> <li>2. developing the necessary mechanisms for Board members, committee members, and the Executive Management to continuously enroll in training programmes and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.</li> </ol>	This article has not been implemented as it is guiding in nature and will be applied in the future.
39	A,B,C,D,E,F	<ol style="list-style-type: none"> <li>A. The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</li> <li>B. The procedures of performance assessment shall be in writing and clearly stated and disclosed to the Board members and parties concerned with the assessment.</li> <li>C. The performance assessment shall entail an assessment of the skills and experiences of the Board, identification of the weaknesses and strengths of the Board and shall attempt to resolve such weaknesses using the available methods, such as nominating competent professional staff able to improve the performance of the Board. The performance assessment shall also entail the assessment of the mechanisms of the Board's activities in general.</li> <li>D. The individual assessment of the Board members shall take into account the extent of effective participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and its committees' meetings and dedicating adequate time thereof.</li> <li>E. The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.</li> <li>F. Non-Executive Directors shall carry out a periodic assessment of the performance of the chairman of the Board after getting the opinions of the Executive Directors, without the presence of the chairman of the Board in the discussion on this matter, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</li> </ol>	This article has not been implemented as it is guiding in nature and will be applied in the future.
67,68,69		Composition of the Risk Management Committee	The Risk Committee was created in the previous term, and in the current term, the tasks of studying and addressing risks were assigned to the Internal Auditor under the supervision of the Audit Committee.

82	1,2,3	<p>The Company shall establish programmes for developing and encouraging the participation and performance of the Company's employees. The programmes shall particularly include the following:</p> <ol style="list-style-type: none"> <li>1. forming committees or holding specialised workshops to hear the opinions of the Company's employees and discuss the issues and topics that are subject to important decisions.</li> <li>2. establishing a scheme for granting Company shares or a percentage of the Company profits and pension programmes for employees, and setting up an independent fund for such programme.</li> <li>3. establishing social organisations for the benefit of the Company's employees.</li> </ol>	This article has not been implemented as it is guiding in nature and will be applied in the future.
84		<p><b>Social Responsibility:</b> The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.</p>	This article has not been implemented as it is guiding in nature and will be applied in the future.
85	1,2,3,4	<p><b>Social Initiatives:</b> The Board shall establish programmes and determine the necessary methods for proposing social initiatives by the Company, which include:</p> <ol style="list-style-type: none"> <li>1. establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities.</li> <li>2. disclosing the objectives of the Company's social responsibility to its employees and raising their awareness and knowledge of social responsibility.</li> <li>3. disclosing plans for achieving social responsibility in the periodical reports on the activities of the Company's.</li> <li>4. establishing awareness programmes to the community to familiarise them with the Company's social responsibility.</li> </ol>	This article has not been implemented as it is guiding in nature and will be applied in the future.
92		<p><b>Formation of a Corporate Governance Committee</b> If the Board forms a corporate governance committee, it shall assign to it the competencies stipulated in Article (91) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.</p>	This article has not been implemented as it is guiding in nature and will be applied in the future.





Mr. Mohammed Saleh Mohammed Al-Suhaibani  
Chairman of the Board of Directors



Eng. Abdul Aziz Mohammed Ali Al Khalifa  
Board of Directors Member



Mr. Haitham Mohammed Saleh Al-Suhaibani  
CEO & Board of Directors Member



Mr. Ahmed Suleiman Mohammed Al-Jasser  
Deputy Chairman of the Board of Directors



Mr. Abdullah Mohammed Nasser Al-Hawas  
Board of Directors Member



Dr. Ahmed Siraj Abdulrahman Khogir  
Board of Directors Member



Mr. Saleh Mohammed Giridi Al-Ajyan  
Board of Directors Member



Mr. Turki Nasser Suleiman Al-Dahmash  
Board of Directors Member

## Board of Directors Members, Committees Members, and Executive Management

## 2- Board of Directors Members, Committees Members, and Executive Management

### 2-1 Members of the Board of Directors

Name	Current Job	Previous Job	Qualifications	Experiences
<b>Mohammed Saleh Mohammed Al-Suhaibani</b>	Chairman of the Board of Directors of Arab Sea Information Systems	Founder & Director of Arab Sea Information Systems	Diploma in Languages, King Saud University	48 years in the field of management, information systems, finance, and investment.
<b>Ahmed Sulaiman Mohammed Al Jasser</b>	Deputy Governor National Development Fund	Capital Market Authority Samba Financial Group Kasb Capital	- Bachelor of industrial management - Certificate of executive managers from INSEAD University, France	31 years in the financial, banking, investment, and capital markets sectors.
<b>Haitham Mohammed Saleh Al-Suhaibani</b>	CEO of Arab Sea Information Systems	Director of Administrative and Technical Affairs at Arab Sea Information Systems	Postgraduate Diploma in Information Technology, King Saud University	26 years in the field of Information Systems and Management
<b>Abdul Aziz Mohammed Ali Al Khalifa</b>	Owner and Founder of Dun Trading Company	IT Department at STC	Master of Computer Science, University of Portland, USA	42 years in the field of technology and management
<b>Abdullah Mohammed Nasser Al-Hawas</b>	Journalist at Al-Riyadh Newspaper	Founder and Director of Tala Advertising Agency	Diploma in Commerce	35 years in the fields of trade, investment, and media
<b>Nabil Abdullah Muraihel Al Mubarak*</b>	CEO & Managing Director Financial Analytics Company	Simah Rating Agency Saudi Credit Bureau (SIMAH)	- Master of Finance and Information Systems University of Westminster, UK. - Fellowship of Chartered Accountants in 1998	30 years in the financial, technical & management fields
<b>Turki Nasser Suleiman Al-Dahmash</b>	CEO of Arab Sea Financial Company	Executive Director of Business Technology at the National Center for Measuring the Performance of Public Entities	Bachelor of Computer Science, King Saud University	23 years in the technical and management fields
<b>Ahmed Siraj Abdulrahman Khogir *</b>	Part-time consultant, board member, and committees member of several companies, also serving as Vice President of the Fellow Council at the American Institute of Chemical Engineers	Saudi Aramco Founding member and Chief Project Officer of King Abdullah University of Science and Technology (KAUST)	- Ph.D. and Master's degrees in Chemical Engineering with First Class Honors - Master of Business Administration with Honors - Postgraduate Diploma in International Finance with First Class Honors - Fellowship of the Texas State Board of Engineers - The first Arab to be awarded a Fellowship in Chemical Engineering from the American Institute of Chemical Engineers - Certified Project Manager - Certified International Arbitrator	31 years of experience at Saudi Aramco in refinery management, facility planning, research and development, overseeing large-scale projects, senior management consultant, and a founding member of King Abdullah University of Science and Technology. He has held several leadership positions at the American Institute of Chemical Engineers, being the first person in history outside the U.S. to do so, and has served on the boards and committees of several listed Joint Stock Companies.
<b>Saleh Mohammed Giridi Al-Ajyan*</b>	CEO of Nebras advertising agency	Chief Operating Officer at Al-Maqas International Information Technology Company	Bachelor of Political Science	16 years in the banking, advertising, and technology sectors

\* The membership of Mr. Nabil Abdullah Marheil Al-Mubarak ended on 16-09-2023 due to the conclusion of the council's term.

\* The membership of Dr. Ahmed Siraj Abdulrahman Khogir began on 17-09-2023 at the start of the council's term.

**36** \* The membership of Mr. Saleh Mohammed Giridi Al-Ajyan began on 17-09-2023 at the start of the council's term.

### 2-2 Committee members

Name	Current Job	Previous Job	Qualifications	Experiences
<b>Nomination and Remuneration Committee</b>				
<b>Abdullah Mohammed Nasser Al-Hawas</b>	Journalist at Al-Riyadh Newspaper	Founder and Director of Tala Advertising Agency	Diploma in Commerce	35 years in the fields of trade, investment, and media
<b>Ahmed Sulaiman Mohammed Al Jasser*</b>	Deputy Governor National Development Fund	Capital Market Authority Samba Financial Group Kasb Capital	- Bachelor of industrial management - Certificate of executive managers from INSEAD University, France	31 years in the financial, banking, investment, and capital markets sectors.
<b>Turki Nasser Suleiman Al-Dahmash</b>	CEO of Arab Sea Financial Company	Executive Director of Business Technology at the National Center for Measuring the Performance of Public Entities	Bachelor of Computer Science, King Saud University	23 years in the technical and management fields
<b>Saleh Mohammed Giridi Al-Ajyan*</b>	CEO of Nebras advertising agency	Chief Operating Officer at Al-Maqas International Information Technology Company	Bachelor of Political Science	16 years in the banking, advertising, and technology sectors
*The membership of Mr. Ahmed Sulaiman Al-Jasser in the committee ended on 16-09-2023 at the end of the council's term. *Mohammed Grady Al-Ajyan in the committee on 17-09-2023 at the beginning of the council's term.				
<b>Risk Management Committee</b>				
<b>Nabil Abdullah Muraihel Al Mubarak*</b>	CEO & Managing Director Financial Analytics Company	Simah Rating Agency Saudi Credit Bureau (SIMAH)	- Master of Finance and Information Systems University of Westminster, UK. - Fellowship of Chartered Accountants in 1998	30 years in the financial, technical & management fields
<b>Turki Nasser Suleiman Al-Dahmash</b>	CEO of Arab Sea Financial Company	Executive Director of Business Technology at the National Center for Measuring the Performance of Public Entities	Bachelor of Computer Science, King Saud University	23 years in the technical and management fields
<b>Haitham Mohammed Saleh Al-Suhaibani</b>	CEO of Arab Sea Information Systems	Director of Administrative and Technical Affairs at Arab Sea Information Systems	Postgraduate Diploma in Information Technology, King Saud University	26 years in the field of Information Systems and Management
* Mr. Nabil Abdullah Al-Mubarak's membership in the committee ended on 16-09-2023 due to the conclusion of his membership in the committee				
<b>Audit Committee</b>				
<b>Ahmed Sulaiman Mohammed Al Jasser</b>	Deputy Governor National Development Fund	Capital Market Authority Samba Financial Group Kasb Capital	- Bachelor of industrial management - Certificate of executive managers from INSEAD University, France	31 years in the financial, banking, investment, and capital markets sectors.
<b>Ahmed Siraj Abdulrahman Khogir *</b>	Part-time consultant, board member, and committees member of several companies, also serving as Vice President of the Fellow Council at the American Institute of Chemical Engineers	Saudi Aramco Founding member and Chief Project Officer of King Abdullah University of Science and Technology (KAUST)	- Ph.D. and Master's degrees in Chemical Engineering with First Class Honors - Master of Business Administration with Honors - Postgraduate Diploma in International Finance with First Class Honors - Fellowship of the Texas State Board of Engineers - The first Arab to be awarded a Fellowship in Chemical Engineering from the American Institute of Chemical Engineers - Certified Project Manager - Certified International Arbitrator	31 years of experience at Saudi Aramco in refinery management, facility planning, research and development, overseeing large-scale projects, senior management consultant, and a founding member of King Abdullah University of Science and Technology. He has held several leadership positions at the American Institute of Chemical Engineers, being the first person in history outside the U.S. to do so, and has served on the boards and committees of several listed Joint Stock Companies.
<b>Nasser Abdullah Saleh Al-Awfi</b>	Retired	Director of Financial, Administrative & Investment Affairs Management at Saudi Pharmaceutical Company.	- Master of Accountancy from the University of Southern New Hampshire, USA - MBA from the University of Southern New Hampshire, USA	32 years in the field of finance, administration, auditing for companies, and strategic studies.
<b>Khaled Abdulaziz Suleiman Al-Hoshan</b>	Internal Audit Manager for the National Health Laboratory	Internal Auditor at Safari Holdings Company	- Master of Applied Finance, University of Newcastle, Australia - Master of Business Administration, University of Newcastle, Australia - Postgraduate Diploma in International Business, University of Newcastle, Australia	22 years in the field of finance, auditing, and compliance for companies.

\* The membership of Dr. Ahmed Siraj Abdulrahman Khogir in the committee began on 17-09-2023 at the start of the council's term.



### 2-3 Executive Management

Name	Current Job	Previous Job	Qualifications	Experiences
<b>Haitham Mohammed Saleh Al-Suhaibani</b>	CEO of Arab Sea Information Systems	Director of Administrative and Technical Affairs at Arab Sea Information Systems	Postgraduate Diploma in Information Technology, King Saud University	26 years in the field of Information Systems and Management
<b>Ahmed Taha El-Sayed Fayyad</b>	Financial Director	Financial Manager of Building & Construction Factory	Faculty of Commerce, Department of Accounting	29 years in the field of financial accounting
<b>Adel Musa Abdul Qader Idris</b>	Product Manager Secretary of the Board of Directors	Director of Network Solutions Company	Bachelor of Business Administration	23 years in the field of administrative systems and management.

### 3- Names of companies inside or outside the Kingdom

Where a Board Member of the Company Serves on Its Current or Previous Boards of Directors or as One of Its Executives

Member Name	Companies Where a Board Member of the Company Serves on Its Current or Previous Boards of Directors or as One of Its Executives	Inside Kingdom/ Outside Kingdom	Legal Entity
Mohammed Saleh Mohammed Al-Suhaibani	Arab Sea Information System	Inside Kingdom	Listed Joint Stock Company
	Arab Sea Financial Company	Inside Kingdom	Closed Joint Stock Company
Ahmed Sulaiman Mohammed Al Jasser	Arab Sea Information System	Inside Kingdom	Listed Joint Stock Company
	Saudi Development Fund	Inside Kingdom	Government Fund
	Saudi Postal and Logistics Services Company	Inside Kingdom	Government Institution
	Saudi Housing Guarantee Services Company	Inside Kingdom	Private Joint Stock Company
	Saudi Venture Investment Company	Inside Kingdom	Private Joint Stock Company
Haitham Mohammed Saleh Al-Suhaibani	Arab Sea Information System	Inside Kingdom	Listed Joint Stock Company
	Arab Sea Financial Company	Inside Kingdom	Closed Joint Stock Company
Abdul Aziz Mohammed Ali Al Khalifa	Arab Sea Information System	Inside Kingdom	Listed Joint Stock Company
Abdullah Mohammed Nasser Al-Hawas	Arab Sea Information System	Inside Kingdom	Listed Joint Stock Company
Nabil Abdullah Muraihel Al Mubarak*	Arab Sea Information System	Inside Kingdom	Listed Joint Stock Company
	Lendo Company (FinTech)	Inside Kingdom	Limited Liability Company
	Financial Analytics Company	Inside Kingdom	Limited Liability Company
	Saudi Industrial Group	Inside Kingdom	Listed Joint Stock Company
	Al-Aqeel and Al-Mubarak Professional Company	Inside Kingdom	Limited Liability Company
	ALMARSHAD Holding Group	Inside Kingdom	Closed Joint Stock Company
Turki Nasser Suleiman Al-Dahmash	Arab Sea Information System	Inside Kingdom	Listed Joint Stock Company
Ahmed Siraj Abdulrahman Khogir *	Arab Sea Information System	Inside Kingdom	Listed Joint Stock Company
	Naseej International Trading Company	Inside Kingdom	Listed Joint Stock Company
	Gulf General Cooperative Insurance Company	Inside Kingdom	Listed Joint Stock Company
	Najran Cement Company	Inside Kingdom	Listed Joint Stock Company
	American Institute of Chemical Engineers	Outside Kingdom	Global Organization
Saleh Mohammed Giridi Al-Ajyan*	Arab Sea Information System	Inside Kingdom	Listed Joint Stock Company

\* The membership of Mr. Nabil Abdullah Marheil Al-Mubarak ended on 16-09-2023 due to the conclusion of the council's term.

\* The membership of Dr. Ahmed Siraj Abdulrahman Khogir began on 17-09-2023 at the start of the council's term.

\* The membership of Mr. Saleh Mohammed Giridi Al-Ajyan began on 17-09-2023 at the start of the council's term.

### 4- Composition and Classification of the Board of Directors

Name	Nationality	Position	Member Classification
Mohammed Saleh Mohammed Al-Suhaibani	Saudi	Chairman of the Board of Directors	Non-Executive
Ahmed Sulaiman Mohammed Al Jasser	Saudi	Vice Chairman of the Board	Independent
Haitham Mohammed Saleh Al-Suhaibani	Saudi	Board Member and CEO	Executive
Abdul Aziz Mohammed Ali Al Khalifa	Saudi	Board Member	Non-Executive
Abdullah Mohammed Nasser Al-Hawas	Saudi	Board Member	Independent
Nabil Abdullah Muraihel Al Mubarak *	Saudi	Board Member	Independent
Turki Nasser Suleiman Al-Dahmash	Saudi	Board Member	Non-Executive
Ahmed Siraj Abdulrahman Khogir *	Saudi	Board Member	Independent
Saleh Mohammed Giridi Al-Ajyan *	Saudi	Board Member	Independent

\* The membership of Mr. Nabil Abdullah Marheil Al-Mubarak ended on 16-09-2023 due to the conclusion of the council's term.

\* The membership of Dr. Ahmed Siraj Abdulrahman Khogir began on 17-09-2023 at the start of the council's term.

\* The membership of Mr. Saleh Mohammed Giridi Al-Ajyan began on 17-09-2023 at the start of the council's term.

### 5- The measures taken by the Board of Directors to inform its members , especially non-executives, about the shareholders' proposals and comments regarding the company and its performance.

The Board of Directors has not received any comments from the shareholders. The Board is keen on ensuring the attendance of the majority of its members, especially the non-executive members, at the company's general assemblies' meetings to listen to, respond to, and document the inquiries and suggestions of the shareholders in the minutes of the meetings.

### 6- Brief Description of the committees' specialties, their tasks, and the number of their meetings.

#### 6.1 The Audit Committee

The audit committee was formed in accordance with the Corporate Governance Regulations issued by the Capital Market Authority. Its tasks and responsibilities can be summarized as follows:

- Supervising the internal control management in the Arab Sea Company to assess its effectiveness in executing the tasks and responsibilities assigned by the board of directors.
- Reviewing the internal control system in the Arab Sea Company and preparing a written report on its opinions and recommendations.
- Reviewing internal audit reports and monitoring the implementation of corrective actions for the observations included.
- Recommendation to the board of directors to appoint legal accountants - ensuring their independence - and to separate them and determine their fees.
- Monitoring the work of the legal accountants and approving any work outside the scope of the audit tasks they are assigned while conducting audit activities.
- Review the audit plan with the auditor and provide the committee's feedback on it.
- Examine the auditor's comments on the financial statements and follow up on any actions taken.
- Analyze the preliminary and annual financial statements before presenting them to the board of directors, and provide opinions and recommendations on them.
- Review the accounting policies in place and provide opinions and recommendations to the board of directors.
- It holds a total of four meetings per year.

Name	Position	Notes
Ahmed Sulaiman Mohammed Al Jasser	Committee Chairman	
Ahmed Siraj Abdulrahman Khogir	Member	His membership began on 17/09/2023
Nasser Abdullah Saleh Al-Awfi	Member	
Khaled Abdulaziz Suleiman Al-Hoshan	Member	

\* The previous term ended on 16-09-2023 and the current term began on 17-09-2023.

## Audit Committee Meeting Dates

Name	Position	Meeting Date						Total Attendance	Notes
		2023-03-22	2023-03-30	2023-05-17	2023-07-17	2023-08-09	2023-11-6		
Ahmed Sulaiman Mohammed Al Jasser	Chairman	✓	✓	✓	✓	✓	✓	6	
Ahmed Siraj Abdulrahman Khogir	Member						✓	1	His membership began on 17/09/2023
Nasser Abdullah Saleh Al-Awfi	Member	✓	✓	✓	✓	✓	✓	6	
Khaled Abdulaziz Suleiman Al-Hoshan	Member	✓	✓	✓	✓	X	✓	5	

\* The previous term ended on 16-09-2023 and the current term began on 17-09-2023.

### 6-2 Nomination and Remuneration Committee

The Nominations and Remuneration Committee was formed in accordance with the Corporate Governance Regulations issued by the Capital Market Authority. The committee assists the Board of Directors in nominating members and evaluating their qualifications for joining the Board.

It is also responsible for establishing policies and programs for remuneration and salaries for the Board members, CEO of Arab Sea Company, and senior management employees. Furthermore, it oversees the evaluation of the performance levels of both the Board of Directors and the executive management of Arab Sea Company, holding a total of 2 meetings per year.

Name	Position	Notes
Abdullah Mohammed Nasser Al-Hawas	Committee Chairman	
Ahmed Sulaiman Mohammed Al Jasser	Member	His membership in the committee ended on 16-09-2023
Turki Nasser Suleiman Al-Dahmash	Member	
Saleh Mohammed Girdi Al-Ajyan	Member	His membership in the committee began on 17-09-2023

\* The previous term ended on 16-09-2023 and the current term began on 17-09-2023.

## Nomination & Remuneration Committee Meetings Dates

Name	Position	Meeting Date		Total Attendance	Notes
		28-03-2023	06-08-2023		
Abdullah Mohammed Nasser Al-Hawas	Chairman	✓	✓	2	
Ahmed Sulaiman Mohammed Al Jasser	Member	✓	✓	2	His membership in the committee ended on 16-09-2023
Turki Nasser Suleiman Al-Dahmash	Member	✓	✓	2	
Saleh Mohammed Girdi Al-Ajyan	Member				His membership in the committee began on 17-09-2023

\* The previous term ended on 16/09/2023 and the term session began on 17/09/2023.



**6-3 Risk Management Committee**

The Risk Committee was created at the beginning of the new term of the Board of Directors on 17/09/2020 until 16/09/2023. It consists of three members, and its tasks and responsibilities are summarized as follows:

- Develop comprehensive risk management strategies and policies tailored to the nature and scale of the company's activities, ensuring their implementation, consideration, and regular updates based on internal and external variables affecting the company.
- Establish an acceptable level of risk exposure for the company, maintain it, and ensure that the company does not exceed this level.
- Assess the viability of the company's continuity and successful operation while identifying risks that may threaten its continuity over the next (12) months.
- Oversee the company's risk management system, evaluate the effectiveness of systems and mechanisms for identifying, measuring, and monitoring risks the company may face to pinpoint any deficiencies.
- Regularly reassess the company's capacity to tolerate and be exposed to risks.
- Prepare detailed reports on risk exposure, propose steps to manage these risks, and present them to the board of directors.
- Provide recommendations to the board on risk management matters.
- Ensure the availability of adequate resources and systems for risk management.
- Verify the independence of risk management employees from activities that could expose the company to risks.
- Identify emerging risks and suggest corrective measures to mitigate and control them.
- Develop an emergency plan.
- Coordinate with senior management to ensure the effectiveness and efficiency of the company's risk management system.

Name	Position	Notes
Nabil Abdullah Muraihel Al Mubarak	Committee Chairman	
Haitham Mohammed Saleh Al-Suhaibani	Member	
Turki Nasser Suleiman Al-Dahmash	Member	

## Risk Management Committee Meeting Dates

Name	Position	Meeting Date	Notes
Nabil Abdullah Muraihel Al Mubarak	Chairman	-	
Haitham Mohammed Saleh Al-Suhaibani	Member	-	
Turki Nasser Suleiman Al-Dahmash	Member	-	

\* The term of the committee's work expired at the end of the board term on 16-09-2023

## 7- Remuneration Policies

Arab Sea Information Systems Company has prepared (the policy of rewards for members of its board of directors, its committees and the executive management) in implementation of the provisions of Paragraph (1) of Article (58) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority. The company has ensured that the rewards granted to the board members and senior executives are in line with the approved policy, emphasizing that there is no notable deviation from this policy. The following outlines the reward policy for the Board of Directors members, its committees, and its executive management of Arab Sea Information Systems Company in accordance with the policy.

### Board Members Remuneration

- The remuneration of the Board of Directors' members at the Arab Sea Information Systems Group (Arab Sea Information Systems Company or the Company) may consist of a specific amount, attendance fees, expenses allowances, in-kind benefits, or a percentage of profits. It is permissible to combine two or more of these benefits within the limits set by the company's regulations and bylaws, as outlined in the schedule included in this policy, subject to any subsequent amendments to this schedule being approved in accordance with the regulations.
- Such remuneration may vary in amount and is determined in accordance with a policy issued by the Rewards and Nominations Committee and approved by the General Assembly. The annual report of the Board of Directors to the General Shareholders' Meeting must include a comprehensive statement detailing all remuneration, expense allowances, and other benefits received by the Board members during the financial year. It should also disclose the remuneration received by the Board members in their capacity as employees, executives, technical or administrative workers, or consultants (if applicable), as well as the number of board meetings and each member's attendance record.
- It is essential that the remuneration of independent Board members is not tied to the company's profits directly or indirectly, nor structured as a percentage of the company's profitability.

### Remuneration of committee members

- The Board of Directors determines and approves membership bonuses for its subcommittees - excluding the Audit Committee - as well as attendance allowances and other entitlements based on a recommendation from the Compensation and Nomination Committee.
- Membership bonuses for the subcommittees of the Board consist of an annual bonus (a fixed amount) and meeting attendance allowances and other entitlements as outlined in this policy, in accordance with the attached schedule.
- As for the Audit Committee membership bonus, it is approved by the General Assembly of Shareholders based on a recommendation from the Board of Directors and in accordance with the regulations.

### Executive Management Remuneration

The Compensation and Nomination Committee reviews the salary scale set for all employees and executives, as well as the incentive program and plans continuously, upon a recommendation from the executive management. Executive management bonuses include the following:

- Basic salary (paid at the end of each calendar month on a monthly basis); and allowances including, but not limited to, housing allowance, transportation allowance, children's education allowance, and phone allowance.
- Medical insurance benefits for the executive and their family.
- Life insurance policy (covering work-related injuries, partial and total disability, and death during work).
- Annual bonus linked to performance indicators according to the annual evaluation conducted for this purpose.
- Short-term incentive plans tied to exceptional performance, and long-term incentive plans such as stock option programs (if available).
- Other benefits include, for example, annual leave, annual air tickets, executive airport services, and end-of-service gratuity according to the company's approved HR system and policy.

- The plans, programs, and general guidelines for executive compensation are approved by the Compensation and Nomination Committee.
- The CEO implements the compensation policy for employees and executives in light of the plans, programs, and general guidelines approved by the committee.

### Additional criteria for bonuses and disbursement method

- Members of the Board of Directors are not allowed to vote on the agenda item related to the remuneration of Board members at the General Assembly meeting of shareholders.
- The company discloses the remuneration of Board members, committees, and senior executives in the annual report of the Board of Directors in accordance with the regulations and directives issued under the Companies Law, Capital Market Authority systems, and their executive regulations.
- A member is entitled to remuneration from the date of joining the Board or committee and based on the duration of their membership.
- The procedures for disbursing remuneration to Board members and committees are prepared by the Board Secretary, subject to approval for disbursement by the CEO.
- Attendance allowances for Board meetings, committee remuneration, and committee meeting attendance allowances may be disbursed in installments at the end of each calendar quarter, while the annual Board remuneration is paid in full after approval at the Annual General Meeting.

### Details of the Board of Directors and its Committees' Members Remuneration

Board Members' attendance Remuneration for board meetings	5000 S.R
Board Members' attendance Remuneration for committee meetings	3000 S.R
Secretary of the board's attendance Remuneration for board meetings	1500 S.R
Committee secretary's attendance Remuneration for committee meetings	1000 S.R

### All attendance bonuses are paid immediately after meetings

Calculating a comprehensive amount for accommodation and transportation for each day in the case of external assignment.	1500 S.R
Calculating a comprehensive amount for accommodation and transportation for each day in the case of internal assignment.	1000 S.R

### A business class ticket is issued to any member in case of internal or external assignment

A bonus is granted for each day of participation in an external mission for the company's members.	1000 S.R
An annual bonus is awarded to the members of the audit committee in the amount of	80,000 S.R

## 8- Board of Directors Members and Executive Management Remuneration

### 8-1 Board of Directors Members Remunerations

	Fixed Remunerations						Variable Remunerations									
	Specified Amount	Allowance for attending Board meetings	Allowance for attending committee meetings	Benefit in Kind	What Board members received as employees or administrators	Managing Director or Secretary	Total	Profits Percentage	Regular Remunerations	Short term incentive plans	Long term incentive plans	Granted Shares (Value)	Total	End of Service Reward	Grand Total	Expenses Allowance
<b>Independant Members</b>																
Ahmed Sulaiman Mohammed Al Jasser	80,000	20,000	24,000	0	0	0	124,000	0	125,000	0	0	0	125,000	0	249,000	0
Abdullah Mohammed Nasser Al-Hawas	0	20,000	6,000	0	0	0	26,000	0	125,000	0	0	0	125,000	0	151,000	0
Nabil Abdullah Muraihel Al Mubarak *	0	10,000	0	0	0	0	10,000	0	125,000	0	0	0	125,000	0	135,000	0
Ahmed Siraj Abdulrahman Khogir *	20,000	5,000	3,000	0	0	0	28,000	0	0	0	0	0	0	0	28,000	0
Saleh Mohammed Giridi Al-Ajyan *	0	5,000	0	0	0	0	5,000	0	0	0	0	0	0	5,000	0	
<b>Total</b>	<b>100,000</b>	<b>60,000</b>	<b>33,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>193,000</b>	<b>0</b>	<b>375,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>375,000</b>	<b>0</b>	<b>568,000</b>	<b>0</b>
<b>Non-Executive Members</b>																
Mohammed Saleh Mohammed Al-Suhaibani	0	20,000	0	0	0	0	20,000	0	125,000	0	0	0	125,000	0	145,000	0
Abdul Aziz Mohammed Ali Al Khalifa	0	20,000	0	0	0	0	20,000	0	125,000	0	0	0	125,000	0	145,000	0
Turki Nasser Suleiman Al-Dahmash	0	20,000	6,000	0	0	0	26,000	0	125,000	0	0	0	125,000	0	151,000	0
<b>Total</b>	<b>0</b>	<b>60,000</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>66,000</b>	<b>0</b>	<b>375,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>375,000</b>	<b>0</b>	<b>441,000</b>	<b>0</b>
<b>Executive Members</b>																
Haitham Mohammed Saleh Al-Suhaibani	75,000	20,000	0	0	0	0	95,000	0	125,000	0	0	0	125,000	0	220,000	0
<b>Total</b>	<b>75,000</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>95,000</b>	<b>0</b>	<b>125,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125,000</b>	<b>0</b>	<b>220,000</b>	<b>0</b>

\* The membership of Mr. Nabil Abdullah Marheil Al-Mubarak ended on 16-09-2023 due to the conclusion of the council's term.  
 \* The membership of Dr. Ahmed Siraj Abdulrahman Khogir began on 17-09-2023 at the start of the council's term.  
 \* The membership of Mr. Saleh Mohammed Giridi Al-Ajyan began on 17-09-2023 at the start of the council's term.

### 8-2 Executives Remuneration

Senior Executive Positions	Remunerations				Variable Remunerations								
	Salaries	Allowances	Benefit in Kind	Total	Regular Remunerations	Profits	Short term incentive plans	Long term incentive plans	Granted Shares (Value)	Total	End of Service Reward	Total Executive Remuneration About the Board, if any	Grand Total
CEO	600,000	19,733	0	619,733	75,000	0	0	0	0	75,000	0	125,000	819,733
Finanacial Director	354,541	33,834	0	388,375	52,500	0	0	0	0	52,500	0	0	440,875
Product Manager Secretary of the Board of Directors	360,000	0	0	360,000	45,000	0	0	0	0	45,000	0	0	405,000
Programming Manager	336,000	0	0	336,000	0	0	0	0	0	0	0	0	336,000
Administrative Affairs Director	219,159	50,667	0	269,826	0	0	0	0	0	0	0	0	269,826

### 8-3 Committee Members Remunerations:

Name	Fixed Remunerations (Except Meeting Allowance)	Meeting Allowance	Total
<b>Audit Committee Members</b>			
Ahmed Sulaiman Mohammed Al Jasser	80,000	18,000	98,000
Ahmed Siraj Abdulrahman Khogir *	20,000	3,000	23,000
Nasser Abdullah Saleh Al-Awfi	80,000	18,000	98,000
Khaled Abdulaziz Suleiman Al-Hoshan	80,000	15,000	95,000
<b>Total</b>	<b>260,000</b>	<b>54,000</b>	<b>314,000</b>
<b>Nomination and Remuneration Committee Members</b>			
Abdullah Mohammed Nasser Al-Hawas	0	6,000	6,000
Ahmed Sulaiman Mohammed Al Jasser *	0	6,000	6,000
Turki Nasser Suleiman Al-Dahmash	0	6,000	6,000
Saleh Mohammed Giridi Al-Ajyan *	0	0	0
<b>Total</b>	<b>0</b>	<b>18,000</b>	<b>18,000</b>
<b>Risk Management Committee Members</b>			
Nabil Abdullah Muraihel Al Mubarak *	0	0	0
Haitham Mohammed Saleh Al-Suhaibani	0	0	0
Turki Nasser Suleiman Al-Dahmash	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Dr. Ahmed Siraj Abdulrahman Khogir's membership in the Audit Committee began on 17-09-2023  
 Mr. Ahmed Sulaiman Mohammed Al Jasser's membership in the Nomination and Remuneration Committee ended on 16-09-2023  
 Mr. Saleh Mohammed Giridi Al-Ajyan's membership in the Nomination and Remuneration Committee began on 17-09-2023  
 Mr. Nabil Abdullah Muraihel Al Mubarak's membership in the Risk Committee ended at the end of the board session on 16-09-2023

## 9- Any penalty, fine, precautionary measure, or provisional restriction imposed on the company

There are no penalties, precautionary measures, or provisional restrictions imposed on the company.

## 10- 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

Arab Sea Company continuously works on developing and effectively implementing its internal control system. The company's internal audit management ensures the application of appropriate control systems, providing independent and objective advice to add value, enhance operations, and achieve the company's overarching goals. The Board of Directors affirms, through its annual review of the effectiveness of internal control procedures, that there are no significant or material findings requiring disclosure concerning the integrity of financial, accounting systems, and internal control.

### Audit Committee Opinion:

The internal control procedures implemented by the company during the financial year 2023 were effective and highly efficient. In light of the committee's activities, there are no significant remarks regarding the internal control procedures that require alerting or disclosure.

## 11- Audit Committee Recommendation regarding the need to appoint an internal auditor in the company in case of absence

There is an internal auditor within the company, in addition to contracting with the office of Saad Saleh Al-Sabti, accountants and legal auditors, to carry out internal audit work in the company.



## 12- Audit Committee Recommendations that conflict with the decisions of the Board of Directors

There is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors.

## 13- Details of the company's social contributions, if any

There are no social contributions done by the company during 2023.

## 14- Dates of the general shareholders' assemblies held during the last fiscal year and the names of the board of directors members present at these assemblies

Name	Position	Ordinary General Assembly	Extraordinary General Assembly	Ordinary General Assembly	Notes
		21/06/2023	13/09/2023	28/12/2023	
Mohammed Saleh Mohammed Al-Suhaibani	Chairman of the Board	√	√	√	
Ahmed Sulaiman Mohammed Al Jasser	Deputy Chairman of the Board	√	√	√	
Haitham Mohammed Saleh Al-Suhaibani	CEO	√	√	X	
Abdul Aziz Mohammed Ali Al Khalifa	Member	√	√	√	
Abdullah Mohammed Nasser Al-Hawas	Member	√	√	√	
Nabil Abdullah Muraihel Al Mubarak *	Member	√	X		His membership ended on 16/09/2023
Turki Nasser Suleiman Al-Dahmash	Member	√	√	√	
Ahmed Siraj Abdulrahman Khogir *	Member			√	His membership started on 17/09/2023
Saleh Mohammed Giridi Al-Ajyan *	Member			√	His membership started on 17/09/2023

## 15- Description of the main activities of the company and their impact on the company's business volume and contribution to the results

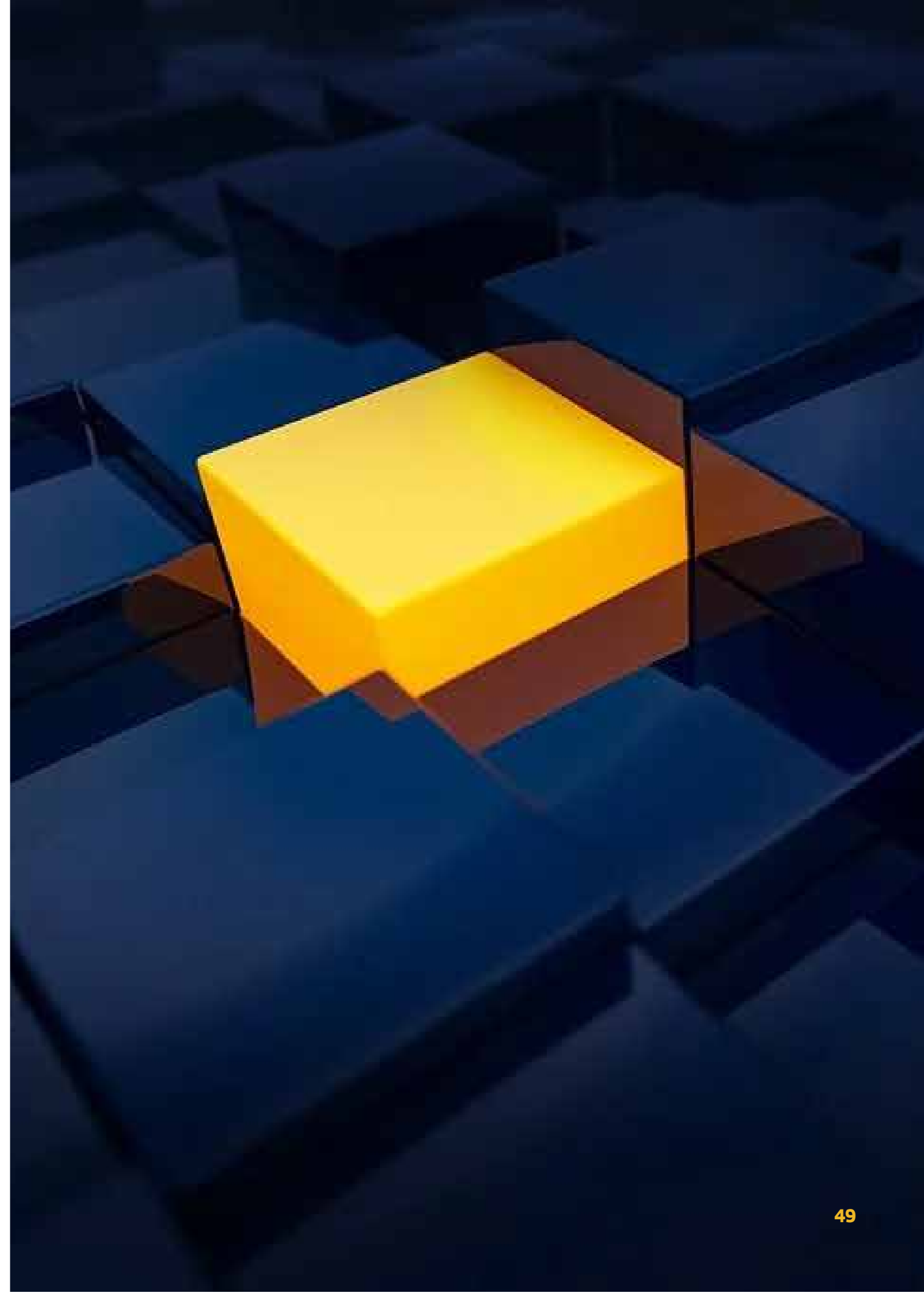
Name	Activity revenues	The percentage
Systems	39934049	<b>97%</b>
Devices	1236380	<b>3%</b>
Total	41170429	<b>100%</b>

## 16- Description of the important plans and decisions of the company for the year 2023 and the future expectations for the company's operations

- Approval of the consolidated annual financial statements for the period ending on 31-12-2022.
  - Approval of the annual report of the Board of Directors for the fiscal year ending on 31-12-2022.
  - Approval to open nominations for the upcoming term in June and close in July of the year 2023.
  - Approval of the consolidated financial statements for the first quarter ended on 31-03-2023.
  - Approval of the consolidated financial statements for the second quarter ended on 30-06-2023.
- 
- Recommendation to the extraordinary general assembly to approve the par value split of the share as follows:
    - \* Par value per share before adjustment: SAR 10.
    - \* Par value per share after adjustment: SAR 1.
    - \* Number of shares before adjustment: 10,000,000 shares.
    - \* Number of shares after adjustment: 100,000,000 shares.
    - \* No change in capital before and after the share split.
    - \* Amendment of Article (7) of the Bylaws related to the company's capital.
    - \* Amendment of Article (8) of the Bylaws related to stock subscription.
    - \* The effective date begins after the extraordinary general assembly approves the par value split of the share.
- 
- Approval of the Audit Committee's recommendation to amend the Audit Committee's charter for the General Assembly to align with the New corporate system.
  - Approval of the Audit Committee's recommendation to renew the contract with Al-Sabti Office for conducting internal audit services at a fee of SAR 120,000 until the end of 2023.
  - Approval of the Nomination and Remuneration Committee's recommendation to nominate all candidates for the Board of Directors for the upcoming term starting on 17-09-2023 for a period of three years for the General Assembly to vote on.
  - Approval of the Nomination and Remuneration Committee's recommendation to amend the Membership Policy of the General Assembly to align with the new Companies Act.
  - Approval of the Nomination and Remuneration Committee's recommendation to amend the Board and Committees' Remuneration Policy and Executive Management of the General Assembly to align with the new Companies Act.
  - Approval to convene an Extraordinary General Assembly to consider the Board of Directors' recommendations.
  - Decision to approve the increase of Arab Sea Financial Company's (Subsidiary) capital from SAR 5 million to SAR 15 million on 05-06-2023.
  - approval to appoint Mr. Mohammed Saleh Al-Suhaibani as the Chairman of the Board of Directors for the current term that began on 17-09-2023.
  - approval to appoint Mr. Ahmed Sulaiman Mohammed Al Jasser as the Deputy Chairman of the Board of Directors for the current term that began on 17-09-2023.
- 
- Approval of the appointment of:
    1. Mr. Abdullah Mohammed Nasser Al-Hawas
    2. Mr. Turki Nasser Suleiman Al-Dahmash
    3. Mr. Saleh Mohammed Giridi Al-Ajyan
 As members of the Nominations and Remuneration Committee for the current term that began on 17-09-2023.
- 
- Approval of the appointment of:
    1. Mr. Ahmed Sulaiman Mohammed Al Jasser
    2. Dr. Ahmed Siraj Abdulrahman Khogir
    3. Mr. Nasser Abdullah Saleh Al-Awfi
    4. Mr. Khaled Abdulaziz Suleiman Al-Hoshan
 As members of the Audit Committee for the current term that began on 17-09-2023.
- 
- Approval of the consolidated financial statements for the third quarter ending on 30-09-2023.



- Recommendation to approve the Board of Directors' proposal to transfer the entire balance of the statutory reserve amounting to SAR 16,501,562 to the retained earnings and to raise a recommendation to the General Assembly of the company's shareholders.
- In 2023, the company witnessed a series of important plans and decisions aimed at enhancing its operational performance and achieving sustainable long-term growth. The company focused its efforts on several key aspects including the development of subsidiaries and investments, targeting government projects, as well as enhancing its capabilities to keep pace with developments in both the public and private sectors.
- First and foremost, the company focused on improving its operational performance by implementing the latest practices and technologies in program management. It updated its infrastructure and technology to enhance operational efficiency and improve the quality of products and services offered.
- Secondly, the company strongly directed its efforts towards developing and enhancing the performance of its subsidiaries, channeling investments and resources towards companies with great potential for long-term growth and profitability. The company took strategic steps to enhance cooperation and knowledge exchange among its subsidiaries to achieve maximum integration and coordination.
- Thirdly, the company directed its attention towards government projects, establishing a dedicated management for government projects targeting promising opportunities in this field to enhance its presence and expand its operations. The project management specializes in bidding for government projects in Information Technology.
- Fourthly, the company's strategies aimed at keeping pace with developments in both the public and private sectors, aiming to strengthen its position as a key player in the market. By continuously monitoring the latest technological and economic developments and forming strategic partnerships with relevant parties, the company seeks to achieve excellence and innovation in all aspects of its operations.
- Finally, the company developed its systems to comply with the requirements of the Zakat, Tax, and Customs Authority (FATOORAH platform) to enable its clients to link their systems to the platform.
- By committing to implementing best practices and achieving the highest standards of quality and reliability, and continuing to grow and prosper, enhancing its position as a key and trusted player in the market and contributing to achieving sustainable financial returns for its shareholders and partners.



# Risk Management Procedures



## **Risk Identification:**

The first step is to identify the risks that the company is exposed to in its field of work. There are many risks, including legal risks, environmental risks, market risks, regulatory risks, and others. It is important to identify the largest possible number of these risk factors in a manual or automated risk register. The company's stakeholders from the Board of Directors, the Risk Committee and the Executive Management are shared with the latest risk developments.

## **Risk Analysis:**

Once risks are identified, they must be analyzed to determine their scope and understand the relationship between risks and various factors within the company. To assess the severity of risks, it is essential to know the number of job functions affected by these risks. Some risks could lead to a complete halt in operations if realized, while others may have no impact at all.

## **Risk Assessment:**

Risk classification, assessment, and prioritization are conducted based on the severity of the risks.

## **Risk Handling:**

After identifying and evaluating risks, dealing with them involves the following approaches:

**Avoidance:** This entails ceasing activities that may lead to a certain risk. An example of this is discontinuing a product or a high-risk activity.

**Transfer:** In this case, efforts are made to shift the impact of risk to another party. Examples include insurance or outsourcing tasks to a third party for execution. This method is resorted to when the impact of an incident is very high but the probability of its occurrence is very low.

**Mitigation:** In this scenario, risk management involves implementing control measures to reduce both the likelihood of occurrence and the consequences of the risk if it materializes.

**Acceptance:** This involves accepting risks as they are without taking any action. This is done when the impact of risks is very low and the probability of their occurrence is also very low.

## **Risk Monitoring and Review:**

It is not possible to eliminate all risks; some risks are always present. Market risks and environmental risks are just two examples of risks that always require monitoring. The executive management closely monitors all risk factors.

## 17- Risks faced by the company, the management policy of these risks, and their monitoring.

### Risks are managed by the Risk Management Committee

and the higher administration in accordance with policies approved by the Board of Directors.

The administration identifies and assesses risks, collaborates closely across Arab Sea Company departments, evaluates the likelihood of their occurrence, estimates their potential impacts, and then takes necessary measures to mitigate, avoid, and contain these risks as much as possible to prevent any resulting damages in case of their materialization.

There are numerous risks associated with the activities of the Arab Sea Company, including:

#### 1- Economic Risks:

These are the risks that the economy faces, whether domestically or internationally, impacting individual and institutional spending, as well as suppliers and manufacturers.

#### 2- Strategic Risks:

These involve not accounting for economic fluctuations, making erroneous strategic decisions, or incorrectly implementing strategies. Arab Sea ensures comprehensive consideration of economic variables through market analysis and economic conditions, relying on distinguished expertise to mitigate any strategic risks.

#### 3- Operational Risks:

These encompass all operational errors and deficiencies, and the ability to function within a competitive environment.

#### A- Currency Risks:

These are risks associated with fluctuations in the value of financial instruments due to changes in currency exchange rates. Most transactions of Arab Sea are in Saudi Riyal, US Dollar, and Euro, exposing subsidiary companies to currency conversion risks.

#### B- Credit Risks:

This involves a party's inability to fulfill financial obligations, leading to financial losses for the other party. To mitigate credit risks, cash is deposited in banks with high credit ratings, and credit lines are restricted after deducting doubtful debts.

#### C- Liquidity Risks:

These are the risks of difficulty in securing the necessary liquidity to meet obligations. Liquidity risks are managed by regularly ensuring sufficient liquidity to address future commitments.

#### D- Human Resource Risks:

This pertains to the ability to attract and retain qualified and exceptional human resources. The company continuously recruits and trains national talents, developing incentivizing rewards to support the continuity and efficiency of employees.

#### E- Legal Risks:

These are risks related to legislative and legal changes in the Kingdom or countries where Arab Sea operates, including taxes, labor laws, and others.

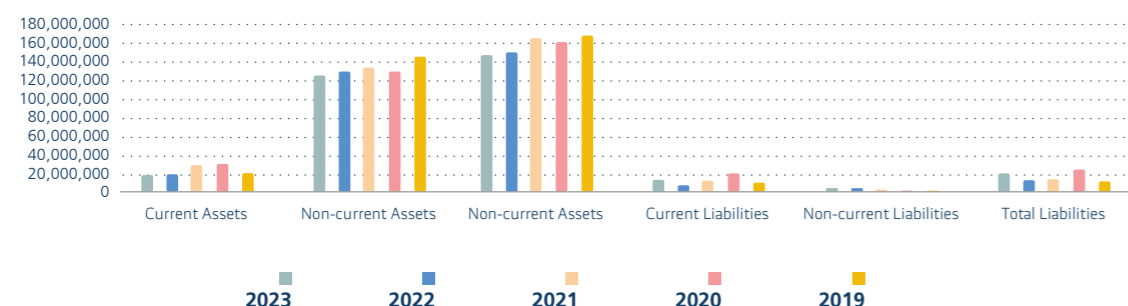




## 18- Company assets, liabilities, and financial performance over the past five fiscal years

Statement	2023	2022	2021	2020	2019
Current Assets	19864345	20882197	27082196	31711352	21797214
Non-Current Assets	129250258	131641877	137423348	129688956	146029613
Total Assets	149114603	152524074	164505544	161400308	167826827
Current Liabilities	16451171	11091548	12709034	21405679	12475589
Non-Current Liabilities	5619039	5149732	4580671	3667671	3274000
Total Liabilities	22070210	16241280	17289705	25073350	15749589

Assets and liabilities of the company



## 19- Business Performance Comparison

Statement	2023	2022	2021	2020	2019
Revenue	41170429	40847398	57450145	24122503	38687418
Revenue Cost	20486686	21378361	19945402	18663441	16277646
Total Profit	20683743	19469037	37504743	5459062	22409772
Net Profit	-9770344	-10439023	21549524	-15878515	24149109

## 20- Geographical Analysis of the Company's Total Revenue

City	Riyadh	Khobar	Jeddah	Khamis Mushait	Qassim	Tabuk	Dubai	Total
Total Revenue	31558959	2475597	2753493	1184326	1107531	985512	1105011	41170429

## 21- Essential differences in operating results from the previous year's results or any forecasts announced by the company

Statement	2022	2023	Changes (+) or (-)	Change Percentage
Sales / Revenue	40847398	41170429	+323031	+0.79%
Cost of Sales / Revenue	21378361	20486686	-891675	-4.17%
Total Profit	19469037	20683743	+1214706	+6.24%
Operating Revenue - Other	-	-	-	-
Operating Expenses - Other	28914824	29482715	+567891	+1.96%
Operating Profit (Loss)	(9445787)	(8798972)	-646815	+6.84%

## 22- Clarification of any difference from the approved accounting standards by the Saudi Organization for Certified Public Accountants

There is no difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants.

## 23- Description of the company's policy on stock dividend distribution

The General Assembly determines the percentage to be distributed to shareholders from net profits after deducting any reserves, if applicable, based on a recommendation from the Board of Directors in accordance with the regulations governing this matter, taking into consideration the provisions of this system.

### 23-1 Dividend payout ratio

No dividends were distributed in the year 2023.

## 24- Description of any interest in the voting rights category of shares belonging to individuals other than members of the company's Board of Directors, senior executives, and their relatives during the last fiscal year. They informed the company of such rights under Article 85 of the Listing Rules.

There is no interest in the voting rights category of shares belonging to individuals other than members of the company's Board of Directors, senior executives, and their relatives during the last fiscal year.

## 25- Description of any contractual interests, financial instruments, and subscription rights belonging to the members of the company's board of directors, executives, and their relatives in shares or debt instruments during the year 2023

Name of the Beneficiary or contractual papers or subscription rights	Beginning of the year		End of the year		Net Change	Change Percentage
	Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
Mohammed Saleh Mohammed Al-Suhaibani	14,001,000	0	14,001,000	0	0	0
Abdul Aziz Mohammed Ali Al Khalifa	1,240,730	0	1,240,730	0	0	0
Abdullah Mohammed Nasser Al-Hawas	49,320	0	29,320	0	20,000	40.6%
Haitham Mohammed Saleh Al-Suhaibani	2,302,720	0	2,200,000	0	102,720	4.5%
Saleh Mohammed Giridi Al-Ajyan	0	0	6,240	0	6,240	100%
Ahmed Suleiman Mohammed Al-Jasser	0	0	10	0	10	100%
Turki Nasser Suleiman Al-Dahmash	0	0	100	0	100	100%

## 26- Information regarding any loans to the company

The company acknowledges that it does not have any loans.

## 27- Description of categories and amounts of any convertible debt instruments, contractual financial instruments, subscription rights warrants, or similar rights issued or granted by the company during the fiscal year

There are no convertible debt instruments, contractual financial instruments, subscription rights warrants, or similar rights issued or granted by the company during the last fiscal year.

## 28- Description of any conversion or subscription rights under convertible debt instruments, contractual financial instruments, warrants, or similar rights issued or granted by the Company

There are no conversion or subscription rights under convertible debt instruments, contractual financial instruments, warrants, or similar rights issued or granted by the Company.

## 29- Description of any redemption, repurchase, or cancellation by the Company of any redeemable debt instruments

There are no redemptions, repurchases, or cancellations by the Company of any redeemable debt instruments.

## 30- Number of Board of Directors meetings for the year 2023

Name	Position	Meeting Dates					Total Attendance	Note
		29-03-2023	23-05-2023	16-08-2023	18-09-2023	15-11-2023		
Mohammed Saleh Mohammed Al-Suhaibani	Chairman of the Board	√	√	√	√	√	5	
Ahmed Sulaiman Mohammed Al Jasser	Deputy Chairman of the Board	√	√	√	√	√	5	
Haitham Mohammed Saleh Al-Suhaibani	CEO & Member	√	√	√	√	√	5	
Abdul Aziz Mohammed Ali Al Khalifa	Member	√	√	√	√	√	5	
Abdullah Mohammed Nasser Al-Hawas	Member	√	√	√	√	√	5	
Nabil Abdullah Muraihel Al Mubarak*	Member	√	√	X	-	-	2	Membership ended on 16-09-2023
Turki Nasser Suleiman Al-Dahmash	Member	√	√	√	√	√	5	
Ahmed Siraj Abdulrahman Khogir *	Member	-	-	-	√	√	2	Membership started on 17-09-2023
Saleh Mohammed Giridi Al-Ajyan*	Member	-	-	-	√	√	2	Membership started on 17-09-2023

## 31- The number of company requests for the shareholders' registry, the dates of those requests, and the reasons behind them

No. of shareholder registry requests	Request Date	Request Reasons
1	05-06-2023	Company Purposes
2	21-06-2023	General Assembly
3	16-08-2023	Company Purposes
4	13-09-2023	General Assembly
5	24-10-2023	Company Purposes
6	28-12-2023	General Assembly

## 32- Description of any deal between the company and related parties

The company signed a real estate asset purchase agreement in 2022, as disclosed in the previous year's 2022 Board of Directors' report. On 14-08-2023, the Capital Market Authority rejected the company's request to acquire a real estate asset in exchange for issuing shares. There were no deals between the company and related parties during the year 2023.

## 33- Information related to any businesses or contracts in which the company is a party or in which any members of the company's board of directors or senior executives have an interest

The company acknowledges that there are no businesses or contracts in which the company is a party or in which any members of the company's board of directors or senior executives have an interest.

## 34- Statement of any arrangements or agreements under which any members of the company's board of directors or senior executives waive any remunerations

There are no arrangements or agreements under which any members of the company's board of directors or senior executives waive any remunerations.

**35- Statement regarding any arrangements or agreements whereby a shareholder of the company waives any rights to profits**

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

**36- Statement of the value of regular payments made and due for the settlement of any zakat, taxes, fees, or other obligations that have not been settled by the end of the fiscal year**

Statement	2023		Summary	Causes
	Paid	Not paid and due until the end of the annual financial period		
Zakat	775089	735105	Current Allocation	Will be paid upon issuing financial statement
Tax	2804272	2505680	-	Paid in 2024
General Organization for Social Insurance	1412147	120255	-	Paid in 2024
Visa and passport costs	407873	-	-	Paid
Labor office fee	147750	-	-	Paid

**37- Statement of the value of any investments or provisions established for the benefit of company employees**

There are no investments or reserves established for the benefit of the company's employees.

**38- Company Declarations**

The company declares the following:

- The accounting records have been prepared correctly.
- The internal control system has been established on sound principles and effectively implemented.
- There is no significant doubt about the company's ability to continue its activity.

**39- If the audit report includes reservations on the annual financial statements**

The audit report did not include any reservations or comments on the annual financial statements for the year 2023.

**40- Recommendation by the Board of Directors to change the auditors before the end of the specified period for them**

There is no recommendation from the board of directors to change the auditors before the designated period expires.

**41- Disclosure of details of treasury shares held by the company**

There are no treasury shares held by the company.

**42- Communication Method for Our Shareholders**

In line with the company's commitment to the rights of its esteemed shareholders and the opening of channels of communication with them, the company has established a Shareholder Affairs Department to follow up on shareholders' matters and respond to their inquiries. Shareholders can communicate with the Shareholder Affairs Department through:

- Phone: 920000559 Ext (111)
- Email: IR@arabsea.com

## Closing Word

The Board of Directors extends its gratitude to our esteemed shareholders for their valuable support and trust, and to the company's staff for their outstanding and fruitful efforts. The company will continue to achieve its future goals and plans that it strives for, aiming to meet the expectations of the company's shareholders.

**Board of Directors**

On their behalf/ Chairman of the Board of Directors

