Agenda of the 13TH General Assembly

<u>Ordinary meeting</u>

Dated April 6, 2021 AD

Agenda for the 13th Ordinary General Assembly Meeting (First Meeting)

Through Contemporary Technology

Scheduled for 7:00 PM on Sunday 06 / 04/ 2021G (corresponding to 24/08/1442H) remotely through contemporary technology via the URL (www.tadawulaty.com.sa)

#	Voting items
1.	**To vote on the Board of Director's report for the fiscal year ending on 31/12/2020.**
2.	**To vote on the auditors' report for the fiscal year ending on 31/12/2020**
3.	**To vote on the financial statements for the fiscal year ending on 31/12/2020.**
4.	**To Vote on the appointment of an external auditor for the company from the candidates nominated based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the second quarter, third quarter, and the annual of the fiscal year 2021, and the first quarter of the fiscal year 2022, and determine the fees.**
5.	**To vote on the business and contracts that will take place between the company and "Rumooz Al-Fakherah For Trading Company", where two of the Board members (Mr. Mohammad Rasheed Al-Rasheed) and (Mr. Saleh Rasheed Al-Rasheed), as related parties, have direct interest, for one more year. The total value of the transactions done in the year 2020 was (5,587,435) Saudi Riyals, representing sales made on commercial basis and with non-preferential terms.**
6.	**To vote on the discharge of the members of the Board of Directors for the fiscal year ending on 31/12/2020.**
7.	**To vote on disbursing an amount of SAR 900,000 as a remuneration for the members of the Board of Directors, for the fiscal year ending on 31/12/2020.**
8.	**To vote on authorizing the Board of Directors to distribute interim dividends on a semi-annual / quarterly basis for the fiscal year 2021.**
9.	**To vote on disbursing an amount of SAR 175,000 as a remuneration for the members of the audit committee, for the fiscal year ending on 31/12/2020.**
10.	**To vote on the Board of Directors decision to appoint Mr. Yousef Abdullah Al-Mutlaq (independent member), as a member in the Audit Committee, as of 01/10/2020 to the end of the current session on 09/04/2022, succeeding the resigned member Mr. Saleh Rasheed Al-Rasheed (non-executive member). The appointment will take effect from the decision date on 29/09/2020, as per the audit committee's bylaws**

شركة إتحاد مصانع الأسلاك
United Wire Factories Company

أسلاك
Aslak

United Wire Factories Company

The annual audit committee report

For the fiscal year ending December 31, 2020

شركة إتحاد مصانع الأسلاك
United Wire Factories Company

أسلاك
Aslak

The annual audit committee report of the United Wire Factories Company For the fiscal year ending on December 31, 2020

To the respected shareholders / shareholders of the United Wire Factories Company

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

The audit committee of the United Wire Factories Company is pleased to submit its annual report for the fiscal year ending 12/31/2020 AD, the audit committee is an independent committee formed by a decision of the company's ordinary general assembly, with a mandate to monitor the company's business and verify the accuracy and integrity of the reports and financial statements, and accounting policies And supervise the work of the internal audit and the external auditors and then report on the adequacy and reliability of the internal control systems to achieve the company's goals.

Formation of the Audit Committee:

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

Mr. Saleh Rashid Al-Rasheed resigned from the Audit Committee on October 1, 2020 for reasons of his own. Mr. Youssef Abdullah Al-Mutlaq was appointed as an independent member of the Audit Committee on October 1, 2020 with the approval of the Board of Directors, and this appointment will be submitted to the first meeting of the General Assembly for approval.

Committee Meetings:

The committee held 5 (five) meetings during the fiscal year 2020 AD, 4 meetings were held remotely through modern technology , in line with the precautionary actions taken by the Kingdom to confront the Coronavirus - Covid 19 pandemic.

The most prominent work done by the committee Within the scope of its competence

The audit committee carried out many activities and actions during the fiscal year 2020 AD, most notably:

- Study the initial quarterly and annual financial statements of the company for the fiscal year ending on 31/12/2020 AD and submit the recommendation to the Board of Directors for approval.

- Reviewing the accounting policies and procedures that were followed in preparing the financial statements and the extent of their compliance with the international accounting standards adopted in the Kingdom of Saudi Arabia (IFRS).

- Study the management letter issued by the auditor and the extent of management's commitment to implementing the recommendations contained therein.
- Study contracts with related parties as defined by the applicable laws, rules and regulations.
- Supervising the relationship between the administration and the external auditor.
- Studying the external auditor's audit offers and recommending the appointment of the external auditor for the year ending 31/12/2021 AD.
- Discussing the internal auditor's study on assessing the risks of the company.
- Reviewing and approving the internal audit plan for the fiscal year 2020 AD according to the risk assessment study.
- Study the internal audit reports and follow up the implementation of the recommendations contained therein with the management according to their degree of importance.
- The committee recommended an extension to the internal auditor to complete the company's 2020 internal audit plan, which ends during the first quarter of 2021.
- Studying the offers of the internal auditor and recommending the appointment of the internal auditor for the year ending 31/12/2021 AD.

- In addition to the aforementioned works, the audit committee takes it upon itself to carry out any other tasks assigned to it by the company's board of directors, and based on the mandate of the board of directors, the committee reviewed the draft Authority matrix and referred it to the board of directors for approval after it made sure that there are no essential procedures or observations weakening the Internal Control system.

System of internal and financial control and risk management

Control procedures and their effectiveness are extremely important and play a pivotal role in achieving the company's objectives. The company's management is responsible for preparing a comprehensive and effective internal control system. The internal control system is based on the assessment of the company's management to develop a control system commensurate with the relative importance of the financial risks and other risks inherent in the company's activities. With reasonable cost and benefit, limited regulatory controls in place. The internal control system is designed for the purpose of managing the risks of not achieving the objectives and not avoiding them, and therefore the internal control system is designed to give reasonable assurances to avoid material errors and losses related to them. In addition to the aforementioned, the audit committee periodically reviews the reports prepared by the internal and external auditors, and these reports include an assessment of the adequacy and effectiveness of internal control.

Annual financial statements ending on December 31, 2020

After the committee reviewed the annual financial statements ending on December 31, 2020 AD, the committee believes that the financial statements in all material respects comply with all relevant regulations, as the committee recommended the Board of Directors to approve the annual financial statements for the fiscal year ending on December 31, 2020.

Results of assessing internal and financial control systems and risks

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

Chairman of the Audit Committee

Khaled Mohammed Al-Khwaiter

The 5th Voting item

To vote on the business and contracts that will take place between the company and "Rumooz Al-Fakherah For Trading Company", where two of the Board members (Mr. Mohammad Rasheed Al-Rasheed) and (Mr. Saleh Rasheed Al-Rasheed), as related parties, have direct interest, for one more year. The total value of the transactions done in the year 2020 was (5,587,435) Saudi Riyals, representing sales made on commercial basis and with non-preferential terms

Date on 11 Jumada al-Akhirah 1442 H

Corresponding to 24 January, 2021 AD

To the Shareholders of United Wire Factories Company (Saudi Public Interest Company),

Riyadh – Kingdom Saudi Arabia

Subject: A statement of the Transactions and Balances between the Company and the Related Parties with companies owned by the members of the Board of Directors and shareholders of the company.

With reference to the above subject, and with reference to the Independent Limited Assurance Report issued by the external auditor - Baker Tilly K.M. Certified Public Accountants (attached),

We present to your Excellency the following a statement of the transactions that took place between the United Wire Factories Company (the company) and the relevant institution with the members of the Board of Directors of the company, according to Article (71) and Article (72) of the Saudi Companies Law, for the transactions that took place during the fiscal year ending on 31/12/2020.

Nature of relationship: Sales

Company name: Rumooz Al-Fakherah For Trading Company

The following is a clarification of the transactions that took place between Aslak Company and the associated company, the two members of the Board of Directors

company name	Relationship type	Type of transaction	The total value of the transaction during the fiscal year 2020 SR	The percentage of transactions during the fiscal year 2020 compared to sales for the same period	Balance as of 12/31/2020 SR
Rumooz Al-Fakherah For Trading Company	A company in which he owns two members of the board of directors of Aslak Company: Mr. Muhammad Al-Rasheed and Mr. Saleh Al-Rasheed	sales	5,587,435	0.72%	1,252,290

As shown, the sales of United Wires Company to the related Parties are carried out within the framework of its normal trading with customers and without any preferential or exceptional conditions.

Chairman of Board of Directors

Khaled Saad Al-Kanhal

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Independent Limited Assurance Report on the Transactions and Balances Between the Company and the Related Parties

To the Shareholders of United Wire Factories Company
Riyadh – Kingdom Saudi Arabia

We have conducted an independent limited assurance engagement to determine whether it has come to our attention a matter that makes us believe that what has been detailed in the subject paragraph below (the "Subject Matter") has not been reported and fairly presented, in all material respects, in accordance with the relevant criteria ("Applicable Criteria") hereinafter referred to below.

Subject Matter:
The subject of the limited assurance engagement is about the disclosure of transactions and balances between United Wire Factories Company ("The Company") and the related party "Rumooz Al-Fakherah for Trading Company" during the year ended December 31, 2020 provided to members of the Board of Directors and Shareholders of the Company.

The transactions between the Company and the related party consist of sales to the related party, amounting to SR 5,587,435, which were made without any preferential or exceptional conditions, and the outstanding debit balance amounted to SR 1,252,290 as of December 31, 2020.

Applicable Criteria:
Article (71) and Article (72) of the Companies' Law issued by the Ministry of Commerce.

Management Responsibility:
The Management of the Company is responsible for the preparation and fair presentation of the information mentioned in the above Subject Matter paragraph in accordance with the Applicable Criteria. In addition, the Management is responsible for implementing internal control systems that are deemed necessary to prepare and present the information contained in the above Subject Matter paragraph free from any material misstatements, whether due to fraud or error, and to apply appropriate controls, maintain adequate records, and make reasonable estimates according to the relevant circumstances and events.

Our Responsibility:
Our responsibility is to express a limited assurance conclusion on the above Subject Matter based on the assurance engagement we performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000: "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" as endorsed by the Kingdom of Saudi Arabia, along with the terms and conditions related to this engagement which have been agreed with the Company's Management.

Our procedures have been designed to obtain a limited level of assurance that is sufficient to provide a basis for expressing our conclusion. Accordingly, we have not obtained all of the evidence required to provide a reasonable level of assurance. The implemented procedures depend on our professional judgment, including the risk of material misstatements in the Subject Matter, whether due to fraud or error. We also took into consideration the effectiveness of internal control systems when determining the nature and extent of our procedures, and our engagement was not designed to provide assurance about the effectiveness of those systems.

Independence and quality control:

We have complied with independence and other ethical requirements in accordance with the Code of Conduct and Ethics for Professional Accountants endorsed by the International Professional Ethics and Conduct Standards Board for Accountants, which contain the fundamental principles of integrity, objectivity, professionalism, due care, confidentiality, and professional conduct, we are also independent of the company in accordance with the relevant code of conduct and ethics in the Kingdom of Saudi Arabia.

In addition, we comply with the International Standard on Quality Control (1) as endorsed in the Kingdom of Saudi Arabia, in order to maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable regulatory requirements.

Summary of the Performed Procedures:

The procedures performed in a limited assurance engagement differ in nature, timing, and less in scope than those performed in a reasonable assurance engagement. As a result, the level of assurance that is obtained in the limited assurance engagement is significantly less than the assurance that would be obtained if a reasonable assurance engagement was performed.

The performed procedures included -but were not limited to- the following:

- Obtain an understanding of the nature of the transactions that took place during the year ended December 31, 2020 between the Company and the related party.
- Obtain statement of account for the related party "Rumooz Al-Fakherah for Trading Company" and comparing the total transaction volume amounting to SR 5,587,435 with the statement submitted by the Company's management to members of the Board of Directors and Shareholders.
- Examine, on a sample basis, the transactions to their supporting documents to verify their correctness.
- Obtain confirmation as of December 31, 2020 amounting to SR 1,252,290 from the related party.
- Review the minutes of meetings of the Company's Board of Directors which included his approval of the works and contracts that have been completed.

Limited Assurance Conclusion:

Based on our limited assurance procedures performed, and the evidence obtained, nothing has came to our attention that caused us to believe that what was detailed in the above Subject Matter paragraph and reported in the attached letter, has not been properly reported and presented fairly, in all material respects, in accordance with the applicable criteria.

BAKER TILLY MKM & CO.
Certified Public Accountants

Ayad Obeyan Alseraihi
License No. 405

Riyadh on Jumada II 11, 1442H
Corresponding to January 24, 2021G

بيكر تيلي
م ك م وشركاه
محاسبون قانونيون
CPA
ترخيص ٣٢٣ /١١ /٤٧٩ License 323/11/479
BAKER TILLY
MKM & CO.

The 10th Voting item

To vote on the Board of Directors decision to appoint Mr. Yousef Abdullah Al-Mutlaq (independent member), as a member in the Audit Committee, as of 10/01/2020 to the end of the current session on 09/04/2022, succeeding the resigned member Mr. Saleh Rasheed Al-Rasheed (non-executive member). The appointment will take effect from the decision date on 29/09/2020, as per the audit committee's bylaws

Form No. (1) Resume

A) Personal information of the Nominated Member			
Full name	Youssef Abdullah Almutlaq		
Nationality	Saudi	Date of birth 1/9/1970AD	

B) Academic Qualifications of the Nominated Member				
#	Qualifications	Specialization	Date of obtaining the qualifications	Name of Awarding Entity
1	Diploma	Industrial management	1998AD	King Saud University
2	Bachelor	Mechanical Engineering	1992AD	King Saud University
3	Master	Business Administration	2003AD	King Saud University
4				
5				

C) Work Experience of the Nominated Member	
Period	Areas of Experience
1996-2004	ACE company
2004-2007	Omar Alessay
2007-2010	Al-Rajhi Investment Group+ head officer of CMC
2010-2015	CEO Al-Essa Industries Group+ Chairman of the Board of Directors of the Arab Hanteer Company
2016-2018	Partner in Qudra Power Company+ Member of the Board of Directors of Al-Jazirah Home Appliances Company

D) Current membership in the board of directors of other joint stock companies (listed or non-listed) or any other company, regardless of its legal form or the committees deriving from it:						
#	Company name	Main activity	Membership type (executive, nonexecutive, independent)	Nature of the membership (in personal capacity, representative of legal person)	Committees Membership	Legal form of the company
1	Asni company for advanced technology					
2	Ridayat industrial commercial company					
3	Qudra investment company					
4	Rima investment company					
5	Own investment company					