

## Agenda of the 14<sup>TH</sup> General Assembly Ordinary meeting

Dated March 1, 2022 AD

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## Agenda for the 14th Ordinary General Assembly Meeting (First Meeting) Through Contemporary Technology

Scheduled for 8:00 PM on Tuesday 01 March 2022G (corresponding to 28/07/1443H) remotely through contemporary technology via the URL [www.tadawulaty.com.sa](http://www.tadawulaty.com.sa)

#	Voting items
1.	To vote on the Board of Director's report for the fiscal year ending on 31/12/2021 AD.
2.	To vote on the auditors' report for the fiscal year ending on 31/12/2021 AD.
3.	To vote on the financial statements for the fiscal year ending on 31/12/2021 AD.
4.	To Vote on the appointment of an external auditor for the company from the candidates nominated based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the second quarter, third quarter, and the annual of the fiscal year 2022, and the first quarter of the fiscal year 2023, and determine the fees.
5.	To vote on the business and contracts that will take place between the company and "Rumooz Al-Fakherah For Trading Company", where two of the Board members (Mr. Mohammad Rasheed Al-Rasheed) and (Mr. Saleh Rasheed Al-Rasheed), as related parties, have indirect interest, for the year 2022. The total value of the transactions done in the year 2020 was (9,452,931) Saudi Riyals, representing sales made on commercial basis and with non-preferential terms. ( attached )
6.	To vote on the discharge of the members of the Board of Directors for the fiscal year ending on 31/12/2021 AD.
7.	To vote on disbursing an amount of SAR 900,000 as a remuneration for the members of the Board of Directors, for the fiscal year ending on 31/12/2021 AD.
8.	To vote on the amendment of Article (8 - Paragraph 1 - b) of the remuneration policy for the Board of Directors, its committees and the executive management of the company, related to (the remuneration of members of the Board of Directors). (attached)
9.	To vote on authorizing the Board of Directors to distribute interim dividends on a semi-annual / quarterly basis for the fiscal year 2022 AD.
10.	To vote on disbursing an amount of SAR 175,000 as a remuneration for the members of the audit committee, for the fiscal year ending on 31/12/2021 AD.
11.	Vote on the formation of the Audit Committee for the next (fifth) session, which begins on 10/4/2022 AD and for a period of three years ending on 9/4/2025 AD, and approves its tasks, rules of work and remunerations for its members, and approves the appointment of the following candidates (CV Attached ):- - Khaled Muhammad AL Khwaiter ( Out of BOD) - Youssef Abdullah Almutlaq. ( Independent ) - Abdullah Soued Alerafi. ( Out of BOD)
12	Vote to elect members of the Board of Directors from among the candidates for the next (fifth) session, which begins on 10/04/2022 and for a period of three (3) years, ending on 9/4/2025 AD (CVs are attached).

United Wire Factories Company  
The annual audit committee report  
For the fiscal year ending December 31, 2021

**The annual audit committee report of the United Wire Factories Company  
For the fiscal year ending on December 31, 2021**

To the shareholders of United wire factories

Riyadh – Saudi Arabia

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

The audit committee of the United Wire Factories Company is pleased to submit its annual report for the fiscal year ended 12/31/2021 AD

**Introduction**

The control procedures and their effectiveness are very important and play a pivotal role in achieving the company's objectives, and the company's management is responsible for preparing a comprehensive and effective system of internal control. The internal control system is based on the company's management's vision and discretion to establish a control system commensurate with the relative importance of financial and other risks inherent in the company's activities. And with a reasonable cost and benefit to activate limited controls. The internal control system is designed for the purpose of managing the risks of not achieving the goals and not to avoid them, and therefore the internal control system is designed to give reasonable assurances to avoid material errors and related losses. In addition, the Audit Committee periodically reviews the reports prepared by the internal and external auditors, and these reports includes an assessment of the adequacy and effectiveness of the company's internal control.

**Formation of the Audit Committee:**

the audit committee is an independent committee formed by a decision of the company's ordinary general assembly, with a mandate to monitor the company's business and verify the accuracy and integrity of the reports and financial statements, and accounting policies And supervise the work of the internal audit and the external auditors and then report on the adequacy and reliability of the internal control systems to achieve the company's goals.

The company's audit committee consists of 3 members, an independent member and two members from outside the board. The members of the committee were appointed in accordance with the decision of the general assembly of the company for a period of three years, starting from 4/10/2019 to 9/4/2022 AD, and the tasks of the committee, its work controls, and the remuneration of its members were determined by the general assembly of the company according to the requirements Related systemic.

Mr. Youssef Abdullah Al-Mutlaq was appointed as an independent member of the Audit Committee on October 1, 2020 with the approval of the Board of Directors, due to Mr. Saleh Rashid Al-Rasheed resigned from the Audit Committee on October 1, 2020 for reasons of his own. The Ordinary General Assembly approved this appointment at its thirteenth meeting on April 6, 2021 AD.

#### Committee Meetings:

The committee held 5 (five) meetings during the fiscal year 2021 AD, 3 meetings of them were held remotely through modern technology , in line with the precautionary actions taken by the Kingdom to confront the Coronavirus - Covid 19 pandemic.

#### Most prominent work done by the committee within the scope of its competence

The Audit Committee carried out many activities and works during the fiscal year 2021 AD, during which the interim and annual financial statements, internal, external auditors' reports and compliance audits were discussed, in light of the financial statements and information provided from the executive management and the external auditors.

#### Accordingly, the audit committee carried out the following tasks:

##### First: Interim and annual Financial Statements and repots for the year 2021AD

- The interim and annual financial statements of the company were studied before presenting them to the Board of Directors and expressing an opinion on it and making a recommendation on it.
- After the committee's review of the annual financial statements ending on December 31, 2021 AD, the committee found that the financial statements in all material respects comply with all relevant regulations and recommended to the Board of Directors for approval.
- The accounting policies used in preparing the financial statements and their compatibility with the accounting standards applied in the Kingdom of Saudi Arabia were studied.
- Accounting estimates have been studied in the material issues contained in the financial reports.
- The transactions between the company and related parties were studied, as well as the related parties' report and recommendations, as specified by the applicable regulations and rules.
- A technical opinion has been expressed as to whether the report of the Board of Directors and the company's financial statements are fair, balanced and understandable, and include information that allows shareholders and investors to evaluate the company's financial position, performance, and business model.

## **Second: The internal audit for the year 2021 AD**

- The performance and activities of the company's internal auditor were monitored and supervised to verify the availability of the necessary resources and their effectiveness in carrying out the work and tasks assigned to them.
- The relationship between management and the internal auditor was supervised, and ensure the independence of the internal auditor, and the effectiveness of audit work, in line with the relevant standards.
- The annual audit plan for the internal audit for the year 2021 was reviewed and approved according to the risk assessment study prepared by the internal auditor.
- The internal audit reports for the year 2021 have been studied and reviewed. And follow up the implementation of the corrective procedures for the observations contained therein, The Board of Directors has been notified of the contents.
- The requests to nominate the internal auditor, recommend his appointment and determine his fees for the year 2022 AD was studied.

## **Third: External Audit for the year 2021**

- Reviewed the company's auditors plan and the scope of the external audit work are completed, and it was verified that he did not submit technical or administrative works outside the scope of the audit work.
- Supervised the relationship between the management and the external auditor, Verified the auditor's independence, objectivity and fairness, and the effectiveness of audit work, taking into account the relevant rules and standards.
- The external auditor's report and his notes on the financial statements for the year 2021 have been studied, and what has been taken regarding them has been followed up.
- Studied the management letter for the year 2021 issued by the auditor and the extent of the management's commitment to implementing the recommendations contained therein.
- Studied the external auditor's nomination offers, and Recommendation to the Board of Directors to nominate the auditor for the year 2022 AD, after verifying their independence and reviewing the scope of their work and the terms of their contract were studied.

#### **Fourth: Compliance review**

- Verified the company's compliance with the relevant laws, regulations, policies and instructions.
- Reviewed the contracts and transactions that the company made with related parties for the year 2021, and the committee presented its views in this regard to the Board of Directors.
- The internal auditor was assigned to review the debt execution memorandum submitted to the Board of Directors regarding the decision taken for the settlement of a number of debts and the execution of other debts in accordance with the company's credit policy and not contradicting the rules of governance. The committee presented its views in this regard to the Board of Directors.

#### **Fifth: Results of assessing internal and financial control systems and risks**

Based on what was provided by the company's internal auditor and the company's external auditor, the audit committee believes that the company has a reasonably adequate internal control system in terms of design and implementation, and there is no doubt about the company's ability to continue its business, during the year 2021 there were no substantive observations regarding the effectiveness of The company's internal control system and procedures.

#### **Chief of the Audit Committee**

Khaled Mohammed Al-Khwaiter