



**Al Hammadi**  
Development & Investment



# 2021

## THE ANNUAL REPORT

OF THE BOARD OF DIRECTORS OF THE COMPANY  
AL HAMMADI FOR DEVELOPMENT & INVESTMENT

الحمادي  
للتنمية والاستثمار

سشفا الحمادي  
Al Hammadi Hospital

MS  
MEDICAL SUPPORT  
SERVICES

شركة الخدمات الصيدلانية  
PHARMASERVE

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## THE ADDRESS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

### DEAR SHAREHOLDERS

I am pleased to present the Board of Directors the Annual Report for the fiscal year 2021 to the shareholders of Al Hammadi Company for Development and Investment. The Annual Report 2021 contains the company's performance, activities, events and achievements the company has witnessed during the current Year , and it also illustrates the financial performance for the year 2021.

**SALEH BIN MOHAMMED AL-HAMMADI**  
**THE CHAIRMAN OF BOARD OF DIRECTORS**

We'll review in below; the annual report for the financial year ending on (12/31/2021 G) - as the report includes the definition and achievements of the company and the changes that occurred in the financial performance during this year.

## AN INTRODUCTION ABOUT THE COMPANY

The Company was established in 1985G in Riyadh as a sole-proprietorship under the name of Al Hammadi Hospital; on 25/01/1425H corresponding to 16/03/2004G Al Hammadi Hospital was converted to a Limited Liability Company under the name of Al Hammadi Hospital Company. Pursuant to the resolution of Al Hammadi Hospital Company shareholders on 13/06/1429H corresponding to 17/06/2008G and in accordance with the ministerial resolution number (316/Q) dated 16/09/1429H corresponding to 16/09/2008G the Company was converted to a Saudi Closed Joint Stock Company under the name of Al Hammadi Company for Development and Investment and the Company was registered in the commercial registry in Riyadh under commercial registration number 1010196714 dated 23/02/1425H corresponding to 13/04/2004G. On 20/07/1435H corresponding to 19/05/2014G the Company obtained the Capital Market Authority approval to increase its capital to be 750 million Saudi Riyals by issuing a new 22.5 million shares through an Initial Public Offering (IPO) within the period from 11/06/2014G to 17/06/2014G. Pursuant the IPO, the Company was listed on Saudi Financial Market (Tadawul) on 17/09/1435H corresponding to 15/07/2014G.

## THE MAIN ACTIVITY OF THE COMPANY

The company provides its medical services to patients in Riyadh, with a total clinical capacity of (1,028) beds. The company has branches operating under separate commercial registrations and subsidiaries, which are as follows:

THE NAME OF THE BRANCH / COMPANY	COMMERCIAL REGISTRY	BED CAPACITY	STATUS
<b>The Companies</b>			
The Support Medical Services Company	1010203580	-	Exercising the work activity
Al-Hammadi Company for the managing & operating the hospitals	1010374269	-	Exercising the work activity
Pharmaceutical Services Company Ltd.	1010170194	-	Exercising the work activity
.MEDICAL INDUSTRIES COMPANY LTD	1010899779	-	Exercising the work activity
<b>The Branches</b>			
Al-Hammadi Hospital - Al-Olaya branch	1010263026	(300 Bed)	Not Exercising the work activity
Al-Hammadi Hospital - Al-Suwaidi Branch	1010934227	(428 Bed)	Exercising the work activity
Al-Hammadi Hospital - Al-Nozha Branch	1010374270	(600 Bed)	Exercising the work activity
Al-Hammadi for Construction & Maintenance	1010374273	-	Exercising the work activity
Al-Deyafa Al-Arabia Ltd.	1010610529	-	Exercising the work activity
The Support Services Institute for Training	1010500366	-	Exercising the work activity
The Women Support Services Institute for Training	1010651084	-	Exercising the work activity
The Biological and Pharmaceutical Industries Complex	1126105966	-	Not Exercising the work activity

# THE VISION ,MISSION, POLICY, AND FUTURE GOALS OF THE COMPANY

## VISION

AL HAMMADI HOSPITAL WILL BE RECOGNIZED AS ONE OF THE BEST PRIVATE HEALTHCARE PROVIDERS IN THE KINGDOM.



# THE VISION ,MISSION, POLICY, AND FUTURE GOALS OF THE COMPANY

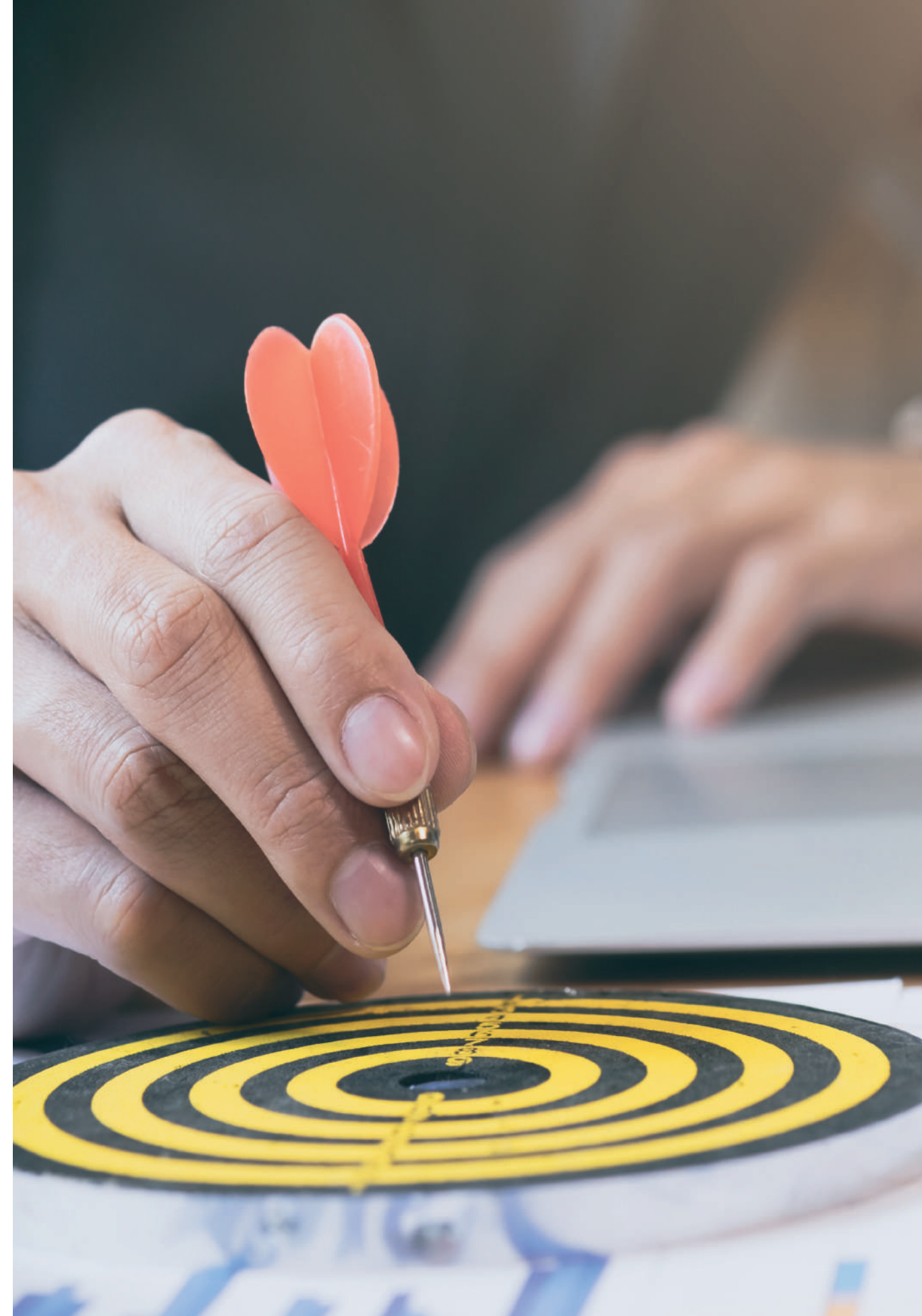
## MISSION

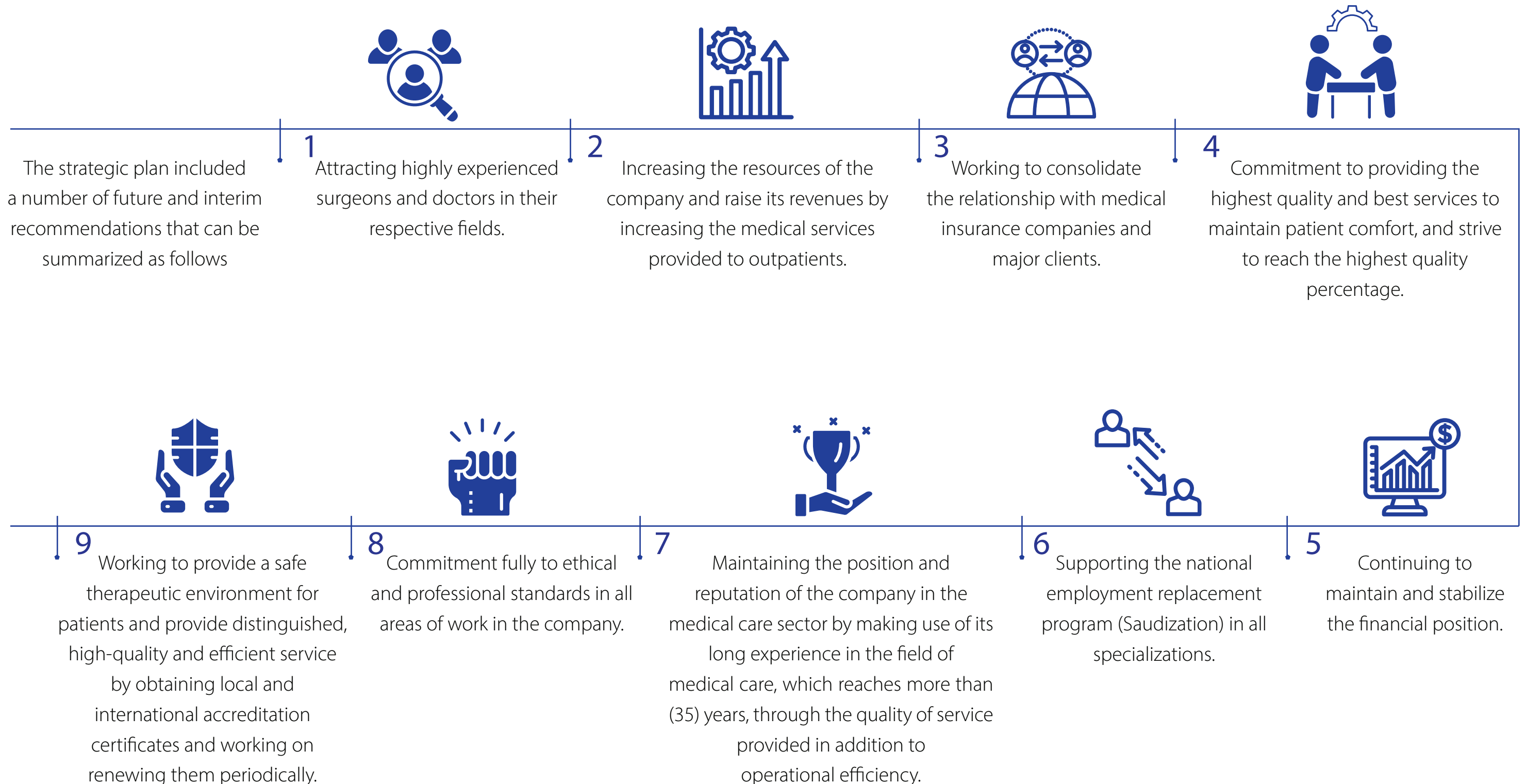
WE ARE DEDICATED TO CONTINUOUSLY IMPROVE THE QUALITY OF OUR SERVICES TO MEET THE HEALTHCARE NEEDS OF OUR CLIENTS THROUGH COMMITTED LEADERSHIP, QUALIFIED STAFF AND STATE-OF-THE-ART

# THE POLICY AND FUTURE GOALS OF THE COMPANY

The company is working to make more efforts to raise the level of medical service and to provide distinguished services that take into account the level of quality and efficiency for patients in all its hospitals, and it also strives to develop its services. The following are the policies pursued by the company in order to achieve these goals:

In the year (G 2021), the company's policy for the next year was approved by the Board of Directors, whereby developments in the opportunities available in the health sector market were studied by the executive management and the management focused on its evaluation on the opportunities available to the company, taking into account the Kingdom's vision (2030 G) and the National Transformation Program ( 2020 G) and reviewing the strategic objectives according to the company's accomplishments and actual indicators during the previous years. The Board recommended studying the available offers and instructing the executive management to study the final report and present it to the Board of Directors for discussion, voting and approval.







## THE BRANCHES & THE SUBSIDIARIES

### BRANCHES OF AL-HAMMADI COMPANY FOR DEVELOPMENT AND INVESTMENT AND ITS SUBSIDIARIES

Al-Hammadi Hospitals Group, with all its branches and spread in the city of Riyadh, provides a wide range of medical services in its outpatient clinics and admission departments of various medical specialties, as well as emergency and ambulance services, medical laboratory, radiology, and outpatient pharmacies and their branches are divided as follows:



**AL HAMMADI HOSPITAL PROJECT  
THE NEW OLAYA BRANCH**

Al Hammadi Hospital Olaya has been suspended at the end of the third quarter 2021 based on the date of the Board of Directors' decision regarding the project 02/09/1443 corresponding to 09/16/2021



**AL-HAMMADI HOSPITAL  
AL-SUWAIDI BRANCH**



**AL-HAMMADI HOSPITAL  
AL-NOZHA BRANCH**





## AL HAMMADI HOSPITAL OLAYA SUSPENDED AT THE END OF THE THIRD QUARTER 2021

# THE NEW AL HAMMADI OLAYA HOSPITAL



Buildings

-



Bed

300



Outpatient Clinic

120

The Board of Directors of Al Hammadi Company for Development and Investment approved in its meeting held , Thursday 16 September, 2021 To construct a new hospital to replace Al Hammadi Hospital Olaya. The New Hospital will consist of 300 beds and 120 clinics. It will provide general medical services, and In addition to that , it will provide oncology treatment , treatment of sports injuries, and rehabilitation



# AL-HAMMADI HOSPITAL AL-SUWAIDI BRANCH



Buildings

9



Bed

428



Outpatient Clinic

64

It is located in the southwest of the city of Riyadh, Al-Suwaidi district, and the main building of the hospital consists of (6 floors) above the ground and (3) underground floors, in addition to the number of (3) residential buildings for the employees, which were opened on (10/10/1436 H - corresponding to 01 / 08/2015 G), as it has a capacity of (428 beds) - and (64) outpatient clinics.



# AL-HAMMADI HOSPITAL AL-NUZHA BRANCH



Buildings

8



Bed

600



Outpatient Clinic

64

Al-Hammadi Hospital - Al-Nuzha branch is located in the northeast of the city of Riyadh - Al Nuzha district and was inaugurated on (02/13/2018 G). The main building of the hospital consists of (6) floors above ground and two underground floors in addition to a multi-floor building for parking. The hospital capacity is (600 beds) and (64) outpatient clinics.



## SUPPORT MEDICAL SERVICES COMPANY LTD.

Al-Hammadi Company for Development and Investment acquired on (01/31/2018 G) the full shares of the partners in the Supporting Medical Services Company Ltd., which specializes in providing medical and non-medical logistics services to hospitals and medical centers such as contact medicine, providing medical and non-medical maintenance services, subsistence and cleaning, and selling and buying drugs. And medical supplies and marketing to others.

name of the company	capital of the company	Ownership Percentage	Its main activity	Its headquarter
The support medical services company Ltd.	2,000,000 SAR	%100	Specializing in buying and selling medicines and medical supplies	Inside the Kingdom of Saudi Arabia Al-Riyadh













## PHARMASERVE COMPANY LTD.

Al-Hammadi Company for Development and Investment acquired on (01/31/2018 G) the full shares of the partners in ( PHARMASERVE ) the Pharmaceutical Services Company Ltd. This company specializes in wholesale and retail trade in medical devices and products.

name of the company	capital of the company	Ownership Percentage	Its main activity	Its headquarter
PHARMASERVE Company Ltd.	500,000 SAR	%100	Wholesale and retail trading in medical devices, supplies and medicines.	Inside the Kingdom of Saudi Arabia Al-Riyadh

## QUALITY & ACCREDITATION CERTIFICATES FOR AL-HAMMADI HOSPITALS

The Accreditation certificates obtained by the company from international and local bodies, which had an important impact on the high level of service provided to patients.

	SAUDI CENTRAL BOARD FOR ACCREDITATION OF HEALTHCARE INSTITUTIONS - CBAHI	UNITED INTERNATIONAL COMMITTEE FOR THE ACCREDITATION OF HEALTH ORGANIZATIONS	AMERICAN SOCIETY FOR HEALTH INFORMATION MANAGEMENT SYSTEMS ACCREDITATION	ACCREDITATION OF THE AMERICAN SOCIETY OF PATHOLOGY
	Health Services Board Decision No. (8/58) was issued on (09/01/1433 H - corresponding to 05/12/2011 G), which stipulates that it is necessary to obtain the approval of the Saudi Central Board for accreditation of health facilities for all governmental and private health facilities, and it is valid.	It is one of the most important international organizations that specializes in providing innovative pioneering solutions to help global health care organizations in all locations to improve patient safety and quality in the field of health services.	It is an American organization dedicated to improving healthcare in terms of quality, safety, cost-effectiveness and accessibility through the best use of information technology and management systems.	The College of American Pathologists (CAP) is a medical facility that serves more than (17,000) physicians and laboratories around the world. It is the world's largest association consisting exclusively of pathologists and is widely recognized as a leader in the field of medical laboratory quality assurance.
AL-HAMMADI HOSPITAL AL-OLAYA BRANCH suspended at the end of the third quarter 2021				
AL-HAMMADI HOSPITAL AL-SUWAIDI BRANCH				
AL-HAMMADI HOSPITAL AL-NOZHA BRANCH				

## THE COMMUNITY SERVICE AND SOCIAL RESPONSIBILITY

The company strives to perform its business in the health care sector in a way that is not only limited to following regulations and achieving expectations, but also to reach the best. Taking into account that success can only be achieved with the participation of many relevant parties, we realize that our work cannot be based on one foundation, rather it should be based on more than one element, and we can provide our services to the relevant authorities in a better way, as follows:



**First:** Visiting many commercial centers to raise health awareness by publishing health leaflets.



**Second:** Participating in the health awareness month for cervical cancer and breast cancer.



**Third:** Training male and female students of colleges and social institutes.



**Fourth:** Contributing to the day of washing hands.



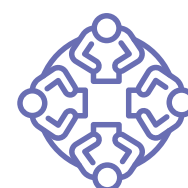
**Fifth:** Participating in global health events by addressing social aspects, including: World Asthma Day, AIDS Day, Diabetes Day, Nursing Day, Tuberculosis Day, Global Stress Day, Blood Donation Day, and World Malaria Day, Hepatitis Day, World Breastfeeding Week, Heart Disease Day, and World Health Day.



**Sixth:** Conducting field research with the aim of improving the level of services provided to patients, whether in the internal or external departments, and submitting proposals to the company's management for work development proposals.



**Seventh:** Participating in the periodic meetings organized by the social services departments in other hospitals with the aim of developing the services provided to patients.



**Eighth:** Holding seminars for company employees to introduce them to the role of the Social Services Department to achieve cooperation for patients' comfort and solving their problems.



**Ninth:** Conducting social and economic studies of patients' cases on an individual basis and making use of them to provide an opportunity for the treating team to get acquainted with the patient's condition.

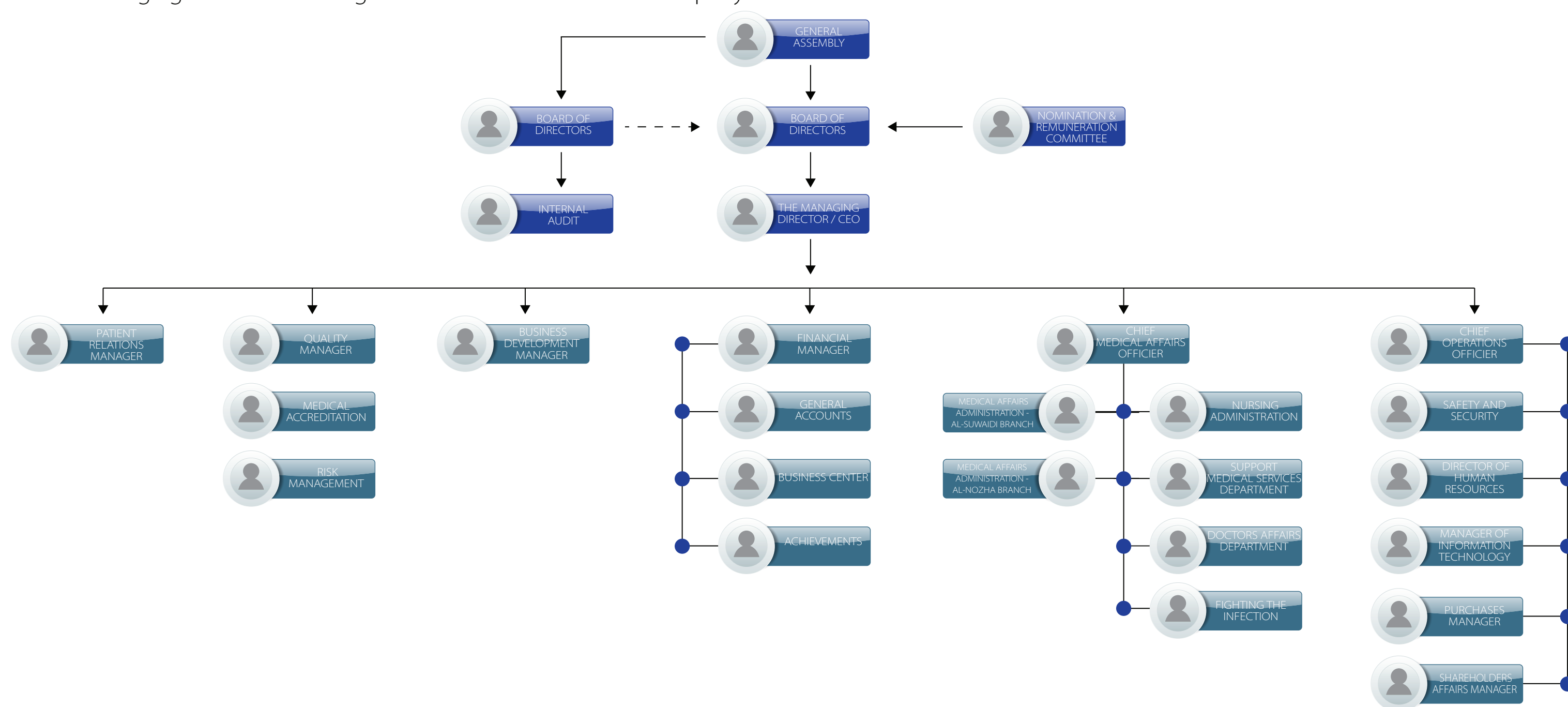


**Tenth:** Training the volunteer from social workers to prepare them to carry out their work tasks with the required competence.

## THE ORGANIZATIONAL STRUCTURE OF THE COMPANY

The Board of Directors of Al Hammadi Company for Development and Investment consists of nine (9) members, the majority of whom are non-executive members, and five (5) of whom are independent members. The current board has the competencies and great experience to manage the company. Where the Board of Directors of the company formed a number of committees affiliated to it or the General Assembly, in order to follow up on the daily progress of work in a timely manner, namely the Audit Committee and the Nominations and Remuneration Committee. These committees have approved regulations and rules that form part of the company's corporate governance system. These regulations define the responsibilities and tasks of these committees. The company has an executive management consisting of a team with extensive experience and high management skills that enable it to manage the company with high efficiency within the framework of the directives issued by the Board of Directors. The CEO conducts the daily business of the company in accordance with the directives and policies of the Board of Directors to ensure that the company achieves its goals.

The following figure shows the organizational structure of the company:





## THE BOARD OF DIRECTORS

### Forming the board of directors and classifying its members

The Board of Directors of Al-Hammadi Company for Development and Investment consists of nine members, of whom five are independent members and two are executive, and the rest are non-executive members according to the Article no. (18) of association of the company

### Members of the Board of Directors and the classification of their membership in the Board in its current session

NAME	JOB TITLE & Position	MEMBERSHIP	DATE OF HIRING
Mr. / Saleh Mohammed Hamad Al-Hammadi	Chairman of Board of Directors	Non-executive member	2019/6/22
Dr./ Abdul Aziz Mohammed Hamad Al-Hammadi	Deputy Chairman of the Board	Non-executive member	2019/6/22
Mr. / Mohammed Saleh Mohammed Al-Hammadi	Managing Director and CEO	Executive member	2019/6/22
Dr. / Abdul Aziz Saleh Mohammad Al-Hammadi	Member of the Board of Directors	Executive member	2019/6/22
Dr. / Sami Abdullah Dakhel Allah Al-Saeed	Member of the Board of Directors	Executive member	2019/6/22
Dr. / Abdul Aziz Abdul Rahman Abdullah Al Fryan	Member of the Board of Directors	Executive member	2019/6/22
Mr. / Aziz Mohammed Al-Qahtani	Member of the Board of Directors	Executive member	2019/6/22
Mr. / Fahd Suleiman Abdul Rahman Al-Nahat	Member of the Board of Directors	Executive member	2019/6/22
Mr. / Saad Abdul Mohsen Al-Hamidi	Member of the Board of Directors	Executive member	2019/6/22

## THE BOARD MEETINGS IN (2021 G)

The Board of Directors held (5) meetings during the year (G 2021) - and the attendance record of the members was as per the following table:

NAME	2021/03/25	2021/05/05	2021/08/12	2021/09/16	2021/11/11	TOTAL
Mr. / Saleh Mohammed Hamad Al-Hammadi	✓	✓	✓	✓	✓	5
Dr./ Abdul Aziz Mohammed Hamad Al-Hammadi	✓	✓	✓	✓	✓	5
Mr. / Mohammed Saleh Mohammed Al-Hammadi	✓	✓	✓	✓	✓	5
Dr. / Abdul Aziz Saleh Mohammad Al-Hammadi	✓	✓	✓	✓	✓	5
Dr. / Sami Abdullah Dakhel Allah Al-Saeed	✓	✓	✓	✓	✓	5
Dr. / Abdul Aziz Abdul Rahman Abdullah Al Fryan	✓	✓	✓	✓	✓	5
Mr. / Aziz Mohammed Al-Qahtani	✓	✓	✓	✓	✓	5
Mr. / Fahd Suleiman Abdul Rahman Al-Nahat	✓	✓	✓	✓	✓	5
Mr. / Saad Abdul Mohsen Al-Hamidi	✓	✓	✓	✓	✓	5

The Chairman and Secretary of the Board communicate with all members of the Board through modern technologies such as e-mail and telephone meetings, and discuss them during the periodic meetings. The following table shows the decisions of the Board of Directors by scroll, which are (2) decisions .

NAME	2021/03/25	2021/11/11
Mr. / Saleh Mohammed Hamad Al-Hammadi	✓	✓
Dr./ Abdul Aziz Mohammed Hamad Al-Hammadi	✓	✓
Mr. / Mohammed Saleh Mohammed Al-Hammadi	✓	✓
Dr. / Abdul Aziz Saleh Mohammad Al-Hammadi	✓	✓
Dr. / Sami Abdullah Dakhel Allah Al-Saeed	✓	✓
Dr. / Abdul Aziz Abdul Rahman Abdullah Al Fryan	✓	✓
Mr. / Aziz Mohammed Al-Qahtani	✓	✓
Mr. / Fahd Suleiman Abdul Rahman Al-Nahat	✓	✓
Mr. / Saad Abdul Mohsen Al-Hamidi	✓	✓

## THE CVS OF THE MEMBERS OF THE COMPANY'S BOARD OF DIRECTORS

NAME	MR. / SALEH MOHAMMED HAMAD AL-HAMMADI
CURRENT POSITION	Chairman of Board of Directors
NATIONALITY	Saudi
DATE OF HIRING	(2019/06/22 G)
QUALIFICATIONS	High School
PRACTICAL EXPERIENCES	Chairman of the Board of Directors of Al Hammadi Company for Development and Investment Chairman of the Board of Directors of Aziz Contracting and Industrial Investment

NAME	DR./ ABDUL AZIZ SALEH MOHAMMAD AL-HAMMADI
CURRENT POSITION	Vice Chairman of the Board of Directors
NATIONALITY	Saudi
DATE OF HIRING	(2019/06/22 G)
QUALIFICATIONS	Bachelor of Medicine from the Faculty of Medicine - KASR AL-AINI - CAIRO UNIVERSITY
PRACTICAL EXPERIENCES	Vice Chairman of the Board of Directors of Al Hammadi Company for Development and Investment Riyadh Central Hospital / Ministry of Health (1979 - 1982)

NAME	DR. / ABDUL AZIZ SALEH MOHAMMAD AL-HAMMADI
CURRENT POSITION	Member of the Board of Directors and Chief Operating Officer
NATIONALITY	Saudi
DATE OF HIRING	(2019/06/22 G)
QUALIFICATIONS	Bachelor of Medicine and General Surgery from Al-Azhar University
PRACTICAL EXPERIENCES	Worked at King Khalid University Hospital (2004 G - 2005 G) Worked at King Saud University Hospital for Chest Diseases (2005G - 2008G)

NAME	MR. / MOHAMMED SALEH MOHAMMED AL-HAMMADI
CURRENT POSITION	Managing Director and CEO of the company
NATIONALITY	Saudi
DATE OF HIRING	(2019/06/22 G)
QUALIFICATIONS	BA in Business Administration from Weber University in the United States of America (1996 G) Bachelor of Marketing from Weber University, USA (1996 G)
PRACTICAL EXPERIENCES	Chairman of the Board of Directors of Al Baha Investment and Development Company Chairman of the Board of Directors of the Saudi Automotive Services Company (SASCO) 2006 - 2009 Member of the Board of Directors of the Saudi Chemical Company 2007 - 2009

## THE CVS OF THE MEMBERS OF THE COMPANY'S BOARD OF DIRECTORS

NAME	DR. / ABDUL AZIZ ABDUL RAHMAN ABDULLAH AL-FRYAN
CURRENT POSITION	Partner of Abdulaziz Al Faryan Professional Consulting Company
NATIONALITY	Saudi
DATE OF HIRING	(2019/06/22 G)
QUALIFICATIONS	<p>PhD in the Sharia policy department at the Higher Judicial Institute</p> <p>Master of Justice / Naif Arab University for Security Sciences - dated (1427 H - 2006 G)</p> <p>Bachelor of Sharia, Imam Muhammad bin Saud University (1420 H - 2000 G)</p>
PRACTICAL EXPERIENCES	<p>Business partner and member of the Board of Directors of QAYMAH International Company</p> <p>Head of the Litigation Department at the Office of Mohammed AL-DABAAN and Partners</p> <p>Worked at the General Court in Riyadh - General (1416 H - 1995 G)</p>

NAME	MR. / FAHD SULEIMAN ABDUL RAHMAN AL-NAHAT
CURRENT POSITION	The General Manager of Finance - NEOM Company
NATIONALITY	Saudi
DATE OF HIRING	(2019/06/22 G)
QUALIFICATIONS	<p>Leadership Development Program from Harvard University</p> <p>Certified Financial Analyst - CFA institute</p> <p>Master of Financial Sciences majoring in Finance from Newcastle University</p> <p>Bachelor's degree in Business Administration from King Saud University</p>
PRACTICAL EXPERIENCES	<p>General Director of Industrial Investments and Finance - NEOM 2019 to Present</p> <p>General Manager of Investment - Saudi Arabian Industrial Investments Company 2017 to 2019</p> <p>Head of the Investment Team - The Arab Investment Company 2011 until 2017</p>

NAME	MR. / AZIZ BIN MOHAMMED BIN MUBARAK AL-QAHTANI
CURRENT POSITION	Financial and administrative advisor to TAKAMOL Holding Company
NATIONALITY	Saudi
DATE OF HIRING	(2019/06/22 G)
QUALIFICATIONS	<p>Master of Accounting / King Fahd University of Petroleum and Minerals - General (2000 G)</p> <p>Bachelor of Accounting / King Fahd University of Petroleum and Minerals (1994G)</p>
PRACTICAL EXPERIENCES	<p>Financial and accounting consultations - 2021 until now</p> <p>Financial and administrative advisor at Takamol Holding Company - 2020 until 2021</p> <p>Chief Executive Officer of Internal Audit at the Saudi Company for Development and Technical Investment - 2017 until 2019</p> <p>Vice President of Internal Audit at the Petroleum, Chemical and Mining Company - (Previously)</p> <p>Financial Director at Business Triangle Company - 2011 until 2015</p> <p>Executive Director of Internal Audit at the Saudi Research and Marketing Group Company - 2007 until 2010</p> <p>Executive Director of Internal Audit at Nadec Agricultural Company - 2004 until 2007</p> <p>Director of Internal Audit at Saudi Telecom Company - 2001 until 2004</p> <p>Internal auditor in Saudi Aramco - 1994 to 2000</p>



## THE CVS OF THE MEMBERS OF THE COMPANY'S BOARD OF DIRECTORS

NAME	SAAD ABDUL MOHSEN ABDULAZIZ AL-HAMIDI
CURRENT POSITION	General Manager - Al-Zaman Al-MUTAMTOR Company
NATIONALITY	Saudi
DATE OF HIRING	(2019/06/22 G)
QUALIFICATIONS	Bachelor's degree in Accounting from North Colorado University, USA
PRACTICAL EXPERIENCES	<p>Al-Zaman Al-MUTAMTOR Investment Company - General Manager (2014 G - until now)</p> <p>AMANA INSURANCE COMPANY - Director of Compliance and Secretary of the Board of Directors (2009 G - 2014 G)</p> <p>ERNST &amp; YOUNG - Assistant Business Risk Team Leader (2007G - 2009G)</p> <p>AL-RAJHI BANK - Credit Officer (2006G - 2007G)</p> <p>PRICEWATERHOUSE Company - External Auditor (2005G - 2006G)</p>

NAME	DR. / SAMI BIN ABDULLAH AL-SAEED
CURRENT POSITION	Executive Director - Al-Saeed Factory
NATIONALITY	Saudi
DATE OF HIRING	(2019/06/22 G)
QUALIFICATIONS	<p>American Board in Pediatric Dentistry - General (2003 G)</p> <p>Master of Dental Sciences - New York University - General (2001 G)</p> <p>Bachelor of Dental Surgery King Saud University - General (1996 G)</p>
PRACTICAL EXPERIENCES	<p>The Executive Director of Rawan Company for Development and Investment - (2007 G - 2012 G)</p> <p>Faculty member at Prince Abdul Rahman Institute of Dental Medicine - (2001G - 2007G)</p> <p>The Consultant pediatric dentistry at the Military Hospital (1992 G - 2007 G)</p>

## The MEMBERSHIP OF BOARD MEMBERS IN OTHER COMPANIES

Names of companies inside or outside the Kingdom of which a member of the board of directors is a member of their current and previous boards of directors or of their managers:

	NAME	COMPANIES THAT ARE MEMBERS OF THEIR BOARDS OF DIRECTORS OR OF THEIR DIRECTORS	HEADQUARTER	LEGAL ENTITY	CURRENTLY / PREVIOUSLY
1	Saleh Mohammed Al-Hammadi	Aziz Company for Contracting and Industrial Investment	Inside the kingdom	A Closed joint-stock	Currently
2	Dr. / Abdul Aziz Saleh Mohammad Al-Hammadi	Saudi Pharmaceutical Industries and Medical Appliances Corp.	Inside the kingdom	Listed joint stock	Previously
3	Mr. / Mohammed Saleh Mohammed Al-Hammadi	Al-Baha Investment and Development Company	Inside the kingdom	Listed joint stock	Currently
		Integrated East Pipes Company Ltd.	Inside the kingdom	Listed joint stock	Currently
		Aziz Company for Contracting and Industrial Investment	Inside the kingdom	A Closed joint-stock	Currently
		Saudi Automotive Services and Equipment Company - SASCO	Inside the kingdom	Listed joint stock	Previously
		Saudi Chemical Company	Inside the kingdom	Listed joint stock	Previously
4	Dr. / Abdul Aziz Saleh Mohammad Al-Hammadi	Al-Baha Investment and Development Company	Inside the kingdom	Listed joint stock	Currently
		Aziz Company for Contracting and Industrial Investment	Inside the kingdom	Listed joint stock	Previously
5	Dr./ Aziz Mohammed Al-Qahtani	ALUJAIN Company - Holding	Inside the kingdom	Listed joint stock	Currently
6	Dr./ Sami Abdullah Dakhel Allah Al-Saeed	Tawa Development Company	Inside the kingdom	A Closed joint-stock	Currently
		Member of the Board of Directors of the Saudi Shipping Company	Inside the kingdom	Listed joint stock	Previously

## The MEMBERSHIP OF BOARD MEMBERS IN OTHER COMPANIES

	NAME	COMPANIES THAT ARE MEMBERS OF THEIR BOARDS OF DIRECTORS OR OF THEIR DIRECTORS	HEADQUARTER	LEGAL ENTITY	CURRENTLY / PREVIOUSLY
7	Fahd Suleiman Abdul Rahman Al-Nahat	The Saudi Jordanian Investment Fund Company	Jordan	Public Joint Stock	Currently
		Saudi Coffee Company	Inside the kingdom	A Closed joint-stock	Currently
		Bidaya company	Inside the kingdom	A Closed joint-stock	Previously
		A Member of the Board of Directors of POWERFEST Energy Fund Samba Capital	Inside the kingdom	A Closed joint-stock	Previously
		A Member of the Advisory Board of the International Finance Corporation Fund for Investment in the Middle East and North Africa	Inside the kingdom	A Closed joint-stock	Previously
		A Member of the Board of Directors of the Middle East Financial Investment Company - MEFIC CAPITAL	Inside the kingdom	A Closed joint-stock	Previously
		The International Company for Finance Leases	Egypt	A Closed joint-stock	Previously
8	Saad Abdul Mohsen Al-Hamidi	Al-Baha Investment and Development Company	Inside the kingdom	Listed joint stock	Currently
		Al-Zaman Al-MUTAMTOR Investment Company	Inside the kingdom	Listed joint stock	Previously
9	Abdul Aziz Abdul Rahman Abdullah Al-Fryan	Al-Lujain Holding Company	Inside the kingdom	Listed joint stock	Currently

## MEMBERSHIP OF BOARD MEMBERS IN OTHER COMPANIES

In order to ensure the optimal performance of the company's management, the Board of Directors has formed the Audit Committee and the Nomination and Remuneration Committee, and has defined approved rules that define the tasks and responsibilities assigned to each of them, and the duration of their work in accordance with Article no. (17) of the Articles of Association for a period of three years and the termination of membership according to Article no.(19) where membership ends. The board ends its term, resignation, death or expiration of the member if it is ruled to declare bankruptcy or insolvency or submit a settlement request with its creditors or stop paying its debts. This is part of the Audit Committee Regulations and the Nomination and Remuneration Committee Regulations in accordance with the Company's Governance System, which was approved by the General Assembly of Shareholders on the date (12/26/2017 G - corresponding to 04/08/1439 H), which is an integral part of it, and any shareholder can view it at the company's headquarters.

## MEMBERSHIP OF BOARD MEMBERS IN OTHER COMPANIES

The audit committee consists of three members, and the following table shows the classification of members in the committee. To ensure neutrality, the committee consists of a member outside the board and two independent members as follows:

NAME	MEMBERSHIP STATUS IN THE BOARD	THE POSITION ON THE COMMITTEE
Dr. / Aziz Mohammed Al-Qahtani	An Independent member	The Chairman of the Committee
Dr. / Abdul Aziz Abdul Rahman Al Fryan	A Member outside the board	A member
Dr. / Nasser bin Hamad Al-Saif	An Independent member	A member

The following table shows the audit committee's record for the year (G 2021) - and the committee held (8) meetings as follows:

NAME	2021/03/24	2021/04/07	2021/05/05	2021/06/14	2021/08/11	2021/09/14	2021/11/09	2021/12/26	TOTAL
Dr. / Aziz Mohammed Al-Qahtani	✓	✓	✓	✓	✓	✓	✓	✓	8
Dr. / Abdul Aziz Abdul Rahman Al Fryan	✓	✓	✓	✗	✓	✓	✓	✓	7
Dr. / Nasser bin Hamad Al-Saif	✓	✓	✓	✓	✓	✓	✓	✓	8



## FINANCIAL REPORTS

**First:** Studying the initial and annual financial statements of the company before submitting it to the Board of Directors and expressing its opinion and recommendation regarding them to ensure their integrity, fairness and transparency.

**Second:** To express a technical opinion - according to the board of directors' request - on whether the report of the board of directors and the financial statements of the company are fair, balanced and understandable, and include information that allows shareholders and investors to evaluate the financial position of the company, its performance, business model and strategy.

**Third:** Examine any important or unusual issues included in the financial reports.

**Fourth:** Researching carefully about any issues raised by the company's financial manager, whoever assumes his duties, the company's compliance officer, or the auditor.

**Fifth:** Verifying the accounting estimates in the essential issues mentioned in the financial reports.

**Sixth:** Studying the accounting policies followed in the company and giving opinion and recommendation to the Board of Directors in this regard.

## GUARANTEE OF COMMITMENT

**First:** Reviewing the results of the reports of the regulatory authorities and verifying that the company has taken the necessary actions in this regard.

**Second:** Verifying the company's compliance with the relevant laws, regulations, policies and instructions.

**Third:** Reviewing the contracts and transactions proposed to be conducted by the company with related parties, and submit its views on this to the Board of Directors.

**Fourth:** Raising whatever issues it deems necessary to take action in their regard to the board of directors and to express its recommendations.

## INTERNAL AUDIT

**First:** Studying and reviewing the company's internal and financial control and risk management systems.

**Second:** Examining the internal audit reports and following up on the implementation of corrective measures for the observations contained therein.

**Third:** Controlling and supervising the performance and activities of the internal audit department in the company to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to it.

**Fourth:** Recommending to the Board of Directors to appoint the CEO of the Internal Audit Department and suggesting his remuneration.

## AUDITOR

**First:** Recommending to the board of directors the nomination and dismissal of auditors, determining their fees and evaluating their performance, and this is done after verifying their independence and reviewing the scope of their work and the terms of contracting with them.

**Second:** Verifying the auditor's independence, objectivity, fairness, and effectiveness of the audit work, taking into account the relevant rules and standards.

**Third:** Reviewing the company's auditor's plan and business, verifying that no technical or administrative work has been submitted outside the scope of the audit work, and expressing its technical opinions regarding that matter.

**Fourth:** Answering about the company's auditor's inquiries.

**Fifth:** Studying the auditor's report and his notes on the financial statements and following up on what has been taken in their regard.

## THE NOMINATION & REMUNERATION COMMITTEE

The Nominations and Remuneration Committee is responsible for reviewing the structure of the Board of Directors and making recommendations regarding the changes that can be made and developing policies for Remunerations and incentives for members of the Board of Directors and the executive management of the company, which aims to increase productivity and assesses the personal efforts of each member and executive director applied to the strategic plan of the company. The committee consists of (3) The following members are independent members as shown in the following table, and the committee held during the year (2021 G) - two meetings attended by all members on (22/03/2021 G) - and on (29/12/2021 G)

NAME	MEMBERSHIP STATUS IN THE BOARD	THE POSITION ON THE COMMITTEE
Dr. / Sami Abdullah Dakhel Allah Al-Saeed	An Independent member	The Chairman of the Committee
Mr. / Fahd Suleiman Abdul Rahman Al-Nahat	An Independent member	A member
Mr. / Saad Abdul Mohsen Al-Hamidi	An Independent member	A member

### Its main tasks are, but are not limited to:

**First:** Preparing a clear policy for remuneration for members of the Board of Directors and the committees emanating from the Board and the Executive Management and submitting them to the Board of Directors for consideration in preparation for approval by the General Assembly, provided that this policy takes into account the following standards related to performance, disclosure and verification of their implementation.

**Second:** Clarifying the relationship between the Remunerations granted and the applicable remuneration policy, and stating any material deviation from this policy.

**Third:** Periodic reviewing the remuneration policy, and evaluation of its effectiveness in achieving the objectives sought from it.

**Fourth:** Recommending to the board of directors the remuneration of members of the board of directors, the committees emanating from it, and the company's senior executives, in accordance with the approved policy.

**Fifth:** Suggesting a clear policies and standards for membership in the Board of Directors and executive management.

**Sixth:** Recommending to the Board of Directors to nominate its members and re-nominate them in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a breach of trust.

**Seventh:** Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and occupying executive management positions.

**Eighth:** Determining the time that the member should allocate to the work of the board of directors.

**Ninth:** The annual review of the necessary needs of skills or appropriate expertise for board membership and executive management functions.

**Tenth:** Reviewing the structure of the Board of Directors and executive management and make recommendations regarding the changes that can be made.

**Eleventh:** Verifying an annual basis the independence of independent members and the absence of any conflict of interest if the member is a member of the board of directors of another company.

**Twelfth:** Establishing a job description for executive members, non-executive members, independent members and senior executives.

**Thirteenth:** Establishing a special procedure in case the position of a member of the board of directors or a senior executive is vacant.

**Fourteenth:** Identifying the weaknesses and strengths in the board of directors, and proposing solutions to address them in line with the company's interest.

## OWNERSHIP OF MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES IN THE SHARES AND DEBT INSTRUMENTS OF THE COMPANY

The following table shows the percentage of ownership by members of the Board of Directors and senior executives, including their wives and minor children, in the shares and debt instruments of the company, and any change in that interest during the fiscal year (2021 G).

### Share ownership of board members

NAME	MEMBERSHIP STATUS	(01/01/2021 G)	(31/12/2021 G)	(CHANGES IN SHARES +/-)	(Percentage Change %)
Mr. / Saleh Mohammed Hamad Al-Hammadi	The Chairman of Board of Directors	15.787.800	15.787.800	None	% 0
Dr./ Abdul Aziz Mohammed Hamad Al-Hammadi	A Non-executive member	17.880.000	18.940.100	1.060.100	% 5.93+
Mr. / Mohammed Saleh Mohammed Al-Hammadi	An Executive member	5.880.000	5.880.000	None	% 0
Dr. / Abdul Aziz Saleh Mohammad Al-Hammadi	An Executive member	5.880.000	5.880.000	None	% 0
Dr. / Sami Abdullah Dakhel Allah Al-Saeed	An Independent member	2000	2000	None	% 0
Dr. / Abdul Aziz Abdul Rahman Abdullah Al-Fryan	An Independent member	0	0	None	% 0
Mr. / Aziz Mohammed Al-Qahtani	An Independent member	0	0	None	% 0
Mr. / Fahd Suleiman Abdul Rahman Al-Nahat	An Independent member	15	15	None	% 0
Mr. / Saad Abdul Mohsen Al-Hamidi	An Independent member	1009	1009	None	% 0

### Share ownership of board members

NAME	MEMBERSHIP STATUS	(01/01/2021 G)	(31/12/2021 G)	(CHANGES IN SHARES +/-)	(THE PERCENTAGE %)
Mr. / Mohammed Saleh Mohammed Al-Hammadi	An Executive member	5,880,000	5,880,000	None	%0
Dr. / Abdul Aziz Saleh Mohammad Al-Hammadi	An Executive member	5,880,000	5,880,000	None	%0
Mohammed Saeed Suleiman Alsaafin	The Chief Financial Officer	0.0	0.0	None	%0
Dr. / Walid Fathi Abdel Khaleq Al-Kawamleh	The Director of Marketing	0.0	0.0	None	%0
Majid Salem Saeed Al-Nahdi	The Director of Human Resources	0.0	0.0	None	%0

# THE MEMBER REMUNERATIONS BOARD OF DIRECTORS

REMUNERATION AND ALLOWANCES POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE SECRETARY

REMUNERATION AND ALLOWANCES POLICY FOR MEMBERS OF THE AUDIT COMMITTEE AND THE SECRETARY

REMUNERATION AND ALLOWANCES POLICY FOR MEMBERS OF THE REMUNERATION AND NOMINATION COMMITTEE AND THE SECRETARY

POLICY OF EXECUTIVE MANAGEMENT REMUNERATION AND ALLOWANCES

## REMUNERATION AND ALLOWANCES POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE SECRETARY

In accordance with the Companies Law and the Company's Articles of Association, the remuneration of the members of the Board of Directors will be as estimated by the Ordinary General Assembly in accordance with the official decisions and instructions issued by the Ministry of Commerce in this regard and within the limits of what is stipulated in the Companies Law or any other complementary regulations. And the executive management, in accordance with the requirements of the Corporate Governance Regulations in the Kingdom of Saudi Arabia issued by the Board of the Capital Market Authority under Resolution No. (08/16/2017) - on (05/16/1438 H corresponding to 13/02/2017 G) based on the Companies Law issued With Royal Decree No. (M / 3) dated - (01/28/1437 H - corresponding to 11/11/2015 G)

- 1 The remuneration of a member of the board of directors shall be made within the limits stipulated in the articles of association of the company and the companies' bylaw and in accordance with the official decisions and instructions issued in this regard, provided that the total of what a member of the board of directors receives in return for his membership in the board of directors does not exceed an amount of (500,000 SAR). (Five hundred thousand Saudi) in terms of remunerations and financial and in-kind benefits
- 2 The entitlement to the remuneration is proportional to the number of meetings the member attended during the year
- 3 An attendance allowance for each of the Board meetings of (5,000 SAR) (five thousand SAR) and an attendance allowance for each committee meeting in an amount of (5,000 SAR) for each member and secretary.
- 4 A first-class air ticket, transportation and accommodation, for the non-resident member in the city in which the meeting is scheduled to take place.
- 5 The Board of Directors determines the annual remuneration of the Board Secretary, and the company shall bear all his expenses related to his attendance, such as tickets, accommodation, transportation and others in connection with the affairs of the Board of Directors.
- 6 The Remuneration, attendance allowance and other allowances are paid at the end of the fiscal year, and in case that the membership of any member of the board ends before the end of the fiscal year, it is paid immediately upon the end of his membership.



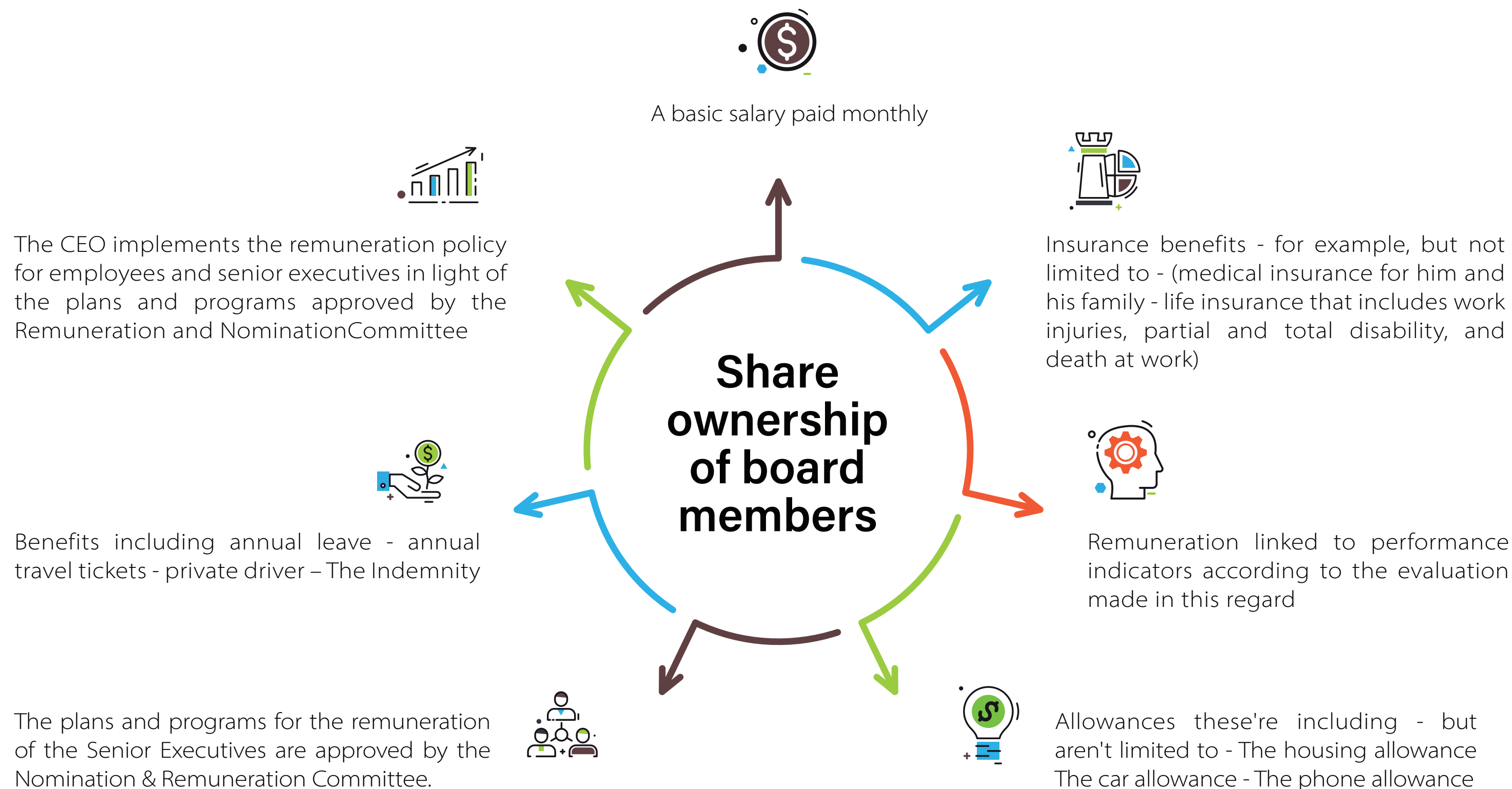
## NOMINATION & REMUNERATION COMMITTEE

- 1 An annual bonus of (50,000 SAR) - (fifty thousand SAR) for the head of the audit committee and for each member from among the committee members.
- 2 The entitlement to the remuneration is proportional to the number of meetings the member attended during the year.
- 3 The Attendance allowance for each committee meeting of (5,000 SAR) - (five thousand SAR) for the head of the committee and for each member of the committee and the secretary.
- 4 A business-class travel ticket, transportation and accommodation for a non-resident member in the city of the meeting
- 5 The committee recommends to the board of directors the annual remuneration of the secretary. The company also bears all his expenses related to the committee's meetings, such as tickets, accommodation, transportation and other things related to the committee's work.
- 6 Remunerations, attendance allowances and other allowances are paid at the end of the fiscal year, and in the event that the membership of any member of the committee ends before the end of the fiscal year, it shall be disbursed upon the end of his membership of the committee.

## REMUNERATION AND ALLOWANCES POLICY FOR MEMBERS OF THE REMUNERATION AND NOMINATION COMMITTEE AND THE SECRETARY

- 1 An annual bonus of (50,000 SAR) (fifty thousand SAR) for each of the Chairman of the Remuneration and Nominations Committee and for each member from among the members of the committee.
- 2 The entitlement to the remuneration is proportional to the number of meetings the member attended during the year.
- 3 Attendance allowance for each committee meeting of (5,000 SAR) (five thousand SAR) for each of the head of the remuneration and nomination committee and for each member from among the committee members.
- 4 A business-class travel ticket, transportation and accommodation for a non-resident member in the city of the meeting
- 5 The committee recommends to the board of directors the annual remuneration of the secretary. The company also bears all his expenses related to the committee's meetings, such as tickets, accommodation, transportation and other things related to the committee's work.
- 6 Remunerations, attendance allowances and other allowances are paid at the end of the fiscal year, and in the event that the membership of any member of the committee ends before the end of the fiscal year, it shall be disbursed upon the end of his membership of the committee.

## NOMINATION & REMUNERATION COMMITTEE



## REMUNERATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS

The name	The Fixed Remunerations							The Variable Remunerations					The Grand total in SAR	The Expense allowances	The Indemnity
	The certain amount	The Allowance for attending the board sessions	Total allowance for attending the committee sessions	The Non-monetary advantages	The Remunerations of the Meridional works	The Fixed, administrative and investment Remunerations	The total is in SAR	The percentage of profits	The Periodic Remunerations	The Short-term incentive plans	The Long-term incentive plans	The shares granted are the value entered			
The Independent members															
Dr. / Sami Abdullah Dakhel Allah Al-Saeed	-	200,000	10.000	-	-	-	210.000					-	210.000	-	-
Dr. / Abdul Aziz Abdul Rahman Abdullah Al-Fryan	-	200,000	35.000	-	-	-	235.000					-	235.000	-	-
Mr. / Aziz Mohammed Al-Qahtani	-	200,000	40.000	-	-	-	240.000					-	240.000	-	-
Mr. / Fahd Suleiman Abdul Rahman Al-Nahat	-	200,000	10.000	-	-	-	210.000					-	210.000	-	-
Mr. / Saad Abdul Mohsen Al-Hamidi	-	200,000	10.000	-	-	-	210.000					-	210.000	-	-
The Non-executive members															
Mr. / Saleh Mohammed Hamad Al-Hammadi							-		-			-	-	-	-
Dr./ Abdul Aziz Mohammed Hamad Al-Hammadi							-		-			-	-	-	-
The Executive members															
Mr. / Mohammed Saleh Mohammed Al-Hammadi							-		-			-	-	-	-
Dr. / Abdul Aziz Saleh Mohammad Al-Hammadi							-		-			-	-	-	-

## REMUNERATIONS FOR YOUR SENIOR EXECUTIVES

Senior Executive Jobs	The Fixed Remunerations				The Variable Remunerations								Total
	payroll	Allowances	The Non-monetary advantages	Total	Periodic Remunerations	Profits	Short-term incentive plans	Short-term incentive plans	Granted shares	Total fixed and variable Remunerations	Indemnity	Total executives' remuneration for the board - if any -	
Five senior executives, including the Chief Executive Officer and the Finance Manager	3.893.328 SAR	1.658.221 SAR		5.551.549 SAR	1.839.316 SAR					7.390.865 SAR	350,000 SAR		7,740,865 SAR

## REMUNERATION OF COMMITTEE MEMBERS

THE NAME	FIXED REMUNERATION - EXCEPT FOR THE SESSION ATTENDANCE ALLOWANCE	ALLOWANCE TO ATTEND SESSIONS	TOTAL
Members of the Audit Committee			
Aziz Mohammed Al-Qahtani	50,000	40,000	90,000
Dr. / Abdul Aziz Abdul Rahman Al Fryan	50,000	35,000	85,000
Dr. / Nasser bin Hamad Al-Saif	50,000	40,000	90,000

THE NAME	FIXED REMUNERATION - EXCEPT FOR THE SESSION ATTENDANCE ALLOWANCE	ALLOWANCE TO ATTEND SESSIONS	TOTAL
Fixed remuneration - except for the session attendance allowance			
Dr. / Sami Abdullah Dakheelullah AlSaeed	50,000	10,000	60,000
Fahd Suleiman Abdul Rahman Al-Nahit	50,000	10,000	60,000
Saad Abdul Mohsen Abdul Aziz Al-Hamidi	50,000	10,000	60,000

## PENALTIES, RESTRICTIONS AND PENALTIES

PUNISHMENT / PENALTY AND PRECAUTIONARY MEASURE RESERVE ENROLLMENT	REASONS FOR THE VIOLATION	THE SIGNATORY OF THE VIOLATION	WAYS TO TREAT IT
NONE	NONE	NONE	NONE

## EXTERNAL AUDITOR'S OPINION OF THE COMPANY ON THE ANNUAL FINANCIAL STATEMENTS

According to what was stated in the report of the external auditor of the company, Mr. ALAZEM & ALSUDAIRY who reported the outcome of the audit after auditing the annual consolidated financial statements of the group for the fiscal year ending on (31/12/2021 G) as follows:

The consolidated financial statements of the group present fairly, in all material respects, the consolidated financial position of the group as on (12/31/2021 G) - and its consolidated financial performance and its consolidated cash flows for the year ended on that date in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and standards. And other publications approved by the Saudi Organization for Certified Public Accountants.

## INTERNAL AUDIT DEPARTMENT

Internal audit is an objective and independent assurance and advisory activity for the purpose of improving the company's operations and adding value to them. The internal audit assists the company in achieving its objectives by providing a regular entry point to evaluate and improve the effectiveness of risk management, control, and processes involved in the supervisory performance of the company. The company's internal audit department has carried out many periodic and special review processes, focusing on activities and jobs with high risks to work to raise the efficiency and effectiveness of the company's operations, noting that the necessary measures have been taken to follow up most of the observations included in the internal audit reports in order to verify that the necessary corrective measures have been taken.

## INTERNAL CONTROL PROCEDURES RESULTS OF THE ANNUAL AUDIT

The internal control system aims to ensure the achievement of the company's goals effectively and efficiently and includes the issuance of reliable financial reports, compliance with laws, regulations and policies, as well as the management of potential risks to reduce the effects of risks on achieving the goals of the company, and the control system plays an important role in detecting and preventing fraud and protecting the company's resources. The management of the company is responsible for preparing a comprehensive and effective control system commensurate with the level of risks that the company may be exposed to and with a reasonable amount of cost, which gives acceptable assurances to avoid material errors and losses that may result from them. The Audit Committee is continuously reviewing the periodic reports prepared by the internal and external auditors and the various departments of the company related to internal control, and based on what the results of the annual reviews have shown, the supervisory system in the company needs some development and modernization in terms of automated systems and control procedures related to operational processes to keep pace with the rapid developments. In the work environment, in addition to keeping abreast of the new regulations in the supervisory bodies regulating the company's work, the company will continue under the supervision of the Review Committee to evaluate and periodically review the control system to ensure the achievement of the internal control objectives of improving the efficiency of operations and raising their effectiveness while adhering to the relevant laws and regulations.



## EXTERNAL AUDITOR'S OPINION OF THE COMPANY ON THE ANNUAL FINANCIAL STATEMENTS

The external auditor, Mr. / ALAZEM & ALSUDAIRY has no reservations about the annual consolidated financial statements of the Group for the fiscal year ending on (31 December 2021 G).

## REGISTER OF ORDINARY GENERAL ASSEMBLY ATTENDANCE DURING THE FISCAL YEAR (2021 G):

NAME	JOB TITLE IN THE COMPANY	ORDINARY GENERAL ASSEMBLY MEETING 19/05/2021	ORDINARY GENERAL ASSEMBLY MEETING 09/12/2021
Mr. / Saleh Mohammed Hamad Al-Hammadi	Chairman of Board of Directors	✓	✓
Dr./ Abdul Aziz Mohammed Hamad Al-Hammadi	Deputy Chairman of the Board	✓	✗
Mr. / Mohammed Saleh Mohammed Al-Hammadi	Managing Director and CEO	✓	✓
Dr. / Abdul Aziz Saleh Mohammad Al-Hammadi	Member of the Board of Directors	✓	✓
Dr. / Sami Abdullah Dakhel Allah Al-Saeed	Member of the Board of Directors	✓	✓
Dr. / Abdul Aziz Abdul Rahman Abdullah Al Fryan	Member of the Board of Directors	✓	✓
Mr. / Aziz Mohammed Al-Qahtani	Member of the Board of Directors	✓	✓
Mr. / Fahd Suleiman Abdul Rahman Al-Nahat	Member of the Board of Directors	✓	✗
Mr. / Saad Abdul Mohsen Al-Hamidi	Member of the Board of Directors	✓	✓

## NUMBER OF COMPANY REQUESTS FOR SHAREHOLDER REGISTER

THE DATE OF APPLICATION	REASONS FOR THE REQUEST
2021/12/14	EARNINGS FILE
2021/06/02	EARNINGS FILE
2021/06/02	The General Assembly

## CORPORATES GOVERNANCE

Al Hammadi Company for Development and Investment implements its corporate governance system and all the articles contained therein approved by the General Assembly of Shareholders (12/26/2017 G) and believes that adherence to it is a fundamental factor for its success, which aims to improve and regulate the company's financial and operational performance and ensure the rights of all shareholders. And present the financial results with a high degree of transparency and disclosure by developing the following:

**First:** Administrative performance based on increasing the value of the company and the possibility of accountability for it.

**Second:** Implementing an effective supervisory role in cooperation with executive persons in order to achieve the interests of the company and shareholders, including small investors, and seek to increase the rights of shareholders in appropriate ways.

**Third:** Disclosure of information with full transparency and the existence of an effective internal control system and risk management.

**Fourth:** The company proves that the shareholders have all the rights related to the share, including the following:

- A.** The right to receive a share of the Profits to be distributed.
- B.** The right to obtain a share of the company's assets upon liquidation.
- C.** The right to attend shareholders 'assemblies and participate in their deliberations and vote on them.
- D.** the right to dispose of shares.
- E.** The right to monitor the activities of the board of directors and file a liability lawsuit against the members of the board.
- F.** The right to inquire and request information in a way that does not harm the interests of the company and does not conflict with the financial market system and its regulations.

### The corporate governance system consists of the following:

**First:** The Corporate Governance Regulations.

**Second:** The Regulation of the general assembly of shareholders.

**Third:** The Regulation of the Board of Directors.

**Fourth:** The Audit Committee Regulations.

**Fifth:** The Policy Regulation of the Nomination and Remuneration Committee.

**Sixth:** The Policy list of Disclosure about information.

**Seventh:** The Internal Control Regulations.

**Eighth:** The Policy Regulation of Risk Management.

**Ninth:** The Policy Regulation of dividing the Profits.

**Tenth:** A guide to the relationship with stakeholders.

**Eleventh:** a list of conflicts of interest policy.

## PROVISIONS OF THE CORPORATE GOVERNANCE REGULATIONS, THE INTERNAL GOVERNANCE REGULATIONS, PROVISIONS THAT HAVE NOT BEEN IMPLEMENTED, AND THE REASONS FOR THIS HAVE BEEN IMPLEMENTED

The company applies all the provisions mentioned in the Corporate Governance Regulations issued by the Capital Market Authority - with the exception of the provisions listed below financial results with a high degree of transparency and disclosure by developing the following:

ARTICLE / PARAGRAPH NUMBER	TEXT OF THE ARTICLE / PARAGRAPH	REASONS FOR NOT APPLYING
32/b	The Board of Directors holds at least four meetings a year - no less than one meeting every three [3] months	This Paragraph is an Indicative Paragraph This paragraph contradicts what is stated in Article (24) of the company's articles of association
38	Determining the conditions that must be met by the secretary	This Article is an Indicative Article The secretary is appointed in accordance with Article (23) of the company's articles of association
39	Training the board members and executive management	This Article is an Indicative Article
41	Training the board members and executive management	This Article is an Indicative Article
66/b	The number of candidates for the Board of Directors	This Paragraph is an Indicative Paragraph
70	Formation of the Risk Management Committee	This Articles are an Indicative Articles The company's management continuously reviews the company's policies related to risk management to ensure that the approved policies and programs are implemented in order to reduce the risks that the company may face. The senior management of the company also ensures that the risk management processes and the followed systems operate efficiently at all levels of the company.
71	Terms of reference of the Risk Management Committee	
72	Meetings of the Risk Management Committee	
74/A	Establishing an independent unit or department to assess and manage risks	The company is currently searching for the necessary competencies at the appropriate cost to establish this unit as soon as possible, taking into account the comment mentioned on the above articles.
3/89	That the company's website includes all the information required to be disclosed, and any data or other information published through other means of disclosure	This Paragraph is an Indicative Paragraph The company shall publish any information and data required to be disclosed in accordance with the laws and regulations in the manner specified by the Capital Market Authority.
95	Forming the Corporate Governance Committee	This Article is an Indicative Article The company develops corporate governance rules, monitors their implementation, verifies their effectiveness, and modifies them when needed.

## GROUP'S MAIN ACTIVITY (COMPANY AND ITS SUBSIDIARIES)

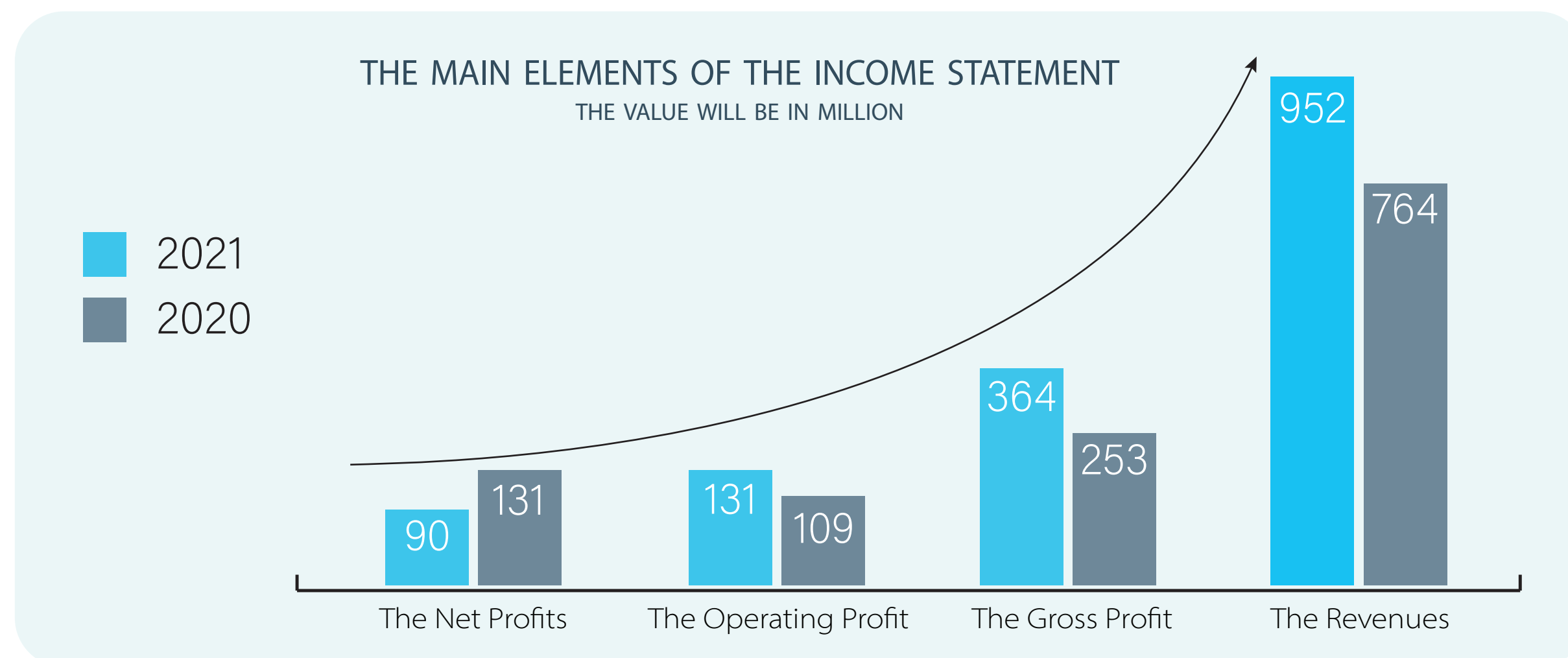
COMPANY REVENUE - A VALUE IN MILLION	2020	PERCENTAGE OF TOTAL REVENUE	2021	PERCENTAGE OF TOTAL REVENUE
The medical services	578	%75.7	738	%77.5
The Pharmaceutical products and medicines	186	%24.3	214	%22.5
The Total	764	%100	952	%100

REVENUE OF THE SUBSIDIARY - THE VALUE WILL BE IN MILLION	2020	PERCENTAGE OF TOTAL REVENUE	2021	PERCENTAGE OF TOTAL REVENUE
The Pharmaceutical products and medicines	69	%9	57	%6

## GEOGRAPHICAL ANALYSIS OF THE TOTAL REVENUE OF THE GROUP

The group's activity is concentrated in the city of Riyadh, and there are no branches of the group in other regions in the Kingdom or abroad.

## REVIEWING THE RESULTS OF THE GROUP FOR THE LAST (5) FIVE YEARS



The group net revenues in 2021 has amounted to 952 million riyals, compared to 764 million riyals in 2020, a growth of 188 million, at a rate of 24.6%, due to the increase in the operational efficiency of Al Hammadi Hospital, Al Nuzha and Al Suwaidi Hospital, as a result of the increase in the number of hospital admissions inpatient department and outpatient visits.

The net revenue of Al Hammadi Hospital Olaya, which is included in discontinued activities in the group's consolidated financial statements in 2021 , has amounted to 132 million riyals, compared to 229 million riyals in 2020, a decrease of 97 million, or 42.3%, due to the fact.

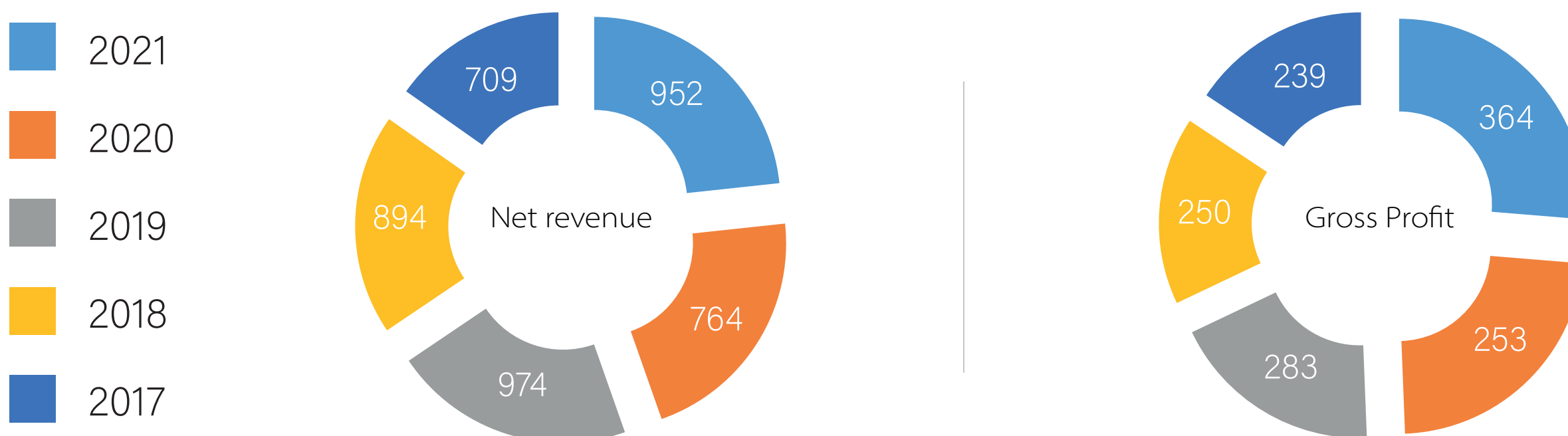
The activities of Al Hammadi Olaya Hospital has been suspended at the end of the third quarter of 2021 for the purpose of constructing a new hospital to replace it.



The following table and graph show a summary of the total assets, liabilities and shareholders' equity for the fiscal year ending (12/31/2021) and the previous four years - The Value will be in MILLION

ITEM / YEAR	2017	2018	2019	2020	2021
Net revenue	709	894	974	764	952
Gross Profit	239	250	283	253	364
Operating Profit	143	138	147	109	131
Profit before zakat	123	105	109	84	118
Net Profit	108	90	93	131	90

The items in the statement of profit or loss for the comparative years 2017, 2018 and 2019 are presented in the above table without reclassifying discontinued activities due to the impracticability of reclassifying them.



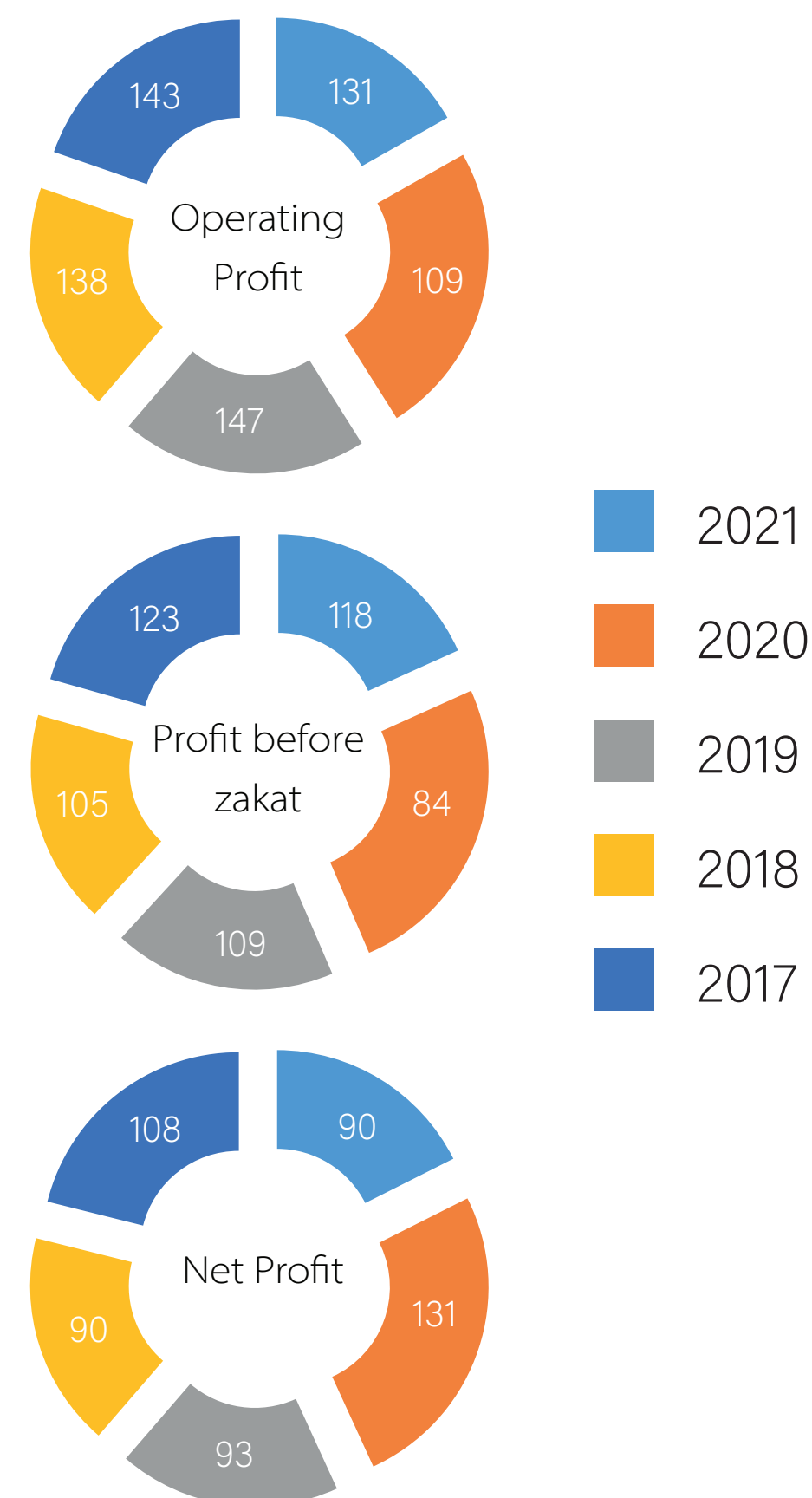
## REVIEWING THE RESULTS OF THE GROUP FOR THE LAST FIVE YEARS

It is noted from the table and the graph that the group's revenues have grown in an ascending manner during these years, in line with the group's expansion strategy to establish new hospitals and acquire companies that enhance the integration of the group's activities.

- The reason for the decrease in net profits in 2018 and 2019 is due to the increase in operating expenses resulting from the opening and operation of Al Hammadi Hospital Al Nuzha, including depreciation expenses and financial expenses.

- The reason for the net decrease in net profit in 2021 is due to the increase in the provision for credit losses during the year 2021 based on updating the data related to the amounts expected to be recovered and used in the expected credit loss calculation model in accordance with the requirements of the reporting standard International Finance No. 9 (in addition to the losses incurred from the disposal of property and equipment Al Hammadi Hospital Olaya, which were classified as a discontinued activity at the end of the third quarter for the year 2021. Among other factors that led also to the decrease in sales of the subsidiaries and impairment loss in goodwill resulting from the acquisition of a subsidiary in previous years.

The Value will be in MILLION

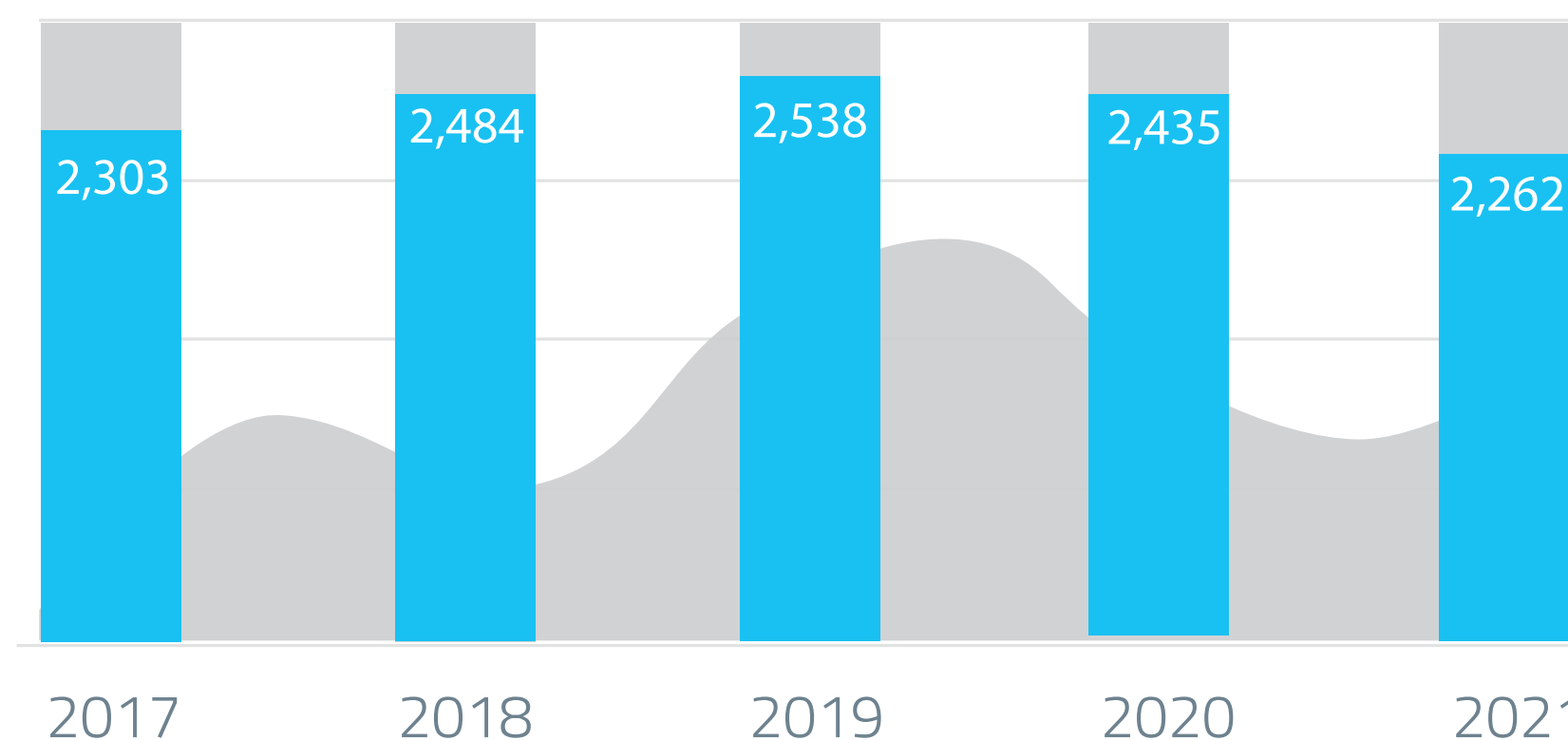


## REVIEWING THE TOTAL ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY FOR THE LAST FIVE YEARS

The Value will be in MILLION

ITEM / YEAR	2017	2018	2019	2020	2021
TOTAL ASSETS	2,303	2,484	2,538	2,435	2,262
TOTAL RECEIVABLES	916	1,006	972	736	602
TOTAL SHAREHOLDERS' EQUITY	1,387	1,478	1,566	1,699	1,659
TOTAL DUES AND SHAREHOLDERS' EQUITY	2,303	2,484	2,538	2,435	2,262

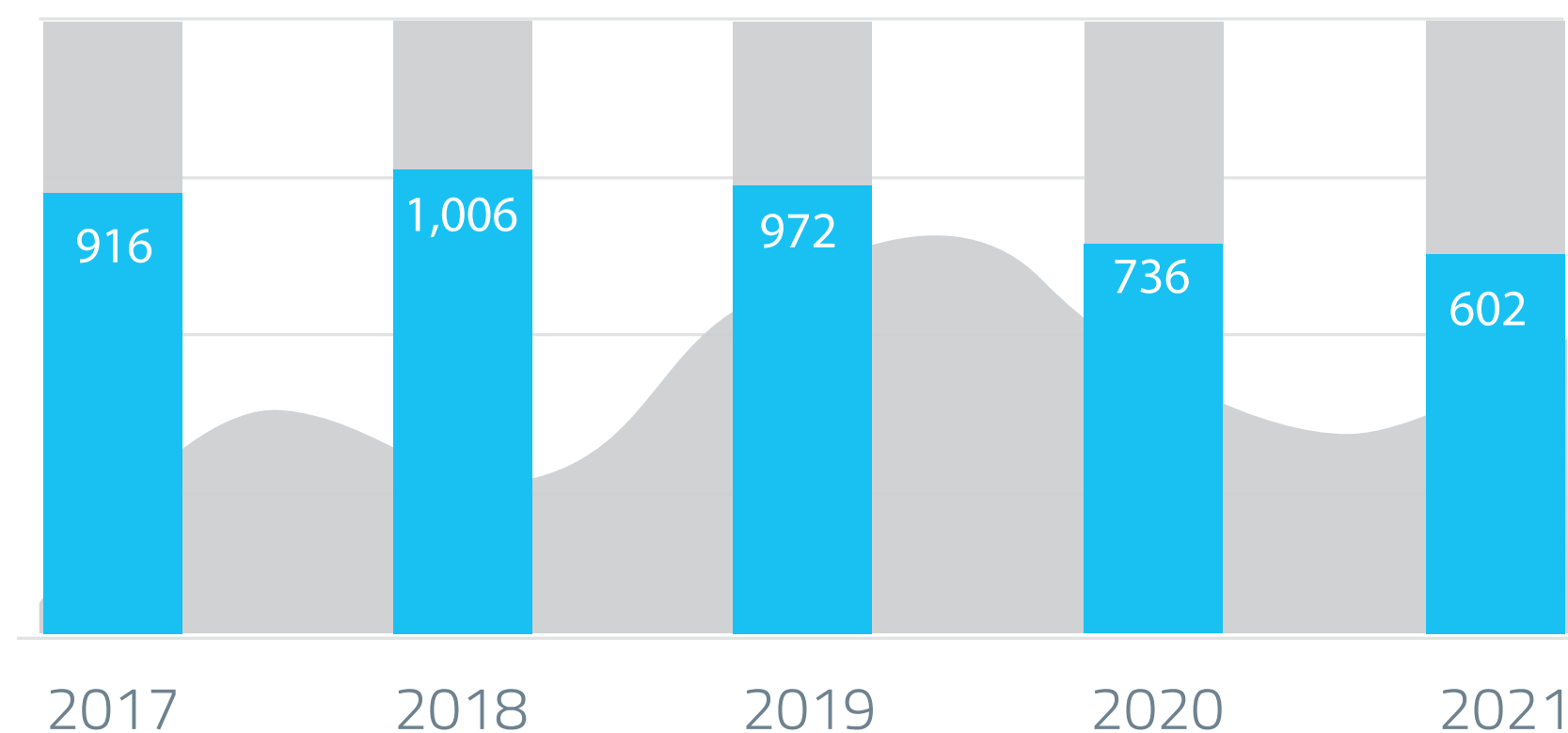
### THE ASSETS



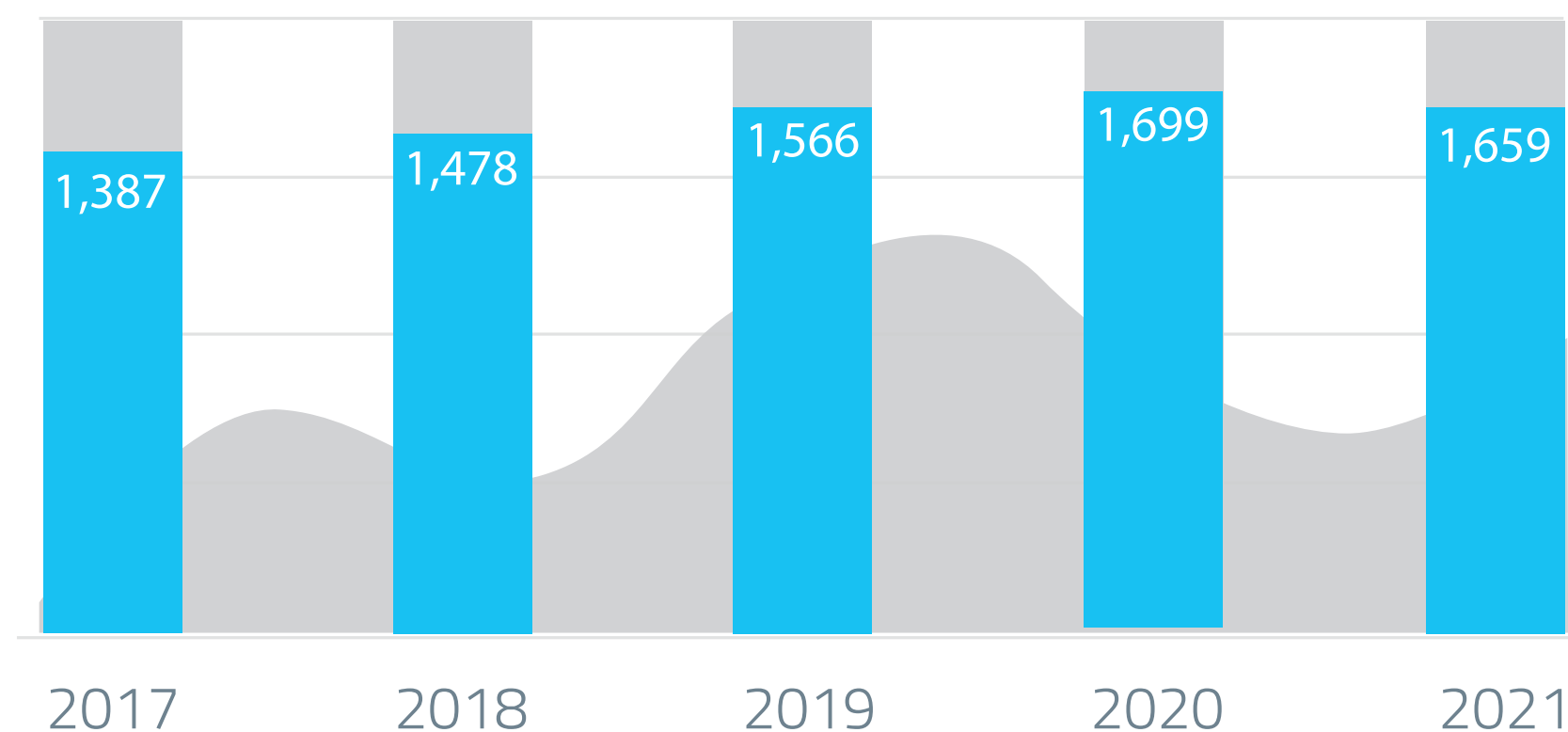
## REVIEWING THE TOTAL ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY FOR THE LAST FIVE YEARS

The Value will be in MILLION

THE RECEIVABLES



THE SHAREHOLDERS' EQUITY

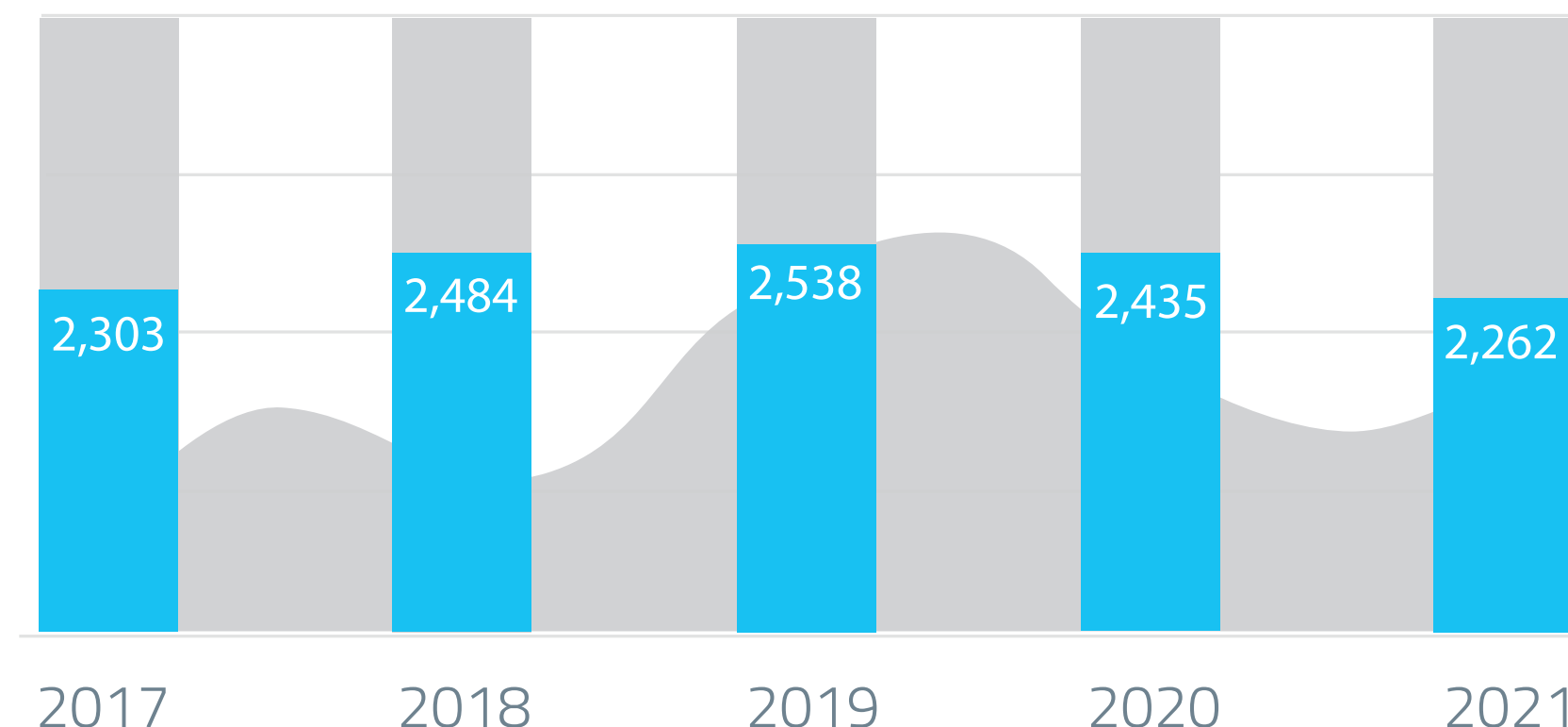




## REVIEWING THE TOTAL ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY FOR THE LAST FIVE YEARS

The Value will be in MILLION

LIABILITIES AND  
SHAREHOLDERS' EQUITY



The previous tables and graphs clearly shows that the total assets for the years 2017-2019 grew in line with the group's expansion strategy, which took place during the year 2018 , i.e the Opening of Al Hammadi Hospital Al Nuzha in addition to the acquisition of the Medical Support Services Company Ltd. and its subsidiary and the acquisition of PHARMA SERV COMPANY LTD in 2018 . And the Board of Directors' approval to suspend the operational activities of Al Hammadi Olaya at the end of the third quarter 2021 and to construct a new hospital to replace it. The company also purchased and transferred 35% of the shares of Sudair Pharmaceutical Company , the owner and developer of Sudair Pharmaceutical Industries Complex, in the light of the company's policy and tendency to expand and integrate its business activities .

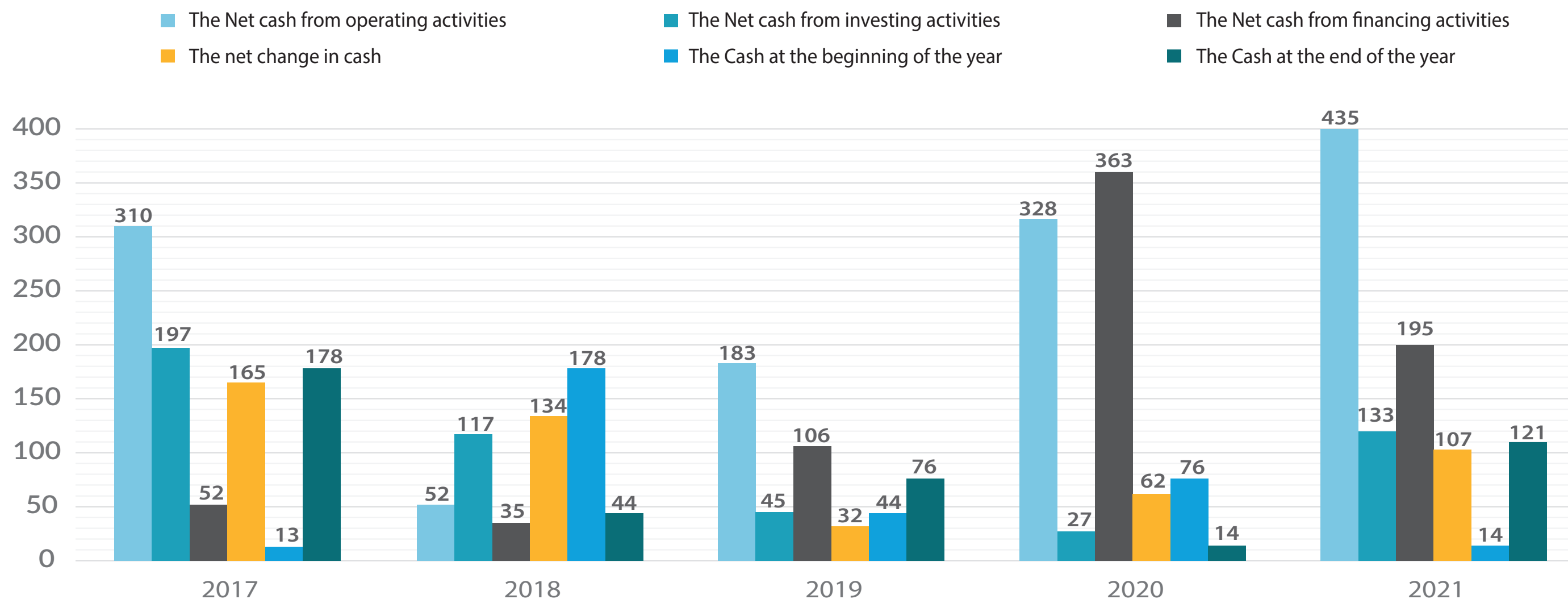
It is also noted that shareholders' equity grew from 387.1 million riyals in 2017 to 659.1 million riyals in 2021, at a rate of approximately 20%. Taking into consideration that the company has distributed profits of 90 million riyals for 2017, 60 million riyals for 2020 and 72 million riyals for 2021.

## REVIEWING THE TOTAL ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY FOR THE LAST FIVE YEARS

The following table summarizes the cash flows for the year ended (12/31/2021 G) and the previous five years:

**The Value will be in MILLION**

ITEM / YEAR	2017	2018	2019	2020	2021
THE NET CASH FROM OPERATING ACTIVITIES	310	(52)	183	328	435
THE NET CASH FROM INVESTING ACTIVITIES	(197)	(117)	(45)	(27)	(133)
THE NET CASH FROM FINANCING ACTIVITIES	52	35	(106)	(363)	(195)
THE NET CHANGE IN CASH	165	(134)	32	(62)	107
THE CASH AT THE BEGINNING OF THE YEAR	13	178	44	76	14
THE CASH AT THE END OF THE YEAR	178	44	76	14	121



## THE PROFIT DISTRIBUTION POLICY

In accordance with the company's articles of association and the regulations for the distribution of profits in the internal corporate governance system, the distribution of cash dividends is subject to the approval of the General Assembly based on the recommendations of the Board of Directors, taking into account various factors in this such as the company's financial position and its pledges that restrict the distribution of cash dividends according to the credit facilities agreements concluded by the company With its financing banks, as well as its current and expected business results, cash requirements and expansion plans. According to Articles no. (44) and (45) of the company's articles of association, the dividend policy, the place and date of the exchange, has been defined as follows:

<p><b>ARTICLE (44)</b> <b>THE DISTRIBUTION OF PROFITS</b></p>	<p>The annual net profits of the company are distributed after deducting all general and other expenses as follows: Ten percent (10%) of the net profits are excluded to form the statutory reserve. The Ordinary General Assembly may stop this exception when the said reserve reaches half of the capital.</p> <ul style="list-style-type: none"> <li>- The Ordinary General Assembly may, upon the proposal of the Board of Directors, set aside a percentage of the net profits to form other reserves.</li> <li>- From the remainder, a first payment equal to (5%) of the paid-up capital shall be distributed to the shareholders, based on the recommendation of the board of directors and the approval of the general assembly.</li> <li>- The remainder is then distributed to the shareholders as an additional share in the profits, according to the recommendation of the Board of Directors and approval of the General Assembly.</li> </ul>
<p><b>ARTICLE NO. (45)</b> <b>IT DETERMINED THE PLACE AND DATE FOR THE DIVIDENDS TO BE PAID</b></p>	<p>The Profits to be distributed to shareholders shall be paid at the place and dates specified by the Board of Directors, in accordance with the instructions issued by the Ministry of Commerce and Industry.</p>

Al Hammadi Company for Development and Investment expects that the distribution ratio to be between (60% - 80%) of the net profit, unless this contradicts with the financial, operational and investment needs.

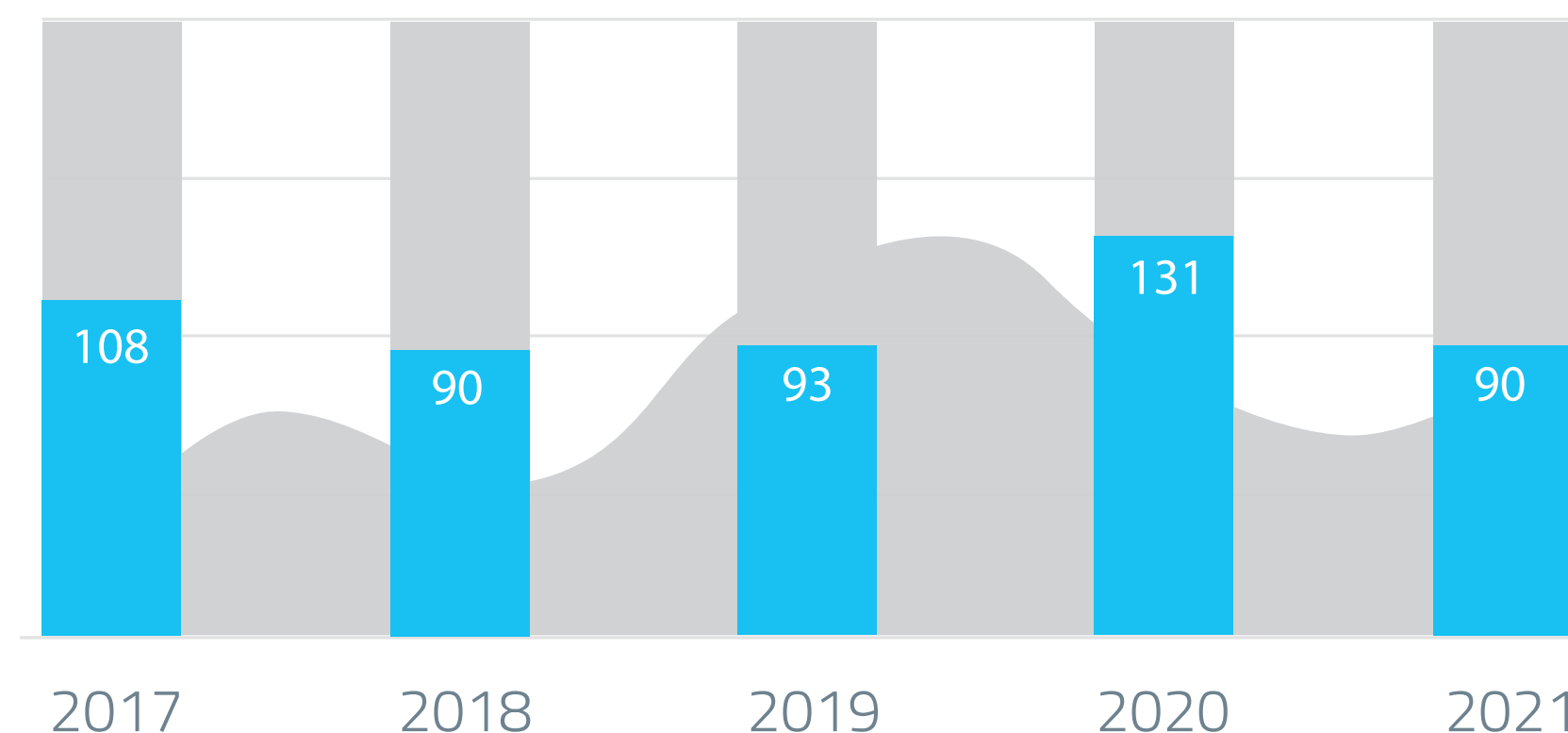
A separate item is to be included in the agenda of the annual general assembly, which states: "Approval of authorizing the Board of Directors to distribute quarterly dividends to shareholders, with defining the eligibility and distribution, taking into account the relevant systems."

## THE FOLLOWING TABLE SHOWS HISTORICAL PROFITS FOR PREVIOUS YEARS

**The Value will be in MILLION**

STATEMENT	2017	2018	2019	2020	2021
NET PROFITS	108	90	93	131	90
AVERAGE NUMBER OF SHARES	120	120	120	120	120
TOTAL AMOUNT DISTRIBUTED	90	-	-	60	72
DIVIDEND RATIO TO NET PROFIT	%83	%0	%0	%46	%80

NET PROFITS





## EQUITY AND DEBT INSTRUMENTS ACTIVITIES

- The company has not issued shares or debt instruments to any of its subsidiaries.

- During the fiscal year ending on (12/31/2021 G) None interest belonging to persons other than (board members, senior executives, their spouses and minor children) in the category of shares eligible to vote.

- During the year (2021 G) - the company did not issue or grant any debt instruments convertible into shares or any contractual securities, subscription right notes, or similar rights, and None compensation that the company obtained in return for that.

- During the year (2021 G) - the company did not issue or grant any transfer or subscription rights under debt instruments convertible into shares, any contractual securities, subscription right notes, or similar rights.

- The company or any of its subsidiaries did not purchase, refund or cancel any refundable debt instruments.

- The company has not made any arrangements or assignment agreement whereby any of the shareholders of the company waives his rights in the Profits.

- The company has not made any arrangements or assignment agreement whereby a member of the board of directors or a senior executive waives a salary or compensation.

- During the year (2021 G), the company did not make any investments or create other reserves for the benefit of the company's employees.

## GROUP LOANS

Information related to any loans on the group (whether they are payable on demand or otherwise) - a disclosure of the total debt of the company and its subsidiaries, any amounts paid by the company in repayment of loans during the year, the principal amount of the loan, the name of the donor, its duration and the remaining amount:

### Loans these're provided by commercial banks

DONOR	PRINCIPAL OF THE LOAN	STARTING BALANCE OF THE LOAN	ADDED DURING THE YEAR	PRINCIPAL OF THE LOAN	PAID AMOUNT DURING THE YEAR	REMAINING AMOUNT
Arab Bank	362.500.000	(years 5)	10,000,000	-	10,000,000	-
Samba Bank	115.000.000	Renewable Murabaha facility	-	50,843,600	50,843,600	-
Total	477.500.000		10,000,000	50,843,600	60,843,600	-

### Loans provided by the Ministry of Finance

DONOR	PRINCIPAL OF THE LOAN	STARTING BALANCE OF THE LOAN	ADDED DURING THE YEAR	PRINCIPAL OF THE LOAN	PAID AMOUNT DURING THE YEAR	REMAINING AMOUNT
Ministry of Finance	374,284,800	(years 20)	357,995,300	-	37,424,000	320,571,300 *

This amount represents the balance of the loans granted by the Ministry of Finance, which is divided into government loans and grants in the consolidated financial statements and is processed according to the accounting policies stipulated in International Financial Reporting Standard No. (20).

## THE STATEMENT OF INDEBTEDNESS ON THE GROUP

As in (12/31/2021 G)

ITEM VALUE IN SAR	VALUE WILL BE IN SAR
Long-term loans and government grants	308,452,698
Short-term loans and government grants	36,983,330
Accrued expenses and other liabilities	103,315,767
Employees' end of service benefits	65,853,216
Trade payables	60,968,560
Accrued Zakat	18,347,114
Lease contract liabilities	8,504,226
Total	602,424,911

## REVIEWING THE RESULTS OF THE GROUP FOR THE LAST FIVE YEARS

The risks faced by the Group have been divided into three main sections, which are as follows:

### **Risks related to activities and operations - but not limited to**

The development in medical devices and technologies and the need to update them periodically  
The health sector is characterized by rapid progress in medical devices and equipment and technical developments, so the group must constantly update its devices despite the high value in order to be able to provide distinguished and fast service to its customers, which may affect the company's business due to technological obsolescence.

### **Risks of high costs of attracting doctors, nursing staff, and medical personnel**

Attracting and employing qualified medical and nursing staff to work in the group is among the difficulties it faces due to the limited number of medical personnel available in the Saudi market. Therefore, the failure of the group to attract and employ the best medical competencies of reputation, reputation and experience to work in hospitals will affect the operational process and its achievement of occupational and financial goals.

### **The risk of medical errors**

The group is exposed to medical errors that may be committed by its medical staff, and therefore the group cannot guarantee that such errors will not occur by its medical staff in the future despite its continuous procedures in monitoring the quality of the medical services provided.

Accordingly, the group is obligated (according to Article 41) of the Law on the Practice of Health services to bear the financial compensation that must be paid to the affected patient as a result of the medical error committed by one of its health practitioners' affiliates, and it is also possible that the group will not succeed in proving the basis of its claim to the insurance company for any reason. This could negatively affect the group and its financial position.

### **The Risks of price competition and maintenance of the contractual relationship**

Competition has become the concern of everyone, and the market has many medical service providers, and the group strives to acquire the largest segment of customers by providing distinctive medical and treatment services that are not available to others and achieving a degree of competitive advantage and distinction over its competitors in order to achieve the highest levels of return.

### **The risks related to new projects in terms of location and cost**

The real and final cost of these projects is considered to be more than the cost estimated by the group according to the studies that have been approved in this regard, and if the value of this cost exceeds the expected cost of it, the group may have to resort to obtaining new financing to cover this increase, which leads to incurring the group has new financing costs in addition to the potential impact on Profits.

### **Risks related to activities and operations - but not limited to**

**First:** The competitive environment in general in terms of the services provided and comparing it to its counterparts in other entities.

**Second:** Restructuring of the medical care market in the Kingdom of Saudi Arabia.

**Third:** The Saudization, as the group exerts a lot of effort to implement the percentage determined by the Ministry of Labor despite the lack of national health cadres in the field of health care.

### **The Risks which are related to common stocks**

Distributing the Profits or not, which depends on the financial position of the group and other factors. Those factors may not be available that help the group to distribute Profits to its shareholders.



The company applies its internal governance regulations to implement more disclosure and transparency of the company's information. The company has adopted a governance system and internal governance regulations based on shareholders approval in the Ordinary General Assembly held on (12/26/2017 G - 08/04/1439 H) and the disclosure policy regulations. About the information is an integral part of the corporate governance system and the internal governance regulations, and any shareholder can view it at the company's headquarters, and from these financial statements the following:

**First:** The company is committed to making the preliminary and annual financial results announcements on the dates specified by the authority.

**Second:** The company held an ordinary general assembly for shareholders on the date (19/05/2021) and (09/12/2021) in accordance with the requirements of the Capital Market "Tadawul" and the Capital Market Authority in terms of announcing the company's website on the "Tadawul" website and making an electronic vote on TADAWULATI site to vote on the items of each of them:

### Ordinary General Assembly of Shareholders on 05/19/2021

**First item :** Approval of The Board Of Directors Report For The Fiscal Year Ended On December, 31.2020 G.

**Second item :** Approval of The Company's External Auditor Report For The Fiscal Year Ended On December, 31.2020 G.

**Third item :** Approval of The Financial Statements For The Fiscal Year Ended On December, 31.2020 G.

**fourth item :** Approval of Releasing The Board Of Directors Members From Their Liability For The Fiscal Year Ended On December, 31.2020 G.

**Fifth item :** Approval of Appointment Of Crowe Global / AlAzem, AlSudairy, AlShaikh & Partners CPA's For The Company From Among The Candidates Nominated Based On The Recommendation Of The Audit Committee To Examine, Review And Audit The Financial Statements Of The Second Quarter, Third Quarter, And The Annual For The Fiscal Year 2021 G In Addition To The First Quarter Of The Fiscal Year 2022 G Along With Determining Its Fees

**Sixth item :** Approval of The Business And Contracts That Will Be Concluded Between The Company And The Chairman Of The Board of Directors, Mr. / Saleh Mohammed Al-Hammadi, In A Direct Interest, Noting That The Nature Of The Transaction Consists Of Renting Residential Buildings For Doctors And Administrators, As The Value Of The Deal For The Previous Year (2019G) Was (10,003,000 SAR) Note That There Are No Preferential Conditions.

**Seventh item :** Approval of The Business And Contracts That Will Be Concluded Between The Company And The Member Of The Board of Directors, Mr. Mohammed Saleh Mohammed Al-Hammadi, A Direct Interest, Noting That The Nature Of The Transaction Is Google Services, Messages And Applications, And The Transaction Value For The Previous Year Was (2019 G) - (1,645,928,00 SAR), Noting That There Are No Preferential Conditions.

**Eighth item :** Approval of The Business And Contracts That Will Be Concluded Between The Company And The Chairman Of The Board of Directors, Mr. / Saleh Mohammed Al-Hammadi, In A Direct Interest, Noting That The Nature Of The Transaction Consists Of Support And Supply Services, As The Value Of The Deal For The Previous Year (2019G) Was (827,348 SAR) Note That There Are No Preferential Conditions.

**Ninth item :** Approval of The Business And Contracts That Will Be Concluded Between The Company And The Chairman Of The Board of Directors, Mr. / Saleh Mohammed Al-Hammadi, In A Direct Interest, Noting That The Nature Of The Transaction Consists Of Renting Residential Buildings For Doctors And Administrators, As The Value Of The Deal For The Previous Year (2019G) Was (630,000 SAR) Note That There Are No Preferential Conditions.

**Tenth item :** Approval of The Payment Of SAR (1,000,000 ) As Remunerations And Compensations To The independent Members Of The Board Of Directors For The Fiscal Year Ended On December, 31.2020 G .

**Eleventh item :** Approval of the Board's recommendation to distribute cash dividends amounting to (60 million SAR ) to the shareholders for the fiscal year ended 31/12/2020 G. at ( SR 0.5) per share representing ( 5% ) of the nominal value of the share.

**Twelfth item :** Approval of Authorizing The Board Of Directors With The Authority Of The Ordinary General Assembly With The License Mentioned In Paragraph (1) Of The Article (71) Of The Companies Law For A Period Of One Year Effective From The Date Of Approval of The Ordinary General Assembly Or Until The End Of The Delegated Board Of Directors Term , Whichever Is Earlier , According To The Terms Mentioned In The Regulatory Rules And Procedures Issued Pursuant To The Companies Law Relating To Listed Joint Stock Companies .

### Ordinary General Assembly of Shareholders on 09/12/2021

**First item :** Approval of The Board's Recommendation To Distribute Cash Dividends Amounting To (72 Million SAR) To The Shareholders For The Fiscal Year Ending 31/12/2021 G. At (SR 0.6) Per Share Representing (6%) Of The Nominal Value Of The Share.

**Second item :** Approval of Authorizing The Board Of Directors To Distribute Interim Dividends On Semi-Annual Or Quarterly Basis For The Fiscal Year 2022 G

**Third :** The company shall apply and abide by the corporate governance regulations issued by the Capital Market Authority, the corporate governance system, and the internal governance regulations.

**Fourth :** The company also provided all means to make information available and to provide it to the shareholders whenever requested.

## IMPORTANT CONTRACTS AND AGREEMENTS WITH RELATED PARTIES

**First:** The Members of the Board of Directors confirm that all agreements made with related parties does not include any preferential and privileged terms, and these contracts are renewed annually by the General Assembly for approval .

**Second :** During the year 2021, there are no contracts where the Company was a party and in which there is an essential interest and benefit to: chairman and any Member of the Board, or the company's executive directors, or the financial manager, or the managing director or any other related person other than what is mentioned in the report.

**Third:** The Members of the Board of Directors confirm that NO Member of the board is allowed without an authorization and licensing from the General Assembly, to renew every year to participate in any business that would compete with the company or to trade in any of the branches and subsidiaries' business activities.

**Fourth:** The following table shows the transactions of corporate and rental and lease contracts with related parties during the year 2021 :

Item	CONTRACTING PARTY	Amount In SAR	Nature of Contracts
Mr.Saleh Mohammad Al-Hammadi	Personal	7,811,500	Residential rent
* Dr.Abdulaziz Mohammad Al-Hammadi	Personal	3,955,500	Residential rent
** Mr.Mohammed Saleh Al-Hammadi	Al Hammadi Foundation for Information Technology	712,517	Short messages and technical support
*** Mr.Saleh Mohammad Al-Hammadi	Aziz Company for Contracting and Industrial Investment	684,714	Support services and supplies
Shareholders' relatives	Personal	630,000	Residential rent
Total		13,794,231	

**Fifth:** The following table shows the balances of receivables with related parties.

RECEIVABLES	AMOUNT IN SAR
Key Management Personnel	1,025,048

PAYABLES	AMOUNT IN SAR
Major Shareholders	612,367

\* Dealing and Contracting with Dr. Abdul Aziz Mohammad Al Hammadi (Vice Chairman of the Board of Directors) was carried out using the authorization of the General Assembly of the Shareholders Dated : May 19, 2021 to the Board of Directors with the authorization included in Paragraph (1) of Article (71) of the Companies Law.

\*\* Al Hammadi Information Technology Establishment is owned by a Member of the Board of Directors, Mr. Mohammad Saleh Al Hammadi (Executive Member).

\*\*\* Mr. Saleh Mohammed Al Hammadi (Chairman of the Board) is also the Chairman of the Board of Directors of Aziz Company for Contracting and Industrial Investment.

## THE DUE AND PAID STATUTORY PAYMENTS WHICH ARE ZAKAT - SOCIAL INSURANCE GOVERNMENT FEES - VALUE-ADDED TAXES.

The measures taken by the Board to communicate with shareholders the company is subject to the rules and regulations of the Department of Zakat and Income and Zakat is paid according to the instructions indicated by the Department.

The following is the zakat provision due from the company for the fiscal year (2021G):

ITEM	2021
Balance as of (January 1)	19,9
Zakat provision for the year	18,0
Previous year's settlements	0,9
Paid	(20,5)
Balance (December 31)	18,3

The following table shows the provision for zakat due and paid during the year (2021 G) - the value in thousand:

ITEM	2021
Zakat	20,5
Value added taxes	128,6
Social insurance	12,9
Government fees	23,1
Total	185,1

### Actions taken by the Board to communicate with shareholders

The Board has appointed the Department of Shareholders Affairs in order to answer any inquiries of the shareholders about their contribution to the company on the qualifying numbers: (phone no./ 0112329999) - (fax no. / 0112319999)





### THE BOARD DECISIONS AND RECOMMENDATIONS

There are no recommendations from the Board of Directors until preparing the report for the fiscal year - (2021 G)

## THE OWNERSHIP STRUCTURE FOR INDIVIDUALS AND INSTITUTIONS BY THE END OF (2021 G)

### Investors according to the size of the property

OWNERSHIP SIZE - SHARE	NUMBER OF INVESTORS	NUMBER OF SHARES	OWNERSHIP PERCENTAGE (%)
More than a million	20	81,857,995	% 68
From (501 thousand) - less than a million	13	9,453,667	% 8
From (100 thousand) - less than (500 thousand)	69	13,489,109	% 11
less than (100 thousand)	40,253	15,199,229	% 13
Total	40,355	120,000,000	% 100.0

### The Type of Investor

TYPE	NUMBER OF INVESTORS	NUMBER OF SHARES	OWNERSHIP PERCENTAGE (%)
Companies and institutions	210	48,018,359	% 40
Individuals	40,145	71,981,641	% 60
Total	40,355	120,000,000	% 100.0

### The Conclusion

The Board of Directors of Al Hammadi Company for Development and Investment extends sincere thanks to our valued customers and shareholders for the trust granted to our company, and the Board affirms the company's endeavor always to develop its business and provide the highest medical levels to achieve everyone's aspirations.

The Board would like to thank all the company's employees for their continuous effort to develop performance, improve service, and provide companionship for our community with excellent quality in order to maintain the company's leadership position in the health sector.

Finally, the board extends its thanks and appreciation to the partners and makers of this success from governmental entities, the insurance sector, civil authorities, and everyone who contributed and participated in this mission.

**May Allah's peace, mercy and blessings be upon you**

**MR. / SALEH MOHAMMED HAMAD AL-HAMMADI**  
**THE CHAIRMAN OF BOARD OF DIRECTORS**

**MR. / MOHAMMED SALEH MOHAMMED AL-HAMMADI**  
**THE MANAGING DIRECTOR**