



United Electronics Company

Ordinary General Assembly Meeting Agenda for shareholders of United Electronics Company (eXtra)
Scheduled to be held on Thursday 21 April 2022 (20 Ramadan 1443H)

1. Voting on the Board Report for the fiscal year ending 31 December 2021.
2. Voting on the Auditors Report for the fiscal year ending 31 December 2021.
3. Voting on the Financial Statements for the fiscal year ending 31 December 2021.
4. Voting on release Board of Directors members from liability for the fiscal year ending 31 December 2021.
5. Voting on the Board of Directors resolution regarding the distributed profits of the company for the first half and second half of 2021, 4.5 Saudi riyals per share, 45% of the company's capital, with a total amount of (270,000,000) Saudi riyals. (attached)
6. Voting on appointing the External Auditor for the Company from among the candidates based on the Audit Committee recommendation, The appointed auditor shall examine, review and audit the second, third quarter and annual financial statements of the fiscal year 2022, and the first quarter of the fiscal year 2023, and the determination of the auditor remuneration.
7. Voting on delegating the Board of Directors to distribute interim dividends on a semi-annual or quarterly basis to shareholders for the fiscal year 2022 and to determine the due date and payment date in accordance with the Regulatory Rules and Procedures issued pursuant to Companies Law, in line with the company's financial position, cash flows, expansion and investment plans.
8. Voting on the business and contracts that will be concluded between the company and Abdul latif & Mohamed AlFozan Company, in which Mr. Fozan AlFozan has an indirect interest in it, which is a warehouse lease, the contract amount is 480,000 SR annually, these transactions are based on commercial bases, and there are no special conditions associated with them. (attached)
9. Voting on the business and contracts that will be concluded between the company and Abdul latif & Mohamed AlFozan Company, in which Mr. Fozan AlFozan has an indirect interest in it, which is a Land lease, the contract amount is 991,000 SR annually, these transactions are based on commercial bases, and there are no special conditions associated with them. (attached)
10. Voting on the business and contracts that will be concluded between the company and Madar Building Materials Company, in which Mr. Fozan AlFozan has an indirect interest in it, which is a warehouse lease, the contract amount is 550,000 SR annually in addition to the warehouse maintenance expenses of 567,757 SR paid to Madar Building Materials Company during 2021, these transactions are based on commercial bases, and there are no special conditions associated with them. (attached)
11. Voting on the business and contracts that will be concluded between the company and United Home Appliances Company, in which Mr. Fozan AlFozan has an indirect interest in it, which is a lease contract for a sales space at the Extra showroom, the contract amount is 1,566,080 SR annually, in addition to expenses related to the lease contracts amounted to 484,656 SR collected during 2021, these transactions are based on commercial bases, and there are no special conditions associated with them. (attached)
12. Voting on the business and contracts that will be concluded between the company and United Home Appliances Company, in which Mr. Fozan AlFozan has an indirect interest in it, which is services legal agreement (Extra



United Electronics Company

provides support services to the United Home Appliances Company), the contract amount is 1,043,457 SR annually, these transactions are based on commercial bases, and there are no special conditions associated with them. (attached)

13. Voting on the business and contracts that will be concluded between the company and AlFozan Holding Company, in which Mr. Fozan AlFozan and Mr. Adel Merheb has an indirect interest in it, which is a services legal agreement (AlFozan Holding Company provides support services to Extra Company), the contract amount is one SR Monthly, these transactions are based on commercial bases, and there are no special conditions associated with them. (attached)
14. Voting on the business and contracts that will be concluded between the company and United Home Appliances Company, in which Mr. Fozan AlFozan has an indirect interest in it, which is a commercial Transactions, Purchases during 2021 amounted to 3,999,881 SR, these transactions are based on commercial bases, and there are no special conditions associated with them. (attached)
15. Voting on the business and contracts that will be concluded between the company and AlFozan Holding Company, in which Mr. Fozan AlFozan and Mr. Adel Merheb has an indirect interest in it, which is a commercial Transactions, Sales during 2021 amounted to 223,987 SR, these transactions are based on commercial bases, and there are no special conditions associated with them. (attached)
16. Voting on the business and contracts that will be concluded between the company and Retal for Urban Development Company, in which Mr. Fozan AlFozan has an indirect interest in it, which is a commercial Transactions, Sales during 2021 amounted to 243,288 SR, these transactions are based on commercial bases, and there are no special conditions associated with them. (attached)
17. Voting on the business and contracts that will be concluded between the company and Madar Hardware Company, in which Mr. Fozan AlFozan has an indirect interest in it, which is a commercial Transactions, Purchases during 2021 amounted to 870,705 SR, these transactions are based on commercial bases, and there are no special conditions associated with them. (attached)
18. Voting on the business and contracts that will be concluded between the company and Madar Electrical Company, in which Mr. Fozan AlFozan has an indirect interest in it, which is a commercial Transactions, Purchases during 2021 amounted to 119,500 SR, these transactions are based on commercial bases, and there are no special conditions associated with them. (attached)
19. Voting on the Board's resolution to appoint Mr. Mohammed Ibrahim Abdul Aziz Al-Obaid (member outside the board) as an Audit Committee member, starting from 7 Mar 2022. until the end of the current committee's term on 12 May 2024, to succeed the former committee member Mr. Abdul Moaty Wasfy Abdul Hady (member outside the board), effective from the date of the resolution issued on 7 Mar 2022. This appointment is in accordance with the Audit Committee Regulations. (CV attached)



United Electronics Company

2021 Audit Committee Report

February 13, 2022

Shareholders of United Electronics Company (eXtra)

Board of Directors of United Electronics Company (eXtra)

Subject: 2021 eXtra Audit Committee Annual Report.

Reference to the above subject and a commitment by the audit committee to implement its duties entrusted to it in accordance with the committee charter approved by the General Assembly, which include overseeing, monitoring and managing the company's audit work in accordance with the company's policies and programs which consistent with the requirements and regulations of the Capital Market Authority, in order to strengthening and activating them to provide the greatest possible reassurance for all company operations. Furthermore, to support senior management in understanding business risks and controlling them in order to protect shareholders' rights.

In addition, to review the company's Financial statements, reports & notes provided by the External Auditor, and provide any related comments if any.

Accordingly, we inform you that the audit committee of the United Electronics Company (Extra) has practiced its work by held four meetings during the year 2021. In addition, after each meeting, the committee sent to the Board the meeting report and the minutes as well,

The committee has obtained all the support and cooperation from eXtra executive management, in addition to the absence of any new matters affecting the independence of the committee members or the occurrence of any conflict-of-interest cases affecting the independence of members, as well as the absence of any conflict between the committee's recommendations and the decisions of the board,

Below is a summary of the audit committee's tasks that were fulfilled during the year 2021:

Financial Reports and External Auditor:

- Review the 2020 Annual Financials and Quarterly Financials of Q1, Q2 & Q3 of 2021 and recommend to the Board for approval.
- Meeting with the external auditor to discuss the company interim and annual financial statements,
- Obtaining the auditor's confirmation on:
 - He has no material observations that he would like to present to the audit committee.
 - eXtra Finance department provided all the necessary support to perform his work and cooperate to achieve the objective of the audit. The auditor confirmed that he did not encounter any scope limitations of his work.
 - He emphasized his independence as there are no dealings between the external auditor's office or any of its partners or employees with the company outside the scope of the external auditor's contract.
- Requesting proposals from external auditors to audit the company's accounts for the year 2022, after the committee's opinion on the nominations has been settled. It will be presented to the Board of Directors and then to the General Assembly to consider choosing the company's auditor for the year 2022.
- Verify the auditor's report and his notes (if any) on the interim and annual financial statements and follow up on what has been taken in their regard.

Internal audit:

Meet with the company's internal audit department to supervise its work by following up:

- IA risk-based audit plan progress
- The scope of the internal audit work that includes the departments covered during the year 2021 and a statement of the work performed.
- Summary of the most important internal audit observations for the year 2021,
- Internal audit conclusion over the effectiveness of the company's internal control systems,
- Preview the progress of the departmental plan that will be covered during the next three years.
- Results of the Quality Assurance and Improvement Program for the Internal Audit Department.

Compliance:

- Review the related parties' transactions and recommend to the Board of Directors for approval.
- A representative of the committee attended the General Assembly meeting held on May 5, 2020.

Based on the above, and with reference to the assurances of the executive management, the internal and external auditors, the audit committee confirms the following: -

- No inherent material deficiencies worthy of to be disclosed were detected regarding the integrity of the financial and accounting systems and all related processes to the preparation of financial reports.
- The control systems are efficient and effective and allow for the identification of any risks the company may face, with no material system breaches during 2021 needs to be disclosed.
- Measures were ratified accordingly towards all the observations and recommendations submitted by the Internal Audit Department to the Audit Committee

Chairman of the Audit Committee



United Electronics Company

Attachments for Item No. 5

**Board resolutions regarding the distributed profits of the company for the first half and
second half of 2021**

Reference to United Electronics Company (eXtra) Board Meeting dated on 11 July 2021

eXtra Board of Directors decided in their meeting held on 11 July 2021 to distribute cash dividends to the shareholders of the company for the first half of 2021.

1. The Total amount distributed: 120M SR
2. Dividend per share: 2 SR
3. Percentage of Dividend to the Share Par Value (20%)
4. Number of Shares Eligible for Dividends: 60M
5. The entitlement shall be for the shareholders who own the shares at the close of trading on 15 July 2021 and as per the shareholders' registry in Securities Depository Center (EDAA) at the end of 2nd trading day following the entitlement date.
6. Distribution Date: 5 Aug 2021

Reference to United Electronics Company (eXtra) Board Meeting dated on 7 Mar 2022

eXtra Board of Directors decided in their meeting held on 7 Mar 2022 to distribute cash dividends to the shareholders of the company for the second half of 2021.

7. The Total amount distributed: 150M SR
8. Dividend per share: 2.5 SR
9. Percentage of Dividend to the Share Par Value (25%)
10. Number of Shares Eligible for Dividends: 60M
11. The entitlement shall be for the shareholders who own the shares at the close of trading on 14 April 2022 and as per the shareholders' registry in Securities Depository Center (EDAA) at the end of 2nd trading day following the entitlement date.
12. Distribution Date: 28 April 2022



United Electronics Company

Attachments for Items from No. 8 to No. 18

- **Related Parties transaction Chairman letter to AGM**
- **Related Parties transaction Independent Auditor report**

Notification letter Submitted by the Chairman of United electronics Company (eXtra)

To General Assembly

United electronics Company (eXtra)
Khobar, Kingdom of Saudi Arabia

Statement of all the business and contracts with related parties during Year end 31 December 2021

A- Related parties Commercial Transaction

During 2021 the company conducted commercial transaction with Related parties, these transactions are based on commercial bases, and there are no special conditions associated with them, the table below state the transactions during 2021:

Party	Related board member	Transaction type	Contract term	Amount (SAR)
United Homeware Co.	- Fozan Alfozan	Purchase	1 Year Renewed automatically	3,999,881
Madar Hardware Co.		Purchase	1 Year Renewed automatically	870,705
Retal Real estate		Sales	1 Year Renewed automatically	243,288
Madar Electric Co.		Purchase	1 Year Renewed automatically	119,500
Al Fozan Holding Co.	- Fozan Alfozan - Adel Merheb	Sales	1 Year Renewed automatically	223,987

B- Leases from Related parties

Party	Related board member	Transaction type	Contract term	Amount (SAR)
Madar Building materials Co	- Fozan Alfozan	Warehouse lease	1 Year Renewed automatically	550,000
Abdullatif & Mohammed AlFozan Co.		Land lease	25 years	991,000
		Warehouse lease	1 Year Renewed automatically	480,000

*Expenses related to Jeddah warehouse lease contract for the period 1 January 2021 to 31 December worth 567,757 SAR paid to Madar Building materials Co during 2021.

*Discounts amounting to SR 245,166 were also obtained in relation to the lease contract due to Corona pandemic and its effects on the market.

C- Leases to Related parties (Renting Sale space)

Party	Related board member	Transaction type	Contract term	Amount (SAR)
United Homeware Co. (NICE)	Fozan Alfozan	Renting a sale space in Extra Swedy showroom	10 Years	1,566,080

*Expense related to a lease worth SAR 484,656 received from United Homeware Company during 2021.

*Discounts amounting to SR 54,377 have been granted in relation to the leases contract due to Corona pandemic and its effects on the market.

D- Related parties' Balances

Below is statement of the related parties' balances with the company as of 31-December-2021, all these balances are result of transactions occurred as per commercial basis and contracts, which considered as part of its usual business.

Party		Balance as of 31 Dec 2021 (Saudi Riyals thousands)
Due from	Al Fozan Holding	22
Due from	Retal Real estate	24
Due from	United Homeware Co.	2,185
Due to	Madar Hardware Co.	787
Due to	Al Yasrah international food group	31

E- Other related parties' transactions:

- Service legal agreement was signed with United Homeware company on 1 April 2018, wherein eXtra provides support services to the company for amount of SAR 1,043,457 for 2021, The contract renewed for 2022.
- Service legal agreement was signed with Al Fozan Holding Company on Mar 2013, wherein Al Fozan Holding Company will provide support services to eXtra for a monthly cost of 1 SR.

this letter didn't include the transactions between the eXtra and its Subsidiaries.

United Electronics Company (eXtra)
Chairman



To the Shareholders
United Electronics Company

Limited assurance report on declaration submitted by the Chairman of the Board of Directors to the shareholders of United Electronics Company

We have undertaken a limited assurance engagement in respect of the accompanying declaration of statement of work and contracts concluded between United Electronics Company (the “Company”) and related parties of the directors of the Company (the “Declaration”) for the year ended December 31, 2021 to be submitted by the Chairman of the Board of Directors (the “Board”) of the Company in accordance with the applicable criteria mentioned below so as to comply with the requirements of Article 71 of the Regulations for Companies.

Subject matter

The Subject Matter for our limited assurance engagement is the Declaration prepared by the management of the Company and approved by the Chairman of the Board as attached to this report and submitted to us.

Criteria

The applicable Criteria is the requirement of Article 71 of the Regulations for Companies issued by the Ministry of Commerce (2015-1437H) which states that any member of the Board with any interest, both directly or indirectly, in the work or contracts made for the account of the Company shall declare such interests for the approval of a general assembly of the Company. The Board member must notify the Board of such interest and refrain from voting in the vote by the Board to approve such work or contracts. The Chairman of the Board will notify the general assembly of work and contracts in which a member of the Board has a direct or indirect interest.

Management’s responsibility

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

Our Independence and Quality Control

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

The firm applies the International Standard on Quality Control 1, as endorsed in the Kingdom of Saudi Arabia, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Declaration based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' ("ISAE 3000"), as endorsed in the Kingdom of Saudi Arabia. This standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Company has not complied with the applicable requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration, for the year ended December 31, 2021.

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

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

Summary of work performed

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

- Discussed with management the process for obtaining business and agreements by any of the Board members with the Company.
- Obtained the accompanying Declaration that includes the lists of all transactions and agreements entered into by any of the Board members of the Company, either directly or indirectly, with the Company during the year ended December 31, 2021.
- Reviewed the minutes of the Board meetings which indicate the Board member notified the Board on the transactions and agreement entered into by the Board member during the year ended December 31, 2021; and further that the concerned Board member did not vote on the resolution issued in this regard at the meetings of the Board.
- Tested the consistency of the transactions and contracts included in the Declaration with the disclosure in Note 25 to the audited consolidated financial statements for the year ended December 31, 2021.

Inherent limitations

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

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

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

This conclusion relates only to the Declaration for the year ended December 31, 2021, and should not be seen as providing assurance as to any future dates or periods, as changes to systems or controls may alter the validity of our conclusion.

Limited assurance conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with the applicable requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration of related party transactions for the year ended December 31, 2021.

Other matter

Certain transactions with United Homeware Company, amounting to Saudi Riyals 1.043 million, have been included in the Declaration but have not been disclosed in the consolidated financial statements of the Company for the year ended December 31, 2021. Our conclusion is not modified in respect of this matter.

Restriction of use

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

PricewaterhouseCoopers



Ali A. Alotaibi
License Number 379

March 17, 2022



United Electronics Company

Attachments for Item No. 19

Mr. Mohammed Ibrahim Abdul Aziz Al-Obaid - Form 1

