



2021 AD

Annual Report

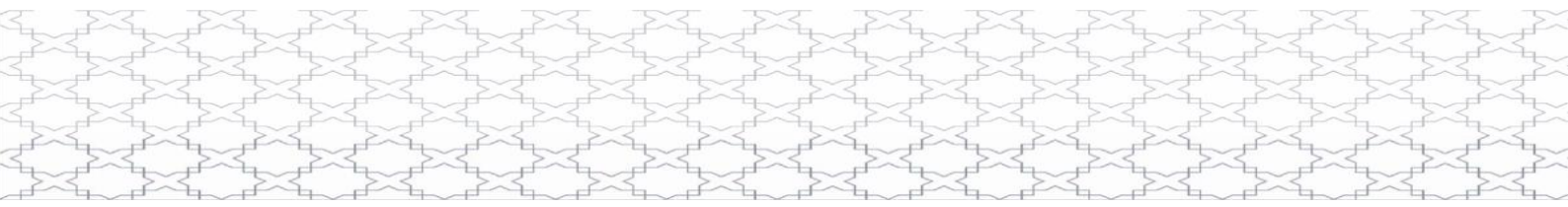
The main center

Second Industrial City - Kharj
Road
Riyadh, Saudi Arabia

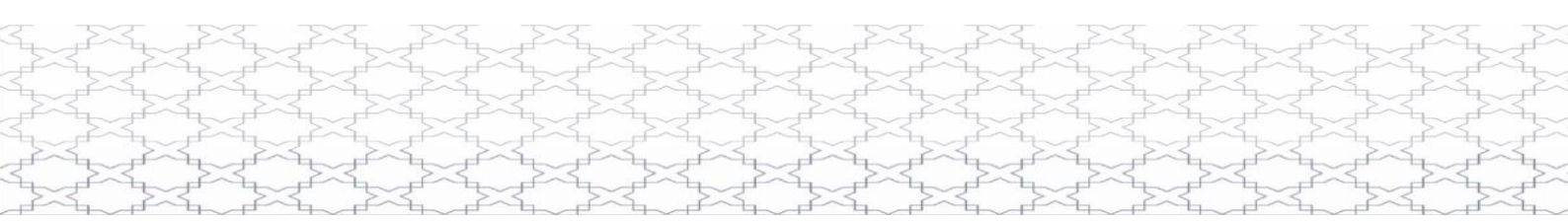
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**In the name of Allah, the
Most Gracious, the Most
Merciful**



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Chapter 1

The Board Chairman's Speech, the Company Formation Stages, Activities and Objectives

Board report

For the fiscal year 2021 AD

Dear Sirs / Respected shareholders of United Wire Factories Company

Peace, mercy and blessings of Allah be upon you,

On behalf of the members of the Board of Directors and the Executive Management, I extend my sincere thanks and appreciation to all the shareholders of the United Wire Factories Company for their continued confidence in the management of the company, and I also thank the company's employees for their efforts that enabled the company to achieve its goals for the year 2021 AD.

The year 2021 AD effected by the repercussions of the pandemic on the global economy, as the prices of raw materials related to the company's products increased, mainly iron ore, which reached historical levels, in addition to the impact of the supply chain, the rise in shipping prices globally, and the continued imposition of restrictions for people coming from some countries as a result due of the virus spread and the emergence of new mutant virus from it in other countries.

These factors contributed to affecting, locally, the construction sector, to which the company's activity is linked, through the high cost of construction inputs and the scarcity of labor in the sector due to their inability to return to the Kingdom, in addition to the issuance of official regulations that had a tangible impact represented in the start of the implementation of the building code in mid-March. The year 2021 AD, which caused a clear slowdown in the movement of residential and commercial construction, which is the main driver of the sector currently. The same period also witnessed the government's application of customs exemption requirements between the Arab Gulf states, which affected the availability of competing iron rolls and bars products. The last quarter also witnessed a shortage of local supplies as a result of shortcomings in internal transport operations, all of which contributed to a significant impact on profit margins.

Despite these circumstances, the company succeeded, by God's grace, in exceeding the financial goals that were set at the beginning of the year for the approved estimated budget as a result of reading the market and its trends, following up on raw material prices globally and changes in supply and demand locally, and maintaining proportionate stocks for each stage. The diversity of the company's products also contributed to alleviating the impact of the construction and building products on the mentioned factors, which is in line with the main trend towards achieving continuous growth in revenues and increasing profit margins.

In accordance with the objectives of the strategic plan, the company has implemented development work for production facilities to raise operational capacity, complete maintenance work, restart several production lines, implement full quality requirements, establish advanced laboratories for testing, complete occupational safety and health requirements, and improve production facilities. All of this enabled the company to obtain quality certificates and the Saudi product certificate “Made in Saudi Arabia” in addition to completing the requirements for accrediting its products with important authorities such as Aramco and SABIC.

The company has also started implementing the ERP project, which is expected to be completed during the second half of next year, which will contribute to improving performance, linking the company's activities together, and increasing the level of financial and operational control. The organizational structures, procedures and internal systems that included a table of powers that meet the requirements of governance and compliance have been completed.

The company continued its efforts to diversify and develop sources of income by searching investment opportunities to acquire stakes in companies or to take full possession of them. These efforts resulted in signing a non-binding agreement to acquire a stake in Thimar Food and Catering Company and start the financial and legal examination work, hoping to achieve what we aspire to achieve , and to be the nucleus for the beginning of the company’s expansion in its ambitious investment activity.

In continuation of the policy of the Board of Directors to distribute dividends to shareholders, cash dividends were distributed to shareholders during the fiscal year 2021 AD, amounting to 35 million riyals for the second half of the year 2020, at the rate of 1 (one) riyals for each share, equivalent to 10% of the nominal value of the share, as well as the distribution of interim dividends for The first half of 2021 AD, an amount of twenty-six million, three hundred and twenty-five thousand (26,325,000) riyals at 75 (seventy-five) Halalas for each share, equivalent to 7.5% of the nominal value of the share.

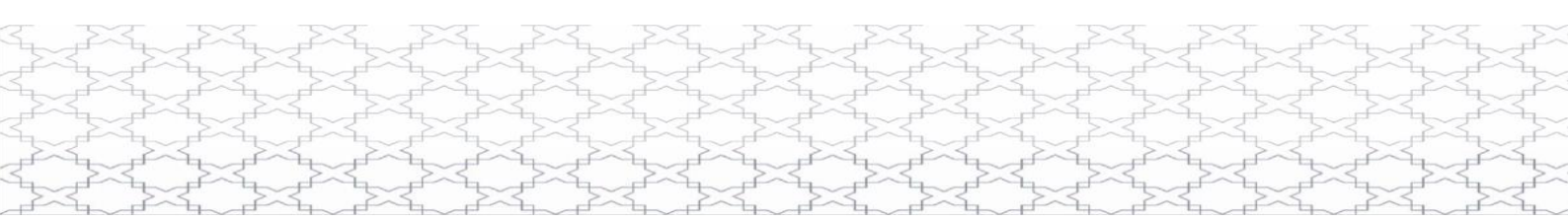
In order to diversify sources of income, the company is constantly and relentlessly searching for new investment opportunities in areas that complement its current activity or new areas that develop and diversify its resources and mitigate the impact of the recession in some sectors.

In conclusion, we pray that the year 2022 AD will be an effective and motivating financial year to provide more successes and growth in a way that achieves the company's shareholders' hopes and aspirations.

And Allah is the Grantor and the Helper,

Khalid Saad Abdul-rahman AlKanhah

The Board Chairman



1.2 The stages of the company formation and the development of its capital

1990 AD - 2007 AD

Genesis and expansion

1990 AD: The establishment of the Gulf Tying Wire Company Ltd. - a limited liability company with a capital of (3,000,000) Saudi riyals, and the production of flannel wires as a main product, with a production capacity of (6000) tons annually.

1996AD: Adding galvanizing wire production lines with galvanizing wires to reach the production capacity of (12,000) tons annually.

2006AD: The merger of (Riyadh Factory for Tying Wire Co., Ltd., the Saudi Factory for Galvanized and Barbed Wire, Fence Mesh and Nails and its branches) with (Gulf Wire for Tying Co. Ltd.) and changing the name of the company to (United Wire Factories Company).

2007AD: Acquisition of (Al-Saghir Garment Hangers) and (Al-Saghir Wire Drawing) factories owned by Al-Saghir Trading and Contracting Company by granting it in-kind shares, and increasing the capital to (206,500,000) Saudi riyals.

2008 AD - 2011 AD

Transformation and insertion

2008 AD: The partners' decision to convert from a limited liability company to a closed joint stock company, and to add a production line of reinforcing steel and floor nets, with a production capacity of (300,000) tons annually.

2011 AD: The Capital Market Authority approved the offering of 30% of the company's shares for public subscription, and then the offering and trading of the company's shares within the construction sector with the symbol (1301).

2011 AD - 2014 AD

Capital increase

2011 AD: The approval of the first extraordinary general assembly to raise the capital to (325,000,000) Saudi riyals.

2013 AD: The approval of the Fourth Extraordinary General Assembly to raise the capital to (390,000,000) Saudi riyals.

2014 AD: The approval of the Fifth Extraordinary General Assembly to raise the capital to (438,750,000) Saudi riyals.

2020 AD**Capital reduction**

2020 AD: The Twelfth Extraordinary General Assembly agreed to reduce the capital to (351,000,000) Saudi riyals because there is no need, by canceling the shares in a corresponding manner, without this having any impact on the financial and regulatory obligations and operational performance.

1.3 The main activities of the company

- Producing and marketing of reinforcing steel bars, wire coils, sheets, rebar mesh, and block ladder, in addition to bending, forming, straightening, cutting rebar, melting and rolling iron, and all materials related to building materials industries and their supplies.
- Producing and marketing of bonding wires, drain bonding wires and metal bonding wires for concrete.
- Bending, forming, straightening and cutting rebar, iron smelting and rolling, and all materials related to the building materials industries and their accessories.
- Producing and drawing of steel wires, galvanizing of wires, fencing nets, bed nets, barbed wire, clothes hangers, wood nails, screws, steel, corners, straighteners, iron hinges, epoxy steel reinforcement, straightening and cutting various sheet rolls.
- Import, export, trading and marketing of similar products, complementary products to the nature of work, and all construction materials.
- Buying real estate and land and using them for company purposes or to construct buildings on them and investing them by selling or renting for the company.
- Import, export, trading in wood and all kinds of commercial iron, commercial services, commercial agencies, distribution agencies, third-party marketing services, shipping and transportation services.

1.4 Company vision

Leadership: in the field of manufacturing high quality metal products for commercial, construction and industrial uses.

Presence: In the local and foreign markets, serving a well-established group of local and international clients.

Sustainability: by designing products that have better specifications in terms of quality, durability and safe use.

Continuous Improvement: To manage our operations responsibly as one of the major producers of metal wire in the Kingdom.

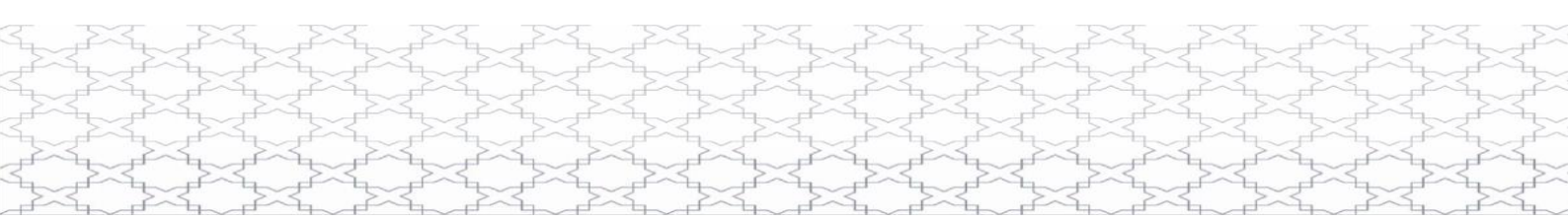
1.5 Company message

Principle: Maintaining a professional culture and creating a work environment characterized by trust and participation, while adhering to the highest standards of governance, professional competence and responsibility towards the environment.

Product: Building a diversified portfolio of constantly evolving products and striving to meet customer expectations in terms of quality, value and service.

Stakeholders: Seek to protect the interests of all our partners, including shareholders, employees, business partners and regulators.

Work procedures: Achieving comprehensive growth through raising efficiency, improving productivity, and continuous development by utilizing modern systems in the operational and administrative fields.



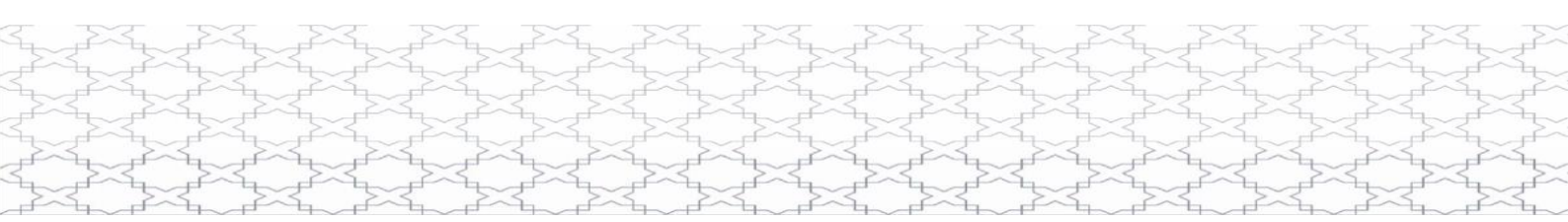
1.6 Company values

Integrity: By upholding the highest standards of integrity and ethics in our professional practice

Transparency: in our dealings and decisions and taking responsibility towards regulators, investors and financial institutions

Respect: to all our customers and employees, listening to them and meeting their requests and needs.

Cooperation: with our suppliers to advance, expand and grow together.





Chapter 2

Business results

Item	The constructional sector and building materials		The civil sector		Total	
	2021	2020	2021	2020	2021	2020
Sales	707	628	214	150	921	778
Sales cost	(664)	(548)	(171)	(116)	(835)	(664)
Gross profit	43	80	43	34	86	114

1. Acquisition or merger to increase the company's profitability and diversify its activities.
2. Investing in other activities which increases the company Profits.
3. Raise the sales of civil products with a high profit margin.
4. Apply the concepts of total quality and efficient manufacturing.
5. Improving operating efficiency and work environment.
6. Enhancing the role of middle management in the organizational structure.
7. Apply the safety and environmental standards.
8. Community participation.

Revenue
and
gross
profit

2.1.2 Risks

1. **Raw materials:** The Company mainly deals with iron ore rolls, which represents one of the basic components of most of its products. Therefore, changes in iron ore prices may expose the company to risks of fluctuations in the prices of raw materials, and then the company monitors these changes by monitoring stock levels in line with price fluctuations of raw materials.
2. **Credit risk:** it is the disability of one party to fulfill its obligations, which leads to the other party incurring a financial loss. The financial assets that are likely to be exposed to concentration of credit risk mainly consist of cash with banks and customers, due from related parties and cash and the like that the company owns are in reputable banks, therefore credit risk is limited. The credit risk related to customers is also limited because the total customers are distributed among a number of clients with strong financial positions. Clients' balances are also shown in the financial statements according to their collectible balances. The company's management also monitors clients' balances to reduce any credit risk on them and takes any necessary procedures regarding them to preserve the company's rights.

3. **Liquidity risk:** It represents the risk that the company faces in providing funds to meet obligations related to financial instruments. Liquidity risk occurs when it is not possible to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring it regularly to ensure that sufficient liquidity is available to meet any future liabilities.
4. **Currency rate risk:** It is the risk of change in the value of financial instruments due to changes in foreign exchange rates. The management monitors the risk of fluctuations in exchange rates closely, and based on management experience, it believes that the company is not exposed to a significant risk of change in exchange rates.
5. **Forward integration of major suppliers:** It's represented in any forward integration steps by primary suppliers that may lead to a company diminishing its market share. And the large size of suppliers makes this factor even more dangerous.
6. **Changes in industry regulation laws:** Changes in industry regulation sector have a direct impact on the company's operational operations.

The civil sector

The constructional sector

2.2 Revenues & gross margin

2.2.1 Revenue and gross profit are distributed according to the company's sectors

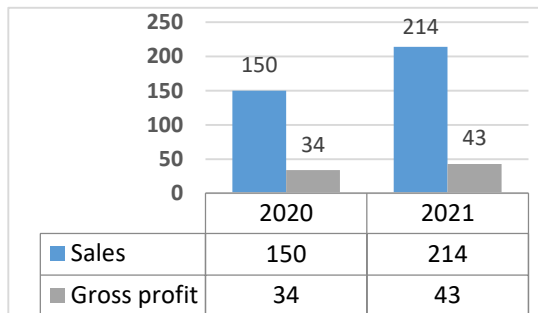


Diagram 1: Sales and gross profit of the civil sector

For the years 2020 and 2021 AD

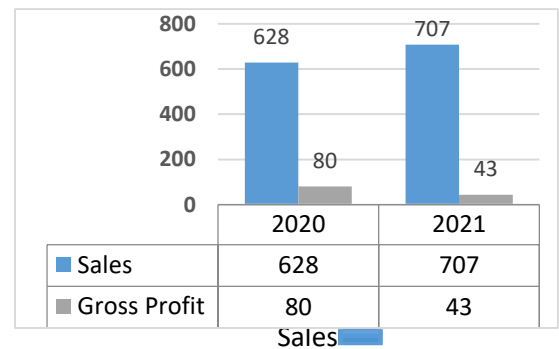


Diagram 2: Sales and gross profit of the constructional sector

For the years 2020 and 2021 AD

2.1.2 Geographical analysis of the company's total revenue

Regions	2021	2020	2019	2018	2017
Central Region	430	400	368	235	173
Western region	221	148	148	134	98
The northern region	113	94	95	86	116
Southern region	86	96	87	53	115
Eastern Region	71	41	26	27	75
Total	921	777	724	535	577

To the nearest million riyals

Table 2: Sales are distributed according to geographical regions

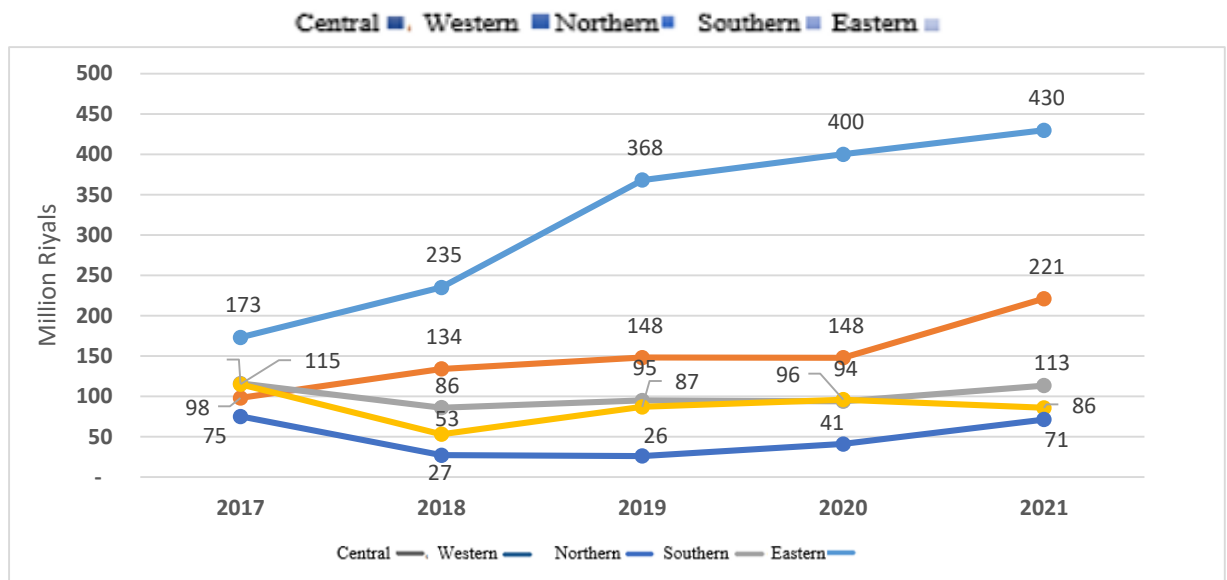


Diagram 3: Sales development according to geographical regions

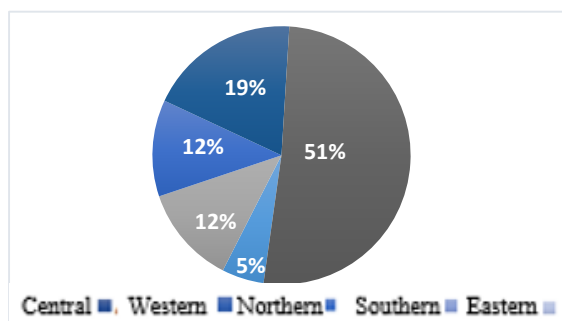


Diagram 4: Geographical sales distribution 2020AD.

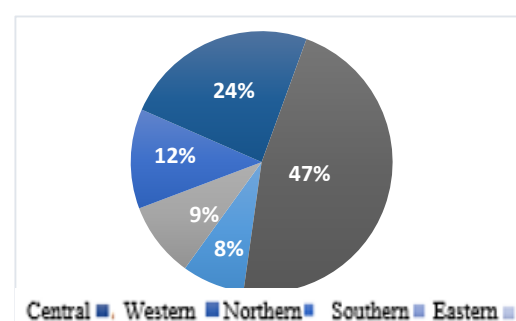


Diagram 5: Geographical sales distribution 2021AD.

2.3 Assets, liabilities and shareholders' equity

Item	2021	2020	2019	2018	2017
Current assets (other than stock)	291	289	388	311	326
Inventory	103	111	92	121	96
Total Current assets	394	400	480	432	422
Fixed assets (in net)	106	113	123	131	138
Total assets	500	513	603	563	560
Current liabilities	46	44	74	48	28
Non-Current liabilities	11	11	10	8	9
Total liabilities	57	55	84	56	37
Total shareholders' equity	443	458	519	507	523
Total liabilities and shareholders' equity	500	513	603	563	560

To the nearest million riyals

Prepared according to international accounting standards approved in the Kingdom of Saudi Arabia

Table 3: Summary of assets, liabilities and shareholders' equity for the last five years

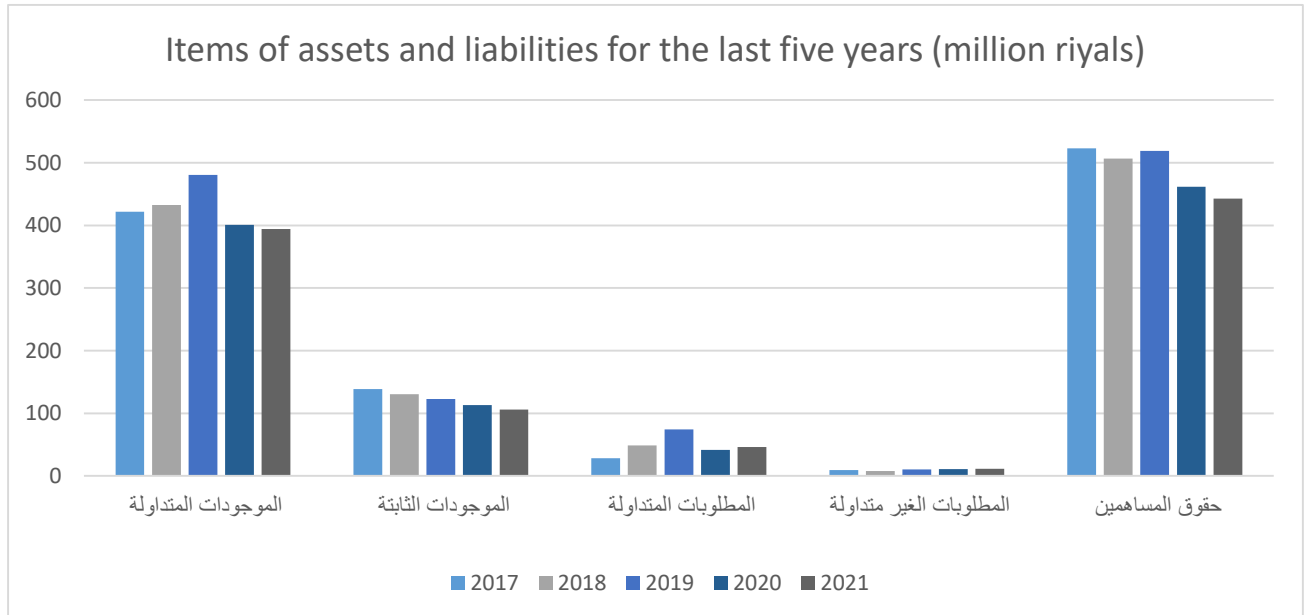


Diagram 6: Items of assets and liabilities for the last five years (million riyals)

2.4 Business results and the volume of change in results for five years

2.4.1 Company's business results for the last five years

2.4.1.1 Income statement (operational performance) for the last five years

Item	2021	2020	2019	2018	2017
Net sales	921	778	724	535	577
Sales cost	(835)	(664)	(662)	(489)	(508)
Gross profit	86	114	62	46	69
Sales and distribution expenses	(20)	(20)	(17)	(15)	(17)
General and administrative expenses	(16)	(16)	(14)	(16)	(17)
Refund (decreasing) in the value of debit trade receivables	0	0	1	1	0
Decline loaded on debtors and inventories (COVID-19)	6	(6)			
Other Income (Expenses)		0	1	1	1
Net profit before zakat and tax	56	72	33	17	36
Zakat and tax	(10)	(10)	(11)	(10)	(10)
Net profit after zakat and tax	46	62	22	7	26

To the nearest million riyals

*Prepared according to international accounting standards approved in the Kingdom of Saudi Arabia

Table 4: Income statement for the last five years

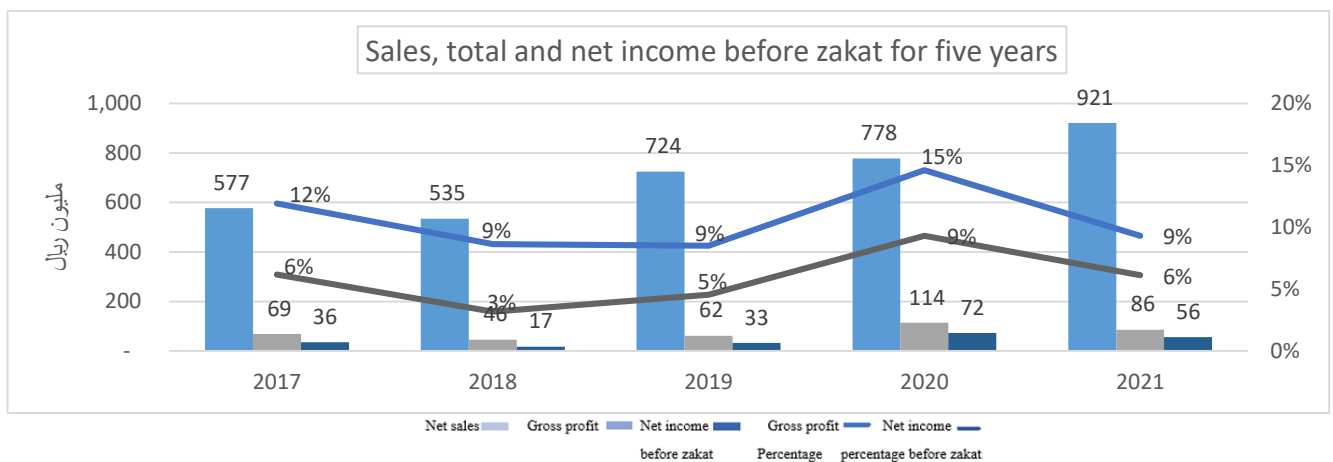


Diagram 7: Sales, gross and net income before zakat for five years

2.4.1.2 The principal differences in the operational results between the two years 2020 and 2021 AD

Item	م2021	م2020	Changes	Changing percentage
Net sales	921	778	143	18%
Sales cost	(835)	(664)	171	26%
Gross profit	86	114	-28	-24%
Sales and distribution expenses	(20)	(20)	-	-
General and administrative expenses	(16)	(16)	-	-
Refund (decreasing) in the value of debit trade receivables	-	0	-	-
Decline loaded on debtors and inventories (COVID-19)	6	(6)	12	200%
Other Revenues	-	-	-	-
Net profit of principal operations	56	72	-16	-22%
Islamic Zakat	(10)	(10)	-	-
Net profit after Zakat	46	62	-16	-26%
Other comprehensive income	0	0	-	-
Net profit and other comprehensive income for the year	46	62	-16	-26%
To the nearest million riyals				
*Prepared according to international accounting standards approved in the Kingdom of Saudi Arabia				

Table 5: The principal differences in the operational results between years 2020 and 2021.

2.4.1.3 The financial position for the last five years

Item	م2021	م2020	م2019	م2018	م2017
Net working capital	348	356	406	384	394
Net fixed assets	102	109	119	130	138
Right of Use(Lease Rental Standard 16)	4	4	4	-	-
Net working assets	454	469	529	514	532
Commitment of defined benefits to employees (End of service indemnity)	8	8	7	8	9
Lease Rental commitment (non-Current standard 16)	3	3	3	-	-
Shareholders' equity	443	458	519	506	523
Total financial of net working assets	454	469	529	514	532

To the nearest million riyals

*Prepared according to international accounting standards approved in the Kingdom of Saudi Arabia

Table 6: The financial position of the last five years

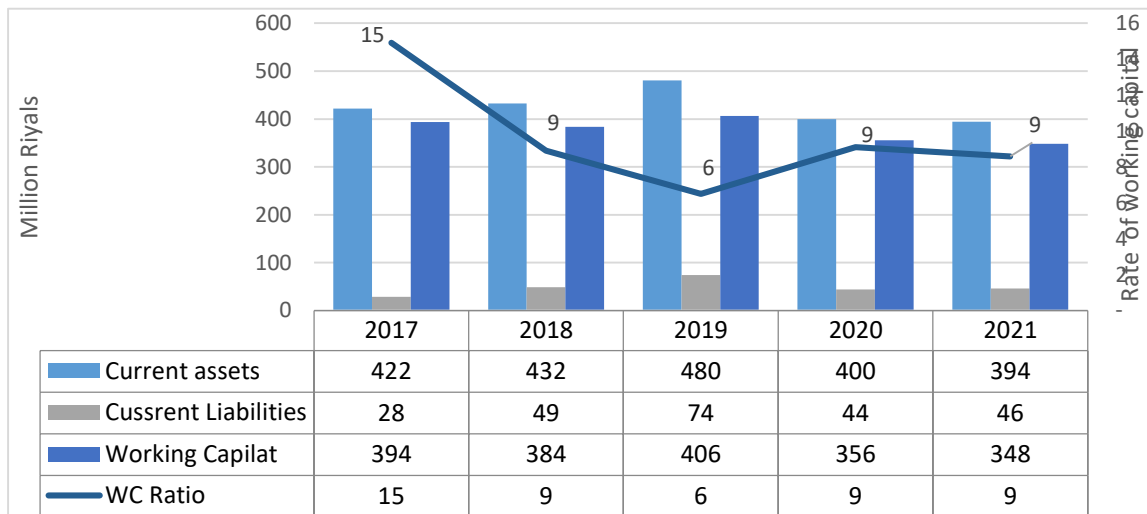


Diagram 8: The circulated assets and liabilities and working capital for the last five years

2.4.1.4 The profitability indicators for the last five years

Indicator	2021	2020	2019	2018	2017
Return on sales	5%	8%	3%	1%	4%
Return on shareholders' equity	10%	16%	4%	1%	5%
Current rate	9	10	6	9	15
Percentage of distributed profits (As a percentage of the net profit for the period of its realization before Zakat)	1.61	1.75	0.75	0.39	0.81
Profitability of share (in riyal) Before Zakat and tax*	%63	%99	%100	%100	%100

*Prepared according to international accounting standards approved in the Kingdom of Saudi Arabia

Table 7: The profitability indicators for the last five years

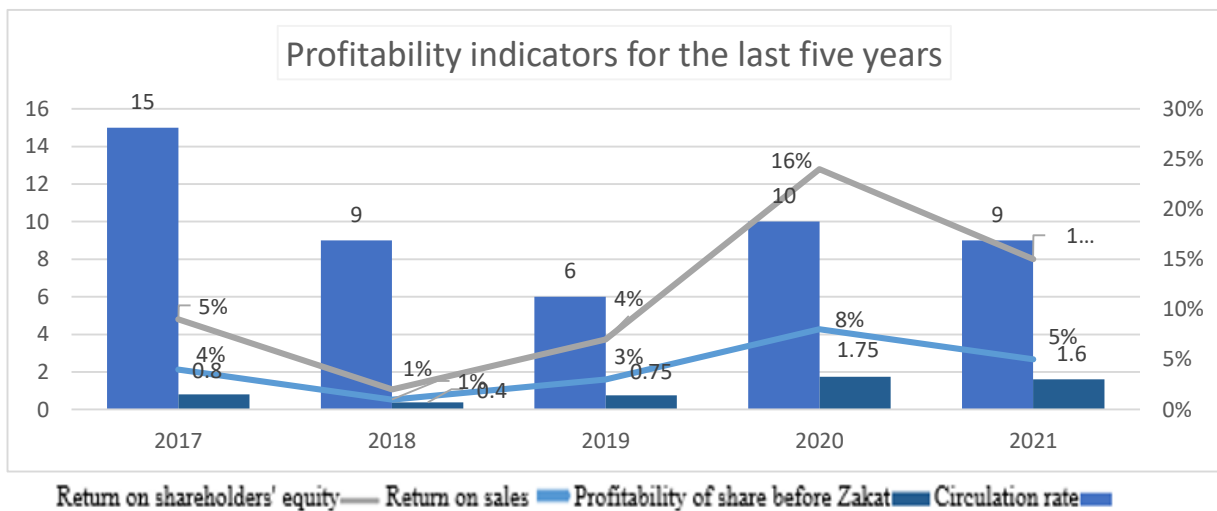


Diagram 9: The profitability indicator for the last five years

2.4.2 Cash flows

2.4.2.1 Summary of cash flows

Net cash flow:	2021	2020	2019	2018	2017
Received from operational activities	32	5	70	46	8
Used in investment activities	(5)	(3)	(3)	(7)	(3)
Used in financing activities	(61)	(123)	(11)	(22)	(28)
Increasing / decreasing in cash	(35)	(121)	56	17	(23)
The cash balance at the beginning of the year	163	283	227	210	233
The cash balance at the end of the year	128	163	283	227	210

Million riyal *Prepared according to international accounting standards approved in the Kingdom of Saudi Arabia

2.4.2.2 Cash flows from the operational activities

Item	2021	2020	2019	2018	2017
Net profit before Zakat and tax	56	73	33	17	36
Depreciations and amortizations	12	13	14	15	16
End of service indemnity	1	1	1	1	2
Working capital net changes	(37)	(81)	22	13	(46)
Net operational cash flows	32	5	70	46	8

Million riyal *Prepared according to international accounting standards approved in the Kingdom of Saudi Arabia

2.4.2.3 Cash flows from the investment activities

Item	2021	2020	2019	2018	2017
Property and equipment additions	(5)	(3)	(3)	(7)	(3)
Proceeds from the properties' exclusion	0	0	0	0	0
Net cash and investment flows	(5)	(3)	(3)	(7)	(3)

Million riyal *Prepared according to international accounting standards approved in the Kingdom of Saudi Arabia

Table 8: Cash flows from the investment activities

2.4.2.4 Cash flows from financing activities

Item	2021	2020	2019	2018	2017
Reducing capital	-	(88)			
Profit distributions	(61)	(35)	(11)	(22)	(28)
Net financing cash flows	(61)	(123)	(11)	(22)	(28)
Million riyal *Prepared according to international accounting standards approved in the Kingdom of Saudi Arabia					

Table 11: Cash flows from the financing activities

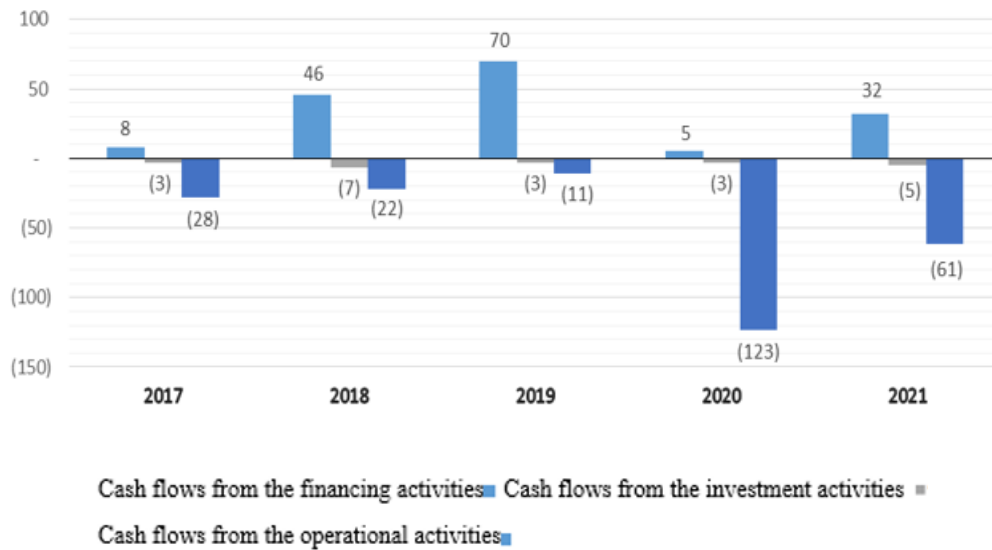


Diagram 10: The change in the main elements of the cash flow statement

2.4.3 Net profit

The net profit after zakat amounted to about 46 million riyals for the year 2021 AD, which is exceeding the Targeted Profit for 2021 AD , compared to 62 million riyals in the year 2020 AD .

2.4.4 Applying the accounting standards issued by the Saudi Organization for Certified Public Accountants (SOCPA)

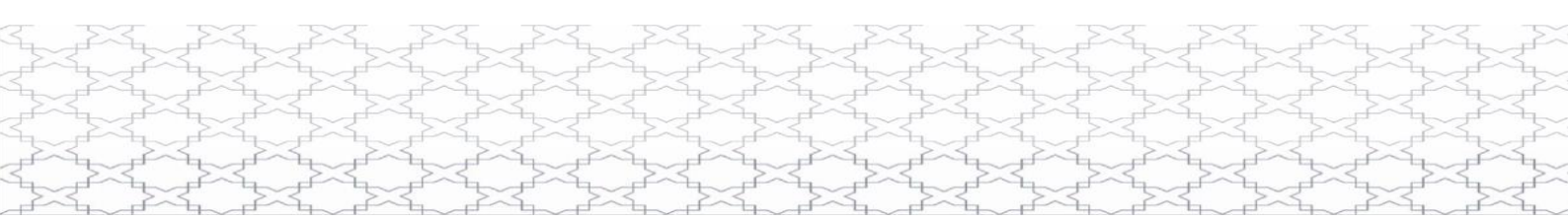
The financial statements for the fiscal year ending on December 31, 2021 have been prepared in accordance with the international accounting standards recognized in the Kingdom of Saudi Arabia issued by the Saudi Organization for Certified Public Accountants without any difference.

2.4.5 Clarification about the subsidiary companies of the United Wire Factories Company

Union Wire Factories Company has no subsidiaries inside or outside the Kingdom of Saudi Arabia.

2.4.6 Details of shares and debt instruments issued for each subsidiary company

There is no shares or debt instruments issued for any subsidiary company.





Chapter 3

Distributing profits

3.1 Profit distribution policy

The company distributes profits to shareholders (according to the article 47 of the company's principal regulation) after deducting all general expenses and other costs and creating the necessary reserves as follows:

1. The required sums to pay Zakat, which are assessed on the shareholders, are calculated and the company pays them to the competent authorities.
2. 10% of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may stop this retainer when this reserve reaches 30% of the capital.
3. After that, an initial payment equal to 5% of the capital shall be distributed to the shareholders from the rest profit.
4. After the aforementioned, a percentage not exceeding 5% of the remainder shall be allocated to remunerate the Board if the remuneration is a certain percentage of the company's profits, provided that the entitlement of this bonus is proportional to the number of sessions which were attended by the member.

3.2 Distributed Profit during the year 2021AD.

- During the first quarter of 2021, based on the decision of the Board of Directors held on 02/16/2021, the company distributed interim cash dividends in the amount of (35,100,000) Saudi riyals for the second half of 2020 at a rate of 1 (one) Saudi riyals per share and at a rate of 10% From the nominal value of the share and was distributed on 03/03/2021.
- During the third quarter of 2021, based on the decision of the Board of Directors held on 28/07/ 2021, the company distributed interim cash dividends in the amount of (26,325,000) Saudi riyals for the first half of 2021, at a rate of 0.75 (seventy-five halalas) per share, at a rate of 7.5% of the nominal value of the share, which was distributed on 17/08/2021.



Chapter 4

Board and General Assembly Meetings, Interests and rights of Board Members and Senior Executives in the Company

4.1 Interests and rights of Board Members and Senior Executives in the company

4.1.1 Interests and rights

There is no interest for any persons from the shares category with eligibility to vote for persons (except for board members, senior executives and their relatives) who informed the company of these rights and any change in those rights during the fiscal year.

4.1.2 Change in ownerships

The change in the ownerships of the board members and senior executives in the company shares from 31/12/2020AD till 31/12/2021AD were as the following:

Serial	Name	Shares number on 2020 /12 /31	Shares number on 2021 /12 /31	Change percentage between the beginning and end of the year
1	Khaled Saad Alkunjul	2,457,000	2,457,000	%0
2	Muhammad Rasheed Muhammad Al-Rasheed	4,297,968	4,297,968	%0
3	Abdullah Saad Aldossary	178,541	178,541	%0
4	Rasheed Rashed Bin Oween	160,000	160,000	%0
5	Saleh Rasheed Muhammad Al-Rasheed	1,339,744	1,339,744	%0
6	Youssef Abdullah Almutlaq	0	0	%0
7	Torky Mohammad Ahkuriny	0	0	%0
8	Nabil Hassan Al-Amir	0	0	%0
9	Bader Eid Al-Mohammadi	0	0	%0
10	Abdulhameed Hosny Ibrahim	0	0	%0
11	Rana Salim Ahmed	0	0	%0
12	Ibrahim Abdullal salam	0	0	%0

Table 9: Change in shares ownership of board members and senior executives

4.1.3 Loans and banking facilities

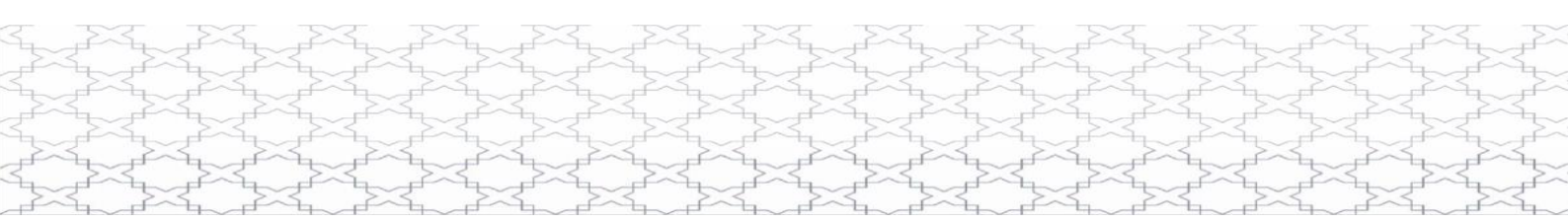
Based on the policies and instructions of the Board of Directors, there is no dealing with any loans in 2021 AD. The company also has banking facilities in compliance with the provisions of Islamic Sharia from local banks with a total amount of one hundred million Saudi riyals in the form of credits by sight and letters of guarantee of payment that do not entail any loans or Benefits.

4.1.4 Loans instruments

There are no categories and numbers of any transferable debt instruments, any contractual securities, subscription right notes, or any similar rights issued or granted by the company (the source) during the fiscal year 2021AD, and there is no compensation that the company (the source) obtained for that.

In addition, there are no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company (the source).

In addition, there is no refund, purchase or cancellation by the company of any refundable debt instruments and the value of the remaining securities, with a distinction between the listed securities purchased by the companies and those which were purchased by their subsidiaries.



4.2 Board and general assemblies' meetings

4.2.1 Board meetings

The Board held four meetings during the fiscal year 2021 as following:

1. First meeting: February 16, 2021 AD.
2. The second meeting: April 04, 2021AD.
3. The third meeting: July 28, 2021AD.
4. Fourth meeting: October 13, 2021AD.
5. Fifth meeting: December 29 2021 AD.

The following table shows the attendance record of the Board members for the meetings held in the current session during the fiscal year 2021AD.

S	Member names	Position	category		Meetings' attendance				%
1	Khaled Saad Alkunjul	Chairman	Not executive	√	√	√	√	√	100%
2	Muhammad Rasheed Muhammad Al-Rasheed	Vice Chairman	Not executive	√	√	√	√	√	100%
3	Abdullah Saad Aldossary	member	Executive	√	√	√	√	√	100%
4	Rasheed Rashed Bin Oween	member	Independent	√	√	√	√	√	100%
5	Saleh Rasheed Muhammad Al-Rasheed	member	Not executive	√	√	√	√	-	80%
6	Youssef Abdullah Almutlaq	member	Independent	√	√	√	√	√	100%
7	Torky Mohammad Ahkuriny	member	Independent	√	√	√	√	√	100%

Table 10: Members' attendance record of the Board meetings

The Board of Directors held three meetings after the date of the last general assembly, in the presence of all members, with the exception of Mr. Saleh Rashid Al-Rasheed, who attended only two meetings, and the Board took two resolutions by passing during this year.

4.2.2 Record of Shareholders' requests

The following table shows the number of the company's requests for shareholders' record during the year, the dates of those requests, and their reasons.

Serial	Date of request	Reasons of request
1	04/ 01/ 2021	Company procedures
2	23/ 02/ 2021	Earnings file
3	06/ 04/ 2021	General Assembly
4	04/ 08/ 2021	Earnings file
5	31/ 12/ 2021	Company procedures

Table11: Record of shareholders' requests

4.2.3 General assembly meetings

During the year 2020 AD, the 13th Ordinary General Assembly held (the first meeting) at exactly 7:00 pm on Monday 24/08/1442AH corresponding to 06/04/2021 AD, when the meeting quorum is completed with an attendance rate of 61.03%. The assembly was held remotely through modern technology means, based on the circular issued by the Capital Market Authority dated on 16/03/2020AD, which includes the sufficiency of holding general assemblies through modern technology means that enable shareholders to participate in its deliberations and vote on its agenda remotely. This is within the framework of supporting the preventive efforts and precautionary procedures of the competent and relevant authorities to face the emerging corona virus.

The following table shows the attendance of the Board members for this Assembly.

S	Member names	Position	Attendance
1	Khaled Saad Alkunjul	Chairman of the Board	√
2	Muhammad Rasheed Muhammad Al-Rasheed	Vice Chairman of the Board	√
3	Abdullah Saad Aldossary	member of the Board	√
4	Rasheed Rashed Bin Oween	member of the Board	√
5	Saleh Rasheed Muhammad Al-Rasheed	member of the Board	√
6	Youssef Abdullah Almutlaq	member of the Board	√
7	Torky Mohammad Ahkuriny	member of the Board	√

Table 15: Attendance record of Board Members for the eleventh General Assembly meeting

During the year 2021 AD, The Thirteenth Ordinary General Assembly was held (the first meeting), which included approval of reducing the capital and amending some items of the company's regulations at exactly 7:00 pm on Tuesday 08/24/1442 AH corresponding to 06/04/2021 AD, when the meeting quorum is completed with an attendance rate of 61,03%.

The assembly was held remotely through modern technology means, based on the circular issued by the Capital Market Authority dated on 16/03/2020AD, which includes the sufficiency of holding general assemblies through modern technology means that enable shareholders to participate in its deliberations and vote on its agenda remotely. This is within the framework of supporting the preventive efforts and precautionary procedures of the competent and relevant authorities to face the emerging corona virus.

The following table shows the attendance of the Board members for this Assembly.

S	Member names	Position	Attendance
1	Khaled Saad Alkunjul	Chairman of the Board	√
2	Muhammad Rasheed Muhammad Al-Rasheed	Vice Chairman of the Board	√
3	Abdullah Saad Aldossary	member of the Board	√
4	Rasheed Rashed Bin Oween	member of the Board	√
5	Saleh Rasheed Muhammad Al-Rasheed	member of the Board	√
6	Youssef Abdullah Almutlaq	member of the Board	√
7	Torky Mohammad Ahkuriny	member of the Board	√

Table 12: Attendance record of Board Members for The Thirteenth General Assembly meeting

4.3 Data details of the Board members and executive management

4.3.1 Board members

The new board for the fourth session was formed according to the decision of the Ordinary General Assembly on April 8, 2019 AD, and the chairman of the board was chosen in the new board meeting on April 14, 2019 AD.

S	Member names for the fourth session	Position	category
1	Khaled Saad Alkunjul	Chairman of the Board	Not executive
2	Mohammad Rasheed Mohammad Al-Rasheed	Vice Chairman of the Board	Not executive
3	Abdullah Saad Aldossary	member of the Board	Executive
4	Rasheed Rashed Bin Oween	member of the Board	Independent
5	Saleh Rasheed Muhammad Al-Rasheed	member of the Board	Not executive
6	Youssef Abdullah Almutlaq	member of the Board	Independent
7	Torky Mohammad Ahkuriny	member of the Board	Independent

Table 13: Board members for the fourth session

4.3.2 Curriculum Vitae of the Board members

Khaled Saad Abdul-Rahman Al-Kanhal

The Chairman of the Board

Mr. Khaled Al-Kanhal holds the position of Chairman of the Company's Board of Directors for the fourth term, in addition to being the Chairman of the Executive Committee and a member of the Remuneration and Nominations Committee. He also has the following experiences:

- Member of the Board of Directors of the Petroleum Products Company for more than ten years.

He rose in several positions in the Arab National Bank until he became a branch manager with an experience of eight years.

- Mainly contributed to the process of merging a group of factories under the name (Union Wire Factories Company).
- General Manager of the company during the period 2006 AD to 2008 AD.

Muhammad Rasheed Muhammad Al-Rasheed

The Vice Chairman of the Board

Mr. Mohammed Al-Rasheed holds the position of Vice Chairman of the Company's Board of Directors for the fourth term in addition to being a member of the Executive Committee. He also has the following experiences:

- Member of the Board of Directors of the Petroleum Products Company for more than ten years.

Accumulated experience in the wire industry for more than thirty years, including working as a Deputy Director of the Saudi Galvanized Wire Factory.

- Mainly contributed to the process of merging a group of factories under the name (United Wire Factories Company).
- Chairman of the Company's Board of Directors during the period 2006 AD to 2008 AD.

Abdullah Saad Abdullah Al-Dossary

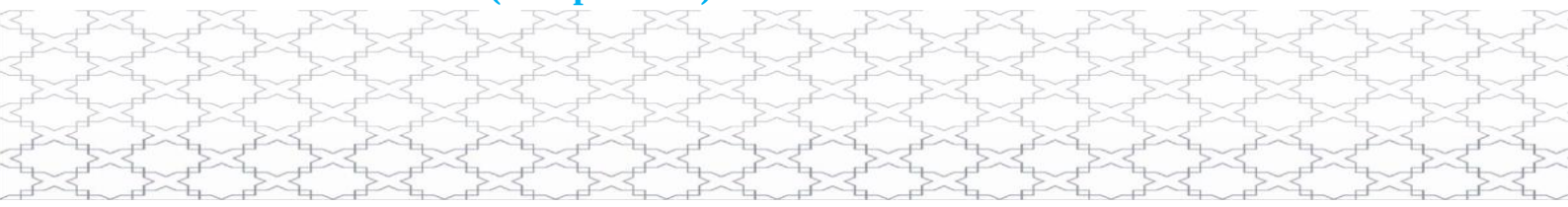
Board Member General Manager Sales and Marketing (executive)

Mr. Abdullah Al-Dosari holds the position of a member of the company's board of directors for the fourth session, in addition to being a member of the Executive Committee and General Manager of Sales and Marketing. He also has the following experiences:

- Worked in the Riyadh factory for tying wires and grading from the sales and production department until he became the deputy general manager of the factory, and in 1997 he was transferred to a company and served as its general manager for a period of nine years.
- Member of the company's board of directors since 2007.

Rasheed Rashed Bin Oween

Board Member (Independent)



Dr. Rasheed bin Oween is a member of the company's Board of Directors for the fourth term, in addition to being the Chairman of the Nominations and Remunerations Committee. He also holds a Ph.D. in Nuclear Engineering from the University of Arizona, a Master's degree in Nuclear Engineering from King Saud University, as well as a Bachelor's degree in Electrical Engineering from King Saud University, in addition to the following experiences:

- Member of the Board of Directors of Al-Jouf Agricultural Company for more than ten years, and currently a member of the Executive Committee.
- Member of the Board of Directors of the National Petrochemical Company for more than two years, and currently the Chairman of the Remuneration and Nominations Committee.
- Member of the company's board of directors since 2013.

Saleh Rasheed Muhammad Al-Rasheed

Board Member (Non-Executive)

Mr. Saleh Al-Rasheed holds the position of a member of the company's board of directors for the fourth session. He also holds a Bachelor's degree in Business Administration, in addition to the following experiences:

- Director of the Beautiful Foundation and the scheme for more than ten years.
- Technical factory manager for the production of staples and nails for two years.
- Former member of the audit committee in the company.

Youssef Abdullah Ibrahim Al-Mutlaq

Board Member (Independent)

Mr. Youssef Al-Mutlaq is a member of the company's Board of Directors for the fourth term, in addition to being a member of the Audit Committee. He also holds a master's degree in business administration from King Saud University, a bachelor's degree in mechanical engineering from the same university, and a diploma in industrial management, and has the following experiences:

- CEO and co-founder of Qudra Energy Company.
- CEO of Rezayat Group.
- CEO of Al-Essa Industries Company.

- Chairman of the Board of Directors of Hunter Arabia Company.
- President of the Company (CMC).
- Member of the Board of Directors of Al-Jazirah Electrical Appliances Company.
- Managing Director of Tamkeen Company.
- Member of the Board of Directors of ACWA Power.

Turki Mohammed Fahid Al-Quraini

Board Member (Independent)

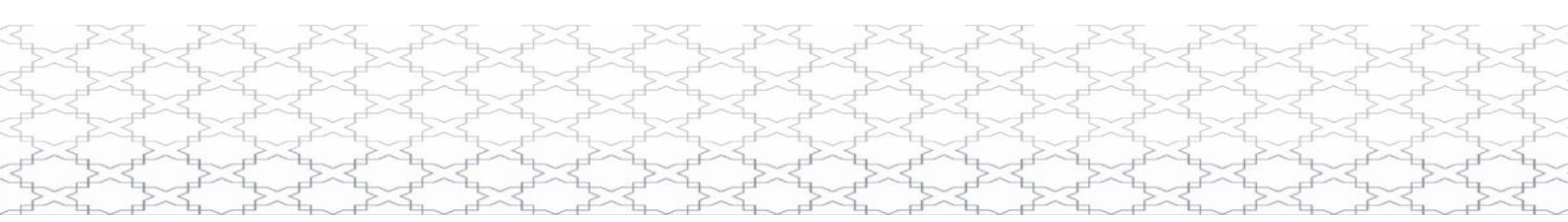
Mr. Turki Al-Qurini is a member of the company's board of directors for the fourth term, in addition to being a member of the Nomination and Remuneration Committee. He also holds a Master's degree in Finance from the University of Technology Sydney and a Bachelor's degree in Accounting from King Saud University, and has the following experiences:

- Director of Compliance with Corporate Governance Rules and Director of Corporate Governance Standards at the Capital Market Authority.
- General Manager of Governance and Secretary of the Board of Directors of Jabal Omar Development Company.
- General Manager of the Governance, Risks and Compliance Department of the National Housing Company.
- General Manager of the Governance, Risks and Compliance Department of the Human Resources Development Fund (Hadaq).
- Director of the Corporate Governance Department at the National Water Company.
- Head of the Audit Committee in the Value Partners Company.
- Chairman of the Audit Committee at Zawaya Real Estate Company.
- Member of the Audit Committee at Etihad Al-Rajhi Company.

4.3.3 Curriculum Vitae of the Senior Executives

Nabil Hassan Muhammad Al-Amir

The Executive Manager



Mr. Nabil Al-Amir has been the CEO of the company since 2018. He holds a Bachelor's degree in Marketing from King Fahd University of Petroleum and Minerals with honors. He also has diverse experience in several fields as follows:

- CEO of Akal Company for Trade and Industry.
- Head of the National Factory for Food Products (Al-Waha) of the National Company for Industry.
- Vice President of Al-Munajem Group.
- Director of Logistics and Supply Services Department at Al-Munajem Refrigerators Company.
- Assistant General Manager at Al-Khaleej Catering Company, a subsidiary of Al-Munajem Group.
- Head of the Trade and Marketing Sector at Jazan Agricultural Development Company.
- Marketing Manager at Reda Food Services Company (McDonald's).
- Specialist in marketing petroleum products in the Saudi Refining and Marketing Company (SAMARK).

Bader Eid Al-Muhammady

Executive Vice President for shared services and supply

Eng. Bader Al-Muhammady has been the Executive Vice President of Shared Services and Logistics for the company since 2020. He holds a master's degree in business administration - specializing in organizational management from Cambridge International, UK, a bachelor's degree in mechanical engineering from Riyadh Technical College with distinction with first class honors, and advanced postgraduate studies in computer engineering from Jeddah International Center higher training in addition to passing various professional programs and professional licenses in project management, operations, quality, safety, occupational health and the environment from the University of Texas (A&M) in the United States of America. He also has a variety of experiences in several fields, as follows:

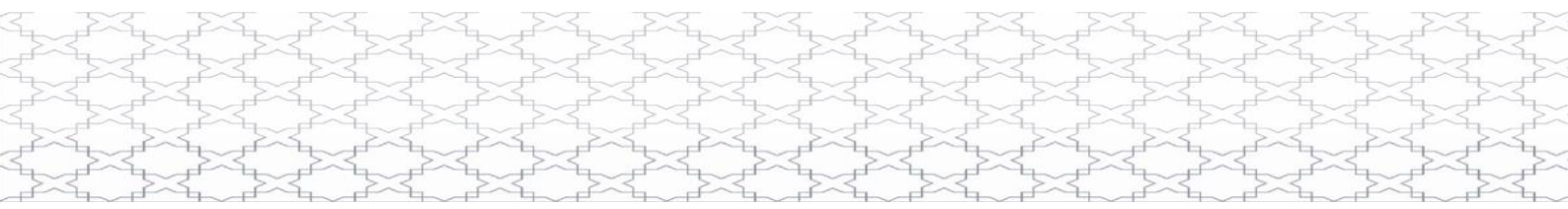
- Chief Executive Officer of the Shared Services Sector of Dar Al-Arkan Real Estate Development Company.
- General Manager of the Saudi Company for the Production of Building Materials (SBM).
- General Manager of the Support Services Sector in the Kingdom of Saudi Arabia for Saudi Post.
- Executive Director of the Joint Support Services Group for Riyadh Cement and Saudi White Cement.
- Member of the committees concerned with restructuring the strategy, digital transformation programs and business development for Dar Al-Arkan Real Estate Development Company, Riyadh Cement Company, Saudi White Cement and Arabian Cement.
- Participation in a group of national committees of the Council of Saudi Chambers.
- Experience in supporting commercial and industrial businesses for more than twenty years.

Abdullah Saad Abdullah Al-Dossary

General Manager Sales and Marketing

Mr. Abdullah Al-Dosari holds the position of a member of the company's board of directors for the fourth session, in addition to being a member of the Executive Committee and General Manager of Sales and Marketing. He also has the following experiences:

- Worked in the Riyadh factory for tying wires and grading from the sales and production department until he became the deputy general manager of the factory, and in 1997 he was transferred to a company and served as its general manager for a period of nine years.
- Member of the company's board of directors since 2007.



Abdel Hamid Hosni Abdel Hamid Ibrahim

The Financial Manger

Mr. Abdel Hamid Ibrahim has held the position of Financial Manager of the United Wire Factories Company since January 1, 2019AD. He obtained a Bachelor of Commerce in 1991AD and a Postgraduate Diploma in Accounting and Auditing in 1996AD from the Faculty of Commerce - Cairo University. He also passed the (CMA) Certified Management Accountant Fellowship from the (IMA) Institute for Management Accountants in the United States of America in December 2017AD. He has also completed many courses and professional forums in internal control, risk study, analysis and financial planning and has various scientific and practical experiences in many Industrial and service sectors. Through his practical experience which exceeds 28 years, he held various positions in financial and internal auditing management, then as a financial manager in many of the major companies affiliated with Amer Group and Moamen Group in Egypt and Al Manjem Group in the Kingdom of Saudi Arabia

Rana Salim Ahmed Muhammad

The Production Manger

Engineer Rana Salim Ahmed has been the production manager for United Wire Factories Company since September 2013 and a responsible of all operations and production plans for all products that are manufactured in the company's factories in the Kingdom in its construction and civil sectors. He obtained a Bachelor of Science from the University of Karachi in 1977AD in addition to the training for two years at the Minerals Training Center (Pakistani steel factories) and held many positions in the limited Steel Products Company- SEPCO in the Kingdom of Saudi Arabia for more than 31 years, and their last one was as a factory manager.

Ibrahim Abdel-Aal, Mr. Salam

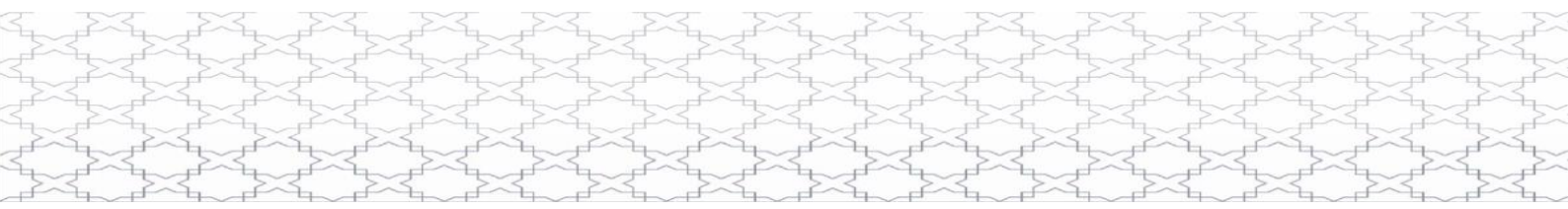
Technical Service Manager

Engineer Ibrahim Salam has held the position of Technical Services Manager for the company since Oct 2020. He holds a bachelor's degree in mechanical engineering in addition to a number of certificates in the fields of management and operation of power plant systems, firefighting systems, and the application of the quality control system and internal control over it. A number of from courses in Italy, Germany, Denmark, China and Turkey for wire drawing machines

4.3.4 Actions taken by the Board of Directors to inform its members of shareholders 'proposals and comments about the company and its performance.

Shareholders have the full right to direct their inquiries and request information in a manner that does not conflict with the interests of the company in accordance with the disclosure policies and procedures approved by the laws and regulations, and in the event of any proposals or observations towards the company, the Chairman of the Board informs the members of them in the first meeting, specifically the non-executive members.

The Board of Directors' work regulations also stipulate that the member must attend the general assembly meeting in order to receive inquiries and suggestions from the shareholders who are guaranteed by the regulations the right to participate in the deliberations and discussions of the assembly.



4.3.5 Memberships of board members in the boards of directors and their managerial positions in other companies inside and outside the Kingdom

S	Member name	Company name	Inside/outside Kingdome	القانوني الكيان
1	Khaled Saad Abdul-Rahman Al-Kanhal	There is no one		
2	Muhammad Rasheed Muhammad Rasheed	Zahwa United Company	Inside Kingdome	Unlisted shareholding company
		Anwar Al Tareeq Company for renting cars	Inside Kingdome	A limited liability company
		Luxury Romoz Company	Inside Kingdome	A limited liability company
		Saudi Factory for Luxury Plastic	Inside Kingdome	A limited liability company
		Muhammad Rasheed Al-Rasheed industrial company	Inside Kingdome	A limited liability company
3	Abdullah Saad Abdullah al-Dossary	There is no one		
4	Rasheed Rashid Saad Bin Owien	Al-Jouf Agricultural Development Company	Inside Kingdome	Unlisted shareholding company
		The National Petrochemical Company - Petrochem	Inside Kingdome	Unlisted shareholding company
5	Saleh Rasheed Muhammad Al-Rasheed	Luxury Romoz Company	Inside Kingdome	A limited liability company
		Saudi Factory for Luxury Plastic	Inside Kingdome	A limited liability company
6	Youssef Abdullah Ibrahim Al-Mutlaq	Asni company for advanced technology	Inside Kingdome	A limited liability company
		Ridayat industrial commercial company	Inside Kingdome	A limited liability company
		Kudra investment company	Inside Kingdome	A limited liability company
		Rima investment company	Inside Kingdome	A limited liability company
		Own investment company	Inside Kingdome	A limited liability company
7	Turki Muhammad Feheed Al-Kurani	There is no one		

Table14: Memberships of board members in the boards of directors and their managerial positions in other companies inside and outside the Kingdom



Chapter five

Board Committees

5.1 Auditing Committee

5.1.1 Committee Formation

The Auditing Committee was formed in accordance with the decision of the tenth Ordinary General Assembly held on 8/4/2019AD for the fourth session of the Board, which started on 10/4/2019AD. The Auditing Committee is responsible for supervising the internal audit of the company in order to verify its effectiveness in implementing the work and tasks set by the board and study the internal monitoring system, and put a written report of its opinion and recommendations regarding it. And studying the internal monitoring reports and following-up the implementation of corrective measures for the notes contained therein and recommend to the Board the appointment of legal accountants and their dismissal and determine their fees, taking into account the assurance of their independence and following up the work of the legal accountants and approving any work outside the scope of the auditing work which they are assigned to while carrying out the auditing work and studying the auditing plan with the legal accountant and make their observations on it and study the notes of the legal accountant on the financial statements, and following up what has been done about them, also studying the preliminary and annual financial statements before submitting them to the Board, giving opinions and recommendations about them, studying the accounting policies followed, and giving opinion and recommendation to the Board regarding them. The company's internal auditor submitted his reports to the auditing committee on the effectiveness of the company's internal control.

The Auditing Committee held five meetings during the year 2021 AD as following:

- 1- The first meeting: February 15, 2021AD.
- 2- The second meeting: April 21, 2021AD.
- 3- The third meeting: July 13, 2021AD.
- 4- The fourth meeting: July 27, 2021AD.
- 5- The fifth meeting: October 19, 2021AD.

The following table includes a statement of the members of the auditing committee and their attendance of the meetings held during the year 2021 AD:

S	Member names	Position	Meeting attendance					%
			1	2	3	4	5	
1	Khaled Muhammad Al-Khowaiter	Leader	√	√	√	√	√	100%
3	Youssef Abdullah Al-Mutlaq	Member	√	√	√	√	√	100%
4	Abdullah Saud Al-Orefi	Member	√	√	√	√	√	100%

Table 15: A statement of the auditing committee members and their attendance at the meetings held during the year 2021 AD.

5.1.2 Internal Control

The company's Board acknowledges that the accounts 'records have been prepared in the correct manner, and there is no doubt about the company's ability to continue its activity. And the Board acknowledges that the internal controlling system has been prepared on right bases and its procedures have been implemented effectively and works effectively and appropriately. The Auditing Committee emanating from the Board supervises the internal auditing work, which periodically checks the adequacy and effectiveness of the internal controlling system in order to provide a continuous evaluation of the internal controlling system and its effectiveness.

This comes within the objectives of the Board to obtain reasonable conviction about the soundness of the design and the effectiveness of the performance of the company internal controlling system, as the auditing committee in this way and during the fiscal year held five meetings and discussed issues related to the work of the committee, including, for example, auditing financial statements and business units in the company, in the presence of the officials in the internal auditing sector and related sectors of the company, in addition to other issues related to the company workflow from all aspects.

5.1.3 Internal auditing

Internal audit is an objective and independent assurance and advisory activity for the purpose of adding value and improving the company's operations. The internal audit assists the company in achieving its objectives by providing a regular entry point to improve the effectiveness of risk management, controlling, and processes involved in the supervisory performance of the company. The internal audit carried out many periodic and special reviewing processes, focusing on activities and jobs with high risks to work on rising the effectiveness, efficiency and profitability of the company's operations, which included, for example, reviewing the company authority matrix and the memorandum for cancelling some debts according to the company policy and according to the audit committee request. The necessary procedures to follow up on most of the observations contained in the audit reports in order to verify that the necessary corrective actions have been taken. In addition to contributing in auditing of the initial and final financial statements. There are no important observations on the internal controlling system based on the audit committee's report. The audit committee also considers the adequacy of the company's internal controlling system.

5.1.4 The current and previous positions, qualifications and experiences of the members of the audit committee

Khaled Muhammad Alkhwaiter

Leader of the audit committee

Mr. Khaled Al-Khuwaiter holds the position of Chairman of the Audit Committee in the company. He holds a Bachelor's degree in Accounting from King Saud University and holds a Fellowship (CPA) from the American Institute of Certified Accountants. He also has extensive experience in several fields as follows:

- Chief Financial Officer of the Advanced Electronics Company.
- Member of the committees of the Saudi Organization for Certified Public Accountants to prepare standards and supervise the quality of application.
- Work in the financial department of the Hotels and Tourist Zones Company.
- Member of the Board of Directors of Jadwa Investment Company.
- Member of the Board of Directors and the Audit Committee of the Bin Laden Company.
- Member of the Audit Committee of the Industrial Group Company.
- Member of the Audit Committee at Aldrees Company.
- Member of the Audit Committee at Mawten Company.
- Member of the audit committee in Dallah Company.

Abdullah Saud Al-Orefi

The member of the Audit Committee

Mr. Saleh Al-Rasheed is a member of the Board of United Wire Factories Company, and he has held the position of Director of the Al-Hasna'a and Planner Corporation since 2009AD till now, as well as the Director of the Technical Factory for the production of pins and nails during the years 2008AD and 2009AD. Mr. Saleh Al-Rasheed holds a bachelor's degree in Business Administration.

Youssef Abdullah Al-Mutlaq

Member of the Board of Directors and Member of the Audit Committee (independent)

Mr. Youssef Al-Mutlaq is a member of the company's board of directors for the fourth session in addition to a member of the audit committee. He holds a master's degree in business administration from King Saud University, a bachelor's degree in mechanical engineering from the same university, and a diploma in industrial management. He has the following experiences:

- CEO and co-founder of Qudra Energy Company.
- CEO of Rezayat Group.
- CEO of Al-Essa Industries Company.
- Chairman of the Board of Directors of Hunter Arabia Company.
- President of the Company (CMC).
- Member of the Board of Directors of Al-Jazirah Electrical Appliances Company.
- Managing Director of Tamkeen Company.
- Member of the Board of Directors of ACWA Power.

Abdullah Saud Al-Orifi

The member of the Audit Committee

Mr. Abdullah Al-Arifi is a member of the audit committee in the company. He holds a master's degree in business administration from King Saud University, and a bachelor's degree in industrial management from King Fahd University of Petroleum and Minerals. He has the following experiences:

- Member of the Audit Committee in the Human Resources Development Fund (target).
- Member of the Audit and Risk Committee in the International Water and Energy Works Company.
- Member of the Audit Committee in the Endowments of Abdulaziz Al-Rajhi Sons Charitable Endowment.
- Member of the Audit Committee at Mawten Real Estate Company.
- Vice Chairman of the Supervisory Board of the Financial Sustainability Fund.
- Department of Loan Coordination and Services at the Saudi Industrial Development Fund.
- Credit Department of the Saudi Industrial Development Fund.
- Project

5.2 Nomination and Remuneration Committee

5.2.1 Formation of the committee

The Nomination and Remuneration Committee for the fourth session was formed in accordance with the decision of the Board on 14/04/2019AD for the fourth session of the Council, which started on 10/04/2019.

The Nominations and Remuneration Committee recommends nomination for membership of the Board in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted in a crime involving breach of trust and honesty. The committee also reviews the annual needs of the required skills for the membership of the Board and prepares a description of the capabilities and qualifications required for membership of the Board, including the determination of The time that a member should allocate to the work of the Board, and the committee reviews the structure of the Board and makes recommendations regarding the changes that can be made.

The committee also identifies weaknesses and strengths in the Board and proposes remedying them in accordance with the interest of the company. The committee checks on an annual basis that the independent members are independent, and that there is no conflict of interest if the member is a member of the board of directors of another company. The committee's tasks also include setting clear policies to reward members of the Board and senior executives, and using performance-related criteria in determining such remuneration.

The Nomination and Remuneration Committee held meetings during the year 2021AD, as following:

- 1- The first meeting: January 31,2021AD.

The following table includes a statement of the members of the Nomination and Remuneration Committee and their attendance at the meetings held during the year 2021 AD:

S	Member names	Position	Meeting attendance		%
			1	2	
1	Rasheed Rashed Bin Owein	Chairman of the Committee	√	√	100%
2	Khaled Saad Al-Kanhal	Member of the Committee	√	√	100%
3	Turki Muhammad Al-Kurani	Member of the Committee	√	√	100%

Table 16: A statement of the members of the Nomination and Remuneration Committee and their attendance at the meetings held during the year 2021AD.

5.3 The Executive Committee

5.3.1 Formation of the committee

The Executive Committee for the fourth session was formed in accordance with the decision of the Board on 14/04/2019AD, For the fourth session of the Council, which started on 10/04/2019.

The Executive Committee is responsible for assisting the Board and the company's management to make executive decisions according to the powers granted to it based on the Executive Committee's regulations, in order to ensure flexibility in the workflow and decision-making in the appropriate time. It is also concerned with the following:

- Participate in setting the main strategy and objectives of the company and submit recommendations thereon to the Board.
- Review and follow up the implementation of all company projects and take decisions in accordance with the powers delegated to it.
- Following up on the implementation and development of the company's organizational structures and decisions that ensure their speedy implementation and development.
- Review the administrative regulations with the company's management and take decisions that enable the management to put them into practice.
- Study the proposals submitted by the company's management relating to the achievement of the company's objectives or its administrative, financial and operational work and take a decision that enables the executive management to speed up implementation or submit to the board as the committee deems necessary
- Conducting contacts with senior officials in government and private agencies to overcome the difficulties encountered in the company's business and explaining its programs to officials.
- Review the strategic plans which the company's administration suggests and gives opinion on it.
- Doing everything that would advance the work and achieve the company's objectives within the limits of the laws, regulations and decisions issued by the Board.
- Carrying out the work that the Board or the Board president refers for studying or implementation.

The Executive Committee held eight meetings during the year 2021AD as following:

- 1- The first meeting: February 10,2021AD.
- 2- The second meeting: March 31,2021AD.
- 3- The third meeting: April 19,2021AD.
- 4- The fourth meeting: May 23,2021AD.
- 5- The fifth meeting: July 14,2021AD.
- 6- The sixth meeting: October 06,2021AD.
- 7- The seventh meeting: October 25,2021AD.
- 8- The Eighth meeting: December 22,2021

The following table includes a statement of the members of the Executive Committee and their attendance at the meetings held during the year 2021 AD:

S	Member names	Position	Meeting attendance								%
			1	2	3	4	5	6	7	8	

1	Khaled Saad Al-Kanhal	Chairman of the Committee	√	√	√	√	√	√	√	√	100%
2	Muhammad Rasheed Al-Rasheed	Member of the Committee	√	√	√	√	√	√	√	√	100%
3	Abdullah Saad Al-Dossary	Member of the Committee	√	√	√	√	√	√	√	√	100%
4	Nabil Hussien Al-Amir	Member of the Committee	√	√	√	√	√	√	√	√	100%

Table 19: A statement of the members of the Executive Committee and their attendance at the meetings held during the year 2021AD.

5.4 Methods for evaluating the performance of the Board and the performance of its committees, members, and executive management

The Nomination and Remuneration Committee has put the means related to evaluating the performance of the Board Committees and the Executive Management, while the Board of Directors has not appointed an external body to evaluate the performance of its members, as the evaluation process is indicative.

5.5 Remuneration of Board Members, Senior Executives and Committee Members

5.5.1 Remuneration system for board members and senior executives

- The remuneration of the Board members is determined in accordance with what is contained in the Saudi Companies Law, the Company's principal regulatory, the rules and regulations of the Capital Market Authority, the company's articles of association, the remuneration policy approved by the company's general assembly on 14/5/2018 and as described in Chapter Three, Article 1 of this report. The remuneration value is approved by the general assembly of the company prior to its disbursement, and there is no essential deviation from this policy.
- The remuneration of the Chairman of the Board is determined in accordance with the concluded contract - and shown in the table of the Senior Executives remunerations.
- The financial manager receives a remuneration if it is paid to the company's employees - shown in a table of what senior executives received.
- There is no arrangement or agreement hereby any shareholder of the company waived any profits rights.
- Mr. Khaled Al-Kanhal, Mr. Muhammad Al-Rasheed, Mr. Abdullah Al-Dosari and Mr. Nabil Al-Amir waived the allowances for attending the meetings of the Executive Committee.

Name	Fixed Amounts (Thousands)							Variable bonus (Thousands)							EOS	Total Thous sand s	Oth ers
	Fixed Amount	attendance remuneration BO D	Total 1	for committies attendance remunirations	Other benefits	Technical admin &	Chairman	Total	of profit %	Other Bonus	Short term Plans bonus	Long term Plans bonus	Shares Dividends	Total			
1st - independent Members																	
Rasheed Bin Owin	100	15	115	3				118						-		118	
Yousif Almutlaq	110	15	125	15				140						-		140	
Turqi Alqareeni	100	15	115	3				118						-		118	
Total	310	45	355	21				376						-		376	
2nd : Non Executive Members																	
Khaled Alkanhal	100	15	115	3			200	318						-		318	
Muhammed Alrasheed	100	15	115					115						-		115	
Saleh Alrasheed	140	12	152					152						-		152	
Total	340	42	382	3				585						-		585	
3rd - Executive Members																	
*Abdullah Al dosari	100	15	115	-	43	840		998		70				-	70	1,138	
Total	750	102	852	24	43	840	200	1959		70				-	70	2,099	

5.5.3 Remuneration of committees' members

Statement	Fixed remunerations (Except the allowance for attending the sessions)	Allowance for attending the sessions	Total
The Auditing Committee			
Khaled Muhammad Al-Khowaiter	75	15	90
Saleh Rasheed Muhammad Alrasheed*	40	-	40
Youssef Abdullah Al-Mutlaq**	10	15	25
Abdullah Saud Al-Orefi	50	15	65
Total	175	45	220
The Nomination and Remuneration Committee			
Rasheed Rashed Bin Owein		3	3
Khaled Saad Al-Kanhal		3	3
Turki Muhammad Al-Kurani		3	3
Total		9	9
The Executive committee			
Khaled Saad Al-Kanhal*	-	-	-
Muhammad Rasheed Al-Rasheed*	-	-	-
Abdullah Saad Al-Dossary*	-	-	-
Nabil Hussien Al-Amir*	-	-	-
Total	-	-	-
Thousand riyals			

Table 19: the remuneration details of the committee members

* Mr. Khaled Al-Kanhal, Mr. Muhammad Al-Rasheed, Mr. Abdullah Al-Dosari and Mr. Nabil Al-Amir waived the allowances for attending the Executive Committee meeting.

* Mr. Youssef Al-Mutlaq was appointed to the Audit Committee (independent member) instead of Mr. Saleh Rashid Al-Rasheed, who submitted his resignation for special reasons, as of 1/10/2020 AD, and the remuneration paid to them for the year 2020 according to the attendance rate.

5.5.4 What senior executives earned for the year 2021AD.

The following table shows what senior executives earned, including the Executive Chairman and the financial manager, from fixed or variable remuneration during the fiscal year 2021 AD.

Statement	Fixed remunerations				Variable remunerations		End service remuneration	Total
	Salaries	Allowances	Benefits in kind	Total	Annual remunerations	total		
what senior executives earned, including the Executive Chairman and the financial manager,	3162	1071	219	4452	787	787	184	5423
All numbers are in thousand Saudi riyals								

Table 20: remuneration details of the senior executives for the year 2021AD.

* The remunerations of senior executives in the previous table include what Mr. Abdullah Al-Dosari, a member of the Board of Directors (Executive), received, where what he received for his executive work as Director of Sales and Marketing Department was included within what was received by the members of the Board of Directors (Table No. 19).



Chapter Six

Items to be disclosed under the Corporate Governance Regulations

6.1 Sanctions and penalties

Serial	The signatory of the violation	The violation value in riyal	The violation Reasons	Methods of treatment to avoid their occurrence in the future
1	Ministry of Interior - Traffic	1000	Traffic violations	Comments have been processed and instructions are adhered to
2	Ministry of Municipal and Rural Affairs	50500	Labor housing + waste	Comments have been processed and instructions are adhered to
3	General Authority of Customs	19,779	fine flooring	Comments have been processed and instructions are adhered to

Table 21: The sanctions and penalties during the year 2021AD

6.2 Transactions between the company and related parties

There are no transactions between the company (the source) and a related party.

6.3 Business and contract between the company and related parties

During the year ended on December 31, 2021 AD, the company entered into sales transactions with a related party. Note that the terms of dealing are not different from transactions with commercial debtors, and they do not have special or preferential benefits. Note that prior approval for this deal has been taken by the company's general assembly.

6.3.1 The Board members

Name	Relationship type	Dealin g type	Total deal value up to 31/12/2021 AD In riyal	Transaction ratio till 31/12/2021 compared to sales for the same period	Balance on 31/12/2020 In riyal
Roumouz Luxury Trading Company	Company in which two board members own: Mr. Muhammad Rashid Al-Rasheed And Mr. Saleh Rashid Al-Rasheed	Sales	9,452,931	% 0.89	480,512

Table number 22: Business and contracts between the company and related parties during the year 2021 AD

6.3.2 The Senior Executives

There is no contract to which the company was a party, and there is or was a substantial interest in it for senior executives, including the executive president, the executive vice president for shared services and logistics, the financial director, the director of production, or anyone related to any of them.

6.4 Due and paid statutory payments

6.4.1 Paid statutory payments during the year 2021AD.

S	Paid statutory payments to government agencies	Value in riyal
1	Zakat	10,263,807
2	Value added tax	31,804,086
3	Social insurance	2,130,857
4	Government fees, customs, residence and visas	6,353,444
Total paid statutory payments to government agencies		50,552,194
The amount of zakat and value-added tax includes what is related to the year 2020AD and was paid during the year 2021AD.		

Table 23: The statutory payments paid during the year 2021 AD

6.4.2 Due statutory payments during the year 2021AD.

S	Due statutory payments to government agencies	Value in riyal
1	Zakat	10,022,000
2	Value-added tax	4,052,083
3	Social insurance	192,985
Total Due statutory payments to government agencies		14,267,068
The amount of zakat, value-added tax and insurance belongs to the year 2021AD and will be paid during the year 2022AD, as the Zakat declaration is prepared after the completion of the annual financial statements and ratification by the company's external auditor. in addition, the value-added tax and social insurance represent the dues for the month of December 2021, which were paid in the month of January of 2022AD		

Table 24: The statutory payments during the year 2021 AD

6.5 Investments and reserves for the benefit of company employees

No investment or savings program has been created for the benefit of the company's employees so, their rights with the source are limited to the legally imposed end of service provision.

6.6 Acknowledgments

1. Correctly prepared account records.
2. The internal control system was prepared on a sound basis and was effectively implemented.
3. There is no doubt about the ability of the company to continue its activity

6.7 The auditor's reservations about the financial statements

The legal accountant's report did not include reservations about the annual financial statements.

6.8 Recommendations of the Board regarding the auditor

There is no recommendation for the Board to replace the legal accountant before the end of the period for which he is appointed.

6.9 The social contributions of the company

By support of the Kingdom's strategy in activating the rights of persons with disabilities, and enabling them to obtain suitable job opportunities with their wasted skills, abilities and energies, and to activate the harmonization program launched by the Ministry of Human Resources and Social Development, the company has obtained a harmonization certificate for the second year in a row from the Ministry

This certificate comes as part of the company's efforts to develop its work environment and make it more inclusive and supportive of persons with disabilities by providing the best supportive methods and practices for them after fulfilling the conditions and standards necessary to obtain the necessary license to employ them.

6.10 Information to be disclosed under the Corporate Governance Regulations

The company sets standards and controls to comply with the Corporate Governance Regulations, which cover the necessary requirements and practices, which focus in their entirety on the rights of shareholders, the General Assembly, and define roles and tasks at the level of shareholders, the Board of Directors, Executive Management and related parties. The company has amended the Corporate Governance Regulations to comply with the articles contained in the Corporate Governance Regulations issued by the Board of the Capital Market Authority in the Kingdom of Saudi Arabia under the decision No. (8-16-2017AD) dated on 16/5/1438AH corresponding with 13/2/2017. And the Board has approved in his session No.6 held on 8/4/1439AH corresponding to 26/12/2017 on this regulation.

The company has implemented the governance regulation, except for the following:

Article No./ Paragraph	Article text/ Paragraph	Reasons for not applying
Article 39	Establishing the necessary mechanisms for each member of the Board of Directors and executive management to obtain continuous training programs and courses in order to develop their skills and knowledge in areas related to the company's activities	The article is still indicative and its applying is being studied
Article 41 A	Based on the proposal of the Nomination Committee, the Board of Directors sets the necessary mechanisms to annually evaluate the performance of the Board, its members, committees, and executive management, through appropriate performance indicators related to the extent to which the strategic objectives of the company are achieved, the quality of risk management and the adequacy of internal control systems and others, provided that the strengths and weaknesses are identified and proposed to be addressed in accordance with The company's interest.	The article is indicative and the evaluation is done without setting performance indicators
Article 41 H	The Board makes the necessary arrangements to obtain an external evaluation Specialized to perform it every three years	The article is still a indicative and has not been implemented
Article 54-B	The chairperson of the audit committee must be independent	The article is indicative and its application is being studied
Article 70	A committee called the (Risk Management Committee) shall be formed by a decision of the company's Board, and the chairman and the majority of its members shall be non-executive members of the Board, and it is required that its members have an appropriate level of knowledge of risk management and financial affairs.	That the company has specialists in risk management, and the company does not see a need to form this committee (and the article is still indicative).
Article 76	The internal audit unit or department consists of at least one internal auditor who recommends Appointing him to the Audit Committee and he is accountable to it.	The article is still indicative, knowing that the company uses one of the specialized audit offices to perform the internal audit
Article 85-2	Programs granting employees shares in the company or a share of the profits which achieves And retirement programs and the establishment of an independent fund to spend on these programs	The article is still a indicative and has not been implemented
Article 85-3	Establishing social institutions for company employees	The article is still a indicative and has not been implemented
Article 87	The Ordinary General Assembly, based on the proposal of the Board, sets a policy that ensures a balance between its objectives and the objectives that society aspires to achieve in order to develop the social and economic conditions of the society	The article is still a indicative and has not been implemented
Article 88	The Board sets the programs and defines the necessary means to present the company's initiatives in the field of social work.	The article is still a indicative and has not been implemented

Article 95	In the event that the Board of Directors forms a committee devoted to corporate governance, it must delegate to it the competencies established under Article 94 of these regulations, and this committee must follow up any issues regarding the implementation of governance and provide the Board of Directors at least annually with the reports and recommendations which they reached to.	The company has specialists in corporate governance, and the company does not see a current need to form this committee, and it has not been implemented
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Table 25: Governance Regulations Not Applied Paragraphs with Reasons

6.11 Applying the standards of international accounting

The transition from the accounting standards issued by the Saudi Organization for Certified Legal Accountants to the International Financial Reporting Standards was completed, as the resulting impact was calculated from the date of the transition January 1, 2016AD, when preparing the financial statements for the fiscal year ending on December 31, 2018AD, in accordance with the guidelines issued by the Saudi Organization for Certified Legal Accountants to apply the International Financial Reporting Standards, and the company has applied International Standard No. (9) related to debt instruments, and the company has also applied International Standard No. (16) for leases with effect from January 1, 2019AD.

6.12 Others

- During the year 2021AD, the Board of Directors did not sell or mortgage the company's real estate.
- The Board has issued necessary authorizations to manage the company's various businesses, bearing in mind that these authorizations are of limited duration.

In conclusion, the Board would like to thank the shareholders of the company for their continuous support and confidence that they have placed in the Board of Directors

Peace, mercy and blessings be upon you

