



**Board of Directors Report for the Fiscal  
Year 2021  
Astra Industrial Group**

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**Dear Shareholders,**

On behalf of the Board of Directors of Astra Industrial Group, I am pleased to present the Board of Directors' report of the Group for the year ended 31 December 2021.

In FY 2021, our Group achieved remarkable growth in its businesses and results despite the challenges the world encountered during the year. One of these challenges was the further spread of COVID 19 across the world and the increase in number of reported infection cases in most of the countries where we operate. Coping with this challenge, required us to take different measures at different times aiming to maintain the safety of our employees while ensuring our business continuity across our geographies. As we enter FY 2022, this challenge continuous to impact our world in variable magnitude at different locations.

We have also witnessed in FY 2021 remarkable increase in commodities and transportation prices coupled with major challenges to maintain our supply value chain intact across our industries. This required us to resort to new suppliers while building strategic reserves of raw materials inventories and focus on addressing transportation challenges.

Despite all these challenges, our Group companies, with their employees' support, were able to maintain their operations and contribute positively to the Kingdom's and other countries industrial and economic sectors. In FY2021, our companies had their own marks in the Kingdom which included: participating in securing the Corona vaccine, supporting petrochemical and agriculture sectors along with entertainment projects in the Kingdom such as Riyadh Season.

With God blessing, the efforts of the Group Board of Directors, management and employees was successful in growing the Group's revenue, net income, and operating cash flow. This trend led to the reduction of the Group's outstanding commercial debt to the lowest level it ever had. In FY2021, the Group regained its growth in revenue and net income trend while it strengthened its capital structure through reducing its liabilities and growing its shareholders' equity.

With this note, I would like to thank the Kingdom's leadership for its vision and initiatives aimed at nourishing the industrial sector and local economy which positively contributed to our businesses growth.

I would like also to thank the Group Board of Directors, management and employees for their efforts and support that yielded these results and hope we will continue to grow with the Group businesses to levels we have not seen before.

Warm regards,

**Sabih Masri**  
**Chairman of the Board**

## Table of Contents

1	Contents	Page
1	The provisions of the Governance Regulations, issued by the Authority, which were applied and reasons for not applying others.	4
2	Names of the Board of Directors, Committee Members, and Executive Management, and their current and former positions, qualifications and experiences.	6
3	Names of companies inside or outside the Kingdom where a member of the company's Board of Director is currently or formerly was a member of its Board of Directors or a management.	6
4	Form of the Board of Directors and classification of the directors as follows: Executive Board Director - Non-Executive Board Director - Independent Board Director.	13
5	Actions taken by the Board of Directors to inform its directors - especially non-executives - of shareholders' proposals and comments about the company and its performance.	13
6	A brief description of the committees' competencies and tasks, with mentioning of the committees' members names , their chairmen and members, the number of their meetings, the dates of their meetings, and attendance data of the members at each meeting.	14
7	Where applicable, those means adopted by the Board of Directors in appraising its performance and the performance of its committees as well as the external body that performed such appraisal and its relationship with the company, if any.	17
8	Disclose the rewards of the Board of Directors and the Executive Management in accordance with provisions of the article 77 of the Governance Regulations issued by the Authority.	17
9	Whatever penalty, sanction, precautionary measure, or precautionary restrictions imposed on the company by the Authority or from any supervisory, regulatory, or judicial authority, with an explanation of the causes of the violation, the authority that applied the same, means of remediation and measures taken to avoid occurrence of the same in the future.	23
10	The results of the annual review of the effectiveness of the company's internal control procedures, in addition to the Audit Committee's opinion on the adequacy of the company's internal control system.	23
11	Recommendation of the Audit Committee regarding the need to appoint an internal auditor in the company in case there is no internal auditor.	24
12	Recommendations of the Audit Committee that conflict with resolutions of the Board of Directors, or which the Board refused to adopt regarding the appointment and removal of the company's auditor, determining his fees and evaluating his performance or appointing the internal auditor as well as grounds of such recommendations, and the reasons for not adopting the same.	24
13	Details of the company's social contributions.	24
14	A statement of the dates of the shareholders General Assemblies held during the last fiscal year and the names of the Board of Directors who attended such assemblies.	24
15	A description of the types of the main activities of the company and its subsidiaries. In the event that two or more types of activity are described, a statement must be attached to each activity and the impact of the same on the volume of the company's business and the contribution of the same to the results.	25
16	A description of the company's significant plans and resolutions (including structural changes, expansion of its business, or suspension of its operations) and future expectations of the company's business.	27
17	Information related to any risks the company faces (whether operational risks, financing risks, or market risks) and the policy for managing and monitoring such risks.	27
18	A summary in the form of a table or a chart of the company's assets, liabilities, and final accounts in the last five financial years or since its incorporation, whichever is shorter.	31
19	Geographical analysis of the total revenue of the company and its subsidiaries.	31
20	An explanation of any material differences in the operating results compared to those of the previous year or any expectations announced by the company.	31
21	Clarification of any deviation from those accounting standards approved by the Saudi Organization for Certified Public Accountants.	32
22	The name of each subsidiary, its capital, the company's equity share, its main activity, the country of its main operations, and the country of incorporation.	32
23	Details of shares and debt instruments issued for each affiliate.	34
24	A description of the company's policy for dividend distribution, distributed dividends and dividend declaration proposal.	34
25	A description of any interest in the class of shares carrying voting rights belonging to persons (other than the company's Board of Directors and senior executives and their relatives) who informed the company with such rights under the article 45 of the registration and listing rules, and any change in such rights during the last fiscal year.	35

1	Contents	Page
26	A description of any interest, contractual securities and subscription rights belonging to the company's Board of Directors, senior executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries, and any change in that interest or such rights during the last fiscal year.	35
27	Information related to any loans given to the company (whether such loans are payable on demand or otherwise), a statement of the total debt of the company and its subsidiaries, any amounts paid by the company in repayment of loans during the year, the principal amount of the loan, the name of the lending body, the loan term and the remaining amount, and in case there are no loans given to the company, a statement disclosing that shall be submitted.	36
28	A description of the categories and numbers of any convertible debt instruments and any contractual securities, subscription right notes or similar rights issued or given by the company during the fiscal year, with an explanation of any remuneration obtained by the company.	38
29	A description of any transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or given by the company.	38
30	A description of any redemption, purchase or annulment by the company of any redeemable debt instruments, and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries.	38
31	The number of Board meetings held during the last fiscal year, their dates, and a register of the attendance indicating the names of the present.	39
32	The number of company requests to the shareholders' register and dates and reasons for those requests.	40
33	A description of any transaction between the company and a related parties and balances due from and due to related parties	40
34	Information related to any business or contracts in which the company is a party, or in which a Board Director, senior executives or a related party has an interest as such information shall include the names of those involved in business or contracts, the nature of such works or contracts as well as the terms, duration and value of the same. If there are no such actions or contracts, then, the company shall submit a declaration in that regard.	41
35	A statement of any arrangements or agreement as per which a Board Director or a senior executive waived any remuneration.	42
36	A statement of any arrangements or agreement as per which a shareholder of the company waived any rights to profits.	42
37	A statement of the value of the statutory payments made and due for any zakat, taxes, fees or any other dues that were not paid until the end of the annual financial period, with a brief description of such payments and reasons thereof.	43
38	A statement of the value of any investments or reserves formed for the benefit of the company's employees.	43
39	The Board of Directors' declarations	43
40	If the auditor's report includes qualification of the annual financial statements, the Board of Directors' report shall clarify such qualifications, reasons of the same and any information related to such qualification.	43
41	In the event that the Board of Directors recommends replacing the auditor before the end of the period for which such auditor is appointed, then the report shall include such recommendation along with the reasons for such recommendation.	44
42	Treasury shares held by the company and details of the uses of such shares.	44
43	Conclusion	44

1) The provisions of the Governance Regulations, issued by the Authority, which were applied and reasons for not applying others.

The company applies all the mandatory provisions described at the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the guiding provisions below:

Article / Section No.	Guiding article/section text	Reasons for non-application
Article 32 Paragraph B	Article 32: Meetings of the Board of Directors B / The Board of Directors holds four meetings a year at least, with a quarterly meeting at least	Guiding Section On the other hand, Article (24) of the company's articles of association provides that "the Board shall convene, upon an invitation by the Board Chairman, twice a year at least". It is noteworthy that the Board held four meetings during the year 2021 with each meeting taking place in each quarter.
Article 38	Article 38: Conditions for the Secretary: (Whole article)	Guiding Article The BOD appointed a Secretary as per Paragraph 4 of Article (23) of the Company's Articles of Association which provides that "The Board of Directors shall appoint a secretary for the Board whether a Board director Member or not, to be charged with recording the proceedings and resolutions of the Board of directors as well as recording and keeping the same at a special register. Remuneration for such secretary shall be determined by a resolution passed by the Board of Directors upon a recommendation by Nomination and Remuneration Committee. The term of the Board Chairman, the managing director, and the secretary, who is a Board of Director Member, shall not exceed the term of each of them have in the Board, and they may be re-elected. The Board may, at any time, remove all or any of them without prejudice to their right for indemnification in case of removal for illegitimate reason or at any inappropriate time.
Article 39	Article 39: Training (Whole article)	Guiding Article The Nomination and Remuneration Committee annually reviews those needs and skills that Board of Directors needs to have.
Article 41	Article 41: Appraisal (Whole article)	Guiding Article The Board of Directors periodically appraises, through the Nomination and Remuneration Committee, the performance of the Board, Board Committees and Board Directors.
Article 54 Paragraph B	Article 54: Forming the audit committee. B/head of the audit committee shall be an independent director.	Guiding Paragraph The audit committee was formed and Chaired by an independent director through the General Assembly for the current session that started from 22/04/2019 to 21/04/2022
Article 66 Paragraph B	Article 66: candidacy procedures B / The number of candidates for the Board of	Guiding Article The company works through all possible means to ensure that the largest number of

Article / Section No.	Guiding article/section text	Reasons for non-application
	Directors whose names are presented to the General Assembly shall exceed the number of vacant seats so that the General Assembly has the opportunity to choose from those candidates	nominee candidates apply upon opening the door for candidacy.
Article 70	Article 70: forming the Risk Management Committee. (whole article)	<p style="text-align: center;">Guiding Article</p> The Audit Committee studies and reviews the company's internal and financial control while the company's Risk Management Department identifies, evaluates and monitors risk management processes. The Risk Management Department updates the Audit Committee and the Board of Directors regularly with progress of its work.
Article 71	Article 71: Terms of reference of the Risk Management Committee: (whole article)	
Article 72	Article 72: Meetings of the Risk Management Committee (whole article)	
Article 76	Article 76: Forming an Internal Audit unit or Department. (whole article)	<p style="text-align: center;">Guiding Article</p> The Audit Committee supervises the internal audit processes at the group; reviews and assesses the efficiency and effectiveness of the group's governance framework using the auditing procedures in accordance with its annual audit plan which is based on the risk assessment and approved by the committee. The company has an Internal Audit Department that performs its work effectively.
Article 77	Article 77: The internal audit plan (whole article)	
Article 78	Article 78: The internal audit report (whole article)	
Article 83	Article 83: Organizing the relationship with stakeholders. (whole article)	<p style="text-align: center;">Guiding Article</p> The company's articles of association, policies and regulations approved by the Board of Directors, and the relevant regulations and bylaws ensure the protection and preservation of the company and its stakeholders rights.
Article 85	Article 85: Motivating employees (whole article)	<p style="text-align: center;">Guiding Article</p> The company has policies that include a number of employees' motivational programs
Article 87	Article 87: Social Responsibility The Ordinary General Assembly - based on a proposal from the Board of Directors - sets a policy that ensures a balance between its goals and those goals that the community aspires to achieve with the purpose of developing the social and economic conditions of the community.	<p style="text-align: center;">Guiding Article</p> The company actively participates in many social initiatives, as shown at the item (13) of this report.
Article 88	Article 88: Social Initiatives (whole article)	<p style="text-align: center;">Guiding Article</p> The Board of Directors will study a number of social initiatives for the company's employees in the future, after obtaining necessary approvals.

Article / Section No.	Guiding article/section text	Reasons for non-application
Article 89 Section 3	Article 89: Disclosure policies and procedures 3) The company's website shall include all the information required to be disclosed, and any other data or information published through other means of disclosure.	Guiding Article The company publishes any information and data that is required to be disclosed according to the applicable laws and regulations issued by the Capital Market Authority.
Article 95	Article 95: Forming the Corporate Governance Committee (whole article)	Guiding Article The Board of Directors, through its committees and the Risk Management Department, monitors the implementation of the approved governance system, verifies its effectiveness, and amends the same when necessary.

2) [Names of the Board of Directors, Committee Members, and Executive Management, and their current and former positions, qualifications, and experiences.](#)

3) [Names of companies inside or outside the Kingdom where a member of the Board of Director is currently or formerly was a member of its Board of Directors or management:](#)

[First: Board of Directors:](#)

The company is managed by a Board of Directors composed of nine members who were elected by the extraordinary general assembly held on 21/04/2019 for a new term, which began on 22/4/2019 for three years:

1) Mr. Sabih Masri– Chairman – Non-Executive				
Qualifications:				
<ul style="list-style-type: none"> <li>Bachelor's degree in Chemical Engineering – University of Texas, USA (1964)</li> </ul>				
Work Experiences:				
<ul style="list-style-type: none"> <li>Businessman.</li> <li>Founder and Chairman of Arab Supply &amp; Trading Company (Astra) (1966 - present)</li> </ul>				
Member of both the Current and the former Board of Directors:				
Company name	Position	Current / Previous	Inside / Outside KSA	Legal entity
Arab Supply & Trading Company (Astra)	Founder and Chairman	Current	Inside	Limited liability company
Astra Industrial Group	Chairman	Current	Inside	Listed company
Astra Food Company	Chairman	Current	Inside	Closed joint stock company
Arab Bank - Jordan	Chairman	Current	Outside	Listed company
Zara Investment Holding Co	Chairman	Current	Outside	Listed company
PALTEL	Chairman	Current	Outside	Listed company
PADICO	Board member	Current	Outside	Listed company



<b>2) Mr. Khaled Masri– Deputy Chairman – Non-Executive</b>				
<b>Qualifications:</b>				
<ul style="list-style-type: none"> <li>• MBA from Georgetown University, USA 1990</li> <li>• B.Sc. in Computer Science and Engineering from Massachusetts Institute of Technology (MIT) 1986</li> </ul>				
<b>Work Experiences:</b>				
<ul style="list-style-type: none"> <li>• President of Arab Supply &amp; Trading Company (Astra) (1994 - present)</li> <li>• General Manager of Cairo Amman Bank (1999 - 2012)</li> </ul>				
<b>Member at both the Current and the former Board of Directors:</b>				
<b>Company name</b>	<b>Position</b>	<b>Current /Previous</b>	<b>Inside / Outside KSA</b>	<b>Legal entity</b>
Astra Industrial Group	Deputy Chairman	Current	Inside	Listed company
Astra Food Company	Deputy Chairman	Current	Inside	Closed joint stock company
Arab Supply & Trading Company (Astra)	Deputy Chairman	Current	Inside	Limited liability company
Arab Bank - Jordan	Board of Director Member	Current	Outside	Listed company
Zara Investment Holding Co	Deputy Chairman	Current	Outside	Listed company
Cairo Amman Bank	Board of Director Member	Current	Outside	Listed company
Jordanian Hotel & Tourism Co.	Board of Director Member	Current	Outside	Listed company
Jordan Himmeh Co.	Chairman	Current	Outside	Listed company
Ayla Oasis Development Company	Chairman	Current	Outside	Closed joint stock company

<b>3) Mr. Ali AlSubaihini– Member of the Board of Directors – Independent</b>				
<b>Qualifications:</b>				
<ul style="list-style-type: none"> <li>• Bachelor's degree in Systems Engineering from King Fahd University of Petroleum and Minerals (Saudi Arabia).</li> <li>• Requirements for the Executive Education Program in Management and Cost Accounting from the University of Houston (USA).</li> <li>• Courses at Northwestern, Harvard, INSEAD universities, and International Institute for Management Development (IMD).</li> </ul>				
<b>Work Experiences:</b>				
<ul style="list-style-type: none"> <li>• Founding partner of Chedid Reinsurance Brokerage Company Ltd.</li> <li>• Member of the Business Advisory Council for the College of Business Administration, Alfaisal University.</li> <li>• Former CEO of the Cooperative Insurance Company (Tawuniya).</li> <li>• Former Director of Financial and Information Services at the Saudi Petrochemical Company.</li> </ul>				
<b>Member of both the Current and the former Board of Directors:</b>				
<b>Company name</b>	<b>Position</b>	<b>Current / Previous</b>	<b>Inside / Outside KSA</b>	<b>Legal entity</b>
Astra Industrial Group	Board of Director Member	Current	Inside	Listed company
Arab Information Technology Company	Board of Director Member	Current	Inside	Closed joint stock company
Etihad Etisalat Company	Board of Director Member	Previous	Inside	Listed company
Middle East Financial Investment Company	Board of Director Member	Current	Inside	Closed joint stock company
Najm Insurance Services Company	Chairman	Previous	Inside	Closed joint stock company



United Insurance Company	Board of Director Member	Previous	Outside	Partnership
The Cooperative Real Estate Investment Company (CREIC)	Board of Director Member	Previous	Inside	Limited liability company
Waseel ASP	Chairman	Previous	Inside	Limited liability company
The Company for Cooperative Insurance (Tawuniya)	Board of Director Member	Previous	Inside	Listed company
Council of cooperative health insurance	Board of Director Member	Previous	Inside	Government Authority
Al Yusr Leasing & Financing	Board of Director Member	Previous	Inside	Closed joint stock company
Best Rent a Car	Board of Director Member	Previous	Inside	Closed joint stock company

<b>4) Mr. Farraj Abuthenain– Member of the Board of Directors – Non-Executive</b>				
<b>Qualifications:</b>				
<ul style="list-style-type: none"> <li>Bachelor's degree in Industrial Management from Milwaukee University (America) in 1981</li> <li>Chase Manhattan Bank Program in Financial Analysis and Evaluation for one year in New York (1982-1983)</li> </ul>				
<b>Work Experiences:</b>				
<ul style="list-style-type: none"> <li>Saudi Industrial Development Fund (SIDF) (Manager lending division, member of the loan committee, member of the industrial projects performance review committee.</li> <li>Vice President for Investment and Finance - Tasnee (1999-2008)</li> </ul>				
<b>Member of both the Current and the former Board of Directors:</b>				
<b>Company name</b>	<b>Position</b>	<b>Current / Previous</b>	<b>Inside / Outside KSA</b>	<b>Legal entity</b>
Astra Industrial Group	Board of Director Member	Current	Inside	Listed company
Al Moammar Information Systems Company	Board of Director Member	Current	Inside	Listed company
Saudi Industrial Investment Group	Board of Director Member	Current	Inside	Listed company
Aljazira Capital	Board of Director Member	Current	Inside	Closed joint stock company
Riyadh Region Council	Board of Director Member	Previous	Inside	Government Authority
Petrochem Company	Board of Director Member	Previous	Inside	Listed company
Bahri company	Board of Director Member	Previous	Inside	Listed company
Bawan Holding	Board of Director Member	Previous	Inside	Listed company

<b>5) Mr. Ghassan Akeel – Member of the Board of Directors – Non-Executive</b>				
<b>Qualifications:</b>				
<ul style="list-style-type: none"> <li>MBA 1989</li> <li>BA in Accounting 1988</li> <li>CPA 1992</li> </ul>				
<b>Work Experiences:</b>				
<ul style="list-style-type: none"> <li>CEO of the Arab Supply &amp; Trading Company (2013 till present)</li> <li>Deputy General Manager, Arab Supply &amp; Trading Company (2002 - 2013)</li> </ul>				

<ul style="list-style-type: none"> <li>Financial Director, Arab Supply &amp; Trading Company (1995-2002)</li> <li>Director of Audit and Financial Advisors at Arthur Anderson for 6 years</li> </ul>				
<b>Member of both the Current and the former Board of Directors:</b>				
Company name	Position	Current / Previous	Inside / Outside KSA	Legal entity
Astra Industrial Group	Board of Director Member	Current	Inside	Listed company
Arab Cooperative Insurance Company	Board of Director Member	Current	Inside	Listed company
Astra Food Company	Board of Director Member	Current	Inside	Closed joint stock company
Tabuk Investment and Tourism	Board of Director Member	Current	Inside	Closed joint stock company
Mees Saudi Arabia for Medical Products	Board of Director Member	Current	Inside	Limited liability company
National Air Ground Support	Board of Director Member	Current	Inside	Limited liability company
Cairo Amman Bank	Board of Director Member	Current	Outside	Listed company
VTEL Holdings Limited	Board of Director Member	Current	Outside	Limited liability company
Audacia Capital	Board of Director Member	Current	Outside	Limited liability company
Al Tanmiya for Steel Industries	Board of Director Member	Current	Outside	Limited liability company
<b>6) Mr. Kamil Sadeddin – Member of the Board of Directors – Non-Executive</b>				
<b>Qualifications:</b>				
<ul style="list-style-type: none"> <li>Higher Diploma in Engineering (Civil Engineering) 1976</li> <li>Advanced level in Abstract Mathematics, Applied Mathematics and Physics</li> <li>Practical training in building bases for offshore oil exploration</li> </ul>				
<b>Work Experiences:</b>				
<ul style="list-style-type: none"> <li>Chairman of Executive Committee of Ayla's Construction and Project Management</li> <li>Managing Director of the Arab Supply &amp; Trading Company (1998-2013)</li> <li>Director of the construction department of the Arab Supply &amp; Trading Company</li> </ul>				
<b>Member of both the Current and the former Board of Directors:</b>				
Company name	Position	Current / Previous	Inside / Outside KSA	Legal entity
Arab Supply & Trading Company	Vice President	Current	Inside	Limited liability company
Astra Industrial Group	Board of Director Member	Current	Inside	Listed company
Tabuk Investment and Tourism	Board of Director Member	Current	Inside	Closed joint stock company
Zara Investment Co	Board of Director Member	Current	Outside	Closed joint stock company
Ayla Oasis Development Company	Board of Director Member	Current	Outside	Closed joint stock company
Al Tanmiya for Steel Industries	Chairman	Current	Outside	Limited liability company

PADICO	Board of Director Member	Previous	Outside	Listed company
An-Najah National University	Board of Director Member	Previous	Outside	Charity
TADCO	Board of Director Member	Previous	Inside	Listed company
Jett Transport	Board of Director Member	Previous	Outside	Listed company
Vegetable Oil Company	Board of Director Member	Previous	Outside	Listed company

#### 7) Mr. Mohammad Al Utaibi – Member of the Board of Directors – Non-Executive

##### Qualifications:

- Bachelor's degree in Industrial Management, 1984, King Fahd University of Petroleum and Minerals.

##### Work Experiences:

- President of Plastbau Arab Company (2014-present)
- Director of Sales and Marketing Department of Plastic in Europe - SABIC - for 7 years
- Managing Director - Astra Polymers Compounding Company - for 18 years

##### Member of both the Current and the former Board of Directors:

Company name	Position	Current / Previous	Inside / Outside KSA	Legal entity
Astra Industrial Group	Board of Director Member	Current	Inside	Listed company
Plastbau Arabia Co. Ltd	Director	Current	Inside	Limited liability company
Plastbau Arabia for Specialized Contracting	Director	Current	Inside	Limited liability company
Mohammed Najjar Al-Utaibi Trading Est (Mono Technology)	Director	Current	Inside	individual institution
Mohammed Najjar Al-Utaibi Real Estate Development	Director	Current	Inside	individual institution
Arab Cooperative Insurance Company	Board of Director Member	Previous	Inside	Listed company
Al-Jouf Agricultural Development Company	Board of Director Member	Previous	Inside	Listed company

#### 8) Mr. Abdul Karim Al-Nafie – Member of the Board of Directors – Independent

##### Qualifications:

- Bachelor's degree in Management and Accounting from Wentworth University, USA
- An advanced course in Finance from Chase Manhattan Bank, USA
- Financial and administrative courses from several international universities and institutes

##### Work Experiences:

- Managing Director of Saudi Ceramic Company
- General Director of Saudi Industrial Development Fund (SIDF)
- CEO, Saudi Ceramic Company
- Saudi Industrial Development Fund (SIDF)

##### Member of both the Current and the former Board of Directors:

Company name	Position	Current / Previous	Inside / Outside KSA	Legal entity
Astra Industrial Group	Board of Director Member	Current	Inside	Listed company

Foreign Trade Authority	Board of Director Member	Current	Inside	Government Authority
Gas Distribution Company	Board of Director Member	Current	Inside	Closed joint stock company
Bawan Company	Board of Director Member	Current	Inside	Listed company
United Cement Company	Board of Director Member	Current	Inside	Closed joint stock company
Saudi Ceramic Company	Board of Director Member	Current	Inside	Listed company
Etihad Telecommunications Company	Board of Director Member	Current	Inside	Listed company
Riyadh Steel Company	Board of Director Member	Current	Inside	Closed joint stock company
Maan Al-Jasser & Partners Co. for Wardrobes	Board of Director Member	Current	Inside	Limited liability company
Ceramic Pipe Company	Chairman	Previous	Inside	Listed company
Authority for Industrial Cities and Technology Zones	Board of Director Member	Previous	Inside	Government Authority
Industrial clusters	Board of Director Member	Previous	Inside	Government Authority
SMEDA	Board of Director Member	Previous	Inside	Government Authority
Montreal Group	Board of Director Member	Previous	Outside	Alliance of governmental funds - international
Bahri company	Board of Director Member	Previous	Inside	Listed company
The Syrian Saudi Company in Damascus	Board of Director Member	Previous	Outside	Joint government shareholding
Riyadh Chamber Industrial Committee	Board of Director Member	Previous	Inside	Government Authority
Saudi Bahraini Business Council	Board of Director Member	Previous	Inside	Government Authority
El Motaheda Juicers Company	Board of Director Member	Previous	Inside	Closed joint stock company

<b>9) Mr. Khaled Al-Mana – Member of the Board of Directors – Independent</b>				
<b>Qualifications:</b>				
<ul style="list-style-type: none"> <li>• Master of Science in Engineering from National Taiwan University, China</li> <li>• Bachelor of Engineering from Meiji University, Japan</li> </ul>				
<b>Work Experiences:</b>				
<ul style="list-style-type: none"> <li>• Chairman of Al-Manea Group</li> <li>• Adviser - Public Investment Fund</li> <li>• Adviser to the Ministry of Energy</li> <li>• Deputy CEO of SABIC KSA</li> <li>• Regional Director of SABIC Singapore</li> <li>• General Manager of the regional headquarters of SABIC Singapore</li> </ul>				
<b>Member of both the Current and the former Board of Directors:</b>				
<b>Company name</b>	<b>Position</b>	<b>Current / former</b>	<b>Inside / Outside KSA</b>	<b>Legal entity</b>
Astra Industrial Group	Board of Director Member	Current	Inside	Listed company

### Second: Committee members from outside the Board of Directors:

<b>1) Mr. Saleh Al-Fadl – Member of the Audit Committee from outside the Board of Directors* for the period from 22/4/2019 to 30/8/2021</b>				
<b>Qualifications:</b>				
<ul style="list-style-type: none"> <li>• Master of Accounting Sciences, University of Illinois, USA</li> </ul>				

<ul style="list-style-type: none"> <li>• Master of Financial Sciences, University of Illinois, USA</li> <li>• Bachelor of Business Administration, King Saud University</li> </ul>
<b>Work Experiences:</b>
<ul style="list-style-type: none"> <li>• Vice President for Financial Affairs at Herfy Food Company</li> <li>• Senior Financial Officer at Al Rajhi Capital</li> <li>• Senior Financial Officer of Private Equity at Al Rajhi Investments</li> <li>• Morgan International Corporation</li> <li>• Investment analyst at Goldman Sachs</li> <li>• Investment analyst at Saudi Arabian Monetary Agency</li> </ul>
*On 08/27/2021, Mr. Saleh bin Abdul Rahman Al-Fadl submitted his resignation from the membership of the Audit Committee, to be effective on 09/01/2021.

<b>2) Mr. Ayman Yousef – Member of the Audit Committee from outside the Board of Directors</b>
<b>Qualifications:</b>
<ul style="list-style-type: none"> <li>• Bachelor of Accounting from the University of Jordan</li> </ul>
<b>Work Experiences:</b>
<ul style="list-style-type: none"> <li>• Chief Financial Officer of the Arab Supply &amp; Trading Company</li> <li>• Vice President for Financial Affairs at Misk Company</li> <li>• Manager at Ernst &amp; Young</li> <li>• Arab Bank in Jordan</li> </ul>

<b>3) Mr. Ibrahim bin zaid Al qumlas – Member of the Audit Committee from outside the Board of Directors** For the period from 1/9/2021 to 21/4/2022</b>
<b>Qualifications:</b>
<ul style="list-style-type: none"> <li>• Bachelor's degree in Computer Science from the University of Arkansas - USA in 1989.</li> </ul>
<b>Work Experiences:</b>
<ul style="list-style-type: none"> <li>• Assistant and advisor to the Head of the Internal Audit Department - Bank Al-Jazira</li> <li>• Director of the Audit Department for the Operations and Retail Sector - Bank Al-Jazira</li> <li>• Director of Quality and Compliance Department in the Corporate Banking - Samba Financial Group</li> <li>• Senior Audit Manager- Samba Financial Group</li> </ul>
** On 08/27/2021, the Board of Directors approved the appointment of Mr. Ibrahim Al-Ghamlas (a member from outside the Board with experience and expertise in financial affairs) as a replacement for the resigned member of the committee, provided that his membership period begins on 09/01/2021 until the end of the current committee session on 21/04/2022, and the approval of the Board is not final, and this appointment will be presented to the first meeting of the General Assembly for approval.

### Third: Executive Administration members

<b>1) Mr. Mohammed Al-Hagbani - CEO</b>
<b>Education:</b>
<ul style="list-style-type: none"> <li>• Holds a BA with Honors in Financial Management from Virginia Tech, USA.</li> </ul>
<b>Experience and current and former jobs:</b>
<ul style="list-style-type: none"> <li>• After graduation, he led a team to manage part of the investment fund of the University of Virginia. He was a member of the investment group at Al-Rajhi Bank. After that, he assumed the role of general manager of investments at GOSI for 7 years and currently he is the President of Astra Industrial Group, occupying such position since January 1 of 2014. He is a board director of a number of companies such as Herfy Company and Al-Jazira Capital. He was a board director in companies within wide variety of sectors such as Bank Al-Jazira, Petrochem and a member of the Investment Committee at Tawuniya Insurance.</li> </ul>

<b>2) Mr. Samer Hendawi - Vice-president Finance and Investment</b>
<b>Education:</b>
<ul style="list-style-type: none"> <li>• He holds a Bachelor's degree in Business Administration from the University of Maryland, and a Bachelor's degree in Accounting from the University of Arizona. He is a member of the American Association of Certified Public Accountants, the New York</li> </ul>

State Society of Certified Accountants, the Institute of Internal Auditors, the Institute of Management Accountants, and the American Accountants Association.

**Experience and current and former jobs:**

- Mr. Hendawi has more than 25-year experience in the field of financial services and investments. His practical experience includes working for Andersen, Ernst & Young, General Electric Company, and finally the Arab Supply and Trading Company (ASTRA). Mr. Hendawi occupied several positions in these companies. He is currently vice president for financial affairs and investment at Astra Industrial Group. He is a board director of a number of companies such as Tabuk Investment & tourism Company, Astra Food Company, AlTanmiya Company, Saudi Mais for Medical Products, Astra Polymers Company in Turkey, Astra Nova Company in Turkey, and Astra Specialty Compounds Company in India.

**3) Mr. Rida Al-Ghoul - Executive Vice President of Operations\***

**Education:**

- He holds a Bachelor's degree in Economics from the University of Jordan, and a Master's degree in Financial Economics from the Hashemite University.

**Experience and current and former jobs:**

- Rida started his career in Banking industry with extensive experience in risk management focused on heavy industries as well pharma and healthcare industries. He was the CFO/COO for NewBridge pharma with great focus on finance and operations within MENA region. He has extensive experience of more than 25 years within Pharmaceutical industry and Banking. He has been appointed as non-executive board member in couple of pharmaceutical companies within MENA in the past 20 years.

\* On 08/12/2021, a decision was issued appointing Mr. Rida Al-Ghoul as the Executive Vice President for Operations.

**4) Form of the Board of Directors and classification of its directors as follows: Executive Board director - Non-Executive Board director - Independent Board director.**

**The Board of Directors for the current session, which started on 04/22/2019 until 04/21/2022 AD, as follows:**

<b>Name</b>	<b>Classification</b>
Mr. Sabih Masri	Non-Executive
Mr. Khaled Masri	Non-Executive
Mr. Mohammad Al Utaibi	Non-Executive
Mr. Kamil Sadeddin	Non-Executive
Mr. Ghassan Akeel	Non-Executive
Mr. Farraj Abuthenain	Non-Executive
Mr. Ali AlSubaihin	Independent
Mr. Abdul Karim Al-Nafie	Independent
Mr. Khaled Al-Mana	Independent

**5) Actions Taken by the Board of Directors for Informing its Members – Especially Non-Executives - with the Suggestions and Remakes of the Shareholders Regarding the Company and its Performance.**

The Board of Directors has designated an email for receiving shareholders comments, opinions and suggestions. The investor relation officer supervises and reviews all messages received via this email. Then through the executive management of the group, the Board of directors are notified with the latest updates periodically to discuss such matters. In addition to that, open discussions and debates

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are conducted during the General Assembly meetings related to the company's performance and the future plans. There is always open access for shareholders to the investor relation manager through phone and e-mail.

6) A brief description of the committees' competencies and tasks, with mentioning of the committees' members names, their chairmen and members, the number of their meetings, the dates of their meetings, and attendance data of the members at each meeting.

The Board of Directors has three committees, Audit Committee, Nomination and Remuneration Committee and Performance and Investment Committee:

- **Audit Committee:**

The Audit Committee was formed in Extra-Ordinary General Assembly that was held on **21.04.2019G**. Current audit committee term started on **22.04.2019G** for a term of three years. The committee was formed in compliance with the bylaws of the company and Mr. Abdel-Kariem Al-Nafie was nominated as a chair of the Committee while Mr. Ayman Yousef and Mr. Saleh Al-Fadel were nominated as members of the committee, while noting that all members are experienced in financial affairs.

On 08/27/2021, Mr.Saleh Al-Fadl submitted his resignation from the Audit Committee membership, to be effective on 09/01/2021, and on 08/27/2021 the Board of Directors approved the appointment of Mr. Ibrahim Al-Ghamlas (a member from outside the Council with Expertise and competence in financial affairs) as a substitute for a member of the committee, the period from which membership begins on 09/01/2021 until the end of the committee's current session on 21/04/2022. The approval of the Board is not final, and this appointment will be presented to the first meeting of the General Assembly for approval.

- **Key Audit Committee functions and duties:**

- 1) Studying the accounting policies adopted by the company and submitting its recommendations to the Board of Directors.
- 2) Supervising the Internal Audit function at the company to assure competency in conducting its activities and the duties assigned by the Board of Directors.
- 3) Reviewing the Internal Audit Department's plan, procedures and reports.
- 4) Submitting recommendations to the Board of Directors in relation to the appointment and dismissal of external auditors along with setting their fees while ensuring their independency during submitting such recommendations.
- 5) Overseeing the external auditor scope of work and reviewing their observations on the financial statements.
- 6) Discussing and reviewing the quarterly-reviewed financial statements and submitting recommendations to the Board of Directors in relation to the annual audited financial statements.
- 7) Ensuring the efficiency and effectiveness of the Internal Control Systems and submitting recommendations to the Board of Directors in this regard.
- 8) The Audit Committee by laws details the scope of work of the committee along with its authorities and sits the committee's functions, term and style of work.



**Details of committee members, number of its meetings, dates and attendance data of its members, according to the following table:**

S	Name	Nature of Membership	Classification of Membership	No. of Meetings within 2021, (7) Meetings							
				07/01/2021	10/03/2021	15/03/2021	14/04/2021	09/05/2021	08/08/2021	02/11/2021	23/12/2021
1	Abdel Kariem Al-Nafi	Chairman	Independent Board Member	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Saleh Al-Fadel	Member	Member from outside the Board of Directors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	-	-
3	Ayman Yousef	Member	Member from outside the Board of Directors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4	Ibrahim Al-Ghamlas	Member	Member from outside the Board of Directors	-	-	-	-	-	-	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

\*On 08/12/2021, a decision was issued appointing Mr. Reda Al-Ghoul as the Executive Vice President for Operations.

\*\*On 27/08/2021, the Board of Directors approved the appointment of Mr. Ibrahim Al-Ghamlas (a member from outside the Board with experience and expertise in financial affairs) as a replacement for the resigned committee member, provided that his membership period begins on 01/09/2021 and until the end of the current committee session On 04/21/2022 AD, the approval of the Board is not final and this appointment will be presented to the first meeting of the General Assembly for approval.

- **Nomination and Remuneration Committee**

The Board of Director formed the Nomination and Remuneration Committee by its resolution on **01.05.2019G** which agreed to appoint three members for the current term commenced on **22.04.2019G** for three years. Mr. Ali Al-Subaihin became the chair of the Committee with the membership of each of: Mr. Khaled Masri and Mr. Farraj Abuthenain.

- **Key functions and duties:**

- 1) The Committee studies the topics related to its function or any other subject matter referred to it by the Board of Directors and submits its recommendation to the Board.
- 2) Developing a clear policy for the remunerations related to the Board Members, committees of the Board and the Executive Management and submitting it to the Board of Directors for review and approval by the General Assembly provided that such policies are tied up to the performance and its implementation is monitored.
- 3) Proposing clear policies and standards for nominating members for the board and executive management while ensuring that there is no nomination for any person who has past conviction related to ethics or honor.
- 4) Aligning the remunerations with the remuneration policy and identifying any significant deviation from such policy.
- 5) Preparing a job description that includes competencies and qualifications of the member of the Board of Directors and the Executive management functions including setting time allocation by the member for carrying out the Board's scope of works.
- 6) Periodical review of the remuneration policy of the Board of Directors, board committees and executive management and assessing its effectiveness in achieving its objectives.
- 7) Recommending to the Board of Directors the proposed remunerations to the Board Members, board committees, and executive management as per the adapted policies.

- 8) Reviewing the structure of the Board of Directors and the executive management, assessing weaknesses and strengths, submitting recommendations regarding changes which could be proposed to improve the company's performance.
- 9) Annually ensuring the independency of the independent members and ensuring non-existence of any conflicting interests between the members and the company.
- 10) Assigning a job description for the executive, non executive, and independent board members and executive management.
- 11) Prepare special procedures for filling any vacancy in the Board of Directors or Executive Management.

**Details of committee members, number of its meetings, dates and attendance data of its members, according to the following table:**

S	Name	Nature of Membership	Classification of Membership	No. of Meetings within 2020, (3) Meetings	
				20/04/2021	08/12/2021
1	Mr. Ali Al-Subaih	Chairman	Board Member - Independent	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Mr. Khaled Masri	Member	Board Member – Non-Executive	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Mr. Farraj Abuthenain	Member	Board Member – Non-Executive	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

• **Performance and Investment Committee**

The Board of Director formed the Performance and Investment Committee by its resolution issued on **01.05.2019G** which agreed to appoint five members for the current session commenced on **22.04.2019G** for three years. Mr. Khaled Sabih Masri became the Chair of the Committee with the membership of each of: Mr. Mohamed bin Najjar Al Utaibi, Mr. Farraj Abuthenain, Mr. Kamil bin Abdul Rahman Sadeddin and Mr. Ghassan Ibrahim Akeel.

**Key functions and duties:**

- 1) Preparing with the Nomination and Remuneration Committee (if necessary) suitable mechanisms for measuring performance of the executive management at the company and its subsidiaries.
- 2) Reviewing the performance of executive management on a quarterly basis according the previously set objectives.
- 3) Reviewing the company's performance versus plan on a quarterly basis.
- 4) Approving the accepted methodologies and approaches for assessing new investment opportunities.
- 5) Reviewing and prioritizing new investment projects.
- 6) Approving new investment projects up to **SAR 25** Million per project. The maximum limit of new projects to be approved by the committee within a year is **SAR 50** Million. As to the new investment projects exceeding an amount of **SAR 25** Million, the Committee will recommend to the Board of Directors.
- 7) Reviewing and approving the company's annual business plan submitted by the executive management and recommend it to the Board of Directors.
- 8) Reviewing and approving the company's annual budget submitted by the executive management to recommend it to the Board of Directors.

**Details of committee members, number of its meetings, dates and attendance data of its members, according to the following table:**

No.	Name	Type of membership	classification	Meetings for the year 2021 (4) meetings			
				14/03/2021	16/6/2021 17/6/2021	2021/09/13	30/11/2021 & 1/12/2021
1	Mr. Khaled Masri	Chairman	Member of the Board of Directors - Non-Executive	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Mr. Ghassan Akeel	Member	Member of the Board of Directors - Non-Executive	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Mr. Farraj Abuthenain	Member	Member of the Board of Directors - Non-Executive	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4	Mr. Kamil Sadeddin	Member	Member of the Board of Directors - Non-Executive	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5	Mr. Mohammad Al Utaibi	Member	Member of the Board of Directors - Non-Executive	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**7) Where applicable, those means adopted by the Board of Directors in appraising its performance and the performance of its committees and the board directors as well as the external body that performed such appraisal and its relationship with the company, if any. The report shall include such means adopted by the board of directors in appraising its performance and the performance of its committees and board directors plus including such external body that performed such appraisal and its relationship with the company, if any.**

The Board of Directors performs regular appraisal, through the Nomination and Remuneration committee, of its performance and the performance of its committees and their members.

**8) Disclose the rewards of the board directors and the executive management in accordance with provisions of the article 77 of the Governance Regulations issued by the Authority.**

**A. Disclosure of the rewards policy and how the rewards for board directors, committee members and executive management are determined.**

**1) Reward policy for board directors, committee members and executive management in the company:**

The extraordinary general assembly approved, on 16/05/2017, a reward policy for Board of Directors, board committees and the executive management, which included a policy for determining the rewards of both Board of Directors,

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members of the board committees, and members of the executive management:

- A. The policy shall be aligned with the company's strategy, objectives, and degree and nature of the company's risks.
- B. The purpose of reward scheme is to motivate Board of Directors and the executive management to make the company successful in the long term, such as linking the variable part of the reward with performance of the company on long term.
- C. Rewards shall be determined based on the employment ranking, tasks and responsibilities, education, experience, skills and level of performance.
- D. To take into account the practices of other companies in determining rewards avoiding the unjustified increase in rewards and compensation.
- E. The policy shall aim at recruiting, maintaining and motivating professional competencies without exaggeration.
- F. The nomination and remuneration committee may prepare programs for granting shares in the company to Board of Directors and the Executive Management, whether through issuing new shares or treasury shares purchased by the company subject of the approval of the general assembly and the regulatory bodies.

2) Below is how to determine the rewards given to the Board of Directors and members of the Committees as well as the members of the Executive Management, in accordance with the provisions of the company's articles of association, the regulations of each of the Board Committees, and the reward policy for Board of Directors, the Board Committees and the Executive Management:

- **Rewards for Board of Directors**

The rewards for the Board of Directors and the Board Committees - in remuneration for assuming the position of a Board Director- consist of a specific amount, or emoluments for attending the meetings, or in-kind or cash benefits or any combination of two or more. Such compensations, cash or in-kind benefits given to a Board Director shall in no event exceed five hundred thousand SAR per annum according to the according the company's laws. The Board of Directors' report submitted to the ordinary general assembly shall include a comprehensive statement of all the salaries, share in profits, emoluments, expenses, and other benefits that Board of Directors got during the fiscal year. In addition, such report shall include a statement of pay that Board of Directors got as employees or occupying administrative jobs or pay in remuneration for technical or administrative works or consultations. It shall, also, include a statement of the number of the Board meetings and the number of meetings attended by each director from the date of the last the general assembly meeting.

- **Rewards for members of the Board Committees:**

- **Audit Committee**

On 16/05/2017 the extraordinary General Assembly approved the updated by-law of the audit committee, which determined the rewards of the committee members according to the following:

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1. The members of the committee shall be awarded an annual reward determined by the Nomination and Remuneration Committee and approved by the Board of Directors.
  2. Committee members are entitled to emolument for each committee meeting, equivalent to such emolument awarded to Board of Directors' members for attending meetings.

- **Nomination and Remuneration Committee**

On 16/05/2017 the extraordinary general assembly approved the updated by-law of the nomination and remuneration committee, which determined the rewards of the committee members according to the following:

Emolument for each committee meeting equivalent to such emolument entitled for Board of Directors. An annual reward may be awarded to be determined upon the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, provided that the same shall be included in the annual report of the Board of Directors submitted to shareholders, which is approved by the General Assembly.

- **Performance & Investment Committee:**

On 16/05/2017 the extraordinary General Assembly approved the updated by-law of the Performance follow-up & Investment Committee, which determined the rewards of the committee members according to the following:

Emolument for each committee meeting equivalent to such emolument entitled for Board of Directors in remuneration for attending the Board meetings. An annual reward may be given to be determined upon the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, provided that the same shall be included in the annual report of the Board of Directors submitted to shareholders, which is approved by the General Assembly.

- **Rewards for the Executive Management:**

On 16/05/2017 the extraordinary General Assembly approved the rewarding policy of the Board of Directors, Board Committees and Executive Management, which included the rewarding policy of the Executive Management members according to the following:

1. In accordance with the variable and fixed compensation and incentive plans of the Executive Management, recommended by the candidacy and rewards committee and approved by the Board of Directors and in accordance with the objectives of the incentives that shall be achieved as per the compensation plans as well as the objectives to be achieved during each financial year.
2. Based on performance and in light of the achieved objectives, the Nomination and Remuneration Committee recommends to the Board the amount of compensation given to the Executive Management in line with the approved rewarding policy.

**B. Clarify the relationship between the given rewards and the applicable rewarding policy as well as to indicate any material deviation from such policy.**

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The Nomination and Remuneration Committee was keen that all its recommendations regarding rewards and compensation are in line with the approved policies and regulations in that regard and are within the limits stipulated in the Companies Law and the Company's Articles of Association.

- C. A statement of the necessary details regarding the rewards and compensation paid to each Board of Directors and five senior executives who received the highest rewards from the company, including the CEO and the CFO, and members of the Committees separately as follows:**

<b>First: Table of the remunerations for Board of Directors</b>															
	Fixed remunerations						Variable remunerations						Term	Grand Total	Expense
	Certain amount	attending meetings allowances	Attending committee sessions allowances	Benefits in kind	remunerations for technical, Remuneration of the Chairman, Managing Director and Secretary	Total (SAR)	percentage of profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (write the value)	Total			
<b>First: independent members</b>															
1- Ali AlSubaihin	*150,000	12,000	6,000	7,408	-	-	175,408	-	-	-	-	-	-	175,408	
2- Khaled Al-Mana	*150,000	12,000	-	-	-	-	162,000	-	-	-	-	-	-	162,000	
3- Abdul Karim Al-Nafie	*150,000	12,000	24,000	-	-	-	186,000	-	-	-	-	-	-	186,000	
<b>Total</b>	<b>450,000</b>	<b>36,000</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>523,408</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>523,408</b>	
<b>Second: Non – executive members</b>															
1- Sabih Masri	-	12,000	-	-	-	-	12,000	-	-	-	-	-	-	12,000	
2- Khaled Masri	-	12,000	18,000	-	-	-	30,000	-	-	-	-	-	-	30,000	
3- Ghassan Akeel	-	12,000	12,000	-	-	-	24,000	-	-	-	-	-	-	24,000	
4- Kamil Sadeddin	-	9,000	6,000	-	-	-	15,000	-	-	-	-	-	-	15,000	
5- Mohammad Al Utaibi	-	12,000	12,000	-	-	-	24,000	-	-	-	-	-	-	24,000	
6- Farraj Abuthenain	*150,000	12,000	18,000	27312	-	-	207,312	-	-	-	-	-	-	207,312	
<b>Total</b>	<b>*150,000</b>	<b>69,000</b>	<b>66,000</b>	<b>34,720</b>	<b>-</b>	<b>-</b>	<b>835,720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>835,720</b>	
* These amounts were granted for the fiscal year 2020, after obtaining the approval of the ordinary General Assembly held on 11/04/2021.															



<b>Second: Table of the remunerations for Members of the Committees:</b>			
Fixed remunerations (except attending meetings allowances)	attending meetings allowances		Total (SAR)
<b>Members of the Audit Committee</b>			
Name	2021		
1- Abdul Karim Al-Nafie	50,000	24,000	74,000
2- Ayman Yousef	-	24,000	24,000
3- Saleh Al-Fadl	56,250	18,000	74,250
4- Ibrahim Al-Qemlas	18,750	6,000	24,750
<b>Total</b>	<b>125,000</b>	<b>72,000</b>	<b>197,000</b>
<b>Members nomination and remuneration</b>			
Fixed remunerations (except attending meetings allowances)	attending meetings allowances		Total (SAR)
Name	2021		
1- Ali AlSubaihin	50,000	6,000	56,000
2- Khaled Masri	-	6,000	6,000
3- Farraj Abuthenain	50,000	6,000	56,000
<b>Total</b>	<b>100,000</b>	<b>18,000</b>	<b>118,000</b>
<b>Members of the Performance and Investment Follow-up Committee</b>			
Fixed remunerations (except attending meetings allowances)	attending meetings allowances		Total (SAR)
Name	2021		
1- Khaled Masri	-	12,000	12,000
2- Ghassan Akeel	-	12,000	12,000
3- Kamil Sadeddin	-	6,000	6,000
4- Farraj Abuthenain	50,000	12,000	62,000
5- Mohammad Al Utaibi	-	12,000	12,000
<b>Total</b>	<b>50,000</b>	<b>54,000</b>	<b>104,000</b>

<b>Third: Table of five senior executives who received the highest remuneration from the company, including the CEO and CFO:</b>													
senior executives	Fixed remunerations				Variable remunerations					termination emoluments	Total remuneration for the Board Executives if any	Grand Total (SAR)	
	Salaries	Allowances	Benefits in kind	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares				Total (SAR)   total
*five senior executives including the CEO and CFO	3,777,240	2,153,670	-	5,930,910	5,355,560	-	-	-	-	11,286,470	357,549	-	11,644,019

\*The company has committed to disclose the remuneration of the executives in accordance with the statutory requirements mentioned in Article (93) of the Corporate Governance Regulations, and in accordance of Article (60) of the rules for offering securities and continuing obligations.

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9) Whatever penalty, sanction, precautionary measure, or precautionary restrictions imposed on the company by the Authority or from any supervisory, regulatory or judicial authority, with an explanation of the causes of the violation, the authority that applied the same, means of remediation and avoiding occurrence of the same in the future.

None

10) The results of the annual review of the effectiveness of the company's internal audit procedures, in addition to the Audit Committee's opinion on the adequacy of the company's internal audit system.

- As part of the Group's Executive Management responsibilities and tasks is the implementation of the internal control systems, oversight them generally and ensuring that an appropriate and effective internal control system is in place, which includes the policies, procedures and processes that has been developed to achieve the group's objectives. A system of internal control has been established in line with the corporate governance regulation, laws and regulations, which defines the roles and responsibilities assigned to the Board of Directors and their related committees, in order to have an appropriate oversight at the group level, in addition to that the group's management monitors the compliance over control procedures and corrects any deficiencies in the internal control system. Also, the management is currently working on updating the policies and procedures in order to enhance the group's internal control system.
- The internal audit is considered as an independent assurance function from the Executive Management and as part of their scope of work is the evaluation of the adequacy and effectiveness of the internal control system, including adherence to policies and procedures. In addition to that, submitting the audit reports that include weaknesses in the internal control system and the corrective procedures to the higher Executive Management and the Audit Committee. The Audit Committee periodically submits the minutes of its meetings and their reports to the Board of Directors and the General Assembly of shareholders.

**Internal audit evaluation:**

- Based on the above, the Audit Committee believes that the Group has reasonably effective internal control system in terms of design and implementation and there was no significant audit observation related to the system of internal control procedures in the Group with a recommendation to the Group's management to continue developing and improving the existing policies and procedures, in order to increase the efficiency and effectiveness of the applicable internal control system in the Group.

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11) Recommendation of the Audit Committee regarding the need to appoint an internal auditor in the company, in case there is no internal auditor.

The company has an effective internal audit department.

12) Recommendations of the Audit Committee that conflict with resolutions of the Board of Directors, or which the Board refused to adopt regarding the appointment and removal of the company's auditor, determining his fees and evaluating his performance or appointing the internal auditor as well as grounds of such recommendations, and the reasons for not adopting the same.

There are no recommendations in that regard.

13) Details of the company's social contributions.

Astra Industrial Group pays great importance to social responsibility through contributing to economic development and ensuring the safety and prosperity of its human resources. In 2020, the Group adopted important policies and strategic activities related to its social responsibility in supporting a group of humanitarian activities and enhancing safety standards for its employees and facilities, including without limitation:

- **Support objectives of the KSA Vision regarding Saudization:**

We have taken important steps in recruiting distinguished Saudis and professionals in line with the strategies and principles of the Kingdom's Vision 2030 and the National Transformation Program 2030.

- **Woman is significant force in our company:**

We have paid special attention to the employment of Saudi women through developing and planning their career paths, creating a suitable work environment, and enhancing a corporate culture that supports their work and the activities they perform.

- **Encouraging and supporting the development of Saudi female university students:**

In partnership with the Human Resources Development Fund in the Kingdom of Saudi Arabia, Astra Industrial Group and its subsidiaries hosted a group of Saudi female university students with the aim of developing their competencies through on-job training so they can gain practical experience.

- **Health culture enlightenment and enhancement among employees:**

The group is keen on organizing specialized awareness campaigns to enhance the health culture among its employees and their families, thus, increasing awareness of the importance of maintaining a healthy and balanced lifestyle.

14) A statement of the dates of the shareholders General Assemblies held during the last fiscal year and the names of the Board of Directors who attended such assemblies.

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During the fiscal year 2021, the company held one ordinary General Assembly on 11/04/2021, which was attended by all Board of Directors, namely, Mr. Sabih Masri (Chairman of the General Assembly), Mr. Khaled Masri, Mr. Mohammad Al Utaibi, Mr. Ghassan Akeel, Mr. Abdul Karim Al-Nafie, Mr. Farraj Abuthenain, Mr. Kamil Sadeddin, Mr. Ali Al-Subaihin, and Mr. Khaled Al Mana.

**15) A description of the types of the main activities of the company and its subsidiaries. In the event that two or more types of activity are described, a statement must be attached to each activity and the impact of the same on the volume of the company's business and the contribution of the same to the results.**

**A. A description of the types of the main activities of the company and its subsidiaries as follows:**

**Astra Industrial Group (AIG):**

The company's activities: establishing, managing, operating and investing in industrial facilities. The main activities of the subsidiaries are as follow: Producing, marketing and distribution of medicines and pharmaceuticals. Production of chemical compounds, plastic additives, colors and other plastic products. Production of liquid chemical fertilizers, agricultural pesticides, wholesale and retail trade, agrochemicals and pesticides. Steel constructions of industrial buildings and building structures. Production of reinforced bars. In addition, the group is, also, involved in mining and setting up necessary plants to process the same. Except for the last activity, the companies of the group carry out their activities inside and outside Saudi Arabia.

**1) Tabuk Pharmaceuticals (a subsidiary)**

It is a limited liability company formed in 1994 in the Kingdom of Saudi Arabia. The company capital is 103 million SAR. The company's main activity consists of developing and producing medicines and medical supplies and products; marketing and distributing such products inside and outside the Kingdom of Saudi Arabia.

The company produces a wide range of pharmaceutical formulations, whether medicines that are chemically or biologically identical to medicines with expired patents (generic drugs) or licensed by those companies that are owners of patents and valid registered trademarks (licensed drugs). These medical formulations are produced in solid, semi-solid, liquid and injection forms. Tabuk Pharmaceuticals is the second largest local pharmaceutical company in the Kingdom.

Tabuk Pharmaceuticals has its owns brands/ trademarks for its generic products. Under licensed products are produced carrying the medicine originator brand/ trademark. Tabuk Pharmaceutical Company has strong trade brands in Saudi Arabia, the Middle East and North Africa Region mainly due to the strong reputation of Tabuk Pharmaceuticals, in addition to the high quality of its pharmaceutical products and its internal and regional marketing network. Tabuk Pharmaceutical practices its production through its two factories located in the Kingdom of Saudi Arabia in addition to the factory in the Republic of Sudan and Algeria.

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## **2) Astra Polymers Compounding Company (Astra Polymers) (a subsidiary)**

It is a limited liability company formed in 1993 in the Kingdom of Saudi Arabia where it's the principal place of business. The company capital is 20.4 million SAR. Its main activity is to produce polymer compounds, colors and other additives.

Astra Polymers is one of the most important producers in the Middle East Region of high-quality colors and additives which improve the properties of plastic products. This is in addition to Composite Thermoplastics (CTP) that are manufactured according to the requirements and specifications of customers. Astra Polymers practices its production through its factories located in the Kingdom of Saudi Arabia (Dammam and Rabigh), the United Arab Emirates, Turkey and India.

## **3) Astra Industrial Complex for Fertilizers and Agrochemicals – (ASTRACHEM) (a subsidiary)**

It is a limited liability company formed in 1995 in the Kingdom of Saudi Arabia. The company capital is 68 million SAR. The company produces and markets agrochemicals and chemical fertilizers.

For the purpose of performing its business, the company depends on the marketing and distribution network that covers all parts of the Kingdom of Saudi Arabia. Its sales also extend to most countries of the Middle East and North Africa through a specialized network. ASTRACHEM produces from its factories located in the Kingdom of Saudi Arabia and Turkey.

## **4) International Building Systems Factory (IBSF) (a subsidiary)**

It is a limited liability company formed in 1993 in the Kingdom of Saudi Arabia. The company capital is 90 million SAR. The main activity of the company is the design, manufacture and construction of steel buildings and industrial structures. In addition to the marketing and sales network that covers all parts of the Kingdom of Saudi Arabia, its sales also extend to most countries in the Middle East and North Africa. The company designs and installs steel structures for oil and gas, petrochemical, electricity, water desalination, commercial and industrial projects.

In addition to its primary activity which is providing its customers with steel structures, IBSF provides value-added services especially in the field of construction, which services include erection, installation, supervision, civil works, and coordination with contractors and suppliers who may seek consultation of the company regarding optimum integration of their systems. IBSF produces its steel from its plants located in Riyadh and Jubail.

## **5) Astra Mining Co. (a subsidiary)**

It is a limited liability company established in 2011 in the Kingdom of Saudi Arabia. The company's capital is 45.9 million SAR. Astra Industrial Group owns 77.3%, while Tharawat Mining Company owns 22.7%. The company activity is exploring raw materials and minerals in the Kingdom and setting up necessary plants for such purpose. The company commenced its commercial activity in 2017 through its factory in the industrial zone of Al-Kharj for the production of Hydrated lime and Quicklime.

## 6) Al Tanmiya for Steel Industries Co. (a subsidiary)

It is a limited liability company established in 2005 in Jordan. The Company's capital is 10,620,000 Jordanian Dinars (JOD). Astra Industrial Group owns 65% of the company. The company owns a factory in Basra in Iraq to produce steel billets and rebar with annual production capacity of 430,000 tons of billets and 300,000 tons of rebar.

## 7) Astra Energy Co. (a subsidiary)

It is a limited liability company established in 2010 in Jordan with a capital of \$ 2,821.2. The company activity is to setup, buy, sell and lease power plants. The company principal place of business is in Jordan.

**A statement of each activity and its impact on the company volume of business and contribution of such activities at results according to the following table:**

Activity (million SAR)	Revenues	Ratio	Net Profit (Loss)	Ratio
Medicines	990	42%	149	74%
Specialized chemicals	976	42%	88	44%
Steel industries and energy	345	15%	-9	-5%
Holding Company & others	37	2%	-26	-13%
<b>Total</b>	<b>2,348</b>	<b>100%</b>	<b>202</b>	<b>100%</b>

## 16) A description of the company's significant plans and resolutions (including structural changes, expansion of its business, or suspension of its operations) and future expectations of the company's business.

**The company succeeded in passing important stations during the year 2020 and below is the most important developments:**

- Maintaining production across the platform despite the Corona pandemic
- Maintain safe and healthy work and production environment in our various companies and factories.
- Overcome the supply chain challenges and avail all required raw materials to our factories most of the year.
- Register new products in the pharmaceutical and special chemicals sectors.
- Implement the Saudization program for a number of vital jobs including the medical promotion representative.
- Cost reduction especially the sales and marketing expenses in general.
- Reducing the overall debt level of the group and its subsidiaries

## 17) Information related to any risks the company faces (whether operational risks, financing risks, or market risks) and the policy for managing and monitoring such risks.

The risk management policy identifies the principles and elements of the risk management system, the methods of risk management, the maintenance and control of the effectiveness of the risk management system, the individuals responsible for the risk management system and the disclosure of information. The company believes that risk management is one of the most important strategic elements that helps the company achieve its strategic goals. The risk management process is the procedure that the company uses on a regular basis in order to identify, evaluate and manage

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the risks it faces. The company adjusts and develops its operations in order to reduce the level of such risks. This policy is not only limited to protecting the interests of investors, but also is based on protecting the interests of all stakeholders.

#### **Risk Management Methods:**

- 1) The company prepares methods and solutions to deal with every significant risk and reduce potential losses.
- 2) When choosing risk management technique, the company applies cost benefit analysis.
- 3) The main risk management methods applied by the company are:
  - A. Acceptance of risk based on the company's level of risk-taking.
  - B. Sharing the risk with other parties.
  - C. Termination of risk (such as canceling a specific project).
  - D. Manage risk by directing policies and procedures to limit its impact
  - E. Risk mitigation.

The potential risk factors related to the company include the information below and it should be taken into account diligently by the investors / shareholders, noting that the management makes all necessary efforts to manage and avoid the impact of such risks related to the company or the risk factors related to the market and the various industries in which the group operates whenever possible. Below is a summary of risks that faces the Company and its subsidiaries:

#### **CORONA PANDEMIC:**

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The companies of the group encountered significant challenges and risks resulting from the Corona pandemic. The most important of such risks are related to the continuity of production, working remotely, ban on export and the availability of raw materials for production as a result of challenges encountered by the global supply chains. The group has succeeded in dealing with such risks, but the group does not guarantee the ability of its subsidiaries to continue production profitably within various sectors in case the Corona pandemic continues for a longer period or in case of exposure to other health pandemics.

#### **COMPETITION**

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The companies of the group operate in different sectors and such companies succeeded in reaching pioneering positions in their markets capitalizing on their competitive advantages, whether in quality or prices. Although the subsidiaries are keen on continuing market developments and to maintain their pioneering positions, the company does not guarantee the ability of such subsidiaries to maintain their positions in light of the strong competition with local and foreign manufacturers.

#### **GEOGRAPHIC EXPANSION (REGULATIONS)**

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The activities of the subsidiaries spreads over more than 40 countries whether having factories in countries such as Iraq, Sudan, Turkey, United Arab Emirates, Algeria and India or exporting to other countries, thus, the group is susceptible to political and economic risks related to these countries such as imposing new restrictions on foreign companies in terms of manufacturing or importing, or a change in policies in favor of the local producer, consequently, if such risks materialize, they may adversely affect the profitability of the group.



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## **FOREIGN EXCHANGE FLUCTUATIONS**

Despite the company's efforts to mitigate the severe impact of foreign exchange against the Saudi Riyal, the company does not guarantee the group's ability to manage such risks, especially in case of significant fluctuations in the exchange rate of such foreign currencies. Such risks include products that are sold in foreign currencies, raw material sourcing, capital investments and operating expenses that are paid in currencies other than the Saudi Riyal.

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## **AVAILABILITY OF RAW MATERIALS:**

The activities of the companies of the group are based on manufacturing products that require purchasing raw materials with specific specifications and at reasonable prices. The group does not guarantee the ability of its subsidiaries to continue purchasing raw materials with the required quality, timely and at competitive prices, thus affecting the profitability of the group.

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## **POWER AVAILABILITY**

The activities of the companies of the group are based on manufacturing their products in their own factories, a matter that necessitates availability of power for operation. Consequently, availability of such power for operation at reasonable prices is a fundamental factor in the success of the company. The group does not guarantee the ability of its subsidiaries to continue obtaining power on timely and at appropriate prices, thus affecting the profitability of the group.

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## **REGULATORY ENVIROMENT**

Most products of our subsidiaries are subject to strict regulations of registration rules, especially in pharmaceutical and chemical sector, such regulations are subject for continuous change, which may pose a risk to companies cope with recent changes in regulations, thus affecting the profitability of the group.

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## **PRODUCTION CONTINUITY & HIGH UTILIZATION**

Despite the currently high utilization of most production lines, such utilization may decrease in the event of suspension of any such lines for long periods, whether as a result of technical breakdowns, shortage in raw materials, lack of power, or the inability to sell, or change in regulation. The group does not guarantee the ability of its subsidiaries to maintain high productivity, thus affecting the profitability of the group.

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## **WORK IN PROGRESS**

The group may have projects under establishment or suspended projects, inside or outside the kingdom, whether in the groups existing sectors or new segments industries. Such projects entail a higher risk than operating factories, as they may experience delay in execution, difficulty in operations or obtaining licenses or in availability of both raw materials and manpower at the reasonable price and time. Although such projects were setup based on specialized studies that are based on reasonable basis, future results may differ from projected results thus affecting the profitability of the group.

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## **BASIC MATERIAL/ COMMODITY EXPOSURE**

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Despite the diversity of the group's activities, the company's project in Iraq in addition to the lime and quick lime project in Al-Kharj increased the group's exposure to risks related to the basic material industry, especially steel, which is currently experiencing higher risks than others as a result of the great impact of the state of China on such industry because China is the largest producer and consumer of such raw materials. Although the group is keen to be realistic in dealing with such risks, the group does not guarantee the ability of its subsidiaries to produce profitably in such areas in the event of the continuous decline in raw materials for a long period, thus affecting the profitability of the group.

#### **INSURANCE COVERAGE**

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The company took all necessary measures to reduce any potential losses as the subsidiaries bought insurance policies to cover the general liability for their various activities, factories and equipment. The company's net income, operating results and financial position may be affected as a result of future losses out of accidents not covered by insurance, such as terrorist acts, and other risks that may result from dealing with hazardous and toxic materials that may cause harm to the environment or humans.

#### **RELIANCE ON HUMAN CAPITAL**

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The company and its subsidiaries depend on the efficiency and experience of the executive management and the crucial manpower employed by the company. Although the company is keen on setting permanent plans to maintain such cadres or smoothly replace the same when necessary, the company does not guarantee the possibility of retaining such qualified manpower or finding alternatives with the same level of qualification, thus affecting the profitability of the group.

#### **AUTOMATION AND INFORMATION TECHNOLOGY:**

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The company always seeks to develop automation applicable whether at the company or its subsidiaries through keeping up with modern technology and adopting the state of the art information systems such as planning resource systems in companies. Although such systems are effective, any defect in the same, whether in terms of design or application, may affect the profitability of the company.

#### **DIVIDENDS**

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Dividends depend on the company's profitability, financial position, working capital needs, and short and long term investment requirements. Accordingly, the company does not guarantee, whether toward current or future shareholders, declaring dividends or amount of such dividends, if any.

#### **COMPLIANCE WITH THE FINANCIAL REQUIREMENTS**

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The company seeks to maintain an adequate level of liquidity to be able to meet its short and long term financial obligations. However, the company does not guarantee its ability to continue to fulfill its obligations in the event of a sudden increase in interest rate, annulment of the facilities given to the company, decrease in the exchange rate of certain markets, or increase in credit risk and the company's inability to collect its dues from the market. In such cases, the company is exposed to adjustment risks and security risks, which may affect the profitability of the company and the ongoing of its activities.

18) A conclusion in the form of a schedule or a chart showing the company's assets and liabilities and its final accounts in the last five years or since formation, whichever shorter.

**Comparative of end of years accounts of the last five years, as follow:**

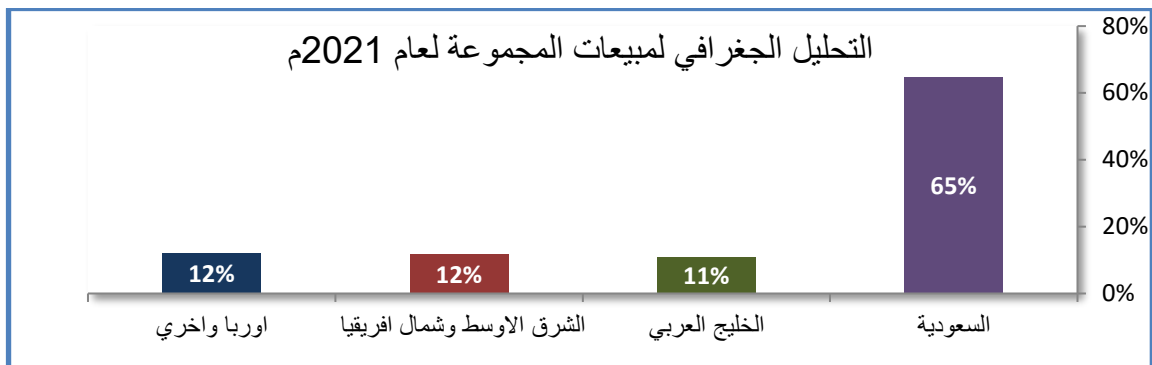
All figures are in (million) SAR					
Statement	2017	2018	2019	2020	2021
Sales	1,796	1,797	1,867	2,048	2,348
Cost of Sales	1,039	1,085	1,129	1,245	1,437
Gross Profit	757	712	738	803	911
Net Income	58	22	30	115	202

\* Please see the explanatory notes in item 21 of the 2016 report

**The difference between assets and liabilities in the last five fiscal years is as follows:**

All figures are in (million) SAR					
Statement / year	2017	2018	2019	2020	2021
Current assets	1,625	1,624	1,547	1,671	1,698
Non-current assets	1,342	1,215	1,274	1,230	1,190
Total assets	2,967	2,839	2,821	2,901	2,888
Current liabilities	1,542	1,650	1,261	1,319	1,210
Non-current liabilities	198	140	356	195	174
Equity	1,227	1,049	1,203	1,387	1,504
Total liabilities and equity	2,967	2,839	2,821	2,901	2,888

19) Geographical analysis of the total revenues of the company and its subsidiaries.



20) Notes to the material differences in the operating results compared to the results of the previous year or any expectations announced by the company.

All figures are in (million) SAR				
Statement	2020	2021	Changes (+) or (-)	%
Sales (revenues)	2,048	2,348	300	15%
Cost of Sales	(1,245)	(1,437)	(192)	15%
Gross profit	803	911	108	13%
Other operating expenses	(591)	(577)	14	-2%
Operating income	212	333	121	57%

**21) Notes to the difference from the accounting standards approved by the SOCPA.**

As it appears in the audited financial statements for the fiscal year 2021.

**22) Name of each subsidiary company, Capital, Company`s ownership ratio, main activity, and the country where it is main center of its operation and the country place of incorporation,**

Subsidiary company	Incorporation and Operations Country	Capital (SAR)	Actual ownership percentage
Tabuk Pharmaceuticals LTD	Saudi Arabia	103,000,000	100%
<b>Main activity: producing, marketing and distributing medicines and Pharmaceuticals</b>			
<b>Tabuk Pharmaceuticals LTD owns the affiliated companies:</b>			
Tabuk Pharmaceuticals for research Co.	Jordan	264,950	100%
Tabuk Pharmaceuticals Co. LTD	Sudan	8,039,227	100%
Eurl Societe Tabuk Algerie	Algeria	71,193,034	100%
Tabuk Pharmaceuticals LTD - Egypt	Egypt	43,452,004	100%
Subsidiary company	Incorporation and Operations Country	Capital (SAR)	Actual ownership percentage
Astra Polymer Compounding Co., Ltd.	Saudi Arabia	20,400,000	100%
<b>Main activity: Production of chemical compounds, added plastics, color centers and other plastic products</b>			
<b>Astra Polymer Compounding Co., Ltd owns the following affiliated companies</b>			
Astra Polymer Compounding Free market at İmalat Sanayi Ticaret Anonim Şirketi	Turkey	5,007,905	100%
Polymer Compounding pazarlama san.ve tic.a.ş Co.	Turkey	707,790	100%
Astra Specialty Compounds India, P LTD	India	19,824,536	100%
Subsidiary company	Incorporation and Operations Country	Capital (SAR)	Actual ownership percentage
Astra Mining Co Ltd	Saudi Arabia	45,900,000	77.3%
<b>Main activity: Exploration of raw materials and minerals within the Kingdom and construction of the necessary plants</b>			
Subsidiary company	Incorporation and Operations Country	Capital (SAR)	Actual ownership percentage
International Building Systems Factory CO. LTD. IBSF	Saudi Arabia	90,000,000	100%
<b>Main activity: Steel construction of industrial buildings and building structures</b>			
Subsidiary company	Incorporation and Operations Country	Capital (SAR)	Actual ownership percentage
Astra Industrial Complex Co. for fertilizers and pesticides Ltd. ASTRACHEM	Saudi Arabia	68,000,000	100%
<b>Main activity: Production of liquid chemical fertilizers, agricultural pesticides, wholesale trade, retail, feed and insecticide</b>			
<b>Astra Industrial Complex Co. for fertilizers and pesticides Ltd. Owns the following companies:</b>			
ASTRA agricultural Co. LTD	Saudi Arabia	100,000	100%
ASTRACHEM Saudi Arabia Co.	Algeria	698,000	100%
ASTRACHEM Morocco Co.	Morocco	759,579	100%

Subsidiary company	Incorporation and Operations Country	Capital (SAR)	Actual ownership percentage
Agis International Co. Ltd.	British Virgin Islands	3,750	100%
Chemidor Tarim Ticaret Limited Sirketi, formally (AstraChem Turkey)	Turkey	64,345	100%
ASTRACHEM Syria Co.	Syria	472,551	100%
ASTRACHEM Tashkent Co.	Uzbekistan	291,376	100%
Astra Industrial Complex Co. for fertilizers and pesticides Ltd. - Jordon	Jordon	526,971	100%
Astra Nova Co. - Turkey	Turkey	96,907,769	100%
ASTRACHEM Ukraine Co. Ltd.	Ukraine	1,235,200	100%
ASTRACHEM Saudi-Jordan Co.	Egypt	253,352	100%
Astra Agricultural Saudi -Jordon Co. Ltd.	Egypt	253,352	100%
Astra Industrial Complex Co. for fertilizers, pesticides and Investment Ltd	Oman	970,810	100%
El Hadaba El Khadra for Seeds Co.	Jordon	409,314	100%
ASTRACHEM Agricultural Ltd. Co.	UAE	203,929	100%
Universal United Chemicals Co. Ltd.	China	150,000	100%
CHEMNOVA Limited Liability Company	Algeria	283,948	100%
Subsidiary company	Incorporation and Operations Country	Capital (SAR)	Actual ownership percentage
Astra Energy Co. Ltd.	Jordon	5,300	76%
<b>Main activity: producing energy and selling power</b>			
<b>Astra Energy Co. Ltd. Owns:</b>			
The Fertile Crescent for Electricity Generating	Iraq	3,250	76%
Subsidiary company	Incorporation and Operations Country	Capital (SAR)	Actual ownership percentage
Astra Agricultural Co.	Egypt	2,000,000 (Egyptian Pound)	49%
<b>Main Activity: Agricultural Marketing</b>			
Astra Agricultural Co. Ltd.	Yemen	5,000,000 (Yemeni riyal)	49%
<b>Main Activity: Agricultural Marketing</b>			
Astra Tamron Co.	India	41,000,000) Indian Rupee)	47.5%
<b>Main activity: Production of liquid chemical fertilizers and agricultural pesticides</b>			
Subsidiary company	Incorporation and Operations Country	Capital (SAR)	Actual ownership percentage
Al Tanmiya Steel Industry	Jordon	56,250,000	65%
<b>Main activity: Manufacturing building steel and Structural materials</b>			
<b>Al Tanmiya Steel Industry owns</b>			
Al Enmaa Co.	Iraq	3,000,000	65%

### 23) Shares and Debit Instruments details issued for each affiliated Co.

Subsidiary Co.	Shares / Stocks	Debit instruments
Tabuk Pharmaceuticals Co. Ltd.	No. of shares (10.300) share, amount per share (1000) SAR	0
Astra Polymers Co. Ltd.	No. of shares (204.000) share, amount per share (100) SAR	0
Astra Mining Co. Ltd.	No. of shares (45.900) share, amount per share (1000) SAR	0
International Building Systems Factory CO. LTD. IBSF	No. of shares (90.000) share, amount per share (1000) SAR	0
Astra Industrial Complex Co. for Fertilizers and pesticides Ltd.	No. of shares (68.000) share, amount per share (1000) SAR	0
Astra Energy Co. Ltd.	No. of shares (1000) share, amount per share (1) JD	0
Astra Agricultural Co. Ltd.	No. of shares (100) share, amount per share (1000) SAR	0
Al Tanmiya Steel Industry Co. Ltd.	No. of shares (10.620.000) share, amount per share (1) JD	0

### 24) A description of the company's policy for dividend distribution, distributed dividends and dividend declaration proposal.

According to the provisions of the article (50) of the company's articles of association, the policy of distributing the net annual profits of the company is according to the following:

1. 10% of the net profits shall allocated to form a statutory reserve and the ordinary general assembly may suspend such deduction when such statutory reserve reaches 30% of the paid-up capital.
2. The ordinary general assembly may, based on the proposal of the Board of Directors, allocate a percent not exceeding (10) % of the net profits to form an optional reserve for one or more specific purposes.
3. The remainder will be distributed to the shareholders in such manner proposed by the Board of Directors and decided by the General Assembly.
4. The ordinary general assembly may resolve to create other reserves to the extent that achieves the interest of the company or ensures the distribution of fixed profits as possible to the shareholders. The ordinary General Assembly may, also, deduct sums from the net profits to establish social institutions for the company's employees or use the same to grant the company's employees stocks in the company as rewards.
5. The remaining part is then distributed to the shareholders as an additional share in profits or carried forward to the following years.
6. The company may, after fulfilling the controls set by the competent authorities, distribute semi-annual and quarterly profits.

**Profits of the fiscal year 2020:**

On 11/03/2021 AD, the Board of Directors of Astra Industrial Group recommended to the General Assembly the distribution of cash dividends to the company's shareholders for the fiscal year 2020, at 0.75 per share and 7.5% of the company's capital, with a total amount of 60 million Saudi riyals. On 11/04/2021, this decision was issued in accordance with the Council's recommendation.

**Profits suggested to be distributed for the fiscal year 2020:**

On 15-03-2022, AIG has announced its recommendation to the Company General Assembly for the distribution of dividends to the shareholders for the financial year 2021 as per the following:

- 1-The number of shares eligible for dividends: 80 Million shares.
- 2-The total amount of dividend is SAR 120 Million.
- 3-Dividend per share SAR 1.5
- 4-The dividend represents 15% of the Share par value.
- 5 -The eligibility of dividends shall be for the shareholders who own the shares on the day of the general assembly meeting and registered in the Securities Depository Center on the closing of next trading day after the general assembly meeting, which will be announced later after getting the necessary approvals from the relevant authorities.
- 6- The dividend distribution date will be announced later.

**25) A description of any interest in the class of shares carrying voting rights belonging to persons (other than the company's Board of Directors and senior executives and their relatives) who informed the company with such rights under the article 45 of the registration and listing rules, and any change in such rights during the last fiscal year.**

The company did not issue any preferred shares

**26) A description of any interest, contractual securities and subscription rights belonging to the company's Board of Directors, senior executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries, and any change in that interest or such rights during the last fiscal year.**

• The following table shows the number of shares owned directly by members of the Board of Directors, senior executives, their wives and minor children, as on December 31, 2021:

Name	No. of shares as on 01/01/2021	Amendment	No. of Shares as on 31/12/2021
Sabih Masri	811,999	0	811,999
Khaled Masri	811,999	0	811,999
Mohammad Al Utaibi	6,462,158	19,000	6,443,158
Ghassan Akeel	140,317	0	140,317
Farraj Abuthenain	10,793	0	10,793
Kamil Sadeddin	21,001	19,001	2000
Ali Al-Subaihin	1,000	0	1,000
Khaled Al Mana	0	0	0
Abdul Karim Al-Nafie	1000	0	1000
Mohammed Al Hagbani	0	0	0
Samer Hendawi	0	0	0
Rida Al-Ghoul	0	0	0



Below is a list of those shareholders that either holds more than 5% of the Group capital as on 31/12/2021.

Shareholder	Direct shares	Non-direct shares	Total direct and non-direct shares	Total acquisition
Arab Supply and Trading Company (ASTRA)	37,716,000	-	37,716,000	%47.14
Mohammad Al Utaibi	6,443,158	-	6,462,158	%8.05
Sabih Masri	811,999	3,601,392*	4,413,391	%5.52
Khaled Masri	811,999	34,722,207*	35,584,206	%44.48
*Their property includes ASTRA and Qemat Al Sahara for Commercial Services Company				
• During 2021, the company received no notification from shareholders with 5% or more other than noted above.				

**27) Information related to any loans given to the company (whether such loans are payable on demand or otherwise), a statement of the total debt of the company and its subsidiaries, any amounts paid by the company in repayment of loans during the year, the principal amount of the loan, the name of the lending body, the loan term and the remaining amount, and in case there are no loans given to the company, a statement disclosing that shall be submitted.**

The group and its subsidiaries have banking facilities from local and foreign banks to finance the company's current activities and future expansions. The following table shows a statement of the movement of short and long-term loans for the group and its subsidiaries during the fiscal year 2021, as follows:

Balance at the end of 31/12/2021	Paid during the year	Withdrawals during the year (Net)	Balance at the beginning of 01/01/2021	Principal amount of the loan	Loan period	Donor	Company
26,000,000	(100,000,000)	85,000,000	41,000,000	100,000,000	شهر	مؤسسات مالية وبنوك	Astra Chem
-	(105,000,000)	105,000,000	-	120,000,000	شهر		TPMC
-	(30,000,000)	30,000,000	-	30,000,000	شهر		IBSF
-	(16,000,000)	16,000,000	-	150,000,000	شهر		Astra Polymer
-	(45,000,000)	45,000,000	-	105,000,000	شهر		TPMC
-	(20,000,000)	20,000,000	-	50,000,000	شهر		TPMC
29,600,000	(41,275,000)	70,275,000	600,000	100,000,000	شهر		IBSF
114,500,000	(1,059,637)	6,500,000	109,059,637	140,000,000	شهر		Astra Mining
6,800,000	(41,000,000)	47,800,000	-	25,000,000	شهر		Astra Chem
11,300,000	(63,600,000)	11,300,000	63,600,000	75,000,000	شهر		IBSF
3,600,000	-	-	3,600,000	100,000,000	شهر		Astra Mining
-	(62,000,000)	62,000,000	-	35,000,000	شهر		TPMC
51,293,324	(56,453,133)	107,746,458	-	110,000,000	شهر		IBSF
21,500,000	(42,000,000)	63,500,000	-	100,000,000	شهر		IBSF
-	(250,000,000)	125,000,000	125,000,000	125,000,000	شهر		TPMC
47,000,000	(134,100,000)	95,600,000	85,500,000	160,000,000	شهر		IBSF
-	(84,000,000)	84,000,000	-	60,000,000	شهر		TPMC
-	(50,000,000)	-	50,000,000	50,000,000	شهر		IBSF
-	(235,000,000)	185,000,000	50,000,000	100,000,000	شهر		TPMC
-	(52,000,000)	52,000,000	-	100,000,000	شهر		Astra Chem
8,478,588	(234,103)	8,712,691	-	19,000,000	6 اشهر		TPMC
13,770,751	(25,936,472)	22,030,993	17,676,230	24,000,000	6 اشهر		TPMC
19,733,195	(820,436)	11,443,429	9,110,202	19,800,000	3 اشهر		TPMC
2,826,020	(854,160)	3,680,180	-	4,000,000	6 اشهر		TPMC - Sudan
820,962	(190,358)	1,011,320	-	2,000,000	6 اشهر		TPMC - Sudan
2,407,988	(5,830,920)	6,088,566	2,150,342	6,000,000	12 شهر		Astra Chem - Algeria
9,652,828	(35,756,995)	38,489,726	6,920,097	15,000,000	6 اشهر		Astra Chem - Algeria
2,830,653	(5,324,964)	8,155,617	-	3,000,000	12 شهر		نوبا - تركيا Nova
3,006,227	(2,091,688)	5,097,915	-	12,000,000	12 شهر		نوبا - تركيا Nova
27,096,411	(90,483,198)	86,149,530	31,430,078	32,000,000	12 شهر		نوبا - تركيا NOVA
-	(903,117)	903,117	-	903,117	12 شهر		نوبا - تركيا Nova
-	(2,255,892)	2,255,892	-	2,255,892	12 شهر		نوبا - تركيا Nova
2,518,596	(847,556)	3,366,152	-	3,000,000	12 شهر		نوبا - تركيا Nova
3,214,925	(1,203,865)	4,418,789	-	3,215,000	12 شهر		نوبا - تركيا Nova
34,240,256	(34,240,943)	31,007,874	37,473,325	45,000,000	12 شهر		نوبا - تركيا Nova
4,857,185	(7,003,847)	-	11,861,032	12,000,000	شهر		نوبا - تركيا Nova
21,955,871	(91,519,639)	90,086,309	23,389,201	24,000,000	3 اشهر		Astra Polymer
4,776,600	(16,341,000)	20,349,900	767,700	10,000,000	3 اشهر		Astra Polymer
983,700	(679,305)	1,154,575	508,430	2,000,000	3 اشهر		Astra Polymer
2,738,709	(8,890,531)	6,943,907	4,685,334	11,000,000	3 اشهر		Astra Polymer
1,642,840	(3,338,740)	4,981,580	-	2,000,000	4 اشهر		Astra Polymer
398,049	(1,097,942)	1,495,990	-	1,000,000	4 اشهر		Astra Polymer
6,483,309	(2,018,522)	2,183,674	6,318,156	19,000,000	طويل الاجل		TPMC
3,816,252	-	3,816,252	-	4,000,000	طويل الاجل	Astra Polymer	
<b>489,843,238</b>	<b>Total debit of the group and its affiliated companies (SAR)</b>						

28) A description of the categories and numbers of any convertible debt instruments and any contractual securities, subscription right notes or similar rights issued or given by the company during the fiscal year with an explanation of any remuneration obtained by the company.

None

29) A description of any transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or given by the company.

None

30) A description of any redemption, purchase or annulment by the company of any redeemable debt instruments, and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries.

None

31) The number of Board meetings held during the last fiscal year, their dates, and a register of the present indicating the names of the present.

The number of Board meetings held during the fiscal year 2021 reached (4) meetings. Below is a table showing the present of each meeting:

	Name	No. of meetings (4) Meetings				Attendance
		16/03/2021	17/06/2021	14/09/2021	08/12/2021	
1	Sabih Masri	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
2	Khaled Masri	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
8	Kamil Sadeddin	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	75%
9	Mohammad Al Utaibi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
5	Ali Al-Subaihin	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
6	Ghassan Akeel	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
7	Farraj Abuthenain	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
8	Abdul Karim Al-Nafie	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
9	Khaled Al Mana	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%

**32) No. of the company's request for shareholders registry and dates of such requests and its reasons:**

No. of requests for shareholders registry	Request's date	Properties file date	Requests reasons
1	11/01/2022	31/12/2021	Company procedures
2	03/10/2021	30/09/2021	Company procedures
3	03/07/2021	30/06/2021	Company procedures
4	13/06/2021	02/06/2021	Others
5	10/04/2021	11/04/2021	General Assembly
6	06/04/2021	31/03/2021	Company procedures
7	04/01/2021	31/12/2020	Company procedures

**33) Description for any deal between the company and related parties and the balance due from or to related parties:**

The balances due from or to related parties of the Board Members and Chief Executives (SAR)

A. The balances due from the related parties of the Board Members and Chief Executives as on 31 Dec. 2020 as following:

Company/Entity	Name of the Board Member / Related Chief Executives	2021 A.D.	2020 A.D.
Astra Farms Co.	Messrs. Sabih Masri, Khaled Masri, Kamil Sadeddin, Ghassan Akeel, and Samer Hendawi (Chief executives)	1,801,155	1,485,070
Prince Fahd Bin Sultan Hospital	Messrs. Sabih Masri, Khaled Masri, Kamil Sadeddin, Ghassan Akeel	177,551	227,266
Arab Supply and Trading Co.	Messrs. Sabih Masri, Khaled Masri, Kamil Sadeddin, Ghassan Akeel, and Samer Hendawi (Chief executives)	489,073	250,976
Arab Supply & Trading Company (ASTRA) - construction branch	Messrs. Sabih Masri, Khaled Masri, Kamil Sadeddin, Ghassan Akeel, and Samer Hendawi (Chief executives)	471	342,718
<b>Total</b>		<b>2,468,249</b>	<b>2,306,030</b>

B. The balances due to the related parties of the Board Members and Chief Executives as in 31st of Dec. 2020 A.D as following:

Company/Entity	Name of the Board Member / Related Chief Executives	2021 A.D.	2020 A.D.
Noor Communication Co.	Messrs. Sabih Masri, Khaled Masri, Kamil Sadeddin, Ghassan Akeel	538,628	755,699
Astra Food Co. – Commercial Branch	Messrs. Sabih Masri, Khaled Masri, Kamil Sadeddin, Ghassan Akeel, and Samer Hendawi (Chief executives)	178,155	8,612
<b>Total</b>		<b>716,783</b>	<b>764,311</b>

<b>Current</b>			
Company/Entity	Name of the Board Member / Related Chief Executives	2021 A.D.	2020 A.D.
Maseera International Co. (Partner at affiliated Co.)	Messrs Sabih Masri, Khaled Masri, Kamil Sadeddin, Ghassan Akeel	30,052,273	-

Non-current			
Company/Entity	Name of the Board Member / Related Chief Executives	2021 A.D.	2020 A.D.
Maseera International Co. (Partner at affiliated Co.)	Messrs Sabih Masri, Khaled Masri, Kamil Sadeddin, Ghassan Akeel	-	30,052,273

C. Net Investment in subsidiaries of the Company as on 31st Dec. 2019 A.D includes balance due from related parties not members of board of directors (SAR)

Non-current		
Related party`s name	2021 A.D.	2020 A.D.
Tharawat Mining Co. (Partner at affiliated Co.)	(15,946)	(6,163)
Total	(15,946)	(6,163)

34) Information related to any business or contracts in which the company is a party, or in which a Board of Director, senior executives or a related person has an interest as such information shall include the names of those involved in business or contracts, the nature of such works or contracts as well as the terms, duration and value of the same. If there are no such actions or contracts, then, the company shall submit a declaration in that regard.

These transactions arose as a result of the normal and basic activity of the group during the year 2021. Such transactions take place according to the prevailing commercial terms with other parties. Below is a summary of such transactions indicating the revenues and expenses out of the same: -

A- Revenue from these transactions:				
Name of entity	Revenue type	Name of the Board Member / Related Chief Executives	Value (SAR)	Term
Prince Fahd Bin Sultan Hospital	Medicines Sales	Messrs. Sabih Masri, Khaled Masri, Kamil Sadeddin, Ghassan Akeel	1,986,832	Direct sales
Astra Farms Co.	Fertilizers Sales	Messrs. Sabih Masri, Khaled Masri, Kamil Sadeddin, Ghassan Akeel, and Samer Hendawi (Chief executives)	1,858,762	Direct sales
Arab Supply & Trading Company (ASTRA) - construction branch	Steel construction installation and repair	Messrs. Sabih Masri, Khaled Masri, Kamil Sadeddin, Ghassan Akeel, and Samer Hendawi (Chief executives)	840,000	Direct sales
Total			4,685,594	
B- Expenses from these transactions:				
Name of entity	Revenue type	Name of the Board Member / Related Chief Executive	Value (SAR)	Term
Noor Communication Co.	Internet Services	Messrs. Sabih Masri, Khaled Masri, Kamil Sadeddin, Ghassan Akeel, and Samer Hendawi (Chief executives)	1,124,509	Annual

<b>Astra Farms Co.</b>	Transporting good	Messrs. Sabih Masri, Khaled Masri, Kamil Sadeddin, Ghassan Akeel, and Samer Hendawi (Chief executives)	383,921	<b>Direct purchase</b>
<b>Astra Food Co. – Commercial Branch</b>	Purchasing Food products	Messrs. Sabih Taher Al Masri, Khaled Sabih Al Masri, Kamil Abdulrahman Sadeddin, Ghassan Akeel, and Samer Hendawi (Chief executives)	1,329,744	<b>Direct purchase</b>
<b>Arab Supply &amp; Trading Company (ASTRA) - construction branch</b>	Steel constructions installation and repair	Messrs. Sabih Masri, Khaled Masri, Kamil Sadeddin, Ghassan Akeel, and Samer Hendawi (Chief executives)	9,296,675	<b>Direct purchase</b>
<b>Total</b>			<b>12,134,849</b>	

**35) A statement of any arrangements or agreement as per which a Board of Director or a senior executive waived any remuneration.**

**None**

**36) 36) A statement of any arrangements or agreement as per which a shareholder of the company waived any rights to profits.**

**None**

**37) A statement of the value of the statutory payments made and due for any zakat, taxes, fees or any other dues that were not paid until the end of the annual financial period, with a brief description of such payments and reasons thereof.**

Statement of statutory payments	2021		Brief Description	Reasons
	Paid	Due until end of the fiscal annual period and not paid		
<b>Saudi Stock Exchange (Tadawul)</b>	626,251	-	Payments during the fiscal year: fees for continuous listing on the main market, basic fees for stock records, and fees for a data distribution license.	Payable by companies registered on the Saudi Stock Exchange
<b>General Authority of Zakat and Tax</b>	23,517,584	27,598,267*	Payments made or recognized at the fiscal year in accordance with the provisions and rules issued by the General Authority of Zakat and Tax in the Kingdom of Saudi Arabia.	Statutory dues
<b>Visas &amp; Passports</b>	8,282,780	-	Amounts paid during the fiscal year as fees for visas and passports	Statutory fees
<b>Social Insurance</b>	18,656,299	1,665,712	Payments made or recognized at the fiscal year in accordance with the provisions and rules issued by the Ministry of Labor and the Social Insurance Office in the Kingdom of Saudi Arabia.	Statutory subscription fees
<b>Municipality License</b>	550,097	-	Payments made during the fiscal year as municipality licensing fees	Statutory licensing fees
<b>Expenses &amp; certification expenses</b>	5,410,096	-	Payments made during the fiscal year as fees for certification, subscription at the chamber of commerce and registration fees	Statutory certification fees
<b>Resident</b>	5,295	-	Payments made during the fiscal year as registration fees for a resident	Statutory registration fees
<b>Total (SAR)</b>	<b>57,048,402</b>	<b>29,263,979</b>		
* For more clarification, kindly refer to the financial statements for the fiscal year 2021, explanatory Note (17)				

**38) A statement of the value of any investments or reserves formed for the benefit of the company's employees.**

**None**

**39) The Board of Directors' declarations as below:**

- The accounting records were properly made.
- The internal control system was prepared on proper bases and was effectively implemented.
- There is no doubt that the company is able to continue in its activity.

**40) If the auditor's report includes qualification of the annual financial statements, the Board of Directors' report shall clarify such qualification, reasons of the same and any information related to such qualification.**

The company auditor's report did not contain qualification of the annual financial statements.



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41) In the event that the Board of Directors recommends replacing the auditor before the end of the period for which such auditor is appointed, then the report shall include such recommendation along with the reasons for such recommendation.

No recommendation was issued by the Board of Directors in that regard.

42) Treasury shares held by the company and details of the uses of such shares.

There are no treasury shares held by the company.

43) Conclusion

The Board of Directors seizes this opportunity to express its sincere thanks and appreciation to all employees of the company, shareholders, customers, suppliers and government bodies for their support, confidence, and cooperation during this critical year, having a great impact on helping the group face the challenges of the Corona pandemic, hoping safety for all.

**Board of Directors**