

Saudi Paper Manufacturing Company

Board Report

For the fiscal year 2021

Contents of the Board Report

Statement	The sequence
an introduction	1
Overview	2
Vision, company mission and values	3
A description of the activities of the company and its subsidiaries and a statement of the impact of each activity on the company's business	4
Important plans, decisions, and future expectations	5
Risk management and control factors of	6
The assets and liabilities for five years	7
Business results for five years	8
Differences in previous operating results	9
Geographical analysis of the revenues of the company and its subsidiaries	10
Affiliates and their data	11
Shares and debt instruments issued for each subsidiary	12
Convertible debt instruments, contractual securities, subscription right notes and similar contracts	13
Transfer or subscription rights for convertible debt instruments , contractual securities, subscription right notes, and similar rights	14
Refund, purchase or cancellation of any refundable debt instruments	15th
Loans on the company and the total debt of the company and its dependencies	16
Systematic payments made and due	17
Transactions with related parties	18
The company's policy in distributing profits	19
Interest in the voting eligibility category	20
Composition of the board of directors and classification of members	21
Board meetings and attendance record	22
Information on board members, committees and executive management	23
Means of evaluating the performance of the council and the performance of committees and its members	24
Membership of council members in company boards inside and outside the Kingdom	25
The interest of board members, senior executives and their relatives in the shares of the company and its subsidiaries	26
Company committees and their data	27
Recommendation of the audit committee to appoint an internal auditor in the company	28
The conflict between the audit committee recommendations and the decisions of the board of directors	29
Remuneration policy for members of the Board of Directors, committees and executive management , and how to define it	30
Remuneration of members of the Board of Directors, committees and executive management	31
The relationship between awarded bonuses and bonus policy	32

Investments and precautions for the benefit of the company's employees	33
Arrangements or agreement for a member of the board and senior executives to waive any remuneration	34
Arrangements or agreement that a shareholder has waived any rights to profits	35
Business and contracts in which the interests of any of the members of the board of directors or senior executives	36
Annual review of the effectiveness of internal control procedures and the audit committee opinion on the adequacy of the internal control system	37
Company declarations	38
Implementing the Corporate Governance Regulations	39
Punishment, sanction, precautionary measure, or reserve entry on the company	40
Shareholders' suggestions and comments about the company and its performance	41
The social contributions of the company	42
Treasury stocks	43
Appointing a company auditor	44
The accounting standards applied by the company	45
Reservations of the external auditor on the annual lists	46
General Assemblies of Shareholders	47
Register of shareholders	48
Acknowledgment	49



Abdullah Al Kharashi

Chairman of the Board of Directors, Member of the Nominations and Remunerations Committee and Member of the Executive Committee



Abdul Rahman Al-Mishal

Board of Member and Chairman of the Executive Committee



Bashar Aba Al-Khail

Member of the Board and Chairman of the Audit Committee



Wael Al-Bassam

Member of the Board and Chairman of the Nominations and Remunerations Committee



Abdul Aziz Al Mishal

Board Member and Member of the Executive Committee and Assistant to the CEO



Dr. Hani Al-Zaid

Board Member



Abdul Majeed Al Abd Al Wahhab

Board Member and Member of the Nominations and Remunerations Committee

Gentlemen / shareholders of the company

Peace ,mercy, and blessings of God be upon you

Speech of the Chairman of the Board of Directors, Engineer / Abdullah bin Abdul Rahman Al Kharashi

On behalf of myself and on behalf of my distinguished colleagues, members of the Board of Directors of The Saudi Paper Manufacturing Company, I am pleased to put in your hands the Board's annual report for 2021.

In this context, I would like to highlight the effort, dedication and commitment that the Board of Directors and the Executive Management of the company have made over the past year to get the company back on track.

Thanks to God's grace and the firmness of these efforts, we have been able to get the company back on track, ensuring its progress and sustainability to achieve returns and profits for its shareholders.

During the fiscal year 2021, the company was able to improve its performance well compared to last year, due to the rearrangement of priorities and the provision of competitive and quality products, despite the exceptional circumstances that accompanied the Corona pandemic, where the company worked according to plans and strategy methods that had a significant and effective impact, thanks to God to the cohesion of the company and even make it go balanced to the road of returning to profitability, and perhaps the increase in the company's capital, which reached 100 million riyals at the end of fiscal year 2021 M, which shows the confidence of the company's shareholders and the cohesion and stability of the Board of Directors, which in turn aims to strengthen the operating business and support its expansion into vital projects that will increase its production capacity and raise its financial returns, which has earned it greater confidence from shareholders as an attractive investment company .

The Board of Directors has also recently approved the increase in the company's capital by offering priority rights shares of 145 million riyals and is currently working to complete the submission of the file to the Capital Market Authority and the completion of the regulatory procedures.

All thanks and appreciation to everyone who contributed to the achievement of these achievements and this rapid and remarkable positive transformation in this difficult time, including the executive management ,employees, and shareholders, and we will all work with utmost effort and transparency to be a leading company in its field and in all its activities in the future to achieve the aspirations of its shareholders and employees.

Company overview:

The Saudi Paper Manufacturing Company is a Saudi joint stock company, listed on the Saudi Stock Exchange since 06/14/2006 Under code 2300 within the basic materials sector.

The company was established in 1989 and listed on the Saudi Stock Market in 14/6/2006 and is headquartered in the city of Dammam - Second Industrial Zone, the company went through the stages of the evolution of different expanded its business over the years since its establishment and development of the T. industrial capabilities by adding complementary activities of the main activity of through the establishment of subsidiaries, Saudi paper Manufacturing Company specialized companies are in the health paper industry, concentrated its activities in the production of paper health with the quality of high to meet the needs of local mainly markets and export operations outside the Kingdom, and the company within its social responsibility towards the community based attention to environmental factors by reducing dependence on raw materials, especially pulp extracted from the cutting of forest trees, the company 's capital of 192 million riyals and the number of shares issued 19,200,000 shares with a nominal value of 10 riyals per share paid in full and that at the end of the fiscal year 2021.

Company vision, mission, goals, and values:

Our vision

To be one of the fastest growing big companies, and are always working on two parallel lines, the development of the profits of our shareholders and raise the value of the market for the company on the one hand, and the development of technical solutions regarding the strict our standards in the preservation of the environment on the other.

Our Mission

Increase the return to the company and the shareholders by increasing production efficiency and sales growth.

Our goals

The company aims to obtain the largest market share in the paper sector, to maintain its leadership and progress as an integrated company, and to enter the promising markets of the paper sector.

Company Values:

Towards the shareholder Main:

Building a profitable relationship with the shareholders of the company, based on transparency by virtue of the fact that we are working to increase their wealth and raise the value of their investments.

Towards customers:

Follow up on the needs of our customers and upgrade our product to reach the internationally required standards.

Towards suppliers:

Maintaining suppliers who provide the best services and prices.

Towards the environment:

Respecting environmental standards around us and applying technical and industrial solutions that do not harm the environment, which is the most important source of our resources and our continuity.

Company principles and ethics:

The company's ethical standards focus on protecting the rights of shareholders, providing an appropriate work environment for employees, serving customers, considering the interests of stakeholders, and working with official authorities and society.

The company's ethical standards are based on the following:

- Respect the laws ,regulations, laws and legislations.
- Respect the rights of employees and stakeholders.
- Managing the company with honesty, fairness ,professionalism and following the best professional and ethical standards.
- Observing and serving mutual interests in all company relationships.
- Maintaining trust between the company on the one hand and the shareholders, customers, employees, official bodies and society on the other hand.

Description of the main activities of the company and its subsidiaries:

The main activities of the company consist of two main sectors: the industrial sector and the trade sector.

The main activity of the company is the production of tissue paper, towels (rolls) and pulp, and the sale, distribution, import and export of paper and its products.

The impact of these key activities on the size of the company's business and its contribution to the results as follows:

'000s	Revenue by activity	Ratio
Manufacturing	541,709	92%
Trading & others	47,091	8%
Total	588,799	100%

Describing main activities for subsidiaries and their contribution to the results:

All subsidiary companies work in complementarity with their parent company, in the field of conversion companies rely on the rolls / rolls of raw hygienic paper produced in the factories of the parent company , and the companies of collecting and sorting paper supply the paper factory with the materials needed for production in addition to its trade in the rest of the types that the factory does not need. The Saudi Investment and Industrial Development Company represents the strategic arm that the company uses in its investments.

The table below shows the impact of these main activities of the subsidiaries on the company's business volume, which has a total revenue of 589 million riyals, and its contribution to the results as follows:

Million Riyals	Revenue by activity	Ratio
Saudi Recycling Company	15	3%
Saudi Paper Converting Company	231	39%
Saudi Investment & Industrial Development Company	0	0%
Al Madar Paper Trading (UAE)	0	0%
Saudi Paper Converting Company (Morocco)	0	0%
Al Madar Paper Trading (Morocco)	0	0%
Al Madar Paper Trading (Jordan)	0	0%
Saudi Paper Converting Company (Jordan)	0	0%
Al Madar Paper Trading (Algeria)	32	5%
Al - Juthoor Paper Tissue Manufacturing Plant	42	7%
Total Revenues of Subsidiaries	320	54%
Saudi Paper Manufacturing Company	269	46%
Consolidated Gross Revenue	589	100%

Important plans, decisions, and future expectations:

Achievements of the year: 2021

Saudi Paper Manufacturing Company was able to close 2021 by achieving the goals set and, in its priorities, to maintain profitability and maximize it and meet its obligations to its suppliers and creditors and contract to buy new equipment to increase production in the Saudi Paper Manufacturing Company with a capacity of thirty thousand tons per year and the work progress is according to the schedule of installations and updating the efficiency of existing machines and developing them by increasing their production capacity by six thousand tons, as well as contracting to purchase

advanced machines for the Saudi converting company to increase production capacity and rely on automation instead of the human element in order to meet the increasing demands on the company's products, which witnessed comprehensive changes in the level of quality and design, which helped increase the company's market share.

The company succeeded in implementing successful credit policies by collecting the value of sales and having guarantees to cover total sales and to safeguard shareholders' funds in addition to using the latest accounting and administrative programs and linking them to production to improve performance and control.

The company faced the crisis of supply chains and was able to reduce its impact on the company's results as well as the significant rise in the prices of raw materials, which was a major challenge and yet the company was able to achieve profit growth rates equivalent to 100% and improve the accumulated profits after years of accumulated losses, The company is proceeding within the framework of a specific business and development plan to regain its leadership position, achieve strategic goals and improve earnings per share.

In terms of Human Resources, the company has recently succeeded in attracting qualified manpower, especially Saudis, the management also replaced non-Saudi with Saudi employees in various departments of the company from administrative sector to production, maintenance, quality, and procurement. As well as the development of an integrated women's workforce in the converting plant to achieve the Saudization program in addition to strengthening all the departments of the company with qualified women elements, which will be a valuable contribution to increasing performance efficiency, The company has also benefited from government business support programs for companies, which has contributed to the recruitment of many Saudi employees, The company also signed a contract with a specialized company to study the situation of the local market and the competing market and determine the salary scale and appropriate job grades in order to create an attractive work environment that preserves human capital and facilitates the process of attracting qualified employees.

In terms of development and creating an ideal professional environment, The company has undertaken several human resources initiatives by adopting key performance indicators for each employee. a Jobs replacement program was also introduced relying on Saudi workforce. On the other hand, a new organization structure has been adopted that keeps pace with international industrial companies and clearly and transparently defines power of authority.

In terms of training, The company implemented extensive training programs during 2021, which covered all levels of employees and provided specialized training courses to ensure the continuation of the development and training process for the company's staff and has prepared a training plan for 2022.

In terms of supply and supply chains, Procurement and planning departments have been reorganized and restructured, and many policies and procedures have been developed to increase their effectiveness and keep pace with the global changes and constraints in the supply chain.

The most prominent challenges of the year: 2021

Still the company faces many challenges with regard to unfair competition from some companies regional and global which affect negatively. Certainly, the problem of raw material price fluctuations in the global market continues to pose some challenge to the company as well as the continuing problem of supply chains globally has had a negative impact on the timely arrival of raw materials.

One of the company's biggest challenges was due to the significant increase in raw material prices which had an impact on the company's liquidity due to the high advance payments made for the imports of raw material.

Paper Recycling Company (subsidiary): Still the company faces many challenges most notably

- Providing the regulatory requirements of (Modon) and industrial zones and applying the highest standards of safety and security.
- Increasing the manufacturing company's (SPM) reliance on the Recycling company (SRC) products requires significantly increase in growth rates.
- Re-Expansion in various administrative regions in the Kingdom and covering the largest number of sources.
- Developing mechanisms for collecting and sorting used paper and use the latest technologies in sorting and applying the best quality standards.
- Despite increased demand for used paper and increased competition, the company has achieved good growth rates.

As some extent a large challenges faced by the company due to the need to provide stocks of raw materials and the provision of financial resources. At the same time, raw material prices continued to rise gradually, registering the highest prices at the end of the year.

Future Strategy and Outlook:

1. **Sales and Marketing Strategy:** The completion of the development of the sales and marketing strategy to enter the market it is as follows: Developing products and its specifications, redistributing sales channels and increasing market share, to be among the best leading companies locally and regionally.

In terms of products:

- A new product was launched under the SPC PRO brand, targeting the corporate sector and government agencies.
- (City) branded product has been redeveloped by redesigning the exterior and improving product quality, which is based on recycled (environmentally friendly) products.
- The company's main brand (Mouchoir) and its market share will be maintained with a design and improved quality development.
- (Excellence) Brand identity renewal and improve the product quality Which targets the highest segment of the market with the biggest brands to increase the brand sales and promote it.

In Terms of internal systems, it's planned to activate sales automation program to organize and develop the following:

- Complete all customer data and connect it to the company's electronic system.
- Launch a Project to locate customers Locations, and distribution and coverage points.
- Follow-up sales on a daily basis across the Kingdom through "sales buzz" program.

Sales of Sanitary paper rolls, we aim to build sustainable strategic relationships with our customers in the Saudi market.

2. **Increasing Production Efficiency:** Production efficiency in manufacturing was increased during 2021 by increasing machine efficiency while developing paper quality and improving specifications to meet the competition in the Saudi market along with the development and modernization of quality measurement systems, we continue to work to reduce product costs by reviewing all production processes and continuing to work to reduce costs through the development of production and packaging machinery and Investing in automation of many machines during 2021 in the converting company where we have contracted to develop and modernize some machines to achieve increased productivity and reduce operating cost, resulting in higher productivity at lower costs.
3. **Capital restructuring:** Work is underway to obtain the necessary approvals to increase the capital by an amount of 145 million riyals.

The company continues to work on the key components of its strategy, and they are: Human capital, Performance efficiency, and the ability to execute, these components require that we continue to attract and develop qualified human capital to our business, and work to improve the performance of the company throughout the various units and departments of the company.

The company will continue its path of focusing on the local market and increasing its interest in areas that offer an opportunity to gain a greater market share.

As for our subsidiaries, and in regard to Aljothoor factory Kuwait, the expansion and operation work was completed in 2021, In Algeria, Al Madar company continues to perform positively, and the company is working eliminate its negative foreign investments.

Most important development project in the group: 2021

The company achieved the desired objectives from its development plans during 2021, The timetable for 2022 is full of ambitious projects for the Saudi Paper Company and its subsidiaries , and these projects will contribute to the development and improvement of the company's infrastructure, develop machinery performance, increase its production capacity, improve the governance of policy and procedures and achieve sustainability, these projects are focused on:

Manufacturing and logistics

We have contacted with one of the best international companies to develop converting plant production lines with the aim of increasing production capacity from its current state as well with the aim of automating the production lines to reduce manpower, which leads to a reduction in production costs, it's expected to complete the installation of the production lines and start operating in the third quarter of 2022.

The company signed a contract in May 2021 with the Italian company Toscotec, one of VOITH's group of international companies to supply and supervise the installation process and the start of the machine production with a capacity of 30 tons, Toscotec technology is designed to maximize production efficiency, reduce consumption and operating costs at the highest quality and comply with the environmental standards, and is expected to start operating (Testing) by the end of the fourth quarter of 2022. In regard to Aljothoor factory in Kuwait, the company has completed the installation of all machines and completed the operating trail and started operating.

The group has begun implementing the standard policies of the ISO system and applying the latest policies, and procedures to increase business sustainability with ISO programs and to obtain ISO certificates 9001 and 14001 and activate it during the second half of 2022. Through the application of ISO programs, the group aims to manage risks by applying the methodology of ISO 45001 and 37001 and obtaining certificates and activating them during the fourth quarter of 2022. During 2022, the group will also be undertaking a project to establish a central archive system to safeguard and manage the company's paper documents and to manage the needed electronic copies for the necessary transactions and following the laws and regulations governing document management.

Automation

The group has carried out several automation projects during 2021, the most important of which are:

- Project to connect Dammam factories to fiber optic networks to improve connectivity between computer networks and communications between our factories and securing a backup fiber optic line in the event of any outage in the main network line.
- Unified printing system to reduce the cost of consumption in inks and printing papers and encourage our employees to increase reliance on digital documents.
- Use the latest mobile application technology to account for sales in stores, increasing the efficiency of the sales team.
- Connect the security cameras in all the company's locations through a unify security system enhancing the efficiency of industrial security and the safety of workers.
- Application of barcode system in production, quality, and warehouses to increase the efficiency of employees, enhance controls and improve the quality of data input.

In 2021, the Group contracted for the latest computer operating systems (SAP Hana), which will be operational in the second quarter of 2022. It will include all departments of the company and connect the production machines to the software, and it will apply the latest data analysis systems and artificial intelligence provided by SAP and it will provide a clear vision to support management decisions and the development of this project will continue until the end of 2022

The company has developed the outdated computer server network and replace it with the latest technology to maintain data and information It also improves communication efficiency and the ability of the computer network to support the business, the new computer network will be activated during the second quarter of 2022.

The group pays great attention to cybersecurity and will contract with major specialized company to implement cybersecurity solutions and conduct regular inspections on the group systems security, the upgraded cybersecurity systems will be activated during the third quarter of 2022.

In 2022, the Group will also contract with a cyber disaster recovery solutions company through which complete copies of the company's data are kept in a secure location for use in a disaster situation, the project will be implemented during the fourth quarter of 2022.

Distribution and transportation:

The company will continue to develop and increase cash van sales to expand the distribution network and increase the outreach of the company.

Risk factors management and controls:

The company and its subsidiaries, like any economic entity, face a set of risks that are concentrated in operational risks, financing risks, risks related to the market and the industrial sector in which it mainly operates in addition to the effects of macroeconomic factors and risks of decreasing the fair value of its assets and financial instruments, in addition to other risks that may not be known to The company, which results from the repercussions of financial and economic crises, fluctuations of political and social factors and changes in legislation, laws and regulations in force, and the main risks in the company are concentrated in the following:

- The risks that the revenues of the industrial sector activity in the hygienic paper industry will be affected and what is related to that as a result of competition from companies inside the Kingdom and companies exported from outside the Kingdom and the challenges that the company faces resulting from dumping, or as a result of the levels of availability of raw materials that the company needs and the fluctuations of its global prices.
- Risks of foreign exchange rates against the Saudi riyal in relation to its purchases and foreign investments of the company.
- Liquidity risk.
- The risk of loan costs and interest rates on the riyal that affects the fluctuation of the value of financial instruments and the possibility that the future profitability of the company or the fair value of financial revenues will be affected by its assets and liabilities, including long-term murabaha loans.
- Risks related to breakdown of technical, financial, administrative and operational systems, equipment, machinery, and what is related to production processes, in addition to fire risks and what is related to security and safety.
- The credit risk of customers, their inability to fulfill their obligations towards the company and its subsidiaries, and the negative impact on cash flows.
- The risks of legislation, laws and regulations related to the company's operations, activities, obligations, and legislation related to dumping operations from abroad.
- The company risks losing manpower and specialized personnel in the production processes for reasons of socio - its and economic.

The company faces, manages and monitors these risks through a strategy of avoiding high risks as possible, minimizing their effects, or transferring them to other parties such as insurance companies by following many procedures and taking necessary precautions to be able to conduct its business and operations in the usual manner, in addition to continuous monitoring. Risks affecting the company's operations and its needs for cash liquidity, raising confidence with customers, and increasing consumer loyalty to the company's products.

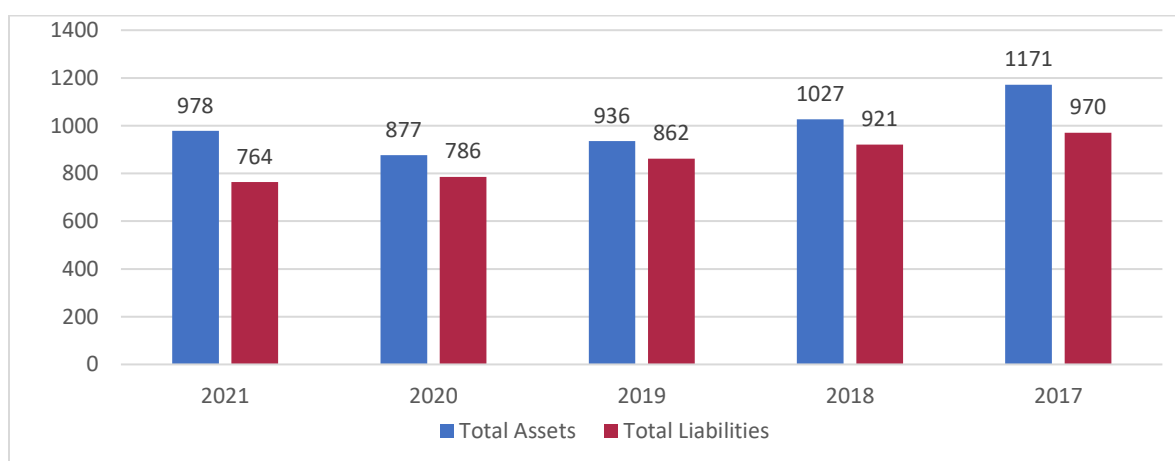
In managing risks, the company is also working on developing internal systems and regulations, strengthening internal control systems, enhancing employee loyalty to the company, and continuing to work on raising the level of efficiency, productivity, control and internal control work.

Comparison of assets and liabilities for five years:

Total assets amounted to 978 million riyals for the year ended 2021, an increase of 11.5% over the year 2020, and in contrast, the total liabilities amounted to 764 million riyals for the year ended 2021, a decrease of 2.8% from the year ended 2020.

The table below shows a comparison of assets and liabilities for five years:

Statement	Million Riyals	2021	2020	2019	2018	2017
Current Assets		380	243	277	337	378
Non - Current Assets		598	634	658	690	793
Total Assets		978	877	936	1,027	1,171
Current Liabilities		403	395	476	484	404
Non - Current Liabilities		361	391	386	437	566
Total Liabilities		764	786	862	921	970

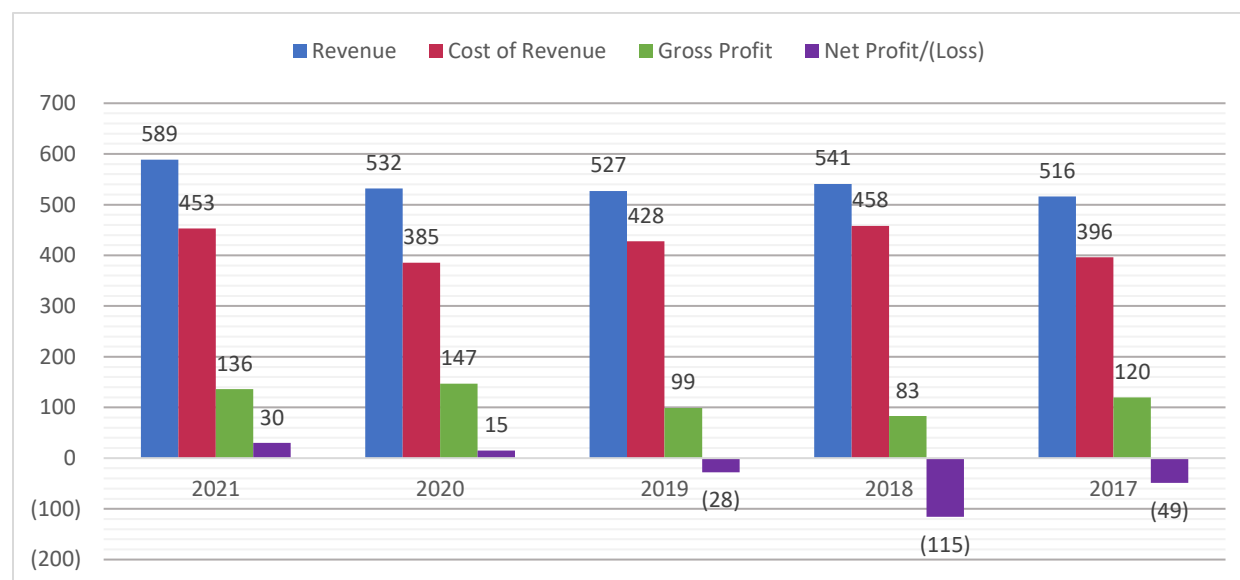


Comparison of business results for five years:

The company's revenues during the year 2021 amounted to 589 million riyals, an increase of 11% over the previous year, and the total gross profit decreased to 136 million riyals, a decrease of 7% from the previous year because of the unprecedented rise in pulp prices, despite the increase in sales and improvement in efficiency. The net profit of the company's shareholders during this year amounted to 30.3 million riyals, an increase of 100.5% over the previous year's profit of 15.1 million riyals.

The table below shows a comparison of the five-year business results:

	2021	2020	2019	2018	2017
Revenue	589	532	527	541	516
Cost of Revenue	(453)	(385)	(428)	(458)	(396)
Gross Profit	136	147	99	83	120
Net Profit/(Loss)	30	15	(28)	(115)	(49)



Differences in operating results from the results of the previous year:

The company's revenues during the year 2021 amounted to 589 million riyals, an increase of 11% over the previous year, and the total gross profit decreased to 136 million riyals, a decrease of 7% from the previous year because of the unprecedented rise in pulp prices, despite the increase in sales and improvement in efficiency. The productive operations and decrease in provision for trade receivables because of the improvement in customers collection, decrease in financing expenses because of the rescheduling of loans and company's commitment to pay the due payments, that resulted in an increase in the company's profits and a decrease in other expenses as the company made in the year. During the year, the company recorded other revenue for the judgment issued in favor of the company regarding the sale of land in 2017. The company is working to continue improving operational efficiency over the next year.

The table below shows the differences in the operating results of the company for the years 2020 & 2021:

Statement	Million Riyals	2021	2020	Changes (+) or (-)	Change in %
Revenue		589	532	57	11%

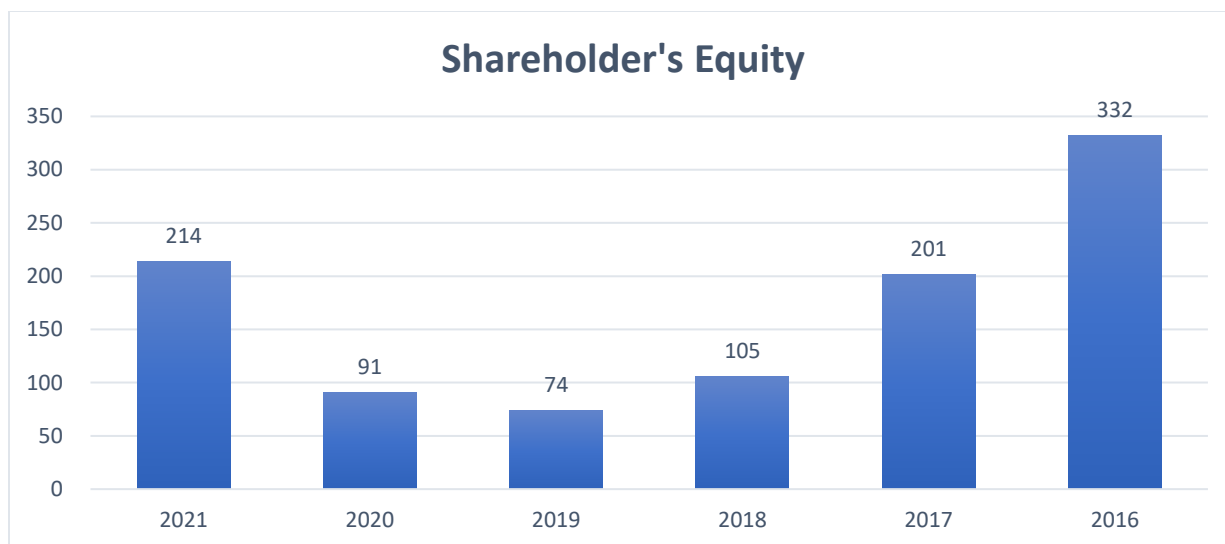
Cost of Revenue	(453)	(385)	(68)	18%
Gross Profit	136	147	(11)	-7%
Other Operating Income	19	3	17	
Operating Expenses	(98)	(86)	(13)	15%
Operating Profit/(Loss)	56	53	3	6%

Shareholders' Equity:

Total shareholders' equity (after excluding minority interests) during the current period ending on December 31, 2021 amounted to 212.56 million riyals, compared to 89.16 million riyals for the previous year, an increase of 138% resulting from achieving profits during the year and by increasing the capital.

The retained earnings as of December 31, 2021 amounted to 24.77 million Saudi riyals, which constitutes 13% of the capital.

Statement	Million Riyals	31/12/2021	31/12/2020
Share Capital		192.0	92.0
Statutory Reserve		3.4	0.3
Other Reserves		(7.6)	(6.1)
Retained Earnings/(Accumulated Losses)		24.8	3.0
Equity attributable to the shareholder's of the company		212.6	89.2
Non-Controlling Interest		1.0	1.4
Total Equity		213.6	90.6



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

The group operates in the Kingdom of Saudi Arabia, the Gulf Cooperation Council countries, North Africa and some other geographical areas. Some of the financial information as at December 31, 2021 is summarized according to geographical distribution as follows:

Year	Geographical analysis of the company's total revenue				
	Million Riyal	Inside Kingdom	GCC Countries	Other Countries	Total
2021	589	515	42	32	589

Year	Geographical analysis of the total revenues of subsidiaries				
	Million Riyal	Inside Kingdom	GCC Countries	Other Countries	Total
2021	320	246	42	32	320

Subsidiaries inside and outside the Kingdom:

The company carries out its activities and operations directly and through its subsidiaries inside and outside the Kingdom, and the table below shows the names of the subsidiary companies in which the company owns 30 % or more and their data:

State of incorporation	The state is the main	Its main activity	The percentage	Its capital	The name of the subsidiary company
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locus of its operations			of the company's ownership in it		
Saudi	Saudi	Transfer paper	100%	50,000,000	Saudi Paper Converting Company (A limited liability company)
Saudi	Saudi	Collecting, sorting and trading in paper	100%	4,300,000	Saudi Recycling Company (A limited liability company)
Saudi	Saudi	To invest in various industries	100%	500,000	Saudi Investment and Industrial Development Company (A Limited Liability Company)
Morocco, West, sunset	Morocco, West, sunset	Collecting, sorting and trading in paper	100%	450,000	Al Madar Paper Trading Company (A limited liability company)
Jordan	Jordan	Collecting, sorting and trading in paper	100%	530,000	Al Madar Paper Trading Company (A limited liability company)
Jordan	Jordan	Transfer paper	100%	265,000	Saudi Paper Converting Company - Jordan (A Limited Liability Company)
Algeria	Algeria	Collecting, sorting and trading in paper	100%	817,000	Al Madar Paper Company (A limited liability company)
Kuwait	Kuwait	Transfer paper	85%	2,835,000	Al Jothoor Paper Tissue Manufacturing Plant (a limited liability company)

All companies work in complementarity with each other, in the field of conversion, the transfer companies rely on the rolls / rolls of the raw hygienic paper produced in the company's factories, and the companies of collecting and sorting the paper and its branch supply the paper factory with the materials necessary for production in addition to its trade in the rest of the types that the factory does not need. Saudi Investment and Industrial Development is the strategic arm that the company uses in investments.

Shares and debt instruments issued for each subsidiary:

The company has not issued any debt instruments, nor has any of the company's subsidiaries issued any shares or debt instruments.

Convertible debt instruments or any contractual securities, subscription or rights notes Similar:

There are no tools debt met him Switchable And

any Leaves Finance Contractual or Right notes subscription or rights Similar Issued by or Granted her The company Kh lal the year Financial And there is no Any compensation I got on him The company Opposite That.

The rights to convert or subscribe to any convertible debt instruments, contractual securities, or right notes Subscription or similar rights issued or granted by the company:

There are no a j rights Conversion or subscription Under Tools debt met him Switchable or Leaves Mali ,its contractual or H s diary subscription or Similar rights Issued by or Granted her The company.

The Company's recovery, purchase or cancellation of any redeemable debt instruments:

The company has not issued any debt instruments and there is no redemption or Purchase or Cancellation From side The company for any Tools debt Negotiable of For E .redemption.

Loans on the company and indebtedness Aggregate Of the company And companies Dependent Her:

includes borrowing from banks as well as long - term loans and short - term loans and liabilities against the re -financing letter of credit was obtained from multiple commercial banks and bear the costs of financial prevailing market rates that depend on the interest rate between banks, and the company has completed the re -arranging scheduling facilities granted to its from banks in proportion to the cash flows of the company , which was obtained after data allow different addition to payments T T befitted with future cash flows of the company of up E .Lee seven years , has the company provided in exchange for all these facilities support data for a passed only without A .j guarantees E .additional .

The provisions of the Saudi Industrial Development Fund loan agreements for the company and one of its subsidiaries require maintaining some financial levels and setting restrictions on dividend distributions and limiting annual capital expenditures and rents. These loans do not bear any financial expenditures, but a construction fee has been charged for the loan and it is guaranteed by the mortgage of the group's property, machinery, and equipment. and it must repay the loan are met and at the end in 2023.

All loans and credit facilities are granted to the company, and the subsidiary companies do not have any banking facilities.

Million Riyals

S. No.	Name of Bank	Principle Amount	Loan term	Loan advance paid during the year	Loan Remaining Amount	Total Loan of the company & its subsidiaries
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(1)	Al Inma Bank	269	2018 - 2026	(5)	262	262
(2)	Bank Al Jazirah	8	2018 - 2021	(5)	0	0
(3)	Arab National Bank	11	2016 - 2021	(5)	0	0
(4)	Saudi National Bank	65	2016 - 2023	(15)	31	31
(5)	Al Rajhi Bank	76	2019 - 2024	(22)	52	52
(6)	Riyadh Bank	158	2018 - 2026	(24)	173	173
(7)	SABB	25	2016-2022	(3)	21	21
(8)	Industrial Bank of Kuwait	7	2020 - 2027	(1)	6	6
(9)	Saudi Investment Bank	41	2018 - 2025	(6)	31	31
(10)	SIDF	38	Until - 2023	(12)	15	15

Million Riyals

Bank Obligations	31/12/2021	31/12/2020
Long term Loans	422	522
Short Term Loans	168	117
Total Loans	590	639

Regular Payments Made & Due:

Based on the requirements of circular No. 36025/9/1437 issued by the Zakat, Tax and Customs Authority in 2016, the group submitted the consolidated zakat declaration on the basis of the audited consolidated financial statements, which compile the results of the parent company and its wholly owned local and non-local subsidiaries for the fiscal year ending on December 31, 2020 .

During the year ended December 31, 2020, the Company settled the assessment claim for the years 2006 to 2007 in the amount of 2.1 million Saudi riyals by paying an amount of 1.05 million Saudi riyals and received the final assessment for these years. In addition, during the year ended December 31, 2020, the Company received the assessments for the years 2014 through 2018.

The table below shows the value of the company's statutory payments during the year 2021 :

Million Riyals	31/12/2021	Description	Reasons
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Statement	Paid	Due until the end of the annual financial year		
Zakat	987,861	16,210,123	Zakat according to the system of the General Authority of Zakat and Income	-
Withholding Tax	20,484	0	Withholding tax for external payments according to the General Authority for Zakat and Income system.	-
Value Added Tax	50,279,685	3,418,255	Value Added Tax	
General Organization for Social Insurance	4,741,889	420,890	GOSI paid according to the system	-
Labour office fees & related expenses	2,540,184	32,518	Paid to the General Directorate of Passports and the Labor Office for company employees according to the system	-

Transactions with related parties:

Transactions with related parties focused on the transaction with the East Gas Company Ltd , which is an associate company, and during the year the company, according to its needs, purchases the quantities of gas it needs based on prices determined by the competent government authority, and this company is the only main source for the Second Industrial City in Dammam on which it depends the company for the supply of gas , representing the Engineer Fahad bin Mohammed Al Daoud Company 's board of Directors in East gas Company Limited.

The table below shows the value of transactions that took place with related parties during the year: 2021

The value of transactions during the year	Duration	Type of transaction	Interested member	The type of relationship he has with the company	Related party
7,2 million riyals	Twelve months	Gas purchases during the year	Mr. Abdul Aziz Al Mishal	Associate company	East Gas Company

Company policy in dividend distribution:

Any distribution of profits proposed by the Board of Directors requires the approval of the general assembly of shareholders, and according to the company's bylaws, the distribution of the annual net profits of the company after deducting all general expenses and other costs shall be as follows:

- (%10)of the net profits shall be set aside to form the statutory reserve of the company, and the Ordinary General Assembly may decide to stop this deduction when the said reserve reaches 30% of the paid capital.
- These percentages of the profits determined for these shares shall be distributed to the holder of the preferred shares .It refers to the excellent equity shares issued by the company and arrange for their owners the right to obtain more than ordinary shareholders of the net profits of the company ratio after sparing the statutory reserve, and does not give those shares their owners the right to vote in the Assembly Amhoyjoz Ordinary General Assembly upon the proposal of the Board of Directors set aside the proportion of equal Net profits to form other reserves.
- From the remainder, if any, a first payment is distributed to the shareholders equivalent to %5 of the paid-up capital.
- After the aforementioned, a percentage not exceeding ten percent (10%) of the remainder shall be allocated as the remuneration of the Board of Directors, taking into account the provisions stipulated in Article Twenty-first of this Law (Board Members Remuneration) and Article 76 of the Companies Law.
- After that, the rest is distributed to the shareholders as an additional share of profits.

The company may yet meet the regulations set by the competent authority to distribute interim dividends to its shareholders semi - annual or quarterly annual after collecting requirements and regulatory controls in this regard.

The shareholder is entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard, and the decision specifies the date of entitlement and the date of distribution, and the eligibility of the profits is for the shareholders registered in the shareholders 'records.

The share of profit in East Gas Company is 3.3 million Saudi riyals, on the profit of its shares in the aforementioned company, which represents 26% of its capital.

Interest in the voting eligibility category:

During the fiscal year 2021 the company was not informed of any rights in the interest of the voting-eligible shares category belonging to persons (except for members of the Board of Directors and senior executives and their relatives) under Article (68) of the rules of offering and continuing obligations related to the ownership of large shares of the company's shares ,noting that There are stakes for the major shareholders of the company.

Board composition and membership classification:

The company's board of directors consists of seven members in accordance with the company's statutes, there was a change in the members of the Board during the year 2021. The members of the Board of Directors were elected for the new term which begins on 27/04/2021, with seven Board members (as shown in the table below) and there was no change in the members classification during the year 2021 except for Mr. Abdulaziz Raed Al Mashal from non-executive member to an executive member.

Membership rating	The position on the board	Board of Directors	
Independent member	Chairman of the Board of Directors (membership expired)	Fahd bin Mohammed Al-Dawood*	1
Independent member	Member of the Board of Directors (membership expired)	Fahd Saad Al-Shuaibi:***	2
Independent member	Member of the Board of Directors (membership expired)	Suleiman Abdulaziz Al-Zabin*	3
Independent member	Member of the Board of Directors (membership expired)	Dr.. Mohammed bin Saud Al-Badr*	4
Independent member	Chairman of the Board of Directors	Abdullah bin Abdulrahman Al-Kharashi:**	5
Executive member	Member of the Board of Directors and Managing Director (membership expired)	Abdullah bin Oudah Al-Anzi*	6
Independent member	Vice Chairman of the Board of Directors	Bashar bin Abdulaziz Aba Al-Khail**	7
Independent member	Member of the Board of Directors	Abd al-Majid ibn Abd al-Aziz al-Abd al-Wahhab **	8
Independent member	Member of the Board of Directors	Dr. Hani bin Mohammed Al-Zayd**	9
Non-Executive Member	Member of the Board of Directors	Abdul Rahman bin Raed Al Mishal**	10
Executive Member	Member of the Board of Directors and Assistant to the CEO	Abdul Aziz bin Raed Al Mishal**	11
Independent member	Member of the Board of Directors	Wael bin Abdul Rahman Al-Bassam**	12

*The current term ends on 26/04/2021
**Approved by the General Assembly to begin the term from 27/04/2021
***Resignation on 01/02/2021

Meetings of the Board and the dates and record Members attend:

The Board of Directors held during the fiscal year 2021 four meetings, the Board also issued a number of Board resolution in the periods between the dates of the meetings during the year, according to the needs and requirements of the company, especially the decisions to approve the preliminary financial statements for the quarterly and annual periods, which was approved after the review of the audit committee and recommendation to the Board.

The table below shows the record of the Board's meetings and the attendance of its members during the fiscal year 2021

Total	Fourth 2021/12/19	Third 2021/10/31	Second 2021/09/29	First 2021/04/28	Name	#
	✓	✓	✓	✓	Abdullah Al Kharashi (Chairman)	1
	✓	✓	✓	✓	Bashar Aba Al-Khail (Vice Chairman)	2
	✓	✓	✓	✗	Dr. Hani Al-Zaid	3
4	✓	✓	✓	✓	Wael Al-Bassam	4
	✗	✓	✓	✓	Abdul Majeed Al Abd Al Wahhab	5
	✓	✓	✓	✓	Abdul Rahman Al-Mishal	6
	✓	✓	✓	✓	Abdul Aziz Al Mishal	7

Information's Of the Board, Committees members, And The Executive management:

Members Of The Board:

Of experience	Qualifications	previous jobs	Current jobs	The name	
24years of experience in the industrial sector	Bachelor of Electrical Engineering	Executive vice president of olefins and gas at SABIC Member of the board of directors of a number of companies	Retired / SABIC company	Fahd Mohammed Al-Daoud	1
41years of experience in the public and industrial sectors	BA in Business Administration	Chairman of the Board of Directors of the Arab Federation for Fertilizers Vice Chairman of SAFCO Board of Directors Member of the Board of Directors / SABIC Company Member of the Board of Directors / Vice President of the Saudi Yanbu Company Member of the Board of Directors of the Education Development Holding Company Chairman of the Board of Directors of the Educational Transport Development Company Chairman of the Audit Committee Seiko Insurance Company Member of the Board of Directors of the Aluminum Bahrain Company (Alba) Member of the Board of Trustees of the Arab Society for Human Resources Management Member of the Total Quality Management Authority) ISO 9000(Retired / SABIC company	Fahd Saad Al-Shuaibi	2

		<p>Member of the Research and Technology Executive Steering Committee</p> <p>Member of the Steering Committee of the Fanar Project</p> <p>Member of the Committee on End of Service Instructions biting</p> <p>Member of the Administrative Committee for the Supply Chain</p> <p>Member of the Board of Directors of Al-Biruni Company</p>			
20years of experience in the financial and industrial sector	<p>Master of Risk Management</p> <p>Bachelor of Sensation</p>	<p>Chief Executive Officer of Deutsche Bank Gulf Finance</p> <p>The Executive Chairman of the Al Rajhi Bank</p>	<p>Undersecretary of the Ministry of Labor and Social Development for Social Development</p>	<p>Suleiman Abdulaziz Al-Zabin</p>	3
30years of experience in the industrial ,communications and information technology fields	<p>PhD in Computer Education</p> <p>MA in Computer Education</p> <p>Bachelor of Education</p>	<p>General Manager and Managing Director of the Saudi Chemical Company ,CEO of Integrated Communications Company Ltd.</p> <p>CEO and Managing Director of the International Company for Education and Training</p> <p>Director of Information Department at the Shura Council</p>	-	<p>Dr ..Mohammed bin Saud Al-Badr</p>	4
He has more than twenty-five years of experience in the executive management and industry, and he holds Engineer Abdullah bin Oudah Al-Enezi	<p>Bachelor's degree in mechanical engineering and master's in executive management from King Fahd University of Petroleum and Minerals</p> <p>And a Postgraduate Diploma in Management from the University of Hill, UK.</p>	<p>He previously served as CEO of the company and other industrial companies, in addition to be a member of a number of boards of directors of joint stock companies</p>	<p>Member of the Board of Directors of a number of joint stock companies</p>	<p>Abdullah bin Oudeh Al-Anzi</p>	5
14years of experience in the administrative, industrial and investment fields,	<p>He holds a bachelor's degree in industrial engineering from King Saud University</p> <p>And a Master of Engineering Management from the University of Los Angeles, USA.</p>	-	<p>He is currently the General Manager of Riyadh Velvet Factory and a Board Member</p>	<p>Abdullah bin Abdulrahman Al-Kharashi</p>	6
Experience in the field of strategy, finance, governance, and compliance, as well as oversight of financial institutions and international relations	<p>MBA from Cass Business School</p> <p>Bachelor's degree in Financial Management, King Saud University</p>	<p>CEO of Al Sagr Cooperative Insurance Company</p> <p>Head of Strategy and Business Development at Al-Sagr Cooperative Insurance Company</p> <p>Insurance supervisor and inspector of the insurance sector in the Central Bank</p> <p>bank supervisor</p>	<p>Founder and Chairman of Yasmina Company</p> <p>Member of the Board of Directors and Chairman of the Nominations Committee of the National Medical Care Company</p> <p>Member of the Board of Directors and Chairman of the Audit Committee of the Saudi Paper Manufacturing Company</p>	<p>Bashar bin Abdulaziz Aba Al-Khail</p>	7
				<p>Dr. Hani bin Mohammed Al-Zayd</p>	8

More than 25 years of experience in human resources	MBA from University College of Bahrain	HR Consultant in several companies	He is currently the Vice President of the Human Resources at Bank Al Jazira group	Wael bin Abdul Rahman Al-Bassam	9
			Director General of Legal Affairs at the Ministry of Commerce	Abd al-Majid ibn Abd al-Aziz al-Abd al-Wahhab	10
He has 3 years of experience in the field of financial analysis.	He holds a Bachelor's degree in Business Administration from Chapman University, USA.	Aljazira Capital (financial analyst)	Alinma Investment (financial analyst)	Abdul Rahman bin Raed Al Mishal	11
Diverse experience in planning and development	Alfaisal University Bachelor's degree in Finance	Planning and development specialist	Assistant to the CEO	Abdul Aziz Al Mishal	12

Members Audit Committee:

Of experience	Qualifications	previous jobs	Current jobs	The name	
20 years of experience in the financial and industrial sector	Master of Risk Management Bachelor of Accounting	Chief Executive Officer of Deutsche Bank Gulf Finance Chief Executive Officer of Al-Rajhi Bank	Undersecretary of the Ministry of Labor and Social Development for Social Development	Suleiman Abdulaziz Al-Zabin*(Chairman)	1
30 year's experience in finance and accounting	Doctorate in business administration, masters and baccalaureate o's degree in accounting	Associate Professor of Accounting, King Saud University A consultant in charge of the internal audit of the Diwan of His Highness the Crown Prince Founding member of the Board of Directors of the Saudi Society of Internal Auditors Chairman of the Board of Directors of the Saudi Accounting Association and a member of the Board of Directors of the Saudi Organization for Certified Public Accountants	Member of the Advisory Committee of the Capital Market Authority Member of the Board of Directors and Chairman of the Audit Committee at the International Insurance Company Member of the Audit Committee of Seera Group Company Member of the Audit Committee of the Royal Commission for Al-Ula Governorate	Dr. Saleh Hamad Al-Shenifi**(From outside the Board)	2
30years of experience in the industrial ,communications and information technology fields	PhD in Computer Education MA in Computer Education Bachelor of Education	General Manager and Managing Director of the Saudi Chemical Company, CEO of Integrated Communications Company Ltd. CEO and Managing Director of the International Company for Education and Training Director of Information Department at the Shura Council	-	Dr ..Mohammed bin Saud Al-Badr*	3
Experience in the field of strategy, finance, governance, and compliance, as well as oversight of financial institutions and international relations	MBA from Cass Business School Bachelor's degree in Financial Management, King Saud University	CEO of Al Sagr Cooperative Insurance Company Head of Strategy and Business Development at Al-Sagr Cooperative Insurance Company Insurance supervisor and inspector of the insurance sector in the Central Bank bank supervisor	Founder and Chairman of Yasmina Company Member of the Board of Directors and Chairman of the Nominations Committee of the National Medical Care Company	Bashar bin Abdulaziz Aba Al-Khail	4

Nearly 20 years of experience in internal auditing	MBA from Newcastle University MSc Applied Finance from Newcastle University Bachelor of Law from King Saud University	Internal Audit Manager at Safari Director of Internal Audit at Al Ahlia Insurance Company Legal advisor at the General Organization for Social Insurance Member of the Audit Committee at Al-Sharqiya Development Company	Member of the Board of Directors and Chairman of the Audit Committee of the Saudi Paper Manufacturing Company	Khalid bin Abdulaziz Al-Hoshan (from outside the council)	5
			Director of internal audit in the health laboratory Member of the Audit Committee at Gulf General Company Member of the Audit Standards Committee at the Saudi Organization for Certified Public Accountants Member of the Audit Committee at the Arabian Sea Company Member of the Audit Committee of the International Naseej Company Member of the Audit Committee of the Arab Refineries Company		

*The work of the committee ended with the end of the Board term on 04/26/2021

** The Assembly approved the new members of the Committee on 06/07/2021

Members Remuneration and Nomination Committee:

Of experience	Qualifications	previous jobs	Current jobs	The name	
Experience 41 year in the public and industrial sector	BA in Business Administration	Chairman of the Board of Directors of the Arab Federation for Fertilizers Vice Chairman of SAFCO Board of Directors Member of the Board of Directors / SABIC Company Member of the Board of Directors / Vice President of the Saudi Yanbu Company	Head of Fahad Al-Shuaibi Recruitment Office	Fahd Saad Al - Shuaibi	1
Experience 21 General in the financial and industrial sector	Master of Risk Management Bachelor of Sensation	Chief Executive Officer of Deutsche Bank Gulf Finance The Executive Chairman of the Al Rajhi Bank	Undersecretary of the Ministry of Labor and Social Development for Social Development	Suleiman Abdulaziz Al-Zabin	2
24years of experience in the industrial sector	Bachelor of Electrical Engineering	We are executive vice president of olefins and gas at SABIC Member of the board of directors of a number of companies	Retired / SABIC company	Fahad Mohammed Al-Dawood**	3

14years of experience in the administrative, industrial and investment fields,	He holds a bachelor's degree in industrial engineering from King Saud University And a Master of Engineering Management from the University of Los Angeles, USA.	-	He is currently the General Manager of Riyadh Velvet Factory and the Chairman of Board	Abdullah bin Abdulrahman Al-Kharashi	4
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*His membership in the committee ended on2020/25/03

**Joined the committee on2020/25/03

Members executive committee:

Of experience	Qualifications	previous jobs	Current jobs	The name	
He has more than twenty-five years of experience in the executive management and industry, and he holds Engineer Abdullah bin Oudah Al-Enezi	Bachelor's degree in mechanical engineering and master's in executive management from King Fahd University of Petroleum and Minerals And a Postgraduate Diploma in Management from the University of Hill, UK.	He previously served as CEO of the company and other industrial companies, in addition to a member of a number of boards of directors of joint stock companies	Member of the Board of Directors of a number of joint stock companies	Abdullah bin Oudeh Al-Anzi(Ex-Chairman)*	1
24years of experience in the industrial sector	Bachelor of Electrical Engineering	We are executive vice president of olefins and gas at SABIC Member of the board of directors of a number of companies	Retired / SABIC	Fahd Mohammed Al-Daoud*	2
He has more than fourteen years of experience in the administrative, industrial and investment fields,	He holds a bachelor's degree in industrial engineering from King Saud University And a Master of Engineering Management from the University of Los Angeles, USA.	-	He is currently the General Manager of Riyadh Velvet Factory And the Chairman of the Board.	Abdullah Al-Kharashi	3
He has 3 years of experience in the field of financial analysis.	He holds a Bachelor's degree in Business Administration from Chapman University, USA.	Aljazira Capital (financial analyst)	Alinma Investment (financial analyst)	Abdul Rahman bin Raed Al Mishal (Chairman of the Committee)	4
Diverse experience in planning and development	Alfaisal University Bachelor's degree in Finance	Planning and development specialist	Assistant to the CEO	Abdul Aziz Al Mishal	5

* End of the committee term on 04/26/2021

Executive Management:

Of experience	Qualifications	previous jobs	Current jobs	The name
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25years of experience in the paper industry	University degree from the Sixth College of Sciences in Paris	Long experience spanning more than twenty-five years in the paper industry through his work in senior executive positions, the most recent of which is the deputy CEO of the Saudi Paper Manufacturing Company and its subsidiaries and other companies outside and inside the Kingdom	Chief Executive Officer	Yousry Abdul Hamid Al-Bishry	1
28years of experience in the financial sector in various sectors of auditing, the commercial sector and the manufacturing sector	Bachelor's degree in Business Administration, majoring in accounting, from King Faisal University Certified Arabic Chartered Accountant Fellow of the Arab Society of Certified Accountants	Financial manager for the Saudi Paper Manufacturing Company Financial Director of the commercial sector, Mazen Al-Saeed Holding Financial Director of Al-Fawzan Building Materials Company Audit Manager at Talal A .Bou-Ghazaleh Group	Chief Financial Officer	Khalid bin Walid Abo Hana	2
30 years of experience in the field of business management development for companies in various sectors	Bachelor's degree in Business Administration, Helwan University Multiple professional certificates in business development	30 years of experience in business development with several international companies such as General Motors, Daewoo Motors, Kraft Foods, Cisco Systems and Oracle Systems. He worked as a consultant on major development projects in the Middle East.	Director Of Strategic Planning	Ashraf Nashat	3
23years of experience in the industry sector, 13 of which are in the paper industry	Mechanical Engineering from the University of Jordan	23 years of experience in the field of industry and factory management, of which 13 years were in the field of manufacturing and converting paper He worked for several major companies such as the Fine Company and the Five Pipe Group.	Manufacturing manager	Abdullah Al-Ziot	4
22years of experience in the common services sector and administrative affairs	University degree from King Saud University in media and public relations Diploma in Strategic Management from the British MLS College	More than 22 years of experience worked in the petrochemical, industrial, electricity, water, media and medical care sectors, and held several positions, the most important of which were Vice President of Joint Services in a clinical company, Vice President for Administrative Affairs at MG Company, and General Manager of Shared Services at Petroleum and Chemical Company.	Shared Services Manager	Mohammed Al Harbi	5

Means of evaluating the board of directors of its performance, its committees and members:

From the standpoint of applying the best governance practices and based on the company's bylaw for evaluating the members of the board of directors and the committees emanating from it , the members of the board of directors made a self-evaluation of the efficiency of the performance of the board through Form No. (2) for the regulation, as well as

the nomination committee made an evaluation of all committees and their performance during the year 2021 Strengths and deficiencies through Form No. (3). In general, it emerged that there are approved regulations for the committees, the members' enjoyment of the necessary skills and relevant expertise, and the members' awareness of the company's business and the surrounding risks, and full keenness to apply the mandatory regulations and work as much as possible to implement the indicative items.

The members of the board of directors in the companies within a and outside the Kingdom:

In addition to the membership of the board members in the company, the table below shows the membership of the board of directors in other companies inside and outside the Kingdom and its legal entity, and none of the board members have membership in the boards of directors of more than five other joint stock companies.

Legal Entity (Listed Shareholding / Unlisted Shareholding / Limited Liability(... /	Within the Kingdom/ Outside the kingdom	Names of companies in which a member of the board of directors was a member of their previous boards of directors or of their managers	Within the Kingdom/ Outside the kingdom	Legal Entity (Listed Joint Stock / Unlisted Joint Stock / Limited Liability(... /	Names of companies in which a member of the board of directors is a member of their current boards of directors or of their managers	member name
Limited liability	Within the kingdom	Board Member Development Company of Education Member of the Board of Directors of Al-Biruni Company	-	-	Member of the Board of Directors of the Education Development Holding Company Chairman of the Board of Directors of the Educational Transport Development Company. Chairman of the Audit Committee Seiko Insurance Company Member of the Board of Directors of Al-Biruni Company.	Fahd Saad Al-Shuaibi
Public contribution Closed contribution Closed contribution	Within the kingdom Within the kingdom Within the kingdom	Saudi Kayan Company Jubail Petrochemical Company Yanbu Petrochemical Company	Inside the kingdom, inside the kingdom	LLC LLC	East Gas Company Ltd. SAMIC Corporation	Fahd Mohammed Al-Daoud

-	-	-	Within the kingdom	LLC	Al-Mashreq Contracting Company	Suleiman Abdulaziz Al-Zabin
-	-	-	Within the kingdom	Public Company	Saudi Chemical Company	Dr. Mohammed bin Saud Al-Badr
Public contribution	Within the kingdom	Several joint stock companies	Within the kingdom	LLC	Geo Natbek Saudi Paper Converting Company	Abdullah bin Oudeh Al-Anzi
			Within the kingdom	Public Company	National Medical Care Company	Bashar Aba Al-Khail
			Within the kingdom	Abdul Aziz Al Mishaal	Board member	Abdul Aziz Al Mishaal

The interest of the members of the Board of Directors, senior executives and their relatives in the shares of the company and the subsidiary companies:

The table below shows the interest of the members of the Board of Directors in the shares of the company during the fiscal year, 2020 and there is no interest for their relatives in the shares of the company, and there is no interest for them or their relatives in its subsidiary companies, and none of the senior executives and their relatives has an interest in the shares of the company or its subsidiaries..

An interest Members board Administration in a stocks or Religion tools The company							
Percentage change	Net change	End of the year		the beginning of the year		Board of Directors	sequence
		Debt instruments	Number of Shares	Debt instruments	Number of Shares		
0%	0		27,789		27,789	Dr. Hani Al Zaid	1
0%	0		40		40	Wael Al Bassam	2
1916%	63,677		67,000		3,323	Abdul Aziz Al Mishal	3
0%	0		10,722		10,722	Fahad Saad Al Sheabi	4
0%	0		232		232	Fahd Mohammed Al-Daoud	5
0%	0		150		150	Khalid Waleed Abu Hana	6

Main company committees:

Within the framework of the corporate governance rules, the company, in accordance with the Companies Law and the Corporate Governance Regulations, approved the formation of the Audit Committee and its members from the General Assembly, and the Assembly approved all its members, and the Board also formed the Nominations and Remuneration Committee and approved all its members and approved the changes made to it, The

Council also created the Executive Committee and formed it on 12/22/2019 ,and the committees operate according to their work regulations that were approved by the General Assembly in , 2019 and the Council periodically studies the need to form other committees . The committees were formed with the aim of assisting the board in performing its tasks and responsibilities and conducting its work in a better efficiency and effectiveness and raising the level of supervision, control and decision-making controls in the company. The committees inform the Board of Directors of the results of their work and the Board follows up and supervises their work. The committees 'functions, tasks, and data on their members and meetings are summarized as follows:

First: Audit Committee:

The Audit Committee is responsible for monitoring the company's business and verifying the integrity and integrity of the reports, financial statements, and internal control systems therein. The committee's tasks include studying the initial and annual financial statements, reviewing important issues that may affect the preparation of financial reports, and ensuring the application of approved accounting policies, studying those policies, and giving opinions and recommendations. It also includes among its tasks studying and implementing internal control and risk management systems, supervising internal audit activities, studying their reports, following up on corrective actions for their observations, nominating auditors and verifying their independence, reviewing the auditor's plan and his work, the auditor's report and his notes on the financial statements and the necessary procedures in their regard, and verifying the verification of The company's commitment to laws and regulations

Relevant and make sure the importance of having procedures for the submission of complaints concerning the procedures of internal control and financial reporting ,and the following table shows the head of the names of the members of the Committee and the number of meetings and the dates of the session and the presence of its members for each meeting during the fiscal year 2020 as follows:

Total	Sixth 2021/11/07	Fifth 2021/07/27	Fourth 2021/07/15	Third 2021/04/20	Second 2021/03/25	First 2021/03/01	Name	#
6	-	-	-	✓	✓	✓	Suleiman Al-Zaben (Former Chairman)	1
	-	-	-	✓	✓	✓	Dr. Muhammad Al-Badr (Former)	2

	✓	✓	✓	✓	✓	✓	Dr. Saleh Al-Shanifi	3
	✓	✓	✓	-	-	-	Bashar Aba Al-Khail (Chairman)	4
	✓	✓	✓	-	-	-	Khaled Al-Hoshan	5

Second: Nominations and Remuneration Committee:

The Nomination and Remuneration Committee is concerned with the tasks related to nomination to the Board of Directors and the Executive Management, and recommending remuneration for the Board, Committees and Executive Management, and the tasks of the Committee include proposing policies and criteria for membership in the Board of Directors and the Executive Management, reviewing the required needs of appropriate skills for membership of the Board of Directors and the Executive Management, and preparing a description of the capabilities and qualifications required, Determining strengths and weaknesses, reviewing the structure of the board of directors and the executive management, verifying the independence of independent members and any conflicts of interest in their membership in the boards of other companies, and preparing a description of jobs and contracting conditions for executive directors, and among its tasks is to develop a policy for rewards and incentives for members of the board, its committees, and the executive management through standards Linked to performance, and periodic review of remuneration policy and standards based on the company's performance, financial position and basic trends in the labor market.

The following is a table showing the chairman and members of the committee, the number of its meetings, the dates of its meeting, and the attendance of its members for each meeting during the year 2021, as follows:

The number of meetings of the Nomination and Remuneration Committee (6)						طبيعة العضوية	أعضاء لجنة الترشيحات والمكافآت	
6 th Meeting 2021/11/27	5 th Meeting 2021/10/09	4 th Meeting 2021/05/04	3 rd Meeting 2021/03/14	2 nd Meeting 2021/02/25	1 st Meeting 2021/02/01			
✓	✓	✓	✓	✓	✓	Former Committee Chairman and Current Committee Member (Independent)	Abdullah bin Abdul Rahman Al Kharashi	1

-	-	-	✓	✓	-	Committee member (independent)	Mohammed bin **Saud Al-Badr	2
-	-	-	✓	✓	✓	Committee member (independent)	Suleiman Abdulaziz Al- **Zaben	3
✓	✓	✓	-	-	-	Current Committee Chairman (independent)	Wael bin Abdul Rahman Al- ***Bassam	4
✓	✓	✘	-	-	-	Committee member (independent)	Abdul Majeed bin Abdulaziz Al Abdul Wahhab ***	5

*His membership in the committee ended on 2020/25/03

**Joined the committee on 2020/25/03

Third: The Executive Committee:

The Executive Committee is responsible for overseeing the implementation of strategic goals and financial and operational priorities and evaluating the long-term productivity of the company's operational processes, and its tasks include reviewing strategic planning procedures and processes with the executive management, verifying the efficiency of procedures to implement strategic plans, reviewing the distribution of company resources that achieve long-term goals in accordance with strategic plans, and review The periodicity of the operational objectives of the company and its subsidiaries, reviewing the annual and long-term goals and strategies and the performance indicators associated with them, studying the financial matters of the company and its subsidiaries related to the company's capital, cash flows, borrowing proposals and the company's position on its financial obligations, verifying and reviewing capital expenditures with the approved budgets, in addition to To study strategic decisions related to opportunities for the company that aim to improve product quality and rationalize costs.

Members executive committee:

المجموع	2 nd Meeting 2021/03/25	1 st Meeting 2021/03/01	Name	#
2	✓	✓	Abdul Rahman bin Raed Al Mishaal (Chairman of the Committee)	1
	✓	✓	Abdul Aziz bin Raed Al Mishaal	2
	✓	✓	Abdullah bin Abdul Rahman Al Kharashi	3

*The Board of Directors' decision to create the Executive Committee was issued on 12/22/2019.

Remuneration policy and how remuneration for board members and executive management in the company are determined:

Were approved remuneration policy of the Board of Directors and committees and the executive management of the Extraordinary General Assembly on 2018 / 04 / 02 were updated and the adoption of amendments to the General Assembly on 23/05/2019 m The policy is one of the policies within the company 's corporate governance system and the Regulations of the Board of Directors and regulations of the committees formed, The company shall abide by the provisions related to the companies 'system and the regulatory controls and procedures issued in implementation of the companies' law for listed joint stock companies and the corporate governance regulation issued by the Capital Market Authority. The Nominations and Remuneration Committee reviews the remuneration and associated standards and recommends to the Board of Directors.

The following is an explanation of the remuneration policy for members of the Board, committees and executive management, and their remuneration during the year 2021:

First :Remuneration of Board Members:

According to the company's articles of association and the remuneration policy for members of the board and approved committees, it is under the authority of the general assembly of shareholders to determine and approve the remuneration that members of the Board of Directors receive as follows:

- 1- The annual remuneration of the members of the board of directors consists of a certain amount not exceeding 150,000 riyals) one hundred fifty thousand riyals), provided that the entitlement of this bonus is proportional to the number of meetings that the member attends during the year, Or an attendance allowance for the sessions, or a certain percentage of the net profits, and it is permissible to combine two or more of these benefits in a Light of what is stipulated in the companies' law and regulations Executive And the company's Articles of Association.
- 2- A council member is entitled to an attendance allowance for each of the council's meetings, an amount of (3000 riyals)
- 3- The company holds airline tickets for the members of the Board and cannot be replaced with a fee if it is not used.
- 4- The company bears the expenses of accommodation and transportation for any member of the council to attend in the original form of any board meeting held outside his city of residence, with a maximum of one thousand five hundred riyals (1500 riyals) for one meeting and one night, and it cannot be replaced with a fee if it is not used.
- 5- A member of the Board of Directors may obtain remuneration for the membership in the committee formed to review by the General Assembly, or for any acts or executive positions, technical, administrative or advisory - under a professional license - additional costs by the company, in addition to the bonus that can get As

a member of the Board of Directors and independent committees of the Board of Directors in accordance with the Companies Law and the Company's Articles of Association.

- 6- The remuneration of the members of the Board of Directors may be of varying magnitude to reflect the member's experience, specializations and tasks Entrusted to him, his independence, the number of sessions he attends, and other considerations.
- 7- The remuneration of independent directors must not be a percentage of the company's profits or be structured Direct or indirect on the profitability of the company.
- 8- The Chairman, Vice President, and Managing Director may have an additional remuneration in addition to their remuneration as a member of the Council.
- 9- Remuneration is paid based on the decision of the Board of Directors in accordance with the policies approved by the General Assembly, on the recommendation of the Nominations and Remuneration Committee.
- 10- The board of directors must submit the recommendation to the general assembly of the company for approval Board remuneration related to a certain percentage of net profits according to the system.
- 11- Members of the Board of Directors may not vote on the provision of remuneration for members of the Board of Directors at the General Assembly meeting.

The following table shows the remuneration and compensation of board members for their membership in the council and committees for the year 2021 (**subject to approval by the general assembly**):

Statement	Fixed Bonuses	Rewards Variable
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	A certain amount Annual Bonus (Allowance for attending Council Session	& Remuneration Allowance for Attending Sessions Committee Excluding & Remuneration Attendance Allowance for the audit committee	Rewards	Attendance Allowance	Benefits in kind	Reward technical administrative Advisory work	Remuneration for the Chairman of the Board, the Managing Director or the Secretary, if he is a member	Percentage of Profits	Periodic Bonuses	Short-term Incentive Plans	Long-term Incentive Plans	Shares Awarded (Value is entered)	Expense
1	Abdullah Al Kharashi	150,000	12,000	120,000	30,000	0	0	0	0	0	0	0	0	3,279
2	Bashar Aba Al-Khail	150,000	12,000	60,000	9,000	0	0	0	0	0	0	0	0	725
3	Dr. Hani Al Zaid	112,500	9,000	0	0	0	0	0	0	0	0	0	0	1,817
4	Wael Al Bassam	150,000	12,000	60,000	9,000	0	0	0	0	0	0	0	0	0
5	Abdul Majeed Al Abd Al Wahhab	112,500	9,000	40,000	6,000	0	0	0	0	0	0	0	0	1,870
Non-Executive Members :Second														
1	Abdul Rahman Al Mishal	150,000	12,000	120,000	6,000	0	0	0	0	0	0	0	0	3,580
Executive Members :Third														
1	Abdul Aziz Al Mishal	150,000	12,000	-	6,000	0	0	86,000	0	0	0	0	0	3,124

Second :remuneration of members of the committees) subject to approval of the general assembly:(

The work regulations of the committees approved by the General Assembly included the remuneration that members of the committees receive, which are set at an amount of 120 thousand riyals for each committee member relative to his attendance , and an attendance allowance for each meeting of an amount of 3,000 riyals ,and the company bears travel and transportation expenses to the city in which the meeting will be held.

The table below shows the remuneration and compensation of committee members for the year 2021

Total	Allowance to attend sessions	Rewards At fixed (except instead of attending the sessions(In riyals
Members of the Audit Committee			
9,000	9,000	0	Sulaiman Al-Zabin*
9,000	9,000	0	Muhammad Al-Badr*
138,000	18,000	120,000	Saleh Al-Shunifi
69,000	9,000	60,000	Khaled Al-Hoshan
69,000	9,000	60,000	Bashar Aba Al-Khail
294,000			Total
A members of the Nomination and Remuneration Committee			
69,000	9,000	60,000	Sulaiman Al-Zabin
46,000	6,000	40,000	Muhammad Al-Badr
18,000	18,000		Abdullah Al-Kharashi*
46,000	6,000	40,000	Abdul Majeed Al Abd Al Wahhab
69,000	9,000	60,000	Wael Al-Bassam
248,000			Total
Members of the Executive Committee			
126,000	6,000	120,000	Abdul Rahman Al-Mishal
6,000	6,000	-	Abdul Aziz Al Mishaal**
126,000	6,000	120,000	Abdullah Al-Kharashi
258,000			Total

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Third :Remuneration for senior executives)Subject to General Assembly approval: (

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, determines the terms of the contract, including remuneration for the CEO and department managers of the company, within criteria that are reviewed periodically related to the annual fixed bonuses and variable bonuses based on a financial and non-financial evaluation.

Financial performance , and criteria for long-term incentives to link the interests of managers with the interests of the company's shareholders, taking into account the basic trends in the labor market ,and are submitted by the Board to the General Assembly for approval ,and the table below shows the remuneration and compensation of senior executives for the year 2021:

Executive Senior Positions	Fixed Bonuses				Variable Rewards						Other		
	Payroll	Allowances	Benefits in kind	Total	Periodic Bonuses	Earnings	Short-term Incentive Plans	Short-term Incentive Plans	Shares Awarded (Value is (entered	Total	Indemnity	Total Reward for the Board, If any	Total Grant
1 Managing Director	188,800	95,135	0	283,935	0	0	0	0	0	283,935	0	0	283,935

	Abdullah Odeh Al Anazi													
2	CEO Assistant Abdulaziz Raed Al Mashal	154,839	109,905	0	264,744	86,000	0	0	0	0	350,744	9,205	168,000	527,949
3	Chief Executive Officer Youssef Abdul Hamid El Bishry	1,914,200	1,198,002	0	3,112,202	787,625	0	0	0	0	3,899,827	213,041	0	4,112,868
4	Chief Financial Officer Khaled Walid Abu Hana	429,725	233,725	24,000	687,450	70,000	0	0	0	0	757,450	261,916	0	1,019,366
5	Strategy Director Ashraf Sulaiman Ahmed Nashat	208,000	115,416	0	323,416	40,000	0	0	0	0	363,416	11,473	0	374,889
6	Shared Services Director Mohammed Mohsen Al Harbi	453,152	268,186	0	721,339	40,000	0	0	0	0	761,339	41,164	0	802,503
7	Group Manufacturing Director Abdullah Ali Al Ziout	346,735	254,205	0	600,940	40,000	0	0	0	0	640,940	223,060	0	864,001

Relationship between Awarded Rewards and the Applicable Rewards Policy:

There is no fundamental deviation between the remuneration granted to board members, committee members and senior executives from the relevant remuneration policies in force during the year. 2021

Investments and precautions for the benefit of the company's employees:

The company has not yet established any programs, investments, or precautions for the benefit of the company's employees, and it falls within the company's direction through the human resources strategy to study the establishment of special programs and funds for the benefit of the company's employees.

Arrangements or agreement for any member of the board of directors or an executive to waive any remuneration:

There are no arrangements or agreements under which any of the Board members or any of the Executives has waived any remuneration.

Arrangements or agreement that a shareholder has waived any rights to dividends :

There are no arrangements or agreements whereby any of the shareholders of the company waived any rights to profits.

Businesses and contracts in which the interests of any of the members of the board of directors or of senior executives or of any person related to them have interests:

There are no business or contracts in which the company is a party and in it or in which there is an interest for one of the members of the board of directors or for its senior executives or for any person related to any of them other than what was mentioned in the above-mentioned section of the dealings with related parties.

The annual results of the review of the effectiveness of internal control procedures and the opinion of the Audit Committee on the adequacy of the internal control system:

Control procedures and their effectiveness are of utmost importance and play a pivotal role in achieving the company's objectives. The company's management is responsible for preparing a comprehensive and effective internal control system. The internal control system is based on the vision and assessment of the company's management to put in place a control system commensurate with the relative importance of financial risks and other risks inherent in the company's activities. The internal control system has been prepared on sound foundations by starting the existence of a specialized department in the field of auditing and internal control and supporting its effectiveness through the audit committee, which supports the establishment of best practices in the field of governance and presents it with a regular and regular review of its activities. Ongoing evaluation of the internal control system and its effectiveness.

Based on the aforementioned, we believe that the company has a sound and effective internal control system to a reasonable degree in terms of design and application, in addition to the developments and improvements that have started to be activated in the control systems and update the manuals of policies and procedures, and based on the available and available information and data, we see the company's ability to continue its work, taking into consideration that Any internal control system that provides reasonable and not absolute guarantees, regardless of the validity of its systems and the effectiveness of its implementation. Therefore, improvement and development efforts continue by the audit committee, the company's internal audit department, and the company's management.

Recommendation of the Audit Committee:

We would like to note that there is no conflict during the period between the recommendations of the audit committee and the decisions of the Board of Directors, and we would like to point out that the company has a team to manage the internal audit and its reference to the audit committee, and its organizational structure consists of a department manager and support staff. The Committee has been discussing and making recommendations and decisions on the development and support of the management and functions of the audit committee in accordance with the best standards, principles and practices for the work of the audit committee. the most prominent work and recommendations made by the Committee are:

- Studying the company's annual financial statements to ensure their conformity with the accounting principles accepted in the Kingdom, and recommending them to the Board of Directors to present to the General Assembly.
- Review offers made by the external audit offices to review and evaluate financial statements and company accounts, and recommend nominations at the General Assembly after verifying the independence of the offers made and the scope of work.
- Study and discuss reports submitted by the Internal Audit Department, approval of the internal audit plan, scope of work and independence of management in the performance of its work, and follow-up implementation of the audit plan and related corrective procedures
- The Committee also periodically reviews reports prepared by the Internal Audit Department and external auditors in accordance with the approved plan, which includes an assessment of the adequacy and effectiveness of internal control. In fiscal year 2021, observations on internal control work were addressed in order to strengthen the rules and procedure, and all observations were taken seriously and resolved and controls were put in place to ensure that they were not repeated in the future, the most important of which were as follows:
 - The challenges facing the company and the proposed procedures for the development of the work and the development of effective systems that ensure the proper scientific and professional functioning around the existence of clear accounting policies followed in the company and sister companies and financial transactions between them.
 - Study the credit and collection section of customers and develop a regulatory structure that outlines the lines of reporting, roles and responsibilities related to credit and collection
 - Preparing an approved plan for raw material procurement, evaluating suppliers, updating policy and procedure for the warehouse management, developing a marketing plan for the company and examining and reviewing documents submitted by the legal department on cases filed by the company or brought against the company.
 - Recommendation for commitment management and risk management

Company declarations:

A (A n record data accounts were prepared properly.

B (A n A system for internal control was prepared on a sound footing and implemented effectively.

C) There is no doubt about the ability of the company to continue its activity.

Implementation of the Corporate Governance Regulations:

The company is working to implement the corporate governance regulation issued by the Capital Market Authority through the system of corporate governance principles within the framework of the corporate governance rules approved by the Board of Directors in a manner that does not contradict the mandatory provisions in the Corporate Governance Regulations issued by the Capital Market Authority, and within the framework of the company's articles of association, rules and regulations. Relevant regulations, regulations and policies related to the work of the board of directors and company committees, and internal work regulations, policies and procedures .

The company works to monitor its implementation and verify its effectiveness by reviewing the mechanisms of implementing governance rules, regulations, internal policies and procedures to meet the needs of the company with the aim of continuous development and improvement in order to reach best practices. The company is also working to review and update the company's governance rules to comply with the statutory requirements and choose the best practices in corporate governance as appropriate. With the nature of its business and its objectives in order to maximize the interests of its shareholders, protect their rights, preserve the rights of stakeholders, and work to develop community partnership, the company has practically applied all the provisions mentioned in the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the provisions listed below:

Reasons for not applying	The text of the article / paragraph	Paragraph number	Article number
The company informs the members of the board and the appointed directors of the company's business and activities, and the company will work with interest in studying plans for special programs, training and qualifying members of the board of directors and executive management according to the company's needs.	Training (training and qualification of board members and executive management(-	39)Informative material(
The company has an approved policy for evaluating the members of the Board of Directors and the Remuneration and Nomination Committee undertakes among its tasks review the structure of the Board and the Executive Management and the appropriate needs of skills, experiences, capabilities, qualifications, weaknesses and strengths in the Board and present proposals to address them, and it will work to study the need to evaluate an external party according to what is appropriate with The nature of the company's business and its needs.	Evaluation) The Board of Directors makes the necessary arrangements to obtain an evaluation by a competent external authority of its performance every three years.	E	41)Informative material(
The company did not see the need during the year to form a risk committee, and the company will work within the continuous development and improvement of internal control systems by studying the need to form a committee specialized in risk management.	Formation of the Risk Management Committee	-	70)Guidance material(
The company has set a risk management policy commensurate with the nature and severity of its activities, and includes	Terms of reference of the Risk Management Committee	-	71

analyzing risks, classifying them and methods of managing them through the executive management and submitting their reports. The company will study the formation of a risk management committee and its terms of reference according to the article.)Guidance material(
For not forming a risk management committee.	Meetings of the Risk Management Committee	-	72)Guidance material(
Periodic reports are submitted for internal review ,and the reporting period, its content and the extent of this possibility will be studied according to the nature of the company's business and its needs.	The internal audit unit or department shall prepare a written report on its activities and submit it to the Board of Directors and the Audit Committee at least quarterly .This report must include an assessment of the internal control system in the company and the results and recommendations reached by the unit or department, and a statement of the measures taken by each department regarding the treatment of the results and recommendations of the previous review, and any remarks regarding them, especially if there is no timely treatment and the reasons for that.	a)Paragraph of guidance material(78
The company will study the development of a social responsibility policy in accordance with the article.	cial Responsibility	-	87)Guidance material(
The company has not undertaken social work initiatives in accordance with the article, and the company will work, by developing a social responsibility policy, to study programs and means to introduce the company's initiatives in the field of social work and to include them in the context of social responsibility.	Social work initiatives	-	88)Guidance material(
The company did not see the need to form a governance committee during the year 2020 and it will operate The company is to study the need for a committee specialized in corporate governance and its terms of reference.	e formation of the Corporate Governance Committee	-	95)Guidance material(

Penalty, sanction, precautionary measure, or precautionary restriction on the company:

There is no penalty, sanction, precautionary measure or precautionary restriction imposed on the company by the Authority or any supervisory, regulatory or judicial authority during the year 2021 except the following:

The company's action to ensure that it does not happen again	Violation amount	Issuing party of the violation	المخالفة

An electronic automation system has been created that saves all the minutes of the Board and committees meetings	10,000	CMA	Not keeping the executive committee minutes for the fiscal year 2017 and 2018
Higher monitoring and control	2,000	Civil Defense	Security and safety violations
Higher monitoring and control	5,000	National Monitoring Center	Security and safety violations
Higher monitoring and control	15,000	Qassim Municipality	Violation for fiscal year 2011
Higher monitoring and control	7,000	Jeddah Municipality	Violation for fiscal year 2011
Higher monitoring and control	3,500	Passports Dept.	Delay in renewing work permits
Higher monitoring and control	27,700	traffic department	Entry of trucks within the urban area during the curfew hours
Higher monitoring and control	43,617	Labour Office	Miscellaneous Violation

Procedures for shareholder proposals and comments about the company and its performance:

The company's articles of association and corporate governance rules guarantee the shareholder's right to inquire, direct questions, submit proposals and notes during the company's general assemblies, and any of the company's shareholders can submit any suggestions or remarks about the company and its performance by e-mail or by phone, and the Board of Directors is briefed With any suggestions or notes, if any.

The social contribution of the company:

The company believes in the importance of its social responsibility and social work initiatives.

Treasury stocks:

The company does not have any treasury shares until the end of the year .

Appointment of an auditor for the company:

The Ordinary General Assembly held on 2020/30/06 decided to appoint Messrs .Al-Bassam & Co. as an auditor for the company's accounts for the current year 2020 according to the recommendation of the board of directors of the association based on the nomination of the audit committee The Board of Directors did not recommend changing it before the end of the period for which it was appointed.

The Board of Directors will present to the General Assembly on its date of convening during the year 2021 its recommendation to appoint the auditor for the fiscal year 2021 based on the nomination of the Audit Committee.

Accounting standards adopted in the company:

A number of new standards, interpretations and amendments to the standards are effective from January 1, 2021, but they don't have material effect on the Group's consolidated financial statements.

Amendments to standards	Descriptions	They are effective for years beginning on or after
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2	January 1, 2021
IFRS 16	Amendments to IFRS 16 Leasing - Covid-19 Related Rent Concessions	April 1, 2021
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022
IFRS 16, IFRS 9, IAS 41 and IFRS 1	Annual Improvements to IFRS Standards 2018–2020	January 1, 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	January 1, 2022
IFRS 3	Reference to the Conceptual Framework	January 1, 2022
IFRS 17	Insurance Contracts	January 1, 2023
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023
IAS 8	Amendment to definition of accounting estimate	January 1, 2023
IAS 12	Income taxes	January 1, 2023
Amendment to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	N/A

Reservation data External Auditor on the annual lists:**Basis for qualified opinion as mentioned in the auditor's report for the fiscal year 2021**

Unmodified Opinion

General Assemblies of the shareholders during the year 2021:

)The company held during the fiscal year (2020 3 (Associations approved in which the number of items which were announced the results at the time on the Saudi Stock Exchange (Tadawul site) and the table below shows the dates and the presence of members of the Council of the collective data General held during 2021:

Members present	Assembly type	History	#
Fahd bin Mohammed Al-Daoud (Chairman) Mohammed bin Saud Al-Badr Suleiman bin Abdulaziz Al-Zaben (Vice President) Abdullah bin Odeh Al-Anzi Abdullah bin Abdul Rahman Al Kharashi	Normal	2021/04/26	1
Abdullah bin Abdul Rahman Al Kharashi (Chairman) Bashar bin Abdulaziz Aba Al-Khail (Vice Chairman) Abdul Rahman bin Raed Al Mishaal Abdul Aziz bin Raed Al Mishaal Wael bin Abdul Rahman Al-Bassam Hani bin Mohammed Al-Zayd Abd al-Majid ibn Abd al-Aziz al-Abd al-Wahhab	Normal	2021/07/06	2

Shareholder Register :

Reasons for the request	The date of application	The number of requests
Other	12/01/2021	1
company procedures	14/04/2021	2
General Assembly	25/04/2021	3

General Assembly	06/07/2021	4
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Thanks and appreciation to the Board of Directors

The Chairman and members of the Board of Directors extend their thanks and appreciation to all the company's shareholders, customers, suppliers and advisors for their efforts and cooperation, and the Board expresses its appreciation to all the employees of the company and its subsidiary companies, and all the parties with which we have a relationship with for their efforts and constructive cooperation with the company during the fiscal year 2021, the Board looks forward to improving the company's performance over the next year and the years to come in order to achieve the aspirations of its shareholders Insha'Allah.