



Board of Directors' Report 2023



Alujain Corporation
A Saudi Joint Stock Company





خادم الحرمين الشريفين

الملايكة سليمان بن عبد العزيز آل سعود



صاحب السمو الملكي

الأمير محمد بن سلمان بن عبدالعزيز آل سعود

ولي العهد ورئيس مجلس الوزراء

BOARD OF DIRECTORS



Eng. Mohammed Saleh Alkhalil
(CHAIRMAN)



Eng. Yousef Ali Alulyan



Mr. Abdulaziz Khalid Alghufaily



Mr. Abdulwahab Abdulkareem Al-Betairi
(DEPUTY CHAIRMAN)



**Mr. Abdulaziz Abdulhamid
Albassam**



Eng. Akram Awni Rabayah



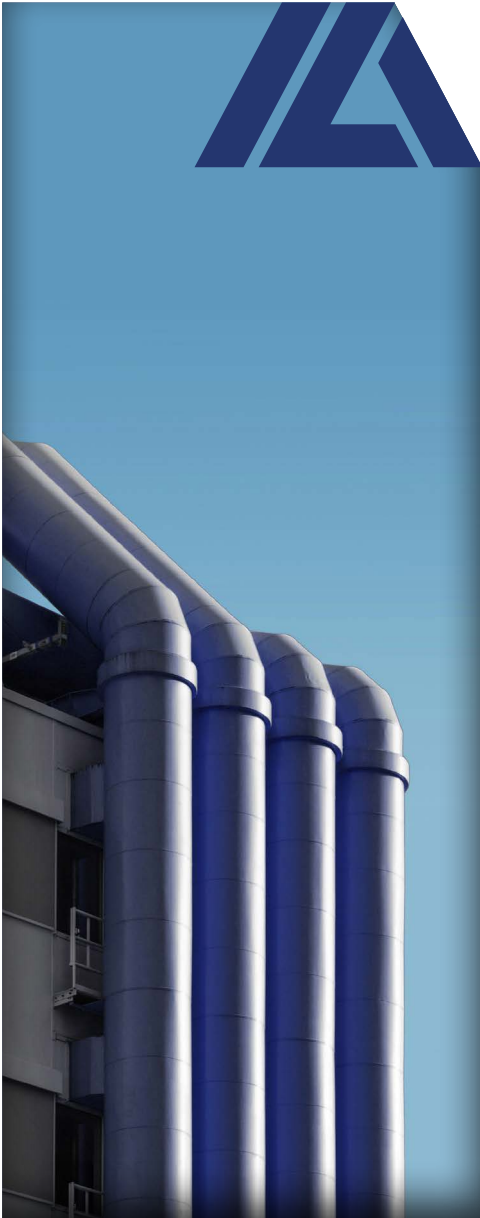
Eng. Abdullah Jameel Taibah

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400,000
tons annually
(propylene and polypropylene)





EXECUTIVE SUMMARY

The Board of Directors of Alujain Corporation (Alujain) is pleased to present the Company's annual report, a brief summary on major developments and achievements during the year and audited consolidated financial statements for the year ended December 31, 2023, with the grace of God and efforts of its employees under the guidance and continued monitoring by its' Board of Directors.

Alujain was established in 1991 with a view to adding value to Saudi Arabia's natural hydrocarbon and mineral resources. It is a listed Saudi joint stock company with a paid-up capital of SR 692 million (\$185 million), and its head office in Riyadh, Kingdom of Saudi Arabia.

Alujain's main strategic objectives are to identify, evaluate, promote, develop and to invest/operate major industrial projects in petrochemicals, mining, metals, energy sectors and other projects, with a commitment to creating value for its shareholder by utilizing local strengths and talents, capacities, wealth and natural resources, also setting the highest standards of national, social and environmental responsibility. Pursuant to these objectives, Alujain owns majority equity (98.64%) in National Petrochemical Industrial Company (NATPET) which operates approximately 400,000 tons per year Propylene & Polypropylene Complex (PP Complex) in Yanbu Industrial City, using Oleflex and Spheripol technologies.

After receiving the approval of the Ministry of Energy to allocate propane feedstock, Alujain established a company to establish a factory to produce Propylene & Polypropylene, which is 100% owned by Alujain, which is Alujain National Industrial Company.

During current year, Alujain reported loss per share of SR1.61 as compared to earnings per share SR1.31 during previous year. Number of shares outstanding remained 69.2 million during current year (69.2 million for previous year). The net loss was SR82.25 million, as compared to net profit of SR64.54 million for previous year.

Alujain's accompanied consolidated financial statements are prepared in compliance with international financial standards (IFRS). There is no major difference in the accounting / financial policies and standards applied in the company from the accounting standards approved by the Saudi Organization for Certified Public Accountants.

FUTURE PLANS

The approval of the Ministry of Energy was issued to allocate 24 Thousand barrels per day of propane feedstock and allocate 5 Million standard cubic feet per day to establish an industrial complex for the production of propylene, polypropylene and specialized transformational materials in Yanbu Industrial City, which includes:

1. Propane gas processing plant (to produce propylene).
2. Plant for the production of polypropylene, and
3. Complex to produce polypropylene compounds and PP specialty materials.

The new project, upon its completion, will produce more than 600,000 tons of polypropylene, polypropylene compounds, and specialized construction materials from Polypropylene derivatives, in addition to about 25,000 tons of salable hydrogen annually.

The new project will also include a grid for the propylene and polypropylene production units connecting the current company (National Petrochemical Industrial Company "NATPET" – subsidiary company) two processing plants with the two production units in the new project to increase reliability and efficiency and improve the economies of the two companies.

The total cost of the new project is estimated at about SR 7.5 billion (2 billion US dollars). It is expected to start operation in the first half of 2027.

The project will also include entering into a strategic partnership with a leading global partner in the propylene and polypropylene industry. This partnership will enable the transfer of required technologies and know-how capabilities for the new project, including the establishment of an R&D center for the specialty products (PP compounding and specialized plastic materials) which will contribute to meeting the needs of the local market, and create future localization opportunities for specialized construction materials and specialty plastic materials covering medical applications, automotive industry and batteries manufacturing.

The company also signed a memorandum of understanding with the National Center for Industrial Development in order to support Alujain's expansion plans for strategic, high-value polypropylene compounds with the aim of enhancing global competitiveness and the sustainability of the company's business for manufacturing and recycling propylene compound products and industrial propylene textiles, by enabling the company to enter into strategic partnerships with Targeting leading international companies and assisting in transferring knowledge to establish a product development and innovation center with advanced technical capabilities and helping in maximizing the benefit of knowledge, technical and financial support programs available to local industrial companies.

The company is also striving to maximize its investment in propylene and polypropylene industries, and consider entering into mergers with companies with similar activities.



FINANCIAL HIGHLIGHTS

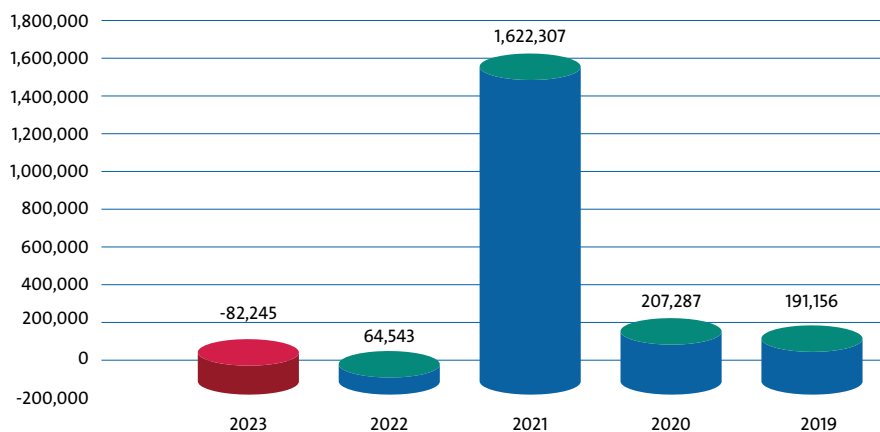
A) FIVE-YEARS PROFIT SUMMARY

	Year ended December 31				
	2023*	2022 (Restated)*	2021*	2020	2019
Sales	1,396,733	1,911,180	519,298	14,378	23,730
Cost of sales	(1,163,886)	(1,507,493)	(400,212)	(13,039)	(18,029)
Gross profit	232,847	403,687	119,086	1,339	5,701
Share of net income from an investment accounted for using equity method **	-	-	275,563	236,212	216,454
Operating expenses	(163,738)	(182,439)	(60,259)	(27,583)	(17,415)
Profit from operations	69,109	221,248	334,389	209,968	204,740
Financial charges	(67,135)	(38,045)	(8,471)	(588)	(98)
Amortization of customer relationship	(54,750)	(54,750)	-	-	-
Re-measurement at fair value of the interest owned in the acquired company	-	-	1,351,864	-	-
Net other income (expenses)	27,284	11,661	(47)	-	1,432
Profit before Zakat	(25,492)	140,114	1,677,735	209,380	206,074
Zakat	(26,781)	(24,810)	(36,905)	(2,145)	(14,908)
Profit Before Minority Interest	(52,273)	115,304	1,640,830	207,235	191,166
Minority Interest	(29,972)	(50,761)	(18,523)	52	(10)
Net Profit for the year	(82,245)	64,543	1,622,307	207,287	191,156
Earnings per share on net income	S.R(1.61)	S.R1.31	S.R24.41	S.R3.00	S.R2.76

* 2021, 2022 & 2023 data, including the consolidation of the financial statements with NATPET due to Alujain re-control over NATPET on 11/11/2021

** Share in net income of NATPET accounted investees from using equity method before control.

Five-Year Net Profit Chart (Amounts in SR '000)



B) MAJOR DIFFERENCE IN OPERATING RESULTS COMPARED TO LAST YEAR

The current year net income before Zakat and minority interest is SR 29.08 million as compared to SR 194.86 million during previous year. A net loss of SR 25.09 million during current year, as compared to net profit of SR 119.29 million during previous year. The net profit decreased during current year is mainly due to:

1. Decrease in selling prices by 19% and quantities sold by 10% despite lower average propane cost compared to the year 2022
2. Increase in financial costs
3. Decrease in non-recurring other income

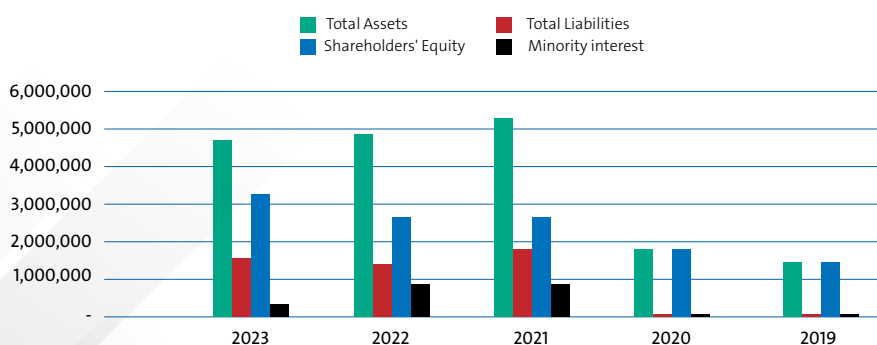
	Year ended on December 31			
	2023	2022 (Restated)*	Net Changes	Percentage
Sales	1,396,733	1,911,180	(514,447)	(27%)
Cost of sales	(1,163,886)	(1,507,493)	343,607	(23%)
Gross profit	232,847	403,687	(170,840)	(42%)
Operating expenses	(163,738)	(182,439)	18,701	(10%)
Profit from operations	69,109	221,248	(152,139)	(69%)
Financial charges	(67,135)	(38,045)	(29,090)	76%
Amortization of customer relationship	(54,750)	(54,750)	-	-
Net other income (expenses)	27,284	11,661	15,623	134%
Profit before Zakat	(25,492)	140,114	(165,606)	(118%)
Zakat	(26,781)	(24,810)	(1,971)	(8%)
Profit Before Minority Interest	(52,273)	115,304	(167,577)	(145%)
Minority Interest	(29,972)	(50,761)	20,789	(41%)
Net Profit for the year	(82,245)	64,543	(146,788)	(227%)

C. SUMMARY OF FINANCIAL POSITION

	Year ended on December 31				
	2023*	2022 (Restated)*	2021 (Restated)*	2020	2019
ASSETS					
Current assets	1,099,912	1,220,759	1,512,958	53,758	21,980
Non-current assets	3,521,502	3,582,729	3,681,703	1,651,295	1,474,742
Total Assets	4,621,414	4,803,488	5,194,661	1,705,053	1,496,722
Liabilities & Shareholders' Equity					
Current liabilities	356,074	521,392	686,678	9,849	13,539
Non-current liabilities	1,198,776	901,323	1,076,945	4,090	4,418
Total Liabilities	1,554,850	1,422,715	1,763,623	13,939	17,957
Shareholders' Equity	3,032,141	2,581,176	2,604,254	1,690,768	1,478,367
Minority interest	34,423	799,597	826,784	346	398
Total Liabilities & Shareholders' Equity	4,621,414	4,803,488	5,194,661	1,705,053	1,496,722

* 2021, 2022 & 2023 data, including the consolidation of the financial statements with NATPET due to Alujain re-control over NATPET on 11/11/2021

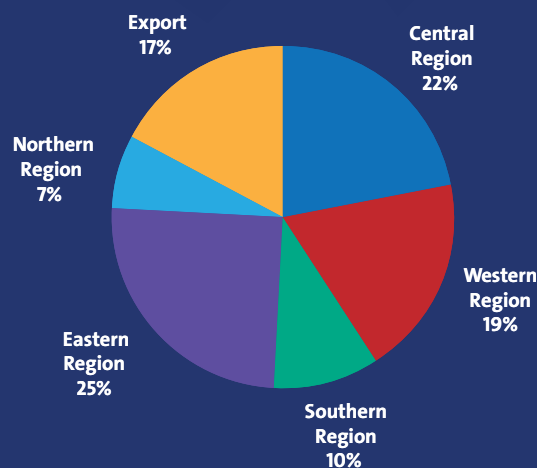
Five-Year Balance Sheet Chart (Amounts in SR '000)



GEOGRAPHICAL ANALYSIS OF COMPANY SALES

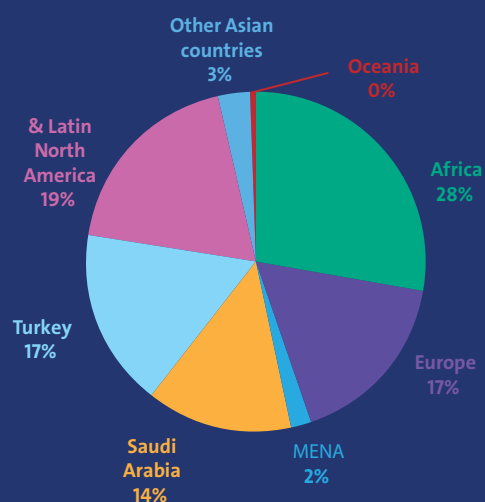
Geographical analysis of Zain's sales till disposal date

Sales to Zain for the period ending on July 31, 2023 (the date of disposal) is SR 11.58 million, and products were sold inside and outside the Kingdom of Saudi Arabia, as presented in the chart.



Geographical analysis of NATPET's sales

The sales of NATPET for current year amounted is SR 1,385 million, and products were sold inside and outside the Kingdom of Saudi Arabia, directly and indirectly, as presented in the chart.



ZAKAT AND OTHER AMOUNTS ACCRUE PAID TO THE GOVERNMENT

ZAKAT STATUS

On a standalone basis, Alujain made total provision of SR5.62 million for estimated 2023 Zakat return. The accrued Zakat balance is SR36.19 million. Other issues are summarized below:

- The Company obtained the final Zakat certificates until the year ended December 31, 2020.
- The company has submitted its 2021 and 2022 Zakat return, which is under review by GAZT.
- The company will submit its Zakat declaration for the year 2023 on the due date.

AMOUNTS PAID TO THE GOVERNMENT: On a standalone basis, following is a summary of amounts paid and accrued by Alujain to the Government:

	(SR '000)	
	Paid	Accrued
Zakat	1,712	36,19
General Organization for Social Insurance	675	-
Tadawul	717	-
Registration, visas and other expenses	105	-
Total	3,209	36,19



SUBSIDIARY COMPANY



National Petrochemical Industrial Company (NATPET):

NATPET is a closed joint stock company incorporated in the Kingdom of Saudi Arabia with its head office in Yanbu and Propylene/Polypropylene Complex in Yanbu Industrial City to produce Propylene/Polypropylene and its derivatives, having a name plate production capacity of 400,000 tons per year of polypropylene. The authorized and paid-up capital comprised 107 million shares of SR10 per share as at the end of current year.

During the year 2023, Alujain increased its ownership stake in NATPET's capital in stages from 76.40% to 98.64%, with a total percentage of 22.24%, by purchasing 23,796,893 shares in NATPET. The deal was completed by swapping 15,277,439 shares in Alujain against 17,973,458 shares in NATPET and a cash consideration of SR 219.22 million in exchange for 5,823,435 shares in NATPET.

NATPET and reported total sales of SR 1,385 million during current year, as compared to SR 1,889 million during previous year. The net profit of NATPET for current year was SR 106 million, as compared to net profit of SR 261 million during previous year.

NATPET has two companies in Yanbu Industrial City for propylene products, Geo NATPET (formerly Bonar NATPET) for non-woven geotextile products which is 100% owned by NATPET, and NATPET Schulman for the production of polypropylene compounds, which it owns equally with LyondellBasell Co.

On 12 July 2023, the General Assembly of NATPET approved the distribution of dividends in-kind to its shareholders (19,997,224 shares in Alujain owned by NATPET and its subsidiaries (Menna Company, Fawsil Advanced Chemicals Company, Taj Towers Company for Plastic Industries, and Afaq Professional Chemicals Company)). Alujain's share from the dividends in-kind amounted to 15,277,439 shares in Alujain, which were exchanged for purchasing the shares of some shareholders in NATPET.



Zain Industries Company Ltd (Zain) – disposed company on 31 July 2023

Zain is a closed joint stock company incorporated in Kingdom of Saudi Arabia with its head office and plant in Jubail Industrial City, with a paid-up capital of SR22.5 million, comprised of 2,250,000 shares of SR10 per share, Alujain holds 98.75% ownership in Zain as the end of current year. Its main objective is to produce homecare products (spray starch, air-fresheners, anti-static spray, bleach, fabric softener, oven cleaner, furniture polish, stainless steel polish etc.), insecticides and agricultural pesticides, herbicides, fungicides etc. of all kinds and forms, beside general health products.

During the period ending September 30, 2023, the Company entered into an agreement to sell its entire stake in Zain to another party. The Company recorded the disposal assets and liabilities assumed at their carrying amount as of July 31, 2023 (the disposal date). The disposal of Zain resulted in a profit amounting to SR 4.25 million.

Zain sales till disposal date was SR 11.58 million with net loss of SR 7.25 million. The sale during previous year was SR 22 million for previous year with net loss of SR 7 million during previous year.



Alujain National Industrial Company (LNIC):

Alujain National Industrial Company (one person company - Limited Liability Company) is a company established on 03/01/2023 in the Kingdom of Saudi Arabia. Its main headquarters is located in Yanbu Industrial City. The main objectives of Alujain National Industrial Company for Industry in the production of propylene, polypropylene, and its derivatives. Its capital is SR 100,000, and it is fully owned by Alujain Corporation.

SUMMARY OF LOANS AND FACILITIES

Below are the details of the loans and facilities for Alujain and its subsidiaries:

Bank	Terms	Credit limit	Withdrawals	Loan repayments		Outstanding balances
				Prior years	Current year	
1. Alujain (SR '000)						
Alinma Bank *	Long Term, 8 Yrs	1,000,000	959,513	91,632	867,881	-
Alinma Bank **	Long Term, 9 Yrs	1,264,000	1,056,731	-	-	1,056,731
Total		2,264,000	2,016,244	91,632	867,881	1,056,731
2. NATPET and its subsidiaries (SR '000)						
Alinma Bank *	Long Term, 2 Yrs	400,000	200,000	100,000	100,000	-
Saudi Industrial Development Fund (SIDF) – (For NATPET's Subsidiary)	Term loan, 8 Yrs.	76,600	76,600	27,400	17,800	31,400
Total		476,600	276,600	127,400	117,800	31,400

* Loans and facilities from Alinma Bank are Islamic facilities

** Alujain rescheduled Alinma loan and obtained long-term Islamic refinancing facilities from Alinma Bank amounting to SR 1,264 million at competitive prices and conditions. According to that scheduling, the existing loan amounting to SR 863.56 million was repaid, and the remaining part will be used for the purpose of financing the company's Investment activities. A portion of the shares owned by Alujain and promissory notes were mortgaged as collateral in exchange for the refinancing.

GENERAL ASSEMBLY



A. GENERAL ASSEMBLY MEETINGS DURING THE YEAR

The following table shows the number of general assembly meetings held during the year and the names of the members of the board of directors' present

Names	EOGA no 12
	18/05/2023
Mohammed Saleh Alkhalil	✓
Abdulwahab Abdulkareem Al-Betairi	✓
Khalid Mohammed Aldawood	✓
Aziz Mohammed Al Gahtani	✓
Hani Suliman Alsaleh	Did not attend
Omar Mohammed Alkhuwaiter	✓
Abdullaziz Abdulrahman Alfrayan	✓
Yousef Ali Alulyan	Not member
Abdulaziz Khalid Alghufaily	Not member
Akram Awni Rabayah	Not member
Abdullah Jameel Taibah	Not member
Abdulaziz Abdulhamid Albassam	Not member

B. THE COMPANY'S APPLICATIONS FOR THE REGISTER OF SHAREHOLDERS

The following table shows the number of the company's requests for shareholders' register during the year, the dates and reasons for those requests:

Reason	File Date	Request Time
Co. Procedures	2023/02/13	2023/02/13
Co. Procedures	2023/01/05	2023/01/05
Co. Procedures	2023/05/14	2023/05/15
Co. Procedures	2023/05/17	2023/05/17
Co. Procedures	2023/05/18	2023/05/18

Reason	File Date	Request Time
Co. Procedures	2023/04/10	2023/04/10
Co. Procedures	2023/11/30	2023/11/30
Co. Procedures	2023/07/12	2023/07/12
Co. Procedures	2023/12/20	2023/12/20

BOARD OF DIRECTORS

A.CONSTITUTION OF THE BOARD OF DIRECTORS (BOD)

The Board of Directors consisted of seven members as per below table:

N	Names	Membership		
		Executive	Non-Executive	Independent
1	Mohammed Saleh Alkhalil (Chairman) *		✓	
2	Abdulwahab Abdulkareem Al-Betairi (Deputy Chairman) *		✓	
3	Yousef Ali Alulyan **		✓	
4	Abdulaziz Khalid Alghufaily **			✓
5	Akram Awni Rabayah **			✓
6	Abdullah Jameel Taibah **			✓
7	Abdulaziz Abdulhamid Albassam **			✓
8	Omar Mohammed Alkhuwaiter ***			✓
9	Khalid Mohammed Aldawood (CEO) ***	✓		
10	Aziz Mohammed Al Gahtani ***			✓
11	Hani Suliman Alsaleh ***			✓
12	Abdullaziz Abdulrahman Alfrayan ***			✓

** End of their membership in the Board of Directors for the term that ended on 14/06/2023, and they were re-elected during the General Assembly meeting held on 05/18/2023 to membership in the Board of Directors for the term that begins on 15/06/2023 and for a period of four years.

** They were elected during the General Assembly meeting held on 18/05/2023 to membership in the Board of Directors for the session that begins on 15/06/2023 and for a period of four years.

*** End of their membership in the Board of Directors for the previous session, which began on 15/06/2020 and ended on 14/06/2023.

B. NAMES, QUALIFICATIONS, EXPERIENCES, AND CURRENT AND PREVIOUS POSITIONS OF THE BOARD AND COMMITTEES' MEMBERS AND THE EXECUTIVE MANAGEMENT. 1. Functions of current Board members:

Name	Current Positions	Previous Positions	Academic Qualifications	Experiences
Mohammed Saleh Alkhalil	Chairman of Seera Group Holding - Chairman of Alujain Corp.	Business Man	<ul style="list-style-type: none"> Bachelor of Science and Computer Engineering (King Fahd University of Petroleum and Minerals). Master of Business Administration with honors (Colorado University) 	Long experience in investment, real estate, travel, tourism, petrochemicals and industrial sector. He held several positions as Chairman of Board of Directors or a member of Board of Directors of several tourism and travel companies, petrochemicals and real estate.
Abdulwahab Abdulkareem Al-Betairi	Managing Partner - Watar Partners Co.	Co-founder and member of Executive Committee - The Family Office	Bachelor of Finance (King Fahd University of Petroleum and Minerals) Master Business Administration (London Business School)	Investment, Finance, Banks & Administration
Yousef Ali Alulyan	Retired	Vice President of Information Technology (Saudi Aramco)	<ul style="list-style-type: none"> Bachelor of Computer Science (King Fahd University of Petroleum and Minerals) 	The field of strategic planning, performance management, project management, contract negotiations and implementation, IT strategy development, digital strategy and implementation, crisis management.
Abdulaziz Khalid Alghufaily	Businessman	Local equity manager (Hasana Investment Company)	Bachelor of Economics (King Saud University) Master - Economics (Western Illinois University, USA)	The field of investment, corporate and banking business
Akram Awni Rabayah	Managing partner (Energy Capital Group)	CEO (Jazan Gas Company)	<ul style="list-style-type: none"> Bachelor's degree - Systems and Control Engineering (King Fahd University of Petroleum and Minerals) Master's degree - Mechanical Engineering (King Fahd University of Petroleum and Minerals) 	The field of project engineering and corporate business
Abdullah Jameel Taibah	Executive advisor for the infrastructure sector to the CEO (Royal Company)	Founder and CEO (Qudra Energy Company)	Bachelor's degree - Electrical Engineering (King Fahd University of Petroleum and Minerals)	Field of chemical and energy engineering
Abdulaziz Abdulhamid Albassam	chief executive officer (Aljomaih Holding Company)	chief executive officer (Abdullah Ibrahim Company) (Al-Subaie Investment)	<ul style="list-style-type: none"> Bachelor of Business Administration (Northwestern University) MSc Finance, Entrepreneurship and Economics (Harvard university) Certified Financial Analyst (Institute of Financial Analysts) 	The field of asset management, economics and finance

2. Functions of current committee's members

Name	Current Positions	Previous Positions	Academic Qualifications	Experiences
Saleh Hamad Alshinifi Member of Audit Committee	Internal audit advisor	<ul style="list-style-type: none"> Internal audit advisor – STC Member Board of Directors - Saudi Organization for Certified Public Accountants (SOCPA) 	<ul style="list-style-type: none"> Bachelor - Business Administration – Accounting - (King Saud University) Master - Business Administration (Saint Louis University - America) PhD - Business Administration – Accounting - (Florida Atlantic University - America) 	Finance
Abdulrahman Yahya AlYahya Member of Audit Committee	Businessman	STC Internal Audit Consultant	BA – Management (Central New England College)	Financial and investment sector
Fahd Abdullah Mousa Member of Nomination and Remuneration Committee	Executive Assistant General Manager for Investment at the Saudi Arabian Airlines General Corporation	Member of the Board of Directors of the Saudi Organization for Certified Public Accountants	Bachelor's degree - Finance (King Fahd University of Petroleum and Minerals)	Field of financial affairs

3. Functions of current executive management:

Name	Current Positions	Previous Positions	Academic Qualifications	Experiences
Khalid Mohammed Aldawood	CEO of Alujain Corp.	<ul style="list-style-type: none"> General Manager of Economics, Planning and Risk Management - Saudi Mining Company (Maaden) Partner - Energy Efficiency Company 	<ul style="list-style-type: none"> Bachelor's degree - Electrical and Control Engineering Master's degree - Business Administration 	Industrial asset management, economics Field, engineering and management
Saleem Akhtar	VP Finance – Alujain Corp.	Finance Manager, Khalid Ali Al-Turki Group, Khobar	CPA, USA ACMA, Pakistan	Finance and Accounting for more than 25 years
Fehaid Mohammed Alhajri	Chief Project Officer (CPO) – Alujain Corp	Senior Director of Ras Al-Khair Projects (Maaden Company)	Bachelor's degree - Chemical Engineering - King Fahd University of Petroleum and Minerals	The field of chemical engineering and project management
Mohammed Khalid Almutairi	Support Service Manager and Shareholder affairs – Alujain Corp	Executive Director (Buyoutat Real Estate Development and Investment Company)	Bachelor of Business Administration	The field of governance and management

C.NAMES OF COMPANIES INSIDE AND OUTSIDE THE KINGDOM IN WHICH A BOARD MEMBER IS A MEMBER OF THEIR CURRENT OR PREVIOUS BOARD OR A MANAGER

1- Positions of current board members:

Member Name	Names of Companies in which a Board member is a member of their current Board or a manager	Inside/ Outside KSA	Legal entity	names of Companies in which a Board member is a member of their previous Board or a manager	Inside/ Outside KSA	Legal entity
Mohammed S. Alkhalil	Seera Group Holding	inside	Joint Stock	Tatweer Holding Company	inside	Closed contribution
	FAD Investment & Development	inside	LLC	Manafea Holding Co.	inside	Closed contribution
	Akwaan Realestate Company	inside	Closed joint stock	Thakher Investment & Real Estate Co	inside	Closed contribution
	ARKAN Steel Company	inside	LLC			Closed contribution
	Cementra Company	outside	Private Closed	Yalda Company for specialized commercial complexes	inside	Closed contribution
	Kanolli Food Industries Ltd. Co.	inside	LLC	Al Widyah Real Estate Company	inside	Closed contribution
	Tatweer Buildings Company	inside	LLC	Elite Medical Doctors Company	inside	Closed contribution
	Inwan AlMakan for Real Estate Investment	inside	LLC	Al-Maqar Development Company	inside	Closed contribution
	Rua Al Madinah Holding	inside	Closed joint stock	Thakher Company for Investment and Real Estate Development	inside	LLC
	Unaizah Investment Co.	inside	Closed joint stock	Education Development Holding Company		LLC
	Unaizah Wqfiyah Co.	inside	Closed joint stock	Karam Development and Investment Company	inside	LLC
	Al Tahaluf Real Estate Company	inside	LLC	International Environmental Business Company	inside	LLC
	Saudi investment Bank	inside	joint stock	Era Middle East Real Estate Company	inside	LLC
	National Petrochemical Industrial Co.	inside	Closed joint stock			
	Almqar for Development Company	inside	Closed joint stock			
Abdulwahab A. Al-Betairi	Osool & Bakheet Investment Co.	inside	Closed joint stock	Capital Market Authority (CMA)	inside	Governmental
	Sunbulah Group	inside	Closed joint stock	Future Ceramic and Porcelain Company	inside	Closed contribution
	National Petrochemical Industries Co. (NATPET)	inside	Closed joint stock			
	Al Himmah Tadamon Company	inside	LLC			
	Manafeth Ambulance & Handicap Vehicles	inside	LLC			
	Riyadh Cables Group Co.	inside	LLC			
	Riyadh Chamber	inside	Government			
	Bank AlJazira	inside	Joint Stock			
Jahez International Company for Information Systems Technology	inside	LLC				

Member Name	Names of Companies in which a Board member is a member of their current Board or a manager	Inside/ Outside KSA	Legal entity	names of Companies in which a Board member is a member of their previous Board or a manager	Inside/ Outside KSA	Legal entity
Yousef Ali Alulyan	Communications, Space and Technology Commission	inside	Governmental			
	National Petrochemical Industries Company (NAPTET)	inside	Closed contribution			
	Global integrated digital solutions company	inside	LLC			
Abdulaziz Khalid Alghufaily	Al Rajhi Bank	inside	Input	National Medical Care Company	inside	Input
	Al Rajhi Capital	inside	Closed contribution	Tabuk Agricultural Development Company	inside	Input
				Herfy Foods Company	inside	Input
				Savola Group	inside	Input
				National Petrochemical Industries Company (NAPTET)	inside	Closed contribution
				Saudi Industries Development Company	inside	Closed contribution
				Manufacturing and energy services company	inside	Closed contribution
				Panda Retail Company	inside	Closed contribution
				Savola Foods Company	inside	Closed contribution
			Riyadh Hotels Company	inside	LLC	
Akram Awni Rabayah	Chemanol	inside	Input	King Abdullah Nuclear Energy City	inside	Governmental
	Mueller Middle East Company	inside	Closed contribution	Jazan Gas Works Company	inside	LLC
	Khalifa Al Gosaibi Investment Company	inside	Closed contribution	Aeroproduct Qadrah Company	inside	LLC
	Benishof Organic Gas Company	inside	Closed contribution	Bing Lloyd Company	inside	LLC
	Energy Capital Group	inside	Private equity fund	Our environment	inside	LLC
	Saudi Mena Industrial Services Company	inside	LLC	Nesma Petrochemical Company	inside	LLC
	Energy entity	inside	LLC			
	Jazan Integrated Gas Company	inside	LLC			
Abdullah Jameel Taibah				Emaar The Economic City	inside	Input
				Catrion Catering Holding Company (Formerly Saudi Airlines Catering Company)	inside	Input
				Al-Issa Industries Company	inside	Input
				Integrated Gas Company Limited	inside	Closed contribution
				Qudra Energy Company	inside	Closed contribution
Abdulaziz Abdulhamid Albassam	Al Arabi Capital	inside	Input	Beach Real Estate Development Company	inside	LLC
	First for investment	inside	Input			
	Al Jomaih Energy and Water Company	inside	Input			
	Sulaiman Al Rajhi Holding Company	inside	Closed contribution			
	Saudi Repatriation Company	inside	Input			
	Pergola Company	inside	LLC			
	Al Dara Real Estate Development Company	inside	LLC			
	Business experience company	inside	LLC			
	Jarham Company	inside	LLC			
Ataa Al-Mohammadia Company	inside	LLC				

- Listed joint stock

- Closed joint stock

- Limited liability

D .MEETINGS

The following table shows number of meetings of Board of Directors during the year:

Directors	Mtg# 127	Mtg# 128	Mtg# 129	Mtg# 130	Total Present
	05/04/2023	15/06/2023	31/08/2023	17/12/2023	
Mohammed Saleh Alkhalil	✓	✓	✓	✓	4
Abdulwahab Abdulkareem Al-Betairi	✓	✓	✓	✓	4
Omar Mohammed Alkhuwaiter	✓	Not member			1
Khalid Mohammed Aldawood	✓	Not member			1
Aziz Mohammed Al Gahtani	✓	Not member			1
Hani Suliman Alsaleh	✓	Not member			1
Abdullaziz Abdulrahman Alfrayan	✓	Not member			1
Yousef Ali Alulyan	Not member	✓	✓	✓	3
Abdullaziz Khalid Alghufaily	Not member	✓	✓	✓	3
Akram Awni Rabayah	Not member	✓	✓	✓	3
Abdullah Jameel Taibah	Not member	✓	✓	✓	3
Abdullaziz Abdulhamid Albassam	Not member	✓	✓	✓	3

A. BOARD COMMITTEES: There are three Board Committees as detailed below

1.Audit Committee:

1-1 Summary of functions and responsibilities:

The Audit Committee is responsible for monitoring the company's business and verifying the integrity fairness of its reports, financial statements, and internal control systems. The committee's tasks, in particular, which are mentioned in the approved Audit Committee Charter, include the following:

- Reviewing the Company's quarterly and annual financial statements before presenting to the Board of Directors for their review and approval. The AC is responsible for the integrity, fairness, and transparency of all activities of the company and to express their opinion/s and corrective measures, if any to the Board.
- To provide the technical opinion, at the request of the Board of Directors, whether the Board of Directors' report and the financial statements of the Company are fair, balanced, and understandable and include information that allows shareholders and investors to evaluate the Company's financial position, performance, business model, and strategy.
- Studying any important or unusual items/issues contained in financial statements.
- Investigating thoroughly any matters raised by the Company's CFO, his representative, the Compliance Officer or the Auditor.
- Verification of accounting estimates on material matters in the financial reports.
- Study the accounting policies and principles used in the company and its subsidiaries according to the nature of its work and express an opinion and recommendation to the Board of Directors regarding them
- Supervising and monitoring the performance and activities of the internal auditor and the internal audit department of the company, in order to verify the availability of the necessary resources and its effectiveness in carrying out the work and tasks entrusted to it.
- Studying the internal audit reports and follows up the implementation of the corrective measures of the observations contained therein.
- Studying and reviewing the internal and financial control systems and risk management in the company.
- Recommending to the Board of Directors to appoint the Director of the Internal Audit Unit or Department or the Internal Auditor and propose his remuneration.
- Recommending to the Board of Directors the nomination and removal of auditors, the determination of their fees and the evaluation of

their performance. After ascertaining their independence and reviewing the scope of their work and the terms of their contract.

- Verification of the auditor's independence, objectivity and fairness, and the effectiveness of the audit work, taking into account relevant rules and standards.
- Reviewing the audit plan of the company and its work, and verifying that it does not provide technical or administrative works beyond the scope of the audit work, and make comments thereon.
- Answering the inquiries of the company's auditors.
- Studying the auditors' report and its observations on the financial statements and following up on what has been taken.
- Reviewing the results of the reports of the regulatory bodies and verifying that the company took the necessary action.
- Verification of the company's compliance with relevant laws, regulations, instructions and policies.
- Reviewing contracts and transactions proposed by the company with related parties and submitting their views thereon to the Board of Directors.
- Ensuring the efficiency of the internal audit in the investee companies by reviewing the annual evaluation of the quality of the internal audit of these companies and as permitted by the partner agreements and submitting to the Board of Directors as it sees fit.
- Ensuring the effectiveness of the procedures for forming and performing audit committees in subsidiaries (invested/controlled) and reporting to the Board of Directors what it deems appropriate in this regard.
- Ensuring the competence of the external auditor and the procedures for appointing them in subsidiaries (invested/controlled) and submitting to the Board of Directors what it deems appropriate in this regard and presenting it to the General Assembly if necessary.
- Carrying out special tasks related to the investee companies when requested by the Board of Directors.
- Raising the issues for which it deems necessary to take action to the Board of Directors and recommending the actions to be taken.
- Establishing a mechanism that allows employees of the company to submit their comments on any overruns in financial or other reports in secret. The Committee shall verify the application of this mechanism by conducting an independent investigation commensurate with the size of the error or overrun and adopting appropriate follow-up procedures.

1-2 The Results of the annual review of the effectiveness of Internal Audit procedures for current year:

The Board of Directors reviewed the Audit Committee's report on the audit results for the year 2023, which included, based on the external auditor's reports, the internal audit reports, and the confirmations of the executive management, the committee did not find any fundamental weakness in the internal control system for the year 2023. With the need to follow up on corrective actions regarding observations received from the external auditor and internal audit.

The audit committee's report:

During the year, the Audit Committee held several meetings to carry out the following tasks:

1. Reviewing the quarterly financial statements for the year 2023 as well as the final annual financial statements for the year 2023, and recommending the Board of Directors for approval.
2. Recommending to the Board of Directors to appoint the external auditor to review the company's financial statements, determine his fees, and submit this to the General Assembly.
3. Supervise the plan and scope of the external auditor's work, and ensure his independence.
4. Follow up on the implementation of the control procedures contained in the Companies Law, the Corporate Governance Regulations, and the Regulations of the Audit Committee approved by the company, and follow up on the corrective actions taken to address the external auditor's observations.
- 5 - Supervising the plan and scope of the internal auditor's work, ensuring his independence and following up on the corrective actions taken to address the observations contained in the internal audit reports.

Based on the assurances obtained by Audit Committee from external auditor and executive management, the committee did not discover that there was a fundamental weakness in the internal control systems and their integrity during the year 2023, with the need for continuous review and development of the systems and policies in order to raise efficiency and effectiveness of control activities. Note that any system of internal control - regardless of the soundness of its design and effectiveness of its implementation - cannot provide absolute assurance.

1-3 Audit Committee Members:

The committee consists of three members as follows:

n	Members	Membership
1	Abdulaziz Khalid Alghufaily *	Member of BOD - Independent - Chairman
2	Abdulrahman Yahya AlYahya *	Independent
3	Saleh Hamad Alshinafi **	Independent
4	Aziz Mohammed Al Gahtani ****	Member of BOD - Independent - Chairman
5	Jasim Shaheen Alrumaihi ***	Independent
6	Omar Mohammed Alkhuwaiter ****	Member of BOD - Independent

* He was appointed a member of the committee by the Board of Directors on 15/06/2023 for the session that begins on /06/2023 for a period of four years.

** His membership expired for the previous session, which ended on 14/06/2023, and he was re-appointed by the Board of Directors on 15/06/2023 to membership in the committee for the session that begins on 15/06/2023 for a period of four years.

*** He submitted his resignation from membership of the committee on 12/02/2023, and Mr. Omar Al-Khowaiter was appointed from 12/02/2023 until the end of the session on 14/06/2023

**** End of his membership in the committee for the previous session, which ended on 14/06/2023.

1-4 Audit Committee Meetings:

The following table shows the number of committee meetings during the year:

Members	Mtg 106 23/03/29	Mtg 107 23/04/03	Mtg 108 23/05/08	Mtg 109 23/06/23	Mtg 110 23/08/23	Mtg 111 23/11/04	Mtg 112 23/11/15	Mtg 113 23/12/04	Total Attendance
Aziz Mohammed Al Gahtani	✓	✓	✓	Not member					3
Saleh Hamad Alshinafi	✓	✓	✓	✓	✓	✓	✓	✓	8
Omar Mohammed Alkhuwaiter	✓	✓	✓	Not member					3
Abdulaziz Khalid Alghufaily	Not member			✓	✓	✓	✓	✓	5
Abdulrahman Yahya AlYahya	Not member			✓	✓	✓	✓	✓	5

2. Nomination and Remuneration Committee:

2-1 Summary of functions and responsibilities:

The functions and responsibilities of the Nomination and Remuneration Committee mentioned - which are mentioned in the approved work regulations of the Nominations and Remunerations Committee - include the following:

- To recommend determining the remuneration of the Board of Directors and the committees and Executive Management, and submitting it to the Board of Directors for approval, provided that the recommendation takes into account the remuneration policy as follows:

- The remuneration for members of the Board of Directors must consist of a certain amount, an attendance allowance for sessions, certain benefits, or a certain percentage of net profits. It is permissible to combine two or more of these benefits.
- The reward must be a certain percentage of the company's profits. This percentage may not exceed 10% of the net profits, after deducting the reserves decided by the General Assembly, and after distributing a profit to shareholders of no less than 5% of the company's paid-up capital.
- Members' remuneration may be of varying amounts to reflect the extent of the member's experience, specialty, tasks assigned to him, his independence, the number of sessions attended, and any other considerations at the discretion of the Board of Directors.
- The Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all the rewards, allowances, expenses, and other benefits received by members of the Board of Directors during the financial year, and it must also include a statement of what members of the Board received in their capacity as workers or administrators, or what they received in exchange for technical work, or administrative or consulting, and must also include a statement of the number of Council sessions and the number of sessions attended by each member as of the date of the last meeting of the General Assembly.

- E. The remuneration of independent board members must not be a percentage of the profits achieved by the company or be based directly or indirectly on the company's profitability as determined by the competent authority. 8- The allowance for attending council meetings may be disbursed in installments at the end of each calendar quarter. As for the annual remuneration to the council, it is paid in full after approval by the board of directors.
- To clarify the relationship between the bonuses awarded and the applicable remuneration policy and indicate any core deviation from this policy.
 - Periodic review of remuneration policy and evaluation of its effectiveness in achieving its objectives.
 - Recommending to the Board of Directors the remuneration of the members of the Board of Directors and committee's members and the senior executives of the Company in accordance with the approved policy.
 - To propose clear policies and criteria for membership in the Board of Directors and Executive Management.
 - Recommending to the board of directors the nomination and re-nomination of members in accordance with approved policies and criteria taking into account that no person who has been convicted of a crime against the Secretariat shall be nominated.
 - To prepare a description of the abilities and qualifications required for Board membership and occupy executive management jobs.
 - Determining the time at which a member should specify to the works of the Board of Directors.
 - Annual review of the necessary skills or experience requirements for board membership and executive management jobs.
 - To review the structure of the Board and Executive Management and make recommendations on possible changes.
 - To verify annually the independence of the independent members and to ensure that there is no conflict of interests between the company and the members of the board of directors.
 - To develop a functional description of executive members, non-executive members, independent members and senior executives.
 - To establish Special procedures in the event of presence of a vacant position in the Board of Directors or senior executives.
 - To identify weaknesses and strengths in the board of directors and propose solutions to address them in line with the company's interests.

2-2 The Nomination and Remuneration Committee's Members:

The current Committee consists of three members as follow:

n	Members	Membership
1	Abdullah Jameel Taibah *	Member of BOD - Independent - Chairman
2	Abdulwahab Abdulkareem Al-Betairi *	Member of BOD - Independent
3	Fahd Abdullah Mousa *	Independent
4	Hani Suliman Alsaleh **	Member of BOD - Independent - Chairman
5	Omar Mohammed Alkhuwaiter **	Member of BOD - Independent
6	Abdullaziz Abdulrahman Alfrayan **	Member of BOD - Independent

** He was appointed a member of the committee by the Board of Directors on 15/06/2023 for the session that begins on 15/06/2023 for a period of four years.

** End of his membership in the committee for the previous session, which ended on 14/06/2023.

2-3 The Nomination and Remuneration Committee Meetings:

The following table shows the number of committee meetings during the year:

Members	Mtg 45 23/03/19	Mtg 46 23/10/19	Mtg 47 23/11/23	Mtg 48 23/12/26	Total
Hani Suliman Alsaleh	✓	Not member	Not member	Not member	1
Omar Mohammed Alkhuwaiter	✓	Not member	Not member	Not member	1
Abdullaziz Abdulrahman Alfrayan	✓	Not member	Not member	Not member	1
Abdullah Jameel Taibah	Not member	✓	✓	✓	3
Abdulwahab Abdulkareem Al-Betairi	Not member	✓	✓	✓	3
Fahd Abdullah Mousa	Not member	✓	✓	✓	3

3.Executive Committee:

2-1 Summary of functions and responsibilities

The functions and responsibilities of the Executive Committee mentioned in the approved Executive Committee work regulations - include the following:

- Review any amendment to the company's work policies.
- Formulate, review and communicate with executive management to present a strategy for the company.
- Assisting the Board of Directors and providing advice to it on the topics that the Board requests from the Committee
- Completing and approving technical, accounting and legal consulting companies' requirements or reports.
- Planning investment strategy and policies and recommending them to the Board of Directors.
- Review and approve investments made by the company or on its behalf, according to the limits approved by the Board of Directors.
- Follow up and supervise the company's project (the new factory) in Yanbu, represented by Alujain National Industrial Company.
- Review proposed new investments and monitor compliance of investments with investment policies and procedures.
- Review and approve any investment standards or other methods of measuring investments that the company uses to monitor the performance of its investments.
- Sources of financing and discussions with banks and other financial institutions to obtain credit financing facilities and borrowing from them, including issuing sukuk conforming to Islamic Sharia, and the committee has all powers in this regard.
- Study any topic presented to it by the Board of Directors or Executive Management.
- Recommending to the Board to ensure appropriate levels of delegation of authority to the company's senior management
- Ensuring the existence of an effective administrative and organizational structure within the company that is consistent with the company's procedures for the effective implementation of the business plan.
- Defining the company's objectives and strategies in relation to developing its operational business and recommending the implementation of those objectives and strategies, taking the interest of shareholders, customers, employees and other stakeholders into consideration.
- Supervising the company's operational performance, including the performance of agreed-upon key indicators in all aspects of the company's work, and submitting reports to the Board as necessary.
- Evaluating the financial, technical and investment risks to which the company is exposed, treating them and monitoring those risks on an ongoing basis.
- Monitoring compliance with the company's budget and implementing its business plans approved by the Council on a regular basis.
- The committee has the right to seek assistance from those it deems appropriate from inside and outside the company and to appoint advisors according to need.

2-2 The Executive Committee's Members:

The current Committee consists of three members as follow:

Members	Membership
Abdulwahab Abdulkareem Al-Betairi	Member of BOD - Independent - Chairman
Khalid Mohammed Aldawood	Member of BOD - Executive
Akram Awni Rabayah	Member of BOD - Independent

* He was appointed a member of the committee by the Board of Directors on 15/06/2023 for the session that begins on 15/06/2023 for a period of four years.

2-3 The Executive Committee Meetings:

The following table shows the number of committee meetings during the year:

Members	Mtg 1 23/08/14	Mtg 2 23/08/23	Mtg 3 23/11/26	Total
Abdulwahab Abdulkareem Al-Betairi	✓	✓	✓	3
Khalid Mohammed Aldawood	✓	✓	✓	3
Akram Awni Rabayah	✓	✓	✓	3

B.MOVEMENT OF SHARES OWNED BY DIRECTORS, SENIOR EXECUTIVES & THEIR FAMILY MEMBERS

• The following table illustrate the percentage of ownership by members of the Board of Directors, Senior Executives and their relatives on the shares or debt instruments of the Company, and any change in that interest during the year:

Name	Beginning of the year		Ending of the year		Net Change Net Change	Change
	Number of shares	Debt instruments	Number of shares	Debt instruments		
Mohammed Saleh Alkhalil	110,000	-	110,000	-	-	-
Abdulwahab Abdulkareem Al-Betairi	50,000	-	50,000	-	-	-
Akram Awni Rabayah	7,200	-	7,200	-	-	-

• There is no interest, contractual securities or rights issue to the Board members, Senior Executives and their relatives on the shares or debt instruments of the Company's subsidiaries.

C.PROCEDURES TAKEN BY THE BOARD TO INFORM ITS MEMBERS, NON-EXECUTIVE DIRECTORS IN PARTICULAR, OF SHAREHOLDERS' SUGGESTIONS AND REMARKS ON THE COMPANY AND ITS PERFORMANCE:

The Chairman of the Board and the Chief Executive Officer (CEO) inform the members of the Board of Directors about the opinions, suggestions, or comments of the shareholders at the first Board meeting.

REMUNERATION/COMPENSATION OF BOARD OF DIRECTORS, COMMITTEES MEMBER AND TOP EXECUTIVES

1. Policy of the remuneration of Board members, committee's members and Executive Management

A. Remuneration of Board members and committee's members

Until the period 14/06/2023:

- The remuneration for members of the Board of Directors consists of a certain amount, an attendance allowance for sessions, certain benefits, or a certain percentage of net profits, and it is permissible to combine two or more of these benefits.
- If the reward is a certain percentage of the company's profits, this percentage may not exceed 10% of the net profits, after deducting the reserves decided by the General Assembly, and after distributing dividends to shareholders of no less than 5% of the company's paid-up capital.
- In all cases, the financial or in-kind rewards and benefits that a member of the Board of Directors receives shall not exceed the amount of Five Hundred Thousand Riyals (SR500,000) annually in accordance with the controls set by the Ministry of Commerce and Investment and the Capital Market Authority.
- Members' remuneration may be of varying amounts to reflect the extent of the member's experience, specialization, tasks assigned to him, his independence, the number of sessions he attended, and any other considerations at the discretion of the Board of Directors.
- The Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all the rewards, allowances, expenses, and other benefits that the members of the Board of Directors received during the financial year, and it must also include a statement of what the Board members received in their capacity as workers or administrators, or what they received in return for work. Technical, administrative, or consulting, and must also include a statement of the number of Council sessions and the number of sessions attended by each member as of the date of the last meeting of the General Assembly.
- The remuneration of independent board members must not be a percentage of the profits achieved by the company or be based, directly or indirectly, on the company's profitability according to what is set by the competent authority.
- The annual remuneration for the Chairman of the Board of Directors will be in the amount of (SR350,000), for members of the Board of Directors in the amount of (SR250,000), and a reward for attending meetings will be in the amount of (SR4,000), and for members from outside the company's headquarters, a ticket and housing will be provided, provided that it does not exceed the amount of (SR2,000).
- The allowance for attending Council meetings may be paid in installments at the end of each calendar quarter. As for the Council's annual remuneration, it is paid in full after approval by the Board of Directors.

From the period 15/06/2023:

- The remuneration for members of the Board of Directors must consist of a certain amount, an attendance allowance for sessions, certain benefits, or a certain percentage of net profits, and it is permissible to combine two or more of these benefits.
- The reward must be a certain percentage of the company's profits. This percentage may not exceed 10% of the net profits, after deducting the reserves decided by the General Assembly, and after distributing a profit to shareholders of no less than 5% of the company's paid-up capital.
- Members' remuneration may be of varying amounts to reflect the extent of the member's experience, specialization, tasks assigned to him, his independence, the number of sessions he attended, and any other considerations at the discretion of the Board of Directors.
- The Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all the rewards, allowances, expenses, and other benefits that the members of the Board of Directors received during the financial year, and it must also include a statement of what the Board members received in their capacity as workers or administrators, or what they received in return for work. Technical, administrative, or consulting, and must also include a statement of the number of Council sessions and the number of sessions attended by each member as of the date of the last meeting of the General Assembly.
- The remuneration of independent board members must not be a percentage of the profits achieved by the company or be based, directly or indirectly, on the company's profitability according to what is set by the competent authority.
- The allowance for attending Council meetings may be paid in installments at the end of each calendar quarter. As for the Council's annual remuneration, it is paid in full after approval by the Board of Directors.
- The annual remuneration for the Chairman of the Board of Directors will be in the amount of (SR500,000), for members of the Board of Directors in the amount of (SR400,000), and a reward for attending meetings will be in the amount of (SR4,000), and for members from outside the company's headquarters, a ticket and housing will be provided, provided that it does not exceed the amount of (SR2,500).
- Additional variable remuneration for non-independent members in the form of multiples of the fixed remuneration (provided that it does not exceed a maximum of three duplicates), determined based on the performance indicators that will be determined by the Board of Directors at the beginning of the year

The following are the details of the policies related to annual bonuses and session attendance allowances for members of the Board, Committee's Member:

(Amounts in SR'000)

Description	BOD
1. Until the period 14/06/2023	
Chairman remuneration	350
Member remuneration	250
Attendance meeting allowance	4
Other expenses not exceeding	2
2. From the period 15/06/2023	
Chairman remuneration	500
Member remuneration	400
Attendance meeting allowance	4
Other expenses not exceeding	2,5

Description	Committees Members
Chairman remuneration if member	75
Chairman remuneration if not member	150
Member remuneration if member	50
Member remuneration if not member	100
Attendance meeting allowance	3
Other expenses not exceeding	2

B. Remuneration of Executive Management

- Monthly salary and additional allowances such as housing, transportation, and medical insurance, according to the company's regulations.
- Annual bonus based on the employee's annual performance evaluation.

C. The remuneration granted to members of the board of directors, committee's members and executive management are in line with the remuneration policy in force and approved by the shareholders, and there is no material deviation from this policy.

2.Board Member remuneration (Amounts in SR'000)

		Specific amount	Allowance for attending the Board meeting	Allowance for attending committee meeting	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary if a member	Total	Pro-fit share	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Total	End-of-service award	Grand Total	Expenses Allowance
First: Independent Members																
1.	Abdulaziz Khalid Alghufaily (From 15/6/23)	219	12	15				246					-		246	
2.	Akram Awni Rabayah (From 15/6/23)	219	12	9				240					-		240	2
3.	Abdullah Jameel Taibah (From 15/6/23)	219	12	6				237					-		237	
4.	Abdulaziz Abdulhamid Albassam (From 15/6/23)	219	12					231					-		231	
5.	Omar Mohammed Alkhuwaiter (Till 14/6/23)	113	4	12				129					-		129	
6.	Aziz Mohammed Al Gahtani (Till 14/6/23)	113	4	9				126					-		126	
7.	Hani Suliman Alsaleh (Till 14/6/23)	113	4	3				120					-		120	
8.	Abdullaziz Abdulrahman Alfrayan (Till 14/6/23)	113	4	3				120					-		120	
Total		1,329	64	57	-	-	-	1,450	-	-	-	-	-	-	1,450	2
Second: Non-executive Members																
1.	Mohammed Saleh Alkhalil	432	16					448		1,500			1,500		1,948	
2.	Abdulwahab Abdulkareem Al-Betairi	332	16	15				363		400			400		763	
3.	Yousef Ali Alulyan (From 15/6/23)	219	12					231							231	2
Total		984	44	15	-	-	-	1,043	-	1,900	-	-	1,900	-	2,943	2
Third: Executive Members																
1.	1. Khalid Mohammed Aldawood (Till 14/6/23)	113	4					117					-		117	
Total		113	4	-	-	-	-	117	-	-	-	-	-	-	117	-

3. Senior Executives Remuneration (Amounts in SR'000)

Remuneration for senior executives (Four executives, including the CEO and Vice President Finance)	Fixed remunerations				Variable remunerations					End-of-service award	Grand Total	Expenses Allowance
	Salaries	Allowances	In-kind benefits	Total	Periodic remunerations *	Profits	Short-term incentive plans	Long-term incentive plans	المزايا			
Total	2,604	883	177	3,664	995	-	-	-	995	219	4,878	255

4. Committees Members Remuneration (Amounts in SR'000)

	Fixed Remuneration (Except attending allowance)	Attending meetings allowance	Total		Fixed Remuneration (Except attending allowance)	Attending meetings allowance	Total		Fixed Remuneration (Except attending allowance)	Attending meetings allowance	Total
Audit Committee Members				Nomination & Remuneration Committee				Executive Committee			
Aziz Mohammed Al Gahtani	34	9	43	Hani Suliman Alsaleh	34	3	37	Abdulwahab Abdulkareem Al-Betairi	41	9	50
Abdulaziz Khalid Alghufaily	41	15	56	Omar Mohammed Alkhuwaiter	23	3	26	Akram Awni Rabayah	27	9	36
Saleh Hamad Alshinafi	100	24	124	Abdullaziz Abdulrahman Alfrayan	23	3	26	-	-	-	-
Jasim Shaheen Alrumaihi	12	-	12	Abdullah Jameel Taibah	41	6	47	-	-	-	-
Omar Mohammed Alkhuwaiter	17	9	26	Abdulwahab Abdulkareem Al-Betairi	27	6	33	-	-	-	-
Abdulrahman Yahya AlYahya	55	15	70	Fahd Abdullah Mousa	55	6	61	-	-	-	-
Total	258	72	330	Total	202	27	229	Total	68	18	86

TRANSACTIONS WITH RELATED PARTIES

Below are the details of the transactions or contracts during the year between Alujain and a related party, members of the Board of Directors, or senior executives:

Company Name	Board members/senior executives	Nature of the transaction	Relationship	Type of interest	Amounts in SR'000
NAPTET - a subsidiary	Mohammed Saleh Alkhalil Abdulwahab Abdulkareem Al-Betairi Khalid Mohammed Aldawood Yousef Ali Alulyan	Expenses charged to the subsidiary	Subsidiary	Indirect	1,040
Zain – Subsidiary Company (formerly)	Khalid Mohammed Aldawood	Expenses charged to the subsidiary	Subsidiary company (formerly)	Indirect	3

PROFIT DISTRIBUTION POLICY

The company's board of directors, in its meeting on October 28, 2021, approved a dividend distribution policy for the years 2022 and 2023. The policy states "Alujain aims to distribute dividends to the company's shareholders with a minimum of (1) Saudi Riyals, equivalent to 10% of the paid-in capital for each year for the years 2022 and 2023. At the General Assembly meeting held on May 18, 2022, shareholders approved the company's dividend distribution policy for the years 2022 and 2023 above.

POTENTIAL BUSINESS RISKS

The Group's activities expose it to a variety of potential business risks, market risks, financial risks (including currency risk, fair value and cash flow interest rate risks and price risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The risk management is carried out by senior management under policies approved by the board of directors.

Risk	Probable Impact	How it is handled/mitigated
Currency risk	Currency risk is the risk that value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is subject to fluctuations in foreign exchange rates in normal course of its business. The Group did not undertake any significant transactions in currencies other than the Saudi Riyal, US dollar, and Euro. The Group's management monitors the fluctuations in currency exchange rates and believes that currency risk is not material. However, there are no significant foreign currency contracts due at the end of the current year. As the Saudi Riyal is pegged to US dollar, the group is not exposed to foreign currency risk	The Group does not undertake significant transactions in currencies other than the Saudi Riyals, US Dollars and to a lesser extent Euros. Management monitors such exposures on a regular basis.
Fair value and cash flows interest rate risk	Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of the financial instruments. The Group is subject to interest rate risk on its interest-bearing assets and liabilities including security deposits, long-term loans and derivative financial instrument.	The management limits the Group's interest rate variation risk through interest rate swaps, in which the Group agrees to exchange, at specified interval, the difference between fixed and variable interest rates. The interest amounts are calculated by reference to an agreed-upon notional principal amount.

Price risk	The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.	The Group is not exposed to equity securities price risk because of investments held by the Group and classified on the balance sheet as available for sale investment and investments in Murabaha Funds. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio
Credit risk	Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.	Cash is placed with banks with sound credit ratings.
Liquidity risk	Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value.	Credit risk is managed by monitoring the off-taker balance and ensuring timely collection of the due balance. All other trade receivables are secured via one of the following methods: advance payments, letter of credits through recognized banks, credit insurance.
Fair value	Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction.	Liquidity risk is managed by monitoring on a regular basis those sufficient funds by maintaining sufficient liquidity and obtaining credit facilities necessary to meet any future commitments.
Raw material price variation	The Raw material prices may vary adversely, which are related to international gas and petroleum derivative prices.	As the Group's financial instruments are compiled under the historical cost convention, except for derivative financial instruments, and available for sale investment, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying values.
Economic Risk	The finished product is sold in international market and any global or regional recession may impact the financial performance.	The prices are beyond the control of the Group.
Operational risk	The Group's activities expose it to a variety of operational risks at the plants operated by its subsidiaries/associate companies, which are defined as "any circumstances or situation when equipment failure poses a threat to (1) Health & Environment and (2) production loss & repair cost".	The Group sales activities are not restricted to any particular region, but are spread across the globe. So any fluctuation in prices is beyond the control of the Group.
Legal risks	Being subjected to legal issues such as imposition of anti-dumping tax or anti-trust laws by countries where the subsidiaries' products are sold could affect the Group sales.	These risks are managed based on a "template decision making matrix", to minimize potential adverse effects on the Group's operational performance. The Group also consults its vendor, licensor & third-party experts, if needed.
Legal risks		The Group develops its strategies based on the changing global market conditions and remains vigilant to initiate appropriate measures to overcome such situations.

CORPORATE GOVERNANCE

The company is committed to implementing all the mandatory articles stipulated in the Corporate Governance Regulations. Following are some guiding materials that have not yet been applied and requirements for their application and expected impact of adherence to them are being evaluated:

Item No.	Text	Reasons for not applying
2	Conditions for membership in the Board of Directors	Guidance article
37	Training	Guidance article: This will be studied by Nomination and Remuneration Committee
39	Evaluation	Guidance article: The Nominations and Remuneration Committee is considering adopting a mechanism for evaluating Board members
67	Formation of Risk Management Committee	Guidance article
68	Terms of Risk Management Committee	Guidance article
69	Risk Management Committee meetings	Guidance article
73	Create a unit or audit department	Guidance article: An external office has been appointed to carry out the internal audit work based on the audit committee's recommendation to appoint an internal auditor
74	Internal audit plan	Guidance article: The audit committee approved the internal audit plan
75	Internal audit report	Guidance article: The Audit Committee reviewed the internal audit report
76	Motivate employees	Guidance article
82	Social Responsibility	Guidance article
84	Social work initiatives	Guidance article
92	Formation of a Corporate Governance Committee	Guidance article

BOARD DECLARATIONS

1. The Company's financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and there is no difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants and were audited by independent auditors as per international standards on auditing that are endorsed in the Kingdom of Saudi Arabia.
2. The board declares that:
 - a. Proper books of account have been maintained.
 - b. The system of internal control is sound in design and has been effectively implemented; and
 - c. There are no significant doubts concerning the issuer's ability to continue as a going concern.
3. The external auditors have given an unqualified opinion on the financial statements for the period ended on December 31, 2023 with Emphasis of Matter ("We draw attention to note 42 to the accompanying consolidated financial statements, which discloses material restatements made to the year ended December 31, 2022 and its opening balances January 1, 2022. These restatements arose due to the valuation of goodwill and customer relationships. Our opinion is not modified with respect to this matter").
4. There were no penalties or preventive restrictions imposed on the company during the year.
5. There were no any convertible debt instruments, contractual securities, right issue, or similar rights issued or granted by the Company during year.
6. There were no any conversion or subscription rights under any convertible debt instruments, contractually based securities, rights issue or similar rights issued or granted by the Company during the year.
7. Subsidiaries have not issued any shares and debt instruments during the year.
8. There were no any redemption, purchase or cancellation by the Company of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by the Company and those purchased by its subsidiaries.
9. The Company has not received any notices for any interest in a class of voting shares held by persons (other than the company's directors, Senior Executives and their relatives), along with any change to such rights during the year.
10. There were no material contracts awarded to any related parties including directors, Senior Executives or any person related to any of them during the year, other than as described in the "Board of Directors" section and "Related Party Transactions" section in this report.
11. There are long-term loans outstanding during the year for the company and its subsidiary "NATPET" which are described in the "Summary of Loan" section of this report.
12. There were no loans given to any of its directors, except as shown in "Related Party Transaction" section in this report.
13. There are no treasury shares held by the Company at the end of the year.
14. The Company has not received waiver any remunerations from any Board member or senior executives.
15. The Company has not received any arrangements or agreements under which a shareholder of the Company has waived any rights to dividends.
16. The Company has not made any investments or created reserves for its employees, except for, as is required by Saudi Labor Law and Company policies.
17. The company has not contributed in any of the social responsibility programs during the year.
18. Board has not recommended replacing the external auditor before the end of the term for which it is appointed.
19. Audit committee's recommendation regarding appointing an internal auditor for company during 2023.
20. There is no conflict between audit committees' recommendations and with Board's resolutions during the year.

BOARD OF DIRECTORS' RECOMMENDATIONS TO THE SHAREHOLDERS

1. View on the Board of Directors' Report for 2023.
2. View on the 2023 year-end financial statements and external auditors' report.
3. Vote on the appointment of external auditors from among the candidates by the Audit Committee to review the financial statements for the second, third and annual quarters of 2024 and the first quarter of 2025, and determine his fees.

The Chairman and the Board of Directors express their appreciation and gratitude to the Custodian of the Two Holy Mosques King Salman Bin Abdul-Aziz Al-Saud; HRH Crown Prince Mohammad bin Salman bin Abdul-Aziz Al Saud, Prime Minister for their continued cooperation and support.

Thanks also to the Shareholders for their continued support, and the Executive Management and Staff of the Company for their great efforts, which helped to achieve the Company's goals during the year.

BOARD OF DIRECTORS



Alujain Corporation
A Saudi Joint Stock Company

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