



**AI Hassan Ghazi Ibrahim Shaker Company's Announcement to invite its Shareholders to Attend the Extraordinary General Assembly Meeting including capital decrease (First Meeting) by means of modern technology.**

item	Clarification
Introduction	The Board of Directors of AI Hassan Ghazi Ibrahim Shaker Company is pleased to invite its shareholders to attend the Extraordinary General Assembly's meeting (first meeting), which will be held, by means of modern technology, on Sunday 14/10/1443 corresponding to 15/05/2022
City and Location of the General Assembly's Meeting	Head quarter of Shaker Company located in El Shafah, Riyadh - through the modern technology
URL for the Meeting Location	<a href="https://tadawulaty.com.sa">https://tadawulaty.com.sa</a>
Date of the General Assembly's Meeting	15-05-2022 Corresponding to 14-10-1443
Time of the General Assembly's Meeting	8:30PM
Attendance Eligibility	Each shareholder registered in the shareholders register in the Securities Depository Center at the end of trading preceding prior to the Extraordinary General Assembly Meeting, have the right to attend the Extraordinary General Assembly as per the Laws and Regulations
Quorum for Convening the General Assembly's Meeting	According to article 34 of the company's Articles of Association, The quorum necessary for this Extraordinary General Assembly meeting is shareholders representing 50% of the Company's capital; however, if the quorum was not present for the first meeting, a second meeting will convene an hour after the allocated time slot of the first, and that meetings' quorum necessary is shareholders representing quarter of the Company's capital.
General Assembly Meeting Agenda	<p>1- Vote on the board's recommendation to reduce the company's capital as follows:</p> <ul style="list-style-type: none"> <li>- The company's capital before the reduction: (630,000,000) SAR</li> <li>- The company's capital after the reduction: (482,334,000) SAR</li> <li>- Number of shares before reduction: (63,000,000) Share</li> <li>- Number of shares after reduction: (48,233,400) Share</li> <li>- Reduction rate: 23.44% of the company's capital</li> <li>- The reason for the capital reduction: to restructure the capital and extinguish the ratio of (23,44%) of accumulated losses as of September 30, 2021, with a value of (147,666,000) SAR</li> <li>- Capital reduction method: cancellation of (14,766,600) shares of the company's shares, i.e. cancellation of 2.34 shares for each 10 shares.</li> <li>- Reduction date: At the end of the second trading day following the date of the extraordinary General Assembly in which it decided to reduce capital</li> <li>- Impact of capital reduction on the company's obligations: there is no impact of reducing the company's capital on its financial obligations</li> <li>- Voting on the amendment of article (7) of the company's Bylaws, relating to the company's capital ( attached)</li> </ul> <p>2- Vote on the amendment of article (31) of the company's Bylaws, relating to the General Assemblies Invitation. (attached)</p>



	<p>3- Vote on the amendment of article (42) of the company's statutes, relating to the Audit Committee's reports (attached)</p> <p>4- Vote on the Board of Directors report for the fiscal year ended December 31, 2021.</p> <p>5- Vote on the auditor's report for the fiscal year ended December 31, 2021.</p> <p>6- Vote on audited financial statements for the fiscal year ended December 31, 2021.</p> <p>7- Voting on the disbursement of an amount 1,400,000 SR is rewarded to board members for the fiscal year ended December 31, 2021.</p> <p>8- Vote to discharge the members of the Board of Directors for the fiscal year ended December 31, 2021.</p> <p>9 - Vote on the election of board members among the candidates for the next session, which begins from 1443-10-24 corresponding to 2022-05-25 and lasts for three years, ending on 1446-11-26, corresponding to 2025-05-24 (Candidates' resume attached).</p> <p>10- Vote on the formation of the review committee, its functions, its work controls, and the rewards of its members for the new session, starting from 1443-10-24, corresponding to 2022-05-25, and its three-year term, which ends on 1446-11-26, 2025-05-24, with candidates (attached to their resumes) being:</p> <p>1- Mr. Eid Faleh Al Shammary (Chairman)  2- Mr. Ahmed Zaki Al Fraih (Member)  3- Mohamed Abdulmohsen Algrenees (Member)</p> <p>11- Vote on the appointment of an external auditor in accordance with the recommendation of the Audit Committee for the financial audit and review of the Company's financial statements for the second, third, and 2022 year end, and the first quarter of 2023 and determining their fees.</p> <p>12- Voting on the business and contracts concluded between the Company and Himmah Capital, in which the Chairman of the Board, Mr. Abdulelah Abunayyan, and the Board Member, Mr. Musaab Al-Mubaidib, have an indirect interest, which is a contract with an independent advisory to participate in reducing and increasing the company's capital, noting that the transactions and The contracts for the year 2021 amounted to 750,000 riyals, and there are no preferential terms in this deal (attached)</p>
Proxy Form	Attached
E-Vote	Please note that the shareholders are able to electronically vote on agenda items through the services of Tadawulaty starting from Thursday 12/05/2022 Corresponding to 11/10/1443 at 10:00 a.m. until the end of the Extraordinary General Assembly, and the electronic voting mechanism is available with no cost for all shareholders through the following link: <a href="http://www.tadawulaty.com.sa">www.tadawulaty.com.sa</a>
Eligibility for Attendance Registration and Voting	Eligibility for Registering the Attendance of the General Assembly's Meeting Ends upon the Convenience of the General Assembly's Meeting. Eligibility for Voting on the Business of the Meeting Agenda Ends upon the Counting Committee Concludes Counting the Votes
Method of Communication	All shareholder's inquires and questions ,please contact the company via: Email : <a href="mailto:k_benjelayel@shaker.com.sa">k_benjelayel@shaker.com.sa</a> Tell : 0112638900 ext:11503
Additional Information	Remote voting will suffice



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Annual Audit Committee Report 2021  
Al Hassan Ghazi Ibrahim Shaker





## Audit Committee

The role of the Audit Committee (the Committee) in Al Hassan Ghazi Ibrahim Shaker Company (the Company) is to supervise and control the financial reporting procedures in accordance with the Committee's task list approved by the General Assembly on December 20, 2017, in addition to the risk management procedures in light of the financial statements, auditor's reports and operations Operational, administrative and internal control framework adopted in the company. In general, the committee has the full authority to investigate any activity within its competencies or anything requested of it in particular, especially the committee's unrestricted access to all records and employees in the company and submit reports to the board of directors that include reference to any potential fundamental risks related to the failure of controls, or management risk or compliance.

### Statement of meetings and attendance of members of the audit committee:

During the fiscal year 2021, the Audit Committee held (8) eight meetings during the current Board session, which started on 25/05/2019, and the attendance of the members was as follows:

Name	03/17/2021	02/05/2021	06/23/2021	12/08/2021	08/18/2021	07/10/2021	10/31/2021	12/21/2021	Total
<b>Turki Aluhaid (Committee Chairman)</b>	√	√	√	√	√	√	√	√	8/8
<b>Eid Faleh Al Shamry</b>	√	√	√	√	√	√	√	√	8/8
<b>Ahmed Zaki Al- Fraih</b>	√	√	√	√	√	√	√	√	8/8



## The scope of work of the Audit Committee during 2021 revolved around:

### A- Financial reports and auditor's reports through the following:

- 1) Reviewing the preliminary and annual financial statements before presenting them to the board of directors to ensure their integrity and fairness; With an opinion and recommendations for that.
- 2) Review the audit plan with the external auditor and verify that he has not submitted technical or administrative works outside the scope of the audit work and make any observations on them.
- 3) Studying the auditor's reports and notes on the financial statements and following up on the actions taken in their regard.
- 4) Recommend to the Board of Directors regarding the selection of the external auditor, supervision of the auditor's activities and performance evaluation.

### B- Internal Audit:

- 1) Monitor and supervise the performance and activities of the company's internal audit department, in accordance with the annual internal audit plan in order to ensure its effectiveness in implementing the activities and tasks specified for it.
- 2) Studying internal audit reports and following up the implementation of corrective measures for the observations that were recorded on the work units and departments in the company.
- 3) To ensure the principle of independence, the Internal Audit Department and the external auditors submit direct reports to the Audit Committee without any interference from any party.

### C- Risk Management

The Audit Committee approved the internal audit plan for the year 2021, in order to ensure that the plan was strong and specifically targeted at identifying risks within the company. The Committee, on a regular basis, through the meetings held, discusses and follows up on the audit plan, in addition to the reports and observations provided by the Internal Audit Department through the following:

- 1) Any major potential risks are highlighted to management and prioritized based on them (high/medium/low) in each audit report to ensure timely productivity and effective closing of recorded observations.
- 2) In the event of repeated failure to comply with the audit observations according to the agreed time ranges, without any justifiable reason or reasons, senior management is called for explanation with corrective action plans.
- 3) The management takes all necessary measures to address the main observations highlighted by the internal audit reports or the auditors.



## Audit Committee Opinion

- In light of the foregoing, and based on periodic reports, the Audit Committee oversees the internal audit work in the company on a regular basis to ensure the adequacy and effectiveness of the internal control system in general, and in relation to the fairness of the financial statements in particular, and to provide a continuous evaluation of the internal control system, pay attention to any observations found, and deal with them, all of which falls within the objectives of the Audit Committee. The Audit Committee's attention was drawn to the results of the annual review of the effectiveness of the company's internal control procedures by the results of the annual review, which led it to believe that there is a fundamental shortcoming that requires disclosure, that the control system has made many improvements during the year, and that the company continues to be evaluated and reviewed by the Audit Committee on a regular basis.

**Chairman of Audit Committee**

A handwritten signature in black ink, appearing to be 'Turki Alluhaid'.

**Turki Alluhaid**



Proxy form	نموذج التوكيل
<p><b>Dear AI Hassan Ghazi Ibrahim Shaker Shareholder's</b></p> <p>The proxy form is not available, as the Extraordinary General Assembly will be conducted virtually via modern technology features , to ensure the safety of the shareholders of the company and to support the preventive and precautionary efforts and measures exerted by the competent and relevant health authorities to address the emerging Corona virus pandemic (COVID-19), and as an extension of continuous efforts exerted by all government agencies in the Kingdom of Saudi Arabia to take the necessary preventive measures to prevent its spread.</p> <p>Accordingly, the Company's management invites all shareholders to use the electronic voting available through the "Tadawulaty" service: <a href="http://www.tadawulaty.com.sa">http://www.tadawulaty.com.sa</a></p> <p>For more inquiries, please contact us via: 0112638900 ext:11503 Email : k_benjelayel@shaker.com.sa</p> <p><b>Best regards.</b></p>	<p><b>السادة/ مساهمي شركة الحسن غازي إبراهيم شاكر</b></p> <p>نموذج التوكيل غير متوفر، حيث سيتم الاكتفاء بعقد الجمعية العامة غير العادية عبر وسائل التقنية الحديثة، وذلك حرصاً على سلامة مساهمي الشركة، ودعماً للجهود و الإجراءات الوقائية والاحترازية المطبقة من قبل الجهات الصحية المختصة وذات العلاقة للتصدي لفايروس كورونا المستجد (COVID-19)، و امتداداً للجهود المتواصلة التي تبذلها جميع الجهات الحكومية في المملكة العربية السعودية في اتخاذ التدابير الوقائية اللازمة لمنع انتشاره.</p> <p>عليه، تدعو إدارة الشركة جميع المساهمين إلى استخدام التصويت الإلكتروني المتاح عبر خدمة تداولاتي: <a href="http://www.tadawulaty.com.sa">http://www.tadawulaty.com.sa</a></p> <p>وفي حال وجود أي استفسار، يرجى التواصل معنا عن طريق:</p> <p>0112638900 ext:11503 Email : k_benjelayel@shaker.com.sa</p> <p><b>وتقبلوا وافر التحية والتقدير</b></p>



Article No.	The provision of the article "Before"Amendment	The provision of the article "After Amendment
7	<p>Capital:</p> <p>The company's capital was set at (630,000,000) six hundred and thirty million riyals, divided into (63,000,000) sixty-three million shares of equal value, each with a nominal value of (10) riyals, all of which are ordinary shares.</p>	<p>Capital:</p> <p>The company's capital was set at (482,334,000) four hundred and eighty-two million three hundred and thirty-four thousand riyals, divided into (48,233,400) forty-eight million two hundred and thirty-three thousand and four hundred shares of equal value, each with a nominal value of (10) riyals, all of which are ordinary shares.</p>
٣١	<p>General or special assemblies of shareholders are convened upon the invitation of the board of directors, in accordance with the companies' system and regulations, and the board of directors must invite the ordinary general assembly to convene if requested by the audit of the accounts or the audit committee or a number of shareholders representing (5%) of the capital at least, and the auditor may invite the assembly to convene if the board did not invite the assembly within thirty days from the date of the auditor's request.</p> <p>The invitation to convene the general assembly shall be published in a daily newspaper distributed at the company's head office at least (ten days) before the date fixed for the meeting. Nevertheless, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the Ministry of Commerce and Investment, as well as the Capital Market Authority, within the period specified for publication.</p>	<p>General or special assemblies of shareholders are convened upon the invitation of the board of directors, in accordance with the companies' system and regulations, and the board of directors must invite the ordinary general assembly to convene if requested by the audit of the accounts or the audit committee or a number of shareholders representing (5%) of the capital at least, and the auditor may invite the assembly to convene if the board did not invite the assembly within thirty days from the date of the auditor's request.</p> <p>The invitation to convene the general assembly shall be published in a daily newspaper distributed at the company's head office at least (twenty-one) days before the date fixed for the meeting. Nevertheless, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the Ministry of Commerce and Investment, as well as the Capital Market Authority, within the period specified for publication.</p>
42	<p>The Audit Committee shall consider the company's financial statements, reports and notes provided by the auditor, and express its views on them, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other work it has undertaken within its jurisdiction. The board of directors shall deposit sufficient copies of this report at the company's head office at least (ten days) before the date of the general assembly, to provide each of the shareholders who wish to share a copy of it, and the report shall be read during the assembly.</p>	<p>The Audit Committee shall consider the company's financial statements, reports and notes provided by the auditor, and express its views on them, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other work it has undertaken within its jurisdiction. The board of directors shall deposit sufficient copies of this report at the company's head office at least (twenty-one) days before the date of the general assembly, to provide each shareholder with a copy of it, and the report shall be read during the assembly.</p>





<p>Names of the auditors' offices nominated for the accounts of Al Hassan Ghazi Ibrahim Shaker "Shaker" Company, based on the recommendation of the Audit Committee on 12/04/2022, for the second and third quarters and the final results for the fiscal year 2022, in addition to the first quarter of the fiscal year 2023:</p> <ol style="list-style-type: none"><li>1. PricewaterhouseCoopers "PWC"</li><li>2. Dr. Mohamed Al-Amri &amp; Co.</li></ol>	<p>أسماء مكاتب مراجعي الحسابات المرشحة لحسابات شركة الحسن غازي إبراهيم شاکر "شاکر"، بناء على توصية لجنة المراجعة بتاريخ ١٢/٠٤/٢٠٢٢م، وذلك للربع الثاني و الثالث و النتائج النهائية للعام المالي ٢٠٢٢م، بالإضافة إلى الربع الأول من لعام المالي ٢٠٢٣م:</p> <ol style="list-style-type: none"><li>١. مكتب السادة/ برايس ووترهاوس كوبرز PWC</li><li>٢. مكتب السادة/ الدكتور محمد العمري وشركاه - محاسبون قانونيون</li></ol>
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