

Annual Report



Annual Report

Notice

Reference to the approval of the Board of Directors of the National Environmental Recycling Company regarding the transfer from the parallel market (Nomu) to the main market (TASI) on 01/26/1445 AH corresponding to 08/13/2023 AD. With reference to Paragraph (K) of Article Forty-Four of the Listing Rules, amended by Resolution No. (1-108-2022) dated 03/23/1444 AH corresponding to 10/19/2022 AD, which states: "Before submitting a request to move to the main market, the issuer must disclose to the public the report of the Board of Directors, provided that it includes the information required under the relevant executive regulations for a period of no less than 30 calendar days before the date of submitting the request to move to the main market."

Accordingly, we would like to inform you that the annual report of the Board of Directors of the National Environmental Recycling Company has been updated for the fiscal year ending on December 31, 2023 AD, and republished in accordance with the regulatory requirements for transferring to the main market and in accordance with the following amendments:

- Adding the new organizational structure of the National Environmental Recycling Company which was approved by the Board of Directors based on the resolution dated 09/18/1445 AH corresponding to 03/28/2024 AD.
- Updating the geographic analysis where buyers' port of arrival is reflected within the countries included in the Board of Directors' annual report.
- Updating Loans details in compliance with laws and regulations.
- Updating the information described in the paragraph "Abiding with the Corporate Governance Regulations" in accordance with the results of the Ordinary General Assembly held on 12/17/1445 AH, corresponding to 06/23/2024 AD, and announced on 12/18/1445 AH, corresponding to 06/24/2024 AD.
- Updating current and previous positions, qualifications and expertise of the executive management in accordance with the new organizational structure.
- Updating the rights and compensation of board members and senior executives in accordance with "Appendix (1) Remuneration Schedule" of the Corporate Governance Regulations.
- Updating and adding texts in the "Risk Management" and "Social Responsibility" paragraphs.

Thus, the National Environmental Recycling Company confirms that the Board of Directors' report has been republished, including the information required by the rules and regulations.

Please accept our deepest greetings and appreciations

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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Chairman's Message



Board of Director' Chairman

Ayad Abdul Aziz Al-Nafei

Tadweeer Honorable Shareholders,

Greetings,

As the world of business develops in term of high competitiveness and spreading in pursuit of realizing strategic objectives, reducing the costs of operations and production, raising quality standards, and Keeping pace with changes and developments in technology and production methods, your company "Tadweeer" has been Keen since its establishment to seek the latest industrial operations and management methods in a way that suits the requirements of the times and meets the needs of the consumer while adhering to quality control standards, laws and regulations of the Capital Market Authority, the Companies Law, and the laws that govern the industrial sector within the Kingdom.

On behalf of my fellow board members and myself, I am pleased to present to you a report on the Company's performance for the financial year 2023, including a detailed statement of its operational

and financial performance, future plans, vision and strategy.

In this context, I am pleased to assure the shareholders that the company is progressing according to its plans and programs, achieving remarkable growth that places it among the promising companies in the manufacturing sector in general and the recycling industry in particular, thanks to the continuous support of the state leadership to overcome the difficulties and look to the future through Vision 2030.

Needless to say, I am pleased to express my abundant thanks and gratitude to the members of the Board of Directors, the Executive Staff and all shareholders for their support and motivation, which contributed to the achievement of the desired goals - Praise be to Allah, asking Allah Almighty to make the coming years full of success and prudence.

Managing Director's Message



Managing Director

Nasser Mohammed Al-Dueb

Honorable Shareholders,
Greetings,

The necessity for the "recycling" industry is growing every day in a world that has become teeming with the waste generated by the increased consumption of modern products, posing a threat to the environment and humans. Further, developed countries have been at the forefront of this industry for decades, and Tadweer Company is one of the leading companies in this industry in the Middle East.

The company continued its journey during the financial year 2023 AD to achieve its goals outlined in its plan and strategy, using its qualified and competent personnel, investing in the latest technologies for production lines, and following the highest quality standards to obtain competitive products internally and externally.

Although there were challenges during the year 2023 AD, they were overcome thanks to God, then the efforts of the competent human capital, and the support and care provided to company from the state,

represented by the entities sponsoring the sector, as revenues for the year 2023 AD reached to (SAR 631,908,928) and net profits was (SAR 23,818,079), indicating an increase of (31%) over the previous year.

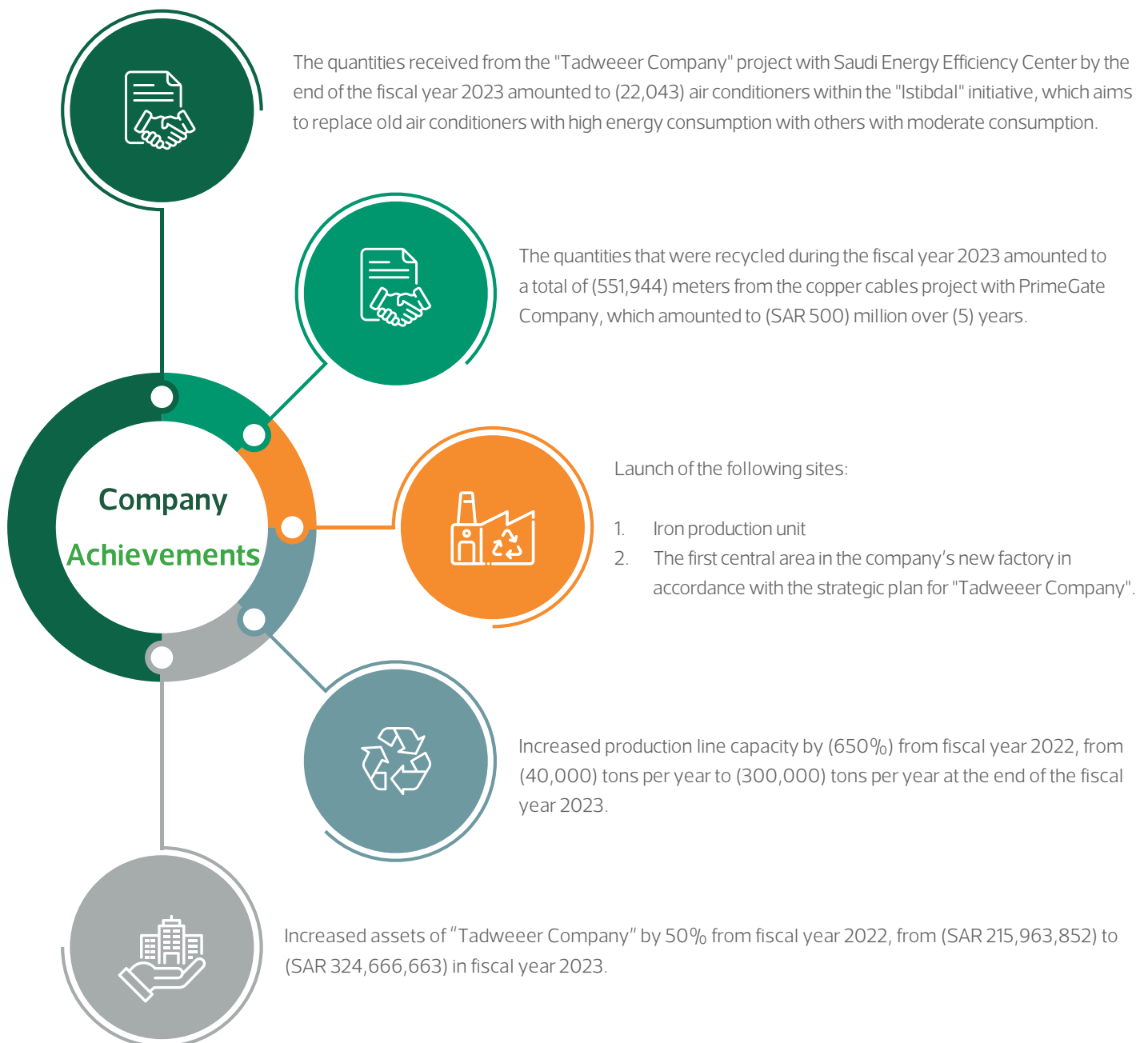
The Company's achievements this year included the establishment of new production lines with the modern technologies to gradually increase production capacity up to (300,000) tons at the end of the year, in addition to increasing its market share, which enhances the Company's sustainability and growth. The Company will also invest in increasing the production capacity up to 400,000 tons by mid-2025.

In conclusion, I cannot but offer thanks and gratitude to the Board of Directors for their support and follow-up, and all the Company's employees for their distinguished efforts to improve the Company's performance and achieve its goals.

Allah is the Arbiter of Success,

Achievements of the Company During the Year 2023

The company achieved many real achievements during the fiscal year 2023, relying on the company's financial strength and competitive advantages to add strong foundations for implementing its strategy, expansion and growth plans with confidence, and its Keenness to adopt the best global practices in all its activities. The company's most Key achievements during the fiscal year 2023 include, but are not limited to:



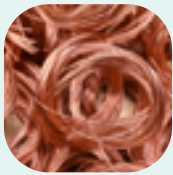







About Tadweeer

Overview of the Company

National Environmental Recycling Company (Tadweeer) was established as a closed joint stock company in 2015 and operated its first factory at the end of the fiscal year 2017. Tadweeer is a specialized company in producing metals from recycling electronic and electrical waste, cars, wires, and cables. The production capacity reached approximately (300,000) tons at the end of the year, The company also works in the field of Information Technology Asset Disposition (ITAD), which is Known as "Destruction of Information Technology Data", according to the latest technologies in this field.

Tadweeer’s core operations focus on recycling waste from electronic and electrical devices, cars, wires, and cables in

accordance with the approved environmental standards in the Kingdom and under the supervision of regulatory bodies such as the National Center for Waste Management (MWAN) and the National Center for Environmental Compliance. The company produces various types of raw materials from the waste of electronic and electrical devices, scrap equipment and cars, according to an advanced operating model compatible with environmental protection laws in the Kingdom of Saudi Arabia. It is based on separating the types of metals from each other until the final product is reached, which is a variety of raw materials of high quality and purity, including:

			
Copper metal with its various types	Aluminum metal with its various types	Stainless steel with its various types	Nickel and chrome
			
Electronic tablets containing precious metals such as gold and silver	Light and heavy iron	Plastic resulting from electronic and electrical devices	And other various types of solid minerals

The company sells these minerals, which vary in purity from 80% to 99%, to local and global markets. Some of the most prominent of these countries are:



Kingdom of Saudi Arabia



Japan



Kingdom of Spain



Republic of India



Taiwan



Republic of Korea



United Arab Emirates



People's Republic of Poland



People's Republic of China

Company Policy

Tadweeer believes in fundamental principles that large industrial businesses cannot ignore or achieve goals, growth and development without adhering to them. These principles include:

Human Capital

Following the best methodologies for attracting human resources and working to develop, train, and encourage competencies in order to create a positive environment that reflects the performance of the company.

Health and Environmental Safety

Commitment to standard practices in health, safety, and environment laws and standards, Keeping abreast of any developments and updates at the local and global level, and continuous improvement and development.

Stakeholders

Maintaining a balanced relationship with customers, suppliers, and stakeholders preserves everyone's rights and enhances working methods.

Quality

Commitment to the highest standards of product quality and the quality of technical and administrative practices for the company's operations and activities, and striving to achieve this by attracting expertise and initiatives that support this approach.

Commitment

Commitment to the regulatory and legal framework and all governance controls, its references, and regulatory documents, and work on all recommended means to maintain the quality of regulatory performance.

Transparency

Commitment to the principle of transparency and building bridges of communication with investors and success partners in a way that preserves their right to participate in supporting the company's journey towards better horizons.



Company Vision



To be a pioneer in the production of metals from recycling electronic and electrical equipment, cars, wires and cables in the Middle East region and among the top 10 recycling companies in the world.

Company Message



The company develops recycling material solutions that exceed customer satisfaction in reducing the negative impact on the environment to ensure community safety, increasing shareholder value, caring for company staff professionally, and making a contribution to improve the community and contribute to the Kingdom's vision of reducing carbon emissions and achieving zero neutrality by 2060.

Company Strategy



The strategy of the Tadweer Company is based on four main pillars:

- 1 The ability to recycle all materials available in the market (according to the company's scope of work).
- 2 Achieving the highest possible purity in the final products.
- 3 Complete separation of the final products.
- 4 Reducing the supply chain and targeting procurement from the source and selling to smelters.

Company Competitive Advantage



- ⦿ The most efficient factory in the field of recycling electronic and electrical waste, cars, wires and cables.
- ⦿ High technical expertise of the work team.
- ⦿ "Tadweer Company" has obtained many quality certificates (ISO9001, ISO14001, ISO45001).
- ⦿ Rapid development of production capacity and quality of produced materials.
- ⦿ Flexibility in the nature of production operations.
- ⦿ Ability to enter new and diverse sales markets.



Company Future Plans

The company strives to expand its business and improve the quality of its final deliverables, based on its vision, message, and strategic and executive plans. In this context, the company's expansion plan is based on two pillars:

130,000,000
Saudi riyals



Investing in the purchase of equipment and production lines with advanced technologies at a total value of up to one hundred and thirty million Saudi riyals.

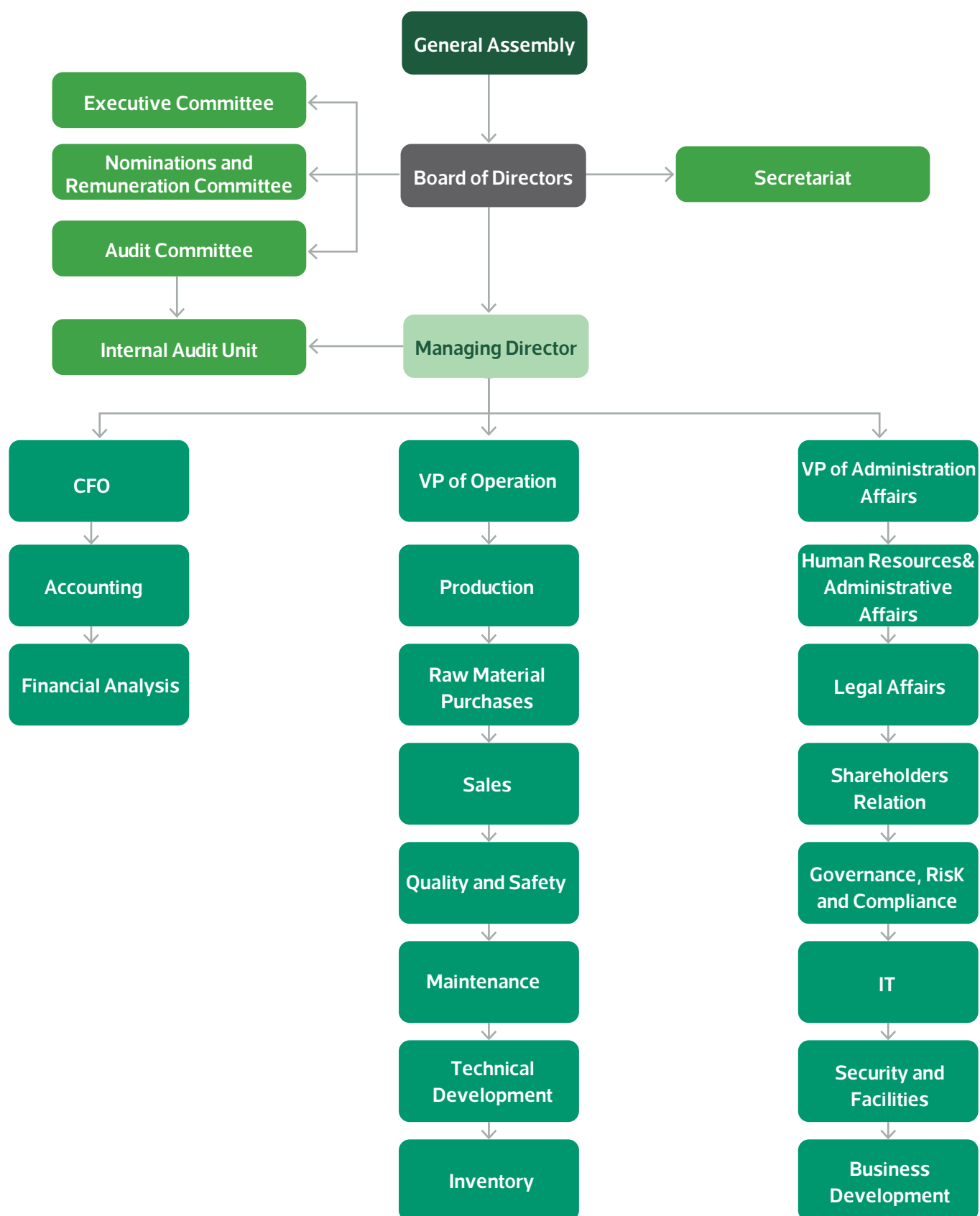
400,000
Tons



Increasing production capacity to reach a production of approximately (400,000) tons by mid-2025.

Based on the company's expansion plan, Tadweer will invest in very advanced technologies that rely on artificial intelligence in their operation. These technologies are considered rare at the global level, as they exist in only five countries so far. This will enable us to deal with and benefit from all inputs that fall under the electronic and electrical waste sector.

Organizational Structure



Operational Performance Summary

The productive capacity of the factory reached (300,000) tons at the end of the year of metals and electronics recycling products.

The following table shows a comparison of production quantities during the last five years since the factory started operating in 2019.

Product (ton)	2023	2022	2021	2020	2019
Copper	15,214	10,297	3,678	2,507	608
Aluminum	15,496	11,244	3,654	997	593
Electronic boards and valuable materials	152	319	158	81	66
Iron	67,707	13,556	10,057	7,769	5,236
Other materials	12,374	7,176	3,395	1,557	1,308



Financial Performance Summary

Products sales on a quarterly basis

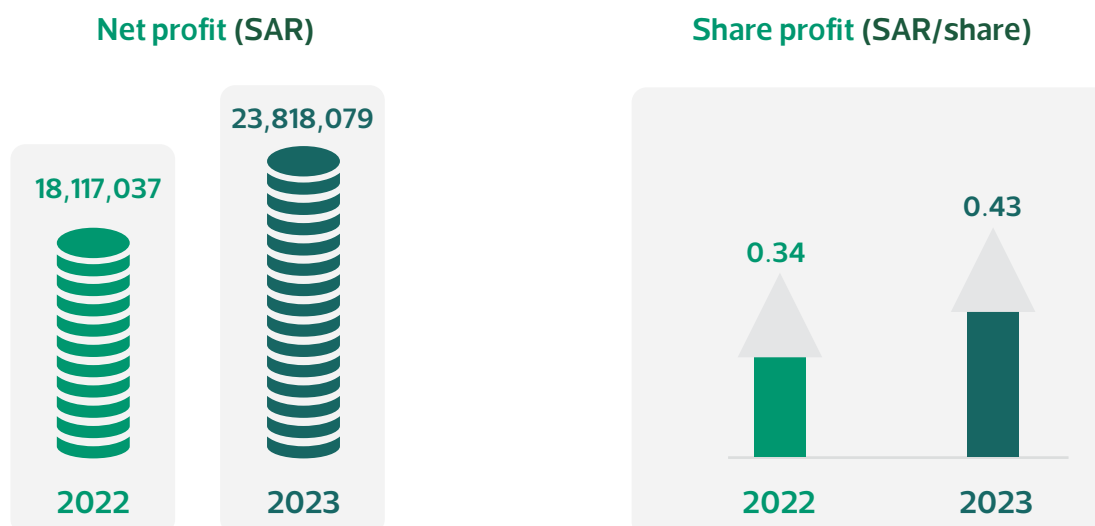
Product (SAR)	2023				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Copper	70,985,329	111,246,992	100,217,696	114,058,635	66,313,560	67,840,880	71,910,715	76,889,298
Aluminum	23,821,075	22,004,094	28,936,359	37,397,901	21,077,973	19,219,395	17,470,701	23,922,932
The electronic boards and valuable materials	1,496,479	421,732	1,387,845	1,138,968	3,666,974	1,918,881	2,992,329	3,042,822
Iron	6,211,170	19,064,619	27,540,872	54,369,322	6,085,038	4,409,451	5,093,843	7,072,469
other materials	351,292	2,391,069	3,365,561	5,501,918	851,111	440,771	1,575,441	655,434

Products sales on a yearly basis

Product (SAR)	2023	2022	2021	2020	2019
Copper	396,508,653	282,954,453	100,267,594	49,067,131	8,577,343
Aluminum	112,159,428	81,691,002	27,907,193	4,491,100	2,275,836
Electronic boards and valuable materials	4,445,024	11,621,006	3,922,512	2,483,494	1,743,119
Iron	107,185,983	22,660,800	16,324,595	9,267,180	6,633,803
Other materials	11,609,840	3,522,756	5,181,106	3,545,501	2,663,673

Net profits and Share profitability

Tadweer Co. achieved net profits at an amount of SAR 23,818,079 by the end of the fiscal year 2023, compared to profits at an amount of SAR 18,117,037 during the fiscal year 2022 as stated below:

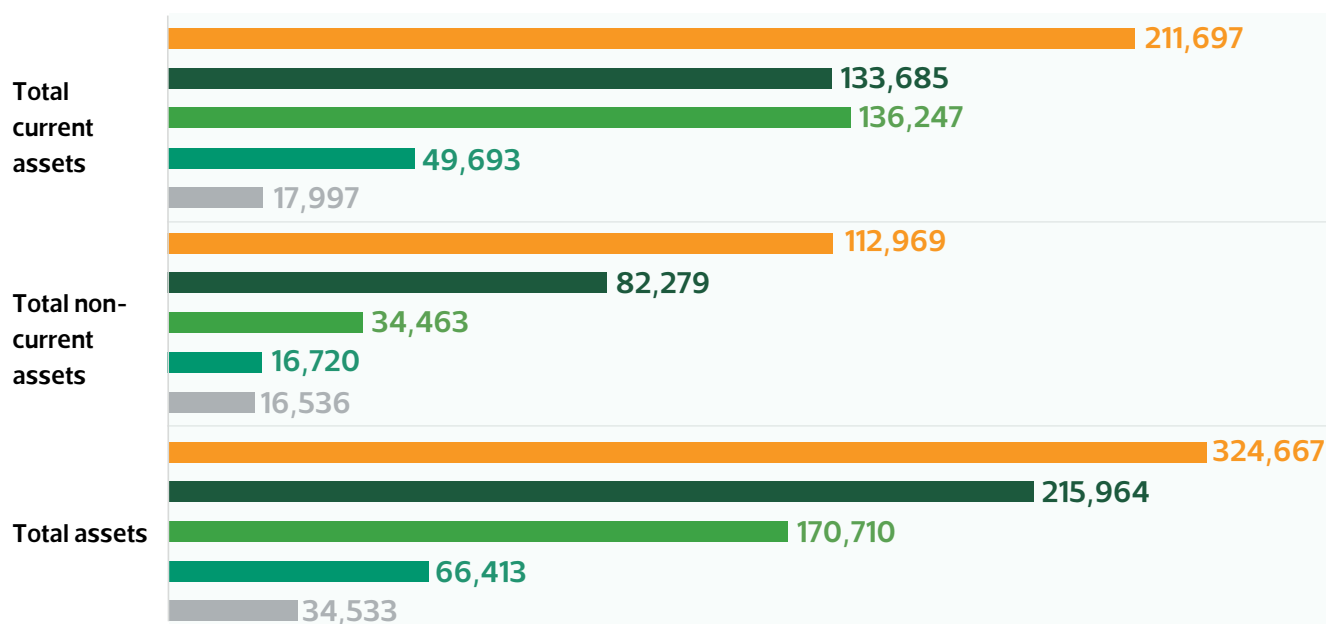


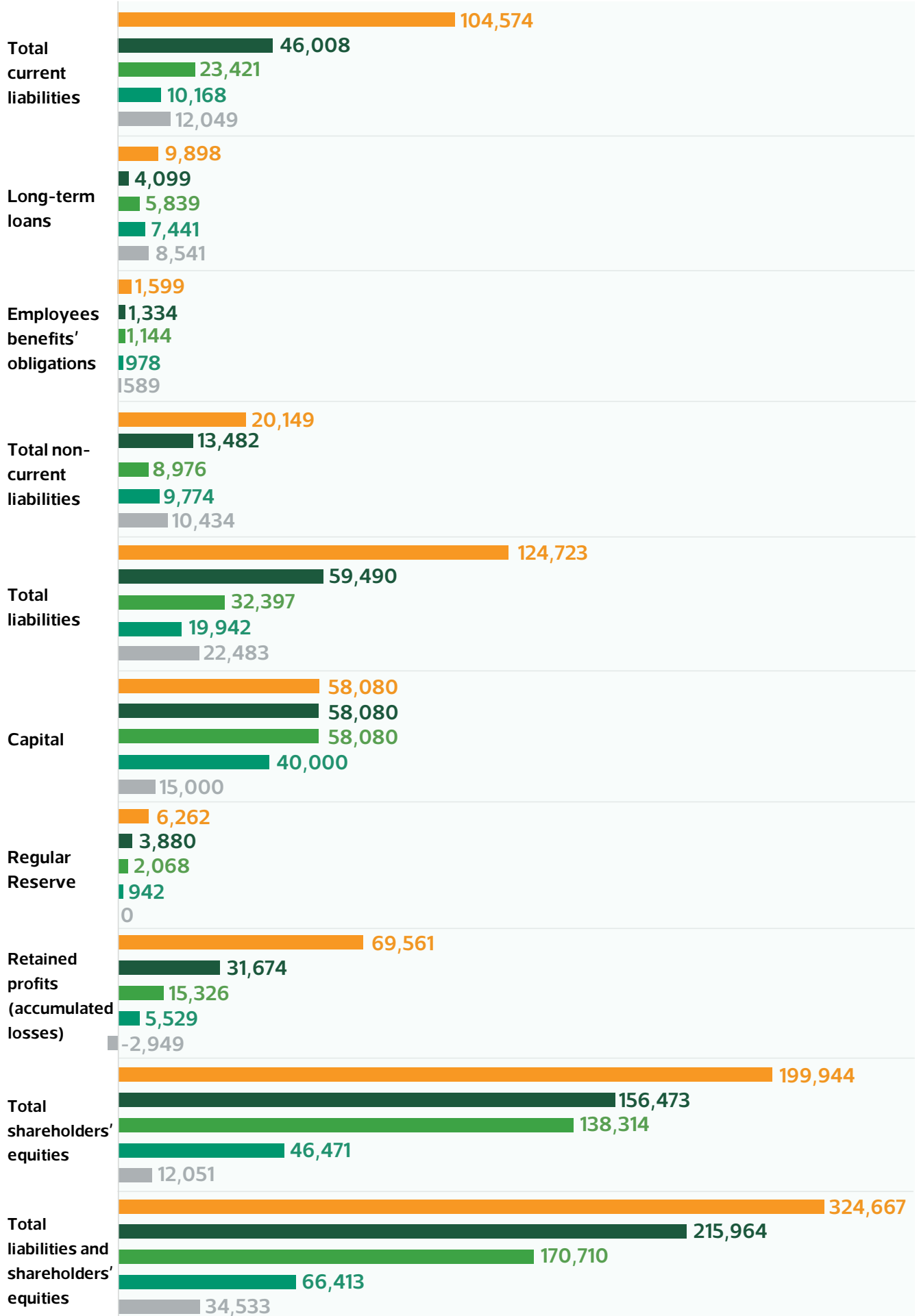
The increase in net profits for the current fiscal year compared to the previous fiscal year is attributed to the increase of revenues and the decrease of some expenses.

Financial Position Statement

Summary of Financial Position Statement (x1000)

2023 2022 2021 2020 2019

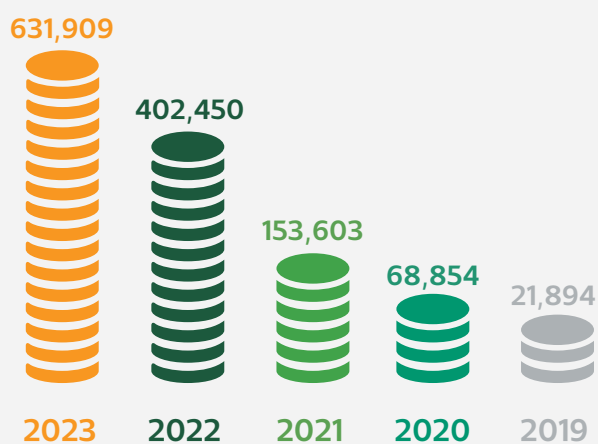




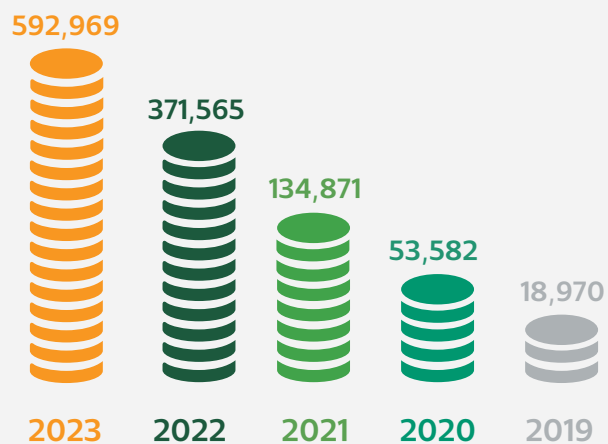
Income Statement (Independent)

Summary of Income Statement (x1000)

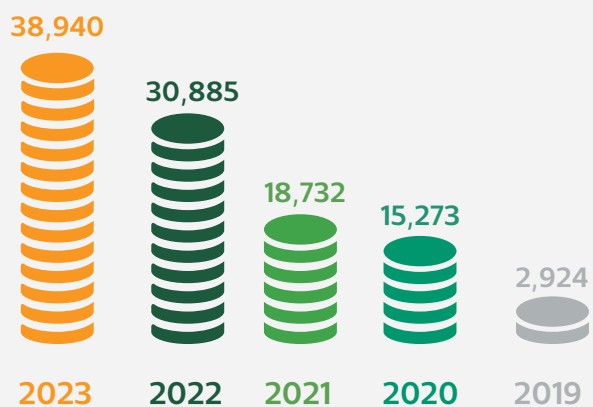
Revenues



Revenues cost



Total income



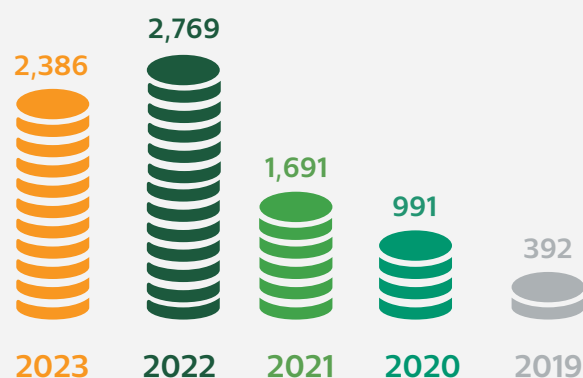
General and administrative expenses



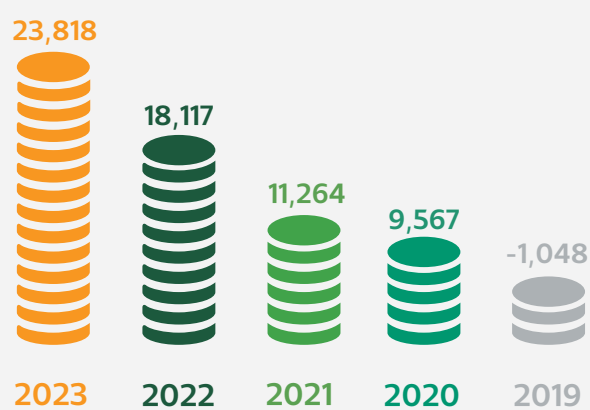
(Losses) Other revenues



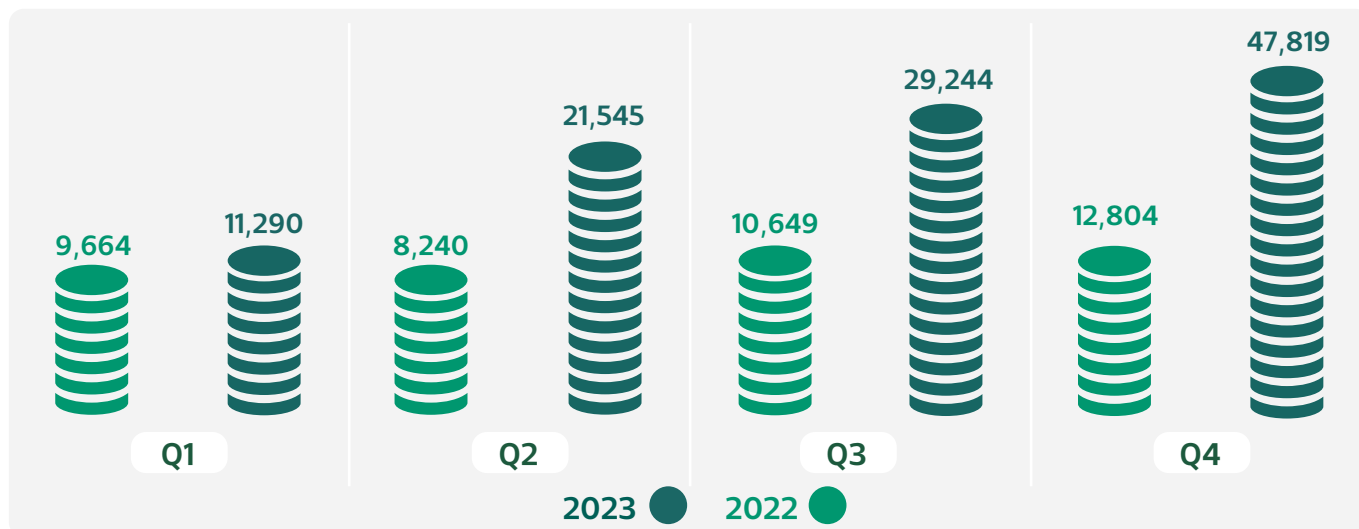
ZaKat



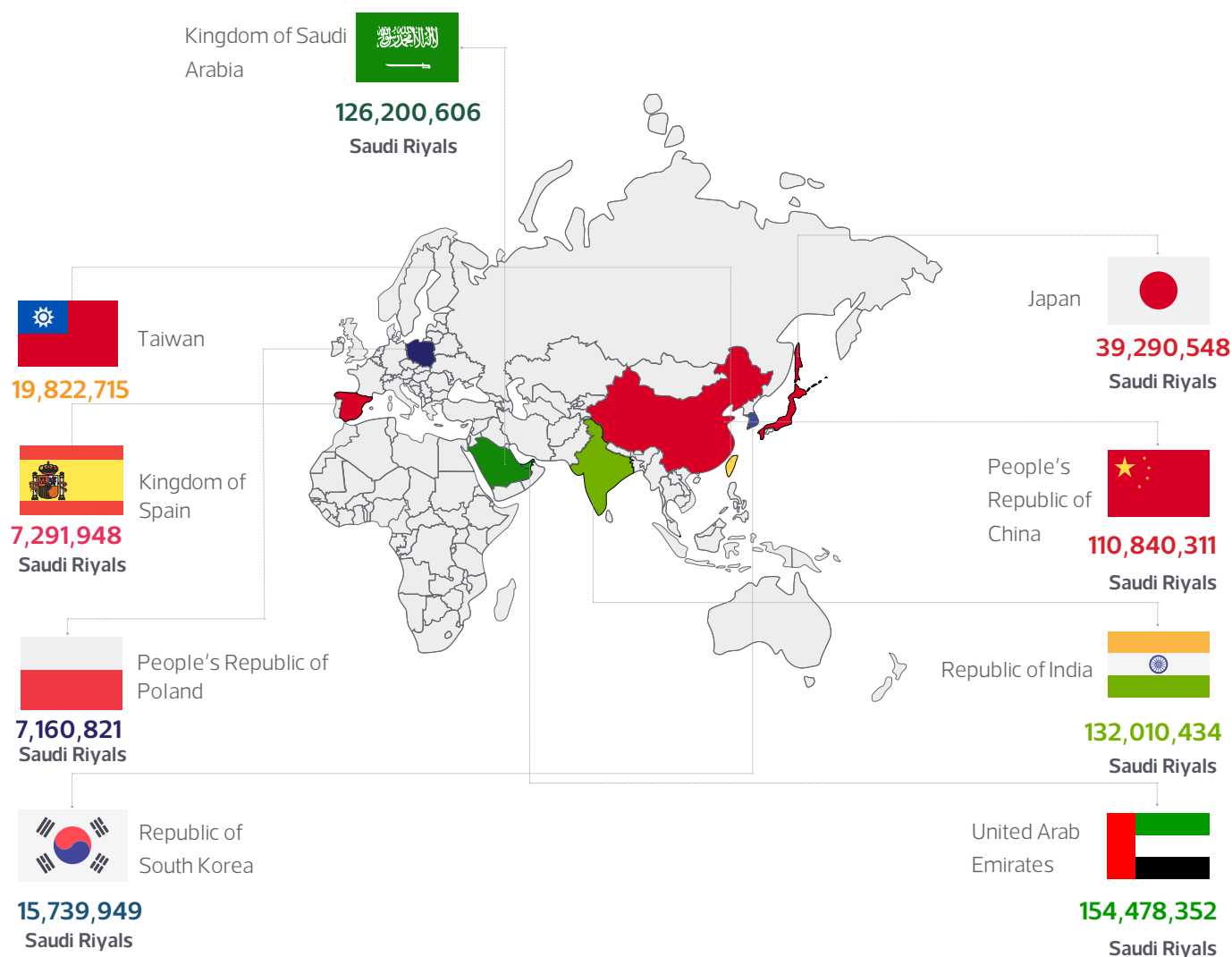
Year's net profit



Sales (Ton)



Geographical Analysis



Clarifying differences in operational results

The operational results of 2022

23,404,077

The operational results of 2023

28,615,760

At the foremost, the increase is attributed to the annual growth of sales with a percentage of 57%, opening new markets for selling the Company's products and increase of the base of clients for purchase of the raw material.

Clarifying the difference from accounting standards

The financial statements of the Company of the fiscal year ending on December 31st, 2023 A.D were prepared according to the International Accounting Standards approved in the Kingdom of Saudi Arabia and the Accounting Standards issued by SOCPA, and there is no deviation in

the application of such standards. Additionally, there are no substantial remarks or reservations by the auditors on the semi- annual and annual financial statements of Tadweer Co. during the fiscal year 2023.

Loans

#	Name of the loan granting entity	Date the loan was obtained	Type of loan	Due date	Principal amount of Loan	Term of the loan	Amounts paid in repayment of the loan during the year	The remaining amount of the loan
1	Saudi Industrial Development Fund	25/04/2017	Capex Financing	EVERY 180 DAYS FROM THE DATE THAT THE LOAN WAS OBTAINED UNTIL ITS FULLY PAID	13,800,000	8 years	2,000,000	2,871,000
2	Riyadh bank	11/01/2023	Capex Financing	EVERY 360 DAYS FROM THE DATE THAT THE LOAN WAS OBTAINED UNTIL ITS FULLY PAID	5,581,513	7 years	0	5,581,513
3	Riyadh bank	06/12/2022	Capex Financing	EVERY 360 DAYS FROM THE DATE THAT THE LOAN WAS OBTAINED UNTIL ITS FULLY PAID	5,000,000	7 years	714,286	4,285,714
4	Riyadh bank	17/05/2023	Capex Financing	EVERY 360 DAYS FROM THE DATE THAT THE LOAN WAS OBTAINED UNTIL ITS FULLY PAID	1,227,000	7 years	0	1,227,000
5	Saudi Export & Import bank	20/08/2023	Short term (murabaha)	EVERY 180 DAYS FROM THE DATE THAT THE LOAN WAS OBTAINED UNTIL ITS FULLY PAID	36,000,000	1 year	The loan is a revolver that allows the Company to get the loan again once the due amount is fully paid	

Regular Payments (Saudi Riyals)

Entity	Paid during the year	Due by the end of the year	Reasons
Zakat	2,756,191	2,386,479	The company is subject to Zakat and income laws in KSA. Zakat allocations are calculated according to Zakat base or amended net profit whichever is higher.
Customs Fees	1,244,879		The Company is subject to customs laws and the due customs value shall be paid in advance upon entry of any tools or equipment imported by Tadweeer Co.
Visa Fees	15,287		A statutory requirement to allow the personnel to enter or exit the company.
Other Governmental Fees	27,040		The company is subject to the laws of the National Center for Waste Management and other sponsor governmental bodies. Such fees shall be paid on the due dates thereof.
Social Insurance Subscription	514,411	49,256	Tadweeer's employees are subject to the Social Insurance system, and subscriptions shall be paid based on eligibility.
Fees for Residencies and Work Permits Renewal	1,176,408		Non-Saudi employees at Tadweeer are subject to residency laws of KSA and the fees of issuance and renewal shall be paid on the due dates thereof.

Value Added Tax

0

Saudi Riyal



Big share of Tadweeer's sales (about 80%) is through exports and it is exempted from the Value Added Tax (VAT); hence, Tadweeer does not pay VAT based on the net income but it redeems the VAT amount (i.e. Input Tax) paid to purchase raw materials and/or other items and services.

Penalties and Sanctions Imposed on Tadweeer

No penalties or sanctions were imposed on Tadweeer by any entity during the fiscal year 2023.

Capital

Capital

Authorized Capital

58,080,000
SAR



Paid Capital

58,080,000
SAR



Number of Issued Shares*

58,080,000
SAR



Nominal Value of Share

1
SAR



Paid Value of Share

1
SAR



Financial Market of trading

Nomu - Parallel MarKet
(Commercial and Professional Services)



Share Symbol

9540



ISIN Code

SA15IH0KL210



*All the company's shares are ordinary, and there is no premium shares

It is worth noting that the Company (General Assembly) has split the share price from ten (10) Riyals to one (1) Riyal

Treasury Shares

Number of Retained
Treasury Shares

2,000,000



Value

2,000,000



Date of Retention

9/2021



Retention Reasons

1. Retaining them as treasury shares for employee incentive program
2. For assets or companies acquisition

Capital Constraints

No constraints are imposed on the company's shares according to its Bylaws and the rules and regulations issued by supervisory and regulatory entities.

Risk Management

Risk Management Concept

Tadweer Company works to protect the interests of its shareholders, customers, employees and all parties related to its business, which enables it to manage potential risks in a way that enhances its strategy to make it the leading company in the recycling industry of electronic and electrical waste, cars and cables in the Middle East,

and the mechanism for dealing with risks aims to reduce and face them proactively and understand them, through the establishment of departments specialized in these issues and dealing with reliable and competent authorities to study and reduce risks by providing Reports that are studied by Tadweer and its committees.

Why is Tadweer interested in Risks

- ⦿ Tightening control over the risks surrounding the activities of Tadweer.
- ⦿ Determine the qualitative treatment for each type of risk and follow it up periodically by the company's departments.
- ⦿ Work to reduce losses and accept them as least as possible.
- ⦿ Provide appropriate confidence to all stakeholders in Tadweer, especially shareholders, creditors, customers and suppliers, in order to protect the ability to generate profits despite any incidental losses that may lead to shrinking or non-realization of profits.

Risks Nature and Tadweer's Policy to tackle them

Liquidity Risks

Tadweer manages liquidity risk by ensuring the availability of bank facilities, as well as sales conditions that require payment in advance and/or within an agreed period from the date of sale, resulting in payment of payables in advance and/or within an agreed period from the date of purchase.

Credit Risks

Credit risk represents the inability of one party to meet its obligations, resulting in the other party incurring a financial loss, Tadweer seeks to manage credit risk in relation to banks by dealing only with reputable banks and in relation to customers by settling credit limits for customers, obtaining bank guarantees from selected customers, monitoring existing receivables and ensuring careful follow-up of those receivables.

Risks Related to Projects Under Development

Tadweeer has a number of significant capital projects under development or in the planning stages (e.g. new production plants, expansion and modernization of existing plants), each of which contains a number of risks during construction such as the risk of exceeding the cost of investment, the risk of delaying or incomplete project start-up, the risk of default on the part of any particular contractor or subcontractor or its ability to comply with its contractual obligations, shortfall or increase in equipment costs, equipment breakdown or Processes or technical means or their damage, difficulties in connecting upstream or related manufacturing facilities, unavailability of required raw materials in a timely manner when starting business operations, start-up or readiness issues, problems with effective process integration, increased operating costs, unforeseen liabilities, change in taxes or fees, difficulties in achieving expected efficiency, cooperation and cost savings, and changes in market conditions. In the event of any such risk, the overall profits of the project in question will be materially adversely affected, and if any new project does not achieve the expected levels of performance or profitability, this may materially and adversely affect Tadweeer's business or the results of its operations, or its financial situation, so Tadweeer is Keen to have coordination between departments to avoid such risks..

Risks Related to Laws and Regulations

Tadweeer is subject to different laws and regulations, and these rules and regulations may relate to the requirements for obtaining and renewing licenses, permits and certificates, and the recycling sector is one of the modern sectors in the Kingdom in terms of regulatory and legislative, which may undergo changes in terms of obtaining licenses, their requirements and regulations, and therefore Tadweeer was Keen to have a coordination mechanism between departments in terms of studying the amendments that occur to these laws and regulations and how to work with them so that they do not affect their daily activities.

Risks Related to Buying and Selling

One of the most prominent risks facing Tadweeer is those risks related to buying and selling, since the company's activity is related to recycling raw materials and subject to specific prices according to the market, the purchase price must be identical to the data and quality to avoid financial losses, and Tadweeer deals with this type of risk by employing the best human competencies and the latest technologies that help avoid losses by taking samples and studying the value of the materials to be recycled in order to recycle in order to achieve financial profits.



Tadweer Governance

About Governance and Abidance in Tadweer

Tadweer is subject to the rules and regulations of governance and abides by the standards of financial and non-financial reports that empowers the Board supervisory role and decision-making.

Sound corporate governance is an essential tool in business sustainability and increasing the shareholders benefits in the long run which aligns with its commitment to the quality of all products and services.

Abiding by Corporate Governance Regulations

Tadweer abides by the rules and regulations of the financial market and all systems related the rights of the shareholders, board of directors and its committees, disclosure and transparency and conflict of interests

systems, corporate governance rules, corporate law and bylaws. The company confirms applying all the terms and articles of the corporate governance regulation except for the following:

No	No. of Article/ Paragraph	Paragraph Status	Text of Article/Paragraph	Reasons of non-abidance
1	Article (39)	Guiding	Establishing the necessary mechanisms to annually evaluate the performance of the Board of Directors, its members, committees, and executive management.	The company is working on preparing a mechanism to evaluate the Board of Directors and its committees.
2	Article (67)	Guiding	Formation of the Risk Committee.	The Audit Committee carries out the tasks and powers of the Risk Committee.
3	Article (68)	Guiding	Tasks of the Risk Committee.	
4	Article (69)	Guiding	Risk Committee meetings.	
5	Article (84)	Guiding	Based on a proposal from the Board of Directors, the Ordinary General Assembly shall establish a policy that ensures the establishment of a balance between its objectives and the objectives that society aspires to achieve.	Since the Company is listed in the parallel market, the provisions of the Corporate Governance Regulations are not considered mandatory for it. Based on the company's Keeness to implement all governance practices, it has begun implementing the mandatory provisions and is in the process of approval.
6	Article (92)	Guiding	Formation of a corporate governance committee	The Managing Director assumes the tasks and powers of the Governance Committee to ensure the practice of corporate governance, and a report is submitted to the Executive Committee thereon.

Related Parties Transactions

Tadweeer aims at studying any potential case for conflict of interests among the members of the Board and Executive Management. Since the company deals with related parties, these transactions were made in accordance with the Corporate Law and the Capital Market Authority Regulations.

The following is a statement of work and contracts in which the company is a party or is one of the members of the Board or Executive Management who have a direct or indirect interest during the fiscal year 2023.

Company	Nature of Relationship and Name of Related Member	Transaction Nature	Transaction Amount (Riyal)
Mqayes Factory	Chairman of the Board Mr. Ayad Abdulaziz Al Nafei (The Chairman of Board of Mqayes Factory)	Containers Maintenance	16,100

Board of Directors and sub-committees

Board of Directors

The Company shall be managed by a Board of Directors composed of (6) members elected by the Shareholders' Ordinary General Assembly for a period that does not exceed four years with the possibility of re-election for a similar term.

Board of Directors Responsibilities


Taking into account the terms of references assigned to the General Assembly, the Board has the broadest powers and authorities in managing and supervising the management and the execution of the company's business. The role of the Board of Directors depends briefly on setting general strategies, policies, the main plans and the financial objectives of the company's business and the appointment of the company's executive directors.


and the ratification of all financial precautions and budgets in addition to what is stipulated in the company's bylaws, In addition, the Board of Directors protects shareholders' interests by ensuring full compliance with all the applicable laws and regulations in the Kingdom in accordance with the bylaws and the rules and regulations of the Capital Market Authority.


Board Members CV

	Mr. Ayad Abdulaziz Al-Nafei	Experiences and other boards memberships <ul style="list-style-type: none">★ Extensive experience in the field of Finance, Business and Management of Industrial Companies★ Vice-Chairman of the Board of Directors of Al Nafei Factory Construction Materials★ Chairman of Mqayes Company
	Chairman of the Board of Directors	
	Non-executive member	
	Current position Vice Chairman of Al Nafei Factory Construction Materials Previous job Assistant General Manager of Al Nafei Factory Construction Materials Qualifications Bachelor's degree in research and operations	
	Mr. Abdulmohsen Abdulaziz Faris Al-Faris*	Experiences and other boards memberships <ul style="list-style-type: none">★ Extensive experience in accounting, Audit and internal audit area, assumed many positions in the Central Bank and Zakat, Tax and Customs Authority★ Board member of Alinma Investment★ Board member of Alinma Tokyo Marine
	Vice-Chairman of the Board of Directors	
	Non-executive member	
	Current position Retired Previous job CEO and Managing Director of Alinma Bank Qualifications Master's degree in Accounting	

* His member ship in the Board of Directors began on 17 September 2023.

	Dr. Nasser Abdulrahman Naser Al-rashid	Experiences and other boards memberships <ul style="list-style-type: none"> ★ Founder and Owner of a group of CJS's in Real Estate ★ Member of the Board of Directors of Dyar Al Khouzama ★ Member of the Board of Maskan Estate Company ★ Member of the Board of Directors of Tafweed for Building Materials ★ Member of the Board of Directors of Al Mahmal Real Estate Company
	Member of the Board of Directors	
	Independent member	
	Current position General Manager of Tafweedh Co. for Building Materials Previous job General Manager of Maskan Estate Qualifications Doctorate and Master's Degree in Statistics and Management	

	Mr. Nasser Mohammed Al-Dueb	Experiences and other boards memberships <ul style="list-style-type: none"> ★ More than 28 years' experience in the field of Project Management, Finance and Planning Strategic, Chief Executive Officer for more than 10 years who has contributions in many in the microfinance industry for individuals in the Arab world, Founding partner of Tadweeer.
	Member of the Board of Directors	
	Executive member	
	Current position Managing Director of Tadweeer Previous job Worked in the microfinance unit of the program Arabian Gulf for Development - AGFUND Qualifications Master's Degree in Business Administration (MBA) and Bachelor's Degree in Operations Research	


	Mr. Fawzi Abdullah Rashed Al-Suwayeh	Experiences and other boards memberships <ul style="list-style-type: none"> ★ Consultant and Expert in the field of accounting and management. worked for Aramco for approximately 30 year and he also held the position of former Chief Financial Officer of Petro Rabigh Company
	Member of the Board of Directors and Chairman of the Audit Committee	
	Independent member	
	Current position Management Adviser Previous job Saudi Aramco - Finance Qualifications Bachelor of Accounting and Business Management	

	Mr. Khalid Abdullah Abdulaziz Al-Romeih*	Experiences and other boards memberships <ul style="list-style-type: none"> ★ Chairman of the Board of Directors of the Alinma Emerging Markets Equity Index Fund ★ Chairman of Alinma Fund for the Initial Public Offering ★ Chairman of the Board of Directors of Alinma Fund For Saudi stocks ★ Chairman of the Board of Directors of Alinma Multi-Asset Balanced
	Member of the Board of Directors	
	Independent Member	
	Current position Retired Previous job Director of Government Affairs, Central Region - Aramco Saudi Arabia Qualifications Bachelor of Psychology	

*His member ship in the Board of Directors began on 17 September 2023.

	Mr. Abdulaziz Abdullah Al-Aql * *	Experiences and other boards memberships <ul style="list-style-type: none"> ★ Extensive experience in internal audit in the banking sector. ★ Member of the Board of Directors of Bank Al Balad
	Member of the Board of Directors and Chairman of the Audit Committee of the previous session	
	Independent member	
	Current position Retired Previous job Deputy Director of Internal Audit - Arab Bank Qualifications Bachelor of Computer Science	

** His membership ended on 16 September 2023

	Eng. Abdullah Abdulmohsen Al-Faris * *	Experiences and other boards memberships <ul style="list-style-type: none"> ★ Board Member of Tafweed for Building Materials ★ Board Member in Dyar Al Khouzama
	Member of the Board of Directors in the previous session	
	Non-executive member	
	Current position Business analyst at Arthur D. Little Previous job Engineer at Safco (Saudi Arabian Fertilizer Company) Qualifications Bachelor's degree in Industrial Engineering and Systems	

* His member ship in the Board of Directors began on 17 September 2023.



CV's of Members from outside of the Board



Dr. Hisham Mohammed Saad Al-Barak *

Member of the Audit Committee

Current position

Assistant Professor in Al Faisal University's Accounting Department

Previous job

Academic Advisor for Training and Development at the Saudi Organization for Public Accountants

Qualifications

PhD in Accounting

Experiences and other boards memberships

- ★ Extensive experience in accounting Training and member of the Shari'a Committee Zakat, Tax and Customs Authority
- ★ Member of the Board of Directors and Audit Committee of Alinma Tokyo.
- ★ Member of the Board of Directors of the Cloud Company Telecommunications and Information Technology Mechanism "Qoyod"
- ★ Member of the Audit Committee in the Riyadh Health Assembly
- ★ Chairman of the Audit Committee of Al Jazeera International Academy
- ★ Member of the Audit Committee of Al-Mahmal Company

* His membership started on 17 September 2023



Mr. Suleiman Abdullah Suleiman Suqair*

Member of the Audit Committee

Current position

Independent Adviser on Senior Executive and Administrative Affairs

Previous job

Chief Executive Officer of Communications and Information Technology at Saudi Electricity Company

Qualifications

Bachelor's and Master's degrees in Computer Science

Experiences and other boards memberships

- More than 32 years of experience in vital sectors and services, and in-depth expertise in Senior executive management, strategies, operational and institutional excellence.
- ★ Member of the Board of Directors of Dhawiyat Communications and Technology Company Information (formerly).
 - ★ Member of the Audit Committee at Alinma Tokyo (formerly).

* His membership started on 17 September 2023



Mr. Sultan Abdul Aziz Al-Mashouq **

Member of the Audit Committee

Current position

Chief Executive Officer of Aces

Qualifications

Bachelor of Technology and Information Technology

Experiences and other boards memberships

- ★ More than 15 years of experience in ICT. He led many private and government projects. And also contributed many of strategies and development of innovative business models.

** His membership ended on 16 September 2023

Board of Directors meetings and membership classification

The following table shows the classification of members of the Board of Directors and the number of the Board meetings, and their attendance:

Name of the member	 Classification	 Meetings of the Board of Directors			
		First meeting 31/01/2023	Second meeting 15/05/2023	Third meeting 13/08/2023	Fourth meeting 17/09/2023
Mr. Ayad Abdul Aziz Al-Nafei	non-executive	✓	✓	✓	✓
Mr. Abdul Mohsen Abdul Aziz Al Fares*	non-executive	—	—	—	✓
Dr. Nasser Abdul Rahman Al-Rashid	independent	✓	✓	✓	✓
Mr. Khaled Abdullah Al-Romeih*	independent	—	—	—	✓
Mr. Nasser Mohammed AlDueb	Executive	✓	✓	✓	✓
Mr. Fawzi Abdullah Al-Suwayeh	independent	✓	✓	✓	✓
Mr. Abdulaziz Abdullah Al-Aql **	independent	✓	✓	✓	—
Eng . Abdullah Abdulmohsen Al-Faris * *	non-executive	✓	✓	✓	—

* His membership started on 17 September 2023

** His membership ended on 16 September 2023

Audit Committee

The Audit Committee shall consist of at least three members and shall not exceed five members. The Audit Committee is responsible for monitoring the work of Tadweer Company and verifying the soundness and integrity of its reports, financial statements and internal control systems. The scope of the Committee includes the following:

Financial Reports

- ⦿ Reviewing the company's initial and annual financial statements and its announcements regarding its financial performance and recommendations to the Board of Directors regarding it.
- ⦿ Expressing a technical opinion on whether the Board of Directors' report and financial statement of the company have been prepared in accordance with the specified regulatory requirements on how to prepare and display it.
- ⦿ Examining the unusual issues contained in the financial statements and making recommendations regarding them if necessary.
- ⦿ Investigating any issues raised by the company's financial director or whoever assumes his duties, the company's compliance officer, or the auditor.
- ⦿ Verifying accounting estimates on core issues contained in financial reports.
- ⦿ Examine the company's financial and accounting policies and express an opinion and recommendation to the Board of Directors.

Internal Audit

- ⦿ Studying and reviewing internal and financial control systems and risk management and ensure their effectiveness through the periodic reports of the Internal Audit Department or other adequacy and to ensure the effectiveness of the internal and financial control system and risk management systems, and follow up on the implementation of the recommendations and corrective actions of the observations contained therein.
- ⦿ Control and oversight of the performance and activities of the company's internal auditor and the internal audit department, if any in order to verify the availability and effectiveness of the necessary resources in the performance of its work and functions, and if the company does not have an internal auditor, the Committee must submit its recommendation to the Board regarding the need for his appointment.
- ⦿ Studying and approving the annual audit plan with the internal audit department.
- ⦿ Recommending to the Board of directors to adopt the organizational structure and description functionality of the Internal Audit Department and ensure its independence in the company's organizational structure.
- ⦿ Recommending to the Board of Directors to appoint a director of the internal audit unit or department or the internal auditor and proposing his remuneration

Auditor

- ⦿ Recommending to the Board of Directors to nominate and dismiss auditors, determine their fees and evaluate their performance, after verifying their independence and reviewing their scope of work and the terms of their contract.
- ⦿ Verifying the independence of the auditor and the effectiveness of his work in the light of the relevant rules and standards.
- ⦿ Reviewing the auditor's plan and work and verifying his compliance with the regulatory standards governing his work.
- ⦿ Answering the inquiries of the company's auditor's and providing support to enable him to perform his duties.
- ⦿ Studying the auditor's report and observations on the financial statements and follow up on what has been taken regarding them.

Ensuring Compliance

- ⦿ Reviewing the company's regulations and policies and offering ideas and recommendations prior to submission to the Board of Directors for approval or to the General Assembly.
- ⦿ Reviewing the results of the reports of the supervisory authorities and verifying that the company has taken the necessary measures regarding them.
- ⦿ Verifying the company's compliance with the relevant rules, regulations, policies and instructions.
- ⦿ The company's proposed contracts and transactions with the relevant parties are to be reviewed and the observations regarding its views are to be presented to the Board of Directors.
- ⦿ Submitting and recommending to the Board of Directors the necessary measures to be taken in matters on which the Board deems it necessary to act.

Risk Management

Examine actions taken by the Company to develop a highly efficient and effective risk management framework, and verify the effectiveness of identifying, evaluating and managing the important risks to which the company is exposed, including:

- ⦿ The procedures taken by the company to control and manage risks, including the accuracy and appropriateness of the risk measurement methods used during the risk identification and assessment process, determining the company's risk tolerance level (Risk Appetite), and working to reduce the gap between actual risk and acceptable level of risk (actual risk vs risk appetite).
- ⦿ Supervising the development of a clear risk management strategy commensurate with the nature of the company's activities prior to its adoption by the Board, and verify, review and update its implementation based on Internal and external variables of the company.
- ⦿ Verifying employees' understanding of risk management surrounding the company, and working to increase awareness of the risk culture.

Combating Fraud and Corruption

- ⦿ Supervising the effectiveness of the executive management, internal auditor and external auditor's in performing their responsibilities regarding to the combating of fraud and corruption.
- ⦿ Inquiring from the internal auditor and the external auditor regarding their assessment of the risks of material misstatement related to fraud and corruption, including those assessments and their frequency.
- ⦿ Inquiring from executive management, the internal auditor, and the external auditor whether they are aware of any cases of actual, suspected, or alleged fraud or corruption affecting the company's business.
- ⦿ Obtaining a report from the internal auditor and external auditor on any fraud or corruption, whether fundamental or not, and submitting appropriate recommendations to the Board.
- ⦿ Ensuring the existence of a mechanism for both reporting and independent investigation procedures related to fraud and corruption, and assessing and monitoring the effectiveness of such mechanisms.

Audit Committee held four meetings from 1 January 2023 to 31 December 2023. The following is a list of the names of the members and their attendance:

Name of the member	Role	Meetings of Audit Committee			
		First meeting 19/01/2023	Second meeting 11/05/2023	Third meeting 09/08/2023	Fourth meeting 19/07/2023
Mr. Fawzi Abdullah Al-Suwayeh	Chairman of the committee	✓	✓	✓	✓
Dr. Hisham Mohammed Al-Barrak*	Member of the committee	—	—	—	✓
Mr. Suleiman Abdullah Al-Suqair*	Member of the committee	—	—	—	✓
Mr. Abdul Aziz Abdullah Al-Aql**	Member of the committee	✓	✓	✓	—
Mr. Sultan Abdul Aziz Al-Mashouq**	Member of the committee	✓	✗	✓	—

*Joined the Committee at the Board's new session on September 17, 2023

** The Committee's membership expired at the end of the previous session on 16 September, 2023.

Nomination and Remuneration Committee

The Nominations and Remuneration Committee shall consist of at least three members and shall carry out the tasks assigned to it in accordance with the approved terms of reference. The scope of the Committee work includes:

- ⦿ Preparing a clear policy of remuneration for members of the Board of Directors, its committees and executive management and submitting it to the Board of Directors for consideration in preparation for its adoption by the General Assembly, this policy shall take into account the standards linked to performance, disclosure and verification of their implementation.
- ⦿ Rewards Policy to be reviewed periodically to ensure its suitability to changes that may occur in relevant legislation, regulations and the company's strategic objectives, skills and qualifications required to achieve it, and to recommend to the Board the proposed changes to this policy.
- ⦿ Providing recommendations to the Board of Directors regarding the remuneration of its members, members of its committees and senior executives in accordance with the approved policy.
- ⦿ The Committee must ensure that the Board approved a performance-related incentive plan to support the enhancement of the Board's long-term strategic objectives. Granting such incentives must be linked to the achievement of the set strategic objectives.
- ⦿ Periodically conducting comparative studies of the wage and remuneration system in the sector in which the company operates.
- ⦿ Development and periodic review of remuneration policies, including fixed wages and remuneration, determining a sitting Fees for attending the board meetings, and monitoring compliance with legislation related to remuneration of board members.
- ⦿ A policy and criteria for membership of the Board of Directors and recommending them to the Board for approval by the General Assembly of the Company.
- ⦿ Recommendation to the Board of Directors to nominate and re-nominate its members in accordance with adopted policies and standards.
- ⦿ Reviewing the board membership policy periodically to ensure its suitability to changes that may occur in relevant legislation and regulations, and the company's strategic objectives and the skills and qualifications necessary to achieve them, and recommend to the Board of Directors regarding the proposed changes to this policy.
- ⦿ The time to be allocated by the member to the work of the Board of Directors for the preparation of meetings and the review of documents and reports sent before and after the meeting is to be determined.
- ⦿ Ensuring that there is an induction program for new members of the Board of Directors regarding the Company's business and supporting the Board with training courses.
- ⦿ Reviewing the structure of the Board of Directors, its committees and executive management and making recommendations regarding the possible changes to this structure.
- ⦿ Verifying on an annual basis the independence of the independent members and the absence of any conflict of interest.
- ⦿ Verifying whether a member of the Board of Directors is competing with any of the company's businesses or competing with it in the activities or one of the branches of activity that it practices and recommending to the Board on this regard, after a receipt of a communication from the member informing of the competing Business he wishes to engage in based on the concept of the competitive business in accordance with the following criteria:
 - ▲ Studying the Board Member's report on the competing business he wishes to practice from a technical standpoint.
 - ▲ Studying the market or markets in which the competing business or any products associated with it are present.
 - ▲ Studying the competing business relationship with the company's strategy and future directions.
- ⦿ For the purpose of the aforementioned verification, the Committee may obtain the information it specifies, and it may also seek the assistance of whomever it deems appropriate to conduct the necessary studies or estimates.
- ⦿ Establishing special procedures in case of the vacancy of the position of a member of the Board of Directors or senior executives.
- ⦿ Developing a job description of executive members, non-executive members and independent members.
- ⦿ Identifying the strengths and weaknesses of the Board of Directors as well as proposing appropriate solutions in accordance with the company's interest.
- ⦿ Recommending to the Board of Directors performance criteria to evaluate the work of the Board, its members and its committees.
- ⦿ Ensuring that members of the Board of Directors are given an induction course (for new members) as well as other courses they deem appropriate and relevant to the work of the Board and its committees, including Performance appraisal work.
- ⦿ Upon the request of the Board of Directors, the Committee nominates members of other committees in the company.

During the period from 1 January 2023 to 31 December 2023, the Nominations and Remuneration Committee held five meetings, and the following is a list of the names of the committee members, along with an indication of their attendance:

Name of the member	Role	Meetings of the Nomination and Remuneration Committee				
		First meeting 14/05/2023	Second meeting 30/07/2023	Third meeting 03/08/2023	Fourth meeting 17/09/2023	Fifth meeting 07/11/2023
Mr. Khaled Abdullah Al-Romeih*	Chairman of the committee	—	—	—	✓	✓
Mr. Ayad Abdul Aziz Al-Nafei	Member of the committee	✓	✓	✓	✓	✓
Mr. Abdul Mohsen Abdul Aziz Al Fares*	Member of the committee	—	—	—	✓	✓
Mr. Fawzi Abdullah Al-Suwayeh**	Chairman of the committee	✓	✓	✓	—	—
Mr. Nasser Mohammed Al-Dueb**	Member of the committee	✓	✓	✓	—	—

*Joined the Committee at the Board of Directors new session on September 17, 2023

**His membership expired by the end of the previous session on 16 September 2023



Executive Committee

The Executive Committee shall consist of four members. The Committee shall carry out the tasks entrusted to it in accordance with the approved terms of reference. The scope of the Committee's work shall include:

- Participation and supervision of the development of the Company's strategic plan and evaluation of proposals submitted by the Executive department concerned with the vision and mission of the Company and the themes, strategy, objectives and strategic and financial initiatives and submission to the Board for approval.
- Ensure the implementation of the company's overall strategy and its effectiveness in achieving the desired objectives.
- Reviewing periodic management reports, evaluating performance, reviewing new investments or reinvestment prior to submission to the Board for approval
- Review annual budgets and plans and investigate significant differences related to budgets (if any) before they are presented to the Board of Directors.
- Follow up and receive reports on the implementation and completion of major projects or the company's major expansion work.
- Monitoring the company's performance and seek explanations for any deviations from approved plans, budgets and expectations.
- Recommend to the Board of Directors to establish wholly owned subsidiaries of the company or own a share of more than 50% in new or existing companies regardless of the company's capital.
- Provide recommendations regarding mergers and acquisitions to the Board of Directors.
- Receive periodic reports from the company's management concerning risk management operations in the company, including risk assessment and approved procedures to address and track these risks.
- Receive management reports periodically through the Managing Director regarding the company's performance to be presented at meetings of the Executive Committee for discussion and review prior to submission to the Board (if necessary).

- Reviewing the minutes of the committee meetings and following up on the decisions taken and documented in the procedure sheet related to the previous committee meetings to ensure that corrective measures have been taken concerning the issues raised.
- Review and reassess the efficiency of these Regulations annually as well as submit recommendations on any proposed changes to the Board of Directors for approval.
- Undertake any other activities in conformity with these Regulations, the Company's bylaws and the regulating laws, as deemed necessary and appropriate by the Board of Directors to ensure compliance with the Guidelines Corporate governance, laws, rules and legislation issued by various authorities and regulatory bodies.
- The Committee shall submit its reports to the Board of Directors before the meeting of the Board, in addition to all decisions and recommendations issued by that Committee at least once a year.

From 17 September 2023 to 31 December 2023, the Executive Committee held two meetings, and the following is a statement of the names of the committee members, along with an indication of their attendance:

Name of the member	 Role	 Meetings of the executive committee	
		First meeting 24/09/2023	Second meeting 13/11/2023
Mr. Abdul Mohsen Abdul Aziz Al Faris	Chairman of the committee	✓	✓
Mr. Ayad Abdul Aziz Al-Nafei	Member of the committee	✓	✓
Dr. Nasser Abdul Rahman Al-Rashid	Member of the committee	✓	✓
Mr. Nasser Mohammed Al-Dueb	Member of the committee	✓	✓

The current and previous positions, qualifications and expertise of the executive management.



Mr. Nasser Mohammed Al-Dueb

Current position

Managing Director

Previous job

Worked at the Microfinance unit at the Arab Gulf Program for Development (AGFUND).

Qualifications

Master Degree in Business Administration & Bachelor of Operations Researches

Expertise

More than 28 years of expertise at the field of project, financial and strategic planning management. He has been a CEO for more than 10 years and has made many contributions to the individual microfinance industry in the Arab world and Co-founder of Tadweer Company.



Mr. Bharat Bhatnagar

Current position

CFO

Previous job

A consultant at PKC Consultancy - India

Qualifications

Master Degree at Islamic Finance and Master in Commerce

Expertise

More than 22 years of expertise at the field of financial services and consultancies, with more than 14 years as a consultant with participations of multiple acquisition processes to attract investors for many investment funds



Mr. Abdullah Fahad Al-Masoud

Current position

Manager of the Human Resources and Administrative Affairs Department

Previous job

Head of the Partnerships Department at the "Insan" Association.

Qualifications

Bachelor's degree in Finance and Investment.

Expertise

More than 10 years of experience in the field of financial services and charitable organizations. He is the founder of a good loan department and investment portfolios. He has many accomplishments, including developing corporate resources with more than 40 million Saudi Riyals.



Mr. Spyridon Fafoutis

Current position

Manager of the Technical Development Department

Previous job

Consultant and project manager in Idezak, Greece.

Qualifications

Master of Business Administration (MBA) and Diploma in Mining and Minerals.

Expertise

More than 29 years of experience in the field of metals, mining, production, operations management and consulting. He has many achievements in the field of recycling, including implementing, improving and modernizing many recycling projects in Greece.



Mr. Hadi Hassan Hadadi

Current position

Manager of the Sales Department

Previous job

Production supervisor at First Waste Company.

Qualifications

Computer Diploma.

Expertise

More than 13 years of experience in the field of metals and recycling, production planning and writing periodic production reports.



Mr. Ra'ouf Borny

Current position

Manager of the Quality & Safety Department

Previous job

Director of Operations

Qualifications

Bachelor's degree in Electromechanical Technology

Expertise

More than 16 years of experience ranging in many fields, including: internal audit, management and consulting, responsible for production, management and improvement.

Remuneration for members of the Board of Directors and its committees.

Remuneration policy for the Board of Directors, its committees, and the executive management

- ⦿ The remuneration policy for members of the Board of Directors and its sub-committees aims to organize remuneration in order to attract members of the Board or committees with scientific, technical and administrative competence and appropriate experience, in a way that motivates them to perform their tasks and duties with professionalism and high efficiency.
- ⦿ Annual remuneration for members of the Board of Directors and its committees is determined based on the remuneration policy and in accordance with the company's bylaws.
- ⦿ Be a factor in attracting members to the Board of Directors with the experience and qualifications required to enhance the company's ability to achieve its goals.
- ⦿ Rewards shall be fair and proportionate to the member's specializations, work and responsibilities.
- ⦿ The annual bonuses aim to motivate board members to develop the company and achieve its strategic goals
- ⦿ In accordance with Article (18) of the company's bylaws and Article (Six) of the remuneration policy for the Board of Directors, the committees, and the executive management approved by the General Assembly of the company's shareholders on June 23, 2024, the remuneration of the Board of Directors is determined in a lump sum as an annual remuneration for each member of the Board of Directors with the amount of (100) thousand Saudi riyals after the approval of the general assembly of the company's shareholders.
- ⦿ An annual bonus is granted to each committee member from outside the Board with the amount of (40) thousand riyals
- ⦿ An attendance bonus for meetings is granted to each member of the Board of Directors with the amount of three thousand riyals, with a maximum of (12) thousand Saudi riyals.
- ⦿ An attendance allowance for meetings is granted to each committee member with the amount of two thousand riyals, with a maximum of (10) thousand Saudi riyals.
- ⦿ Travel tickets are provided for members residing outside the area in which meetings of the Board of Directors, committees or general assemblies are held for internal and external trips, and a cash allowance of (1,200) riyals to cover other related costs.

Executives Managements Remuneration

- ⦿ The Board of Directors determines - based on the recommendation of the Remuneration and Nominations Committee - the types of rewards granted to the company's executive management, such as fixed rewards or those linked to performance.
- ⦿ The executive management is granted salaries, compensation, and allowances according to the employment contracts concluded with them.
- ⦿ It is permissible to grant bonuses to the executive management in the form of shares, after fulfilling all the statutory controls established in this regard.

Tadweer confirms that bonuses were distributed during the fiscal year 2023 and that there are no fundamental deviations from the policy.

Rights and compensation of board members and senior executives

Board Members Remuneration

MEMBER NAME	FIXED REMUNERATION							VARIABLE REMUNERATION						END OF SERVICE REMUNERATION	TotalL AMOUNT	EXPENSE ALLOWANCE
	Fixed Fee	MEETING ATTENDANCE FOR BOARD MEMBERS	MEETING ATTENDANCE FOR COMMITTEE MEMBERS	IN-KIND BENEFITS	REMUNERATION FOR TECHNICAL, ADMINISTRATIVE AND CONSULTING WORK	BOD CHAIRMAN MD, AND SECRETARY IF IS IN THE BOD	TOTAL	PERCENTAGE OF PROFITS	PERIODIC REMUNERATION	SHORT-TERM INCENTIVE PLAN	LONG-TERM INCENTIVE PLAN	SHARES GIVEN	TOTAL			
INDEPENDET MEMEBER																
DR.NASSER ABDUL RAHMAN AL- RASHID	100,000	12,000	4,000	-	-	-	116,000	-	-	-	-	-	-	-	116,000	-
MR.FAWZI ABDULLAH AL- SUWAYEH	100,000	12,000	14,000	-	-	-	126,000	-	-	-	-	-	-	-	126,000	-
MR.KHALID ABDULLAH AL- *ROMEIH	29,041	3,000	4,000	-	-	-	36,041	-	-	-	-	-	-	-	36,041	-
MR.ABDULAZIZ ABDULLAH AL- **AQL	70,959	9,000	6,000	-	-	-	85,959	-	-	-	-	-	-	-	85,959	-
NON-EXECUTIVE MEMBER																
MR.AYAD ABDULAZIZ AL- NAFEI	100,000	12,000	14,000	-	-	-	126,000	-	-	-	-	-	-	-	126,000	-
MR.ABDUL MOHSEN ABDUL AZIZ *AL-FARES	29,041	3,000	8,000	-	-	-	40,041	-	-	-	-	-	-	-	40,041	-
ENG. ABDULLAH ABDUL MOHSEN AL- **FARES	70,959	9,000	-	-	-	-	79,959	-	-	-	-	-	-	-	79,959	-
EXECUTIVE MEMBER																
MR.NASSER MOAHMMED AL-DUEB	100,000	12,000	10,000	-	-	-	122,000	-	-	-	-	-	-	-	122,000	-
Total	672,000	72,000	60,000	-	-	-	732,000	-	-	-	-	-	-	-	732,000	-

*His membership started on the 17th of September 2023

**His membership ended on the 16th of September 2023

Executive Committee Members Remuneration

#	Name of the Member	Role	FIXED REMUNERATION	MEETINGS ATTENDANCE	Total
1	Mr. Abdul Mohsen Abdul Aziz Al-Fares	Chairman	-	4,000	4,000
2	Mr. Ayad Abdul Aziz Al-Nafei	Member	-	4,000	4,000
3	Dr. Nasser Abdul Rahman Al-Rashid	Member	-	4,000	4,000
4	Mr. Nasser Mohammed Al-Dueb	Member	-	4,000	4,000

Audit Committee Members Remuneration

#	Name of the Member	Role	FIXED REMUNERATION	MEETINGS ATTENDANCE	Total
1	Mr. Fawzi Abdullah Al-Suwayeh	Chairman	-	8,000	8,000
2	Dr. Hesham Mohammed Al-BarraK	Member	11,616	2,000	13,616
3	Mr. Suleiman Abdullah Al-Suqair	Member	11,616	2,000	13,616
4	Mr. Abdulaziz Abdullah Al-Aql	Member	-	6,000	6,000
5	Mr. Sultan Abdulaziz Al-Mashouq	Member	28,384	4,000	32,384

*His Membership started on 17 September 2023

**His Membership Ended on 16 September 2023



Nomination and Remuneration Committee Members Remuneration

#	Name of the Member	Role	FIXED REMUNERATION	MEETINGS ATTENDANCE	Total
1	*Mr. Khalid Abdullah Al-Romeih	Chairman	-	4,000	4,000
2	Mr. Ayad Abdul Aziz Al-Nafei	Member	-	10,000	10,000
3	Mr. Abdul Mohsen Abdul Aziz *Al-Fares	Member	-	4,000	4,000
4	Mr. Fawzi Abdullah Al- **Suwayeh	Chairman	-	6,000	6,000
0	**Mr. Nasser Mohammed AlDueb	Member	-	6,000	6,000

*His Membership started on 17 September 2023

**His Membership Ended on 16 September 2023

Nomination and Remuneration Committee Members Remuneration

* Fixed Remuneration	Salaries	2,585,924
	Allowances	428,708
	In-Kind Benefits	0
	Total	3,014,632
** Variable Remuneration	Periodical Remuneration	1,138,542
	Profits	0
	Short-term Incentive Plans	0
	Long-term Incentive Plans	0
	Granted Shares	0
	Total	1,138,542
***End-of-service Award		578,640
****Board Executives Total Remuneration		112,000
Total		4,843,814

* The salaries of the senior executives for the fiscal year 2023

** The end of the year bonuses for the senior executives during the fiscal year 2023

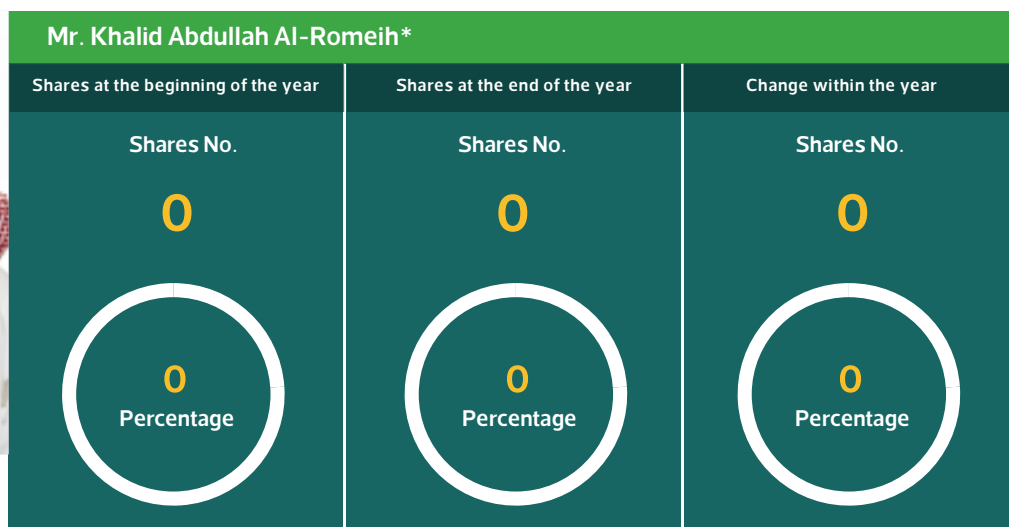
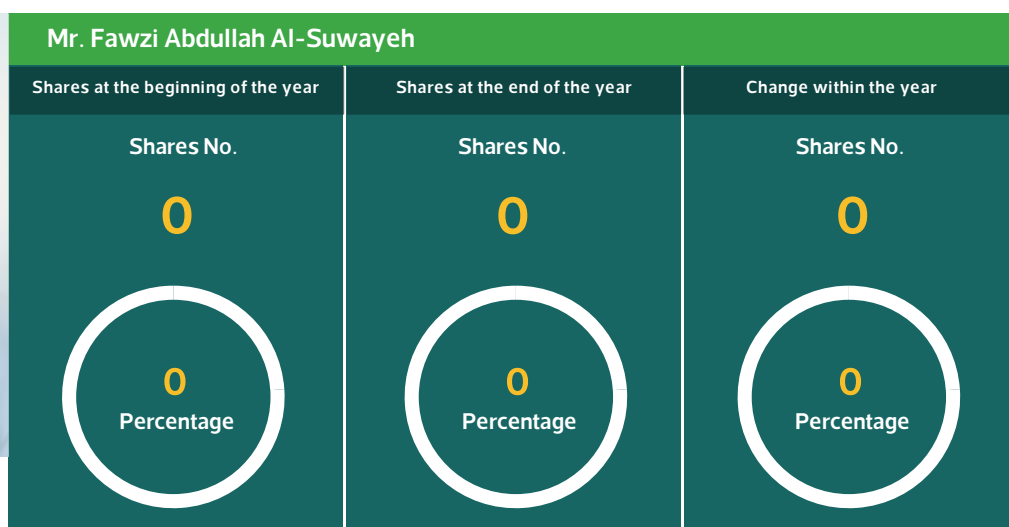
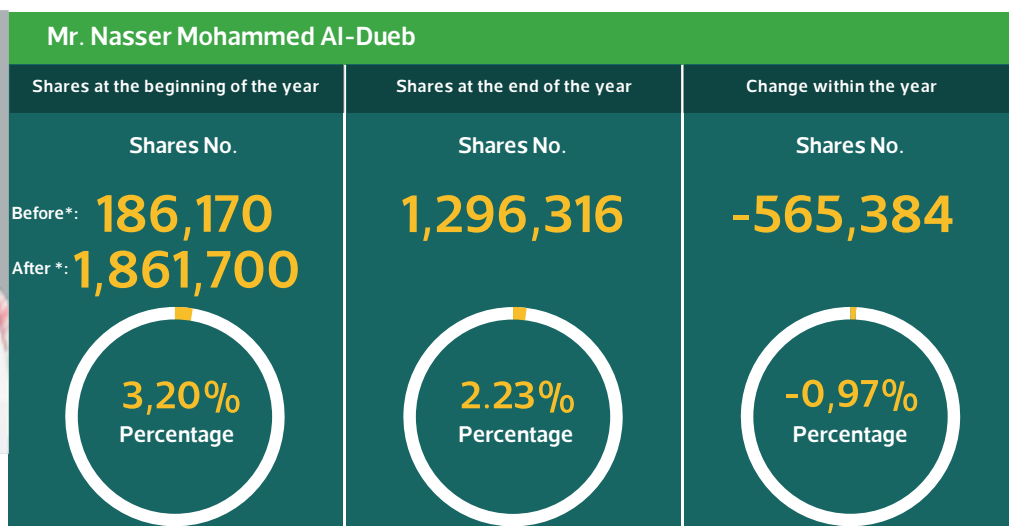
*** The calculation of the end of service for the senior executives during the fiscal year 2023

**** The fixed and the meetings attendance rewards for His Excellency the Managing Director during the fiscal year 2023

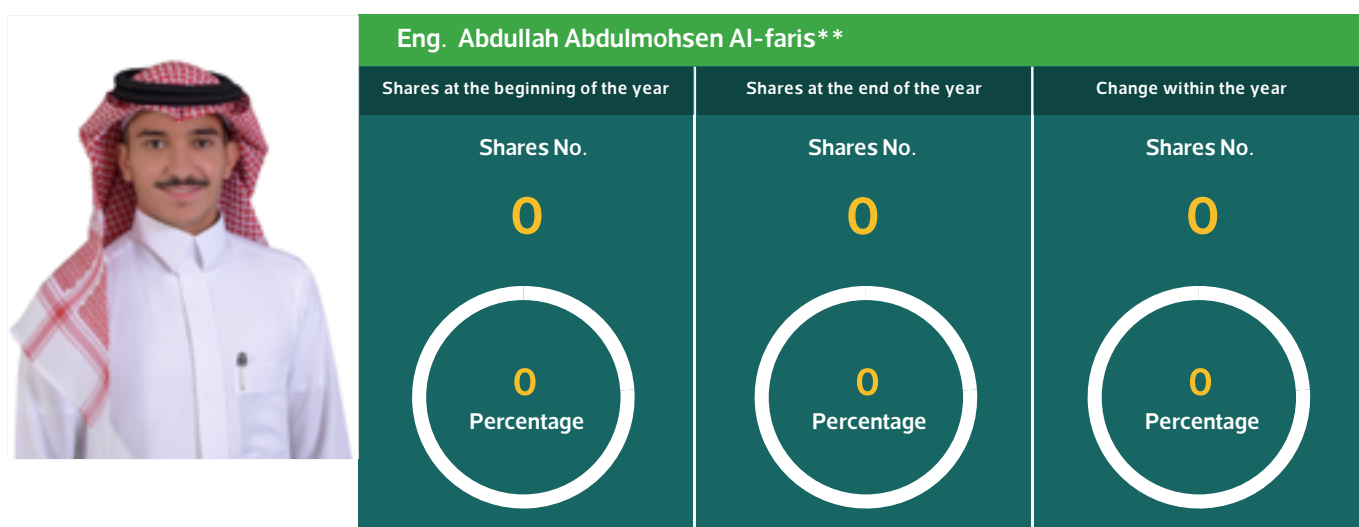
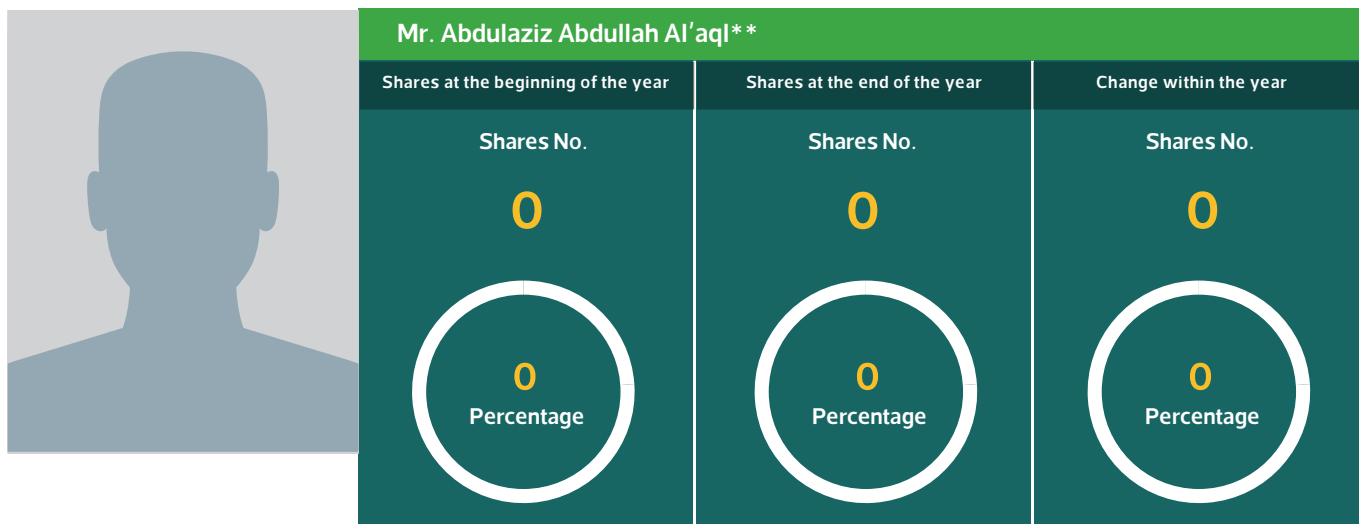
Equities of Board of Directors and their families at Company's shares

	Mr. Ayad Abdulaziz Alnafeei		
	Shares at the beginning of the year	Shares at the end of the year	Change within the year
	Shares No.	Shares No.	Shares No.
	Before*: 1,380,061 After*: 13,800,610  23.76% Percentage	13,920,750  23.96% Percentage	120,140  0,20% Percentage
	Mr. Abdulmohsen Abdulaziz Alfaris*		
	Shares at the beginning of the year	Shares at the end of the year	Change within the year
	Shares No.	Shares No.	Shares No.
	Before*: 1,291,731 After*: 12,917,310  22.40% Percentage	12,917,310  22.40% Percentage	0  0 Percentage
	Dr. Nasser Abdulrahman Al-Rashid		
	Shares at the beginning of the year	Shares at the end of the year	Change within the year
	Shares No.	Shares No.	Shares No.
	Before*: 96,629 After*: 966,290  1,66% Percentage	1,026,161  1.76% Percentage	59,871  0.10% Percentage

*It should be noted that the company (General Assembly) has divided the price per share from Ten (10) Riyals to one (1) Riyal based on the minutes of the extraordinary general assembly meeting dated 05/04/2024



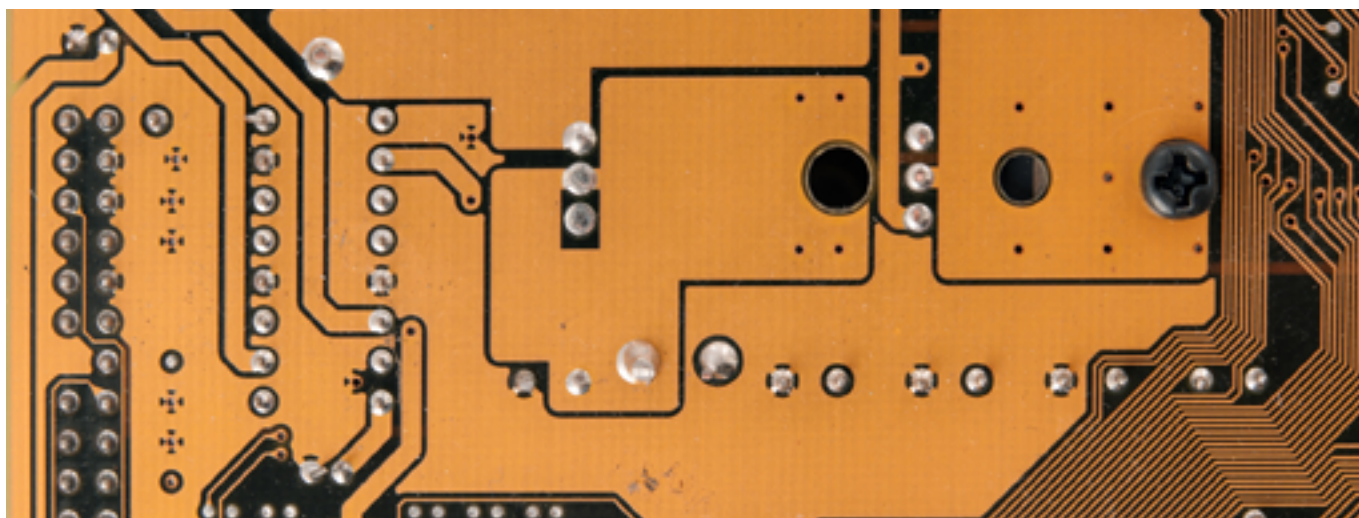
*It should be noted that the company (General Assembly) has divided the price per share from Ten (10) Riyals to one (1) Riyal based on the minutes of the extraordinary general assembly meeting dated 05/04/2024



* He joined The Board in the new session at 17 September 2023

** His membership ended at the previous session at 16 September 2023

It should be noted that the company (General Assembly) has divided the price per share from Ten (10) Riyals to one (1) Riyal.



Audit, Internal Monitoring, and Audit Committee Findings

A specialized internal auditor was appointed to perform internal audit functions for the year that ended on 31 December 2023. Adhering to the internal audit standards issued by the Institute of Internal Auditors, the Internal Audit Department evaluated the adequacy and effectiveness of the internal monitoring system in accordance with an annual plan approved by the Audit Committee. The plan included reviewing general accounting controls, accounts receivable and payable, revenue accounts, accounts receivables, accounts payable, costs, fixed assets and other assets. The Internal Audit Department submitted its findings to the Audit Committee, which in turn submitted its reports on the matter to the Board of Directors. Based on the reports of the company's external and internal

auditor, and considering that such reports did not identify any material weaknesses in the company's internal monitoring systems, the Audit Committee believes that the company's executive management has maintained an effective internal monitoring system. The scope and extent of audit activities, along with the discussions held by the Audit Committee during its regular meetings, provided the Committee with a reasonable basis for this conclusion, taking into consideration that no internal monitoring system, regardless of its effective design and sound implementation, can provide absolute assurance about the effectiveness of the implemented internal monitoring system.

Company's Auditor Report



Baker Tilly International was approved as the company's external auditor by the Ordinary General Meeting held on June 13th, 2023 for the year that ended on 31 December 2023. The company's external auditor's report did not involve any reservations regarding the annual financial statements for the fiscal year 2023.

Board of Directors Acknowledgements

Based on the Bylaws of the National Environmental Recycling Company (Tadweeer) and the Auditor's report, the Board of Directors acknowledges the following:

- ⦿ The accounting records have been prepared correctly.
- ⦿ The internal monitoring system has been prepared based on sound foundations and implemented effectively.
- ⦿ There is no doubt about the company's ability to continue its activity.
- ⦿ No member of the Board of Directors is involved in any business that competes with the company's activities.
- ⦿ There are no convertible debt instruments, securities, or contractual rights of subscription, or similar rights issued or granted by the company, and no compensation has been received by the company in exchange for such instruments, securities, or rights.
- ⦿ There have been no conversion or subscription rights under convertible debt instruments or any securities, subscription rights, or similar rights issued or granted by the company during the year 2023.
- ⦿ There were no material conflicts of interest during the year 2023.
- ⦿ There has been no redemption, purchase, or cancellation by the company of any redeemable debt instruments, and the value of the remaining securities is disclosed, with a distinction between listed securities purchased by the company and those purchased by its subsidiaries.
- ⦿ No other investments or reserves have been created for the benefit of any of the company's employees.
- ⦿ There are no interests, securities, contractual securities, or subscription rights in the shares or debt instruments of the company or any of its subsidiaries held by members of the Board of Directors or senior executives or their relatives. Hence, there has been no change in such interests or rights during the fiscal year 2023 other than what was disclosed in this report.
- ⦿ There are no interests in the voting class of shares held by persons (other than members of the Board of Directors or senior executives and their relatives) who have notified the company of such rights. Hence, there has been no change in such interests or rights during the fiscal year 2023.

Board of Directors Confirmations

In accordance with the governance regulations issued by the Capital Market Authority and the company's governance regulations, the Board of Directors confirms the following:

- ⦿ The company is committed to protecting the rights of shareholders and not discriminating between shareholders who own the same class of shares and not withholding any right from them in a manner that ensures fair dealing for all shareholders.
- ⦿ The company has not received a request from shareholders owning 10% or more to hold the general assembly meeting during the expired year, and it has not been held.
- ⦿ The company has not received a request from shareholders owning 10% or more to add one topic or more to the agenda of the general assembly meeting while preparing for it.
- ⦿ The company has not received a request from the company's external auditor to hold the general assembly meeting during the year 2023.
- ⦿ The company has not developed any procedure that may hinder the shareholder's use of his right to vote.
- ⦿ The company has not given any cash loan of any kind to any member of its Board of Directors, nor has it guaranteed any loan contracted by a member of its Board of Directors with others.

Procedures Taken by the Board to Inform Its Members of Shareholders' Comments

Through its meetings, the Board of Directors informs all its members of the inquiries and comments of the shareholders on the company's performance.

Board Performance Evaluation

The Nominations and Remuneration Committee will work on evaluating the Board's performance during the next year by contracting with an external party (a neutral party) in a way that meets the requirements of the supervisory authorities.

Audit Committee's Recommendation about Appointing an Internal Auditor

Based on the authorities and tasks of the Audit Committee, the Committee has approved the scope of work and fees for internal audit and submitted its recommendation to appoint an internal auditor to the Board of Directors.

Tadweer Announcements

No.	Announcement Title	Announcement Date
1	The National Environmental Recycling Company's announcement of main production unit's operations commencement.	2/11/2023
2	The National Environmental Recycling Company's announcement of appointing the Chairman and Vice Chairman and Formation of the Board Committees.	17/9/2023
3	The National Environmental Recycling Company's corrective announcement of the announcement of preliminary financial results for the Period Ended 30-6-2023 (6 Months).	30/8/2023
4	The National Environmental Recycling Company's announcement of appointing a Financial Consultant to manage the transition to the main market.	27/8/2023
5	The National Environmental Recycling Company's announcement of Board of Directors' Approval to Move to the main market.	13/8/2023
6	The National Environmental Recycling Company's announcement of preliminary financial results for the Period Ended 30-6-2023 (6 Months).	13/8/2023
7	The National Environmental Recycling Company's announcement of the Ordinary General Assembly Meeting Results (The first meeting).	14/6/2023
8	The National Environmental Recycling Company's announcement of Inviting its Shareholders to Attend the Ordinary General Assembly Meeting (The first meeting).	22/5/2023
9	The National Environmental Recycling Company's announcement of launching a new production line.	30/4/2023
10	The National Environmental Recycling Company's corrective announcement on the annual financial results ended 31-12-2022.	25/4/2023
11	The National Environmental Recycling Company's announcement of opening the candidacy for Board membership.	13/4/2023
12	The National Environmental Recycling Company's announcement of the Extraordinary General Assembly Meeting results (The first meeting).	6/4/2023
13	The National Environmental Recycling Company's announcement of the annual financial results ended 31-12-2022.	29/3/2023
14	The National Environmental Recycling Company's corrective announcement on Inviting its Shareholders to attend the Extraordinary General Assembly Meeting.	19/3/2023
15	The National Environmental Recycling Company's announcement of Inviting its shareholders to attend the Extraordinary General Assembly Meeting (The first meeting).	15/3/2023
16	The National Environmental Recycling Company's announcement of Board of Directors' recommendation of the segmentation of nominal value of share.	26/2/2023
17	The National Environmental Recycling Company's announcement of signing a memorandum of understanding with Saline Water Conversion Corporation (SWCC).	17/1/2023
18	The National Environmental Recycling Company's announcement of signing contracts with Tebrak Trading and Contracting Company and Mounes Mohamed Alshayeb for Civil Construction "MOBCO Group".	4/1/2023

Shareholders' General Assemblies

The General Assembly of Shareholders is considered to be the highest authority in the company and has exclusive powers that include appointing and dismissing members of the Board of Directors, approving the consolidated financial statements, appointing the Audit Committee and the external auditor and determining their fees, approving the regulations related to the Audit Committee and the Nomination and Remuneration Committee, which must include their procedures, duties, rules for selecting members, candidacy process, tenure, and remuneration, approving and distributing dividends in accordance with the recommendation of the Board of Directors, increasing or decreasing the company's capital and amending the bylaws.

Tadweeer Company is committed to choosing the appropriate time and place for holding the General Assembly Meeting to allow the largest possible number of shareholders to attend. The company has also adopted a remote electronic voting system to facilitate shareholders' exercise of their voting rights if they are unable to attend in person. In accordance with the bylaws and the company's governance system on the provisions related to the Shareholders' General Assembly Meeting that ensure the necessary procedures and measures in order to ensure that all shareholders exercise their legal rights.

The following table shows the shareholders' general assembly meetings and a statement of members' attendance of the meetings:

Name	Extraordinary General Assembly Meeting of 05/04/2023	Ordinary General Assembly Meeting of 13/06/2023
Mr. Ayad Abdul Aziz Al Nafei	✓	✓
Dr. Nasser Abdul Rahman Al Rashid	✗	✓
Eng. Abdullah Abdul Mohsen Al Faris	✓	✓
Mr. Fawzi Abdullah Al Suwayeh	✗	✗
Mr. Abdul Aziz Abdullah Al Aql	✗	✓
Mr. Nasser Mohammed Al Dhwaieb	✓	✓

Dividend Distribution Policy

According to the Bylaws, the company's annual net profits shall be distributed as follows:

- 1 (10%) of the net profits shall be allocated to the company's regular reserve. The General Assembly may decide to discontinue this allocation once this reserve reaches (30%) of the paid-up capital.
The mentioned Assembly may also deduct from the net profits sums to establish social institutions for the company's employees or to assist any existing institutions.
- 2 The General Assembly may, upon the recommendation of the Board of Directors, allocate a percentage of the net profits to form a contractual reserve that is to be dedicated as the General Assembly may consider the best interests of the company.
- 3 The General Assembly may decide to form other reserves to the extent that serves the company's interests or ensures the distribution of stable dividends to the shareholders as much as possible.
- 4 The General Assembly shall determine the percentage of dividend distribution to shareholder, based on the recommendation of the Board of Directors, after deducting reserves if any.
- 5 The company may distribute interim dividends to its shareholders on a semi or quarterly-annual basis according to the controls issued by the Capital Market Authority.

Dividends Distributed During the Year

No dividends were distributed to shareholders during the fiscal year that ended on 31 December 2023.

Social Responsibility

A-The National Environmental Recycling Company pays special attention to activities that serve and benefit society, as the strategy and philosophy of recycling raw materials into other useful products is based on the philosophy of protecting society from various harmful substances and converting them into safe and useful materials, and in this regard the company's interest meets the societal return, to build a pure society free of harmful substances.

B-The company also carries out other societal roles with direct participation in developing the capabilities of the youth and raising their practical skills in their fields of

specialization, including the company's efforts to train future youth for practical life in the field of Cooperative training which was established with universities and other educational institutions.

C- In addition to what was mentioned, the company works to participate in government events and occasions, such as "Hackathon" held by the Saudi Industrial Development Fund, which helps the youth coming into working life by guiding them towards the right path in inventing innovations that benefit society, the company also contributes to good initiatives, such as the "Istibdal," which reduces the environmental damage facing the

Shareholders Registry Requests

No.	Type of File	Date of Request	Reason for the Request
1	Shareholders' Ownerships	05/03/2023	Company's Procedures
2	Shareholders' Ownerships	05/04/2023	General Assembly
3	Shareholders' Ownerships	16/05/2023	Other
4	Restrictions	17/05/2023	General Assembly
5	Shareholders' Ownerships	11/06/2023	General Assembly
6	Shareholders' Ownerships	03/09/2023	Company's Procedures
7	Shareholders' Ownerships	08/10/2023	Other
8	Shareholders' Ownerships	09/11/2023	Company's Procedures
9	Shareholders' Ownerships	16/11/2023	Company's Procedures

Shareholders' Relations

Stemming from the company's Keenness and interest in shareholder rights, and as a part of the Board of Directors' recognition of its responsibilities towards shareholders in manners that achieve a communication based on a shared understanding of the company's strategic objectives and interests, the company has incorporated all shareholder rights into its Bylaws, Company's Governance Code, and related internal regulations.

Hence, Tadweer Company is dedicated to providing all shareholders with entirety of information in a transparent and unbiased manner which empowers shareholders to fully exercise their rights at general meetings. The company also Keeps all the shareholders informed about the latest developments through its website and the Saudi Stock Exchange (Tadawul) platform.

Shareholders Relations Manager



Abdullah bin Fahad Al Masoud

Shareholders Relations Manager

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