



Middle East Paper Company
شركة الشرق الأوسط لصناعة وإنتاج الورق

BOARD OF
DIRECTORS'
REPORT
FOR FINANCIAL
YEAR 2022

Chairman of the Board Message

Dear Shareholders of the Company

On behalf of the Board members, I am pleased to present to you the Board of Directors' Report that details the Company's main business activities, financial results, and achievements obtained during 2022. In spite of fierce competition, we, driven by the effort of all Stakeholders, realized the target growth, achieved record results, and delivered a best-in-class performance during 2022. The net profit reached SAR 269 million, 22.2% more than the previous year. During 2022, the Company also recorded an all-time high revenue of SAR 1187 million. Since its inception, the Company's solid foundations have enabled it to play a critical role in the paper industry in the Kingdom and MENA region. Powered by its

Board of Directors

- The Board of Directors is elected by the General Assembly. It is delegated to direct, run and operate MEPCO. The Board is well aware of its legal responsibilities whereby it is responsible to the Shareholders for the operation of the Company's affairs in a manner that secures the Shareholder's interests. Moreover, the regulations of both the corporate governance and the Board provide detailed provisions on the formation of the Board, its Committees, competencies, responsibilities, meetings, member privileges and duties, along with emphasizing the active participation in the business of the Board via decision-making processes. Additionally, those regulations strictly govern conflicts of interests between the Board members and the Company. Further, they also embed honesty, trustworthiness and due diligence into the code of conduct of our business. MEPCO's Articles of Association specify the number of Board members, their remunerations and powers, in addition to their appointment and termination of membership, taking into account the size and nature of MEPCO's business and the expertise required for membership.
- MEPCO's Board of Directors is composed of 8 members of whom 5 are independent members. They were elected by the Company's General Assembly in November 2022 for a 3-year term as of 14th November 2022.

history, the Company is working on developing its capabilities to keep up with market growth, expand its business and diversify its products to fulfill the local and global demand. The Board of Directors approved the development strategy of the Company and its subsidiaries to adapt to the rapid change in the business environment. We value the contribution of the Board, its Committees and Executive Management to establish the best practices, promote good governance, improve controls, risk management and social responsibility, preserve environment and intensify its social engagement in line with the Kingdom's Vision 2030.

Key roles and responsibilities of the Board include, but are not limited to, the following:

- Develop plans, policies, strategies, and major objectives for the Company. To oversee and periodically review such items and their implementation, ensuring the availability of the required human and financial resources and establishing, as well as broadly supervising, systems and internal audit controls.
- In accordance with regulatory requirements and best practices, review and update the rules of corporate governance and verify the Company's compliance therewith.
- Oversee the Company's financial management and cash flows, as well as its financial and credit relationship with others.
- Prepare interim and annual financial statements of the Company along with the proposed mechanism for dividends and approve the same for presentation.
- Draft and approve the Board report before release.
- Devise policies and procedures that govern the Company's compliance with the rules and regulations, and its commitment to disclosing material information to Shareholders, creditors and other Stakeholders. Ensure that the Executive Management acts accordingly.
- Ensure the accuracy and integrity of data and information that is required to be disclosed by relative policies and regulations.
- Create effective communication channels allowing Shareholders to access various Company activities and material developments constantly and periodically.

a) Composition and classification of the Board at the end of 2022

Name	Position	Membership
Mr. Musaab Sulaiman Al Muhaidib	Chairman	Non-Executive
Eng. Abdullah Abdulrahman Almoammar	Vice Chairman	Non-Executive
Mr. Emad Abdulkader Al Muhaidib	Member	Non-Executive
Mr. Walid AlMonie*	Member	Independent
Mr. Rakan Mohamed Abunayyan*	Member	Independent
Mr. Rob Jan Renders*	Member	Independent
Mr. Victor Sanz Martinez*	Member	Independent
Ms. Hawazen Nazih Nassief*	Member	Independent
Mr. Abdulelah Abdullah Abunayyan**	Member	Non-Executive
Mr. Khaled Salem Mohammed Al Ruwais**	Member	Independent
Mr. Ahmed Mubarak Al Debasi**	Member	Independent
Mr. Walid Ibrahim Shukri**	Member	Independent
Eng. Omar Mohamed Siraj Al Najjar**	Member	Independent

*Membership started on 14th November 2022

** Membership terminated on 13th November 2022

b) Board Meetings and Attendance Record

Name	Board Meetings held during 2022					Attendance
	31st March	13th June	17 th October	14 th November	14 th December	
Eng. Abdullah Abdulrahman Almoammar	Present	Present	Present	Present	Present	5
Mr. Musaab Sulaiman Al Muhaidib	Present	Present	Present	Present	Present	5
Mr. Emad Abdulkader Al Muhaidib	Present	Present	Present	Present	Present	5
Mr. Abdulelah Abdullah Abunayyan**	Present	Present	Present	-	-	3
Mr. Khaled Salem Mohammed Al Ruwais**	-	Present	Present	-	-	2
Mr. Ahmed Mubarak Al Debasi**	Present	Present	Present	-	-	3
Mr. Walid Ibrahim Shukri**	Present	Present	Present	-	-	3
Eng. Omar Mohamed Siraj Al Najjar**	Present	Present	Present	-	-	3
Mr. Walid AlMonie*	-	-	-	Present	Present	2
Mr. Rakan Mohamed Abunayyan*	-	-	-	Present	Present	2
Mr. Rob Jan Renders*	-	-	-	Present	Present	2
Mr. Victor Sanz Martinez*	-	-	-	Present	Present	2
Ms. Hawazen Nazih Nassief*	-	-	-	Present	Present	2

*Membership started on 14th November 2022

** Membership terminated on 13th November 2022

The General Assembly held its last meeting on 24th November 2022. The Board held one further meeting as shown herein.

Board of Directors



Mr. Musaab Sulaiman Al Muhaidib

Position

Chairman of the Board

Qualifications

Bachelor's degree in Business Management, Miami University
 Master's degree in Business Management, Liverpool University

Experience

Musaab S. Al-Muhaidib is extensively experienced in Strategies and Business Visibility Improvement. Lead strategic design, business development, market positioning, management of networks, performance management, financial management, and brand development. Musaab transformed business results

in key areas and ensured significant increases in market share, growth, and profitability. Entrepreneur and investor with in-depth experience building and supporting businesses to achieve strategic objectives and thrive in a fast-paced environment. Musaab is part of many boards of influential organizations. He is currently the Chairman Masdar Group, Ebda Entertainment, Seedra Ventures and Goldman Sachs Saudi. He is on the board of Al Muhaidib Group, Shaker Group, Riyadh Chamber, Tasnee, JLL Saudi and Sabbar Company, And other companies with diversified field of industries. In his previous experience with Masdar Group, he served as CEO and was responsible for financial planning & growth, and P&L. Musaab holds an MBA from the University of Liverpool and undergraduate degree in Finance from the University of Miami.



Eng. Abdullah Abdulrahman Almoammar

Position

Vice Chairman of the Board and Head of the Strategic Committee

Qualifications

Bachelor of Industrial Engineering, King Saud University
 MA in Business Administration, King Fahd University

Experience

Almoammar is an experienced Founding Partner in MEPCO with a demonstrated history of working in the paper, Starch & Glucose, waste management and Education products industry. with an MBA and Industrial Engineering from King Fahd University of Petroleum & Minerals.



Mr. Emad Abdulkader Al Muhaidib

Position

Board Member

Qualifications

Bachelor of Commerce
 Honorary Doctorate Degree

Experience

Emad Abdulkadir Al Muhaidib is the Vice President of the Al Muhaidib Group and the Chairman of several companies of the Group such as Masdar, Thabat Construction, United Feed Company, Al Badia

Cement, and others, previous Chairman of Middle East Paper Company (MEPCO), Waste Collection and Recycling Company (WASCO). He is also a Board Member of several other companies. Emad works at the Group's West side office in Jeddah and manages its business development efforts in the Western Region of the Kingdom of Saudi Arabia. Emad is also involved in social and non-profit work as the Chairman of the Al Muhaidib Social Foundation and a member of the Board of Makkah Governorate and Vice President of the Economic and Social Committees in the Governorate. He is also a member of several charitable and non-profit societies.



Mr. Victor Sanz Martinez

Position

Board Member

Qualifications

Bachelor of Arts in Business Management, Sarkasta University Master of Arts in Business Management, ESADE University

Experience

Senior General Manager with more than 30 years of s extensive experience in industrial (focused on paper and cardboard sector), strategy and sustainability expertise, Bachelor in BA, MBA

(ESADE), IC-A Certificate, Digital Transformation (BCG) with fluency in English and French languages. Independent Board Member for M&A and Strategic Business Plan in General Industry, Energy, Telecom and Healthcare sector. EMBA – ESIC Business School Lecturer. Customer-oriented. Team motivator, focused on the dynamics of challenging projects, with analytical and forward thinking. He has led the internationalisation process in four countries; Merge and acquisition more than 20 companies; Start-up 15 new industrial facilities; Track record of several strategic plans with outstanding outcomes in EBITDA generation, turnover growth, diversification to income from services, and digital transformation.



Mr. Walid AlMonie

Position

Board Member

Qualifications

Bachelor of Arts in IT Systems, Freezer Valley University
Master's degree in IT Management, Macquarie University

Experience

Mr. Waleed Almonie is an expert in the strategy and project management domains. He has worked extensively on organizational transformation projects in key large scale entities including strategies' formulation and execution in multiple areas such as Information Technology, optimising business models and HR.



Rakan Abunayyan

Position

Board Member

Qualifications

Bachelor's Degree in Entrepreneurship/
Entrepreneurial Studies, Suffolk University

Experience

Rakan is a Chief Executive officer at Afaq Express, a fully integrated logistics company focusing on first mile services. Chairman of Afaq Foods, A restaurant operator with 4 brands.

Investment professional with Previously held roles in positions at vision Invest in the asset management department as well as Abunayyan holding as an investment analyst and Abraaj Group as a private equity analyst. Previously a Board member in advanced piping solutions, largest glass reinforced pipes manufacture in the eastern region.



Ms. Hawazen Nazih Nassief

Position

Board Member

Qualifications

Bachelor's of International Relations, Boston University, Master's of Law and Diplomacy, Tufts University-
The Fletcher School of Law and Diplomacy

Experience

Hawazen Nassief is the acting head of Sustainability and Stewardship at the Public Investment Fund of Saudi Arabia. Ms. Nassief has spent the majority of her career focusing on Environmental, Social and Governance (ESG), sustainability and corporate responsibility, working in several multinational companies in the US, Saudi Arabia and the UAE. She currently serves on the board of directors of Tanmiah Food Company (TFC), where she chairs the ESG committee and is a member of the Nomination and Remuneration Committee (NRC). Ms. Nassief is also a member of the Board of JLL in Saudi Arabia and the NRC of Bupa Arabia.

Previously, Ms. Nassief held several positions at National Energy Services Reunited Corp. in Houston including VP ESG and External Affairs and ESG director. She also served on the advisory council of Saleh Kamel Humanitarian Foundation, the advisory board of Iqraa Media Company, and the board of Saudi Netball. Ms. Nassief was also the ESG Advisor to the Future Investment Initiative Institute (FII Institute) and a Governance Advisor to Iqra'a Investment Company. Before that, she was the Middle East Corporate Responsibility and Technical Education for Communities Manager at Cummins Inc., and the Director of Middle East Relationship Management at Christie's Inc. Ms. Nassief also held the position of Corporate Social Responsibility (CSR) Officer at Olayan Financing Company in Riyadh, managing the CSR performance of more than 40 companies in several sectors, and was the Supervisor of Strategic Studies at Kingdom Holding Company earlier in her career. Ms. Nassief is an accomplished public speaker, a published writer and commentator, and is the recipient of the 2018 Global Impact Award and the 2018 Africa & Middle East Business Impact Award from Cummins Inc.



Mr. Rob Jan Renders

Position

Board Member

Qualifications

Bachelor's from Eindhoven University

Master's in Mechanical Engineering, University of Technology Eindhoven

Experience

Mr Renders is a business consultant. He was a board member of Duropack GmbH from 2012 until the end of May 2015, as well as CEO of Duropack from May 2013 until May 2015. From 2006 to 2010, he served as Chairman of OTOR Société Anonyme, a leading packaging provider in France. Between 1989 and 2006, he held various positions at Svenska Cellulosa Aktiebolaget (SCA), a leading global producer of hygiene products and packaging

solutions, including Mill Manager at SCA Packaging De Hoop, Managing Director of SCA Packaging De Hoop, President of SCA Packaging Containerboard, President of SCA Packaging Europe and Senior Vice President Special Project Global Packaging for SCA Group. He has various consulting positions at several leading private equity firms (Carlyle, Blackstone, One Equity Partners Europe, 3i Netherlands) and is also the Chairman of the Supervisory Board of Walki Group Oy based in Espoo (Finland), a company specializing in sustainable packaging and engineered material solutions, and an Independent Director of the board and a member of the Human Resources and Compensation Committee and Audit and Risk Committee in Sappi Limited South Africa, a multinational diversified wood fibre group. Mr.Renders has a Master's degree in Mechanical Engineering, majored in Physics, University of Technology Eindhoven, The Netherlands as well as attended various courses in Finance, Marketing and several Management Development programs.

Executive Management



Sami Ali Yousef Al Safran

Position

Group President

Qualifications

Bachelor's of Science in Chemical Engineering, King Fahd University of Petroleum and Minerals

Experience

He is the Group President of MEPCO from 2004 up to date - He was the Project Manager of the Saudi Paper Industry Company from the years 2000 until 2004 - He also served as the Technical Director of the Arab Paper Manufacturing Company (WARAQ) from 1997 until the year 2000- He served as the Technical Advisor of NALCO in Saudi Arabia.



Mr. Abdullah Al Yabis

Position

CFO

Qualifications

Master of Business Administration, Western Michigan University

Experience

He is the CFO of MEPCO since July 2022- He was appointed previously as the CFO of Arabian Geophysical & Surveying Company (ARGAS)-he was the CFO of Saipem Taqa AlRushaid Fabricators Company Ltd (STAR) - He was the Vice President of Arnon Plastics Industries Ltd and also served as the assistant to the CFO in Saad Specialist Hospital- He previously also worked as a Senior Credit Analyst, Saudi Industrial Development Fund.



Mr. Mohammad Wadih Malibari

Position

COO

Qualifications

Bachelor's in Chemistry, King Fahd University of Petroleum & Minerals

Experience

He has served as the COO of MEPCO since 2011 until now- He was the Director General of Services of WASCO- He worked as the Director General of Procurement for Saudi Arabian company, Amiantit- He was Deputy General Manager- He was the Director of the Amiantit Factory for the Production of Fiberglass - He was the Director of Quality at Amiantit Companies.



Eng. Abdulaziz Bashir Al-Jazzar

Position

General Manager of ESTIDAMA

Qualifications

Bachelor's of Applied Systems Engineering, King Fahd University of Petroleum & Minerals

Experience

He has experience in WASCO since 14 years - he was the former Assistant Director of Arab Bank in Jeddah, Saudi Arabia.

d) Companies where any Director is currently a Board member, Director or Manager:

Board Member	Mr. Emad Abdulkader Al Muhaidib	
Companies where any Director is currently a Board member, a Director or Manager	Location	Legal Entity
Emad Abdulkader Al Muhaidib and Sons	Inside KSA	Closed Joint-Stock
Al Muhaidib Holding	Inside KSA	Limited Liability
Ajyal Holding	Inside KSA	Limited Liability
Arabian Maize Company	Inside KSA	Limited Liability
United Feed Manufacturing Company	Inside KSA	Limited Liability
United Feed	Inside KSA	Limited Liability
Board Member	Eng. Abdullah Abdulrahman Almoammar	
Companies where any Director is currently a Board member, a Director or Manager	Location	Legal Entity
Arabian Maize Company	Inside KSA	Limited Liability
Recycling and Waste Collection Company Ltd	Inside KSA	Limited Liability
Al Saraya Investment Holding	Inside KSA	Limited Liability
Middle East Co for Manufacturing and Producing Paper SJSC	Inside KSA	Listed Joint-Stock
Board Member	Mr. Musaab Sulaiman Al Muhaidib	
Companies where any Director is currently a Board member, a Director or Manager	Location	Legal Entity
Hasan Ghazi Shaker Company	Inside KSA	Listed Joint-Stock
National Industrialization Company	Inside KSA	Listed Joint-Stock
Hoshan Co., Ltd.	Inside KSA	Closed Joint-Stock
Middle East Co for Manufacturing and Producing Paper SJSC	Inside KSA	Listed Joint-Stock
Al Riyadh Chamber	Inside KSA	Governmental
Goldman Sachs Saudi Arabia	Inside KSA	Closed Joint-Stock
Masdar Building Materials Group	Inside KSA	Closed Joint-Stock
Al Muhaidib Investment Entertainment Group	Inside KSA	Closed Joint-Stock
Sidra Investment Company	Inside KSA	Closed Joint-Stock
Ebda Creative Entertainment Company	Inside KSA	Closed Joint-Stock
Endeavor Saudi Arabia	Inside KSA	Closed Joint-Stock
Saudi Trades and Handicrafts Company	Inside KSA	Closed Joint-Stock
Daily Mails Company	Inside KSA	Closed Joint-Stock
Sabbar Company	Inside KSA	Closed Joint-Stock
Family Business Council Gulf	Inside KSA	Non-profit
JLL	Inside KSA	Closed Joint-Stock

Board Member	Mr. Victor Sanz Martinez	
Companies where any Director is currently a Board member, Director or Manager	Location	Legal Entity
GOTOR	Outside KSA	Limited Liability
CLEON	Outside KSA	Limited Liability
Board Member	Mr. Rob Jan Renders	
Companies where any Director is currently a Board member, Director or Manager	Location	Legal Entity
Sappi Plc	Outside KSA	Listed Joint-Stock
Walki Oy	Outside KSA	Limited Liability
Board Member	Mr. Rakan Mohammed Abunayyan	
Companies where any Director is currently a Board member, Director or Manager	Location	Legal Entity
Advanced Piping Solutions	Inside KSA	Closed Joint-Stock
Horizons Food	Inside KSA	Limited Liability
Board Member	Ms. Hawazen Nazih Nassief	
Companies where any of Directors is currently a Board member, Director or Manager	Location	Legal Entity
JLL	Outside KSA	Listed Joint-Stock
Tanmiah Food	Inside KSA	Listed Joint-Stock

e) Communication with Shareholders and investors

Observing the Board's commitment to providing complete, clear and precise information as well as updates in a timely manner to enable Shareholders to exercise their obligations fully, the Company has intensified its effort to reach out to Shareholders via digital means alongside investment conferences, and gatherings of local and global investment leading figures. The Investor Relations Department hosted a number of meetings inside the head office of MEPCO in Jeddah. Investor relations programs focused on providing immediate and accurate information to local and global investors to keep them updated of all changes and developments related to the Company's investments and financial results. The Company continued to hold video conferences with investors after each announcement of its annual and quarterly results, which provided a greater opportunity for investors and financial analysts to access all interim and annual financial and operational developments. Furthermore, the Investor Relations Department submits, by hand or via the designated e-mails, a periodic report to the Board on its various activities

with full data on Shareholders' and investors' opinions and inquiries.

f) How the Board evaluates its performance and the performance of its Committees and members

To enhance the Board and the Company's overall governance practices, MEPCO completed a corporate governance review of the Board and its Committees in 2022. It was conducted by Compass Company between June and December 2022 in collaboration with the Remuneration and Nomination Committee. Compass is an independent specialized consulting firm with which MEPCO has no business relationship whatsoever. The review covered the following 5 dimensions:

- Board leadership and governance.
- Interactions and information flows between the Board and the Management.
- Control environment and mechanisms.
- Interactions and information flows between the Board and the Shareholders.
- Commitment to good governance practices.

Board Committee Meetings

In order to ensure the optimal performance of the Company's Management and to assist the Board in fulfilling its roles, the Board formed the Remuneration and Nomination Committee and the Strategic Committee. Furthermore, the General Assembly recommend the formation of the Audit Committee, which was approved on 16th June 2019.

The Committees are composed by virtue of a charter set by the Board including the roles and responsibilities, term, competencies of the Committees, along with Board oversight mechanisms. The Committees shall with integrity inform the Board of their findings or decisions. In addition, the Board shall regularly monitor their work to ensure their commitment to their functions. Each Committee shall be accountable to the Board for its actions,

without prejudice to the Board's responsibility for those actions or the powers it delegates thereto. Moreover, the Company is committed to appointing a sufficient number of Non-Executives and Independent Board members to the Committees to carry out assignments that may be a source of conflict of interest, such as ensuring the integrity of financial and non-financial reports, reviewing the transactions of related parties, nominating candidates for Board membership, appointing senior Executives, and determining remunerations. The Chairmen, along with the Committees' members, shall act with integrity, honesty, loyalty and due diligence, as well as give due attention to the interests of the Company and the Shareholders, putting such interests before theirs.

a) Audit Committee

The General Assembly approved the formation of the Audit Committee, its charter, and the remuneration of its members for a new term as of 14th November 2022 for 3 calendar years.

The Committee consists of 4 members, most of whom are knowledgeable in finance and accounting. The Committee exercises control over the Company's business, verifies the integrity of reports and financial statements, internal controls, the Company's compliance with applicable laws and regulations, quality of risk management standards, and assists the Board to discharge its oversight responsibilities for the Company's business. Below are the key functions of the Committee:

- Studying the Company's interim and annual financial statements before being submitted to the Board, providing its opinion and recommendations thereon to ensure their integrity, fairness, and transparency.
- Examination of any significant or irregular matters contained in the financial reports.

- Delicate examination of any issues raised by the Company's Financial Manager, their delegate, Compliance Officer, or the Auditor
- Expressing technical opinion upon the request of the Board, as to whether or not the Board's report and the financial statements are fair, balanced, and intelligible.
- Reviewing the Company's internal and financial control and risk management systems and internal audit reports. Follow up on the implementation of corrective measures for the notes contained therein.
- Advise the Board on appointing the Head of the Internal Audit Department and the Compliance Officer and propose their compensation.
- Review the results of the reports by the regulatory authorities and verify the Company's compliance with laws and regulations.
- Review contracts and proposed transactions with related parties and provide the Board with recommendations and proposals.

Audit Committee Meetings and Attendance Record

Name	Membership	Position	Audit Committee Meetings held during 2022					Attendance
			14th March	26th April	7th August	31st October	13th December	
Mr. Khaled Salem Mohammed Al Ruwais	Independent	Chairman	Present	Present	Present	Present	Membership ended on the 13th of November 2022	4
Mr. Nader Mohammed Saleh Ashoor	Independent	Chairman	Present	Present	Present	Present	Present	5
Mr. Walid Ibrahim Shukri	Independent	Member	Present	Present	Present	Present	Present	5
Mr. Musaab Sulaiman Al Muhaidib	Non-Executive	Member	Present	Present	Present	Present	Membership ended on the 13th of November 2022	4
Eng. Omar Mohamed Siraj Al Najjar	Independent	Member	Present	Present	Present	.	Membership ended on the 13th of November 2022	3
Mr. Saleh Abdulrahman Al Fadhel	Independent	Member	Present	Present	Present	Present	Present	5
Mr. Mohammed Abdulkareem Mazi	Independent	Member	Present	Present	Present	Present	Present	5

b) Nomination and Remuneration Committee

The Remuneration and Nomination Committee has been created to assist the Board to discharge its oversight roles, nominate Board members and senior Executives and ensure remunerations, benefits, incentives, and salaries are strategy adherent. Its key functions include:

- Assist with developing remuneration policies for the members of the Board, its Committees, and the Executive Management. Clarify the relationship between remunerations and policies. Periodically review the remuneration policy and assess its effectiveness in achieving its objectives
- Pursuant to the approved regulations, make recommendations to the Board on the remuneration of its members and the members of its Committees as well as the senior executives
- Nominate candidates for Board membership or re-nominating its members in accordance with the approved regulations and standards. Propose

clear policies and criteria for Board membership and the Executive Management. Determine the time a member shall allocate to their roles and responsibilities

- Create a job description of Board membership and Executive Management positions
- Annually review qualifications and experience required for Board membership and Executive Management positions
- Annually review the structures of the Board and Executive Management and propose changes
- Conduct annual verification of the independence of independent members, and that no conflict of interest shall arise if any of them is a Board member in another company
- Develop job descriptions for Executive members, Non-Executive members, Independent members and senior Executives
- Lay out succession plans in the event that a Board member or senior executive position is declared vacant

Nomination and Remuneration Committee Meetings and Attendance Record

Name	Membership	Position	Remuneration and Nomination Committee Meetings held during 2022			Attendance
			28 th March	6 th June	1 st December	
Mr. Ahmed Mubarak Al Debasi	Independent	Chairman	Present	Present	Membership ended on the 13 th of November 2022	2
Mr. Musaa'id Al Qassim	Independent	Member	Present	Present	Membership ended on the 13 th of November 2022	2
Mr. Rob Jan Renders	Independent	Chairman	Joined on 14 th November 2022		Present	1
Eng. Omar Mohamed Siraj Najjar	Independent	Member	Present	Present	Present	3
Ms. Nathalie Potvin	Independent	Member	Joined on 14 th November 2022		Present	1

c) Executive Committee

Previously named the Strategic Committee, the Board decided to rename it as Executive Committee on 13th December 2022

The Committee was formed to assist the Board in carrying out its roles and responsibilities, operating and directing the Company as well as supervising the Company's Executive Management. The Committee makes recommendations and reviews the strategy-related studies and the Company objectives and investments. In general, it represents the Board in its meetings, providing the ability to respond quickly to pressing issues, in addition to assisting the Board in performing its supervisory tasks and implementing its recommendations efficiently and effectively. Its key functions are as follows:

- Take deliberate and urgent decisions to handle pressing issues.
- Follow up on preparation, implementation,

updating and occasionally reviewing the Company's long, medium- and short-term strategic plans.

- Meet with the heads of departments and other concerned personnel, as part of its function to monitor operational and financial performance of the Company and its departments.
- Nominate the Company's senior Executives in coordination with the Remuneration and Nomination Committee.
- Follow up on the implementation of the Company's estimated budgets, analyze the causes of malfunctions, if any, and make recommendations thereon.
- Conduct regular review of actual capital expenditures and compliance with the budgets approved by the Board.
- Advise on entering new investments and industrial projects, as well as the development of existing activities both vertically and horizontally.

Strategic Committee Meetings and Attendance Record

Name	Membership	Position	Strategic Committee Meetings held during 2022					Attendance
			7 th February	6 th June	3 rd July	11 th October	13 th December	
Mr. Abdulelah Abdullah Abunayyan	Non-Executive	Chairman	Present	Present	Present	Present	Membership ended on the 13 th of November 2022	4
Eng. Abdullah Abdulrahman Almoammar	Non-Executive	Member	Present	Present	-	Present	Present	4
Mr. Khaled Salem Mohammed Al Ruwais	Independent	Member	Present	Present	Present	Present	Membership ended on the 13 th of November 2022	4
Mr. Musaab Sulaiman Al Muhaidib	Non-Executive	Member	Present	Present	Present	Present	Present	5
Mr. Rob Jan Renders	Independent	Joined on 14 th November 2022					Present	1
Mr. Victor Sanz Martinez	Independent	Joined on 14 th November 2022					Present	1

d) Risk, Compliance and Environmental and Social Responsibility

In 24/04/2022 The General Assembly approved the formation and charter of the Risk, Compliance and Environmental and Social Responsibility, the committee is composed of 3 members. The committee is responsible to assist the Board in fulfilling its corporate governance responsibilities by monitoring and reviewing the Company's Governance, Risk, Compliance, Environment and Social Management systems. The following shall be the principal responsibilities of the Committee:

Governance:

1. Oversee the effectiveness and the implementation of the Group Corporate Governance framework.
2. Consider and approve the Group's Corporate Governance framework on an annual basis, or more frequently as required. This should include Governance mechanism for all areas of Risk and Compliance.
3. Provide guidance to management level committees and relevant functions of MEPCO Group on enterprise-wide risk management.
4. Provide advice, as appropriate, to the Board Nomination & Remuneration Committee ("NRC") to enable it to consider adjustments to business and function pay and reward to reflect risk management.
5. Review and approve the Group Management Committee Charters (Tier 1 Committees).
6. Overseeing the development of the Company's Governance policies and monitoring the implementation of the policies by the Executive Management across the Company including its subsidiaries.
7. Review and recommend updates to the Governance framework pursuant to statutory requirements and best practices.
8. The committee shall review the existing Governance guidelines, be attentive to developments in Governance in the local, regional, and global context, and bring ideas and recommendations for adjustments in these guidelines to the Board for its consideration.
9. Ensure that Governance Department does not face any resource constraint and has access to the committee through the (HOD – designation to be specified) to report any constraints or issues.

Risk Management (RM):

1. Setting risk appetite within which it expects management to operate and approving the Company's risk appetite statement and risk management strategy.
2. Ensuring the Company has an effective risk management framework incorporating management, operational and financial controls.
3. assess, monitor and report to the Board on the risk culture in the Company, and the extent to which that culture supports the ability of the Company to operate consistently within its risk appetite, identifying any desirable changes to the risk culture and ensuring the Company takes steps to address those changes.
4. Promoting a suitable risk culture with high standards of business ethics and corporate governance.
5. Developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the Company's activities, monitoring their implementation, and reviewing and updating them based on the Company's internal and external changing factors.
6. Ensuring the feasibility of the Company continuation, the successful continuity of its activities and determining the risks that threaten its existence.
7. Overseeing the Company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company in order to determine areas of inadequacy therein.
8. Regularly reassessing the Company's ability to take risks and be exposed to such risks (through stress tests as an example).
9. Preparing detailed reports on the exposure to risks and the recommended measures to manage such risks and presenting them to the Board.
10. oversight of senior management's implementation of the risk management strategy.
11. Constructive challenge of senior management's proposals and decisions on all aspects of risk management arising from the Company's activities.
12. Reviewing the performance, and setting the objectives of, the Company's risk management function, and ensuring has unfettered access to the Board and the Committee.

13. Providing recommendations to the Board on matters related to risk management, and advising the Board on the Company's overall current, and future, risk appetite and risk management strategy.
14. Ensuring the availability of adequate resources and systems for risk management.
15. Reviewing the organizational structure for risk management and providing recommendations regarding the same before approval by the Board.
16. Liaising with other risk committees within the Group to form an institution-wide view of the Company's current and future risk position relative to its risk appetite and capital strength.
17. Verifying the independence of the risk management employees from activities that may expose the Company to risk.
18. Ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk. and reviewing any issues raised by the audit committee that may affect the Company's risk.

Compliance:

1. Monitor implementation of Compliance Management Framework, compliance policies, procedures, practices, and controls across the company including its subsidiaries as per the subsidiary governance manual.
2. Ensure the company's compliance with laws and regulations.
3. Evaluate the performance of the Compliance Department of the company including its subsidiaries to ensure effectiveness.
4. Ensure that Compliance Department does not face any resource constraints and has access to the committee through (HOD – designation to be specified) to report any constraints or issues.
5. The committee shall provide an annual report to the Board with respect to compliance with the Code of Conduct, laws and regulation, including any breaches and corrective action taken by the committee.
6. Review the findings of compliance testing procedures to address the material violations and monitor implementation of management action plans and raise their recommendations thereon to the BOD and relevant committees.
7. Review the internal and external audit reports where compliance issues such as repeated non-compliances have been identified and monitor implementation of management action plans.

Environmental and Social matters:

1. Monitor and assess that the Company pays attention to Environmental and Social Matters in setting the Company's general strategy pursuant to Environmental and Social laws and regulations applicable in the Company.
2. Consider the need for sustainable development and developing stakeholder relationships across the MEPCO Group's activities, assessing these from a compliance and risk governance perspective.
3. Monitor, evaluate, if appropriate, and provide guidance on the Company's policies, procedures, and practices with respect to Environmental and Social Matters.
4. Review and monitor the Company's non-financial reporting pursuant to Environmental and Social laws and regulations applicable in the Company.
5. Oversee the Company's public disclosure on Environmental and Social Matters and its consistency thereof, including any sustainability reports.
6. Review and monitor the Company's initiatives to manage and mitigate its environmental impact.
7. Monitor actions or initiatives taken to prevent, mitigate and manage risks related to Environmental and Social matters which may have a materially adverse impact on the Company or are otherwise pertinent to its stakeholders and provide guidance hereon.
8. Monitor and review, as appropriate, any significant examination or audit by external auditors, regulators, or key Environmental and Social rating agencies on Environmental and Social Matters.
9. Monitor and review, as appropriate, the Company's human capital initiatives, for example, diversity and inclusion initiatives, employee wellbeing or engagement initiatives.
10. Monitor and review, the Company's social initiatives and commitments, as appropriate, including, among others, the Company's initiatives related to the field of education.
11. Coordinate with the other Board Committees for specific overlapping cases.
12. Review the internal and external audit reports where matters related to Environment and Social management issues have been identified and monitor implementation of management action plans.

Description of the Interests of Members of the Board, the Executive Management, their Wives and Minors in the Company's Shares

Health and safety:

1. Review, monitor and make recommendations to the board on the organizations health and safety risk management framework and policies to ensure that the organization has clearly set out its commitments to manage health and safety matters effectively.
2. Review and make recommendations for board approval on strategies for achieving health and safety objectives.
3. Review and recommend for board approval targets for health and safety performance and assess performance against those targets.
4. Monitor the organization's compliance with health and safety policies and relevant applicable law.
5. Ensure that the health and safety performance of the organization and the systems used to identify and manage health and safety risks are:
 - a. fit-for-purpose
 - b. being effectively implemented
 - c. regularly reviewed and continuously improved.
6. Ensure that the board is properly and regularly informed and updated on matters relating to health and safety risks including:
 - a. review of audits (internal and external)
 - b. system reviews
 - c. performance results
 - d. significant incidents and investigations
 - e. the impact of organizational changes, and
 - f. benchmark data
7. Seek assurance that the organization is effectively structured to manage health and safety risks, including having competent workers, adequate communication procedures and proper documentation.
8. Review health and safety related incidents and consider appropriate actions to minimize the risk of recurrence.
6. Make recommendations to the board regarding the appropriateness of resources available for operating the health and safety management systems and program.
6. Any other duties and responsibilities which have been assigned to it from time to time.

S	Name	Beginning of 2022		End of 2022		Net Change during the year	Change Percentage
		Shares	Debt Instruments	Shares	Debt Instruments		
Board members, their wives and minors							
1	Mr. Emad Abdulkader Al Muhaidib	1,000	-	1,333	-	-	-
2	Eng. Abdullah Abdulrahman Almoammar	2,375,000	-	3,166,665	-	-	-
3	Mr. Musaab Sulaiman Al Muhaidib	1,000	-	1,333	-	-	-
4	Rakan Mohammad AbuNayyan	-	-	10,666	-	-	-
Senior Executives, their wives and minor children							
1	Mr. Sami Ali Yousef Al Safran	249,027	-	332,702	-	-	-
2	CEO's wife	19,870	-	26,493	-	-	-

Ownership of principal Shareholders with more than 5% of the Company's shares as of 31st December 2022

S	Name	Balance at the beginning of the year	Balance at the end of the year	Year	% Change
1	Emad Abdulkadir Al Muhaidib and Sons	5,010,000	8,965,200	10.2%	+3.24%

Committee members and attendance record

Name	Description	Position	Timeline of meetings in 2022			Attendance
			22 May	02 Oct	13 Dec	
Mr. Walid Ibrahim Shukri	Independent	Chairman	present	present	present	3
Dr. Maryam Ficociello	Independent	Member	present	present	Membership expired on Feb 13, 2022	2
Mr. Tarik Al Rekhani	Independent	Member	present	present	Membership expired on Feb 13, 2022	2
Ms. Hawazen Nazih Nassief	Independent	Member	Member since Feb 14		present	1
Mr. Walid AlMonie	Independent	Member	Membership started on Feb 14, 2022		present	1
Ms. Nathalie Potvin	Independent	Member	Membership started on Feb 14, 2022		present	1

* The committee session ended on 11/13/2022, and on 11/14/2022 the committee was re-formed, so that the number of committee members became four.

Remuneration and Compensation Policy

a) General criteria for rewards

A policy of remuneration for the Board and its Committee members as well as senior Executives was drafted by the Remuneration and Nomination Committee and approved by the General Assembly at its meeting on 5th December 2017. The policy shall be reviewed annually, pursuant to the provisions of the Companies Law, the Capital Market Authority Law, the regulations thereunder, and the Company's Articles of Association. The following shall be observed in the policy:

- The policy shall be consistent with the Company's strategy and objectives, and with the size, nature and degree of risks to the Company.
- Remuneration shall be granted as incentives for the Board members and the Executives to achieve long term success and develop the business of the Company. For example, variable remunerations shall be linked to the long term performance.
- Remuneration shall be proportionate with grade, roles and responsibilities, academic qualifications, work experience, skills and performance.
- Practices of other companies shall be taken into consideration in determining remunerations, avoiding the unjustified rise in remunerations and compensations.
- The policy shall attract, retain and motivate talents.
- It shall determine, in coordination with the Remuneration and Nomination Committee, remunerations related to new appointments.
- The policy shall regulate granting, suspension or refund of remunerations if based on misinformation provided by a Board member or an Executive. This prevents abuse of power to obtain unearned compensation.
- The policy shall regulate the granting of Company shares to the Board members and Executives, whether they are to be issued or bought by the Company.

The remunerations of Board and Committee members are determined and granted pursuant to the policy approved by the General Assembly and in accordance with the following criteria:

- Subject to the provisions of the Company's Articles of Association, the remuneration of a Board member may not exceed the limits stipulated in the Companies Law and its regulations. The members' remuneration and attendance bonuses shall be governed by the Committees' rules of procedure.
- The remuneration shall be proportionate with

the member's engagement in the Board or its Committees' activities.

- The remuneration shall be just and proportionate with the member's competencies, roles and responsibilities and his contribution towards the realization of the objectives set by the Board for the financial year.
- The remuneration shall be recommended by the Remuneration and Nomination Committee.
- Apart from Independent members, the Board member's remuneration may be a percent of the profits provided that such percent may not exceed 10% and be granted pursuant to Companies Law, the regulations thereunder and the Company's Articles of Association.
- The remuneration shall be reasonably competitive to acquire qualified and talented candidates for the Board and its Committee memberships.
- The remunerations may vary driven by the experience, competencies, roles and responsibilities as well as attendance, among other considerations.
- The remuneration of Independent Board members shall not be a percentage of the Company's profits or be based directly or indirectly on the Company's profitability.
- In addition to the remuneration for membership of the Board and the Committees, it formed in accordance with the Companies Law and the Company's Articles of Association, a Board member may obtain a remuneration for his membership in the Audit Committee formed by the General Assembly, or for any business, executive, technical, administrative, or advisory positions or works they assume or conduct under a professional license.
- In the event that a Board member is terminated by the General Assembly for missing 3 consecutive Board meetings without a legitimate excuse, the member is not entitled to any remuneration for the period starting from the date of the last meeting he attended, and he shall return all remunerations he received for such period.

The remunerations of Executive Management are determined and granted pursuant to the policy approved by the General Assembly and in accordance with the following criteria:

- The remuneration shall be recommended by the Remuneration and Nomination Committee.
- In addition to fixed compensations and rewards stated in their contracts, senior Executives may be granted remuneration based on the evaluation of their performance. Remunerations may be

granted in the form of shares in compliance with the regulations of the Companies' Law.

- Key performance indicators at the Company level include a set of short and long term objectives, such as profitability, solvency, liquidity, and growth indicators. The performance management process ensures that all objectives are properly aligned at all levels of the Company down to the relevant business units and employees.
- The application of performance indicators for granting remunerations to senior Executives and employees shall be monitored. Appropriateness of such indicators to remunerations shall also be reviewed.
- Remuneration aims to provide a competitive environment conducive to attracting and retaining qualified personnel as well as maintaining the talents the Company needs.

b) Remuneration of Board members

Name	Fixed Remuneration							Grand Total
	Designated Amount	Attendance Bonus	Total Committee Attendance Bonus	In-kind Advantages	Remuneration of Technical, Administrative and Advisory Works	Remunerations of the Board Chairman or the Managing Director or the Secretary, if he is a Board Member		
Mr. Ahmed Mubarak Al Debasi*	300,000	9,000	15,000	-	-	-	324,000	
Mr. Walid Ibrahim Shukri*	300,000	9,000	27,000	-	-	-	336,000	
Mr Khaled Salem Mohammed Al Ruwais *	225,000	6,000	30,000	-	-	-	261,000	
Eng. Omar Mohamed Siraj Najjar*	300,000	9,000	24,000	-	-	-	333,000	
Total Remuneration of Independent Members	1,125,000	33,000	96,000	-	-	-	1,254,000	
Mr. Emad Abdulkader Al Muhaidib	200,000	9,000	9,000	-	-	-	218,000	
Eng. Abdullah Abdulrahman Almoammar	200,000	9,000	18,000	-	-	-	227,000	
Mr. Abdulelah Abdullah Abunayyan*	200,000	9,000	21,000	-	-	-	230,000	
Mr. Musaab Sulaiman Al Muhaidib	200,000	9,000	33,000	-	-	-	242,000	
Total Remuneration of Non-Executive Members	800,000	36,000	81,000	-	-	-	917,000	

*Membership ended on the 13th of November 2022

*The Board members received no consideration based on (a percentage of the profits, periodic remuneration, short- or long-term incentive plans, shares granted, end-of-service gratuity, expenses allowances).

c) Remuneration of Board Committee members

Name	Fixed Remuneration (Exclusive of attendance bonus)	Attendance Bonus	Total
Audit Committee Members:			
Mr. Khaled Salem Mohammed Al-Rowais*	100,000	12,000	112,000
Mr. Walid Ibrahim Shukri	175,000	12,000	187,000
Mr. MUSAAB Sulaiman Al Muhaidib	50,000	12,000	62,000
Eng. Omar Mohamed Siraj Najjar*	37,500	9,000	46,500
Total	362,500	45,000	407,500
Nomination and Remuneration Committee Members:			
Mr. Ahmed Mubarak Al Debasi*	50,000	6,000	56,000
Mr. MUSAAD Al Qasim*	100,000	6,000	106,000
Eng. Omar Mohamed Siraj Najjar	50,000	6,000	56,000
Total	200,000	18,000	218,000
Strategic Committee Members:			
Eng. Abdullah Abdulrahman Almoammar	37,500	9,000	46,500
Mr. Abdullellah Abdullah AbuNayyan*	50,000	12,000	62,000
Mr. MUSAAB Sulaiman Al Muhaidib	50,000	12,000	62,000
Mr. Khaled Salem Mohammed Al-Rowais*	50,000	12,000	62,000
Total	187,500	45,000	232,500
Risk Management, Compliance and ESG Committee Members:			
Mr. Walid Ibrahim Shukri	98,050	6,000	104,050
Mr. Tarik Al Rehami	70,050	6,000	76,050
Dr. Maryam Ficociello	70,050	6,000	76,050
Total	238,150	18,000	256,150

* The membership ended on 13th November 2022

* The members received no consideration based on the following items (a percentage of the profits, periodic remuneration, short or long-term incentive plans, shares granted, end-of-service gratuity, expenses allowances).

d) Remuneration of Senior Executives (SAR '000s)

The Chief Executive Officer and the Chief Financial Officer are among the 5 senior Executives who received the highest remuneration	Fixed Remunerations				Variable Remunerations					End of Service Benefits	Total Remuneration of the Board	Grand Total
	Salaries	Allowances	In-kind Advantages	Total	Periodic Remunerations	Short term Incentive Programs	Long term Incentive Programs	Value of the Granted Shares	Total			
Chief Executive Officer (CEO)	2,400	970	340	3,710	-	-	-	-	-	281	-	3,991
Vice President (VP)	1,320	472	75	1,867	-	-	-	-	-	75	-	1,942
Chief Financial Officer (CFO)	595	214	44	853	-	-	-	-	-	34	-	887
Chief Operating Officer (COO)	1,126	497	94	1,717	-	-	-	-	-	96	-	1,813
CTO	1,231	440	170	1,841	-	-	-	-	-	54	-	1,895
Total	5,938	2,908	997	9,988	-	-	-	-	-	540	-	10,528

Statement of any Penalty, Sanction, Precautionary Procedures or Limitations Imposed on the Company during 2022

Type of Penalty	Reason for Penalty	The Disciplinary Authority	Remedy and Preventive Measures
There was no penalty, sanction, disciplinary measure or limitation imposed on the Company during 2022			

Annual Audit Results of Reviewing the System of Internal Controls

1) Supervising the conduct of internal control functions

As part of the yearly plan of controlling the Company's activities, the Audit Committee periodically reviews reports submitted by the Internal Audit Department and the Governance, Compliance and Risk Department. The Audit Committee seeks to:

- Ensure compliance with applicable laws and regulations.
- Ensure the system of internal controls is adequate and sufficient.
- Check the procedures of assessing and updating policies as well as other procedures related to administrative, financial, operational and marketing activities in the Company and its subsidiaries.
- Verify the information in the Company's financial statements by reviewing and approving the interim and annual results.
- Identify and assess internal and external risks and develop mechanisms to avoid or mitigate the same.
- Assess the periodic reports by Internal Audit, including the main notes, and track the implementation of relevant recommendations to improve internal controls considering that the Management shall be responsible for the design and implementation of internal regulations to enhance the efficiency and effectiveness of the system of internal controls.
- Ensure the independence of the Internal Audit Department and provide the Department with resources and support required to efficiently carry out their roles and responsibilities.

To conduct its functions, the Internal Audit Department adopted the following process:

- The Department channeled its efforts to the high-risk activities as well as some medium-risk activities with a view to optimizing the effectiveness and efficiency of the Company's operations.
- The Department monitored the Executive Management to ensure its taken the procedures necessary to handle notes and implemented recommendations stated in audit reports.
- The Department drives effective coordination between the Management and the external Auditor.

2) Scope of Internal Audit Department work

For the purposes of realizing the objectives and protecting the assets of the Company, the Internal Audit Department adopted a systematic approach to evaluate and maximize the effectiveness of internal controls and verify the quality of reports by the Management. It focuses on ensuring

that the internal controls provide a reasonable guarantee for achieving the Company's objectives and assesses the credibility of financial reports. The scope of the Internal Audit Department includes:

- Planning audit operations on a risk-assessment approach where its priorities are determined by assessing the threats of high- and medium-risk operations in that order.
- Periodically auditing activities of departments, operations of the Company and its subsidiaries in alignment with the approved annual internal audit plan.
- Notifying the departments of the results of reviewing and auditing their activities and ensuring that remedial actions are taken to correct deficiencies detected during the audit process.
- Evaluating the action plan presented by the Principal Operational Officer of the reviewed department to handle the notes and recommendations stated in the audit report.
- Tracking the Executive Management's implementation of the procedures necessary to handle the notes in the audit report.

The reports and notes by Internal Audit during 2022 contributed to a better understanding of risks and deficiencies of the operations and departments of the Company and its subsidiaries. Decisions and corrective measures were taken to handle the same. Some of these measures are still under development as clarified in the internal audit reports. Below are the key notes mentioned in the Internal Audit report of 2022:

a) At the level of the Company:

- The current matrix of authorities has not been updated for the purposes of setting forth the responsibilities and delineating obligations in light of the current work procedures and the applicable resource planning system.
- The resource planning system is not optimally utilized in the preparation of estimated budgets of the departments and identification of deviations. Reports are being prepared manually exposing them to human errors. The concerned departments coordinated with the IT Department to update the system and automate the production of the reports.
- Some key positions (including identifying candidates) are not covered by the succession plan. The Management is working on updating the succession plan and adopting the best practices to attain the desired results.

- No procedures are developed to implement the continuity or disaster schemes which were neither tested nor implemented. The Management sought the services of an external advisor to work on the continuity and disaster schemes.

b) At the level of Operations:

- The auditing process brought to our attention that some policies and procedures of logistic operations were not updated. Such policies and procedures are

being formulated for approval to be promulgated and implemented.

- Some subsidiaries failed to obtain the civil defense permits. The Management arranged all civil defense requirements. The municipality license was obtained to expedite the issuance of permits.
- The auditing process identified problems with the Procurement Department. Necessary decisions and remedial actions were taken.

Audit Committee Opinion on the Effectiveness of the Internal Controls

After reviewing periodic Internal Audit reports, studying the attached notes, and tracking the corrective measures to enhance internal controls (considering that the Management is responsible for the design and implementation of the internal regulations and controls besides conducting constant analyses to improve the effectiveness and efficiency of the Company); and limited by the results of planned and additional auditing functions carried out by the Internal Audit Department; and after deliberating with the external Auditor and the Executive Management on the interim and annual financial statements for 2022, the Audit Committee did not find any material deficiency in the internal controls since no system of internal control cannot be entirely verified.

The Audit Committee recommends that the Management continue strengthening the system of internal controls by improving oversight environment, refining IT systems, applying COSO framework in implementing and evaluating the system of internal controls and maximizing the independence of control departments by providing required human resources and IT systems that enhance their performance. The Committee also advises that more effort is needed to implement the recommendations and notes and, promptly apply the corrective action plans undertaken by the Management.

Social Responsibility Activities

Social responsibility of the Middle East Paper Company forms the core of its values and business model. By means thereof, the Company contributes to achieving the social sustainable development goals while committing itself to ethics, accountability and transparency to enhance its competitive edge in the markets.

The Company integrates its model of running daily operations with its social responsibility, as well as translating its commitment to social responsibility to specific objectives stated in the Company's policies, procedures and future objectives.

In running its business, the Company adopts modern sustainable practices without prejudice to the well-being of future generations. It is also committed to preparing strategies that bring us closer to sustainability and enhance the value provided to our customers.

In order to ensure that our effort is consistent with value generation, MEPCO's initiatives of corporate and social responsibility focus on 2 cornerstones: Education and Environment, which represent the key pillars of 2022.

Education and Empowerment

Driven by its strong desire to strengthen the skills and rekindle enthusiasm of the Saudi Youth, and as part of its social responsibility, the Company took the initiative in 2011 to establish a non-profit entity named Higher Institute for Paper and Industrial Technologies in Jeddah. It constitutes one of the strategic partnerships where an agreement was signed between MEPCO and the Technical and Vocational Training Corporation. The institute seeks to qualify Saudi high school graduates to study and then join the private sector the day they are admitted.

In 2022, the number of trainees at the institute reached 635 while graduates numbered 707, of which 183 graduates are working at MEPCO.

The Institute's vision is to have a qualified Saudi Youth specialized in all types of manufacturing, while its mission is to provide high-quality training by adopting state-of-the-art training equipment and hiring professional instructors. The institute added a number of diploma programs including electricity, mechanics, supplies and an occupational Health and Safety Cadre Program. The institute is also committed to creating a suitable environment to provide high-quality training on the technologies that the private sector needs for the manufacturing industries.

Environment

Sustainability is at the heart of the Company strategy and constitutes the fundamentals of its operating model. In addition to innovation and constant improvement of sustainable practices, we step up our engagement with society and industry to increase environmental awareness. The Company's initiatives in 2022 included the following:

- The International Recycling Day for 2022. The Company used the day to spread awareness about the role of recycling in preserving our key resources, securing the future of our planet and developing eco-friendly habits within workplaces influencing how people act and benefiting the society as whole.
- We launched the Annual Ramadan Campaign which handed out 1,500 food baskets to the needy covering all neighborhoods of Al-Khumrah district. The Campaign represents MEPCO's initiative to leave a good impact and enhance the social service.
- "For Them" is a campaign launched in cooperation with the Saudi Kiswa Team for recycling services. We donated secondhand garments to inspire feelings of solidarity and cooperation among society members while preserving our planet and supporting our families. We curated an awareness seminar provided by Kiswa. It was interesting as it demonstrates the benefit of donation that constantly bonds people and makes them relate to one another.
- Under our corporate responsibility, we participated in Qaderoon Forum which encourages enterprises to empower people with disabilities so they feel equal and workable. MEPCO won the 2022 Qaderoon award of medium enterprises.
- MEPCO is a co-founder of the Future Makers Initiative that was launched in cooperation with the Distinguished Initiative Organization. The initiative seeks to enhance human capital in alignment with the Kingdom's effort to be an industrial leader and to maximize its economy. Such objectives can be realized by educating the students about the internal structure of the industrial community in support of the Kingdom's Vision 2030.
- MEPCO contributed to the Leadership Licensing Program of Sustainable Development of King Abdulaziz University. The Program plays an active role in formulating environmentally friendly individual behavior and directly influences the social conduct. This would embed healthy and sustainable habits and raise the awareness of the coming generations on the significance of adopting the sustainable development goals in light of Vision 2030.

General Assembly Meetings of Shareholders in 2022

		Attendance Record for 2022
S	Name	First Meeting on 13 th June
1	Mr. Emad Abdulkader Al Muhaidib	Present
2	Eng. Abdullah Abdulrahman Almoammar	Present
3	Mr. Abdulelah Abdullah Abunayyan, Head of Strategic Committee	Present
4	Mr. Khaled Salem Mohammed Al-Rowais, Head of Audit Committee	Present
5	Mr. Musaab Sulaiman Al Muhaidib	Present
6	Mr. Walid Ibrahim Shukri*	Present
7	Mr. Ahmed Mubarak Al Debasi, Head of Nomination and Remuneration Committee	Present
8	Eng. Omar Mohamed Siraj Najjar*	-

*Membership ended on 13th November 2022.

About the Company and its Subsidiaries

Middle East Paper Company (MEPCO) is one of the largest producers of paperboard in the Middle East and Africa. It produces a wide range of paper products available to customers all over the world. MEPCO serves a diversity of industries in the packaging sector, including products for building and furniture at large scale.

MEPCO exports its products from the Kingdom of Saudi Arabia to GCC Member States, the Middle East and Africa, in addition to South Asia, the Americas and Europe.

The reflective integration cycle of the Company enhances its powerful performance and competitiveness in the market through Waste Collection and Recycling Co. Ltd. (WASCO). WASCO is a leading company in the field of waste management. It has launched a strategy towards the achievement of the Kingdom's environment ambitions under Vision 2030.

The core values of MEPCO are to provide high-quality products to its customers, contribute to preserving the environment and fulfilling the needs of the market. Since its inception, The Company has placed great emphasis on preserving the environment by recycling paper into products of economic value. Our environmental interests cover the whole production process, from treating and reusing water besides using renewable chemical additives. We are working to the best of our ability to conserve our green world.

The Company is the official sponsor of the Higher Institute for Paper and Industrial Technologies (HIPIT) in Jeddah. It is a non-profit organization that improves and develops the knowledge and technical expertise of the Saudi employees in the sector of paper and industrial technologies. This would sharpen their skills, knowledge and experience, essential for recruitment. HIPIT is working under the supervision of the Technical and Vocational Training Corporation, the Saudi Center for International Strategic Partnerships and the Company's Board of Directors. The institute is one of MEPCO's initiatives towards its social responsibility, and a number of its graduates are working in the Company.

The Company is carrying out several activities towards social responsibility and environmental education and has won several related awards.

It has 3 paper production lines in the factory located in Jeddah with an annual capacity of 475,000 tons of brown paper rolls. It is one of the largest companies in the region in terms of production capacity and geographical distribution of sales.

The Company invests heavily in research and development to provide a wide range of innovative products to its loyal partners and clients.

The Company observes the highest international quality standards related to environmental sustainability and operational efficiency and is always working to develop its activities to meet the variables and needs of the markets.

The local content of the Company's final product represents more than 75%, as WASCO, its subsidiary, recycles the combined cardboard paper and turns it into a raw material used by paper converters. The strategic location of MEPCO, near Jeddah Islamic Port, facilitates the export of its products to a wide range of worldwide markets.

The Company provides a variety of products to several industrial sectors, including:

Packaging Sector

Cardboard Paper: Used in producing cardboard boxes for packing foodstuff, electronics, and several other purposes.

Cardboard Pipe Paper: Used in a wide range of industries, including textile rolls, paper mills, etc.

Furniture Sector

High Impregnated Formica Paper: Used on furniture surfaces, including offices, kitchen cabinets, and doors.

Building and Construction Sector

Gypsum Board Paper: Used to manufacture gypsum board for walls and false ceilings.

a) Description of the key activities of the Company and its subsidiary

- The key activity of the Company is to manufacture and produce packaging and industrial paper.
- The main activity of its subsidiary is to collect, recycle and trade in paper and waste.

The activities contribution to the Company's revenues and results, is as follows: (SAR'000s)

Activity	Revenue from Activity	Percentage
Paper manufacture and production	1,167,958	98
Collection and recycle of paper and waste (Trade)	19,048	2

Forecasts and Way Ahead

MEPCO aims to enlarge its operations to become more integrated in the field of paper industries. This requires expansion at all levels as announced by the Company in October 2022 that ground works for the new cardboard factory are under process. The productive capacity of the factory is

400,000 tons. MEPCO has moved towards more digital transformation in support of the sustainable development goals and is consistent with the comprehensive transformation drive in alignment with Vision 2030.

Key Events and Disclosures during Financial Year 2022

S	Event	2022
1	Release of annual financial results on 31 st December 2022	17 th March
2	Announcement of cash dividends to Shareholders for financial year 2021	17 th March
3	Concluding a banking facility agreement (Shariah compliant)	24 th April
4	Release of interim financial results for the period ending 31 st March 2022 (first quarter)	27 th April
5	Inviting Shareholders to the first ordinary General Assembly	23 rd May
6	Results of the first ordinary General Assembly	14 th June
7	Announcement of mechanism and date of dividends for financial year 2021	23 rd June
8	Announcement of the opening of nomination for membership	13 th July
9	Announcement of latest updates on liquidating a subsidiary	7 th August
10	Release of interim financial results for the period ending 30 th June 2022 (second quarter)	8 th August
11	Announcement of the Board's recommendation to increase the Company's capital via sale of shares	14 th August
12	Announcement of cash dividends to Shareholders for the first half of financial year 2022	9 th October
13	Inviting Shareholders to the first ordinary General Assembly	11 th October
14	Announcement of a lawsuit filed against the Company	16 th October
15	Correction announcement by Middle East Co for Manufacturing and Producing Paper SJSC on the date of dividends for the first half of 2022	19 th October
16	Correction announcement by Middle East Co for Manufacturing and Producing Paper SJSC on the identity of the premises subject of the formerly announced lawsuit that is filed against the Company	19 th October
17	Announcement of laying ground works for the new cardboard factory with a productive capacity of 400,000 tons	20 th October
18	Correction announcement of laying ground works for the new cardboard factory with a productive capacity of 400,000 tons in addition to investments of about SAR 1.5 billion	23 rd October
19	Inviting Shareholders to the first extraordinary General Assembly to deliberate on increasing the Company's capital	24 th October
20	Release of interim financial results for the period ending 30 th September 2022 (third quarter)	1 st November
21	Outputs of the first extraordinary General Assembly	6 th November
22	Announcement of the Board's resolution to appoint the Chairman, Vice Chairman and formation of the Committees for the new term	15 th November
23	Announcement of the results of the second extraordinary General Assembly which approved increasing the Company's capital	27 th November
24	Announcement that business course is affected by heavy rains in Jeddah	28 th November
25	Announcement of the latest updates on the heavy rains in Jeddah that affected our work	5 th December
26	Announcement of completing the sale of fractional shares resulting from increasing the Company's capital and the failure to distribute the money generated thereby on the Shareholders within the period designated by the laws.	28 th December

Resolutions of the Board during 2022

S	Paragraph	Resolution
1	Recommendation to the Audit Committee on the need to appoint an internal Auditor in the Company if not available - MEPCO has had an Internal Audit Department since 2013.	Not applicable
2	Audit Committee recommendations that interfere with the decisions of the Board, or those submitted by the Committee on the appointment or dismissal of an auditor, determining their fees and assessing their performance or the appointment of an internal Auditor, but rejected by the Board along with justifications for those recommendations and the reasons for rejection.	Not applicable
3	A description of any interest within the class of voting shares which belongs to parties (other than the Board members, senior Executives, and their relatives) who have informed MEPCO of those rights or any amendment thereto during the financial year in accordance with the Rules on the Offer of Securities and Continuing Obligations.	Not applicable
4	A description of the classes and numbers of convertible debt instruments, contractual securities, subscription notes or other similar rights issued or granted by the Company during the fiscal year with clarification of any compensation obtained by the Company accordingly.	Not applicable
5	A description of any transfer or subscription rights executed under convertible debt instruments, contractual securities, subscription notes or other similar rights issued or granted by the Company.	Not applicable
6	A description of any redemption, purchase, cancellation by the Company of any redeemable debt instruments or value of the remaining securities with a distinction between the listed securities purchased by the Company and those purchased by its subsidiaries.	Not applicable
7	Statement of any arrangement or agreement whereby a Board member or a senior Executive waived their remuneration.	Not applicable
8	Statement of the remunerations received by the Board members in their capacity as members or Directors, as well as the remuneration they received against technical, administrative or advisory works.	Not applicable
9	Statement of any arrangement or agreement whereby a Shareholder of the Company waived any rights to profits.	Not applicable
10	Details of stock and debt instruments issued by each subsidiary.	Not applicable
11	Statement of the value of any investments or reserves created for the benefit of the Company's employees during 2020.	Not applicable
The Board further acknowledges the following:		
12	a. Books of accounts have been properly maintained. b. The system of internal control is sound in design and has been effectively implemented. c. No significant doubts about the Company's ability to continue its activity.	
13	There is no conflict with accounting standards issued by Saudi Organization for Chartered and Professional Accountants - SOCPA.	
14	No recommendation on prematurely replacing the Auditor was made during 2022.	
15	As per the Auditor's report for the financial year 2022, no qualified opinion was made on the financial statements.	
16	The Auditor neither provided any counselling services to the Company nor received any fees in this regard.	
17	The Auditor did not request the Board to summon the General Assembly during financial year 2022.	
18	The Chairman of the Board did not receive any written request to hold an extraordinary meeting of 2 or more members during financial year 2022.	
19	The Company emphasizes that no request was received from Shareholders with 5% or more of the capital to summon the General Assembly or add an item or more to its agenda during financial year 2022.	
20	The Company emphasizes that it has not put in place any procedures or restrictions that may limit the Shareholder's exercise of their rights that are guaranteed under the laws and regulations.	
21	The Company did not provide any cash loan of any kind to its Board members, nor did it guarantee any loans that any of them hold with third parties.	

The Company does not own preferred shares or voting shares, whether by Shareholders or Board members or their affiliates. Furthermore, all the shares of the Company are ordinary shares of equal nominal value, equal in voting, and other rights as provided for by the law.

Risks Related to the Activities of the Company, its Subsidiaries and Operations

The Company's activities, financial position, future expectations, operation results and cash flows may be adversely affected at a large scale by any of the following risks, or any other unidentified risks. The Company, as an industrial entity, is exposed to such risks in the course of its business. Accordingly, the Company takes all possible measures, sets policies, and provides adequate support and information to the Risk and Compliance Department to mitigate the effects of such risks on its performance.

1- Risk management strategy:

- Risk management strategy focuses on calculated risks. It is a systematic mechanism to identify and prioritize risks to apply strategies and action plans that minimize such risks. This mechanism aims to prevent potential risks while detecting actual problems early. It is an ongoing process where all business units including human resources are involved.
- Well-prepared risk management strategy enables Management, equipped with appropriate tools, to identify and analyze risks. Subsequently, a workable solution to eliminate such risk or reduce its effects would be developed.

The basic steps of a company's risk management strategy can be summarized in a 5-step process:

- Environment assessment** - This is done by establishing mechanisms to investigate and deal with risks. Thus, a risk management approach will be identified. Setting goals would help the Management to identify potential risks that affect its performance.
- Risk Identification** - This is done by answering the following 2 questions: What will happen? How would it happen? Internal and external events affect the Company's ability to realize its goals. Moreover, the Management shall know the difference between risks and opportunities.
- Risk Analysis** - This analysis is done by considering the possibility of risks and how they impact the Company's goals, so that a clear mechanism is set to assess and manage such risks.
- Risk Assessment** - Management assesses potential risks and how to react thereto by avoiding, accepting or reducing their impacts. The Management shall afterwards develop a set of activities to prioritize risks.
- Risk Discussion / Management** - At this stage, possible strategic alternatives are identified to control the risk. The optimal strategic option is

then selected. Accordingly, plans, with necessary resources, shall be developed to handle the risk while taking cost into account.

To reinforce the above 5-step process, the risk management exercises oversight and makes adjustments as required. The control activities may be carried out severally or jointly for each individual step.

2- Risk management courses of action:

Having recognized and assessed, risks are managed through one of the following courses of action:

Transfer: It is a medium that helps the Company transfer risks to a third party, usually through contracts or financial preventive measures. Insurance is an example of transferring the risk through contracts.

Avoidance: Avoiding activities leading to a certain risk suggests that avoidance is the remedy for all risks. However, benefits and profits from the avoided activities would be lost.

Mitigation: It includes ways and actions to reduce losses resulting from risks.

Retention: Retention is the acknowledgment and acceptance of a risk as a given. Usually, this mechanism is accepted to manage small-size risks where the cost of risk insurance over time is greater than the total loss. Therefore, all risks that cannot be avoided or transferred shall be retained.

3- Types of risks to the Company and its subsidiaries:

a) Risks of political upheavals and economic fluctuations

Some regional countries are going through volatile political situations that may affect competitiveness of the Company and reduce its access to clients therein. To manage such risks, the Company has adopted a strategic goal to enter new markets that offset its losses in these conflict zones. Additionally, the Company's performance is subject to regional and global economic conditions. Start, end or force of any economic slowdown or subsequent recoveries is beyond expectations.

b) Risks to activities and operations of the Company and its subsidiaries

1. Risks of relying on key personnel: The Company is managed by an elite group of administrative and professional competencies whose failure to work presents a grave risk that impedes the progress and threatens the viability of the Company. The Company and its subsidiaries, therefore, endeavor to provide a workplace that encourages continuity and creativity. Besides, they furnish the team with qualified and competent second line management who can succeed and take over from their mentors.

2. Risks of unavailability of raw materials and volatility in commodity prices: Ruling prices of goods and raw materials, especially used paper, may bear upon revenues and profits of the Company and its subsidiaries. Moreover, market availability of such materials has an impact, particularly if they are subject to rapid and violent fluctuations. Accordingly, the Company always backs the business of its subsidiary (WASCO) in an effort to maintain its competitive edge over its competitors, which, in turn, solidifies its market standing since it is the Company's strategic arm procuring its needs of affordable raw materials.

3. Risks of energy supplies: The Company concluded a contract with Saudi Aramco to supply its facilities with fuel which may fluctuate. However, the Company may not be able to increase the prices of its products to offset the rise in the fuel prices. This, in turn, negatively affects the Company's business and future expectations. The Company supports internal initiatives of cost reduction eliminating the impact of higher energy prices.

4. Risks of the Company's geographical location: The Company's factory is located in the private industrial zone of Khamra in Jeddah. The Company is the exclusive title holder of the plot and owns all the essential licenses to practice its activities therein, which are renewed as stipulated by law. In the event of new legislation prescribing the activity of factories outside the industrial cities run by Saudi Authority for Industrial Cities and Technology Zones (MODON), such legislation would affect the Company's business and financial position.

5. Risks related to operations and unexpected business interruptions: The Company's factory consists of several production lines and machines for the manufacture of paper. Consequently, in the event of an unexpected incident interfering with

the Company's course of business due to technical malfunctions (such as a power, fuel, or water supply interruption) or force majeure, this would impact its business viability, which harms the Company's operational and financial results. Therefore, the Company takes all precautionary measures to reduce such risks. The Company has a power generator that meets its needs in addition to backup generators being used, when necessary, as well as long term contracts and agreements with more than one party to supply the quantities of water needed for the industry. Furthermore, the Company maintains an insurance cover that includes compensation for business interruption; and production lines operate completely independent of each other, so that none of them is affected by the other's disruption.

6. Risks of transportation: The Company relies on external transportation service providers to deliver its products to its customers. Any interruption in transportation services may provisionally hinder the Company's ability to supply its products, which will be reflected in the results of the Company's business. The Company is always working to establish strategic partnerships and conclude agreements with several transportation providers to ensure the continuity of such services with quality service and a competitive price.

c) Market and Industry Risks

1. Risks of product prices: The Company's performance in the future is affected by its ability to maintain affordable production costs and to shift any increase in the prime cost to its customers by raising product prices. Such process is clouded by doubts as the final price of products depends on supply and demand in the local and global markets.

2. Risks related to sector concentration and specialization: The Company targets one sector of the paper industry, namely manufacturing recycled brown paper. Industrial and agricultural production growth, the expenditure per capita increase, the development by manufacturers of patterns and methods of paper packaging, and the increased awareness of paper recycling are all key factors affecting, positively or negatively, this industry. Therefore, any negative change therein would hold back the Company's operations. Therefore, the Company endeavors to develop and diversify its products to keep pace with the updates in the packaging and manufacturing industry.

3. Competitive risks: The Company operates in a highly competitive market prone to be dumped with cheap products from foreign competitors, which may force the Company to reduce its product prices, badly affecting the results of the Company's business. Its competitive edge depends on its ability to produce distinctive products by providing high quality products at reasonable prices.

d) Financial Risks

1. Risks of inadequate insurance coverage: The Company maintains an insurance cover of several categories. It may have to resort to the concerned insurer to compensate for any insured loss or damage. Further, the value of the Company's claims may exceed the amount of insurance coverage, or the damage incurred may not be fully covered by insurance. Such incidents would negatively affect the Company's business and the financial and operational results.

2. Risks of future additional funding: The Company uses its capital, financial standing, operational results, cash flows and creditors to fulfill its funding needs. The Company may however need additional finance in the future. Accordingly, The Company's activities and operational and financial results would be affected by any delay or failure in raising such finance or obtaining funds with unfavorable terms or of high cost. Thus, the Company avoids such risks by continuously monitoring cash flows while ensuring the availability of the funding required for the Company's needs through creditors.

3. Credit risks: It is the risk of financial loss due to client's default on their obligations. The credit risk of the Company mainly relates to trade receivables. Some of the Company's clients may fail to meet their financial obligations towards the Company due to adverse economic conditions. This will negatively affect the results of its business and its expectations. To mitigate such risks, the Company regularly monitors receivables-related credit risks and the allocations to hedge against them. The Company also resorts to insurance coverage of credit risks, particularly those related to clients outside the Kingdom of Saudi Arabia.

4. Risks of fluctuating interest rates, currency exchange rates and financing costs: The Company is exposed to foreign currency exchange rate risks. Accordingly, any unexpected considerable fluctuations therein will negatively affect its financial performance. The significant increase in the financing

costs, especially in the case of growth in the volume of funding, will expose the Company to high financing costs, which may compromise its future profitability. The Company virtually carries out all its deals in Saudi Riyals and US Dollars. To hedge against the risks of fluctuating interest rates, the Company regularly monitors interest rates. In addition, the Company entered into financial derivatives (interest / profit trade-off) with banks.

5. Liquidity risk: It arises when the Company encounters difficulty in raising funds to meet its financial obligations. Liquidity risk may result from an inability to timely sell a financial asset at nearly its fair value. It is managed by regularly ensuring the availability of adequate funds through committed creditors to meet future obligations. However, the Company does not significantly focus on liquidity risk.

6. Dividend risks: Dividends are subject to more than one factor, including the Company's profitability, financial position, legal reserve requirements, conditions of creditors, available credit limits, general economic conditions, and others related to the announcement of dividends subject to the recommendation of the Board of Directors. Any big change in these factors may affect the Company's ability to pay dividends. Payment of dividends is subject to the requirements of the Company's Articles of Association, applicable regulations and laws in this regard.

7. Risk of variable fair values of financial instruments: The Company may be exposed to such risks as a result of variability in the value reached for an asset or be paid to settle an obligation in a transaction between market participants at the measurement date. To prevent any material difference between the fair and the book values of financial instruments, the Company's Management constantly manages financial assets and liabilities.

8. Capital management risks: Capital management seeks to further the Company's business viability and thus achieve value to Shareholders and other Stakeholders. It also preserves the optimal capital structure to maintain and improve the capital while minimizing its cost. The Company manages capital risk by actively monitoring levels of its debts and liquid assets, maintaining future investment requirements and Shareholder expectations.

Financial Information and Data

e) Risks related to laws and legal requirements

1. Legislations, laws and regulatory environment: The Company and its operations of paper production, waste collection and recycling shall comply with regulatory authorities that monitor the application of laws and regulations exclusively in the Kingdom of Saudi Arabia. In the event of amendments or the issuance of new laws or regulations related to the manufacture and production of paper or collection and recycling of waste, the Company may, conforming thereto, have to adjust its operations, methods of providing its services, its products, or production lines. This will ultimately lead to additional financial unexpected expenses or substantially influence its operations leading to a negative impact on its financial results and profitability. The Company always seeks to renew its industrial and commercial licenses, regularize its course of business and develop its facilities pursuant to the new regulations and decisions. A special department of governance and compliance was introduced to track the application of laws and regulations, and to ensure that none thereof is violated in the course of business of the Company or its subsidiaries.

2. Environmental and safety risks: The activities of the Company and its subsidiaries entail some risks to environmental and safety regulations. Obliging factories in the future to implement more stringent standards to meet environmental and safety requirements will lead to higher costs, which will affect the results of the Company's business. The Company pays more attention to conserve the environment, safety and security in the course of its business. Moreover, it applies occupational safety, fire safety and hazardous materials protection standards. The safety team conducts field visits to deal with all emergencies and incidents, in addition to conducting periodic training courses for employees on safety procedures and measures. The team also ensures uniformity and applies safety precautions within all departments and sites of the Company.

The consolidated financial statements of the Company shall be prepared in accordance with the International Financial Reporting Standards (IFRS) applicable in the Kingdom of Saudi Arabia in addition to other standards and circulars issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

In its meeting on 13th June 2022, the General Assembly appointed and agreed the fees of Ernst and Young (E&Y) to audit the Company's accounts as recommended by the Audit Committee. E&Y shall examine, review and audit the interim financial statements of the 2nd and 3rd quarters as well as the annual ones for financial year 2022 besides the first quarter of financial year 2023.

a) Business results (SAR'000s)

Description	2022	2021	2020	2019	2018
Sales	1,187,006	1,057,400	724,685	691,077	833,614
Costs of sales	684,220	663,297	581,436	549,368	597,940
Gross profit	502,786	394,102	143,249	141,710	235,674
Operating profit	304,294	242,318	43,592	31,860	128,230
Net profits	269,699	220,710	20,176	6,128	99,444

b) Assets and liabilities (SAR'000s)

Description	2022	2021	2020	2019	2018
Current assets	812,083	801,463	445,262	474,595	459,173
Non-current assets	1,134,431	1,068,655	1,132,097	1,102,216	1,046,513
Total assets	1,946,514	1,870,118	1,577,359	1,576,811	1,505,686
Current liabilities	282,887	405,907	406,231	420,460	354,100
Non-current liabilities	481,341	481,315	419,135	424,972	400,274
Gross liabilities	764,228	887,222	825,366	845,433	754,373

c) Material changes in operating results (SAR'000s)

Income Statement Indicators	2022	2021	Change value	Change Percentage	Reasons for change
Sales	1,187,006	1,057,400	129,606	12%	Higher sale volumes are mainly attributed to increased prices of our products due to worldwide inflation in 2022. The Company's management build on this situation to ensure an organized and streamlined production process, decrease production timeouts and discipline shipping. The company reshuffled its market capital.
Sales Cost	(684,220)	(663,298)	20,922	3%	Sales increase is marginal and caused by the increase in the average prices of raw materials. However, the latest increase was treated by management through improving cost efficiency of production and sale processes.
Total Income	502,786	394,102	108,684	28%	the profit margin went up from 37% to 42% with an increase of 28% due to rise in sales and improved cost efficiency.
Operating and other expenses	(195,656)	(165,344)	30,312	18%	Other and operational expenses mainly represented in the following: * The rise of 2.6 million riyals in sales and distribution cost is mainly attributed to the rise in shipping and transport of goods. The Company kept delivering goods on time using the most efficient and safest transport modes. Shipping costs increased by 2.3 million Riyals. * General and administrative expenses increased by 20 million Riyals. The rise came as a result of increased salaries and relative expenses due to once-off ESOP payments of 7.9 million Riyals. It is worth noting that 5 million Riyals of the above amount represent 50% of the RS 10-million fine imposed on Wasco by the General Authority for Competition. The case is still under consideration. * RS 7.7-million increase in impairment of receivables. The increase came mainly as a result of adopting the monthly expected credit loss model in line with IFRS 9 which replaced the quarterly basis model in 2021. Additionally, collection days as well as sales were slightly increased.
Operating and other revenues / (expenses)	(2,836)	13,560	(16,396)	(121%)	Other expenses for the current year recorded 4 million Riyals due to an unexpected loss from currency exchange rate fluctuations, in addition to other 2 million Riyals due to equipment depreciation and scrap sales of 1 million Riyals. Other revenues of 2.2 million Riyals came from selling miscellaneous goods by Wasco. In 2021, the Company recorded profits of 6.5 million Riyals from early settlement of liabilities in addition to 5 million Riyals more from selling IPE. The process did not occur in 2022.
Operating profits	304,294	242,318	61,976	26%	Operating profit increased mainly due to a rise in sales.

d) Geographical analysis of the Company and its subsidiaries total revenue

The company and its subsidiaries operate in KSA, GCC countries, North and East Africa countries, and some other geographical regions.

The geographical distribution is as follows: - Figures in SAR (000's)

Statement	Kingdom of Saudi Arabia	Gulf Cooperation Council	Other Countries	Total Revenue
Company	742,946	65,561	359,451	1,167,958
Subsidiaries	15,304	-	3,744	19,048
Total	758,250	65,561	363,195	1,187,006

e) Information related to loans of MEPCO and its subsidiaries

1. Medium Term Loans and Credit Facilities (SAR'000s)

Entity	The principal loan amount / facilitations	Duration of the loan / facilitations	Balance at the beginning of the year	Added during the year / scaled during the year	Amount paid during the year	Balance at the end of the year
Industrial Development Fund	289,500	5 years	67,089	75,000	(28,089)	114,000
Samba Bank	50,000	5 years	23,956	-	(23,956)	(28,089)
National bank of Kuwait	150,000	4 years	5,946	-	(5,946)	(5,946)
SABB Bank	218,365	5 years	239,794	-	(21,429)	218,365
Bank AlBilad	100,000	5 years	64,904	-	(64,904)	(64,904)
Saudi National Bank	80,000	4 years	40,000	-	(40,000)	(40,000)
Riyadh Bank	127,000	5 years	122,000	-	(122,000)	(122,000)
Bank AlJazira	183,779	5 years	-	183,779	-	183,779
Total	1,198,644		563,689	258,779	(306,324)	516,144
Financing fees due, deferred financial charges	-	-	(1,928)	(3,061)	-	(4,989)
Total	1,198,644		561,761	255,718	(306,324)	511,155

2. Short term loans and facilitations (Rotating) - Figures in SAR (000's)

Loan Grantor	The principal loan amount / facilitations	Duration of the loan / facilitations	Balance at the beginning of the year	Added during the year / scaled during the year	Amount paid during the year	Balance at the end of the year
Bank Al Bilad	100,000	1 year	34,000		(34,000)	
National Commercial Bank	55,000	1 year	15,000		(15,000)	
Samba Bank	40,000	1 year	41,000		(41,000)	
Bank AlJazira	70,625	6 months	-	20,625	-	20,625
Total	265,625		90,000	20,625	(90,000)	20,625
Due and other payment papers	-	-	7,349	5,591	-	12,940
Total	265,625		97,349	26,216	(90,000)	33,565
Total medium and short term	1,359,865		659,110	281,934	(396,324)	544,720

3. Classification of total loans according to International Standards - Figures in SAR (000's)

classification	2022	2021
Short-term loans and facilities	33,565	33,565
Current portion of long-term loans	99,828	99,828
Long-term loans	411,327	411,327

f) Subsidiaries

Company Name	Capital	Activity	County of Establishment	Country of Activity	Equity
Waste Collection & Recycling Company Ltd.	20 million Riyals	Used Paper Collection and Trade	Saudi Arabia	Saudi Arabia and other countries	100%
Roots Paper Manufacturing Company Limited	68 million Riyals	Tissue paper, Roll paper and related products	Saudi Arabia	Saudi Arabia	100%
Estidama Environmental Services Company Limited	100,000 Riyals	Water supplies, sewerage, waste management and treatment	Saudi Arabia	Saudi Arabia	50%
Saudi Jordanian waste collection and recycling	529,000 Riyals	Waste Management & Treatment	Jordon	Jordon	50%

The subsidiaries are fully integrated into the parent Company's course of business. The paper collection and sorting companies along with their branches supply the paper factory with amounts of raw material required for the Company's business activities, besides creating profits by selling their surplus in the target markets.

g) Value statement of legal dues with a brief description

- **Zakat:** The Company is subject to the laws of the General Authority of Zakat and Tax in the Kingdom of Saudi Arabia. Zakat is registered on an accrual basis. Subsidiaries operating outside the Kingdom of Saudi Arabia are subject to their local tax laws.
- **Tax:** The Company and its subsidiary registered in the value-added tax system which was introduced in January 2018.
- **Social Insurance:** The Company is subject to the social insurance law. Social insurance fees are recorded on an accrual basis, and social insurance is paid monthly based on the dues for the previous month.
- **Passport and Visa costs:** These are costs that the Company pay to obtain visas, recruitment fees, and commercial visits.
- **Labor office fees:** Represent the costs of obtaining work permits and changing professions

Financial statements of 2022 (SAR'000s)	Dues	Paid	Justifications
Zakat	12,898	7,477	Zakat computed by the consultant as per the Zakat regulations
Tax	38,925	45,912	VAT on goods & external services by foreign suppliers
General Organization for Social Insurance	5,331	5,150	Due payments as per the social security records
Passport & Visa costs	1,121	1,121	Recruitment, commercial visits, visas and their renewal
Labor office fees	7,707	8,029	Employment fees and work permits
Total	65,982	67,689	

Details of the Treasury Bills held by the Company and the Uses thereof

No treasury shares for year 2022

Number of Requests for the Shareholder Register during 2022

S	Date of Ownership File	Purpose for the Request
1	20 th January	Data on the movement of ownership ratios of companies and investment funds
2	3 rd March	Data on the movement of ownership ratios of companies and investment funds
3	28 th April	Data on the movement of ownership ratios of companies and investment funds
4	13 th January	Shareholders register for the purpose of the General Assembly
5	13 th January	Shareholders register for the purpose of the General Assembly
6	2 nd August	Data on the movement of ownership ratios of companies and investment funds
7	8 th September	Data on the movement of ownership ratios of companies and investment funds
8	13 th October	Data on the movement of ownership ratios of companies and investment funds
10	3 rd November	Shareholders register for the purpose of the General Assembly
11	24 th November	Shareholders register for the purpose of the General Assembly
12	4 th December	Data on the movement of ownership ratios of companies and investment funds
13	31 st December	Statement of ownership of Board members, senior Executives and principal Shareholders at the end of the year

Information about the Contracts or Deals that the Company Signed with Related Parties

They are the same transactions that have an indirect interest to some members of the Board of Directors, the CEO or any related person

Contractual Nature	The other party in the contract	Conditions of Work or Contract	Beginning of Contract	Contract – Transaction Duration	Value of Transactions in Saudi Riyals during 2022	Member's name/ senior Executive or any other relatives
Supply the corn material necessary for paper rolls manufacturing	Arabian Maize Company	Continuous transactions done in the context of the normal business within the prevalent commercial conditions and without any preferential conditions	2020	Valid until termination by one of the parties whenever they desire.	35,716,109	Eng. Abdullah Abdul Rahman Almoammar Mr. Emad Abdulkader Al Muhaidib
Purchase the company's products from gypsum board rolls	United Mining Company	Continuous transactions done in the context of the normal business within the prevalent commercial conditions and without any preferential conditions	2010	Valid until termination by one of the parties whenever they desire.	26,514,609	Mr. Emad Abdulkader Al Muhaidib
Supply water to meet the company's needs among the approved suppliers	Develop and operate the industrial cities	Continuous transactions done in the context of the normal business within the prevalent commercial conditions and without any preferential conditions	2005	Valid till 2025	7,013,710	Mr. Emad Abdulkader Al Muhaidib

About Cash Dividends during 2022

- On 16th March 2022, The Board approved the General Assembly recommendation on paying cash dividends to the Shareholders for the year 2021. At its meeting dated 13th June 2022, the General Assembly approved the Board's recommendation to pay an amount of SAR 50,000,000 of profits to the Shareholders for the financial year ending 31st December 2021, SAR 1 per share.
- As authorized by the General Assembly held on 13th June 2022, the Board decided to distribute an amount of SAR 25,000,000 to the Company's Shareholders on 8th October 2022 for the first half of the financial year 2022, in an amount of SAR 0.5 per share.

Dividend Policy:

1. Cash dividends:

Dividends are paid to the Shareholders in accordance with the provisions of the Companies' law, its regulations and the Company's Articles of Association. Net profits are distributed after deducting all general expenses and other costs particularly the following:

- 10% of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may discontinue such deduction whenever the said reserve reaches 30% of the paid-up capital.
- The Ordinary General Assembly may decide, based on the Board's recommendation, to set aside a specific percent of the net profits to form a consensual reserve towards certain purposes. Such reserve can only be used by a decision of an Extraordinary General Assembly.
- The Ordinary General Assembly may decide to form other reserves as may be essential to achieve the interests of the Company or to ensure fixed profits are distributed to the Shareholders. The aforementioned Assembly may also deduct amounts from the net profits to establish social institutions for the employees of the Company or to support the existing ones.
- The remainder is then distributed as a first payment to Shareholders, equivalent to no less than 5% of the paid-up capital.
- Subject to the provisions of Article (21) of the Company's Articles of Association, and Article (76) of Saudi Companies' Law, a percentage of no more than 10% of the remainder shall be allocated to the remuneration of the Board if it is a certain percentage of the Company's profits, provided that the entitlement to this remuneration is

proportional to the number of meetings attended by each member.

- Upon meeting the regulatory requirements, the Company may distribute semi-annual and quarterly dividends to Shareholders.
- ### 2. Distribution of bonus shares:
- The Company may distribute the dividends in the form of bonus shares to the Shareholders to increase the capital by issuing bonus shares at the nominal value which is transferred from the retained earnings to the capital. To increase the capital, the approval of the Capital Market Authority (CMA) shall be obtained, followed by the approval of the Extraordinary General Assembly of the Company.
 - As may be resolved by the General Assembly or by the Board on the interim dividends, the Shareholders receive their portion of net profits as cash dividends or bonus shares. The decision of the General Assembly or the Board shall specify the due date and date of distribution. The dividends are paid first to those registered on the Shareholder register at the end of the specified maturity date.
 - At its meeting dated 24th November 2022, the Extraordinary General Assembly approved the Board's recommendation to increase the Company's capital by issuing bonus shares to the Shareholders in an amount of 1 share for every 3 shares.

a) About the Governance of the Company

The Company has laid down its own corporate governance system setting rules and standards to ensure compliance with the best governance practices that protect rights of the Shareholders, Stakeholders and related parties. The rules, policies and procedures stated in the Company's corporate governance regulations are binding on all Board members, Executive Management, key managerial personnel and all employees of the Company. This system may only be modified via a Board decision.

The corporate governance system aims to make the optimal and most profitable investment of the Company's capabilities and resources by creating a work ecosystem based on the principles of responsibility, control, and commitment that is founded on clarity and transparency. Such principles shall be observed in defining the Company's goals and strategic business plans, in describing the rights and obligations of all its entities, and in managing its

relationship with suppliers, creditors, consumers and regulatory authorities. This ecosystem interacts and integrates with the local legislature so the Company may achieve its goals effectively and fairly.

MEPCO adopts the best standards of corporate governance and always adjusts its business models to be consistent with updated standards. This commitment constitutes a fundamental pillar for its long-term success. Therefore, the Company has developed its own governance rules, which align with the Company's commitment to integrity and quality in all of its operations, activities and products.

MEPCO Governance focuses on the following objectives:

- Activate the role of Shareholders in the Company and facilitate exercising of their rights.

- Embed transparency, integrity and fairness in the Company, its operations and business environment, and enhance disclosure thereof.
- Provide effective and balanced tools to deal with conflict-of-interest situations.
- Define the roles and responsibilities of the Board and the Executive Management.
- Activate the role of the Board and the Committees and develop their efficiency to enhance decision-making processes in the Company.
- Strengthen the controls and accountability of Company employees.
- Establish a general framework for dealing with Stakeholders and respect their rights.
- Improve the effectiveness of internal supervision and oversight and provide the required tools.
- Educate employees on the professional conduct and urge them to adopt responsible and good behavior when exercising their duties.

Key Principles of MEPCO Governance	
Responsibility:	To ensure effective performance of functions using the best available capabilities.
Accountability and Control:	To control acts and conduct and hold accountable all decision-makers ensuring that they can clarify and justify their actions.
Equality:	Fair and indiscriminate treatment for all parties.
Transparency:	Clear and accurate disclosure to ensure that all Company operations and data are clear and available to all.
Ethics:	Stick to the Code of Professional and Ethical Conduct and commit oneself to integrity, fairness and professionalism with all parties.
A Vision to Record Sustainable Value:	Long term outlook for realizing sustainability which ensures growth and promotes social well-being.

b) Articles of Association

The Articles of Association defines the identity of the Company and regulates its affairs, objectives and management. It also governs its meetings and Shareholders equities. It also controls and monitors the Company's business, its authority to borrow and grant shares in addition to outlining its policy from its inception onwards.

Shareholder rights

Our corporate governance framework attaches tremendous value to Shareholder rights and urges them to participate effectively in the General Assembly meetings. To that end, it educates them on voting rules, their right to fair and indiscriminate treatment, and to information they need to fully exercise their statutory rights. They are entitled to a share of the profits, to a share of the Company's assets upon liquidation, to attend Shareholder

assemblies, to take part in its deliberations, to vote on its decisions, to dispose of shares, to request access to the Company's books and documents, to monitor actions of the Board, to inquire and request information that neither harms the Company's interests nor violates the capital market law and its executive regulations. They are also entitled to file a liability claim against the Board members, and to appeal against decisions made by Shareholder assemblies. Moreover, the framework lays great emphasis on the rights of other Stakeholders along with other rights guaranteed and stressed by the Company's Articles of Association.

c) Internal Controls

Based on recommendation by the Audit Committee, the Board adopted a system of internal control to evaluate the policies and procedures related to risk management, apply corporate governance

rules and regulations, and to comply with relevant laws and regulations. The Audit Committee further recommended the use of the COSO framework in the evaluation, implementation and supervision of internal controls. The internal control and risk management processes are listed according to the COSO framework as follows:

- Strategy: The company's ultimate goals accord with and support its mission
- Operations: The effective and efficient use of resources to achieve the targeted goals
- Reports: The reliability of financial reports
- **Compliance:** Compliance with all applicable laws and regulations.
- The executive management implements internal control system and risk management, verifies the effectiveness and adequacy thereof, and applies best practices. Internal control systems in the company and its subsidiaries are monitored and assessed by both Internal Audit Department, and Department of Governance, Compliance and Risk management respectively. These departments are independent and report periodically to the Audit Committee and the Board.
- Throughout 2020, the Company invested in the internal controls by adopting COSO framework which is to remain in place as to the execution and annual evaluation of internal control procedures.
- In 2020, the Audit Committee recommended amending risk management institutional policy as part of advancing risk management, risk records reviewing, control plans and risk appetite.

The Company has strengthened governance role by the following:

1. Internal Audit. It is an independent department that operates under the Audit Committee. It provides the Board and Executive Management with an objective and comprehensive view of all the Company's activities and ensures the effectiveness of internal controls in handling the risks identified by the risk management to minimize or mitigate them.

2. The Corporate Governance and Compliance. An independent department works in cooperation with other departments and under the supervision of the Board and the Audit Committee. It performs the following functions:

- Monitors the application of the general framework of governance and ensures that it is reviewed periodically to confirm its conformity with amendments to the Company's objectives or activities, regulatory requirements or best practices in the field of governance.
- Tracks the amendments issued by the regulatory and supervisory authorities on the laws or the regulations and instructions of joint-stock

companies; and updates the Company's internal regulations accordingly.

- Ensures that the Company abides by the instructions and regulations set forth by the regulatory and supervisory authorities and which are linked to the Company's activities.
- Responds to inquiries and correspondence received by the Company from the regulatory and supervisory authorities and participates in training activities they run, and builds up trust between such authorities and the Company.
- Monitors Company compliance with policies and internal controls to achieve compliance with local laws and regulations.
- Promotes cultural awareness of corporate governance and commitment within the Company and trains the employees accordingly.
- Keeps the Executive Management informed of the risks arising from non-compliance that may lead to statutory penalties and actions, financial losses or damage to the Company's reputation caused by its failure to implement the regulations, instructions, rules, instructions, or ethical values that control the business environment where the Company operates.
- Responds to alleged violations of rules, regulations, policies, procedures, moral standards and ethics by running an assessment and recommends an investigation.
- Conducts an annual review of all instructions included in the governance policy and procedure manuals applicable to the Company to ensure that they conform to the regulatory requirements and update accordingly.
- Monitors the Company's compliance with laws and regulations in its operations with other entities; the Company's unit commitment to the Company's corporate governance policies and internal regulations, and assists the Internal Audit Department to fulfill its control role.

3. Risk Management operates under the Governance and Compliance Department. Its key functions are as follows:

- Ensures effective management of risks to which the Company is or may be exposed.
- Defines, develops, and monitors the application of guidelines and risk management procedures necessary to identify, measure, control and monitor risks inherent in the Company's activities.
- Reviews the risk record submitted by each Manager regarding their department. The record shall afterwards be submitted to the Chief Executive Officer and the Company's Audit Committee. A regular report shall be prepared on the Company's risk management framework and risk structure.

- Promotes cultural awareness of risk management within the Company and train the employees accordingly.
- Ensures that all employees are fully aware of the risks in their work environment and their individual responsibilities.
- Coordinates with the Executive Management to ensure the effectiveness and efficiency of the Company's risk management system.
- Submits reports to the Audit Committee and the Board, including recommendations to the Executive Management that supports the effective risk management.

4. Legal Department: It is a specialized department that works with other departments to achieve objectives of the Company. It aims to ensure that actions taken by other departments are in conformity with the statutory rules. It also offers legal opinion,

reviews the regulations, and audits contracts and agreements, as well as provides legal counsel on dealings referred to the Department by other business units. Its functions include formulating decisions, letters and memos assigned thereto. It expresses the legal opinion on the issues presented thereto and coordinates with the lawyers handling the Company's lawsuits, in addition to spreading legal awareness and educating the Company's employees through coordination with different departments.

Provisions of Corporate Governance Regulations; Applied and Unapplied and Why.

The Company has implemented the obligatory provisions contained in the corporate governance regulations of the Capital Market Authority as amended in 2019, with the exception of the following, which includes guiding provisions.

Number of the Article	Content of the Article	Reasons for Non-application
14 Paragraph A	On preparing the agenda of the General Assembly, the Board shall take into account the issues that Shareholders wish to include. Shareholders holding at least 5% of the Company's shares may add one or more items to the agenda.	During 2022, the Company was not notified of any issues the Shareholders wish to include in the General Assembly Agenda.
39 Paragraph 2	Establish the mechanisms that help each Board member and senior Executive obtain training programs and courses which enhance their skills and knowledge related to the Company activities.	The Company applied only Paragraph 1 of the Article. Latest updates on the Company's activities are conveyed to the Board in the meetings and through reports by the Management.
60	By a Board decision, a Remuneration Committee shall be formed of 3 Non-Executive members of whom at least one is an Independent member. Upon recommendation by the Board, the General Assembly shall issue the charter of the Remuneration Committee.	Not applicable. The Company combined remuneration and nomination in one Committee.
63	The Committee shall convene periodically at least annually and as needed.	Not applicable. The Company combined remuneration and nomination in one Committee.
64	a Board decision, a Nomination Committee shall be formed of 3 Non-Executive members of whom at least one is an Independent member. Upon recommendation by the Board, the General Assembly shall issue the charter of the nomination Committee.	Not applicable. The Company combined remuneration and nomination in one Committee.
67	The Committee shall convene periodically at least annually and as needed.	Not applicable. The Company combined remuneration and nomination in one Committee.
70	The Board shall by virtue of its own decision form a Risk Management Committee. The Chairman and majority of its members shall be Non-Executive Board members and shall be adequately knowledgeable in risk management and finance.	The Company has not formed a specialized risk management department. The risk officer is following up on risks and the application of a risk management policy in coordination with the Internal Audit and Compliance Department under the supervision of the Audit Committee.
72	The Risk Management Committee shall convene periodically at least semi-annually and as needed.	The Company has not formed a dedicated risk management department.
85 Paragraph 31	The Company shall establish programs for developing and encouraging the engagement and performance of its personnel. The programs shall particularly include the following: Formation of committees or specialized workshops where employees can speak their minds and discuss key issues. Programs to award the Company employees shares therein or portion of the profits or retirement programs in addition to setting up an independent fund to financially support such programs and create social welfare entities for the employees.	Partially not applicable. The Company has established a program to grant some employees shares in the Company. The Company provides means of communication for its employees to offer opinions and submit suggestions and complaints. Besides, employee satisfaction surveys are conducted through independent external parties. Furthermore, training courses for employees inside and outside the Company are also available.

88 Paragraph 1	Setting indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities.	Not applicable. It is a guiding paragraph, and it is specifically wanting a comparison with other similar companies which is difficult to implement due to scarce information.
95	In the event that the Board forms a Corporate Governance Committee, it shall assign thereto the competencies stipulated in Article (94) of these Regulations. Such committee shall oversee all issues relating to the implementation of governance and shall submit to the Board its reports and recommendations at least annually.	The Company has not formed a dedicated governance committee. However, the Company has a governance and compliance unit that controls and supervises the governance of the Company under the Board and the Audit Committee.

Finally, the Board of Directors would like to extend its deepest gratitude to the Government of the Custodian of the Two Holy Mosques for its unqualified support to the private sector, through governmental initiatives, to alleviate the impact of COVID-19 and for backing the industry during such hard times. The Board is also grateful to all of the Company's clients, financial institutions, and suppliers. The Board expresses its sincere thanks and appreciation to the Shareholders

of the Company, for their trust and unlimited support. I am confident that such trust motivates us for more progress and profitability. We want to thank the Executive Management and employees of the Company for their relentless effort, and the Board looks forward to more achievements during 2023.

All wishes of Success for our Company



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