

**Board of Directors Report for the year 2021**  
**Al-Hassan Ghazi Ibrahim Shaker Company**



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## Chairman's speech

Dear Shareholders,

Shaker's growth journey has successfully went through several significant stages in 2021 in a business environment facing a variety of challenges, paving the way towards achieving more sustainable development and strong expansion in the future. Our business has become more dynamic, organizationally better and operationally efficient than it has been for several years. We are beginning to reap the benefits of this improvement in a way that is commercially and financially measurable.

Our profit making is one of such benefits. Building on our return to profitability in 2020, I am delighted that we were able to increase earnings in 2021 on behalf of our shareholders. We are grateful for their trust and are committed to providing them with more value in the future.

Our mission to be the consumer's first and best choice in the home appliance sector in the Kingdom, as well as the ideal partner for brands, is close to bearing fruit throughout the year. This was demonstrated by our strong sales growth, as sales of many of our home appliances, as well as air conditioners, demonstrated durable growth. This trend is the direct result of the carefully considered and effective strategy pursued by the Shaker Group as well as the efforts made by our employees in implementing this strategy. In addition, the increase in sales was supported by the recovery in the consumer market in the Kingdom in general, due to the mitigation of the effects of the Corona Virus (Covid-19) pandemic over the course of 2021 as well as the far-sighted management by the government of the economy and business environment.

### New era

The boom in consumer activity along with the transformation of the Shaker Group enabled the group to propose a far-reaching capital restructuring in 2021 with the aim of drawing a line under the financial burdens of the past and launching Shaker into a new era of achievement. Reducing accumulated losses through a capital reduction, which was followed by a larger capital increase and rights issue for the purpose of raising capital from shareholders, would put our financial resources on the right path for the future. The restructuring will provide an important financial flexibility, backed by increased stakeholder support and participation as we prepare and implement our impressive expansion and development plans.

Vision 2030 provides Shaker with extraordinary opportunities in many respects. On one hand, the demand for our products in the sectors in which we operate the market is expected to rapidly grow, especially as a result of the major projects emerging across the Kingdom. On the other hand, the specific products provided by the Shaker Group are well aligned with Vision 2030 of creating more cost-effective and environmentally friendly solutions to lifestyle and infrastructure needs in the Kingdom. Ensuring sustainability and caring for the environment are now integrated into the Shaker Group framework as well as our official initiatives. We increasingly share these desires with our client base, especially the younger generation, and are glad to share our ideas as well as supporting the government's efforts to build a sustainable future..

As we develop existing lines of business and expand into new ones, the priority of Shaker Group is to emphasize our focus on providing environmentally viable products and processes. This trend also supports our profitability as it enables us to provide the products demanded by the market while ensuring that our operations are organized and efficient.

### Abilities and experiences

We have also intensified our efforts to ensure that our employees are provided with a healthy and motivating work environment based on respect and professionalism. While this initiative is commendable in and of itself, it is also in line with our goal of expanding and thriving as a group, offering more products as competitively as possible and increasing our market share. Our efforts to recruit, develop, retain and promote gifted employees in recent years at all levels have proven very successful, including our endeavors in 2021. This venture has relied for the most part on our ability to create a workplace where they are able to thrive and do their best. The positive results are evident in our improved sales and financial numbers and I am confident that all of Shaker Group employees have the right capabilities and expertise as well as a commitment to deliver the next phase of our success.

I am quite happy to submit this annual report at the end of a year in which the Group has achieved so much, despite the ongoing effects of the Coronavirus (Covid-19) pandemic that has continued to impact aspects of the economy and our business operations. We at Shaker Group are eagerly looking forward to the future and ready to increase our efforts and successes on behalf of our shareholders.

**Allah is the Arbiter of Success,,,**

**Abdullah Abdullah Abunayan  
Chairman of Board of Directors**



## CEO speech

### Dear Shareholders,

At the start of the fiscal year 2021, the Shaker Group has already attained a set of new opportunities and possibilities. The group has recently returned to profitability, radically improving its organizational and operational structures and enhancing efficiency across its supply chain and operations. I am glad to state that over the course of the year we have already demonstrated creativity and functional excellence to expand and develop our business in many ways, from increasing sales of key products to developing new business relationships, focusing on areas of our business that enhance energy efficiency and introducing technology upgrades to our operations and manufacturing. These steps are directly translated into further improvements in our financial results, as net profit increased by 248.4% for the year from SAR 10.1 million in 2020 to SAR 28 million in 2021.

As the COVID-19 pandemic continues to affect the Kingdom, we made the best use of important lessons in 2021 from our experience in dealing with the virus in 2020, as we simplified our staff protocols, improved our workplaces, ensured our operations were efficient, while protecting the parties and the parties we work with from the virus in all our activities. Our success in dealing with the Corona Virus (Covid-19) pandemic reflects the enhanced levels of flexibility, rigor and commitment that the Shaker Group has demonstrated in all areas of our endeavor across all areas of our business in terms of finding new ways of working and increasing production.

### Manufacturing development

One of the amazing developments in Shaker Group's business in 2021 was the upgrade of our manufacturing joint venture with LG in Riyadh. Since its commencement in 2008, the factory has been the mainstay of our business, with significant expansion in 2019 and last year. The introduction of artificial intelligence technology and advanced robotics, as well as the introduction of in-house manufacturing of key parts, has led to a gradual change in efficiency in terms of our production speed, production capabilities of air conditioners for consumers and commercial markets, and quality assurance and control, from window and split wall units to standalone and modular units. air treatment.

In terms of home appliances, our successful entry into the TV segment by adding Panasonic brand to our product portfolio was another significant development in 2021. During the year, we also added Bompani stoves and ovens as key elements in our product portfolio after its launch in 2020. Overall, During the year, the group accomplished an 25% increase in sales of home appliances along with a 6% increase in sales of air conditioners, with significant growth in its B2B sales channels. The products included in the portfolio in 2021 were in line with our medium-term goals. Also, our e-commerce platform, launched in 2019, went from strength to strength in 2021 as consumers found our platform an easy-to-use and attractive channel for their purchases, offering customized payment services, on-delivery installation services, and value-added services.

Moreover, we significantly revamped our IT framework and security infrastructure across the board in 2021, as well as delivering further improvements in the supply chain. The Energy Services Company unit, specialized in energy-saving and retrofit solutions, also achieved significant sales growth.

### Significant growth in revenue and net profit

Our sales were strong throughout the year with revenues of SAR 1.1 billion, at an increase of 16.5% from SAR 932.7 in 2020 as Shaker Group benefited from the revival of confidence in the consumer market as well as the progress made in our business. In line with the aforementioned net profit increase, gross profit increased by 20.4% to SAR 235.5 in 2021 from SAR 195.6 million in 2020, while operating profit amounted to SAR 37, an increase of 208% from SAR 12.1 million in 2020. .

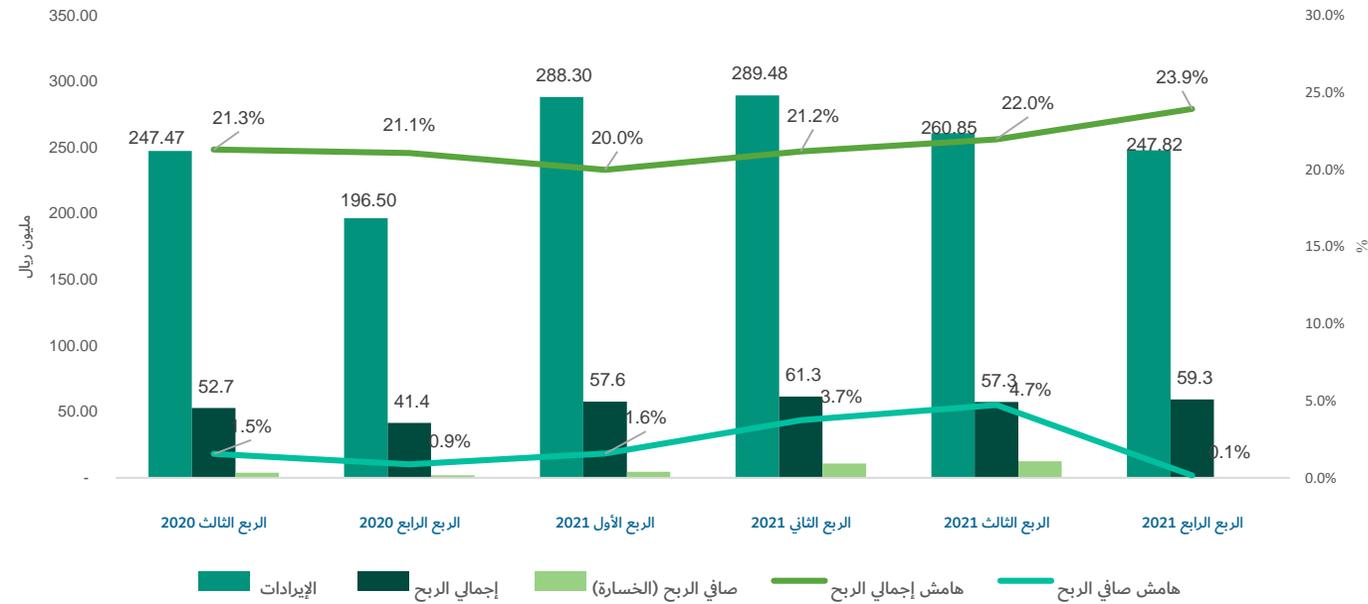
Trade receivables were little changed in 2021, having significantly declined in recent years, while inventories were slightly higher than in 2020 due to supply shortages, but they also remained much lower than they were several years ago. Staff costs decreased by 3% from SAR 87.2 million in 2020 to 85.04 and general and administrative expenses decreased by SAR 7.11.

The capital restructuring process recommended by the Board of Directors in 2021 provides a great opportunity for Shaker Group, as it focuses first on reducing capital by SAR 147.67 million, or 23.4% of the company's shares, which represents our remaining diminishing accumulated losses, followed by a capital increase through a rights issue with a larger value of SAR 249 million. This structure will reward shareholders by giving them an opportunity to become more committed to our revitalized business, with all the potential for expansion and success. It will also give Shaker Group fresh capital for the next great journey.

On a personal note, I greatly appreciate the confidence that the Board of Directors have vested in me by confirming my position as CEO in 2021, following my appointment in 2020 to the role of Acting CEO. Having spearheaded the Shaker Group's strategy and transformation initiatives for several years prior to that, I have a strong sense of the direction the group can take in the future, and I enjoy the challenges and opportunities ahead as we build the Shaker Group as a market leader in selected sectors while exponentially expanding into new paths.

**Mohamed Ibrahim Abunayan, CEO of Al Hassan Ghazi Ibrahim Shaker Company**

### The most prominent points in the income statement (million riyals)



## 1. Overview:

Al Hassan Ghazi Ibrahim Shaker Company (hereinafter referred to as “Shaker” or “the Group” or “the Company”) is a joint stock company registered in the Kingdom of Saudi Arabia by virtue of the Ministerial Resolution (Q/275) dated 08/17/1429 AH corresponding to 08/19/2008 AD. In April 2010, the company offered 10.5 million shares for public subscription in the Saudi market, representing 30% of the company's capital. The company's shares were offered for trading in the Saudi stock market on 17/5/2010. The company's capital was increased from 350 million riyals to 630 million Saudi riyals divided into 63 million shares of equal value after the extraordinary general assembly approved the increase in the company's capital on 05/21/2015. Note that the number of free shares changes from one period to another according to the movement of trading shares of Shaker Company.

The company's activity is currently focused on the trade of air conditioners, household, electrical and electronic appliances, maintenance of electrical and electronic appliances, air conditioners, the manufacture of various air conditioners, renewable energy solutions, instrumentation and control equipment, in addition to commercial agencies for companies engaged in the same activities. As the company is the exclusive agent for LG air conditioners in the Kingdom of Saudi Arabia and an authorized distributor for several companies, which are Maytag, Ariston, Indesit, Midea, Bompani ovens and Panasonic screens.

## 2. The main activities of the company and its subsidiaries:

The company's business revolves around the sales and maintenance of air conditioners and home appliances, which is the main source of the company's sales for the year 2021, at a rate of approximately 100%, as the company's sales and maintenance of LG brand air conditioners accounted for 55% of the revenue.

Sales from the trade and maintenance of household and electrical appliances of the Ariston, Indesit, Maytag and Media brands, and the main activity of the subsidiary Ibrahim Shaker Ltd. accounted for 32% of the revenues.

Sales from the trade and maintenance of household and electrical appliances of the Bompani and Panasonic brands, which represent the main activity of the subsidiary company Asdaa Al Khaleej Trading, accounted for 5% of the revenue. Sales from the trade and maintenance of home appliances and air conditioners of the LG brand, the main activity of the Modern Vision Electronics and Electrical Appliances Company, the subsidiary company in Jordan, represented 8% of the revenue.

The activity of energy efficiency and its solutions was the main activity of Emirates Energy Management Services "EMS", the subsidiary company in the United Arab Emirates, contributing 0.20% to the company's revenues.

The company adopts the maintenance activity to serve the sales and provide after-sales services, and allocates increasing amounts annually to develop and expand the coverage of this service to meet the growing needs and develop technical support points, whether through the company's service centers or approved service centers and develop the customer service center to follow up maintenance operations, complaints and customer requests which contributed to increasing productivity and facilitating follow-up.

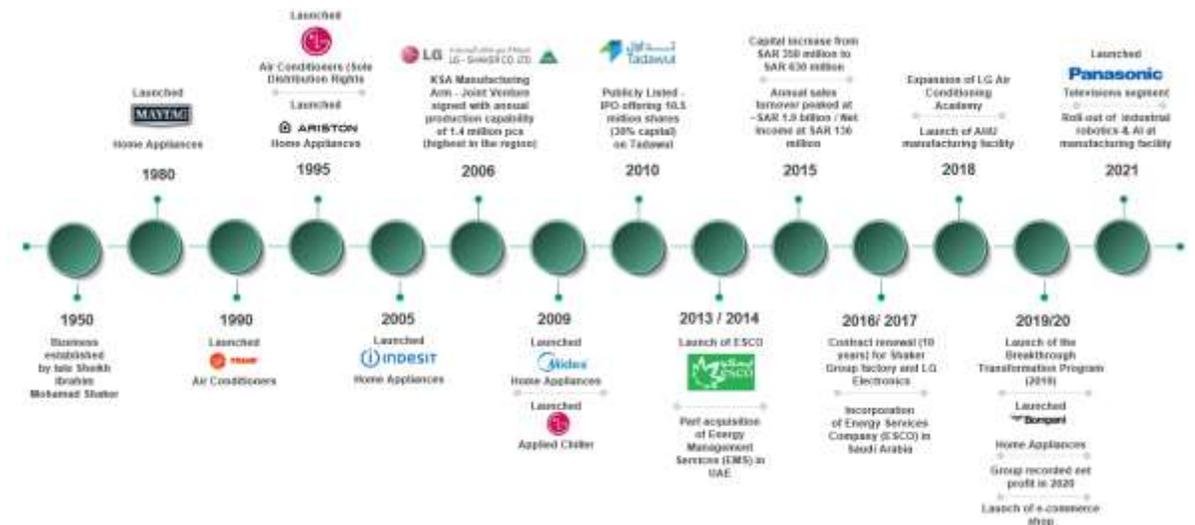
The company focuses on three main business sectors: the wholesale sector, the business to business (B2B) sector, and the projects sector - in addition to the sector providing energy-saving consultancy, rehabilitation and development services for air-conditioning systems known as the Energy Services Company unit. The company was established in Jeddah in 1950, and its headquarters has been in Riyadh since 2015.

## 3. A description of the company's plans and future expectations:

The company's vision necessitates being the best choice for the consumer and the ideal partner for brands in the electronics, consumer and home appliances sector in the Kingdom of Saudi Arabia.

The company's mission is to provide products and services with high reliability and at an appropriate cost that helps facilitate the lives of our customers and gain their trust.

The main stages the company has gone through:





### 3. A description of the company's plans and future expectations:

#### Main strengths

##### Our values

- *Efficiency and reliability*

Products, brands and services



Market-leading products, internationally-renowned brands, high-quality after sales support and service offer

Distribution



Kingdom-wide distribution network for all products, servicing all customer-types

Management



A robust management framework with senior executives offering a high level of maturity and sector expertise

Manufacturing capability



Joint Venture with LG Air Conditioning delivers benefit of cost-effective manufacturing and local distribution within the Saudi market

Growing market



The market for AC solutions and Home Appliances is expanding, supported by a growing population, increased consumer spending and disposable income

Shaker's many competitive advantages enable the Company to deliver growth and profitability and seize opportunities in the complex Saudi market.

We prioritize efficiency and reliability; we are committed to carrying out our work in to achieve our objectives by using resources appropriately and ensuring reliable delivery of projects and products.

##### • Performance

We are insistent on excellence in our business and operational processes and strive to achieve our ambitious targets by constantly raising performance levels. We work quickly, flexibly and responsibly with any challenges we face.

##### • Employees

We seek to create a healthy and stimulating work environment for our employees and partners based on respect and professionalism. We also endeavor to create an environment that promotes teamwork, where individuals can contribute, innovate and excel to fulfill consumer, personal and collective goals. Shaker Group adopts strong ethical and professional standards and emphasizes the values of integrity, transparency and cooperation.

### 3. A description of the company's plans and future expectations:

#### The company's support for Vision 2030

The company plays an important role in fulfilling the objectives of Saudi Arabia's Vision 2030, which is the kingdom's plan to diversify its economy by developing sectors such as health and education, infrastructure, entertainment and tourism. The targets include promoting self-sufficiency through industrialization and increasing trade between countries comprising consumer products and energy efficiency.

#### The company supports Vision 2030 in two main areas:

1. High-tech manufacturing and distribution for the Saudi market; this is represented in the manufacture of air conditioning units equipped with inverter technology, which are characterized, in particular, with unparalleled efficiency, and lead to the reduction of carbon emissions and the reduction of utility costs. The Shaker Air Conditioning Factory succeeded in integrating robotics and artificial intelligence technologies to enhance efficiency.
2. Providing energy efficiency consultancy and rehabilitation and innovation services for air conditioning systems at the national level through an application of the Energy Services Company (ESCO) model - a commercial concept considered the first of its kind in the local market





### 3. Description of the company's plans and future expectations:

#### Strategy outline

Shaker Group is committed to its strategy 2021-2023 which is based on three pillars: diversifying its brand portfolio and increasing its market share; further improving operational efficiency; reinforcing organizational processes and talent management. Focusing on these pillars will accelerate its progress to become the preferred choice for partners and consumers in the Saudi consumer electronics and home appliances sector, while maintaining its leading position in the air conditioning market. The objectives of Vision 2030 are deeply embodied in our strategy, which also aims to attain excellence for our customers and add value to our shareholders.

#### Brands and new products

Shaker Group was already established to be one of the major distributors of home appliances carrying the most famous international brands across the Kingdom. We strive to add a range of new brands and products to our portfolio including small household appliances. Our goal is to be among the top three suppliers in all our home appliances sectors. This goal can be achieved by heavily focusing on augmenting our market share, particularly in the refrigerators, washing machines and ovens segment. We may enter into acquisitions or rely on organic growth to achieve these objectives and expand into adjacent sectors. Shaker Group follows a specific strategy for each type of product, which is tailored to fulfill the growth expectations of this market. This strategy is supported by a renewed drive in the B2B sector, along with the expansion of our e-commerce platform to directly reach individuals. Our after-sales service renewal aims to improve consumer experience and satisfaction, as well as encourage future sales. We focus on applying technological improvements to reinforce production efficiency across all of our business sectors.

The various mega projects under development provide tremendous opportunities for the Shaker Group. Among such projects are NEOM, Amaala, the Red Sea Development Project and Qiddiya. We are in a position to take advantage of these projects, specifically in the air conditioning sector, as we are also targeting contractors and real estate developers across the Kingdom due to the completion of buildings and the increase in population expansion. In addition to contributing in this way to the economic development objectives of the Kingdom's Vision 2030, our energy-efficient products also advance its goal of cutting costs and reducing carbon emissions. We will work to develop our energy-saving services and solutions through the Energy Services Company (ESCO) model initiative, whose services have gained an increasing popularity year after year since it enabled Shaker Group to become the first company in the Saudi private sector to obtain a qualification certificate from the Saudi Energy Efficiency Center in In 2017. We will also continue to strengthen cooperation with the Saudi Center for Energy Efficiency and Tarshed and the National Energy Services Company.

#### Operations and Personnel

The strategic improvements in the operational efficiency and working capital management of Shaker Group are rely on increasing our brand awareness and intensifying our marketing activities at all levels. Smooth distribution channels, strong partnerships and a dynamic sales strategy are the crux of our success in this pillar, along with mission optimization of supply chain, prudent inventory management, close cost control across the board, and potential for consolidation of certain operational segments. Updating our information system, digitizing some of our work, and creating mobile applications are among our priorities.

Our ability to fulfill our organization's objectives is largely based on the third pillar of our strategy: upgrading the Shaker Group at the organizational level and attracting, developing and retaining the best talent. To this end, we are endeavoring to improve HR controls, processes and procedures at all levels, as well as digitize reporting and strengthen its structures so that appropriate KPIs are set and measured, employees are well managed, and communications flow through the hierarchy units freely up and down the hierarchy. .

As we head into a new period of growth and development, we also emphasize improving our capital structure and ensure that we receive an adequate funding for our expansion.

Following the strategic success of the previous Strategic Transformation Program, we are on the right path to accomplish our current strategy, and we look forward to implementing it further for the benefit of all stakeholders..



### 3. A description of the company's plans and future expectations:

#### Market future expectations

Given the International Monetary Fund's estimates for 4.8 percent GDP growth in the Kingdom in 2022, as well as a major expansion in 2023, the environment is conducive for the group's expansion strategy to be implemented. By the end of the decade, billions of Saudi riyals will have been invested through Vision 2030 and associated programmes, resulting in an infrastructure boom that will benefit all of the Shaker Group's business areas, whether in big projects or development elsewhere in the Kingdom. This trend will be supported by population growth estimated at a compound annual growth rate of 1.36% during the period from 2020 to 2025, in addition to a 4.7% compound annual growth rate (CAGR) growth in per capita disposable income from 2020 to 2024.

The Vision 2030 housing programme was created with a focus on sustainability and technology to satisfy the predicted increased demand, which is expected to rise from 99,500 units in 2021 to 15,300 units by 2030, at a rate of 124,000 units per year. Increased female employment, independent living, and housing demand are all likely to have a slight beneficial impact on family expenditure on heating, ventilation, and air conditioning, as well as appliances.

The increased activity of projects around the Kingdom, including shopping complexes, fitness and entertainment centres, hotels and restaurants, and new government and private hospitals, will boost the heating, ventilation, and air conditioning sector.

By 2024, we expect the market in one of our main sectors, air conditioners, in the Kingdom to reach approximately five billion Saudi riyals, with an annual growth rate of 3%. Revenue from home appliances in Saudi Arabia is now growing at a rate of 2% per year, and we are hopeful about future growth prospects. Furthermore, the government has set aside SAR2 billion for retrofit services in order to achieve cost-effective and energy-saving solutions. Our Energy Services Company division will stand to gain a lot from it.

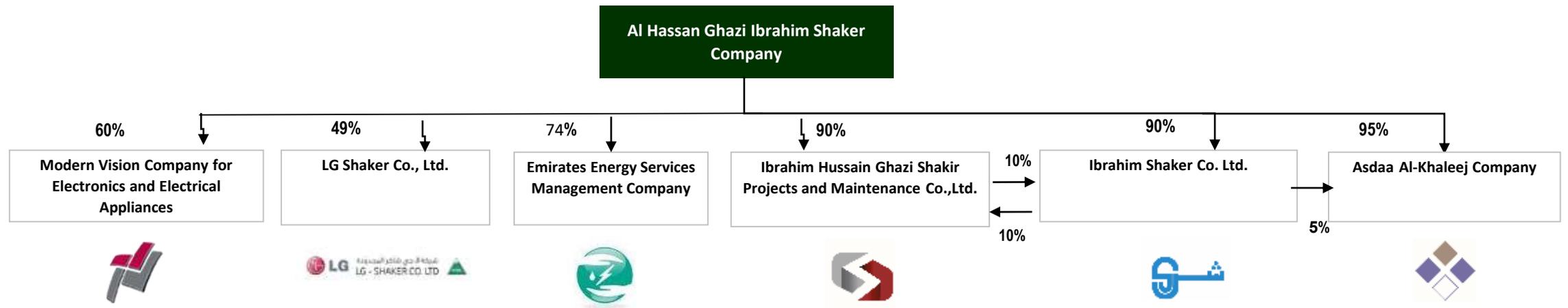
We are confident about the growth options accessible to us in various market segments, including televisions, cookers, refrigerators, dishwashers, and freezers, as a result of this strong market climate. The Saudi Energy Efficiency Center's efforts could result in a 400 million Saudi riyal incentive for energy-efficient air conditioners. The aftermarket will gain from continued maintenance contract activities with major entities, whose top priorities will increasingly be efficiency and energy savings, motivating them to ensure that their equipment is kept in good working order.

Our approach of expanding the range and number of products we offer, as well as our brand relationships, is well positioned to take advantage of market conditions that are expected to prevail in the next years. We are now accepting bids for a number of projects, and we plan to expand this activity fast. We look forward to collaborating with all stakeholders to make the most of the Kingdom's expanding wealth, which provides us with excellent prospects.



5. Subsidiaries:

The below chart shows the ownership structure of Al Hassan Ghazi Ibrahim Shaker Company in the subsidiaries:



Al Hassan Ghazi Ibrahim Shaker Company is made up of six firms whose major activities include air conditioner manufacturing and wholesale air conditioner, home appliance, and energy efficiency trading. These are the subsidiaries:



## 5. Subsidiaries:

### ▪ Ibrahim Shaker Company Limited.

Ibrahim Shaker Firm Limited is a limited-liability Saudi company. Al Hassan Ghazi Ibrahim Shaker Company owns 90% of the company, with 10% going to Ibrahim Hussain Shaker Company for Projects and Maintenance, which is likewise 90% controlled by Al Hassan Ghazi Ibrahim Shaker Company.

Ibrahim Shaker Company has a capital of (10,000,000) ten million Saudi riyals, its headquarters are in Jeddah, and its major operations are in Saudi Arabia. Its business is in the trade of air conditioners, household appliances, electrical appliances, and commercial agencies.

### ▪ LG Shaker Company Limited.

LG Shaker Company is a Saudi Arabian limited-liability corporation formed by LG Electronics Korea and Al Hassan Ghazi Ibrahim Shaker Company. Its major business is the production of air conditioners, which it does with a foreign investment licence. The LG Shaker Company has a capital of 37,125,000 Saudi Riyals (thirty-seven million, one hundred and twenty-five thousand Saudi riyals). LG Shaker's headquarters and manufacturing are in the Kingdom of Saudi Arabia, which is where the company's operations are based.

The company's Board of Directors approved the sale of LG Electronics equivalent to two (2%) percent of the total shares owned by Shaker Company in LG Shaker Company Limited on 21/1/1435 AH, which corresponds to 11/24/2013 AD, based on its book value for the fiscal year 2012 AD. The procedure of transferring the shares before the competent authorities was completed on May 26, 2014, and LG's part in the capital of LG Shaker Company increased to 51 percent, while Shaker Company's share decreased to 49 percent. On November 24, 2013 and May 26, 2014, Al Hassan Ghazi Ibrahim Shaker Company declared that it would no longer consolidate the financial statements of LG Shaker Ltd. inside its consolidated financial statements on the Tadawul website.

### ▪ Ibrahim Hussein Shaker Projects and Maintenance.Co.

Al Hassan Ghazi Ibrahim Shaker Company owns 90% of Ibrahim Hussain Shaker Company for Projects and Maintenance, and 10% of Ibrahim Shaker Limited Company, which is likewise 90% controlled by Al Hassan Ghazi Ibrahim Shaker Company. The company's capital is (500,000) five hundred thousand Saudi riyals, its headquarters are in Jeddah, and the Kingdom of Saudi Arabia is its primary operating area. Its main business is providing marketing services to third parties, such as Al-Hassan Ghazi Shaker Company and Ibrahim Shaker Company, as well as participating in the execution of direct contracts between the government and the Shaker group of enterprises.

### ▪ Modern Vision Company for Electronics and Electrical Appliances.

Modern Vision Electronics & Electrical Appliances Company is a limited-liability corporation. It is a corporation incorporated under the laws of Jordan's Hashemite Kingdom, which is where it operates from. Manufacturing and distribution of domestic, electrical, and electronic products, as well as air conditioners, are among the company's businesses. The Modern Vision Company's capital was boosted from (10) million Jordanian dinars to (12.5) million Jordanian dinars in the middle of 2015, with Shaker Company owning (7.5) million Jordanian dinars, equivalent to (39.7) million Saudi riyals, or 60 percent of the company's capital. The Modern Vision Company's shares are divided into one class, the ordinary class, with each share having a nominal value of one Jordanian dinar and one vote in the general assembly sessions.

### ▪ Asdaa Al –Khaleej Trading Company.

Asdaa Al Khaleej Company is a limited-liability company based in Saudi Arabia. Al Hassan Ghazi Ibrahim Shaker Company owns 95% of the company, with the remaining 5% going to Ibrahim Shaker Company Limited, which is likewise 90% controlled by Al Hassan Ghazi Ibrahim Shaker Company. The company's capital is (500,000) five hundred thousand Saudi riyals, and its headquarters are in Riyadh. The Kingdom of Saudi Arabia is the company's primary operating location. The wholesale and retail trade of electrical appliances is its major business. The Asdaa Company is a distributor of electrical goods under the Bompani and Panasonic brands.

### ▪ Emirates Energy Services Management Company:

Emirates Energy Services Management Company (Emirates)EMS) is a company incorporated under the laws of the United Arab Emirates, with its headquarters in the Emirate of Dubai. It is a company that specialises in energy management and offers a wide range of services for projects, green buildings, and energy management. The Energy Services Company has a capital of 3,375,000 UAE Dirhams (Three Million Three Hundred Seventy Five Thousand UAE Dirhams) Shaker Company owns a 74 percent stake in the company's capital. The company's activities are focused on implementing energy-related projects, such as reducing energy consumption, increasing the efficiency of power generation, lighting, and air conditioning systems, and providing services to the commercial, industrial, and government sectors at the local and regional levels.



#### Details of shares and debt instruments issued for each subsidiary :

There are no shares or debt instruments issued by Shaker subsidiaries inside or outside the Kingdom, with the exception of the shares of Modern Vision Company.

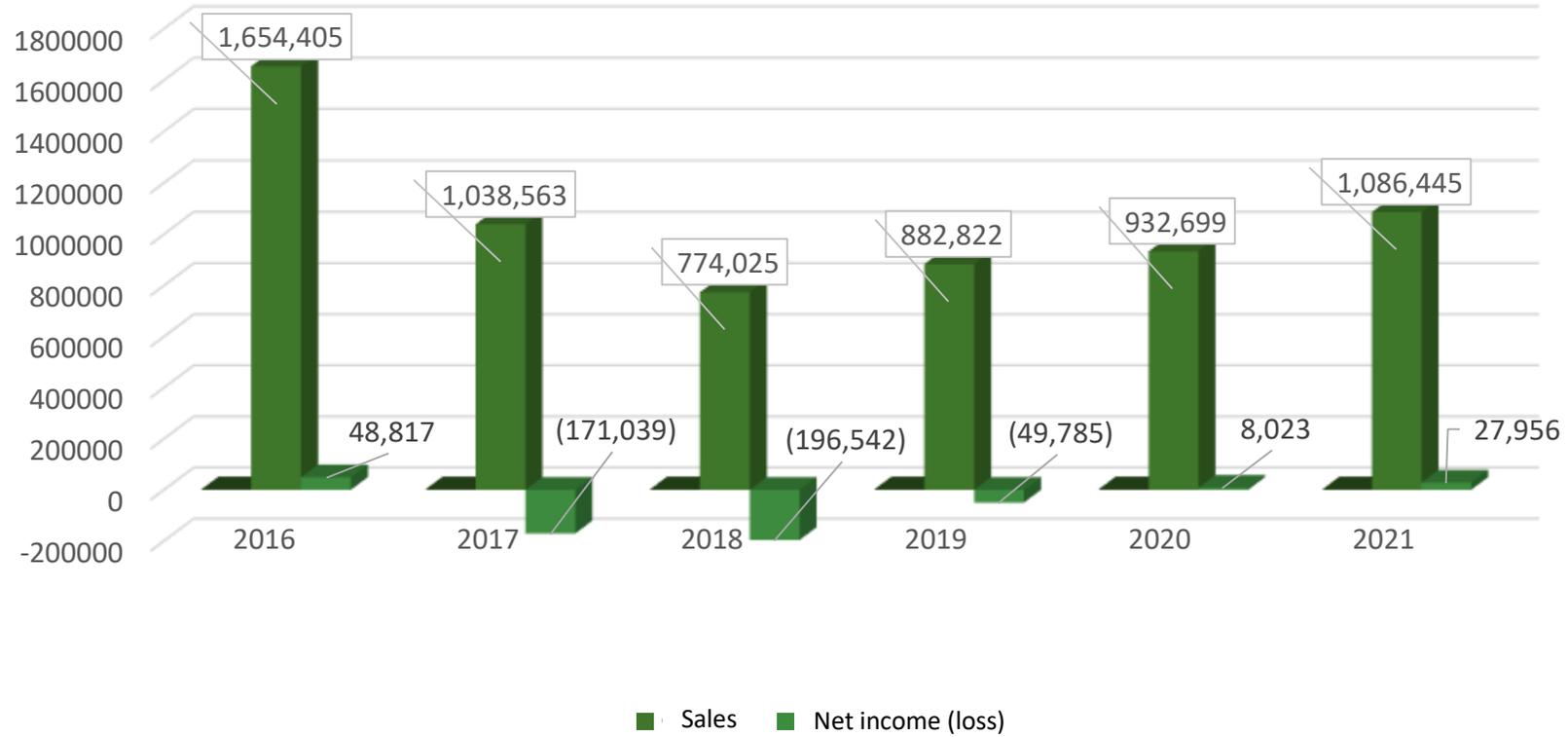
### 6. Financial results for the fiscal year 2020 AD:

The fiscal year 2021 ended with the achievement of financial results, as follows:

1. In 2020, sales revenues are expected to be over 1,086 million riyals, up from 933 million riyals the previous year.
2. The company had a net profit of 28 million riyals, compared to a deficit of 8 million riyals the year before.
3. The total profit for the year was 235.5 million riyals, up from 195.6 million riyals the year before.
4. The operating profit for the year was 37.2 million riyals, compared to a loss of 12.1 million riyals the year before.
5. The company earned 0.44 riyals per share, compared to a loss of 0.12 riyals the previous year.

The following is a summary of the financial results for the period from 2016 until 2021 and a statement of its development during the period:

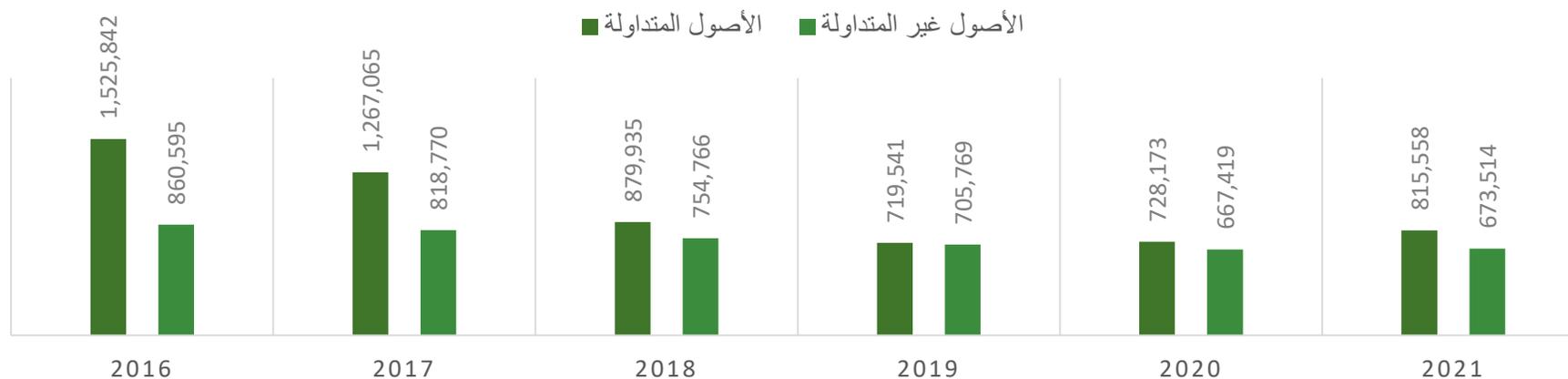
The percentage change%	2021	2020	2019	2018	2017	2016	Statement of Income (SAR)
16.5%	1,086,445	932,699	882,822	774,025	1,038,563	1,654,405	Sales
15.4%	850,923	737,139	717,176	674,107	862,615	1,265,479	Sales cost
20.4%	235,522	195,560	165,646	99,918	175,948	388,926	Total profit
5.8%	101,074	95,567	104,454	140,336	162,530	181,536	Marketing and distribution expenses
-0.8%	83,918	84,629	87,393	110,718	125,707	152,203	General expenses
208.1%	37,247	12,091	(38,447)	(155,221)	(153,472)	58,717	Income (loss) from major operations
180.3%	41,376	14,763	(50,680)	(195,308)	(169,067)	50,518	Net income (loss) before zakat and income tax
248.4%	27,956	8,023	(49,785)	(196,542)	(171,039)	48,817	Net income





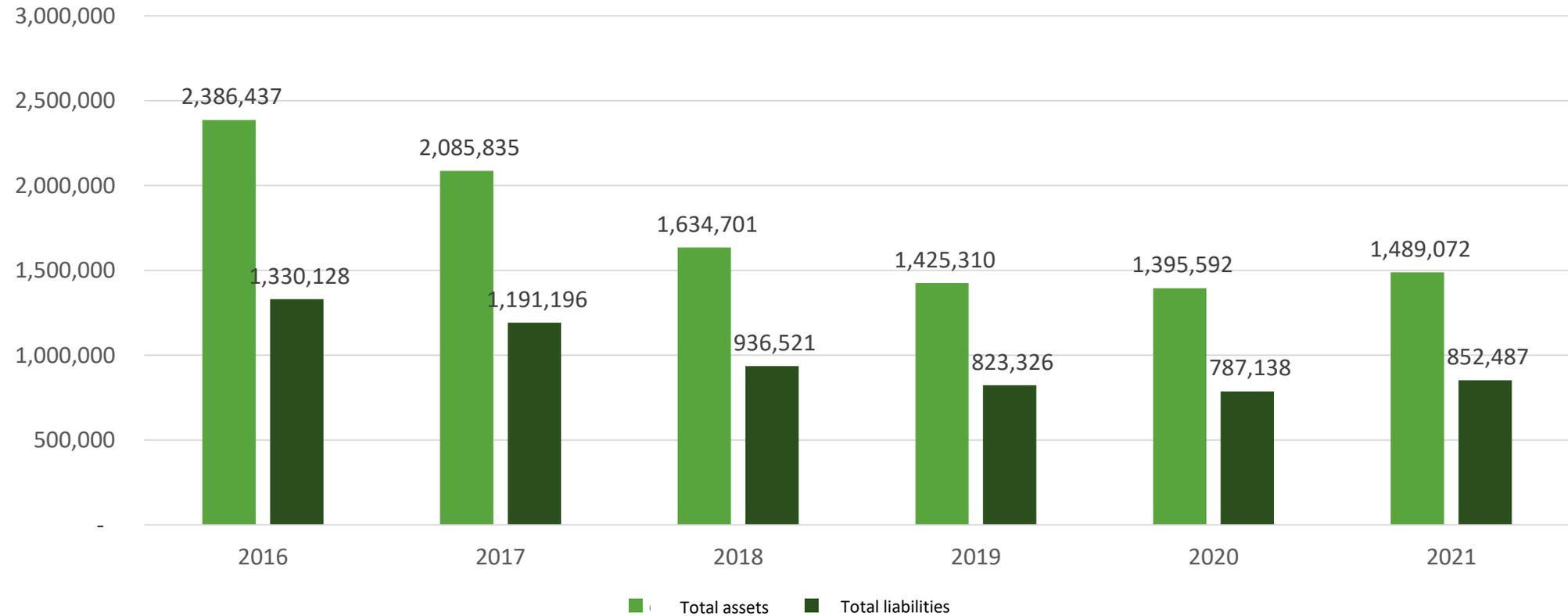
The percentage change%	2021	2020	2019	2018	2017	2016	Financial Position (Thousand SAR)
12%	815,558	728,173	719,541	879,935	1,267,065	1,525,842	Assets
1%	673,514	667,419	705,769	754,766	818,770	860,595	Non-current assets
7%	1,489,072	1,395,592	1,425,310	1,634,701	2,085,835	2,386,437	Total assets
16%	755,357	652,132	608,230	879,770	1,083,295	1,249,014	Current liabilities
8%	852,487	787,138	823,326	936,521	1,191,196	1,330,128	Total Liabilities
5%	622,935	595,381	589,497	676,981	874,399	1,044,194	Total Shareholders Equity
5%	636,585	608,454	601,984	698,180	894,639	1,056,309	Total Equity
7%	1,489,072	1,395,592	1,425,310	1,634,701	2,085,835	2,386,437	Total Liabilities and Equity

Evolution of current and non-current assets



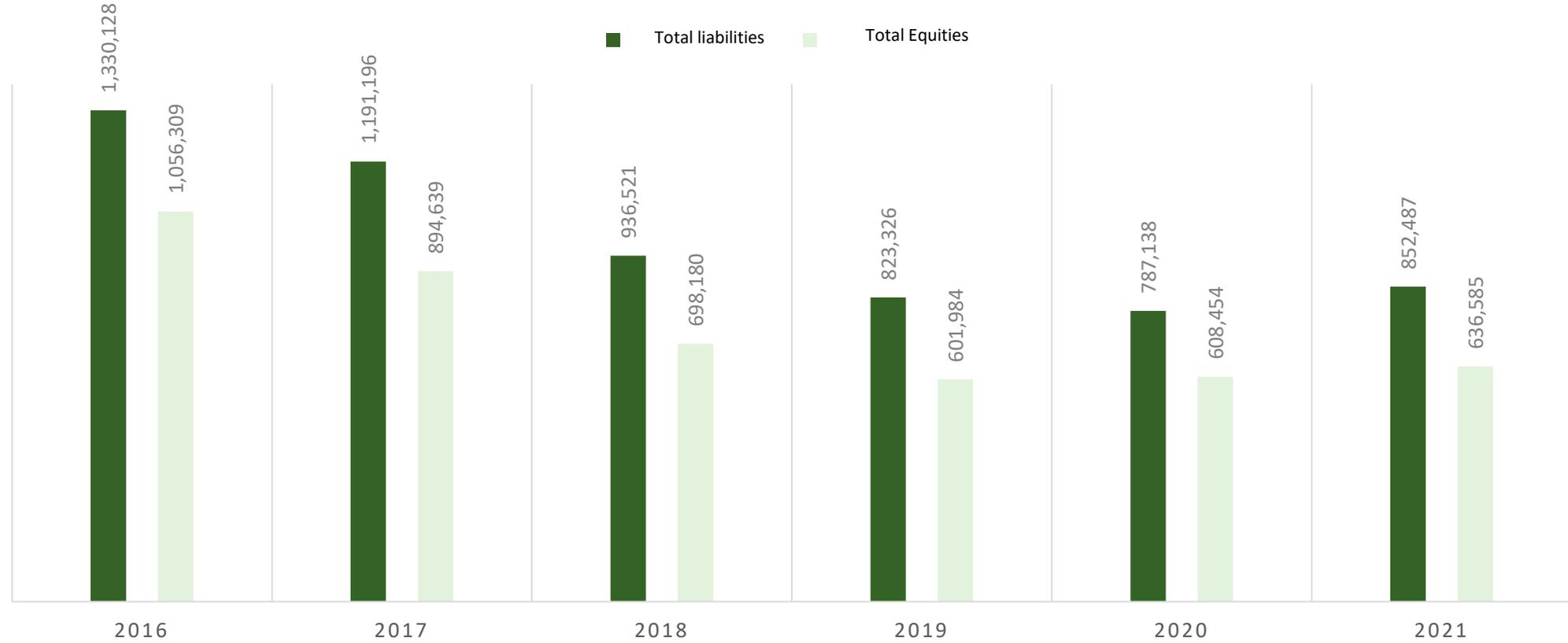


## Evolution of Assets and Liabilities





## EVOLUTION OF ASSETS AND EQUITY





## 7. Geographical analysis of the company's revenues and the total revenues of subsidiaries outside the Kingdom:

The table below shows the geographical analysis of the company's revenues and its subsidiaries in the Kingdom of Saudi Arabia, Jordan and the United Arab Emirates:

Statement (thousand riyals)	2020		2021	
	sales	net profit (loss)	sales	net profit (loss)
<b>Saudi Arabia</b>	859,701	8,023	1,002,738	<b>27,956</b>
<b>Jordan</b>	69,871	-	81,876	-
<b>United Arab Emirates</b>	3,127	-	1,831	-
<b>Total</b>	<b>932,699</b>	<b>8,023</b>	<b>1086445</b>	<b>27,956</b>



### 8. A clarification of the operational results compared to the results of the previous year:

The below table shows the operational results for the fiscal year 2021 AD compared to the previous year 2020 AD:

statement (thousand riyals)	2020		2021		%change
	amount	%sales	amount	%sales	
Sales	932,699	-	1,086,445	-	16.48%
Cost of sales	(737,139)	%79.03	(850,923)	78.32%	%2.78
Gross profit	195,560	%20.10	235,522	21.67%	20.43%
Operating expenses –other	(183,469)	%19.67	(198,275)	18.25%	8.07%
Operating profit (loss)	12,091	%1.30	37,247	3.42%	208.05%

The reason for the increase in sales in the current period compared to the previous period by 16.48% is due to the increase in some economic activities in the market and the increase in the volume of demand. The increase in sales, the increase in the volume of demand, the strength of competition and the reduction in the cost of sales were the reason for the increase in gross profit by 20.43%.



## 9. Loans and Murabaha:

### a )Short-term loans and Murabaha:

The table below shows the movement of short-term loans (Murabaha) during the fiscal year 2021 AD for Al-Hassan Ghazi Ibrahim Shaker Company, according to the following:

Short term Loan movement (thousand riyals)	Riyad Bank	First Saudi British Bank	The Saudi Investment Bank	Development Bank	Bank of Bahrain	Banque Saudi Fransi	Al Jazeera Bank	Arab Banking Corporation Bank (Bahrain)	Al Khaleej Bank	Total
<b>Balance at 1/1/2021(total Murabaha principal)</b>	43,289	36,871	36,081	0	0	12,014	0	50,302	0	<b>178,197</b>
<b>Withdrawn within a year2021 (new Murabahas)</b>	83,440	9,313	0	54,810	64,991	0	39,667	37,784	0	<b>290,005</b>
<b>Payable within a year 2021 AD</b>	25,786	0	19,238	0	45,990	12,014	29,967	0	0	<b>132,995</b>
<b>Balance at 31/12/2021 AD</b>	100,943	46,185	16,842	54,810	19,000	0	9,699	88,086	0	<b>335,565</b>

The Murabahas referred to in the detailed table above were obtained during the fiscal year 2021 AD, the majority of which were through Murabaha financing contracts of three or six months duration that were paid during the maturity period.

\*The total balance as of 31/12/2021G shows an increase of 75 million riyals resulting from a new usage balance of short-term facilities obtained from Bank of Bahrain, Bank Al-Jazira, Alinma Bank and Riyad Bank.



The below table shows the movement of a short-term loan (Murabaha) during the fiscal year 2021 AD for Modern Vision Company as follows::

Arab Banking Corporation Islamic Bank	short-term loan movement
Bahrain	(thousand riyals)
<b>4,640</b>	loan balance in 1/1/2021
<b>4,433</b>	Amount of loans withdrawn during the year2021
<b>4,194</b>	Amount of loans repaid during the year2021
<b>4,878</b>	loan balance in12/31/2021

The closing balance of the Murabahas referred to above represents the utilized limit of documentary credit Murabaha financing with a ceiling of 25 million dollars granted to the company by the Arab Banking Corporation Islamic Bank (Bahrain) in order to finance the company's purchases from suppliers. Each financing transaction shall be repaid over twelve months from the date of payment of the documentary credit related to Murabaha financing, provided that it does not exceed twenty months from the date of openingAccreditation.

The table below shows the long-term loans during the fiscal year 2021 AD for the subsidiary company, Emirates Energy Services, according to the following:

Dubai Arab Bank	Short-term loan movement
	(thousand riyals)
-	Loan balance at 1/1/2021
-	Overdraft
-	Amount of loans withdrawn during the year2021
-	Amount of loans repaid during the year2021
-	loan balance in12/31/2021



## AL HASSAN GHAZI IBRAHIM SHAKER

### B) Long-term loans and Murabaha:

The below table shows the movement of the long-term loan during the fiscal year 2021 AD for the company of Al-Hassan Ghazi Ibrahim Shaker Company, according to the following:

long-term loan movement (thousand riyals)	Al Ahly	Riyadh	Gulf	Total
Opening loan balance in1/1/2021	-	99,000	39,375	138,375
The amount of the loan withdrawn during the year2021	-	-	-	-
The loan amount repaid within a year2021	-	27,533	12,211	39,744
loan balance in12/31/2021	-	71,467	28,061	99,528

#### Table appears above Long-term loan balance:

Riyad Bank in January 2021, the loan amount is 96 million riyals to be repaid in 52 equal monthly installments ending in April 2025

Gulf Bank in January 2021, the loan amount is 39 million riyals, it will be repaid according to 44 monthly installments of equal value ending in August 2024



## 10. Regular payments to government agencies:

The below table shows the amounts paid by the company and its subsidiaries in the Kingdom during the year 2021 AD:

Statement (thousand riyals)	2021		Brief Description	Reasons
	Paid	Payable but not paid		
Customs fees	32,033	–	The fees and tariffs to be paid by the competent government agencies	legalrequirement
Zakat and tax due	26,447	6,343	What is calculated according to the provisions and rules of the Department of Zakat and Income Tax?	legalrequirement
GOSI	4,969	-	What is calculated and paid in accordance with the provisions and rules of the General Organization for Social Insurance (GOSI)	legalrequirement
Visas and Passports	4,808	–	What is paid in accordance with the provisions and rules of the Labor Office and the Passport Department for residents and business visits	legalrequirement

completed authority for zakat tax and customs)Commission) Zakat connectivity Even though the year came to an end on December 31, 2006, ADcompany Hassan Gaseous Ibrahim thanked you, and in December 2007 AD, company Ibrahim thanked you Ltd., and for the company Ibrahim Hussain thanked you for projects and maintenance Ltd., and in December 2011, ADcompany lions thanked you.

**Consolidated**

From 2008 onwards, the company submitted zakat returns to Al Hassan Ghazi Ibrahim Shaker Company, Ibrahim Shaker Company Limited, Ibrahim Hussain Shaker Projects and Maintenance Company, and Asdaa Company on a consolidated basis. As of November 13, 2014, the results of Asda'a Company were included in the consolidated statement.

The company obtained the Hassan Ghazi Ibrahim Shaker Company's final assessment on a consolidated basis for the year 2014 in the year 2020, with zakat claims totaling 4,846,921.03 Saudi riyals. Following the Authority's partial approval of the firm's objection, the company filed a grievance with the General Secretariat of the Tax Committees, and the management believes that the decisions of the committees associated with the General Secretariat will be favourable to the company. In relation to the examination results for the years 2015 to 2018, the final evaluation was issued in the year 2021, and the company paid all the monies due for the years 2015 to 2018 in the year 2021: (noting that there are no other dues from the company for these years).



#### 10. Regular payments to government agencies:

The Zakat Authority investigated the fiscal years 2019 and 2020 in 2021, and we were notified of the results in the fourth quarter of that year, and they were as follows:

Year	Commission bond	Paid by acknowledgment	Differences	Paid with objection
2019	10,759,766	2,495,453	8,264,313	2,183,961
2020	13,557,160	5,890,270	7,666,890	1,791,523
<b>Total</b>	<b>24,316,926</b>	<b>8,385,723</b>	<b>15,931,203</b>	<b>3,975,484</b>

The corporation filed an objection to the Objections Committee (the Legal Committee) on the Zakat Authority's examination estimates for the years 2019 and 2020 on December 28, 2021; the objection is still being investigated and studied by the commission.

#### **Foreign tax income :**

There is no foreign income tax burden due to the losses of the subsidiary firm in Jordan, Modern Vision for Electrical and Electronic Appliances.



## 11. Provisions for the year 2021 AD:

1. An inventory provision has been made in the amount of SAR 6.11 million.
2. A provision for doubtful debts has been made in the amount of SAR 15.73 million.
3. The balance of accumulated losses kept as on 31/12/2021 amounted to 148 million riyals.
4. Zakat provisions amounted to 13.4 million riyals.

## 12. Risks:

Since 2017, the company has designed and authorised a risk policy to maintain the efficacy of its risk management system as part of its corporate governance regulations. It describes the risk management system's concepts and elements, as well as risk management methodologies, as well as how to maintain and regulate the system's efficacy. In the year 2020 AD, ERM was updated, and in the year 2021 AD, it was changed again. The policy aims to develop a comprehensive and clear risk management framework based on best practises (Coso ERM Framework), a common understanding of risk, and evaluating the exposure of various risk departments and mechanisms in order to take appropriate action to limit them, as well as assisting these departments within the Company in improving control controls and regulatory procedures. Containing potential hazards that could have a negative impact or result in financial losses.

Risk management, according to the policy, refers to the processes and procedures that the organisation employs on a regular basis to:

1) Recognizing dangers 2) assessing and assessing risks 3) coping with potential hazards

**1) Identification of risks:** where maximum effort is made to identify the significant risks that the company may face related to its operational activities, and to achieve this, the company uses all available means to review operations and hold meetings with persons responsible for identifying risks in addition to using assessments made by internal and external auditors And any other method for determining risks. The company identifies the risks related to the company's operational activities and records them in a record called the risk register, as the recording of those risks is limited to describing the nature of the risk and the technical opinion related to the importance of this risk to the company's operational operations. The risk register includes maintained reports so that the risk management, through the general review of the various operations of the company with all departments, identifies and records the risks related to the operational activities of the company.

**2) Risk analysis and evaluation:** the risk officer analyses the risk within the various departments of the company and the scope of his work, determining the degree of risk within the risk matrix, determining the probability and extent of the risk's impact on achieving the objectives, and then evaluating the risk in terms of its severity in causing losses and the likelihood of their occurrence.

**3) Risk management:** Risk management collaborates with departments to develop strategies and solutions for dealing with risks in order to minimise potential losses. Decisions are made about the range of approaches to be used to deal with risks, and each decision must be documented and approved at the appropriate management level.

The following is a list of the most significant hazards to the company's operations:



**a) Credit Risk:**

Credit risk is the risk that the company will incur a financial loss in the event that the customer or the counterparty in a financial instrument fails to meet its contractual obligations, and it arises mainly from trade receivables and cash and the like.

Trade and other receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each individual customer. However, the management also considers the factors that may have an impact on the credit risk of the company's customer base, including the risk of default in the customer sector and the countries in which customers carry out their activities. The company has a credit policy according to which each new customer is analyzed separately to verify its credit ability before offering The company's standard payment terms and conditions. In addition to setting sales limits for each customer separately, these are reviewed annually.

In doing so, the Company seeks to reduce credit risk with respect to customers by constantly and vigorously monitoring the outstanding receivables.

**B) eht no gnidneps remusnoc fo level eht ro sremusnoc fo rebmun eht ni enilced lareneg eht ot detaler sksiR ssenisub s'ynapmoc**

The level of sales of goods and products to clients determines the company's revenue. As a result, the company's performance is predicated on the wholesale and retail divisions' general risks. Consumer behaviour in these sectors is subject to rapid and sometimes unexpected changes, which affect customer requirements. These changes are influenced by general economic conditions, such as disposable income levels, tax levels, consumer spending, changes in consumer behaviour and choices, and demographics. A reduction in demand for a company's products can be caused by changes in customer behaviour and a failure to predict, detect, or respond to these changes. The capacity of a corporation to anticipate customer likes and habits and offer items that appeal to and fit their tastes, on the other hand, is critical to the success of new products that are launched to the market.

**C) Liquidity Risk:**

Liquidity risk is the risk that the company will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by paying in cash or through other financial assets. The Company's approach to managing liquidity is to ensure that it always has sufficient liquidity to meet its liabilities when due, under normal and critical conditions, without incurring unacceptable losses or jeopardizing the Company's reputation.

**D) Risks related to the company's dependence on major suppliers**

The company's business relies on a diverse base of suppliers to sell the products it buys through suppliers. The relationship with these suppliers is determined through distribution contracts that are legally documented, and most contracts are renewed by agreement of the two parties or are for an infinite period, and all contracts include the company's right to replace any defective or damaged products by the main suppliers after examining them, but it is possible that The Company is exposed to minimal risk of not being able to provide certain products. Also, one of the company's suppliers has the right to terminate the contract for any reason. If that supplier terminates the supply agreement with the company or does not renew it, or renews it on terms less favorable to the company, the company's business, results of operations, financial position and expectations may be negatively and fundamentally affected.

**e) Risk of being late In the delivery of goods**

The delivery of goods to the company's customers, or the company's receipt of goods by suppliers, is subject to the possibility of possible delays caused by various external factors, including: supply and demand conditions, conditions related to transportation, the volume of delivery orders, and the continuous fluctuation in demand for goods.

Accordingly, the company has taken several steps and procedures through which it sought to avoid these risks as much as possible through careful planning, monitoring and continuous follow-up of the stores and the supply and distribution network in order to be in exact conformity with the policies and procedures of administrative control, in addition, the company adopts a conservative policy regarding In its stock, where it permanently maintains a stock of 3 months as a minimum to ensure that sufficient quantities are available permanently and in all market conditions and conditions, and to face any fluctuations that may occur to it.

**f) Risks related to currency exchange fluctuations**

Some of the company's products are imported in foreign currency (directly and indirectly) from outside sources (particularly US dollars and European euros). The Saudi riyal is tied to the US dollar at a rate of 3.75 Saudi riyals to 1.00 US dollar, according to the Kingdom's policy as of the date of this publication. However, there is no assurance that the Saudi riyal's exchange rate versus the US dollar would remain constant. As a result, any drop in the Saudi riyal's value versus other foreign currencies (particularly the US dollar) will result in a rise in the company's operating costs. If the firm is unable to pass on increases in operational expenses caused by the riyal's depreciation to customers, it will have a negative and fundamental impact on the company's business, results of operations, financial condition, and future prospects.

**g) Risks related to fluctuation in the prices of raw materials for the manufacture of air conditioners**

Manufacturers and distributors may be forced to pass on the cost of price increases to consumers when raw material prices fluctuate. Given the high costs of storage, manufacturers and distributors may be forced to pass on the cost of price rises to consumers. The LG Shaker Air Conditioners Factory, on the other hand, buys the majority of the raw materials used in the air conditioner production process from LG (the parent firm in Korea). Because LG owns 51 percent of the LG Shaker Company, which owns an air conditioner factory, it sells these raw materials to the factory at preferential prices, and its ownership in the factory forces it to be very concerned about the profitability and stability of the raw material prices needed by the factory, allowing it to benefit from its extensive experience and team of experts. And its worldwide resources to deliver the essential raw materials at competitive costs, and the LG Shaker factory's habit of concluding yearly contracts for the acquisition of raw materials, which helps to mitigate the detrimental impact of changing raw material prices.



#### **h) Risks related to changes in the prices of the company's products**

Prices of the company's products change locally and in global markets as a result of the change in supply and demand for these products. If the prices of goods or parts related to the company's activity increase in the future, there will be no guarantee that the company will be able to absorb the increase in those prices. If the prices of the goods at which the company purchases its goods from suppliers increase, the company may need to charge all or a large part of those additional costs to its customers in order to be able to maintain its profit margins. However, the company may be unable to increase the selling price of its products, either fully or partially, especially if the company's competitors decide not to increase their prices after the increase in costs. In addition, the local market conditions in the Kingdom of Saudi Arabia may require the company to reduce the prices of its products. Accordingly, in the event of increased fluctuations in the prices of goods in the global markets, which may arise from global supply and demand factors or as a result of any other factors, market conditions may require the company to reduce the selling prices of its products sometimes below the cost price. There is no guarantee that the company will be able to absorb the impact of reducing the selling prices of its products, which will negatively and fundamentally affect the results of the company's operations, its financial position and future prospects.

#### **i) Risks related to regulations, permits, licenses and approvals necessary for the Company's business**

The company must obtain a number of permits, licenses and regulatory approvals in relation to its activities and maintain. The company currently owns a number of licenses, permits and approvals related to operating its business, including but not limited to, the company's commercial registration certificate issued by the Ministry of Commerce and municipal licenses Issued by the Ministry of Municipal and Rural Affairs, Saudization certificates, tax and zakat certificates, and civil defense licenses. In addition, most Company licenses are subject to terms under which licenses can be suspended or terminated if the Company fails to meet and comply with the Essential Terms. If the company is unable to renew the license or obtain the necessary licenses for its business, or if any of its current licenses expire or suspended, or if the licenses are renewed on terms that do not serve the interests of the company, or if the company is unable to obtain additional licenses required in the future, the company may suffer from disrupting its operations.

#### **j) Related Risks market, sector and regulatory environment:**

- **Competitive Environment:** The retail sector in the Kingdom is a very competitive field, and the company expects that competition to increase in the future. The company faces competition from local and international operators of department stores, department stores, specialty retailers, discount stores, and other aspects of retail in areas where the company currently operates or where it expects to open new stores in the future. In particular, the company expects to increase competition from international operators of retail stores in light of the recent regulatory reforms that have been adopted in the Kingdom to encourage foreign investment.
- **Economic risks** as a result of the slowdown in general economic activity, which is expected to be directly reflected in all economic sectors.
- **Risks related to changes in government regulations and policies in the Kingdom of Saudi Arabia:** The company is subject to a set of laws and regulations in the Kingdom, which a number of government agencies are working to implement in accordance with government policies and directives. The demand for the products sold by the company may be affected, and the company's business in general may be negatively and fundamentally affected as a result of the amendments that may occur to the laws, regulations, government policy and administrative directives or interpretations in the Kingdom, including specifically those applied to the retail sector in the Kingdom..

- **Import risks:** New legislative requirements or rules, such as the Saudi government's recent decision to raise customs taxes to 20%, anti-dumping duties, customs duties, and other measures, whether adopted by nations or regional trade blocs, may have an impact on pricing. Products and products imported by the company may have an adverse effect on the company's capacity to make competitive offers in its shops, resulting in a substantial and detrimental impact on the company's business, operating performance, financial situation, and future prospects.
- **Value-added tax risks:** On January 1, 2018, the Kingdom released the value-added tax system, which went into effect. According to what is mentioned in the system, this system imposes a 5% additional value on a variety of items and services. It was also decided to raise the value-added tax rate from 5% to 15% on May 18, 2020 AD, with effect from July 1, 2020. As a result, the business must adjust to the changes brought on by the implementation of VAT, which includes its collection and distribution. Any wrongful termination or application of the tax system by the company's management will expose it to fines or penalties, as well as damage to the company's reputation, which will increase costs and operating expenses, potentially lowering the company's competitive position and the level of demand for its products, affecting the company's results and future prospects.

The Risk Department keeps a close eye on how such risks are managed, as well as the processes followed and the work of preventative measures that help to raising awareness and reducing their effect. The Risk Department reviews and updates the basic risks that might influence the company's operations, as well as the necessary methods for managing such risks and limiting their effect, if any, on a regular basis. This is accomplished via the use of precise and quantitative indicators that allow for the assessment of the possibility of any hazards and the determination of a definitive limit as well as the level of risk that is acceptable.

The board of directors of the company oversees the mechanism for implementing the comprehensive framework for risk management as part of the process of strengthening and strengthening the company's internal controls and control, through policies and procedures aimed at identifying, treating, and controlling operational and non-operational risks in all of the company's business and activities, and it is one of the most important tools for identifying and measuring risks. It is a risk self-assessment (RCSA) and key risk indicators (KRIs) and setting higher and lower ratios inside the approved risks document (Risk Appetite Statement) and monitoring it.



### 13. Company's Policy on Dividend Distribution:

The profits are allocated to the shareholders in line with the articles of incorporation. Following the Board of Directors' suggestion and acceptance by the General Assembly, the corporation will do the following: After subtracting all general expenses and other charges, the company's yearly net earnings will be allocated as follows:

- The Ordinary General Assembly may stop deducting ten percent (10%) of net income to build a statutory reserve when the reserve reaches thirty percent (30%) of the paid-up capital.
- On the recommendation of the Board of Directors, the Ordinary General Assembly may set aside a specified percentage of net income as a consensual reserve to sustain the company's financial position.
- The Ordinary General Assembly may decide to establish other reserves to the extent that it serves the company's interests or ensures the maximum possible distribution of fixed profits to the shareholders. The aforementioned assembly may also deduct money from the company's net profits to fund the creation of social institutions for the company's employees or to assist those that already exist.
- After that, a percentage representing (5%) of the paid-up capital shall be distributed to the shareholders.
- The company may, after fulfilling the regulations set by the competent authority, distribute interim cash dividends to shareholders.
- The company has the right to increase its capital by issuing bonus shares to its current shareholders, to be paid in full from its reserves, after the approval of the Capital Market Authority to increase the capital through bonus shares.

### 14. Treasury Shares:

During the year Financial ended 12/31/2021 AD.

No treasury shares were owned. Furthermore, the corporation has no preferred shares or shares with special voting priority—whether for shareholders, board members, or employees—and that all of the company's shares are ordinary shares with equal nominal value and voting rights and other rights under the system.



### 15 Composition of the Board of Directors:

**According to Article 17 of the firm's articles of association:** The company is controlled by a board of directors consisting of (7) members elected by the ordinary general assembly of shareholders for a time not exceeding three (3) Gregorian years, and they may be re-appointed for many sessions, and as an exception from that the first board of directors was appointed by the company's transformational assembly for a five-year term, and the term of membership of the company's first board of directors began on the date of the ministerial decision announcing the change. Within the limits of his ownership percentage in the capital, each shareholder has the right to nominate himself or one or more other people for membership on the Board of Directors. The members of the Board of Directors were elected in the Extraordinary General Assembly meeting on May 20, 2019, to begin a three-year term that will end on May 24, 2022.

- The names of the members of the Board of Directors in the current session, as well as their membership classification, are included in the table below.

Title	Name	Membership class
Chairman of Board of Directors	Abdulilah Abdullah Abunayan	Non-executive
Deputy Chairman of the Board	Musab Suleiman Al Muhaidib	Independent
Member of the Board of Directors	Abdulraouf Walid Al-Bitar	Non-executive
Member of the Board of Directors	Faris Ibrahim Al-Hamid	Independent
Member of the Board of Directors	Eid bin Faleh Al Shamri	Independent
**Member of the Board of Directors	Azzam Saud Al-Mudaihim	Non-executive
**Member of the Board of Directors	Musaed Abdullah Al-Qasim	Independent

• The members below were appointed on 01/10/2020 AD, in order to complete the current session of the Council, which ends on 24/05/2022 AD.

\*\* Eng. Azzam Saud Al-Mudaihim

\*\* Mr. Musaed Abdullah Al Qassem



16. Qualifications and experiences of members of the Board of Directors, members of committees and executive management and their current and previous positions:

a) Board members:



**Abdulilah Abdullah Abunayan (Chairman of the Board of Directors)**

**Qualifications:**

- Bachelor's degree in Economics from King Saud University

**Work Experience:**

- Extensive experience in board memberships of major companies.
- Experience in strategic business development, sales and marketing.
- Excellent skills in leadership, communication and dealing with others, and high skills in management and strategic planning.
- Held many leadership and executive positions in several public and private commercial and industrial companies.

Names of companies in which a member of the board of directors is a member of their current boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability	Names of companies in which a member of the board of directors is a member of their previous boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability
Chairman of the Board of Directors of Al Hassan Ghazi Ibrahim Shaker Company	inside the kingdom	Included JS	Member of the Board of Directors of Ithraa Capital for Financial Consultations	inside the kingdom	closed JS
Member of the Board of Directors of Lafana Holding Company	inside the kingdom	closed JS			
Member of the Board of Directors of Rafal Real Estate Development	inside the kingdom	closed JS			
Member of the Board of Directors of Communication Solutions Company	inside the kingdom	Limited liability			
Member of the Board of Directors Abunayyan Holding	Outside the kingdom	Limited liability			
Chairman of the Board of Directors of Ultra Medical	inside the kingdom	Limited liability			
Member of the Board of Directors of the Abunayyan Group of Companies	inside the kingdom	Limited liability			
Member of the Board of Directors of LG Shaker	inside the kingdom	Limited liability			

## AL HASSAN GHAZI IBRAHIM SHAKER



**Musab Suleiman Al-Muhaidib (Vice-Chairman of the Board of Directors)**

### Qualifications:

- Bachelor of Business Administration (Majoring in Finance), from the University of Miami, Florida - USA.
- Master of Business Administration - University of Liverpool - United Kingdom

### Of experience:

- Held many leadership and executive positions in several government positions, public and private companies, commercial and industrial.
- Extensive experience in the presidency and membership of the boards of directors of large companies
- Experience in business development, strategic visions, venture capital development, sales and marketing in a variety of areas.
- The ability to identify and invest in business opportunities.
- Outstanding leadership and effective communication skills and high management and strategic planning skills.



Names of companies in which a member of the board of directors is a member of their current boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability	Names of companies in which a member of the board of directors is a member of their previous boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability
Chairman of the Board of Directors of Masdar Group	inside the kingdom	closed JS	Member of the Board of Directors of Al-Ebdaa Real Estate Investment Company	inside the kingdom	Limited liability
Vice Chairman of the Board of Directors of the Middle East Paper Manufacturing and Production Company (MEPCO)	inside the kingdom	Listed JS	Member of the Board of Directors of Al Badia Cement Company	Outside the kingdom	closed JS
Chairman of the Board of Directors of Goldman Sachs Saudi Arabia	inside the kingdom	closed JS	Member of the Board of Directors of Al Rayan Company	Outside the kingdom	closed JS
Member of the Board of Directors of the National Industrialization Company	inside the kingdom	Listed JS	Member of the Board of Directors of Al-Latifia Contracting Company	inside the kingdom	closed JS
Chairman of the Board of Directors of Endeavor Saudi Arabia	inside the kingdom	Limited liability	Member of the Board of Directors of Thabat Contracting Company	inside the kingdom	closed JS
Member of the Board of Directors of Al Muhaidib Group	inside the kingdom	closed JS	Member of the Board of Directors of Al-Muhaidib for Community Service	inside the kingdom	Non-profit charitable organization
Member of the Board of Directors of JLL Saudi Arabia	inside the kingdom	Limited liability	President of the International Youth Presidency Organization, Saudi Section	-	-
Vice Chairman of the Board of Directors of Al-Hassan Ghazi Shaker Company	inside the kingdom	Listed JS	Member of the Board of Directors of the Hospitality Company	inside the kingdom	Listed JS
Chairman of the Board of Directors of Sidra Investment Company	inside the kingdom	Limited liability	Member of the French Association of INSEAD University, Saudi Section	Outside the kingdom	-
Chairman of the Board of Directors of Start Creativity Entertainment Company	inside the kingdom	Limited liability	Member of the Board of Directors of the Saudi Shooting Federation	inside the kingdom	-
Chairman of the Board of Directors of Sabbar Company	inside the kingdom	Limited liability	Member of the Board of Directors of Asala Real Estate Development Company	inside the kingdom	Limited liability
Member of the Board of Directors of the Riyadh Chamber	inside the kingdom	-	Member of the Board of Directors of the Grand Warehousing Company	inside the kingdom	Limited liability
Member of the Board of Directors of the Saudi Company for Handicrafts and Handicrafts	inside the kingdom	closed JS			
Member of the advisory board at Daily Mills	inside the kingdom	Limited liability			
Member of the Board of Directors of the Gulf Family Business Council	inside the kingdom	-			
Vice Chairman of the Board of Directors of Hoshan Company	inside the kingdom	closed JS			



**Mr. Abdulraouf Walid Al-Bitar (Member of the Board of Directors)**

**Qualifications:**

- Bachelor's degree in Civil Engineering from Syracuse University, USA

**Experience:**

- Member of the Board of Directors of Shaker Company since 2009.
- 30 years experience in companies with industrial field

Names of companies in which a member of the board of directors is a member of their current boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability	Names of companies in which a member of the board of directors is a member of their previous boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability
Member of the Board of Directors of the Gulf Insulation Group Company	inside the kingdom	closed JS	Member of the Board of Directors of the Middle East Specialized Cables Company, Misk	inside the kingdom	Listed JS
Member of the Board of Directors of Al-Hassan Ghazi Ibrahim Shaker Company	inside the kingdom	Listed JS	Board Member of District Cooling Company	inside the kingdom	closed JS



**Mr. Faris bin Ibrahim Al Hamid (Member of the Board of Directors and Head of the Nominations and Remunerations Committee)**

#### Qualifications:

- Bachelor's degree in Computer Science from King Saud University
- MIT from Scion School of Management
- Saudi Oxford Advanced Leadership and Management Program
- Board of Directors Institute Certificate
- General Certificate for Dealing in Securities (CME1)
- International Certificate in Wealth and Investment Management (CME4)

#### Of experience:

- 1994-1996 Lecturer of the Technical College in Buraydah.
- 1996-2000 Future Kids Saudi Center Company - in the field of helping schools to use technology.
- 2003-2004 Hitech Technology Company - in the field of accounting software and human resources.
- 2000-2006 Al-Dawalij Company in the field of technology and educational software industry.
- 2006 - 2007 Riyadh Steel Company - in the field of manufacturing flat and equal angle bars
- 2007 - 2018 Nal Investment Company Limited - Investment
- 2011-to-date Egal Group for Individual Investors - Entrepreneurship

Names of companies in which a member of the board of directors is a member of their current boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability	Names of companies in which a member of the board of directors is a member of their previous boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability
Member of the Board of Directors and Chairman of the Remuneration and Nominations Committee at Al-Hassan Ghazi Ibrahim Shaker Company	inside the kingdom	Listed JS	Member of the Board of Directors of Rawaj Education Fund	inside the kingdom	closed private box
Member of the Board of Directors of the Saudi Lindo Finance Company	inside the kingdom	closed JS	memberBoard of Directors of Dallah Health Services Holding Company	inside the kingdom	Listed JS
Member of the Board of Directors and Chairman of the Audit Committee, Naseej Telecom and Information Technology Company	inside the kingdom	closed JS	Member of the Board of Directors of Qassim Cement Company	inside the kingdom	Listed JS
Derayah Board MemberFinance	inside the kingdom	closed JS	Member of the Board of Directors of the Riyadh Real Estate Fund Company	inside the kingdom	closed JS
Member of the Board of Directors of Al-Mehbaj Al-Shamiya Company	inside the kingdom	Limited liability	Member of the Board of Directors of Al-Sagheer Trading and Contracting Company	inside the kingdom	closed JS
Member of the Board of Directors of Ibrahim Al-Rashed Sons CompanyHamid	inside the kingdom	closed JS	Member of the Board of Directors of Abdullah Abdulaziz Al-Rajhi Company	inside the kingdom	closed JS
Member of the Board of Directors and Chairman of the Company's Risk and Credit Management CommitteeSaudi Arabia	inside the kingdom	closed JS	Member of the Board of Directors and Vice Chairman of the Audit Committee, Qassim Cement Company	inside the kingdom	Listed JS
Chairman of the Board of Directors of the Czech Center for Treatmentnatural	inside the kingdom	closed JS	Member of the Board of Directorscompany BinaryWorks) Egypt	Outside the kingdom	Limited liability
Chairman of the Board of Directors of Derayah FundVentures	inside the kingdom	special box			
Member of the Board of Directors of Tanami Arabia Company	inside the kingdom	closed JS			
Digital Transportation Solutions Investment Company	inside the kingdom	Limited liability			
Member of the Board of Directors of Derayah Care Fundhealth	inside the kingdom	special box			
Dur Hospitality Company	inside the kingdom	Listed JS			



## AL HASSAN GHAZI IBRAHIM SHAKER



**a. Eid Bin Faleh Al Shamry (Member of the Board of Directors and Member of the Audit Committee)**

### Qualifications:

- Bachelor of Science in Industrial Management from King Fahd University of Petroleum and Minerals

### Of experience:

- 15 years as a member of the Board of Directors of Al-Drees Petroleum and Transport Services Company.
- 15-year as a Chairman of the Audit Committee Aldrees Petroleum and Transport Services Company
- 15 years as Member of the Governance and Nominations Committee at Al-Drees Petroleum and Transport Services Company.
- 10 years as a Member of the Board of Directors of Al-Drees Industrial Company (ALETCO).

Names of companies in which a member of the board of directors is a member of their current boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability	Names of companies in which a member of the board of directors is a member of their previous boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability
Aldrees Petroleum Services Company	inside	Listed JS	Banque Saudi Fransi	inside	Listed JS
Gulf Shipping & Unloading Contracting Company	inside	Limited liability	Alitco company	inside	closed JS
Al Hassan Ghazi Ibrahim Shaker Company	inside	Listed JS	Amana Cooperative Insurance Company	inside	Listed JS
Fawaz Al Hokair Company	inside	Listed JS	Al Saif RDB Brix Company	inside	Limited liability
Almarai Company (Member of the Audit Committee)	inside	Listed JS	Development Company for Investment and Real Estate Development	inside	Not Listed JS
Taiba Investment Company (Member of the Audit Committee)	inside	Listed JS	Saudi Kidney Center Company	inside	Limited liability
			Ithraa Medical Services Company	inside	Limited liability
			Ithraa Real Estate Investment and Development Company	inside	Limited liability
			Saudi Viva Company for Ongoing Services	inside	Limited liability
			Saudi Sports Technology Company	inside	Limited liability

## AL HASSAN GHAZI IBRAHIM SHAKER



**Mr. Azzam Saud Al-Mudaihim**

### Qualifications:

BA in Mechanical Engineering with honors from King Saud University

### Work experience:

- 1996–1998 Manufacturing Engineer at Advanced Electronics Company.
- 1998-2001 Regional Sales Manager - Central Region in Al Muhaidib Foods.
- 2001- 2007 Purchasing Manager and Store Manager in charge of Masdar Carpentry Materials.
- 2007 - 2010 General Manager in charge of Masdar for Trade Materials.
- 2011-2017 General Manager of Masdar Trading Materials Company.
- 2017-November 2020 CEO of El Hassan Ghazi Ibrahim Shaker Company.
- December 2020- to date Chief Executive Officer at Abunayyan Trading Company

Names of companies in which a member of the board of directors is a member of their current boards of directors or one of their managers	Legal Entity Listed Joint Stock Unlisted Limited Liability		Names of companies in which a member of the board of directors is a member of their previous boards of directors or one of their managers	Legal Entity Listed Joint Stock Unlisted Limited Liability	
	Inside the kingdom	Outside the kingdom		Inside the kingdom	Outside the kingdom
Member of the Board of Directors of Al-Hassan Ghazi Ibrahim Shaker Company	inside the kingdom	Listed JS	Member of the Board of Directors of Masdar Technical Supplies Company	inside the kingdom	Limited liability
Member of the Board of Directors of Solutions CompanyTelecom	inside the kingdom	Limited liability	Chairman of the Board of Directors of Energy Services Company	Outside the kingdom	closed JS
Member of the Board of Directors of the Arab Pipe Company	inside the kingdom	Listed JS			
Chairman of the Board of Directors of Modern Vision Company	Outside the kingdom	closed JS			



**Mr. Musaed Abdullah Al-Qasim**  
(Member of the Board of Directors  
and Member of the Nominations and  
Remunerations Committee)

#### Qualifications:

- BA in English Literature and Translation - Imam Muhammad bin Saud Islamic University
- MBA - University of Hull - UK

#### Work experience:

- 2002-2007 He held several positions in Almarai Company, then he was the Director of the Recruitment Group.
- 2007-2008 Recruitment Consultant and Human Resources Manager at PepsiCo.
- 2008-2011 General Manager of Human Resources at Al-Rajhi Real Estate Investments Company.
- 2011-2012 Vice President of Human Resources at Al-Ajlan & Bros. Company.
- 2012-2015 Director of Human Resources Operations at the Saudi Arabian Mining Company Ma'aden.
- 2015-2019 Chief Human Resources Officer at Dur Hospitality.
- 2019-2021 CEO of Shared Services at Dur Hospitality.
- From 2021 to date, CEO of Shared Services at the Mohammed bin Salman Charitable Foundation (Misk Charity).

Names of companies in which a member of the board of directors is a member of their current boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability	Names of companies in which a member of the board of directors is a member of their previous boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability
Member of the Board of Directors and a member of the Nominations and Remunerations Committee of Al-Hassan Ghazi Ibrahim Shaker Company	inside the kingdom	Listed JS	Member of the Board of Directors of the Saudi Company for Hotel Services	inside the kingdom	Limited liability
Member of the Nominations and Remunerations Committee in the Saudi Hotels Company) (SHC	inside the kingdom	Limited liability	Member of the Board of Directors of Nozol Shada Hospitality Company	inside the kingdom	Limited liability
Member of the Nominations and Remunerations Committee of the Saudi Investment Recycling Company (CIRC)	inside the kingdom	Limited liability			
Member of the Nominations and Remunerations Committee at the Middle East Paper Manufacturing and Production Company (MEPCO)	inside the kingdom	Listed JS			



b) Committee members outside the Board:

**Mr. Turki bin Abdul Mohsen Al-Luhaid (Chairman of the Audit Committee)**

**Qualifications:**

- Bachelor of Accounting from King Saud University, College of Administrative Sciences.
- Certified Public Accountant (CPA)
- Member of the Saudi Organization for Certified Public Accountants (SOCPA)

**Work experience:**

- From 2004-2005 at Riyadh Bank, Eastern Province Office, Trade Finance Center, in Letter of Credit Department.
- From 2006-2014, audit partner at Ernst & Young. Warranty services and business consultancy.
- 2014-2016, working on a secondment basis with Al-Ayuni Investment and Contracting Company
- 2016 and still a partner in Al-Laheed and Al-Yahya Chartered Accountants

Names of companies in which a member of the board of directors is a member of their current boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability	Names of companies in which a member of the board of directors is a member of their previous boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability
Chairman of the Audit Committee at Al Hassan Ghazi Ibrahim Shaker Company	inside the kingdom	Listed JS			



### Mr. Ahmed Zaki Mohamed Al-Fraih (Member of the Audit Committee)

#### Qualifications:

- Bachelor's degree in Accounting from the University of Sharjah.
- Executive Program for Finance Managers from the University of Chicago.
- International Institute for Management Development - Lausanne - Switzerland

#### Work experience:

- From 2005-2013 Senior Auditor at Ernst & Young.
- From 2013-2014 Financial Controller in Alargan Company.
- From 2014-2016 Financial Controller in Elm Company.
- 2017-2018 Financial Director of the industrial cities "Modon".
- 2018 to date Chief Financial Officer of Saudi Telecom Channels Company.STC

Names of companies in which a member of the board of directors is a member of their current boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability	Names of companies in which a member of the board of directors is a member of their previous boards of directors or one of their managers	Inside the kingdom Outside the kingdom	Legal Entity Listed Joint Stock Unlisted Limited Liability
Member of the Audit Committee of Al-Hassan Ghazi Ibrahim Shaker Company	inside the kingdom	Listed JS			
Member of the Audit Committee of the Saudi Korean Company for Maintenance and Management Properties (Properties)	inside the kingdom	Limited liability			
Gulf laboratory for testing electrical equipment	inside the kingdom	closed joint stock company			
Silah Sports Company	inside the kingdom	closed joint stock company			



## c) Executive management:

Name	Current Positions	Qualifications	Work experience
<b>Mr. Mohammed Abu Nyan</b>	Chief Executive Officer For Al Hassan Ghazi Ibrahim Shaker Company	He holds a BA from Al Yamamah University Completed several courses: Management Control Programs from London Business School A course in performance evaluation and indicators from Norton Kaplan -Courses in the field of business and management from INSEAD -courses from LGKorea	<ul style="list-style-type: none"> <li>Quality Management Manager</li> <li>Strategic Planning Manager</li> <li>General Manager of Retail and Wholesale of Pharmaceuticals and Medical Supplies</li> <li>Director of Project Management</li> </ul>
<b>Mr. Hossam El-Akkad</b>	Vice President of Financial Management At Al-Hassan Ghazi Ibrahim Shaker Company	-Bachelor of Commerce, majoring in Accounting from Ain Shams University Master's degree in corporate finance from the University of Virginia, USA -Certified Management Accountant CertifiedCMA	<ul style="list-style-type: none"> <li>30 years of experience directing and controlling finance, accounting, auditing and general management functions, strategic planning and business development</li> <li>From 2000-2004 Chief Financial Officer of Lundbeck - Denmark</li> <li>From 2004-2009 Head of the Financial Group at Magrabi Hospitals and Centers Saudi Arabia, Egypt</li> <li>From 2010-2012 CFO of Citadel Holding Group</li> <li>From 2012-2019 Chief Financial Officer and Vice President of Financial Strategies and Business Development at Asala Holding Company</li> </ul>
<b>Mr. Farhan Qamar</b>	Director of the internal audit department At Al-Hassan Ghazi Ibrahim Shaker Company	- Bachelor of Commerce, Accounting major from University of Karachi -carry International qualifications CIA (USA) and CISA (United States of America)	<ul style="list-style-type: none"> <li>more than 20 Years of experience in Internal Audit, Risk and Compliance.</li> <li>8 years experience as Head of Internal Flour in a Takaful Company.</li> <li>5 Years of working experience with a capital market regulator</li> <li>3 years of experience working with one of the leading banks in Saudi Arabia as Senior Manager - Internal Audit</li> <li>Two years of work experience with a leading financial services group as Assistant Vice President - Internal Audit, including one year as Acting Head of Internal Audit.</li> <li>5 years associated with a major international company Ernst &amp; Young Int'l</li> </ul>



## 17 .Board meetings:

- The Board of Directors held (6) six meetings during the fiscal year 2021 AD, and was elected by the Extraordinary Assembly in its meeting on 20/05/2019, where its current session started on 25/05/2019 and ends on 24/05/2022 AD, and the attendance of the members was as follows:

Name	The date of the board of directors meetings						Total
	19/01/2021AD	15/04/2021AD	19/05/2021AD	12/09/2021AD	19/09/2021AD	21/11/2021AD	
Abdulilah Abdullah Abunayan	√	√	√	√	√	√	6/6
Musab Suleiman Al Muhaidib	√	√	√	√	√	Did not attend	5/6
Abdulraouf Walid Al-Bitar	√	√	√	√	√	√	6/6
Eid Faleh Al Shamry	√	√	√	√	√	√	6/6
Faris bin Ibrahim Al-Hamid	√	√	√	√	√	√	6/6
Azam Saud Al-Mudaihim	√	√	√	√	√	√	6/6
Musaed Abdullah Al-Qasim	√	√	√	√	√	√	6/6



**18. The meeting of the general assemblies of shareholders during the fiscal year 2021 AD, and the names of the members of the Board of Directors attending them:**

During the fiscal year 2021 AD, the company held a meeting of the Extraordinary General Assembly on 24/05/2021 AD, where the agenda included the following items:

1- Voting on the report of the Board of Directors for the fiscal year ending on December 31, 2020 AD

2- Vote on the auditor's report for the fiscal year ending on 12/31/2020 AD.

Messrs./ KPMG (KPMG) by reciting his report as an auditor for the fiscal year ending on 12/31/2020 AD.

3- Vote on the audited financial statements for the fiscal year ending on 12/31/2020 AD.

4- Vote for the appointment of the company's auditor from among the candidates based on the recommendation of the Audit Committee, in order to examine, review and audit the financial statements for the second, third, fourth and annual quarters of the fiscal year 2021 AD and the first quarter of the fiscal year 2022 AD, and to determine fee.

a- Messrs. PricewaterhouseCoopers (PWC) with an amount and capacity of 1,000,000 Saudi riyals (one million riyals)

B- Messrs. office/EY An amount and capacity of 1,250.00 Saudi riyals (one million two hundred and fifty thousand riyals)

C- Messrs. KPMG Company (KPMG) for professional consultancy 1,100,000 Saudi riyals (one million and one hundred thousand riyals).

5- To vote on disbursing 1,654,339 Saudi riyals as a reward to members of the Board of Directors for the fiscal year ending on December 31, 2020.

6- Vote to absolve the members of the board of directors from liability for the fiscal year ending on December 31, 2020 AD.

7- Vote on the amendment of Article (17) of the company's articles of association related to the company's management.

8- To vote on amending Article (22) of the company's articles of association, related to the powers of the chairman, deputy and secretary.

9- To vote on the Board of Directors' decision to appoint Eng. Azzam Saud Al-Mudaihim as a non-executive member of the Board of Directors as of the date of his appointment on October 01, 2020, to complete the current term of the Board that ends on May 24, 2022 AD, succeeding the previous member, Mr. Francisco Maria, as an independent member.

10- Vote on the Board of Directors' decision to appoint Mr. Musaed Abdullah Al Qassem as an independent member of the Board of Directors as of the date of his appointment on October 01, 2020, to complete the current Board session that ends on May 24, 2022 AD, succeeding the previous member, Mr. Enrique Martinez as an independent member.

Mr. Abdulilah Abdullah Abunayan, Chairman of the Board of Directors, presided over the meeting, which was attended by Mr. Musab Al-Muhaidib - Vice Chairman of the Board of Directors -, Mr. Faris Al-Hamid, Mr. Eid bin Faleh Al-Shamry, Mr. Mr. Azzam Al-Mudaihim, Mr. Musaed Al-Qasim, and Mr. Turk Mr. Abdulraouf Walid Al-Bitar (Member of the Board of Directors) and Mr. Ahmed Al-Fraih (Member of the Audit Committee) were both unable to attend due to scheduling conflicts.



**19. Description of any contractual interest and securities and subscription rights** It belongs to the members of the company's board of directors, senior executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries, and any change in that interest or those rights during the last financial year:

The following table shows a list of the names and ownership of the members of the Board of Directors and senior executives or their relatives in the company's shares and any change in ownership during 2021 AD:

Name of the interested person*	Beginning of the year 2021		Change during 2021		End of year 2021	
	ownership percentage	Number of Shares	change percentage	Number of Shares	ownership percentage	Number of Shares
<b>Abdulilah Abdullah Abu Nyan***</b>	%1.63	1.027.800	0.09%	57,000	%1.72	1,084,800
<b>Abdulraouf Walid Al-Bitar****</b>	%6.13	4.201.800	-	4.201.800	%6.13	4.201.800
<b>Musab Suleiman Al Muhaidib</b>	%0.003	1800	-	1800	%0.003	1800
<b>Eid bin Faleh Al Shamri</b>	%0.002	1000	-	1000	%0.002	1000
<b>Faris Ibrahim Al Hamid</b>	%0.002	1000	-	1000	%0.002	1000
<b>Azzam Saud Al-Mudaihim</b>	-	-	-	-	-	-
<b>Musaed Abdullah Al-Qasim</b>	-	-	-	-	-	-

Except for the individuals mentioned in the preceding statement, none of the company's senior executives or their relatives own any of the company's stock or subsidiaries.

\*\*\*Indirect ownership of Shaker Company shares through Abdul Ilah Abdullah Abu Nayan Company Ltd., which owns 14.074 percent of the company. A direct shareholder in Shaker Company with 7,695,000 shares as of December 31, 2019, in addition to direct ownership of 1,800 shares in the Lafana Holding Company (previously known as Ibrahim Abdullah Abunayyan & Sons Company).

\*\*\*\*Direct ownership of 1,800 shares and indirect ownership of shares in Shaker Company through 100 percent direct ownership in Lama Holding Company, the shareholder in Shaker Company with 3,600,000 shares as of December 31, 2021 AD, and indirect ownership through his wife, Mrs. Lama Abu Khadra, a partner in Adwaa Al-Ismailia Company with a 33 percent stake, and shareholder in Shaker Company with 1,800,000 shares as of December 31, 2021 AD.

**Note:** The company was not informed of any interest in voting shares belonging to anyone other than members of the Board of Directors, top executives, and their relatives during the fiscal year 2021 AD, or any change in those rights.



**20. The Board of Directors' actions to notify its members - particularly non-executives - of shareholder suggestions and comments about the company and its performance:**

On the most prominent shareholders' observations and views on the company's performance and results, and presenting them to the Board of Directors for consideration if they are feasible, as well as the eagerness of the Board members to attend the assemblies, whether from the members of the Board or the heads of the committees or their representatives. During the Assembly sessions, this tries to communicate directly with shareholders. And responding to their questions in a way that does not jeopardise the company's interests. On the other hand, the company's bylaws and the governance regulations guarantee shareholders all the rights in deliberations and participation in discussions during the meetings of the general assembly, where essential notes and inquiries raised by shareholders are recorded for study and consideration during the meetings of the Board of Directors.

**21. Remuneration of Board Members, Committee Members and Senior Executives:**

**a) Remuneration and Compensation Policy for Board Members:**

\* Members of the Board, members of its committees, and senior executives are paid in accordance with policies approved by the company's general assembly on December 20, 2017 AD, which were in accordance with the general frameworks of the Companies Law, the Capital Market Authority's regulations, and the company's articles of association. The administration, including the chairman, in return for the services they perform from a lump sum of (200,000) riyals for each member, in addition to an allowance for attending board sessions of (3,000) riyals for each session for each member of the board of directors, and a lump sum of (50,000) riyals for each member. For the meetings of the committees emanating from the board, in addition to an attendance allowance of (1,500) riyals for each meeting of the committees for each member, in accordance with the regulations, decisions, and instructions in force in the Kingdom of Saudi Arabia issued by the competent authorities, especially the Companies Law and its regulations...And that the remuneration be based on the recommendation of the Remuneration and Nomination Committee emanating from the Board of Directors, which reviews the attendance schedule for the meetings of the Board and its committees, the tasks and topics they have undertaken, and submits to the Board the appropriate recommendation to determine the remuneration for the members of the Board of Directors.

Members' salary may also vary in amount, according on their experience, competences, tasks delegated to them, independence, the number of sessions they attend, and other factors deemed acceptable by the Nomination and Remuneration Committee.

\* In the event that a member of the Board of Directors resigns or has his membership terminated in any other way before the end of the Board session, the annual remuneration is divided in proportion to the term of their membership during the fiscal year between the terminated member and the new member who will complete the term of his predecessor in the Board term.

**B) Remuneration and compensation policy for committee members:**

The criteria for disbursing the remunerations of the members of the board of directors' committees were addressed in the regulations and policies relating to the board of directors' committees. He is a member of the board of directors, but if the committee member is not a member of the board of directors, he is entitled to an annual allowance of (100,000) one hundred thousand riyals, and all committee members are entitled to an attendance allowance of (1,500) one thousand five hundred riyals for each session.

**c) Senior Executives Remuneration Policy:**

The executive management remuneration policy has established several primary factors on which these remunerations are determined, the most important of which are:

- Attracting and retaining the best talent.
- Motivate and raise the performance level of employees to achieve the company's annual goals and to reflect and match the tasks and responsibilities.
- Linking employee performance with the company's annual goals.
- The award of the award is based on the recommendation of the Remuneration and Nomination Committee.
- The reward and its associated performance indicator shall be clear and measurable and linked to the overall organizational performance and the personal performance of all employees, whereby rewards are paid only on the basis of practical results of performance appraisal.
- The annual bonus or obtaining it is not automatic, as the executives may not obtain any bonus for any year in which the company does not achieve net profits or without the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors for it.



1) Board Members Remuneration:

According to the following declaration, which was adopted by the Board of Directors on May 19, 2021 AD, the annual bonus for the year 2020 AD should be given to members of the Board of Directors and members of the committees.

Name	Fixed Rewards										Variable Rewards					Indemnity	Total	Expense allowance	
	amount certain**	Allowance for attending board sessions in-kind	allowanceAt total sessions attending committee	Tel and administrative work	Remuneration advisory chairman, managing director, or secretary, if one of the members short term incentive plans	long term incentive plans	Granted Shares (Value is entered)	Total	RateFrom profits	Regular rewards	short term incentive plans	long term motivational plans	Granted shares (value is entered)	Total					
<b>First: independent members</b>																			
1- Musab Al Muhaidib	200,000	-	12,000	-	-	-	-	-	-	-	212,000							212,000	
2- Fares Al-Rashed	250,000	15,000	6,000	-	-	-	-	-	-	-	271,000							271,000	
3-Eid Al Shamri	250,000	15,000	6,000	-	-	-	-	-	-	-	271,000							271,000	
4- Musaed Al Qasim	137,910	12,000	6,000	-	-	-	-	-	-	-	155,910							155,910	
*5- Enrique Martinez	162,750	6,000		-	-	-	-	-	-	-	168,750							168,750	
*6- Francisco Maria	128,769	6,000		-	-	-	-	-	-	-	134,769							134,769	
*7- Letherus Cornelis Matisse	202,590	6,000	6,000	-	35,410	-	-	-	-	-	250,000							250,000	

\*Members' resignations were submitted on 07/19/2020, due to the conflict of the commercial agencies law with the membership of non-Saudi members in the Board of Directors, with Mr. Latheros Cornelis Mattis retaining his membership in the Remuneration and Nominations Committee



Name	Fixed Rewards								Variable Rewards					Indemnity	Total	Expense allowance		
	amount certain**	Allowance for attending board sessions	total allowance attending committee sessions	In-kind benefits	Technical and administrative work reward and advisory	Remuneration of the chairman, managing director, or secretary, if one of the members	short term incentive plans	long term incentive plans	Granted Shares (Value is entered)	Total	Rate From profits	Regular rewards	short term incentive plans	long term motivational plans	Granted shares (value is entered)	Total		
<ul style="list-style-type: none"> <li>• <b>Second: Non-executive members</b></li> </ul>																		
1- Abdelilah Abunayan	250,000	15,000	6,000						271,000									271,000
2- Abdul Raouf Al-Bitar	200,000	15,000							212,000									212,000
3- Azzam Al-Mudaihim	50,410	12,000							62,410									62,410

\*\* The specified amount includes the annual remuneration for the membership of the Board of Directors and the fixed remuneration for membership of the committees



## AL HASSAN GHAZI IBRAHIM SHAKER

### 3. Remuneration of committee members from outside the board of directors:

Name	Fixed remuneration (except for the allowance for attending sessions)	Allowance for attending sessions	Total
<b><u>Members of audit committee outside the board of directors:</u></b>			
Turki Al-luhaid (Committee president)	100,000	6,000	106,000
Ahmed Al-Fraih	100,000	6,000	106,000

\*\*The clarification statement Remuneration of members of the Remuneration and Nominations Committee was completed within the particular amount mentioned in the remuneration of members of the Board of Directors, given that all members of the Committee are Board members.



## AL HASSAN GHAZI IBRAHIM SHAKER

The table below shows the scores of the top five senior executives, including the CEO and CFO:

Senior Executives	Fixed Rewards			Variable Rewards					Indemnity	Total executive remuneration for the board, if any	Total		
	payroll	allowances	In-kind benefits	Total	Regular rewards	earnings	short term incentive plans	long term incentive plans	Granted Shares (Value is entered)	Total	Indemnity	Total executive remuneration for the board, if any	Total summation
Total remuneration of the top five senior executives, including CEO and CFO:	4,204,464.00	1,537,536.00	-	5,742,000.00	2,173,000.00	-	-	-	-	2,173,000.00	00.00		7,915,000.00

\*Note: The company has committed to disclose the elements of the senior executives' remuneration in total in accordance with the statutory requirements contained in sub-paragraph (b) of paragraph (4) of Article (93) of the Corporate Governance Regulations, but to protect the interests of the company, its shareholders and its employees and to avoid causing any harm that may result from As a result of the detailed disclosure according to the position, the details were not presented as contained in Annex (A) of the Senior Executives of the Corporate Governance Regulations

**Note: None during the fiscal year 2021 ADAny investments or reserves created for the benefit of the company's employees.**

Except for what was indicated in the above tables, the company did not pay any of the members of the board of directors, whether in their capacity as workers or administrators, or in return for technical, administrative or consulting works.



## AL HASSAN GHAZI IBRAHIM SHAKER

### 22. A description of any transaction between the company and a related party - or information on contracts and business 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:

After the company stopped consolidating the financial statements of LG Shaker Co., Ltd. on 05/26/2014 AD, LG Shaker Company considered a subsidiary (related party) and it is recognized in the accounting assets that any transaction with a subsidiary company should be classified under the name of a related party. And therefore Purchases from a subsidiary company LG Shaker amounted to 389 million riyals, which are purchases of air conditioners, in the context of business and commercial activity in the field of the company. The balance at the end of the year amounted to 128 million riyals owed to the subsidiary company.

- On 19/09/2021, the company contracted with Himma Capital as an independent advisor on the issue of reducing and increasing the company's capital. The Chairman of the Board of Directors, Mr. Abdulelah Abunayan and the Vice Board of Directors, Mr. Musab Al-Muhaidib, disclosed the existence of an unauthorized interest directly to them in Himma Capital Company, as the value of Contract amounting to 750,000A thousand Saudi riyals.

Except for the above, the company acknowledges that during the fiscal year 2021M. There were no business or contracts in which the company was a party, or in which a member of the Board of Directors or its senior executives or any person related to them had an interest.

### 23. Committees

In an effort by the Board of Directors to facilitate the affairs of the company, follow up on its daily operations and activities, and increase the effectiveness of communication between the executive management and the Board of Directors.

The Board of Directors formed Number (2) committee to follow up The company's operations are within their areas of specialization, and then submit periodic reports to the Board of Directors on the most prominent results and recommendations made by those committees during the exercise of their work tasks and to confirm the members' interaction with the goals and responsibilities assigned to them.

Based on the foregoing, the Ordinary General Assembly approved the rules for selecting members of these committees, their tasks and determining their remuneration.

**Below is a brief description of each committee:**

#### First: Auditing Committee

On December 20, 2017, the Extraordinary General Assembly approved the committee's amended work regulations, which included adding the tasks of risk management in addition to the rest of its tasks, responsibilities, rules and controls for its work, and the rewards of its members for the current session, which began on 25/05/2019 and for a period of three Gregorian years. The duties and responsibilities of the Audit Committee are as follows:

1. Overseeing internal audit procedures
2. Verify the integrity and integrity of reports, financial statements and internal control systems.
3. Recommending the appointment of an external auditor
4. Examining the auditor's reports and notes, if any, and following up on the actions taken in their regard.
5. Reviewing the adequacy of the company's internal control system, including the control devices for the computer information and security system.
6. Studying the applicable accounting policies and providing advice to the Board of Directors regarding any recommendation related thereto.
7. Reviewing the reports of the regulatory authorities and verifying that the company has taken the necessary measures in this regard.
8. Determining and maintaining an acceptable level of risk to the company and ensuring that it is not exceeded.



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

During the fiscal year 2021 AD, the Audit Committee held (8) five 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 AD	02/05/2021AD	06/23/2021AD	12/08/2021AD	08/18/2021AD	07/10/2021AD	10/31/2021AD	12/21/2021AD	Total
<b>Turki Alhuid (Committee Chairman)</b>	√	√	√	√	√	√	√	√	8/8
<b>Eid Faleh Al Shamry</b>	√	√	√	√	√	√	√	√	8/8
<b>Ahmed Zaki Al- Fraih</b>	√	√	√	√	√	√	√	√	8/8



## AL HASSAN GHAZI IBRAHIM SHAKER

### 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.
- 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.



### Second: Remuneration and Nominations Committee

On April 20, 2017, the Board of Directors decided to include the Remuneration Committee and the Nomination Committee referred to in Articles 60 and 64 of the Corporate Governance Regulations in one committee called the "Remuneration and Nominations Committee" for Hassan Ghazi Ibrahim Shaker Company. Remuneration and updated nominations from the General Assembly. Among the most prominent tasks of the committee are the following:

1. Preparing a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the Executive Management, and submitting it to the Board of Directors for consideration in preparation for approval by the General Assembly, provided that such policy is taken into account following performance-related standards, disclosed and verified its implementation, and performed on an annual or constructive basis. On the Board's request to review these remunerations and make appropriate recommendations to the Board.
2. To consider different collective bonuses based on the company's performance and the performance of different departments and divisions and to recommend these bonuses to the Board of Directors for review and approval.
3. Submitting a recommendation to the Board of Directors regarding candidacy for membership of the Board in accordance with the established policies and standards; The committee must ensure that it does not nominate anyone who has been convicted in the past of any offense affecting honor and integrity.
4. Reviewing and making recommendations and amendments to the structure of the Board of Directors.
5. Ensure on an annual basis the independence of the independent members and the absence of any conflict of interest in the event that one of the members of the Board is a member of the Board of Directors of another company.
6. Propose clear policies and criteria for membership in the Board of Directors and the Executive Management.
7. Annual review of the necessary needs for skills or appropriate expertise for membership of the Board of Directors and executive management functions.

•The Committee (4) held four meetings during the fiscal year 2021 AD, and the table below shows the attendance record:

Name	04/18/2021AD	05/09/2021AD	20/10/2021AD	09/11/2021AD	Total
<b>Faris Al-Hamid (Chairman of the Committee)</b>	√	√	√	√	4/4
<b>**Abdul Ilah Abunayan</b>	√	√	-	-	2/4
<b>Musaed Al Qasim</b>	√	√	√	√	4/4
<b>Waltheros Cornelis Matisse</b>	√	√	√	√	4/4

**\*\***He resigned as a member of the committee on 19/05/2021 AD



24. The means that the Board of Directors relied on in evaluating its performance and the performance of its committees and members:

In order to maximise the Remuneration and Nominations Committee's role in evaluating the members of the Board of Directors, the Committee recommended to the Board of Directors in the second quarter of fiscal year 2018 AD the appointment of an external party to evaluate the Board of Directors' performance and access to the Board's practises to the best standards and requirements of governance, and it was one of the most important axes. 1) Evaluation of driving skills Through the effectiveness of the board of directors' leadership and the chairmen of the committees' influence in summoning and including all members and presenting the meeting agenda. 2) Evaluation of management Preparing for board meetings is a good way to start. Determining appropriate dates to ensure all members' participation, calling for meetings, ensuring all members' participation, exchanging opinions and ideas, and the time required for members of the Council to participate in discussions and communicate with committees in light of their specific objectives and responsibilities.3) Appraisal of contributions Through the interaction and participation of members of the council and committees, as well as their commitment to carrying out their responsibilities and allocating the necessary time, and the manner in which discussions are conducted, including raising issues and questions, soliciting opinions, and making decisions.

25. Penalties and penalties imposed on the company:

It has been found to us that the company does not have any material penalties or penalties during the fiscal year 2021 AD

26. Company's requests for shareholders' register:

Request type	property file history	Reason for request
Quantities at the identity level (A)	01/25/2021AD	Other
Quantities at the identity level (A)	02/21/2021AD	Other
Quantities at the identity level (A)	04/13/2021AD	Other
Quantities at the identity level (A)	05/20/2021AD	Other
Quantities at the identity level (A)	05/23/2021AD	General Assembly
Quantities at the identity level (A)	05/24/2021AD	General Assembly
Quantities at the identity level (A)	06/28/2021AD	Other
Quantities at the identity level (A)	09/28/2021AD	Other
Quantities at the identity level (A)	10/10/2021AD	Other
Quantities at the identity level (A)	11/18/2021AD	Other



## 27. The company's disclosures on the Tadawul website during the fiscal year 2021AD:

Sr.	Announcement date	Sub.
1	3/21/2021AD	Al Hassan Ghazi Ibrahim Shaker Co. announces its annual financial results for the period ending on 12-31-2021
2	02/05/2021AD	Al Hassan Ghazi Ibrahim Shaker "Shaker" Company invites its shareholders to attend the Extraordinary General Assembly meeting (the first meeting) by means of modern technology
3	05/05/2021AD	Al Hassan Ghazi Ibrahim Shaker Co. announces its interim financial results for the period ending on 03-31-2021 ( Three Months )
4	05/23/2021AD	Al Hassan Ghazi Ibrahim Shaker Company announces the termination of the assignment of the Acting CEO and his appointment as CEO of the company
5	25/05/2021AD	Al Hassan Ghazi Ibrahim Shaker Company announces the results of the Extraordinary General Assembly meeting (the second meeting)
6	08/19/2021AD	Al Hassan Ghazi Ibrahim Shaker Co. announces its interim financial results for the period ending on 06-30-2021 (six months)
7	09/19/2021AD	Al Hassan Ghazi Ibrahim Shaker Company announces the Board of Directors' recommendation to reduce the company's capital and then increase the company's capital through the issuance of priority rights shares
8	02/11/2021AD	Al Hassan Ghazi Ibrahim Shaker Co. announces its interim financial results for the period ending on 30-09-2021 ( Nine Months )
9	10/11/2021AD	Al Hassan Ghazi Ibrahim Shaker Company announces the latest developments regarding the Board of Directors' recommendation to reduce the company's capital and then increase the company's capital through the issuance of priority rights shares
10	11/11/2021AD	Addendum announcement from Al-Hassan Ghazi Ibrahim Shaker Company regarding the latest developments regarding the Board of Directors' recommendation to reduce the company's capital and then increase the company's capital through the issuance of priority rights shares.
11	12/16/2021AD	Al Hassan Ghazi Ibrahim Shaker Company announces the latest developments regarding the Board of Directors' recommendation to reduce the company's capital and then increase the company's capital through the issuance of priority rights shares
12	December 23, 2021 AD	Al Hassan Ghazi Ibrahim Shaker Company announces the submission of a request file to reduce the company's capital and a request file to increase the company's capital by offering priority rights shares to the Capital Market Authority



## 28. Corporate Governance:

The corporation has designed an internal governance code that incorporates the provisions and requirements of the Capital Market Authority's corporate governance legislation in the Kingdom. The company's modified corporate governance policy was approved by the Board of Directors on December 21, 2017, in accordance with the Capital Market Authority's corporate governance regulation. With the exception of the following rules, which are guiding requirements, the corporation has implemented all of the necessary provisions contained in the Corporate Governance Regulations in the Kingdom of Saudi Arabia issued by the Capital Market Authority.

Article number	Article text	Reasons for NA
9 paragraph c	"The shareholder is entitled to his share of the profits in accordance with the decision of the general assembly issued regarding the distribution of profits to shareholders, or the decision of the board of directors to distribute interim dividends"....	No dividend was distributed during the year financial 2021 AD, Therefore, that paragraph was not applied.
13 paragraph c	<ul style="list-style-type: none"> <li>The Board of Directors shall invite the Ordinary General Assembly to a meeting if requested by the auditor, the audit committee, or a number of shareholders whose ownership represents at least (5%) of the company's capital. The auditor may call the assembly to convene if the board of directors does not call it within thirty days from the date of the auditor's request.</li> </ul>	No auditor was requested during the year financial 2021 AD Or any of the shareholders representing 5% of the Ordinary General Assembly.
14 paragraph (a)	When preparing the agenda for the general assembly, the board of directors must take into account the topics that shareholders wish to include. Shareholders who own at least 5% of the company's shares may add one or more topics to the agenda of the general assembly when preparing it..	The company was not informed of any topics that shareholders wish to include on the agenda of the assembly held during year 2021 AD
19 paragraph c	If a member of the Board of Directors resigns, and he has comments on the company's performance, he must submit a written statement to the Chairman of the Board of Directors, and this statement must be presented to the members of the Board of Directors.	did not Complete Submission of resignation from a member of the Board of Directors during the year 2021 AD
26 paragraph (2)	Propose and implement the company's comprehensive strategy, main and interim work plans, investment and financing policies and mechanisms, risk management, and emergency management plans.	It does not apply in part, as the company has a comprehensive strategy and main business plans. As for financing operations, it is carried out under the directions of the Board of Directors on a quarterly basis and when needed in the event of any changes in financial expenditures.
39 paragraph(2)	Develop the necessary mechanisms for the members of the Board of Directors and the executive management to obtain continuous training programs and courses in order to develop their skills and knowledge in areas related to the company's activities.	The company has satisfied itself with the application of Paragraph (1) of Article, and the Board is always informed of developments in the field of the company's work during its meetings, especially that the members of the Board of Directors have professional qualifications and experience in the field of investment and industry.
46 paragraph (3)	The Chairman of the Board of Directors informing the Ordinary General Assembly, when it convenes, of the competing business practiced by a Board member. .... According to criteria issued by the company's general assembly - based on a proposal by the board of directors, and published on the company's website. ...."	No member of the Board of Directors practiced a competing activity or notified the Chairman of the Board of any competing activities during the year 2021 AD, The company is currently operating To prepare a list of competition criteria for a member of the Board of Directors, which will be presented to the General Assembly after its completion.
48	If the General Assembly refuses to grant the license under Articles seventy-first and seventy-second of the Companies Law and Article forty-six of these Regulations, the member of the Board of Directors must submit his resignation within a period determined by the General Assembly, otherwise his membership in the Board shall be considered terminated, unless he decides to abandon the contract or deal Or competition or reconciliation of situations in accordance with the Companies Law and its implementing regulations before the expiry of the period set by the General Assembly.	Not applicable during the year 2021 AD, As the agenda of the Extraordinary General Assembly did not include any items related to obtaining a license for a member of the Board of Directors.



Article number	Article text	Reasons for NA
60	a) By a decision of the company's board of directors, a committee called)Remuneration Committee(, from three members who are not members of the Executive Board of Directors, provided that at least one independent member must be among them, the general assembly of the company issues–Based on a proposal from the Board of Directors–Remuneration committee work list.	The Remuneration Committee and the Nominations Committee were combined into one committee in accordance with the text of Article .7 hpargarap ,50
63	The Remuneration Committee meets at least once a year, and whenever the need arises.	Not applicable as the company combined the Remuneration and Nominations Committee in one committee.
64	a) By a decision of the company's board of directors, a committee called)Nominations Committee(Non-executive members of the board of directors, provided that at least one independent member is among them B(The general assembly of the company issues–Based on a proposal from the Board of Directors–Regulations for the work of the Nomination Committee, provided that this list includes the rules and procedures for the work of the Committee, its tasks, the rules for selecting its members, the term of their membership, and their remuneration..	Not applicable as the company combined the Remuneration and Nominations Committee in one committee.
67	The Remuneration Committee meets at least once a year, and whenever the need arises.	Not applicable as the company combined the Remuneration and Nominations Committee in one committee.
70	By a decision of the company's board of directors, a committee called (Risk Management Committee) will be formed, whose chairman and the majority of its members are non-executive board members. Its members are required to have an adequate level of knowledge of risk management and finance.	The company did not form an ad hoc committee for risk management, and the tasks of this committee have been added to the tasks of the audit committeeat2017
72	The Risk Management Committee meets at least every six months, and whenever the need arises.	The company did not form an ad hoc committee for risk management (guiding article)
85	The company sets programs to develop and motivate the participation and performance of the company's employees, provided that they include - in particular-the following: 1) Forming committees or holding specialized workshops to listen to the opinions of the company's employees and discuss with them the issues and topics that are the subject of important decisions. 2) Programs for granting employees shares in the company or a share of the profits achieved or retirement programs, and establishing an independent fund to spend on those programs. 3) Establishment of social institutions for company employees.	It does not apply in part as there are no programs to grant employees shares in the company or a share in the profits, and there are no social institutions for the company's employees.
87	The Ordinary General Assembly sets–Based on a proposal from the Board of Directors–A policy that ensures the establishment of a balance between its goals and the goals that society aspires to achieve in order to develop the social and economic conditions of society.	It was not applied as it is guiding, knowing that the company looks forward to its role in social responsibility towards its society, based on its commitment towards society and the country.
88 paragraph (a)	Setting measurement indicators that link the company's performance with its initiatives in social work, and compare that with other companies of similar activity.	Not applicable because the text is not mandatory.
93 (4)paragraph (b)	(4) Indicate the necessary details Regarding the remuneration and compensation paid to each of the following separately: (B) Five senior executives who received the highest remuneration from the company, provided that they include the CEO and the financial manager.	To protect the interests of the company, its shareholders and its employees, and to avoid causing any harm as a result of the detailed disclosure according to the position, the details were not presented as contained in Appendix (A) of the Senior Executives of the Corporate Governance Regulations
95	In the event that the Board of Directors forms a committee specialized in corporate governance, it must delegate to it the competencies stipulated under Article (ninety-fourth) of these Regulations. Management, at least annually, with the reports and recommendations it reaches.	The company did not form a committee for governance, and there is a department concerned with compliance and governance. It supervises the implementation of the company's corporate governance system and presents its views to the Board of Directors periodically in the event that any adjustments are necessary to suit the company's performance.



### 29. Results of the annual review of the effectiveness of the company's internal control procedures:

The Audit Committee's (the Committee's) role in Al Hassan Ghazi Ibrahim Shaker Company (the Company) is to oversee and control financial reporting procedures in accordance with the Committee's task list, which was approved by the General Assembly on December 20, 2017, as well as risk management procedures in light of the financial statements, auditor reports, and operational processes, as well as the company's administrative and internal control framework. The committee also conducts its business in accordance with its role in promoting and preserving the company's value, as well as fulfilling its objectives in accordance with the Audit Committee's authorised annual audit plan. The Committee has full authority to investigate any activity within its competencies or anything requested of it in particular, and to submit reports to the Audit Committee and the Board of Directors, including reference to any potential material risks related to the failure of controls, risk management, or compliance.

The audit work revealed some simple comments that were submitted to the executive management and the board of directors, and corrective measures were put in place for them, and the attention of the audit committee was not drawn to what made it believe that there is a fundamental shortcoming that requires disclosure and that the control system has achieved many improvements during the year 2021 AD. .

### 30. Social Contribution:

The company is committed to community service, particularly the development of its competence and resources through its training academies located throughout the Kingdom, which receive engineers and technicians from various private and government sectors for free training workshops, as well as contracting employment with newly graduated students from universities, institutes, and technical colleges in the Kingdom. In addition, the Tamheer initiative from the Human Resources Development Fund has been activated.

The company also opens the doors of its maintenance centers to receive students of technical colleges, putting in their hands and at their disposal the latest technology in the field of air conditioning and home appliances. This is in addition to the company's contribution to many social works through in-kind support, represented in most cases by replacing air conditioners for some social and health centers, as all these works fall under the company's responsibility to serve its community.

### 31. Declarations According to the Regulations of the Capital Market Authority According to the Regulations of the Capital Market Authority for the year 2021 AD:

1. The company's management acknowledges that the account records have been properly prepared.
2. The company's management acknowledges that the internal control system has been prepared on sound foundations and implemented effectively.
3. The company's management confirms that there is no doubt about the issuer's ability to continue its activity.
4. No recommendation was received from the Audit Committee regarding the need to appoint an internal auditor in the company, as the company has an internal audit department.
5. No recommendations were received from the Audit Committee showing a conflict between them and the decisions of the Board of Directors, or which the Board refused to take regarding the appointment and dismissal of the company's auditor, determining his fees, evaluating evidence or appointing the internal auditor, the justifications for those recommendations, and the reasons for not adopting them (not applicable).
6. A description of any interest in a class of voting shares held by persons)Except for members of the company's board of directors, senior executives and their relatives(Notify 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.(does not apply)
7. A description of the classes and numbers of any convertible debt instruments and any contractual securities, memorandums 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.(do not apply)
8. 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. (do not apply)
9. 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.(do not apply)
10. A statement of any arrangement or agreement whereby a shareholder of the company has waived any rights to profits. (do not apply)
11. The Chairman of the Board of Directors did not receive a communication from any of the Board members regarding his interests in any dealings with the company, and none of them requested a license to engage in competing business. (Apply, this was disclosed in the report).
12. The auditor's report did not contain any reservations about the annual financial statements for the fiscal year 2021 AD.
13. No recommendation was issued by the Board of Directors to change the auditor before the end of the period for which it was appointed. (Not applicable)
14. During the year 2021 AD, no remuneration was made to members of the Board of Directors in their capacity as workers or administrators, or in exchange for technical, administrative, or consultative work. (do not use)