



الشركة السعودية للأسماك
SAUDI FISHERIES COMPANY

Annual Report
For the Fiscal Year Ending on
December 31, 2021 AD

Word of the Chairman of the Board of Directors

Messrs./ Shareholders of the Saudi Fisheries Company The Esteemed

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

On my own behalf and on behalf of the Board of Directors, I am pleased to present to you the annual report of the Saudi Fisheries Company on December 31, 2021 AD, which includes the company's performance during the past year. With the grace and support of Allah, the Saudi Fisheries Company has begun to pass an important stage in which it has focused on strengthening its capabilities to overcome challenges and the future vision for the coming years, taking into account improving performance efficiency and making maximum use of the available assets in order to be able to achieve the desired results, especially after setting an ambitious strategy for the next five years.

We at the Saudi Fisheries Company are looking forward to the leadership of the Fisheries Sector in the Kingdom of Saudi Arabia in light of the economic growth that the Kingdom is witnessing under the auspices of the Custodian of the Two Holy Mosques and his trusted Crown Prince, towards a promising future at a steady pace according to a well-studied strategy adopted by the Board of Directors and those in charge of the company who have high professional ability in taking advantage of the available opportunities and transforming them into rewarding returns.





Since its inception, the company has been keen to be among the leading companies in supporting national development plans by developing the wealth of fisheries in the Kingdom, in addition to enabling its effective participation in strategies to achieve food security. The company always strives to achieve its vision of being a proactive and effective facility that maintains its leading position in a sensitive sector, operates in an ambitious homeland, and interacts and integrates with a prosperous economy to serve a vibrant community.

Al-Asmak is also one of the specialized companies in its field and has accumulated exceptional experience in the marine fishing and aquaculture sector, logistics services, the seafood industry, and the commercial sector (wholesale and retail), in addition to operating and managing a number of sales points specialized in providing fresh and cooked seafood. In the main cities of the Kingdom, the company provides products with high nutritional value that are compatible with international standards to improve the quality of life through a healthy and beneficial diet, and the company actively contributes to achieving food security in the Kingdom by focusing on quality, food safety, and continuous development. The company's full commitment to the conditions and quality controls that must be followed in its production chain, preservation and presentation of its products made it trusted by the consumer, which enabled its products (under the brand - "Al-Asmak") to achieve high appreciation among our customers.

We at "Al-Asmak" are still looking forward with confidence to a brighter future, for the growth and development of the company, and the Board of Directors is very keen to preserve the interests of shareholders and reach the best results.



The year 2021 AD was an exceptional year worldwide due to the novel Covid-19 pandemic, which led to most business sectors being affected by the ramifications of the pandemic. The precautionary measures and initiatives put forward by our rational government had a great impact in overcoming said ramifications.

Despite the challenges, the company has accomplished many remarkable achievements during the span of this year. One of these achievements is that the aquaculture site for shrimp and fish has been reconfigured and operated in Al-Huraydah in the Asir region, which will have a positive impact on the company's performance in the near future, the results of which have begun to be achieved with a decrease in losses compared to the previous year by 16% due to a sales growth of 16% and the application of accounting standards for vital assets.

I would also like to convey my sincere thanks and appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz, may Allah preserve him, and his faithful Crown Prince, His Royal Highness Prince Muhammad bin Salman bin Abdulaziz, may Allah preserve him, for all their great efforts and unparalleled support. This is in order to stimulate the business environment in the Private Sector and to develop the economy of this country.

Allah is the Arbiter of Success...

Chairman of the Board of Directors
Eng. Omar bin Hamad Al Madi



Foundation

The Saudi Fisheries Company was established in 1401 AH, corresponding to 1981 AD, as a Saudi joint stock company pursuant to Royal Decree No. M/7 dated 09/05/1401 AH, corresponding to 16/03/1981 AD. The state contributes 40% of its capital through the ownership of the Public Investment Fund, and the ownership was transferred to the Saudi Agricultural and Livestock Investment Co. "SALIC", a listed joint stock company established in accordance with the provisions of the Companies Law and its regulations

Activities

The activity of the Saudi Fisheries Company is to catch fish and invest the living aquatic wealth in the Kingdom's waters and regional and international waters within the limits of the applicable laws and regulations in this regard, as well as manufacturing and marketing them at home and abroad as permitted by the Kingdom's regulations, serving cooked seafood, shrimp farming, packing, preserving, and canning fish and shrimp, and fishing and marketing ornamental fish, wholesale and retail trade in fish, shrimp, and other marine products, as well as shrimp feed and detergents.

The company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities

Capital

The authorized and paid-up capital of the company is 400,000,000 (four hundred million) Saudi riyals divided into 40,000,000 (forty million) shares, and the nominal value of the share is 10 (ten) riyals

Vision

Our vision is for the company to be a successful economic facility in achieving the objectives of investors and maximizing their wealth, and to maintain its leading position in the Marine Products Sector and to contribute to achieving the goals and pillars of food security and to improve the pattern of consumption of healthy foods:

Message and Mission

Our mission is to contribute effectively and tangibly to the promotion and support of initiatives to improve the level of food security in the Kingdom of Saudi Arabia mainly and to raise the level of consumption of seafood by providing a range of diverse marine products with high nutritional value and quality according to the highest international standards to ensure the complete satisfaction of our customers and to achieve our long-term vision

Objectives

Integration with the Kingdom's 2030 vision and the programs of achieving it, mainly with regard to developing investments in marine resources, food security, and improving the quality of life

Building a successful and positively influential economic entity in the sectors with which it deals and works

Achieving an appropriate level of growth in the investment return for our shareholders coupled with a balanced growth in equity

Improving and developing the business model in line with the external variables and the company's internal capabilities

Enhancing expertise and employing it in achieving positive growth in the Marine Wealth Investments Sector locally and regionally

Concluding internal and external alliances at the level of the sectors in which we work with successful facilities locally, regionally, and internationally to transfer the successful experience and exchange technical expertise in all fields

1- Results of the Company's Business

1- a) Sales by Products

The company's sales in 2021 amounted to 47,586,405 Saudi riyals, an increase of 16% over the previous year 2020, where fish sales topped 42% of the total sales in the company, and meals and other sales came in second place with 32% of the total sales, while shrimp sales amounted to 26%.

The following table shows the analysis of activity by products sold for the year 2021 AD compared to the results of the year 2020 AD:

Activity Analytics by Product	2021	Rate	2020	Rate
Fish sales	19,760,618	%42	15,642,925	%38
Shrimp sales	12,425,629	%26	3,237,451	%8
Factory sales and others	15,400,159	%32	22,067,321	%54
Total	47,586,405	% 100	40,947,697	% 100

1-b) Sales by Type of Activity

Retail sales occupied the largest proportion of the company's total sales at 69%, while wholesale and boat sales accounted for 27% and 4%, respectively, of the company's total sales.

The following table shows the distribution of sales by sales channels for the year 2021 AD compared to the results of the year 2020 AD:

Activity analysis by sales methods	2021	Rate	2020	Rate
Retail sales	32,696,821	%69	28,791,634	%70
Wholesale sales	12,950,820	%27	9,892,153	%24
Boat sales	1,938,764	%4	2,263,910	%6
Total	47,586,405	% 100	40,947,697	% 100

1-c) Sales by Geographic Area

The company's sales amounted to 47,586,405 Saudi riyals in 2021. Undoubtedly, the central region occupied the highest percentage of sales for the company with 59% of the total sales, while the percentage of sales in the eastern, western, and southern regions was 13%, 17%, and 11%, respectively, as shown in the following table:

Sales Analytics by Region	2021	Rate	2020	Rate
Eastern Region	5,996,334	%13	5,684,609	%14
Central Region	28,197,952	%59	23,610,444	%57
Western Region	8,229,314	%17	9,744,276	%24
Southern Region	5,162,805	%11	1,908,368	%5
Total	47,586,405	% 100	40,947,697	% 100

1-d) Comparative Analysis

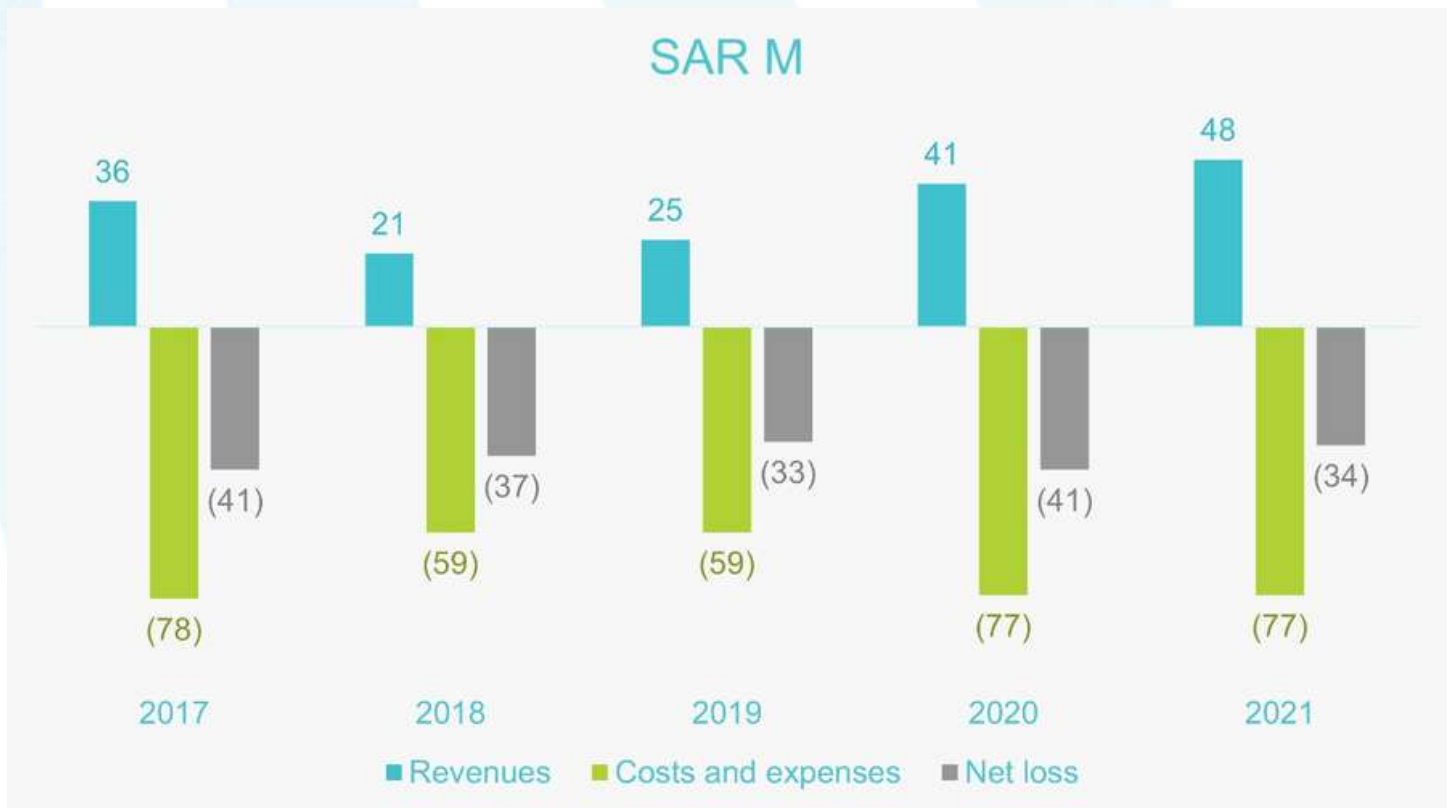
A comparative analysis of the company's business results for the years 2021 and 2020 shows an increase in the company's sales by 16%, accompanied by a decrease in total profit by 71%. In terms of selling and distribution expenses, these expenses increased by 16%, with an increase by 45% in general and administrative expenses. The operational loss increased by 24%, as shown in the following table:

Description	₹2021	₹2020	Changes	%
Revenues	47,586,410	40,947,697	6,638,713	%16
Revenue cost	(42,819,740)	(38,594,106)	(4,225,634)	%11
Gain or Loss of Bio Assets Valuation	12,084,910	374,240	11,710,670	%3,129
Gross profit	16,851,579	2,727,831	14,123,748	%518
Selling and distribution expenses	(24,667,010)	(20,888,891)	(3,778,119)	%18
General and administrative expenses	(21,630,132)	(18,339,263)	(3,290,869)	%18
Operational loss	(29,445,563)	(36,500,323)	7,054,760	%19-

1-e) Business Results for the Past Five Years

The following table shows the company's business results for the financial period from 2017 AD to 2021 AD.

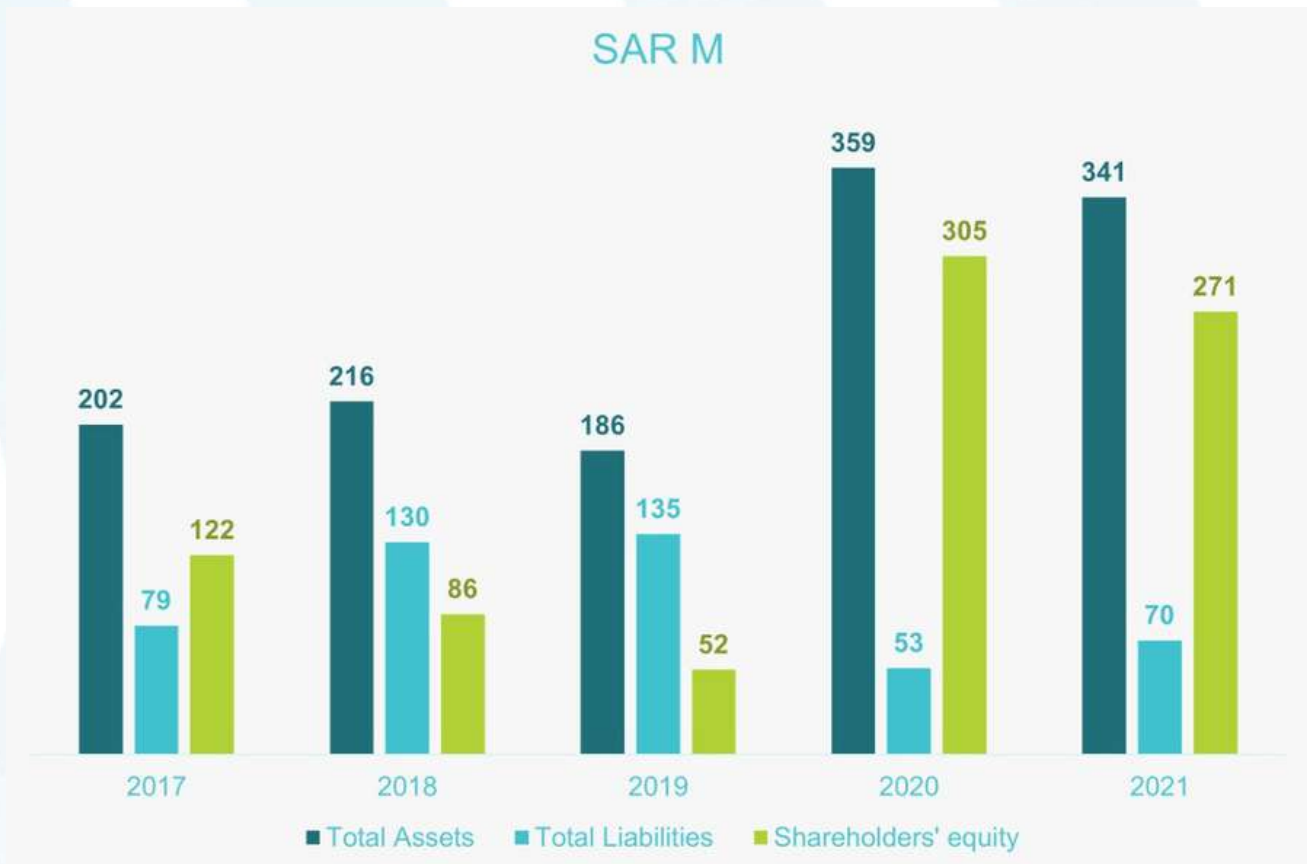
Description	2021	2020	2019	2018	2017
Revenues	47,586,405	40,947,697	25,330,413	21,420,399	35,544,451
Costs and expenses	(77,031,972)	(77,448,018)	(59,148,827)	(59,479,699)	(77,690,732)
Net loss before other revenue	(31,566,345)	(38,655,397)	(33,818,315)	(38,059,300)	(42,146,281)
Net loss in (SR)	(34,346,895)	(40,649,696)	(33,029,460)	(37,250,804)	(40,845,521)



1-f) A comparative analysis of the company's assets and liabilities for the past five years:

The following table shows a decrease in the company's total assets from 361 million Saudi riyals in 2020 to 330 million Saudi riyals in 2021 AD, and the company's total liabilities increased from 56 million Saudi riyals in 2020 to 59 million Saudi riyals in 2021 AD as follows:

Description	2021	2020	2019	2018	2017
Assets	164,230,131	209,131,783	35,283,993	76,883,272	16,392,989
Non-current assets	177,067,318	149,401,394	151,129,580	138,922,826	185,420,921
Total assets	341,279,449	358,533,177	186,413,573	215,756,098	201,813,910
Current Liabilities	55,156,258	35,727,704	34,708,653	35,597,727	69,144,034
Non-current liabilities	14,872,115	17,410,014	100,200,783	94,416,187	10,177,455
Total Liabilities	70,028,373	53,137,718	134,909,436	130,013,914	79,321,489
Shareholders' equity	271,269,076	305,395,458	51,504,137	85,742,184	122,492,421



2- Loans and Credit Facilities

The company obtained an interest-free loan of 7,026,144 Saudi riyals from the Agricultural Development Fund on 21/11/1430H, corresponding to 8/11/2009G, from a total facility agreement amounting to 12,867,838 Saudi riyals to finance the shrimp farming and breeding project.

This is in return for a real estate mortgage on lands owned by the company in Al-Khobar and Qatif, with book values of 1,000,000 and 2,100,000 Saudi riyals, respectively, to be repaid on 21/11/1432 AH, corresponding to 19/10/2011 AD.

The company also obtained the second installment of these facilities, amounting to 2,984,741 Saudi riyals, bringing the loan balance to 10,010,885 Saudi riyals on June 30, 2011.

As a result of the non-payment, the company submitted on 5/7/1437 AH, corresponding to 12/04/2016AD, a request to reschedule the loan balance of 10,010,880 Saudi riyals on December 31, 2016.

It has been approved to reschedule the loan in nine annual installments, starting on November 2017. Indeed, the company paid the installments according to the schedule, so the loan balance on 31/12/2021G is 4,722,800 Saudi riyals,

and the total debt on the company is 5,889,787 Saudi riyals. The difference between the loan balance and the indebtedness balance represents the value of the government grant calculated as a result of applying International Accounting Standard No. (20).

Donating Authority	Main loan and it's additions	Loan term	Paid during the year	Loan balance	Total Liabilities
Agricultural Development Fund	10,010,880	9 years	1,418,480	4,722,800	5,889,787

3-Due and Paid Regular Payments

The following table shows the regular payments paid and due from the Saudi Fisheries Company until the end of the fiscal year 2021 AD

Description	Due during the year and is not paid	Paid during the year	Brief description
Zakat	2,946,539	0	What is paid or charged for the year in accordance with the provisions and rules of the obligation of zakat, and the amount due represents the estimated zakat for the year.
Value-added tax	4,841	319,413	What is paid or charged for the year in accordance with the provisions and rules of value-added tax.
General Organization for Social Insurance	237,379	2,223,494	What is to be paid or uploaded for the year in accordance with the provisions of the Labor Law.
Customs fees	0	187,245	What is paid or charged for the year in accordance with the provisions of the customs system.
Labor fees for renewal of residence permits and work licenses and others	0	3,653,659	What is paid or charged over the year as visa and passport fees based on the relevant regulations.

4- Sectors, Projects, and Investments of the Company

4- a) Marine Fishing Fleet

The Marine Fishing Fleet consists of 19 large boats, a load of 42 tons, with a length of between 19 and 23 meters, and 14 small boats of medium tonnage, 2 tons, and a length ranging between 7.6 and 8.4 meters, a total of 33 boats, with the maintenance and modernization of a number of boats in preparation for the resumption of fishing work in conjunction with the process of attracting and appointing the human competencies necessary for operation and to gradually complete the maintenance of the fleet, as the Corona pandemic posed a challenge in the process of attracting fishermen from some countries that were under quarantine due to the pandemic.

Region	Boat size	Number	Status
Jizan	Big	9	Functioning
		5	Not functioning
	Small	1	Functioning
		11	Not functioning
Eastern	Big	3	Functioning
		2	Not functioning
	Small	2	Not functioning
Total		33	

4-b) Aquarium Farm - Al-Huraidah (Asir Region)

The company is considered one of the first pioneer companies working in this field in the Kingdom of Saudi Arabia, where it established a shrimp farm in Al-Huraidah Governorate on the Red Sea coast in 1991 AD on a land leased from the Ministry of Environment, Water, and Agriculture with an area of 7.5 million square meters.

During the year 2021 AD, the first and second farms were operated at the same time to make use of the season, targeting 1,500 tons in one cycle with full operational capacity using all 178 external breeding ponds.

The company has also implemented the lining project for all of the farm's basins, which amount to 178 basins with an area of 2.15 million square meters, to reduce production costs and ensure sustainability. Al Hudaydah Farm is deemed the first fully lined farm in Saudi Arabia.

The Crab Fence project has also been implemented, which consists of fences to prevent the entry of living creatures with a length of 9,000 linear meters on the entire project. The company has also provided all filters to apply biosecurity measures to ensure the sustainability of operation and reduce the risk of transmitting viruses.

The company also obtained a certificate of thickness and a Saudi certificate "QAB". This is for the company to implement the best aquaculture standards.



4- c) Floating Cages Project (Asir Region)

The Floating Cages Project was gradually initiated for operation after a series of tasks that began with attracting professional technical teams with extensive experience in this field, along with maintaining and operating the buildings associated with the project, purchasing support equipment, maintaining marine media, and purchasing construction equipment for installing cages.

4-d) Aquarium Farm - Qatif

The farm was established in 1990 in the Qatif Governorate (Anak), and it is dedicated to the production of freshwater fish (tilapia) with a production capacity of 140 tons annually that can be increased up to 300 tons annually. The farm is located on an area of 50 thousand square meters. There are 14 concrete basins and 28 sand basins.

The farm is equipped with hatcheries, incubators, support facilities for culture operations, and an integrated system for fish feeding. Work on the farm has been suspended since 2012 due to the futility of tilapia cultivation due to the licenses of fish imported from abroad, as well as the presence of problems in the license issued by the Ministry due to water buoyancy problems of neighboring farms.

No maintenance or modernization was performed for the equipment and assets on the farm, which caused various damages to these assets. Work is currently underway to prepare a technical and financial study to examine the operability of the farm.



4-e) Aquarium Farm Project Land – Depth of the Asir Region

It is located in the Asir region, 100 km north of Al-Haridah Farm. It is a land leased from the Ministry of Environment, Water, and Agriculture with an area of 13.3 million square meters. Previously, a feasibility study for the project was conducted and permits were issued for shrimp farming with a capacity of 5,767 tons, but the project was not implemented and is currently under study.

4-f) The Feed Factory

The fodder factory in Al-Haridah is located within the vicinity of the farm and aims to produce fodder to provide the company's shrimp and fish farms and hatcheries with the necessary feed and to put the surplus for sale in the local market, from which it was targeting a production capacity of 96,000 tons of feed annually.

Some equipment and machinery needed for the operation were purchased. During 2021, the company signed a memorandum of understanding with ARASCO, with the aim of discussing future cooperation regarding the manufacturing and commercial operation of the company's feed factory.



5-) General Supply Chain Management

Supply Chain Management is one of the management methods that has become an important and necessary factor in the success and support of other sectors and their ability to provide efficient services, while reducing costs at the same time, in order to be able to compete and achieve distinguished successes.

Supply Chain Management ensures a balance between supply and demand and avoids losses resulting from the disparity between them by following scientific methods based on the study of previous data and assessment of the current market situation. It includes the following operations: (planning - sourcing and purchasing - receiving, processing, and packing - warehousing - transportation and distribution).

6- Factories and Processing

6-a Factories and Processing Plants

- Two quick-freezing rooms were equipped and operated in the Jizan factory, with a production capacity of 14 tons per day.
- Shrimp cleaning and peeling machines are equipped in the Jizan factory, with a production capacity of 500 kg per shift.

6-b Cold Stores

In addition to the actual operational capacity of warehouses in all regions with a capacity of 1330 tons, two cold storage warehouses were equipped and operated in Jizan with an actual capacity of 240 tons, bringing the total capacity ready for storage to 1570 tons.

7- Transport Fleet

The company owns 57 cars, divided into 28 refrigerated cars, within its fleet to transport and deliver refrigerated and frozen goods (fresh and frozen fish) from auctions, factories, and warehouses in their branches to points of sale and distribution between warehouses, shops, and customers, in addition to the number of 29 small cars serving other activities.

8- Land

8-a The Land of the Administrative Building - Jeddah:

This is the plot of land on which the company's branch was established, located in Jeddah, 10 km on Makkah Al-Mukarramah Road, with an area of 11,000 square meters.

It is owned by the Ministry of Environment, Water, and Agriculture, with deed No. (510) and dated 24/7/1399 AH.

A noble decree No. (41355) and dated 10/9/1433 AH by agreeing to leave that land to the company, provided that it is registered within the state's share in the company's capital. Work is still underway to coordinate with the relevant government agencies to leave the land.

8-b) - The Land of the Administrative Building - Riyadh:

This is the land of the main headquarters of the company located in Al-Malaz District, northeast of the buildings of the Ministry of Finance in Riyadh, and its area (6,264 square meters) from the land of the Ministry of Environment, Water, and Agriculture located in Al-Malaz District in the city of Riyadh.

A noble royal order No. (41355) dated 10/9/1433 AH was issued approving the leaving of that land to the company, provided that it be registered within the state's share in the company's capital. The land was left to the company by deed No. 317901000456, dated 7/5/1442 AH.

The land was not registered within the company's assets until the deed of the Jeddah land referred to in the same supreme order was left, so that the company would begin the capital increase procedures and include the value of the two lands in the state's share in the company's capital.

8-c) The Land of Dammam:

This is a plot land with an area of 71,794 square meters that was rented from the General Corporation for Railways and on which the company building, factory, and warehouses were built.

The company later purchased it from the General Corporation for Railways on January 25, 2012 for 39,245,982 Saudi riyals. The sale is a violation of the Railways Protection System, in addition to a violation of the royal orders not to grant, sell, or dispose of government lands and to be satisfied with renting.

Accordingly, the company excluded the land from its records in the year 2020.

All the required documents were submitted to the General Corporation for Railways and a check was received for the amount of 24,381,455.60 representing the company's dues after deducting the accrued dues of the General Authority for Zakat and Income, amounting to 11,322,322 Saudi riyals, in addition to a deduction of 165,000 Saudi riyals for renting a warehouse.

The company has submitted the documents required to recover the remaining amount of 3,377,204 Saudi riyals, and follow-up is underway in this regard.

8-d) The Land of Khobar

This is a plot of land owned by the company that was purchased for 2,100,000 Saudi riyals, with an area of 930 square meters.

The land was leased with a 15-year contract starting from 01/12/2005 and ending on 30/11/2020 at an annual amount of 55,000 Saudi riyals to an investor who built a commercial building on it. On 1/4/2021.

It was leased back for five years at an annual amount of 250,000 Saudi riyals, and the land was mortgaged to the Agricultural Development Fund in return for a loan to expand the shrimp farm in Al-Hudaydah.

8-e) The Land of Abu Arish

This is a vacant plot of land owned by the company in the Jizan Governorate that was purchased for 3,135,794 Saudi riyals, with an area of 132,000 square meters. Roads have been cut off from the land, and a part of it has been included in the housing plans by the Jizan Municipality.

Work is underway to correct and update the deed and to claim the deducted part from the Secretariat and the Ministry of Transport.

8-f) The Land of Al-Dabab (Fog Land)

This is a plot of land owned by the company was purchased for an amount of 1,250,000 Saudi riyals with an area of 595.1 square meters, and it is being leased by an investor for a period of 15 years starting from 01/08/2011 and ending on 31/07/2021 AD at an annual rent of 200,000 Saudi riyals.

The lease contract was extended for a period of three (3) years ending on 31/07/2024, and there is approval from the General Assembly of Shareholders to sell it, as there is no need for it.

8-g) The Land of Unaizah

This is a vacant plot of land owned by the company in the city of Unaizah - Qassim region, with an area of 4,980 square meters.

The last review was on 15/07/2020. There is approval from the General Assembly of Shareholders to sell it, as there is no need for it.

9- The Commercial Sector

The company operates in the retail and wholesale sectors, where the company currently operates 19 shops selling fresh and cooked fish spread over five regions in the Kingdom of Saudi Arabia. Through it, we are working on developing the operating process and focusing on increasing customer awareness of the benefits of seafood. During 2021, the company achieved an increase in store sales by 69% compared to 2020.

As for the wholesale sector, the company achieved an increase in 2021 compared to 2020, with an increase of approximately 27%. The company aims to expand the customer base by creating a number of sales channels that ensure easy consumer access to the company's products.

10- Quality

The company's quality policy revolves around providing high quality and safe products to all our valued customers by applying the highest quality standards to ensure the quality of operations, including purchasing, supplying, warehousing, transportation, manufacturing, and selling in all channels, where the quality management is committed to applying international standards to ensure safety and quality of goods where applied. The company's quality and safety policy is in accordance with the following standards:

- ISO 9001: 2000 Quality Management - International Quality Management System.
- ISO22000: 2005 Food Safety Management - Global Food Safety System.
- Saudi Food and Drug Authority.
- Saudi Standards and Metrology Organization SASO.
- HACCP Systems Hazard Analysis Critical Control Points (HACCP) recommended by the US Food and Drug Administration.

The ISO certificate has also been upgraded to the latest version: ISO22000:2018 - Global Food Safety System FSMS - Requirement for any organization in the food chain.

11- Strategic Approaches

- Basic maintenance of the Aquaculture Farm in Al-Huraidah (Shrimp Farming Sector) and the gradual start-up of operations.
- Maintenance and completion of the installation of floating cages in the Aquaculture Farm in Al-Huraydah, and their operation in the cultivation of marine tilapia fish.
- Working on developing current products and services to obtain a higher market share, in conjunction with developing control and adjusting systems for sales and branches, and working on improving margins through diversifying purchase sources.
- Expansion of the Wholesale Sector vertically in the areas currently covered in parallel with the horizontal expansion of geographical coverage in the Wholesale Sector in the Main and the Retail Sector in a secondary way to serve areas where the brand (Al Asmak) is not available.
- Gradual maintenance and operation of the Marine Fishing Fleet after the completion of the preparation of the boats and the provision of trained sailors.
- Operating factories for value-added products by assigning or sharing with others locally and internationally, and operating sorting, cleaning, and canning laboratories that support the Commercial Sector on their own.
- Completing the maintenance and modernization of refrigerated warehouses, modernizing the transport fleet, and expanding the geographical coverage of the Logistics Sector.

12- Composition of the Board of Directors and the Company's Committees

12-a Composition of the Council and Classification of Members

The company is managed by a Board of Directors consisting of nine (9) members, who are elected by the Ordinary General Assembly of Shareholders by means of cumulative voting.

No.	Name	Capacity	Membership Classification	Membership Nature
1	Eng. Omar bin Hamad Al-Madhi	Chairman of Board of Directors	non-executive	A representative of the PIF
2	Eng. Abdul Aziz bin Hamad Al Owaid	Deputy Chairman of the Board	non-executive	In his personal capacity
3	Mr. Bakr bin Abdul Rahman Al Muhanna	Member of the Board of Directors	non-executive	A representative of the PIF
4	Eng. Samir bin Mahmoud Haddad	Member of the Board of Directors	independent	In his personal capacity
5	Mr. Abdullah bin Hamad Al Mahthal	Member of the Board of Directors	non-executive	A representative of the PIF
6	Eng. Abdul Majeed bin Abdul Mohsen Al Sheikh	Member of the Board of Directors	independent	In his personal capacity
7	Eng. Mazen bin Abdul Sattar Alami	Member of the Board of Directors	independent	In his personal capacity
8	Mr. Mansour bin Abdulaziz Al-Saghir	Member of the Board of Directors	independent	In his personal capacity
9	Mr. Haitham bin Mohammed Algozaibi	Member of the Board of Directors	non-executive	In his personal capacity

·On 25/03/2021 AD, the ownership of the Public Investment Fund was transferred to the Saudi Agricultural Investment and Livestock Production Company “SALIK.”

12-b) Formation of the Company's Committees

Nomination and Remuneration Committee

The Nominations and Remunerations Committee consists of (3) members of the Board of Directors, who are the following:

- Eng. Abdul Majeed bin Abdul Mohsen Al Sheikh (Chairman of the Committee).
- Eng. Abdulaziz bin Hamad Al-Owaid (Member).
- Eng. Mazen bin Abdul Sattar Alami (Member).

Executive Committee

The Executive Committee consists of (5) members of the Board of Directors and a member from outside the Board of Directors (the CEO), and they are the following:

- Eng. Omar bin Hamad Al-Madhi (Chairman of the Committee).
- Eng. Abdulaziz bin Hamad Al-Owaid (Member).
- Eng. Abdul Majeed bin Abdul Mohsen Al Sheikh (Member).
- Mr. Haitham bin Muhammad Al-Gosaibi (Member).
- Eng. Walid bin Hamad Al-Buthi (Member) from outside the Council.

•Review Committee

The Audit Committee consists of (3) members, (2) non-executive members of the Board of Directors and a member from outside the Board of Directors, among whom are specialists in financial and accounting affairs, and they are the following:

- Mr. Mansour Abdel Aziz Al-Saghir (Chairman of the Committee).
- Mr. Turki bin Abdul Mohsen Al-Luhaid (Member) from outside the Council.
- Mr. Haitham bin Muhammad Al-Gosaibi (Member)

12-c) Changes in the Classification and Nature of Membership in the Board of Directors and the Company's Committees during the Year 2021 AD:

There has been no change in the classification and nature of membership in the Board of Directors and the company's committees during the year 2021 AD.

13- Biographies of Members of the Board of Directors, Company Committees, and Senior Executives:

13-a) The Board of Directors Members

Eng. Omar bin Hamad Al-Madhi - Chairman of the Board of Directors

Qualifications:

Holds a Master's degree in Business Administration from the Massachusetts Institute of Technology (MIT) in 2007 and a Bachelor's degree in Chemical Engineering from the University of Pennsylvania in 2002, in addition to completing an Executive Program in International Leadership at Kennedy School (Harvard University) in 2019.

Current Positions:

Director of Direct Investments in the Middle East and North Africa Investments Department at the Public Investment Fund.

Previous Experience and Positions:

He worked as a research engineer at Saudi Aramco, an engineer at the Saudi Aramco Shell Refinery Company (SASREF), and a Consultant with McKinsey & Company, then as an Assistant Undersecretary for the Saudi Arabian General Investment Authority, a CEO of the Volkswagen Group Saudi Arabia, and a CEO of Abdul Latif Jameel Investments.

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
National Agricultural Development Company	Inside	Included contribution
Awad Capital	Outside	Limited liability
Eliad Partners Tech Ventures Company	Outside	Limited liability
Saudi Arabian Industrial Investments Company (DSUR)	Inside	Limited liability

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
Abdul Latif Jameel Transport	Inside	Limited liability
Endeavor Saudi Arabia	Inside	Limited liability
Abdul Latif Jameel Real Estate Finance	Inside	Limited liability
Jameel Investment Holding Company	Inside	Limited liability
The Third Brother Water Company	Inside	Closed contribution

Eng. Abdul Aziz bin Hamad Al Owaid - Vice Chairman of the Council

Qualifications:

Bachelor of Chemical Engineering from King Saud University in 1980.

Current Positions:

Previous Experiences and Positions:

He has extensive experience in the field of consulting, as he worked as a Consultant at Al-Durra Sugar Industry and Advanced Materials Technology Company and worked as Director of Studies and Projects Consultations at the Saudi Industrial Development Fund.

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
Maan Hamad Al-Jasser & Partners Company Factory	Inside	Limited liability

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
Zamil Chemical and Plastic Industries Company	Inside	Division of Zamil Group

Mr. Bakr bin Abdul Rahman Al Muhanna - Member of the Board of Directors

Qualifications:

Bachelor of Management Information Systems Management from King Fahd University of Petroleum and Minerals in 2006.

Current Positions:

Director and Head of the Transport and Logistics Department at the Public Investment Fund.

Previous Experience and Positions

Worked as an Investment Banking Specialist at Deutsche Bank in the areas of Money Markets and Mergers and Acquisitions.

He also held the position of Head of Investments in King Abdullah City for Atomic and Renewable Energy and also held the position of Assistant Director of Investments at the Saudi Arabian Industrial Investments Company.

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
National Gas and Industrialization Company	Inside	Included contribution
Education Development Holding Company	Inside	Closed contribution
Saudi Agricultural and Livestock Production Company	Inside	Closed contribution
Manerva Food Company	Outside	Included contribution
City Heritage Company	Inside	Closed contribution
International Ports Company	Inside	Closed contribution
Saudi Coffee Company	Inside	Closed contribution
Red Sea Gateway Station Company	Inside	Closed contribution
Saudi Consolidated Procurement Company NUPCO	Inside	Closed contribution

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
First, Second, Third and Fourth Flour Mill Companies	Inside	Closed contribution
Saudi Cruise Company	Inside	Closed contribution

Eng. Samir bin Mahmoud Haddad - Member of the Board of Directors

Qualifications:

Bachelor's degree - majoring in Chemical Engineering and Materials Engineering from King Abdulaziz University in 1990.

Current Positions:

CEO of Al Reef Sugar Refinery Company

Previous Experience and Positions

Worked as a Research and Development Engineer at SABIC Research and Development Complex. He is a Process Engineer in the Natural Gas Fractionation Plant of Saudi Aramco.

He also worked in several management and leadership positions in the Savola Group.

He was also appointed as Vice President and then CEO of the Industrial Sector at Al Sorayai Industrial Trading Group (now Naseej International) and Chairman of the Board of Directors of Millennium Weavers, Atlanta - USA.

He moved to occupy the position of Executive Director of Operations and Investor Relations in the Industrial Valley - Emaar Company, King Abdullah Economic City in Rabigh

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
Al Reef Sugar Refinery Company	Inside	Closed contribution

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
Millennium Weavers Corporation, USA	Outside	One of the quick group companies
Savola Group - United Sugar	Inside	Listed joint stock company
Al Sorayai Industrial Trading Group	Inside	Listed joint stock company
Emaar King Abdullah Economic City	Inside	Listed joint stock company

Mr. Abdullah bin Hamad Al Mahthel - Member of the Board of Directors

Qualifications:

Holds a Master's degree in accounting and information systems from the University of Kansas in 2004 and a bachelor's degree from the same university in Accounting and Business Administration (Finance) in 2003.

He was also awarded the Fellowship of the Saudi Organization for Certified Public Accountants (SOCPA) in 2016 and the Fellowship of Accountants from the United States of America CPA in 2008.

He also passed the CFA1 in 2012, as well as receiving a number of Leadership courses from INSEAD University and others.

Current Positions:

Assistant Undersecretary for Governance and Policies in charge of the Financial Affairs and Accounts Agency at the Ministry of Finance.

Head of the Accounting Merit Center at the Ministry of Finance

Previous Experience and Positions

He has held several leadership positions in the Industrialization and Energy Services Company, the most recent of which was the Chief Financial Officer, and before that he worked as the Financial Director and the Director of Financial Planning at Abdul Latif Al-Issa Group, and before that as the Director of Accounts Management at the General Organization for Social Insurance.

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
-	-	-

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
Sangel Energy Company	Inside	Limited liability company
Jubail Services Company	Inside	Closed contribution
Arabian Arcade Company	Inside	Limited liability company

Eng. Abdul Majeed bin Abdul Mohsen Al Sheikh - Member of the Board of Directors

Qualifications:

He holds a Bachelor's degree in Industrial Engineering from King Fahd University of Petroleum and Minerals in Dhahran in 2004, and a Master's degree in Engineering Management from Brunel University in London - UK in 2006, and he also obtained a Master's degree in Business Administration "MBA" from Queen's University in Kingston - Canada in 2010.

Current Positions:

CEO and Board Member of Mayar Holding Company, in addition to being Vice Chairman of the Board of Directors of Misr Gulf Elevators and Escalators Company, CEO of Gulf Elevators and Escalators Company Ltd., CEO of Saudi Vogue Elevators and Escalators Company, and CEO of Elevator Solutions for Operation and Maintenance. In 2021 AD, he was appointed Vice Chairman of the Board of Directors of the Jadya Agricultural Company, as well as the Vice-Chairman of the Board of Directors of the Saudi Drip Irrigation Company and the Vice-Chairman of the Board of Directors of the Agda Trading Company.

Previous Experience and Positions

He has more than 14 years of practical experience in the field of finance, preparing economic feasibility studies, financial and technical analysis, and studying markets for industrial projects by working for the Saudi Industrial Development Fund in the Credit Department. He rose in the company until reaching the position of Director of the Credit Department, in addition to membership in the Administrative Committee, the Lending Committee, and the Loan Review Committee. He also took several courses in Management, Leadership, and Financial and Credit Analysis from several international universities and institutes. In addition to being an Associate Engineer certified by the Saudi Council of Engineers, he also established the Efadah Company for Economic and Industrial Consultations, which works to provide advisory services, project evaluation, investment opportunities, and project management for the Industrial Sector, and he served as the Managing Partner for 3 years

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
Mayar Holding Company	Inside	Closed contribution
Misr Gulf Company for Elevators and Escalators	Outside	Closed contribution
Agda Trading Company	Inside	Closed contribution
Gulf Elevators & Escalators Co. Ltd.	Inside	Limited liability
Saudi Vogue Company for Elevators and Escalators	Inside	Limited liability
Elevator Solutions Operation & Maintenance Company	Inside	Limited liability
Jidaya Agricultural Company	Inside	Limited liability
Saudi Drip Irrigation Company	Inside	Limited liability

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
Efadah Economic and Industrial Consulting Company	Inside	Solidarity

Mr. Haitham bin Mohammed Al-Gosaibi - Member of the Board of Directors

Qualifications:

Holds a Bachelor's degree in Administrative Sciences in 1998 from the American University in Britain.

Current Positions:

Executive General Manager of Khalifa Algosaibi Investment Company

Previous Experience and Positions

He has extensive experience as Executive General Manager of Arabian Vermiculite Industries Company .

CEO of Building Materials Chemicals Factory.

Deputy Director of Operations for Khalifa Al-Gosaibi Holding Company.

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
Khalifa Algozaibi Investment Company	Inside	Closed contribution
Saudi Sigma Company	Inside	Limited liability company
Building Materials Chemicals Factory	Inside	Closed contribution
Algozaibi Services Company	Inside	Limited liability company
Building Materials Industry Technology Company	Inside	Closed contribution
Vermiculite Industries Co.	Inside	Closed contribution
Algozaibi Oilfield Services Company	Inside	Closed contribution

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
Saudi Road Coating Company	Inside	Limited liability company
National Company for the Production of Road Separators	Inside	Limited liability company

Eng. Mazen bin Abdul Sattar Alami - Member of the Board of Directors

Qualifications:

Holds a Bachelor's degree in Electrical Engineering from King Fahd University of Petroleum and Minerals in 1997 and Advanced Management from Harvard University in 1999.

Current Positions:

Previous Experience and Positions

He worked as a Design and Maintenance Engineer for Saudi Aramco, Deputy Director of Sales for the Saudi Cable Company.

Deputy Director for the Western Region of the Saudi Electricity Company.

CEO of Saudi General Electric Company for Energy.

CEO of Al-Toukhi Contracting Company.

Partner and Regional Director for the Middle East for Black & Fitch Engineering and CEO of CAD Company Middle East Pharmaceutical Industries and an Advisor to the Board of Directors of Al-Mashreq Pharmaceutical Industries.

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
Sawary for Energy Co.	Inside	Limited liability company
Mazen Al Alami Engineering Consulting Office	Inside	Engineering consultancies
Cornerstone International Co.	Outside	Management consulting
Arabian Vision Company	Inside	Management consulting
Dynamic Business Development Company	Inside	General Consultation

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
Saudi Road Coating Company	Inside	Limited liability company
National Company for the Production of Road Separators	Inside	Limited liability company

Mr. Mansour bin Abdulaziz Al-Saghir - Member of the Board of Directors

Qualifications:

Holds a Master's degree in Executive Business Administration from London Business School in 2010 and a Bachelor's degree in Accounting from King Abdulaziz University in 1993.

Current Positions:

CEO of the National Bank of Bahrain, Kingdom of Saudi Arabia.

Previous Experience and Positions

He worked for the Saudi Hollandi Bank, Senior Manager of Corporate Banking Group, Assistant General Manager at Samba Financial Group, then Head of Department at Banque Saudi Fransi.

He also worked as Senior Corporate Banker at National Commercial Bank, Regional Head of Corporate Banking at Saudi British Bank, and Director of Business Development

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
Southern Region Cement Company	Inside	Listed joint stock company
United Cooperative Insurance	Inside	Listed joint stock company

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
SABB Takaful	Inside	Listed joint stock company

13-b) Committee Members from Outside the Board of Directors

Turki bin Abdul Mohsen Al-Luhaid - Member of the Audit Committee

Qualifications:

Holds a Bachelor's degree in Accounting from King Saud University, and Certified Public Accountant (SOCPA) and (CPA).

Current Positions:

Previous Experience and Positions

He has extensive experience as an Auditor in the Ernst & Young Office, the Financial Director of Al-Ayuni Investment and Contracting Company, and a Partner in Al-Laheed and Al-Yahya Chartered Accountants.

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
-	-	-

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
-	-	-

13-c) Executive Management

Eng. Waleed bin Hamad Al-Buthi - CEO and Member of the Executive Committee

Qualifications:

Holds a Bachelor's degree in Mechanical Engineering from the College of Engineering at King Saud University in 1992.

Current Positions:

CEO of the Saudi Fisheries Company

Previous Experience and Positions

He has more than 20 years of experience in the Technical and Administrative field in SABIC, during which he held several engineering, administrative and leadership positions and was a Board Member of some affiliated companies.

He also held the position of CEO of the Arab Pipe Company for three years. He also received several Technical and Administrative courses and courses in Preparing Executive Leaders.

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
-	-	-

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
SABIC Industrial Catalysts Company	Inside	Limited liability company
Saudi Organic Chemicals Company	Inside	Limited liability company
Arab Pipe Company	Inside	Limited liability company

Mr. Awwad Farouk El Desouky - Chief Financial Officer

Qualifications:

Holds a Bachelor's degree in Accounting from Al-Ahliyya Amman University in the year 1999-2000 and a member of the Australian Association of Chartered Accountants.

Current Positions:

Chief Financial Officer of the Saudi Fisheries Company

Previous Experience and Positions

He has more than 20 years of experience in the Food and Agricultural industries, during which he held many positions, starting with the National Poultry Company, the American Delmony Company, the Astra Food Group, and the ARASCO Group. He also received many Technical and Administrative courses and courses in Preparing Executive Leaders in Oman, Dubai, Monaco and London.

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
-	-	-

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
-	-	-

Mr. Ahmed bin Mohammed Al-Awaisha - Former Chief Financial Officer

Qualifications:

Holds a Bachelor's degree in Financial Management and Accounting and is a Certified Public Accountant (CPA) in the United States of America - New Mexico.

Current Positions:

Chief Financial Officer of the Saudi Fisheries Company.

Previous Experience and Positions

He has more than 21 years of practical experience in the field of Accounting and Financial Management from joint stock companies and major private companies in the Kingdom of Saudi Arabia in the fields of Manufacturing and Trading of Consumer Goods, the Audio-Visual Media industry, printing, publishing and advertising.

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
-	-	-

Memberships in the Boards of Directors of existing companies or from their Directors:

Company's Name	Inside / outside the Kingdom	Legal entity
-	-	-

14-) Changes that Occurred to Senior Executives during the Year 2021 AD:

No.	Name	Nature of Change	Change Date
1	Mr. Ahmed bin Mohammed Al-Awaysya	Resignation from the position of Chief Financial Officer	19 Aug 2021
2	Mr. Awwad Farouk El Desouky	Appointed to the position of Chief Financial Officer	16 Aug 2021

15- Board and Committee Meeting Details

15-a) Board of Directors Meetings

During the year 2021 AD, the Board of Directors held (11) meetings, listed as follows:

No.	Name	3 Feb	10 Mar	17 Mar	21 Apr	31 May	14 Jul	2 Aug	1 Sep	17 Nov	17 Nov	22 Dec
1	Eng. Omar bin Hamad Al-Madhi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Eng. Abdul Aziz bin Hamad Al Owaid	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Mr. Bakr bin Abdul Rahman Al Muhanna	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Eng. Samir bin Mahmoud Haddad	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Mr. Abdullah bin Hamad Al Mahthal	✓	✓	✓	✓	✓	✓	✓	x	✓	x	✓
6	Eng. Abdul Majeed bin Abdul Mohsen Al Sheikh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Eng. Mazen bin Abdul Sattar Alami	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	x
8	Mr. Mansour bin Abdulaziz Al-Saghir	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Mr. Haitham bin Mohammed Algosaibi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The date of the last meeting of the General Assembly was 30/05/2021 AD.

15-b Committee Meetings

Review Committee

During the year 2021 AD, the Audit Committee held (5) meetings, listed as follows:

No.	Name	4 Mar	8 May	12 Jul	18 Aug	2 Nov
1	Mr. Mansour bin Abdulaziz Al-Saghir	✓	✓	✓	✓	✓
2	Mr. Turki bin Abdul Mohsen Al-Luhaid	✓	✓	✓	✓	✓
3	Mr. Haitham bin Mohammed Algosabi	✓	✓	✓	✓	✓

Nomination and Remuneration Committee Meetings

During the year 2021 AD, the Nominations and Remunerations Committee held (6) meetings, listed as follows:

No.	Name	22 Feb	29 Mar	6 Jul	20 Oct	23 Nov	8 Dec
1	Eng. Abdul Majeed bin Abdul Mohsen Al Sheikh	✓	✓	✓	✓	✓	✓
2	Eng. Abdul Aziz bin Hamad Al Owaid	✓	✓	✓	✓	✓	✓
3	Eng. Mazen bin Abdul Sattar Alami	✓	✓	✓	✓	✓	✓

Executive Committee Meetings

During the year 2021 AD, the Executive Committee held (13) meetings, listed as follows:

No.	Name	13 Jan	24 Feb	31 Mar	14 Apr	27 May	21 Jun	27 Jun	5 Jul	22 Aug	29 Sep	3 Nov	15 Dec	19 Dec
1	Eng. Omar bin Hamad Al-Madhi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Eng. Abdul Aziz bin Hamad Al Owaid	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
3	Eng. Abdul Majeed bin Abdul Mohsen Al Sheikh	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
4	Mr. Haitham bin Mohammed Algosalbi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Eng. Walid bin Hamad Al-Buthi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

16- Duties and Functions of the Board of Directors and Committees:

16-a Board of Directors

The primary responsibility of the Board is to provide effective control over the Company's operations in the interest of its shareholders and to achieve a balance between the interests of related parties, such as the Company's customers, employees, suppliers and community.

The Board is also responsible for reconsidering the development and implementation of strategies and reconsidering the selection, performance, and compensation of the Chief Executive Officer, in addition to the senior executives, and ensuring transparency in the delivery, clarity, and articulation of that. Among the most prominent tasks and functions of the Council are the following:

- Laying down the plans, policies, strategies, and main objectives of the company, supervising their implementation and reviewing them periodically, while ensuring the availability of the necessary human and financial resources to achieve them.
- Establishing systems and controls for internal control and general supervision over them.
- Preparing clear and specific policies, standards, and procedures for membership in the Board of Directors - in a manner that does not conflict with the mandatory provisions contained in the laws and regulations - and putting them into practice after approval by the General Assembly.
- Developing written policies that regulate the relationship with stakeholders
- Laying down the plans, policies, strategies, and main objectives of the company, supervising their implementation and reviewing them periodically, while ensuring the availability of the necessary human and financial resources to achieve them.
- Establishing systems and controls for internal control and general supervision over them.
- Preparing clear and specific policies, standards, and procedures for membership in the Board of Directors - in a manner that does not conflict with the mandatory provisions contained in the laws and regulations - and putting them into practice after approval by the General Assembly.
- Developing written policies that regulate the relationship with stakeholders

16-b) Audit Committee

The Audit Committee is responsible for monitoring the company's business, and for this purpose it has the right to review its records and documents and to request any clarification or statement from the members of the Board of Directors or the Executive Management. It may request the Board of Directors to invite the company's General Assembly to convene if the Board of Directors obstructs its work or the company suffers serious damage or losses.

Among the most prominent tasks of the Committee are the following:

- Studying the company's initial and annual financial statements and related announcements and presenting them to the Board of Directors.
- Expressing a technical opinion - at the request of the Board of Directors - regarding the fairness and clarity of the company's financial statements and including information that allows shareholders to assess the company's financial position and performance.
- Studying any important or emerging issues included in the financial reports.
- Researching any issues raised by the company's Financial Manager, or whoever assumes the duties or responsibilities of compliance in the company, or the Auditor.
- Verification of accounting estimates in the material issues contained in the financial reports.
- Studying the accounting policies followed in the company and expressing an opinion and recommendation to the Board of Directors in this regard.
- Ensuring the preparation of financial reports in accordance with the accounting principles generally accepted in the Kingdom.

- Studying and reviewing the company's internal and financial control and risk management systems.
- Considering the efficiency of the company's assessment of the material risks to which it may be exposed and the steps taken by the company to monitor and confront these risks.
- Studying and approving the annual audit plan for the Internal Audit Department.
- Following up on the implementation of the Internal Audit Department's tasks and the extent to which the Internal Audit Department performs its work in accordance with the approved annual plan.
- Studying internal audit reports and following up the implementation of corrective actions for the notes contained therein.
- Monitoring and supervising the performance and activities of the Internal Audit in the company to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to it.
- Recommending to the Board of Directors the appointment of the Head of Internal Audit and proposing his remuneration.
- Preparing a report on the Audit Committee's opinion regarding the adequacy of the company's internal control system, and the other work it carried out within its jurisdiction. The Board of
- Directors shall deposit sufficient copies of this report at the company's head office at least ten (10) days before the date of the General Assembly, to provide each of the shareholders who wish with a copy of it. The report shall be reviewed during the Assembly.
- Recommending the Board of Directors to nominate and dismiss the Auditor, determine his fees, and evaluate his performance, after verifying his independence and reviewing the scope of his work and the terms of contracting with him.

- Verifying the Auditor's independence, objectivity, and fairness, and the effectiveness of audit work, taking into account the relevant rules and standards.
- Reviewing the Auditor's plan and work, and verifying that he has not submitted technical or administrative works that are outside the scope of the audit work, and providing its views in this regard.
- Studying the Auditor's report and his notes on the financial statements and following up on what was taken in their regard.
- Discussing the Auditor's observations on a regular basis and working to ensure that they are addressed with the company's management, and raising any concerns to the Board of Directors, if necessary.
- Reviewing the results of the reports of the regulatory authorities and verifying that the company has taken the necessary measures in this regard.
- Verifying the company's compliance with relevant laws, regulations, policies, and instructions.
- Reviewing the contracts and transactions proposed to be conducted by the company with related parties, and presenting its views in this regard to the Board of Directors.
- Raising the issues it deems necessary to take action on to the Board of Directors, making recommendations for the measures to be taken, and submitting their reports to the Board of Directors.

16-c) Nominations and Remunerations Committee

The main duties and responsibilities of the Nomination and Remuneration Committee include the following:

- Developing policies and controls for candidacy for membership of the Board and Committees in line with the relevant systems and laws issued by the supervisory authorities on the company's business.
- Developing, reviewing, and updating policies related to the compensation and remuneration of members of the Board, Committees, and Executive Management, and submitting any recommendations in this regard to the Board of Directors in preparation for submission to the General Assembly for approval.
- Clarifying the relationship between the granted rewards and the applicable policy, and indicating any fundamental deviations from the policy and their causes.
- Periodically reviewing the remuneration policies and evaluating their effectiveness in achieving the desired objectives.
- Making recommendations to the Board of Directors regarding the remuneration of members of the Board, Committees, and Senior Executives in accordance with the approved policies.
- Reviewing applications for candidacy for membership of the Board and Committees, ensuring their alignment with relevant policies and controls, and submitting recommendations to the Board of Directors.
- Supervising the nomination process for membership of the Board of Directors and Committees, in coordination with the Secretariat of the Board, the General Assembly, and the relevant regulatory authorities.
- Periodic evaluation of the effectiveness of the structure of the Board and the Executive Management in accordance with the principles and standards set by the Committee and submitting recommendations regarding possible changes to the Board of Directors.

- Periodically reviewing the skills and competencies required for membership of the Council and Committees, and preparing a description of the capabilities and qualifications required for membership, including the time a member needs to allocate for the work of the Council and Committees.
- Preparing a description of the capabilities and qualifications required for Executive Management positions.
- Determining the weaknesses and strengths in the Board of Directors and the Committees, and making recommendations and proposals regarding the mechanism of addressing the weaknesses and taking advantage of the strengths.
- The Committee shall determine whether a member has the capacity of an independent member, taking into consideration the minimum requirements for independence. The Committee annually confirms the independence of the independent members. It shall ensure that there is no conflict of interest if the member is a member of the Board of Directors of another company.
- §Developing job descriptions for executive and non-executive members, independent members, and senior executives of the company.
- The Committee is responsible for providing information and reports on important topics related to its scope of work to the members of the Board upon request.
- Establishing special procedures to address the vacancy of the position of a member of the Board of Directors, Committees, or Senior Executives in the company.
- Ensuring that the company has an appropriate and clear remuneration and compensation policy for attracting and retaining qualified human resources and that this policy is linked to performance and objectives.
- Ensuring that there is a succession plan for Senior Executives in the company.
- Ensuring that the number of candidates for Board membership whose names are presented before the General Assembly of shareholders exceeds the number of seats available so that the Assembly has the opportunity to choose among the candidates.
- Ensuring appropriate disclosure of remuneration and compensation in the company's annual report in accordance with the relevant laws and regulations.
- Studying the topics transferred to the Committee from the council and making recommendations about them.

16-d Executive Committee

It is concerned with supporting the Board of Directors in carrying out its duties, including following up and supervising the development of the company's strategic plans, evaluating the proposals submitted by the Executive Management, ensuring the implementation of the company's general strategy and its effectiveness in achieving the objectives, supervising the preparation of the company's annual budget, evaluating and reviewing financial and strategic performance reports for following up on the implementation of strategic plans, studying strategic and important projects of great financial value, in addition to investment proposals.

17- Remunerations of Members of the Board of Directors, Committees, and Executive Management

The company pays remunerations, expenses, and allowances for attending meetings to members of the Board of Directors and Committees, based on the provisions of the articles contained in the Saudi Companies Law at the Ministry of Commerce and its executive regulations, the company's Articles of Association, and the financial market system and its implementing regulations.

The company also pays salaries, bonuses, and compensations to the Executive Management according to the work contracts concluded with them.

Controls for Membership Rewards in the Board and its Affiliate Committees:

- That the remunerations be compatible with the company's strategic objectives and a factor in motivating the members of the Board of Directors, its Committees, and the Executive Management to achieve the objectives, and enhance the company's ability to develop its business and its long-term sustainability, and link the performance of the long-term variable part of the remuneration.
- To determine the rewards based on the level of the job, the tasks and responsibilities assigned to the incumbent, educational qualifications, practical experience, skills, and the level of performance.
- Compatibility of executive management remuneration with the size, nature and degree of risks in the company.
- Taking into account the practices of other companies in determining remuneration, while avoiding the unjustified rise in remuneration and compensation that might result.
- To aim at attracting, maintaining and motivating professional competencies, without exaggerating them.
- To prepare the policy in coordination with the Remuneration and Nominations Committee upon new appointments.

- To prepare the policy in coordination with the Remuneration and Nominations Committee upon new appointments.
- The remuneration of the members of the Board of Directors may be of varying amounts to reflect the member's experience, competencies, tasks entrusted to him, his independence, the number of sessions he attends, and other considerations.
- Organizing the granting of shares in the company to members of the board of directors and the executive management, whether it is a new issue or shares purchased by the company through a program dedicated to this and in accordance with the rules and regulations issued in this regard.
- In all cases; The sum of the remunerations and benefits received by a member of the Board of Directors, whether financial or in kind, shall not exceed what is stipulated in the Companies Law, the Company's Articles of Association, or any other complementary regulations, in addition to the allowances and rewards that a Board member receives for his membership in the Audit Committee. Or in return for any additional executive, technical, administrative or advisory work or positions - under a professional license - assigned to him in the company, or what is decided for him in compensation for travel, accommodation and accommodation expenses and what would perform the functions assigned to him in accordance with the regulations, decisions and instructions in force in the Kingdom issued by the competent authorities.

Remuneration of members of the board of directors and committees

According to Article (19) of the company's articles of association, the remuneration of the members of the board of directors consists of a certain amount, attendance allowance for meetings, benefits in kind, or a certain percentage of the net profits, and in the event that it is a certain percentage of the net profits, the provisions of Paragraph (5) of Article (45) of this system. It is permissible to combine two or more of these advantages and within the limits stipulated in the Companies Law or any other complementary systems. In addition to what the Board of Directors decides regarding travel, accommodation and accommodation expenses for each session for non-resident members in accordance with the regulations, decisions and instructions in force in the Kingdom issued by the competent authorities. The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all the bonuses, expense allowances and other benefits received by the Board members during the financial year. In addition to that, it shall also include a statement of what the council members received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy. It shall also include a statement of the number of council sessions and the number of sessions attended by each member from the date of the last meeting of the general assembly

Rewards for members of the board of directors

- The remuneration of the members of the Board of Directors consists of a certain amount, attendance allowance for meetings, benefits in kind, a certain percentage of net profits, or a combination of two or more of these benefits and within the limits of what is stipulated in the Companies Law or any other complementary systems, according to what follows:
- The fixed annual remuneration (a certain amount) is an amount of 150,000 Saudi riyals for the chairman of the board, and an amount of 100,000 riyals for a member of the board.
- When approving an annual remuneration for the members of the board of directors with a certain percentage of the net profits, its entitlement is 10% of the company's net profits, after deducting the statutory reserves and the legally established agreement, and distributing a profit to shareholders of no less than 5% of the paid-up capital.
- Attendance allowance for one meeting of the Board of Directors in the amount of 3,000 Saudi riyals per member, and the Board of Directors may, based on a recommendation from the Remuneration and Nominations Committee, amend the allowance up to a maximum of 5,000 Saudi riyals per session.
- The remuneration of independent board members should not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company.
- The entitlement to the remuneration of the members of the Board of Directors must be proportional to the number of sessions attended by the member.
- The member's entitlement to the remuneration shall be for the period from the date of his appointment to the Council and according to the term of his membership.
- The recommendation to pay the board members' remuneration for the ending fiscal year is presented in a separate item in the general assembly, and board members may not vote on it.
- The remunerations of the members of the Board of Directors are paid directly after the approval of the Ordinary General Assembly related to the approval of the company's annual financial statements.
- Allowances for attending Board meetings may be disbursed at the end of each Gregorian quarter.

Committee member rewards

- The remuneration of the members of the committees consists of a fixed annual remuneration (a certain amount) for the membership of each committee, or an attendance allowance for the sessions, or both, according to the following:
- The fixed annual remuneration for the head of any of the committees is a certain amount of 100,000 Saudi riyals.
- The fixed annual remuneration for a member of any of the committees is a certain amount of 75,000 Saudi riyals
- Attendance allowance for one session of the committee's meetings in the amount of 3,000 Saudi riyals per member. The Board of Directors may, based on a recommendation from the Remuneration and Nominations Committee, amend the allowance up to a maximum of 5,000 Saudi riyals per session.
- The fixed annual committee remuneration and attendance allowances may be disbursed at the end of each Gregorian quarter.
- The member's entitlement to the remuneration shall be for the period from the date of his appointment to the committee and according to the term of his membership.

Accommodation and travel compensation

- A member who is not residing at the meeting place or official mission is entitled to an allowance for travel and accommodation expenses as follows:
- A travel ticket to the location of the meeting or mission in business class or a compensation equal to its value according to the prevailing prices of the travel agent approved in the company on the date of the meeting or official mission.
- A daily allowance of 2,500 Saudi riyals (two thousand five hundred Saudi riyals) in return for accommodation expenses to attend meetings or official tasks for each day during the duration of the assignment inside the Kingdom of Saudi Arabia, and two days are added to it if it is outside it.
- The member's entitlements for travel and accommodation expenses may be paid in advance before the start of the mission or meeting.

Based on the foregoing, the Board of Directors has set the remuneration of the Board and committees for the year 2021 AD at a certain amount for the Chairman of the Board of Directors of 150 thousand riyals and for each member 100 thousand riyals in accordance with the above policy. These bonuses will be disbursed after the approval of the company's general assembly.

As for the allowances for attending the council and committees, an amount of 3,000 riyals was set for each session, in addition to a reward for the membership of each committee in the amount of 100,000 riyals for the heads of the committees and 75 thousand riyals for each member.

Managing Director's Reward

- The remuneration of the Managing Director - if any - consists of an annual bonus (lump sum).
- An allowance for travel, accommodation and accommodation expenses and what would perform the duties assigned to him in accordance with what the Board of Directors decides. This is in line with the laws, decisions and instructions in force in the Kingdom issued by the competent authorities.
- The Managing Director's remuneration - if any - is paid at the end of each Gregorian month.

Senior Executive Rewards

- Senior executives fall under the term chief executive officer and chief financial officer.
- The Board of Directors determines the types of remunerations to be granted to senior executives in the company - based on the recommendation of the Nomination and Remuneration Committee – such as fixed, performance-related, incentive bonuses, in a manner that does not conflict with the regulatory controls and procedures issued in the Companies Law.
- The Nomination and Remuneration Committee reviews the incentive plans for senior executives on an ongoing basis and submits recommendations to the Board of Directors for approval.
- The remuneration aims to provide the competitive position required to attract and retain qualified and competent employees and maintain the high level of skills needed by the company

Accordingly, the remunerations that the CEO and CFO receive in their capacity as senior executives include a basic salary, housing allowance and transportation allowance in accordance with the contracts signed with them in accordance with the work system. In addition, the CEO receives a bonus and an allowance for attending sessions as a member of the Executive Committee.

17- a Remunerations of members of the board of directors

The following table shows all the remunerations and compensations paid to the members of the Board:

Name of the member	Amount	Attending Allowance	Committee Allowance	Total	Expenses
Independent Members					
Eng. Mazen bin Abdul Sattar Alami	100,000	27,000	18,000	145,000	7,976
Eng. Abdul Aziz bin Hamad Al Owaid	100,000	33,000	54,000	187,000	-
Eng. Samir bin Mahmoud Haddad	100,000	33,000	-	133,000	11,335
Eng. Abdul Majeed bin Abdul Mohsen Al Sheikh	100,000	33,000	54,000	187,000	-
Mr. Mansour bin Abdulaziz Al-Saghir	100,000	33,000	15,000	148,000	-
Total	500,000	159,000	141,000	800,000	19,311
Non-executive members					
Eng. Omar bin Hamad Al-Madhi	150,000	33,000	39,000	222,000	-
Mr. Abdullah bin Hamad Al Mahthal	100,000	27,000	-	127,000	-
Mr. Haitham bin Mohammed Algosaibi	100,000	33,000	54,000	187,000	-
Mr. Bakr bin Abdul Rahman Al Muhanna	100,000	30,000	-	130,000	-
Total	450,000	123,000	93,000	666,000	-

17-b Remuneration of committee members

The following table shows all the remunerations and compensations that have been paid to the members of the committees

Name of the member	Fixed Allowance	Attending Allowance	Total
Nomination and Remuneration Committee			
Eng. Abdul Majeed bin Abdul Mohsen Al Sheikh	100,000	18,000	118,000
Eng. Abdul Aziz bin Hamad Al Owaid	75,000	18,000	93,000
Eng. Mazen bin Abdul Sattar Alami	75,000	18,000	93,000
Total	250,000	54,000	304,000
Executive Committee			
Eng. Omar bin Hamad Al-Madhi	100,000	39,000	139,000
Eng. Abdul Aziz bin Hamad Al Owaid	75,000	36,000	111,000
Eng. Abdul Majeed bin Abdul Mohsen Al Sheikh	75,000	36,000	111,000
Mr. Haitham bin Mohammed Algosaibi	75,000	39,000	114,000
Eng. Walid bin Hamad Al-Buthi	75,000	39,000	114,000
Total	400,000	189,000	589,000
Audit Committee			
Mr. Mansour bin Abdulaziz Al-Saghir	100,000	15,000	115,000
Mr. Turki bin Abdul Mohsen Al-Luhaid	75,000	15,000	90,000
Mr. Haitham bin Mohammed Algosaibi	75,000	15,000	90,000
Total	250,000	45,000	295,000

17-c Remuneration of Senior Executives

The following table shows all the remunerations and compensations paid to senior executives as follows:

Senior Executives	Salaries	Allowance	Total	EOS	Committee Allowance	Grand Total
Chief Executive Officer	1,200,000	360,000	1,560,000	-	114,000	1,674,000
Chief Financial Officer (current)	217,443	76,106	293,549	-	-	293,549
Chief Financial Officer (Former)*	342,581	129,419	472,000	22,532	-	494,532
Total	1,760,024	565,525	2,325,549	22,532	114,000	2,439,549

Resignation of the Chief of Financial Affairs on August 19, 2021 AD

17-d Deviation from the remuneration policy

There is no deviation between the remuneration granted and the applicable remuneration policy, whether for members of the Board of Directors, sub-committees or senior executives.

18- Shareholders' Rights

The company gives special consideration to the rights of its shareholders by including them in the company's articles of association and the company's corporate governance rules, as these documents included the rights of shareholders stipulated in the laws and regulations, including:

- The right to receive a share of the profits to be distributed.
- The right to obtain a share of all the company's assets upon liquidation.
- The right to attend shareholder meetings, participate in their deliberations and vote on their decisions.
- Inquiries and requesting access to the company's books and documents, including data and information related to the company's activity and its operational and investment strategy in a manner that does not harm the company's interests and does not conflict with the Companies Law and the Capital Market Law and their implementing regulations.
- Monitoring the performance of the company and the work of the Board of Directors.
- Dispose of his shares in accordance with the provisions of the Companies Law and the Capital Market Law and their implementing regulations.
- Accountability of the members of the Board of Directors and filing a liability suit in their confrontations, and appealing the invalidity of the decisions of the general and private shareholders' assemblies in accordance with the conditions and restrictions contained in the Companies Law and the Company's Articles of Association.

- Priority for subscribing to new shares issued in exchange for cash shares, unless the extraordinary general assembly approves the right of priority - if this is stipulated in the company's articles of association in accordance with Article 140 of the Companies Law.
- Register his shares in the company's shareholders register.
- Request to view a copy of the company's articles of association and articles of association unless the company publishes them on its website.
- Nomination and election of board members.

The company also seeks to communicate directly with its shareholders through the general assembly meetings, publish the company's announcements on the Saudi Stock Exchange (Tadawul) website, provide complete, clear, correct and not misleading information, and submit it in a timely manner.

In addition to issuing the company's board of directors report, through which it provides the required disclosures in accordance with the Companies Law, the Capital Market Law, their implementing regulations and the necessary declarations.

The company also enables shareholders to communicate via the company's e-mail to provide their inquiries and comments. This is in order to ensure that all shareholders exercise their statutory rights and to follow up on all necessary procedures for that.

19- Shareholder Information:



On March 25, 2021 AD, the ownership of the Public Investment Fund was transferred to the Saudi Company for Agricultural Investment and Livestock Production “SALIC”

20- Shareholders' Assemblies

The following table shows the general assemblies of shareholders held during the year 2021 AD and the names of the members of the Board of Directors attending these assemblies. Where a general assembly of shareholders was held during the year, and the following is the record of the attendance of the Board members for that assembly:

No.	Name	30 May
1	Eng. Omar bin Hamad Al-Madhi	✓
2	Eng. Abdul Aziz bin Hamad Al Owaid	✓
3	Mr. Bakr bin Abdul Rahman Al Muhanna	✓
4	Eng. Samir bin Mahmoud Haddad	✓
5	Mr. Abdullah bin Hamad Al Mahthal	✓
6	Eng. Abdul Majeed bin Abdul Mohsen Al Sheikh	✓
7	Eng. Mazen bin Abdul Sattar Alami	✓
8	Mr. Mansour bin Abdulaziz Al-Saghir	✓
9	Mr. Haitham bin Mohammed Algozaibi	✓

21- Shareholder register

The following statement shows the number of the company's requests to the shareholders' register, the dates of those requests and their reasons:

No.	Date	Reasons for request
1	30 May	General Assembly

22 - Internal control and audit

22-a 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.

The Audit Committee reviewed the quarterly and final accounts for the year 2021. In addition to ensuring the integrity of the financial reports and their fulfillment of the requirements in accordance with the generally accepted accounting standards, and then submitting their recommendations to the Board of Directors in this regard.

The committee also examined the company's internal control systems and their effectiveness through reports submitted to the committee. In light of what was studied, the results of the examination of the internal control systems in the main sectors showed that there are no fundamental shortcomings in the internal control systems and their integrity requires disclosure.

22-b Recommendation of the Audit Committee regarding the need to appoint an internal auditor in the company:

During the year 2021 AD, the Audit Committee submitted its recommendations to the Board regarding the appointment of a consulting body to carry out internal audit work in accordance with international standards for internal auditing. The company has appointed a specialized advisory body to provide internal audit services to the company.

22-c Recommendations of the Audit Committee that conflict with the decisions of the Board of Directors, or which the Board refused to accept regarding the appointment of the company's auditor, the dismissal and determination of his remuneration, his performance evaluation or the appointment of the internal auditor, the justifications for those recommendations, and the reasons for not taking them into account.

There are no recommendations of the Audit Committee that contradict the decisions of the Board of Directors or the Board's refusal to adopt them regarding the appointment of the company's auditor, determining his fees, evaluating his performance, or appointing the internal auditor. The committee also did not make any recommendations regarding the dismissal of the company's auditor.

23 - Difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants:

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

24- Risks

Risk management in the Saudi Fisheries Company is carried out by the company's senior management in accordance with the company's adopted policies. The company's management determines, evaluates and hedges risks, assesses the extent of its occurrence and the effects it may have, and takes the necessary measures to reduce those risks. The following are the main risks it faces:

24-a Credit risk

Credit risk arises when one party fails to meet a specific financial obligation of the other party. The company may face credit risks in several temporary or permanent cases, including the presence of debit balances from customers, the failure of other creditors to fulfill their obligations towards the company, and others. The company cannot guarantee that the parties it deals with will not fail to fulfill their obligations. Nor can it accurately predict their future ability to comply. In the event that the creditors fail to pay the company's dues, this will negatively and fundamentally affect the company, its financial position and the results of its operations.

24-b Environmental Hazards

The change in the four main components of the environment (water, air, soil, marine organisms) and the natural interactions that occur between them, especially in the field of aquaculture, is one of the environmental risks facing the company. This aspect can be managed through the application of biosecurity standards and continuous periodic examination and to remove any side effects that may occur in a scientific way to avoid these variables. Viral diseases are also one of the most serious problems facing fish and shrimp farming projects in particular. This is due to the lack of vaccines and vaccines for them so far, and the aquaculture industry faces several health challenges due to diseases caused by viruses, bacteria or parasites. Among these diseases is the white spot disease that affects the shrimp crop, and the best means to reduce the risk of its occurrence is to follow the prevention approach and use types of larvae that have a strong immune system and are able to defend themselves against these diseases

24-c Market and competition risks

The company's management is keen to take the necessary care in providing its products with the highest quality standards. The risks related to the market and competition are the extent to which it is able to provide high quality products at competitive prices for other products of lower quality, which may affect the company's market share and low sales.

24-d Legislative environment

The company's results and financial position may be negatively affected by decisions and changes in the legislative environment issued by the relevant government agencies, for example, decisions to increase energy prices, increase the financial compensation for work licenses and the percentage of settlement.

24-e Risks of operating systems and information technology

The company relies on information technology systems to manage their business and facilities, which exposes the company to the risks of these systems failure, such as system collapse. In addition to the failure of protection systems, penetration of the company's systems, electronic viruses, human errors, natural disasters, fires, communication errors, or the lack of skilled labor necessary to operate and manage these systems. If the company fails to maintain and develop information technology systems, or if there are any malfunctions in its functions, major malfunctions or repeated failures. This will adversely affect the company's business and its financial and operational results.

24-f Strategic Risks

The company's ability to increase its revenues and improve its profitability depends on the effective implementation of its business plans and the successful achievement of its strategy, including but not limited to, the implementation of its future projects. The company's ability to expand its business in the future depends on its ability to continue to implement and improve operational, financial and administrative information systems in an efficient and timely manner, and to raise the efficiency of operating restaurants and stores that sell the company's products and market its products through smart applications, and its ability to maintain and operate its marine fleet efficiently.

Operating its factories efficiently, maintaining and operating its aquaculture farms and floating cages efficiently, as well as on its ability to increase, train, motivate and manage its workforce. Moreover, any business expansion plans that the company intends to undertake in the future will be subject to the estimated costs and implementation schedule specified for it, and the company may need additional funding to accomplish any expansion plans, and if it is unable to implement the expansion plans according to the specified schedule and in accordance with The estimated costs of the project or in the event that the desired profitability of these projects is not achieved, which may be due to various reasons, including a change in the market situation at the time of the implementation of these projects or a defect in the feasibility study, this will negatively affect the competitive position of the company, and thus the results of its business and profitability.

The company's ability to implement its current strategy is subject to various factors, some of which are beyond its control. There are no guarantees that there will be no disruption to the farms or the spread of microbial diseases during the expansion process, or that the employees appointed by the company or the systems, procedures and controls it adopts will be sufficient to support future growth and expansion and the successful realization of its strategy, and in the event that the company fails to implement any part of its strategy For any reason, this will have a negative and material impact on the company's business, results of operations, financial position and future prospects.

24-g Liquidity Risk

Liquidity risk is represented by the company's inability to meet its obligations related to financial liabilities as they become due. The company's financial liabilities consist of loans, payables and accrued expenses, and there is no guarantee that the company will be able to meet its obligations on the due dates. Liquidity risk can also result from the inability to sell financial assets quickly at an amount close to their fair value. The company does not guarantee that any emergency or sudden events that may require immediate liquidity will not occur, which negatively affects the company's business and thus the results of operational and financial operations.

25- Dividend Distribution Policy

In accordance with Article (45) of the company's articles of association and in accordance with the dividend distribution policy, the company's annual net profits are distributed as follows:

1. (10%) of the net profits shall be set aside to form the statutory reserve of the company, and the Ordinary General Assembly may decide to discontinue this deduction when the said reserve reaches (30%) of the paid-up capital.
2. The Ordinary General Assembly, upon the proposal of the Board of Directors, has the right to set aside a percentage of the net profits to form a consensual reserve to face important urgent cases.
3. The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The aforementioned assembly may also deduct sums from the net profits for the establishment of social institutions for the company's employees or to assist the existing ones of these institutions.
4. After that, the remainder shall be distributed to the shareholders at a rate of no less than (5%) five percent of the paid-up capital
5. The Ordinary General Assembly, after observing the provisions stipulated in the Articles of Association and Article 76 of the Companies Law, may allocate, after the above, 10% of the remainder to the Board of Directors' remuneration, provided that the entitlement to this remuneration is in accordance with the regulations and controls issued by the competent authority. .
6. The Ordinary General Assembly, based on the proposal of the Board of Directors, may take the appropriate decision about the remainder of the profits in a manner that does not conflict with the decisions and instructions issued by the competent authorities in this regard. The Board of Directors may, after fulfilling the regulations set by the competent authorities, distribute semi-annual and the fiscal year.

- The amount of dividends for shares is determined on the recommendation of the Board of Directors.
- The company's annual net profits after deducting all general expenses and other costs, including Sharia zakat, provisions and reserves, are distributed to ordinary shareholders.
- If the statutory reserve in a year falls below thirty percent (30%) of the paid-up capital, the deduction must be made again until the reserve reaches thirty percent (30%) of the capital.
- The general assembly of shareholders, based on the recommendation of the Board, decides the form of distribution to shareholders, whether it is a cash distribution or free shares.
- The shareholder shall be entitled to his share of the profits in accordance with the decision of the general assembly of shareholders issued in this regard. The decision shall indicate the due date and the date of distribution. The eligibility of profits shall be for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement.
- The competent supervisory authority determines the maximum period during which the board of directors must implement the decision of the ordinary assembly regarding the distribution of profits to shareholders.
- The company may also distribute interim dividends to shareholders on a semi-annual or quarterly basis in accordance with the following controls:

- The general assembly of shareholders authorizes the board to distribute interim dividends according to a resolution of the assembly, to be renewed annually.
 - The company should have good and regular profitability.
 - That it have reasonable liquidity and can reasonably expect the level of its profits.
 - That the company has distributable profits in accordance with the latest audited financial statements, sufficient to cover the profits proposed to be distributed, after deducting what has been distributed and capitalized from those profits after the date of these financial statements.
 - The board of directors must include in its annual report submitted to the general assembly of shareholders the percentage of profits distributed to shareholders during the different periods of the financial year, in addition to the percentage of profits proposed to be distributed at the end of the financial year and the total of these profits.
 - Disclosure and announcement of the dividend distribution decision on the stock market website (Tadawul) as soon as it is taken by the Board.
- Moreover, the company did not pay any quarterly, semi-annual or annual profits to the shareholders, and the Board did not recommend any distributions during the year 2021 AD due to the absence of distributable profits, as the company is still recording accumulated losses whose balance on December 31, 2021 AD amounted to 128.8 million Saudi riyals

26- Evaluating the performance of the Board of Directors and its committees:

Through the implementation of its tasks, the Nomination and Remuneration Committee has developed and implemented methods for evaluating the members of the Board of Directors and members of its various committees according to specific performance indicators. It also identifies the strengths and weaknesses of the Council and its committees, and no external party was sought for evaluation during 2021.

27- A statement of any arrangement or agreement whereby a shareholder of the company has waived any rights to profits:

No arrangement or agreement has been entered into under which one of the company's shareholders has waived any rights to profits

28- A statement of any arrangement or agreement whereby a member of the company's board of directors or a senior executive has waived any remuneration:

No arrangement or agreement has been entered into under which a member of the Company's Board of Directors or senior executives has waived any remuneration

29- A description of any transaction between the company and a related party and information related to any business or contracts in which the company is a party, or in which there is an interest for a member of the company's board of directors or for its senior executives or for any person related to any of them, including the names of those involved in the business or contracts and the nature of These acts or contracts and their conditions, duration and amount, and if there are no such acts or contracts:

There are no business or contracts entered into by the company that include a direct or indirect interest with any of the members of the Board of Directors or its senior executives.

On 30/05/2021, the General Assembly also approved the participation of a member of the Board of Directors, Mr. Haitham bin Mohammed Al-Gosaibi in the work of a competitor to the company's business.

30-Actions taken by the Board of Directors to inform its members - especially non-executives - of the shareholders' proposals and comments regarding the company and its performance:

During the year 2021 AD, the company did not receive any proposals or comments from the shareholders regarding the company and its performance, except for what was discussed in the assemblies held during the year and responding to the shareholders' inquiries and comments at the time and in the presence of the members of the Board of Directors, or by informing them of the minutes of the assembly.

31- A statement of the value of any investments or reserves established for the benefit of the company's employees.

The Company does not have any investments or reserves created by the Company for the benefit of its employees.

32- Treasury shares held by the company, detailing the uses of these shares:

The Company does not have treasury shares held by the Company.

33- A description of any interest in the class of voting shares belonging to persons (other than members of the company's board of directors, senior executives and their relatives) who have informed the company of those rights under Article 45 of the registration and listing rules, and any change in those rights during the last fiscal year:

The company has not received any notification from the shareholders under Article 45 of the registration and listing rules.

34- A description of the categories and numbers of any convertible debt instruments and any contractual securities, memoranda of subscription right or similar rights issued or granted by the company during the fiscal year, with an explanation of any compensation obtained by the company in exchange for that:

There are no classes and numbers of any convertible debt instruments, any contractual securities, memoranda of subscription right, or similar rights issued or granted by the company during the fiscal year, or any compensation obtained by the company in exchange for that.

35- A description of any redemption, purchase or cancellation 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:

There is no refund, purchase or cancellation by the Company of any redeemable debt instruments, and the value of the remaining securities.

36- A description of any transfer or subscription rights under convertible debt instruments, contractual securities, subscription right memoranda, or similar rights issued or granted by the company:

There are no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right memoranda, or similar rights issued or granted by the company

37-The auditor's reservations on the annual financial statements:

There is no reservation from the chartered accountant about the company's financial statements for the year 2021 AD.

38- Recommendation of the Board of Directors regarding changing the auditor before the end of the period for which he was appointed:

The Board of Directors did not make any recommendation during the year 2021G regarding changing the chartered accountant.

39- A statement of the number of shares owned by members of the Board of Directors and senior executives and their change during the year 2021 AD, and a description of any interest, contractual securities and subscription rights belonging to the members of the Board of Directors of the company, 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 Those rights during the last fiscal year:

39-a Board of Directors:

No.	Name	Beginning of the year		End of the year		Net Change	% Change
		Number of Shares	Debt instruments	Number of Shares	Debt instruments		
1	Eng. Mazen bin Abdul Sattar Alami	-	-	-	-	-	-
2	Mr. Abdullah bin Hamad Al Mahthal	-	-	-	-	-	-
3	Eng. Abdul Aziz bin Hamad Al Owaid	5	-	5	-	-	-
4	Mr. Haitham bin Mohammed Algosaibi	13,484	-	13,484	-	-	-
5	Eng. Omar bin Hamad Al-Madhi	-	-	-	-	-	-
6	Mr. Bakr bin Abdul Rahman Al Muhanna	-	-	-	-	-	-
7	Eng. Samir bin Mahmoud Haddad	-	-	-	-	-	-
8	Eng. Abdul Majeed bin Abdul Mohsen Al Sheikh	-	-	-	-	-	-
9	Mr. Mansour bin Abdulaziz Al-Saghir	4,000	-	4,000	-	-	-

39-b Senior Executives:

There is no reservation from the chartered accountant about the company's financial statements for the year 2021 AD.

No.	Name	Beginning of the year		End of the year		Net Change	% Change
		Number of Shares	Debt instruments	Number of Shares	Debt instruments		
1	Eng. Walid bin Hamad Al-Buthi	-	-	-	-	-	-
2	Mr. Awwad Farouk El Desouky	-	-	-	-	-	-
3	Mr. Ahmed bin Mohammed Al-Awaysya	-	-	-	-	-	-

There is no interest, contractual securities and subscription rights belonging to the members of the Board of Directors, senior executives and their relatives in the shares or debt instruments of the subsidiary company. There has been no change in that interest or those rights during the last fiscal year.

40- Penalties, penalties, precautionary measures or precautionary restrictions imposed on the company by the Authority or any supervisory, regulatory or judicial authority:

No.	Punishment/penalty/precautionary measure/precautionary restriction	The reasons for the violation	The signatory of the violation	Ways to treat it and prevent it from happening in the future
1	53,000	Violation of public health	Municipal	Conditions in stores have been corrected and officials have been directed to avoid repeat violations.
2	13,000	Building Violation	Municipal	A new building was rented for workers, as well as the needed shops maintenance was done.
3	2,000	Not licensed to practice the activity	SFDA	A letter was sent to SFDA, and the company was given a one-year grace period to issue license.

41- Acknowledgments of the following:

1) That the account records are properly prepared.

2) The internal control system was prepared on sound foundations and implemented effectively.

There is no doubt about the company's ability to continue its activities

42- Applying the provisions of the Corporate Governance Regulations:

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

Article No.	Article / Paragraph Text	Reasons not to Apply
70	Formation of a risk management committee	Instruction material
85	motivate employees	Instruction material
87	Social Responsibility	Instruction material
88	Social Action Initiatives	Instruction material
95	Formation of the Corporate Governance Committee	Instruction material

43- Company disclosures on the Saudi Stock Exchange (Tadawul) website:

The company is interested in providing all the necessary information that enables shareholders and the public to be informed of the important developments, events and strategic decisions of the company. Accordingly, the most important events and developments during the year 2021 AD were announced as

No.	Announcement Date	Announcement Title
1	05/01/2021AD	Inviting its shareholders to attend the Ordinary General Assembly meeting (first meeting)
2	07/01/2021AD	Addendum announcement regarding the company's shareholders' invitation to the first meeting of the general assembly of shareholders
3	21/01/2021AD	The Saudi Fisheries Company announces the start of the electronic voting date on the item of the Ordinary General Assembly meeting (first meeting)
4	27/01/2021AD	Results of the Ordinary General Assembly Meeting (first meeting)
5	11/03/2021AD	Annual financial results ended on 31-12-2020
6	02/05/2021AD	Inviting its shareholders to attend the Extraordinary General Assembly meeting (the first meeting) by means of modern technology
7	10/05/2021AD	Preliminary Financial Results for the Period Ended on 31-03-2021 (Three Months)
8	26/05/2021AD	The start of electronic voting on the items of the extraordinary general assembly meeting (the first meeting) by means of modern technology (reminder announcement)
9	31/05/2021AD	Results of the Extraordinary General Assembly Meeting (Second Meeting)
10	19/08/2021AD	Preliminary financial results for the period ended 30-06-2021 (six months)
11	19/10/2021AD	Signing a memorandum of understanding with the Arab Agricultural Services Company (ARASCO)
12	03/11/2021AD	Preliminary Financial Results for the Period Ended on 30-09-2021 (Nine Months)

End of Board of Directors Report