



Bawan Company invites its Shareholders to attend the Ordinary General Assembly Meeting (First Meeting) through modern technology means

The Board of Directors of Bawan Company is pleased to invite the shareholders to participate and vote in the Ordinary General Assembly meeting (the first meeting), which is scheduled to be held - God willing - at 06:30 pm on Wednesday 20/10/1444 AH corresponding to 05/10/2023 AD. Via means of modern technology.

City and Location of the General Assembly's Meeting: Bawan Head Office, Al Oula Building, Muhammadiyah district - King Fahad Branch Road, Riyadh City. Via Means of Modern Technology.

URL for the Meeting Location: <https://www.tadawulaty.com.sa>

Agenda Items:

- 1- Reviewing and discussing the Board of Directors' report for the fiscal year ending on 31/12/2022.
- 2- Voting on the auditor's report on the Company's accounts for the fiscal year ending on 31/12/2022.
- 3- Reviewing and discussing the financial statements for the fiscal year ending on 31/12/2022.
- 4- Voting on releasing the Board of Directors' members from liability for the fiscal year ending on 31/12/2022.
- 5- Voting on the Board of Directors resolution regarding the distribution profits of the company for the first and second half of 2022, One and Half Saudi riyals per share, 15% of the company's capital, with a total of amount of (90.000.000) ninety million Saudi riyals. (Attached).
- 6- Voting on delegating the Board of Directors to distribute interim dividends on a semi-annual or quarterly basis to the shareholders for the fiscal year 2023.
- 7- Voting on delegating to the Board of Directors the authorization powers of the General Assembly stipulated in paragraph (1) of Article 27 of the Companies Law, for a period of one year starting from the date of the approval by the General Assembly or until the end of the delegated Board of Directors' term. Whichever is earlier, in accordance with the conditions set forth in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.
- 8- Voting on delegating to the Board of Directors the authorization powers of the General Assembly stipulated in paragraph (2) of Article 27 of the Companies Law, for a period of one year starting from the date of the approval by the General Assembly or until the end of the delegated Board of Directors' term. Whichever is earlier, this is for business and activities in the sectors of metal, wood, electricity, concrete and plastic.
- 9- Voting on the business and contracts that will be concluded between the company and Madar Building Materials Company (Purchaser). In which Mr. Abdullah Al Fozan (Non-executive member) and Mr. Fozan Al Fozan (Executive member) has an indirect interest in it, which is selling and providing commercial services, the total purchase value during 2022 was SR 57,218.2 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 10- Voting on the business and contracts that will be concluded between the company and Masdar Building Materials Company (Purchaser). In which Mr. Faisal Al Muhaidib (Non-executive member) and Mr. Raed Al Mudaiheem (Non-executive member) has an indirect interest in it, which is selling and providing commercial services, the total purchase value during 2022 was SR 174,272.3 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 11- Voting on the business and contracts that will be concluded between the company and Building Construction Company (Purchaser). In which Mr. Abdullah Al Fozan (Non-executive member) and Mr. Fozan Al Fozan (Executive member) has an indirect interest in it, which is selling and providing commercial

services, the total purchase value during 2022 was SR 22,197.5 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).

- 12- Voting on the business and contracts that concluded or will be concluded between the company and Al-Yamamah Co. for Reinforcing Steel Bars (Purchaser). In which Mr. Abdullah Al Fozan (Non-executive member) and Mr. Fozan Al Fozan (Executive member) and Mr. Raed Al Mudaiheem (Non-executive member) has an indirect interest in it, which is selling products, the total purchase value during 2022 was SR 1,462 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 13- Voting on the business and contracts that that concluded or will be concluded between the company and United Glass Industries Company (Purchaser). In which Mr. Abdullah Al Fozan (Non-executive member) and Mr. Fozan Al Fozan (Executive member) has an indirect interest in it, which is selling and providing commercial services, the total purchase value during 2022 was SR 85 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 14- Voting on the business and contracts that will be concluded between the company and Madar Bahrain Building Materials Company (Purchaser). In which Mr. Abdullah Al Fozan (Non-executive member) and Mr. Fozan Al Fozan (Executive member) has an indirect interest in it, which is selling and providing commercial services, the total purchase value during 2022 was SR 6,950.5 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 15- Voting on the business and contracts that will be concluded between the company and Madar Hardware Company (Purchaser). In which Mr. Abdullah Al Fozan (Non-executive member) and Mr. Fozan Al Fozan (Executive member) has an indirect interest in it, which is selling and providing commercial services, the total purchase value during 2022 was SR 28.8 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 16- Voting on the business and contracts that will be concluded between the company and Thabat Construction Company (Purchaser). In which Mr. Faisal Al Muhaidib (Non-executive member) and Mr. Raed Al Mudaiheem (Non-executive member) has an indirect interest in it, which is providing concrete products, the total purchase value during 2022 was SR 44,619.8 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 17- Voting on the business and contracts that will be concluded between the company and Al-Romansiah Company (Purchaser). In which Mr. Faisal Al Muhaidib (Non-executive member) has an indirect interest in it, which is selling products, the total purchase value during 2022 was SR 484.6 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 18- Voting on the business and contracts that will be concluded between the company and Madar Building Materials Company (Seller). In which Mr. Abdullah Al Fozan (Non-executive member) and Mr. Fozan Al Fozan (Non-executive member) has an indirect interest in it, which is selling and providing commercial services, the total buying value during 2022 was SR 15,115.2 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 19- Voting on the business and contracts that will be concluded between the company and Masdar Building Materials Company (Seller). In which Mr. Faisal Al Muhaidib (Non-executive member) and Mr. Raed Al Mudaiheem (Non-executive member) has an indirect interest in it, which is selling and providing commercial services, the total buying value during 2022 was SR 16,250.4 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 20- Voting on the business and contracts that will be concluded between the company and Madar Hardware Company (Seller). In which Mr. Abdullah Al Fozan (Non-executive member) and Mr. Fozan Al Fozan (Executive member) has an indirect interest in it, which is buying materials, the total buying value during 2022 was SR 356.7 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 21- Voting on the business and contracts that will be concluded between the company and Emdad Human Recourses Company (Seller). In which Mr. Faisal Al Muhaidib (Non-executive member) has an indirect interest in it, which is labor supply, the total buying value during 2022 was SR 3,150.1 thousand. These

transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).

- 22- Voting on the business and contracts that will be concluded between the company and Masdar Technical Services for Industry Company (Seller). In which Mr. Faisal Al Muhaidib (Non-executive member) and Mr. Raed Al Mudaiheem (Non-executive member) has an indirect interest in it, which is selling and providing commercial services, the total buying value during 2022 was SR 1,170.1 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 23- Voting on the business and contracts that will be concluded between the company and Madar Electrical Materials Company (Seller). In which Mr. Abdullah Al Fozan (Non-executive member) and Mr. Fozan Al Fozan (Executive member) has an indirect interest in it, which is buying materials, the total buying value during 2022 was SR 3 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 24- Voting on the business and contracts that will be concluded between the company and Thabat Construction Company (Seller). In which Mr. Faisal Al Muhaidib (Non-executive member) and Mr. Raed Al Mudaiheem (Non-executive member) has an indirect interest in it, which is providing concrete products, the total purchase value during 2022 was SR 968.2 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 25- Voting on the business and contracts that will be concluded between the company and Ajdan Real Estate Development Company (Seller). In which Mr. Abdullah Al Fozan (Non-executive member) and Mr. Fozan Al Fozan (Executive member) has an indirect interest in it, which is Bawan Company head office rent, the total rent value during 2022 was SR 403.7 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 26- Voting on the business and contracts that will be concluded between the company and Bloom Investment Saudi Company (Service provider). In which Mr. Abdullah Al Fozan (Non-executive member) and Mr. Fozan Al Fozan (Executive member) has an indirect interest in it, which is managing an investment portfolio, the total fee value during 2022 was SR 280.7 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 27- Voting on the business and contracts that concluded and will be concluded between the company and Saudi National Bank (Service provider). In which Mr. Abdullah Al Rowais (Independent member) has an indirect interest in it, which is bank facilities, the total facility value during 2022 was SR 530,093.1 thousand. These transactions are based on commercial bases, and there are no special conditions associated with them. (Attached).
- 28- Voting on the participation of the Board member Mr. Abdullah Al Fozan (Non-executive member) in a business competing with the Company's business. (Attached).
- 29- Voting on the participation of the Board member Mr. Faisal Al Muhaidib (Non-executive member) in a business competing with the Company's business. (Attached).
- 30- Voting on the participation of the Board member Mr. Fozan Al Fozan (Executive member) in a business competing with the Company's business. (Attached).
- 31- Voting on the participation of the Board member Mr. Raed Al Mudaiheem (Non-executive member) in a business competing with the Company's business. (Attached).

Attendance Eligibility: Each shareholder registered in the company's shareholder register at the Depository Center (Edaa) at the end of the trading session preceding the meeting of the General Assembly has the right to attend the meeting of the General Assembly, and according to the rules and regulations, shareholders have the right to discuss the topics on the agenda of the Assembly and inquiries about it.

Quorum for Convening the General Assembly's Meeting: According to Article (35) of the company's articles of association, the legal quorum for holding the company's ordinary general assembly meeting is the presence of shareholders representing a quarter of the capital. In the event of a lack of a quorum, a second meeting will be held



in an hour after the end of the period specified for the first meeting, and the second meeting shall be valid whatever the number of shares represented therein.

Electronic Voting: The shareholders registered in Tadawulaty services may vote electronically on the agenda of the Ordinary General Assembly Meeting (AGM) starting on Saturday at 1:00 AM on 16/10/1444 AH corresponding to 06/05/2023 until the time the general assembly meeting ends. Please note that registration in Tadawulaty service and voting is provided free of charge for all shareholders through the (E-Voting) services at: <https://www.tadawulaty.com.sa>.

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 Meeting Agenda ends upon concludes counting the votes by the counting committee.

Method of Communication: The questions and inquiries of the shareholders will be received by directing them to the Company's Compliance and Governance Department during the working hours through (00966-11-291-7799), Ext. (1700), and via e-mail: abdulhadi.zafar@bawan.com.sa.

To the shareholders of Bawan Company

Audit Committee Report to the General Assembly for the financial year ended 31 December 2022

The formation of the Audit Committee

The Audit Committee is an independent committee formed on the approval of the General Assembly of Bawan Company with the commencement of the current cycle of the Board on 26 September 2022. The Audit Committee is one of the committees of the Board of Directors and consists of three members: the chairman – who is an independent Board member – and two members from outside the Board.

Summary of the most significant activities undertaken by the Audit Committee during 2022:

The Audit Committee held five meetings during 2022; a table presenting the dates and attending members for each meeting can be found at the end of this report. The main activities carried out by the Audit Committee were as follows:

- Meeting to discuss the quarterly interim financial statements for the first, second and third quarters of 2022, and the consolidated annual financial statements for the financial year ended 31 December 2021 and the year ended 31 December 2022 (in a meeting held in 2023), and recommending their approval by the Board.
- Meeting the external auditor to discuss the quarterly and annual financial statements to obtain assurance from him that they have been prepared in accordance with accounting standards and that he has no material observation that he wishes to present to the Audit Committee.
- Reviewing the external auditor's plan and scope, monitoring the progress of his work and obtaining assurance concerning his independence.
- During 2022, the Audit Committee reviewed the quotations obtained from external audit firms authorized by the Capital Markets Authority. Based on these procedures, the Committee made a recommendation of two firms to the Board for nomination to the General Assembly to consider for the appointment of one of them as auditor for the Company and its subsidiaries for 2022 and until the first quarter of 2024.
- Reviewing, commenting on and then approving the internal audit plan and budget for 2022 presented by the Company's internal audit department, monitoring the plan's execution, and reviewing the department's performance.
- Studying and discussing the reports of the internal audit department in accordance with the internal audit plan approved by the Committee, with an emphasis on continuous work on resolving the higher-risk observations, and following up on implementation.
- Reviewing the extent of progress in closing the observations in the internal audit reports.
- Monitoring the performance of the compliance department with regard to the Company's compliance with the relevant laws and regulations

Opinion of the Audit Committee on the sufficiency of the internal control system

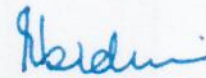
The system of internal control aims to provide assurance on the achievement of the Company's objectives effectively and efficiently. This includes issuing reliable financial reports and compliance with rules, regulations and policies, as well as managing the potential risks to mitigate their impact on the achievement of Company objectives. The system of internal control also plays an important role in preventing and detecting fraud and safeguarding the Company's resources. The management of the Company is responsible for establishing an effective and comprehensive system of control that is appropriate for the level of risk to which the Company is exposed - at a reasonable cost - and that provides acceptable assurance on the avoidance of material mistakes and the losses that could result from them. The Audit Committee continually reviews the periodic reports prepared by the internal and external auditors and the management of the Company related to internal control. Based on this, no material weakness in the internal control procedures performed became apparent to the Audit Committee, whilst acknowledging that any internal control system, regardless of how well designed, cannot provide absolute assurance.

Committee meetings during 2022							
Member name	Nature of membership	First meeting 19/01/2022	Second meeting 27/02/2022	Third meeting 27/04/2022	Fourth meeting 08/08/2022	Fifth meeting 27/10/2022	Total
Abdullah AbdulRahman Al Rowais	Chairman	✓	✓	✓	✓	✓	5
Khenneth Charles Ebrahim	Member	✓	✓	✓	✓	✓	5
AbdelMuti Wasfi AbdulHadi	Member	✓	✓	N/A	N/A	N/A	2
Abdullah Saghir Al Hussaini	Member	N/A	N/A	✓	✓	✓	3



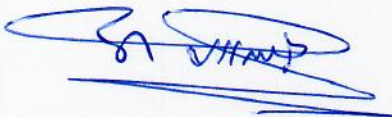
Abdullah Al Rowais

Chairman of the Audit Committee



Khenneth Ebrahim

Committee Member



Dr. Abdullah Al Hussaini

Committee Member

M/S. Honorable shareholders of Bawan Co.

Peace and God's mercy and blessings be upon you,

Proceeding from the principle of the company's commitment to the regulations and legislation issued by the competent authorities, and in order to achieve the principle of disclosure and transparency, and based on Article 71 of the Companies Law which states that the Board of Directors should inform the Ordinary General Assembly when it is convened about the transactions and contracts in which one of the Board members has a direct or indirect interest. Therefore, the Board of Directors inform your esteemed assembly about the transactions and contracts in which a member of the Board of Directors has a direct or indirect interest and that took place during the year ending on December 31, 2022 AD.

A- Bawan Company and its subsidiaries sales

The related entity	Member name	Transaction value (in thousands SAR)	Transaction or contract duration	Transaction or contract type
Madar Building Materials Company	Abdullah Al Fozan and Fozan Al Fozan	57,218.2	Not applicable - Dealing based on purchase orders	Selling and providing commercial services
Madar Bahrain Building Materials Company	Abdullah Al Fozan and Fozan Al Fozan	6,950.5	Not applicable - Dealing based on purchase orders	Selling and providing commercial services
Masdar Building Materials Company	Faisal Al Muhaidib and Raed Al Mudaiheem	174,272.3	Not applicable - Dealing based on purchase orders	Selling and providing commercial services
Building and Construction Company	Abdullah Al Fozan and Fozan Al Fozan	22,197.5	Not applicable - Dealing based on purchase orders	Selling and providing commercial services
Madar Hardware Company	Abdullah Al Fozan and Fozan Al Fozan	28,8	Not applicable - Dealing based on purchase orders	Selling and providing commercial services
Thabat Construction Company	Faisal Al Muhaidib and Raed Al Mudaiheem	14	Not applicable - Dealing based on purchase orders	Selling and providing commercial services
		44,605.8	One year started on 31/01/2022	
Al-Romansiah Company	Faisal Al Muhaidib	484.6	Not applicable - Dealing based on purchase orders	Selling products
Al-Yamamah Co. for Reinforcing Steel Bars	Abdullah Al Fozan and Fozan Al Fozan and Raed Al Mudaiheem	1,462	Not applicable - Dealing based on purchase orders	Selling products
United Glass Industries Co.	Abdullah Al Fozan and Fozan Al Fozan	85	Not applicable - Dealing based on purchase orders	Selling products

B- Bawan Company and its subsidiaries purchases

The related entity	Member name	Transaction value (in thousands SAR)	Transaction or contract duration	Transaction or contract type
Madar Building Materials Company	Abdullah Al Fozan and Fozan Al Fozan	15,155.2	Not applicable - Dealing based on purchase orders	Buying materials
Masdar Building Materials Company	Faisal Al Muhaidib and Raed Al Mudaiheem	16,250.4	Not applicable - Dealing based on purchase orders	Buying and providing commercial services
Madar Hardware Company	Abdullah Al Fozan and Fozan Al Fozan	356.7	Not applicable - Dealing based on purchase orders	Buying materials
Emdad Human Recourses Company	Faisal Al Muhaidib	3,150.1	two years and renewed automatically	Labor supply
Masdar Technical Services for Industry Co., Ltd.	Faisal Al Muhaidib and Raed Al Mudaiheem	1,170.1	Not applicable - Dealing based on purchase orders	Buying and providing commercial services
Madar Electrical Materials Company	Abdullah Al Fozan and Fozan Al Fozan	3	Not applicable - Dealing based on purchase orders	Buying materials
Thabat Construction Company	Faisal Al Muhaidib and Raed Al Mudaiheem	968.2	Not applicable - Dealing based on purchase orders	Buying materials

C- Lease charges and management fee and commission paid and bank facilities:

The related entity	Member name	Transaction value (in thousands SAR)	Transaction or contract duration	Transaction or contract type
Ajdan Real Estate Development Company	Abdullah Al Fozan and Fozan Al Fozan	403,7	A year and renewed automatically	Bawan Company head office rent
Bloom Investment Saudi Company	Abdullah Al Fozan and Fozan Al Fozan	280,7	A year and renewed automatically	Managing an investment portfolio
Saudi National Bank	Abdullah Al-Rowais	530,093.1	A year and renewed by mutual agreement	Bank facilities

- We confirm to the respected shareholders that the transactions described in this statement have been reviewed and approved by the Chief Executive Officer, the Managing Director of the company, and the company's Board of Directors.



On behalf of the Board
Mr. Abdullah Abdulatif Al Fozan
 Chairman of the Board of
 Directors





PKF

Ibrahim Ahmed Al-Bassam & Co.
Certified Public Accountants
(Member of PKF International)

The Shareholders of
Bawan Company
(A Saudi Joint Stock Company)
Al-Riyadh, Kingdom of Saudi Arabia

REPORT ON THE DECLARATION SUBMITTED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

As an auditor of Bawan Company (the “Company”), we have undertaken a limited assurance engagement in respect of the accompanying declaration of related party transactions and contracts for the year ended 31 December 2022 relating to Bawan Company signed by the Chairman of the Board of the Directors of the Company in accordance with the applicable criteria mentioned below so as to comply with the requirements of Article (71) of the regulations for companies (the “Declaration”).

Subject matter

The subject matter for our limited assurance engagement is the Declaration prepared by the management of the company and approved by the chairman of the Board of Directors as attached to this report and submitted to us.

Criteria

The applicable criteria are the requirement of Article (71) of Regulations for Companies issued by the Ministry of Commerce (2015-1437H) which states that the Company shall declare such interests for the approval of the General Assembly of the Company. The Board member must notify the Board of such interest and excuse himself in vote by the Board to approve such transactions or contracts. The Chairman of the Board will notify the General Assembly of transactions and contracts in which a member of the Board has a direct or indirect interest.

Management’s responsibility

Management of the Company is responsible for the preparation of the Declaration in accordance with the Criteria and ensuring its completeness. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Declaration that is free from material misstatement, whether due to fraud or error.

A member of the Board of directors must inform the board of his direct and indirect interest in the transactions and contracts that have been performed to the company.

Our independence and quality control

We have complied with the independence requirements of the code of professional conduct and ethics, endorsed in the Kingdom of Saudi Arabia, and the ethical requirements that are relevant to our limited assurance engagement and other professional requirements endorsed in the Kingdom of Saudi Arabia, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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REPORT ON THE DECLARATION SUBMITTED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS (Continued)

Our independence and quality control (Continued)

Our firm applies International Standard on Quality Control, as endorsed in the Kingdom of Saudi Arabia, and accordingly maintains a comprehensive system of quality control that ensures professional conduct and ethics, including detailed independence that is founded on fundamental principles of integrity, objectivity, professional competence and due care, professional conduct and behavior, and the statutory and regulatory applicable requirements.

Our responsibilities

Our responsibility is to express a limited assurance conclusion on the Declaration based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information', as endorsed in the Kingdom of Saudi Arabia. This standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Company has not complied with the applicable requirements of Article 71 of the Regulation for Companies in the preparation of the Declaration, for the year ended 31 December 2022.

The procedures selected depend on our judgment, including the assessment of risks such as failure of systems and controls, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's compliance with the requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration. Our procedures included examining, on a test basis, evidence supporting systems and controls in respect of the preparation of the Declaration in accordance with the requirements of Article 71 of the Regulations for Companies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Summary of work performed

We have planned and performed the following procedures to obtain limited assurance over the Company's compliance with the requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration:

- Discussed with the Company's management the process for conducting business and entering into contracts with any of the Board members.
- Obtained the accompanying Declaration signed by the Chairman that includes the lists of all transactions and contracts entered into by any of the Board members of the Company, either directly or indirectly, with the Company during the year ended 31 December 2022.



PKF

Ibrahim Ahmed Al-Bassam & Co.

Certified Public Accountants
(Member of PKF International)

REPORT ON THE DECLARATION SUBMITTED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS (Continued)

Summary of work performed (Continued)

- Reviewed the minutes of the Board meetings that indicates that the concerned Board member notified the Board on the transactions and contracts entered into by that Board member and further that the concerned board member did not vote on the resolution issued in this regard at the meetings of the Board.
- Tested the consistency of the transactions and contracts included in the Declaration with the disclosure in note 19 to the audited financial statements.

Inherent limitations

Our procedures regarding systems and controls relating to the preparation of the Declaration in accordance with the requirements of Article 71 of the Regulations for Companies, are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Furthermore, such procedures may not be relied upon as evidence of the effectiveness of the systems and controls against fraudulent collusion, especially on the part of those holding positions of authority or trust.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised) as endorsed in the Kingdom of Saudi Arabia. Consequently, the nature, timing and extent of the procedures outlined above for gathering sufficient appropriate evidence were deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Our procedures did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements as endorsed in the Kingdom of Saudi Arabia and accordingly we do not express an audit or a review opinion in relation to the adequacy of systems and controls.

This conclusion relates only to the Declaration for the year ended 31 December 2022 and should not be seen as providing assurance as to any future dates or periods, as changes to systems or controls may alter the validity of our conclusion.

Limited assurance conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with the applicable requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration of related party transactions for the year ended 31 December 2022.

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**REPORT ON THE DECLARATION SUBMITTED BY THE CHAIRMAN OF THE
BOARD OF DIRECTORS (Continued)****Restriction of use**

This report, including our conclusion, has been prepared solely upon the request of the management of the Company, to assist the Company and its Chairman of the Board of Directors in fulfilling their reporting obligations to the General Assembly in accordance with Article 71 of the Regulations for Companies. The report should not be used for any other purpose or be distributed to or otherwise quoted or referred to, without our prior consent to any other parties other than the Ministry of Commerce, Capital Market Authority and the shareholders of the Company.

Al Bassam & Co.

P.O. Box 69658
Riyadh 11557
Kingdom of Saudi Arabia



Ibrahim Ahmed Al-Bassam
Certified Public Accountant
License No. 337

April 11, 2023
Ramadan 20, 1444H



**Participation of the Board member in a business competing with the
Company's business**

#	Board Member Name	The Competing Company	Company description	Member Role
1	Mr. Abdullah Al Fozan	1- Madar Building Materials Company. 2- Madar Electrical Materials Company.	1- The company operates in several sectors of building materials: Wood, rebar and metal. 2- The company operates in the retail sale of electrical appliances, their extensions, and the sale of electrical and communication cables.	1- The member is a member of the board of directors of this company. 2- The member is a member of the board of directors of companies that own shares on this company.
2	Mr. Faisal Al Muhaidib	Masdar Building Materials Company.	The company operates in several sectors, including rebar and steel of all kinds, such as steel tubes, plate iron, and metal fabric. It also includes a wide variety of wood, fasteners, and other technical materials in addition to machinery and equipment.	The member is a member of the board of directors of this company
3	Mr. Fozan Al Fozan	1- Madar Building Materials Company. 2- Madar Electrical Materials Company. 3- Yamamah steel.	1- The company operates in several sectors of building materials: Wood, rebar and metal. 2- The company operates in the retail sale of electrical appliances, their extensions, and the sale of electrical and communication cables. 3- The company operates in the production and wholesale and retail trade of rebar.	1- The member is a member of the board of directors of this company. 2- The member is a member of the board of directors of companies that own shares on this company. 3- The member is a member of the board of directors of this company.
4	Mr. Raed Al Mudaiheem	1- Masdar Building Materials Company. 2- Al Yamamah Steel Industries. 3- Yamamah steel.	1- The company operates in several sectors, including rebar and steel of all kinds, such as steel tubes, plate iron, and metal fabric. It also includes a wide variety of wood, fasteners, and other technical materials in addition to machinery and equipment. 2- The company operates in the production and sale of iron and steel products. 3- The company operates in the production and wholesale and retail trade of rebar.	The member is a member of the board of directors of these companies.



Bawan Board of Director Resolution dated 08/08/2022

The Board of Directors of Bawan decided on August 08, 2022 to distribute cash dividends to the shareholders of the company for the first half of 2022, as following:

- 1- The total amount distributed is SR 51 Million.
 - 2- Dividend per share SAR 0.85.
 - 3- Percentage of dividend to the share par value is 8.5%.
 - 4- Number of shares eligible for dividends is 60 Million Shares.
 - 5- The entitlement shall be for the shareholders who own the shares at the close of trading on Thursday August 18, 2022 and as per the shareholders' registry in Securities Depository Center (EDAA) at the end of second trading day following the entitlement date.
 - 6- Distribution date is Tuesday, September 06, 2022.
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Bawan Board of Director Resolution dated 02/03/2023

The Board of Directors of Bawan decided on March 02, 2023 to distribute cash dividends to the shareholders of the company for the second half of 2022, as following:

- 1- The total amount distributed is SR 39 Million.
- 2- Dividend per share SAR 0.65.
- 3- Percentage of dividend to the share par value is 6.5%.
- 4- Number of shares eligible for dividends is 60 Million Shares.
- 5- The entitlement shall be for the shareholders who own the shares at the close of trading on Thursday, March 23, 2023 and as per the shareholders' registry in Securities Depository Center (EDAA) at the end of second trading day following the entitlement date.
- 6- Distribution date is Thursday, April 06, 2023.