



Aseer Trading,
Tourism, Manufacturing, Agriculture,
Real Estate, and Contracting Business Co.

Board of Directors Report

For the fiscal year 2021

Kingdom of Saudi Arabia

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M/S shareholders of the Aseer Company**For Trading, Tourism, Industry, Agriculture, Real Estate and Contracting Business****Honorable Sirs****May the Peace, Mercy and Blessings of God be upon you,**

The Board of Directors of Aseer Trading, Tourism, Manufacturing, Agriculture, Real Estate and Contracting Business Co., “the Company”, is pleased to present to you the annual report of the Board of Directors for the year 2021. This report reviews the company's general position and financial performance during the fiscal year, in addition to the company's future directions, key strategies, and factors affecting its operations.

Company Overview:

Aseer Trading, Tourism, Manufacturing, Agriculture, Real Estate and Contracting Business Co. is a Saudi joint-stock company, listed on the stock market in the Kingdom of Saudi Arabia under the number 4080, within the investment and finance sector.

The company was established as per the Royal Decree No. R/78 on 7/11/1395 AH, corresponding to 11/11/1975 G, and initiated its business after the announcement of its incorporation and the issuance of its commercial register under No. 5850000276 on 01/15/1397 AH, corresponding to 01/05/1977 G. Its head office is located in Abha and carries out its operations from its office in Riyadh. Since its incorporation, the company has gone through various stages of development, and the nature of its business has changed from being a company that engages in multiple operations and activities to an investment holding company with a capital of 1,263,888,890 Saudi riyals, and the number of its issued shares amounts to 126,388,889 shares with a nominal value of 10 riyals per one share, fully paid, as at the end of the year 2021 G, with no change compared to the year 2020 G.

The Company's Financial Year:

According to the company's Articles of Association, the fiscal year begins on the first of January and ends at the end of December of each year according to the Gregorian calendar.

Company auditor:

The company's accounts were audited by M/s. Dr. Mohamed Al-Amri & Co. BDO, based on the decision of the fiftieth Ordinary General meeting held on 05/30/2021 G appointing them as an auditor of the company, to examine, review and audit the financial statements for the second, third, and annual quarters of the fiscal year 2021 G, and the first quarter of the fiscal year 2022 G.

Internal Audit:

M/s. Baker Tilly MKM & Co. Chartered Accountants took over the internal audit functions

and work and the evaluation of the company's internal control system during the fiscal year 2021 G.

Zakat advisor:

The company's zakat advisory is undertaken by M/s. PricewaterhouseCoopers.

The company's general position during the fiscal year 2021 G:

The losses incurred by the company during the year, amounting to 63.5 million riyals, was mainly due to the losses incurred by the associate company Alessa Industrial by about 60.4 million riyals, as the associate company was forced to make large financial provisions mainly due to bad debts for previous years, which was reflected in its annual results during this year, while the company's overall performance has improved as a result of the increase in profit from sales of its subsidiaries in the food industry sector amounting to 486.1 million riyals during this year, compared to 451 million riyals in the previous year, an increase of 7.4%, and the company has achieved a growth in sales during the year amounting to 1.7 billion riyals, compared to 1.6 billion riyals in the previous year, an increase of about 141 million riyals, reflecting an increase of 9%.

It is worth noting that its subsidiary Al Rabie Saudi Food Co., which operates mainly in the juice sector, has substantially improved its performance during the year 2021 G, after it suffered a severe setback during the previous year due to the application of the excise tax and the negative impact caused by precautionary measures of the (Covid-9) pandemic.

On the other hand, the company continues to implement the general strategy it adopted at the end of the previous year by setting strategic goals, as will be mentioned hereinafter. The company hopes that 2022 G will be the beginning of a major shift in the company's performance and a positive reflection of its subsidiaries, especially in the food sector. Besides, it's expected that the associate company, Alessa Industries, will be improved during 2022 G, especially since most of its losses during the year were due to provisions for bad debts that negatively affected its cash flow and its ability to increase its commercial sales.

The company is working on restructuring the investment portfolio by evaluating and distributing its investments in the strategic sectors with a view to raising the efficiency of the performance of its investment assets through its strategic directions by improving the returns of certain investments, selling other investments with low-return that cannot be developed or grown, and exiting from investments that do not fall within the specific strategic sectors or those that may be associated with high risks, in order to generate cash in-flows. This would enable Aseer to enter into new viable investments with a view of achieving better returns on its investments and enhancing growth opportunities, and it is expected that this will have a positive impact on the book value of the share and the performance of its market value, accordingly, increasing the market value of the company.

The company believes that its growth and development will reflect positively on maximizing the interests of shareholders and other stakeholders, including employees, creditors, customers and suppliers, and enabling it to play an effective role towards society as a whole.

According to the business strategy contained in this report, the company is looking forward to achieving better results in the coming years in order to enhance its financial standing and financial position in a manner that achieves continuous growth rates.

The company's vision, mission and business strategy:

Given the constantly active nature of the business environment, the company needs to reconsider its strategy periodically to maintain its capabilities, raise performance efficiency, and explore new investment opportunities for growth and profitability; accordingly, the company has developed its strategic plan in order to be able to deal with the existing challenges

and to take advantage of potential opportunities, which play a vital role and should be of a continuing nature so as to enable the company to adapt to the changing business environment and to get out of the deadlock.

Strategic direction:

The company operates as an investment holding company with a strategic long-term and sustainable structure, and for this purpose, it adopts the active supervision method in managing its investments through strategic support and financial supervision.

The company believes in the importance of the companies in which it invests in, enjoying a high degree of independence in managing their operations as independent companies and must have professional management. Therefore, the company plays its role strategically by activating and developing the governance system and applying the best practices in this regard. The company is also concerned with searching for and launching of distinct and carefully studied investment opportunities and implementing them efficiently in order for the investment portfolio to grow steadily; therefore, the company provides these valuable investments to individuals and institutions through the financial market.

The company also understands the shareholders' needs in growing capital while achieving regular returns at a balanced risk level. Therefore, it seeks to preserve its value in the time of economic crises as much as possible, while taking into account, in achieving this, its mission that aims at the development and prosperity of the community through responsible investment, social development, and compliance with the legal aspects while facilitating participation in owning investment opportunities through specific partnerships and the stock market; thus, we articulated our mission, vision, and values to reflect the direction in which the company has been established since its inception.

Mission:

"We seek to rehabilitate the land and the prosperity of its communities by developing sustainable investments and facilitating participation in them."

Vision:

"Pioneers in launching and leading valuable investment opportunities."

Values:

- **Initiative:** We drive initiatives with a long-term orientation and empower our team to take charge.
- **Reliability:** We strive with the highest degree of responsibility to achieve the ambitions of our partners and stakeholders with the best quality practices.
- **Integrity:** We comply with regulations and legislation and adhere to the highest standards of governance and transparency.
- **Vitality:** We learn with passion, draw inspiration from experiences, stimulate innovation, and constantly develop for a promising future.
- **Perseverance:** We overcome difficulties, aspire to grow, and turn challenges into successes.

Balanced performance axis:

To achieve balanced performance, the company implements its strategy through four axis:

- Maximizing the value of equity by achieving sustainable profitable growth and controlling operating costs.
- Building a distinguished reputation/brand that obtains the confidence of investors for its sustainable returns and positive impact in society, with the formation of a balanced investment portfolio that is constantly improving/evolving, and enjoying leadership in the investment market/world.

- Giving the investments the independence necessary to efficiently manage their operation while applying the best practices of governance and risk management and encouraging them for strategic mutual cooperation, in parallel with creating an organized work environment that is committed to procedures, regulations, and policies, and is characterized by transparency, flexibility, and is technically supported to achieve efficiency and effectiveness.
- Attracting talented competencies to form a professional, empowered, and dynamic team, adhering to the corporate identity within an attractive work environment and a value-based corporate culture.

Strategic initiatives:

The company is working on finalizing a number of strategic initiatives, following a precise project management system to achieve the set strategy and measure the efficiency of performance on a regular basis, where it's being monitored, as well as its completion rates on a monthly basis, and the company has completed more than 15 initiatives during 2021 G, and some of the most important of these initiatives are:

- Searching for promising investment opportunities and studying them carefully.
- Working with subsidiaries and associates to develop their strategies and operations.
- Exiting investments that have expired or are not viable.
- Applying best practices in governance, compliance, and risk management.
- Updating and developing all operational policies and procedures.
- Raising the efficiency of the recruitment, training, and performance measurement system.
- Creating an institutional work environment based on values.

Business strategy:

The company is working to achieve its mission through a strategy of diversifying its investments in different sectors and industries, with a focus on defense sectors, whose growth is linked to increased consumer demand and is low-risk, as identified in the following vital sectors:

- Consumer goods sector
- Healthcare sector
- Education sector
- Logistics sector

The company is working to restore the balance of its investment portfolio and move to new sectors by evaluating its existing investments in these sectors with a comprehensive review of the dynamics of the local and regional economic environment with the aim of finding and exploiting possible opportunities in the specific strategic sectors and the new investment opportunities that may emerge from them and distributing its investment portfolio in order to achieve growth in its revenues in line with maximizing the value of the company and the interests of its shareholders.

This strategy aims to achieve a balanced mix of risks that leads to increased investment returns for its shareholders, especially that the company enjoys competitive advantages that enable it to enhance its business and meet the potential risks that it may face, and the most important of which are:

- Distributing its investments in economically promising strategic sectors.
- The ability to develop and improve the performance of its investments.
- Recycle its investments and enter into new and viable investment opportunities.

This strategy and competitive advantages, along with the accumulated experience of its Board of Directors and Executive Management, enhance the company's opportunities and future capabilities to achieve a quantum and quantitative leap in its performance, growth of its returns, and cash flow through the performance of subsidiaries and

associates, and other investment income resulting from its returns from dividends and capital gains realized from the sale of any of its available-for-sale investments, in addition to the periodic evaluation of the fair values of its available-for-sale, traded and non-traded investments, and investment funds.

The company's main operations and business sectors:

The company's main operations:

The company's operations are focused on managing a diversified investment portfolio in the existing sectors by raising the efficiency of investment performance, developing the value of the investment portfolio, and enhancing its growth opportunities, in addition to rotating some investments and rebalancing the investment portfolio by selling, to achieve capital gains that are reflected in the results of its business and achieving cash flows that enhance the company's position and opportunities to entering into viable alternative investments and achieving its investment objectives in the new vital sectors, and the company may resort to borrowing to finance equity and strengthen its capital structure whenever the need arises, to acquire feasible investment opportunities.

The figure below shows the relative distribution of the volume of investments based on sectors as at the end of the fiscal year 2021 G.

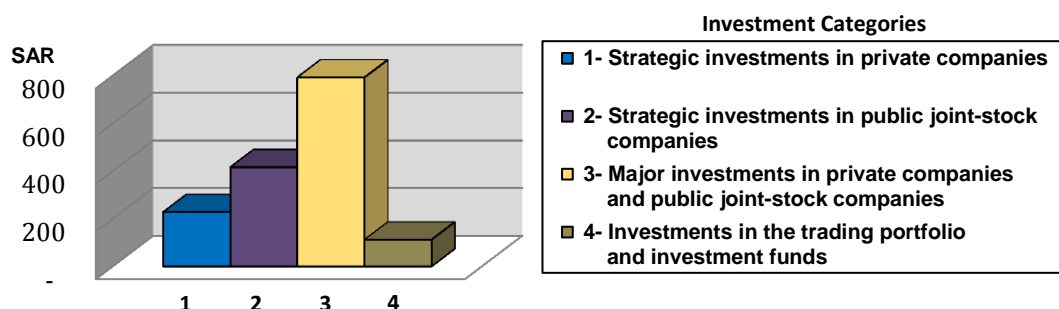


(Value of the investment portfolio is 1546 million riyals)

The company classifies the ownership of its investments in the existing sectors into four basic investment categories, according to the nature and type of each investment, as follows:

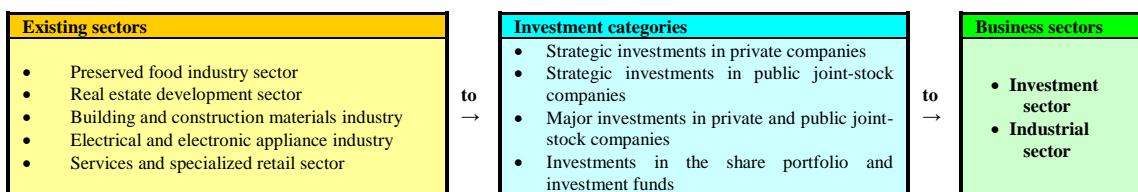
- 1- Strategic investments in private companies.
- 2- Strategic investments in public joint-stock companies.
- 3- Major investments in private companies and public joint-stock companies.
- 4- Investments in the traded share portfolio and investment funds.

The figure below shows the distribution of investments according to the classification of investment categories as at the end of the fiscal year 2021 G:



Business sectors:

The company operates during the year 2021 G through two main business sectors: the investment sector and the industrial sector.

**Investment sector:**

The company operates in the investment sector through a group of wholly-owned special purpose companies, and its direct investments in private companies and public joint-stock companies whose activities are concentrated in the existing sectors of the company and in which its ownership is less than 50% of its capital, in addition to its investments in various securities in the traded stocks of companies listed on the Saudi market and investment funds, except for its industrial investments in private companies and public joint-stock companies that it controls and consolidates its financial statements with, which fall under the industry sector.

Industrial sector:

The company exercises its activity in the industrial sector through its investments in a group of private and public joint-stock subsidiary companies that it owns by at least 50% and consolidates its financial statements with, in accordance with international standards approved in the Kingdom of Saudi Arabia, and its activity in this sector is concentrated in the fields of the preserved food industry, besides the textile and garment industry.

The table below shows the distribution of the company's activities to the business sectors that constitute the company's main operations, the impact of each sector on the company's business volume, its contribution to the results during the fiscal year 2021 G, and its comparison with the year 2020 G:

Year	Statement (in million riyals)	Investment sector	Industrial sector	Total
2021	Total assets	1185	1862	3047
	Total liabilities and non-controlling interest	393	1253	1646
	Net sales and investment income	(47)	1711	1665
	Gross profit	(47)	486	439
	Consumptions	2	103	105
	Property, plant, equipment and projects in progress	4	867	871
	Capital expenditures	1	27	28
2020	Total assets	1125	1843	2968
	Total liabilities and non-controlling interest	372	1215	1587
	Net sales and investment income	(1)	1570	1569
	Gross profit	(1)	451	450
	Consumptions	1	108	109
	Property, plant, equipment and projects in progress	4	942	946
	Capital expenditures	2	41	43

The company's assets, as well as the main markets for the company's activities and its subsidiaries, are concentrated in the Kingdom of Saudi Arabia, except for the activity of Halwani Brothers (Egypt), whose activity is concentrated in the Arab Republic of

Egypt, and it's a subsidiary of Halwani Brothers Company, a subsidiary of Aseer Arabian Industrial Investment Ltd., wholly owned by the company.

Geographical Analysis of Total Consolidated Revenue:

The total consolidated revenues of the company consist of the total revenues of sales in the industrial sector and the revenues of the investment sector, which constitute the main operations of the company.

Total sales revenue during the year amounted to 1711 million riyals, compared to 1570 million riyals in the previous year, an increase of 9%, while the company made losses in the investment sector during the year amounting to 47 million riyals, compared to losses of one million riyals in the previous year, due to losses incurred from the results of the associate company with an amount of 60.4 million riyals during the year, resulting from large financial provisions for bad debts for years.

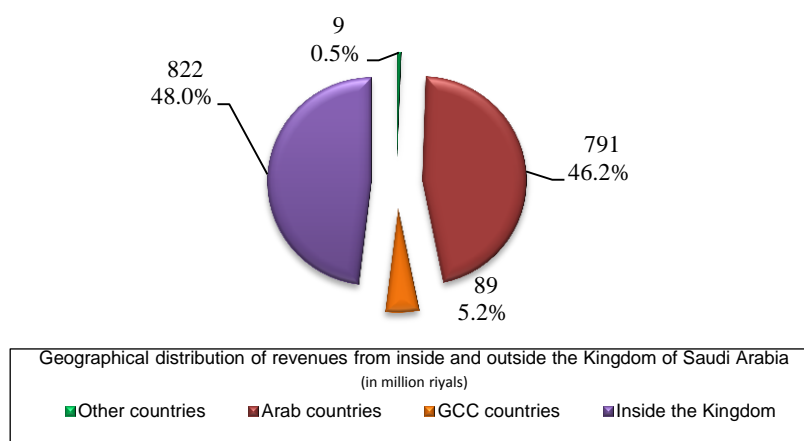
The geographical distribution of the total revenue from sales during the current year (2021) was formed in the revenues from inside the Kingdom, which amounted to 822 million riyals and constitute 48.1% of the total sales revenues, while the revenues from outside the Kingdom amounted to 889 million riyals and constitute 51.9% of the total.

Revenues from outside the Kingdom are represented in the revenues achieved by the Halwani Brothers Company (Egypt), a subsidiary of the Halwani Brothers Company, and the revenues represented by the export operations of the subsidiaries in the industrial sector to the Gulf Cooperation Council countries, Arab countries, and a group of other countries.

The following table shows the geographical distribution of the company's revenues from inside and outside the Kingdom:

Year	Total revenue	Geographical analysis of total consolidated revenues (in million riyals)			
		Inside the Kingdom	GCC countries	Arab countries	Other countries
2021	1711	822	89	791	9

The following figure shows the geographical distribution of the company's revenues from inside and outside the Kingdom:



Plans, decisions and future directions:

• The important decisions in 2021

1. The land owned by the company in the north of Riyadh:

In continuation to what was announced in 2019 G and 2020 G regarding the land owned by the company in the north of Riyadh, the company announced, on April 4, 2021, the latest developments regarding the lawsuit filed against the seller of land north of Riyadh, demanding the return of 202 million riyals to the company as a result of canceling the deed, where the company indicated that, with reference to its previous announcement, on the Tadawul website on 12/27/2020, with reference to

the fact that the judgment issued in favor of the company has acquired the final and decisive status by the lapse of the period specified for objection to it (thirty days) by the defendant (the seller) and it has become enforceable, the company announced that it had received from the company's lawyer, on 04/01/2021, news that the defendant (the land seller) had submitted a petition to the Court of Appeal in Riyadh on 03/18/2021, to set aside the judgment and reject the case after the lapse of the legal objection period and after the company submitted to the Execution Court to implement the judgment issued against the defendant, and that the petition was accepted and considered by the court that issued the judgment and decided the case anew as follows:

First: The court retracted the previous ruling issued on 08/11/2020, which stipulated the termination of the sale contract concluded between the plaintiff company and the defendant and its annexes and obligating the defendant (the land seller) to pay an amount of 202 million riyals to the plaintiff (the company).

Second: Refusal of the plaintiff's (the company's) suit for lack of qualitative jurisdiction, because the case is one of the major cases whose amounts exceed 100 million riyals and is covered by the jurisdiction of the Large Cases Department in the General Court in Riyadh, and that the plaintiff (the company) has the right to object to the judgment by way of appeal within a period of thirty days from the date of issuance of the Judgment on 01/04/2021.

The company also announced, on February 03, 2022, that it had received from the company's lawyer, on 02/02/2022, that the Major Claims Department had issued its first judgment in favor of Aseer Company as follows:

First: Termination of the contract for the sale of land north of Riyadh concluded between the company (the plaintiff) and the seller (the defendant) and the annexes thereto.

Secondly: Obligating the seller (the defendant) to pay an amount of 202 million riyals in favor of the company (the plaintiff).

Given that this ruling is considered a preliminary ruling, a copy of the ruling will be delivered to the two parties on Sunday, 06/02/2022, and each party has the right within thirty days to object to it.

The company also indicated, in its announcement to its valued shareholders, the following:

1. That the company had previously submitted an objection memorandum to the Court of Appeal on 04/28/2021 on the ruling issued by the court on 01/04/2021 to retract the previous ruling issued on 08/11/2020, which stipulated the termination of the sale contract concluded between the (plaintiff) company and the seller (defendant) and the annexes thereto, and the rejection of the company's lawsuit (plaintiff's) lack of qualitative jurisdiction because the case is one of the major cases whose amount exceeds 100 million riyals and that it is covered by the jurisdiction of the Large Cases Department in the General Court in Riyadh, for the foregoing, the Court of Appeal decided to refer the matter to the President of the Court because the matter is between the circuits of one court, and it falls within the rules of internal distribution and the one who is competent to decide on it is the president of the court, and the court of appeal has no jurisdiction to decide upon the jurisdiction between the circuits of one court, and by referring it to the Large Lawsuits Circuit, which issued a ruling in favor of the company at the session set on 02/02/2022, any of the parties has the right to appeal within thirty days from the date of issuing the judgment deed.
2. There is no financial impact on the company for this ruling being in its favor, and the company will announce any material developments in this regard at the time.

2. Reducing the statutory reserve and covering the accumulated losses:

The company's Board of Directors decided, on December 29, 2021, to approve the use of part of the statutory reserve, amounting to 92,417,116 riyals, from the reserve balance, amounting to 311,666,945 riyals, in order to reduce the accumulated losses, which represent 7.31% of the company's capital, according to the approved financial statements as of 09/30/ 2021.

3. Amending the company's Articles of Association:

Based on the company's announcement, on November 24, 2021, inviting its shareholders to attend the Extraordinary General Meeting that was held on 01/09/2022, to vote on the amendment of Article 2 of the company's Articles of Association related to the company's name, and to vote on the amendment of Article 3 of the company's Articles of Association related to the purposes of the company, and to vote on the amendment of Article 5 of the company's Articles of Association related to the company's head office, the fifteenth Extraordinary General Meeting held on 01/09/2022, has decided to approve the amendment of Article 2 of the company's Articles of Association related to the company's name to be after the amendment "Sinad Holding Company (a joint-stock company - listed)", and it was approved to amend Article 3 of the company's Articles of Association related to the company's objectives to be after the amendment as follows:

1. Managing its affiliated companies, or participating in the management of other companies in which it contributes and providing the necessary support to them.
2. Investing its funds in stocks and other securities.
3. Owning real estate properties necessary to carry out its activity.
4. Providing loans, guarantees, and financing for its affiliated companies.
5. Owning industrial property rights such as patents, trademarks, industrial rights, franchises, and other intangible rights, exploiting them, and renting them to its subsidiaries or others.
6. Any other legitimate purpose that is consistent with the nature of this company.

It was also approved to amend Article 5 of the company's Articles of Association related to the company's head office so that, after the amendment, "the head office of the company is located in Riyadh, and it may establish branches, offices or agencies inside or outside the Kingdom of Saudi Arabia by a decision of the Board of Directors."

The company is currently working on finalizing the procedures.

• Strategic plans and directions:

The company's investments are concentrated in the main strategic sectors in addition to some other diversified investments, and they are divided into strategic and major investments through private companies and public joint-stock companies, in addition to investments in investment portfolios and investment funds, and the company intends to implement its strategic directions and future investment plans as follows:

▪ Strategic investments in private companies:

These investments consist of limited liability companies and closed joint-stock companies that operate in the strategic sectors of the company. The company expects to achieve returns from the profits of these investments and from dividends paid from them, in addition to realizing capital gains when part of its share in those investments is put up for initial public offering whenever possible. Moreover, the company may resort to selling some investments whenever feasible opportunities become available and rotate the cash flows as result to finance other investments to enhance the base of equity and achieve growth in its business results.

▪ **Strategic investments in public joint-stock companies:**

These investments consist in public joint-stock companies that operate in the strategic sectors of the company, and the company expects to achieve continuous returns from them, and whenever there are feasible opportunities that achieve the interests of the company and its shareholders, the company may consider selling any of these investments, or part of them, to achieve capital gains and corresponding cash flows to finance the acquisition of other feasible new investments that are in line with the company's strategy and have a positive impact on the growth of the company's business results and financial position.

▪ **The main investments in private and public joint-stock companies:**

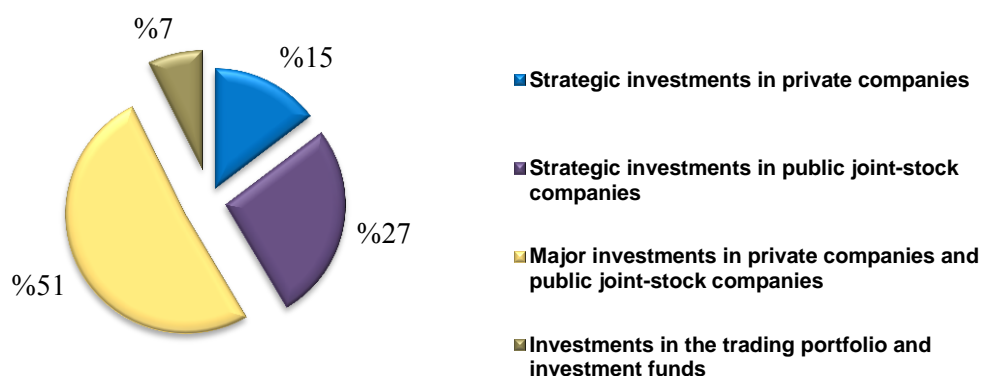
These investments consist in companies that carry out activities in various sectors and seek to grow their business by expanding into new markets or working on expansion by merger or acquisition in the event that there are such opportunities to develop its share and market value, and the company may resort to selling any of its investments in this category whenever it is appropriate or after its development and raising its fair value if possible and securing cash flows that contribute to enhancing its equity and dividends to shareholders or in financing new investment opportunities.

▪ **Investments in portfolios and investment funds:**

These investments consist of investments in investment funds and the trading portfolio in shares traded in the Saudi market, which is of a special nature. These investments are managed by specialized licensed and independent authorized persons. The company expects to achieve returns from its dividends, in addition to capital gains whenever it sees the feasibility of exiting by selling these investments, or part of them, to generate cash flows to finance the development of existing investments or to enter into new investment opportunities or pay cash dividends to shareholders.

The figure below shows the relative distribution of the company's investments by investment categories:

Book value of investments 1546 million riyals



▪ **Human Resources Development Plans:**

The company believes that the implementation of its strategy and business plans depends on the efficiency and adequacy of human resources, which have a vital role in developing its business and raising the performance of its investments, and it's working on plans and programs for internal and external training, in addition to on-the-job training plans, which is one of the main priorities, in addition to attracting specialized competencies according to the company's future needs. The plans for

the gradual replacement of Saudi cadres are of particular importance, as these plans and programs resulted in maintaining good levels of Saudi cadres, and the company achieved a high percentage in the Saudization of its jobs. In addition, the company is aware of the importance of having incentive plans and programs (for the benefit of its employees, as part of its future development directions).

▪ **Continuous development plans and programs:**

The company works in its direction to implement its strategies and plans to achieve its basic mission as an investment company, and works on the continuous development and improvement of the company's operations to suit the nature of the company's business and its development, in cooperation with specialized consultants for the continuous development of its organizational and functional structure, internal regulations and regulations and the updating of information technology programs for administrative, financial and internal control systems, in addition to evaluation reviews of the performance of its investments in strategic sectors, and it is expected that this will have a positive impact on the company's overall performance and future results.

▪ **The impact of future investment plans and directions on business results:**

The company believes that implementing its strategic plans and future directions and developing the performance of its existing investments or expansion plans in these investments, and any acquisitions and of new feasible investments or the merger of some of the companies it invests in, in addition to working to restructure and develop some investments or excluding other investments with poor performance will be the means for developing its revenue sources through the expected profits from its subsidiaries, dividends and capital gains from its investments and providing the necessary cash flows; in addition, plans and programs for continuous development and human resource development will enable it to achieve growth in its business results and enhance its financial position, which will have a positive impact on its shareholders, other stakeholders and society as a whole.

Risk factors facing the company, and potential risks:

The company and its subsidiaries, as is the case for any economic entity, face a range of risks, including operational and financial risks related to the company's operations, risks related to the market and the sectors in which it invests, in addition to the effects of macroeconomic factors affecting the growth rates of the strategic sectors in which the company invests, and the risks of decreasing the fair value of its investments or the depreciation of the intangible assets identified in the goodwill value of some of the companies invested in them, in addition to other risks that may not be known to the company, which may result from the repercussions of financial and economic crises, fluctuations in political and social factors, and changes in legislation, laws, and regulations in force. The main risks are concentrated in the following:

- Risks of being affected by the revenues of the industrial sector, especially the preserved food industries sector, as a result of competition from companies operating in the same activity, or as a result of the levels of abundance of raw materials or their high prices, and the risks of foreign exchange rates against the Saudi riyal.
- Liquidity risk, which is represented in the company's inability to meet its obligations related to financial liabilities as they become due, the risk of the impact of not meeting the terms of credit facility agreements, and the risk of inability to secure sufficient or additional financing through credit facilities in a timely manner and acceptable terms to meet any capital call commitments, guarantees and potential commitments.

- Commission rate risk, which is the risk that the value of financial instruments will fluctuate due to commission fluctuations and the possibility that future profitability or the fair value of financial instruments will be affected by its assets and liabilities, including short-term deposits and long-term Murabaha financing.
- Capital risk management, where the company manages its capital to ensure its ability to continue, determine its capital structure and its ability to obtain financing to meet any obligations as they arise or to enter into new investment opportunities.
- Risks related to unexpected disruption of financial, administrative and operational technical systems.
- The risks of fluctuations in the pricing of private and public equity markets and their impact on the company's results, financial position, and the company's ability to generate cash flows.
- The credit risk of customers and their inability to fulfill their obligations towards the company and its related assets, and the negative impact on cash flows.
- Risks related to political and economic conditions and growth rates of strategic sectors that may affect the performance of their investments.
- Legislation risks, laws and regulations related to the company's operations, activities and obligations.

The company faces, manages and monitors these risks by working to avoid high risks as much as possible, reduce their impact, or transfer them to other parties such as insurance companies by taking a number of necessary measures and precautions to be able to conduct its operations in the usual manner, and continuous monitoring of the risks affecting the company's operations and its needs for cash liquidity and procedures for adjusting its capital structure to enhance its ability to obtain funds to meet its emerging and future obligations, work on developing internal systems and regulations and strengthening internal control systems, as well as following a balanced risk policy by diversifying its investments and the sectors in which it operates and periodic evaluation of its investments in private and public equity and related risks, take the necessary measures towards it, apply the selection methodology for new investment opportunities, rotate some of its investments by selling, and employ their returns in better investment opportunities whenever possible. The company also works to avoid risks by developing and improving the results of its investment operations, according to the type and nature of the investment and the sector, with the aim of developing its returns by raising the fair value of investments and enhancing property rights, and working to increase its production efficiency to raise the level of profitability and cash flows, secure its obligations and dividends to its shareholders and achieve a rise in their investment returns .

Consolidated financial position of the company:

Assets:

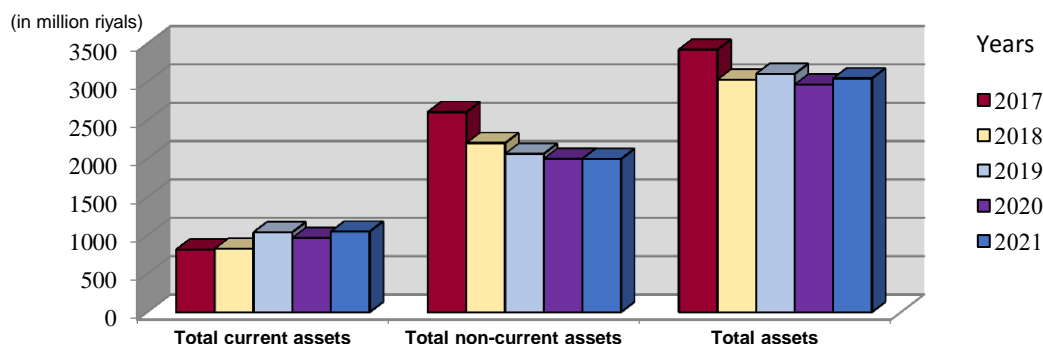
Total assets at the end of the year increased by 2.7% over the previous year, reaching 3047 million riyals, compared to 2968 million riyals in the previous year, this is mainly due to the increase in trade receivables, inventory, advance payments, debit balances and related parties, and right-of-use assets, investments and assets held for sale and a decrease in the item of property, machinery, equipment, and projects in progress.

The table below shows a summary of the asset items for five fiscal years:

Items of assets in the financial position:

Statement (in million riyals)	2021	2020	2019	2018	2017
Current assets					
Cash and semi-cash items	149	178	134	92	111
Investments held for trade	-	-	-	-	14
Trade receivables, net	232	183	255	269	285
Stock, net	402	367	382	379	334
Advances, debit balances and related parties	258	239	270	86	66
Assets held for sale	10	-	-	-	5
Total current assets	1051	967	1041	826	815
Non-current assets					
Investments and financial assets	907	841	841	873	1279
Real Estate Investments	7	7	7	188	188
Property, plant, equipment and projects in progress	871	946	999	967	954
Intangible assets	160	158	161	163	162
Other long-term assets	-	-	-	13	25
Right-of-use assets	51	48	56	-	-
Total non-current assets	1996	2001	2064	2204	2608
Total assets	3047	2968	3105	3030	3423

The figure below shows a comparison of current and non-current assets and total assets for five fiscal years:



Liabilities:

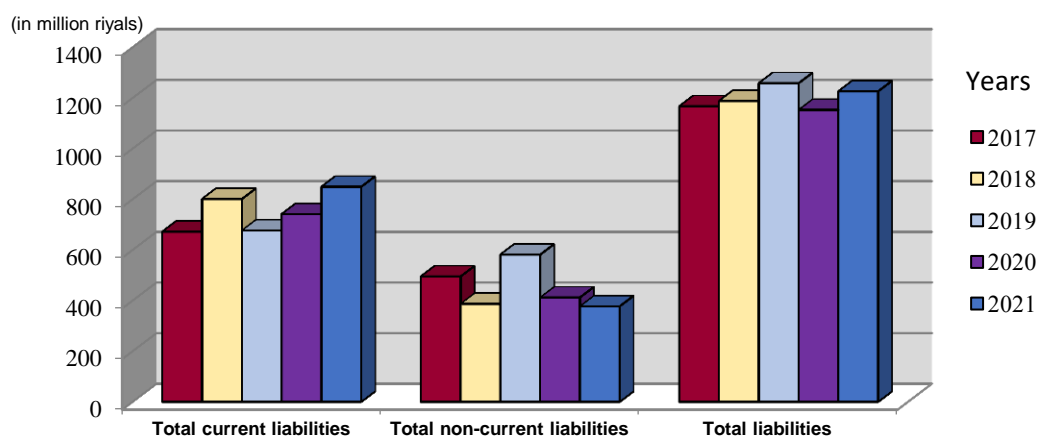
Total liabilities at the end of the year increased by 6.3% from the previous year, reaching 1226 million riyals, compared to 1153 million riyals in the previous year, due to the increase in the item of short-term Islamic Murabaha financing, obligations under lease contracts, provision for end of service and the provision for zakat and tax.

The table below shows a summary of the liabilities items for five fiscal years:

Items of liabilities in the financial position:

Statement (in million riyals)	2021	2020	2019	2018	2017
Current liabilities					
Short-term Murabaha financing and current installments	449	343	329	492	410
Accounts payable, accruals and other liabilities	301	306	264	267	217
Dividend payable	13	14	14	15	15
Obligations under leases of the current portion	18	13	13	-	-
Provision for zakat and tax	68	65	57	25	25
Finance lease receivables - current portion	-	-	-	2	2
Liabilities related to assets held for sale	-	-	-	-	3
Total current liabilities	849	741	677	801	672
Non-current liabilities					
Murabaha financing and long-term loans	229	260	423	271	378
Finance lease receivables	-	-	-	1	3
Deferred tax	-	-	1	2	2
Provision for end of severance pay	112	120	119	113	112
Obligations under leases of the current portion	36	32	38	-	-
Total non-current liabilities	377	412	581	387	495
Total liabilities	1226	1153	1258	1188	1167

The figure below shows the comparison of current and non-current liabilities and total liabilities for five financial years:



Shareholders' equity in the company:

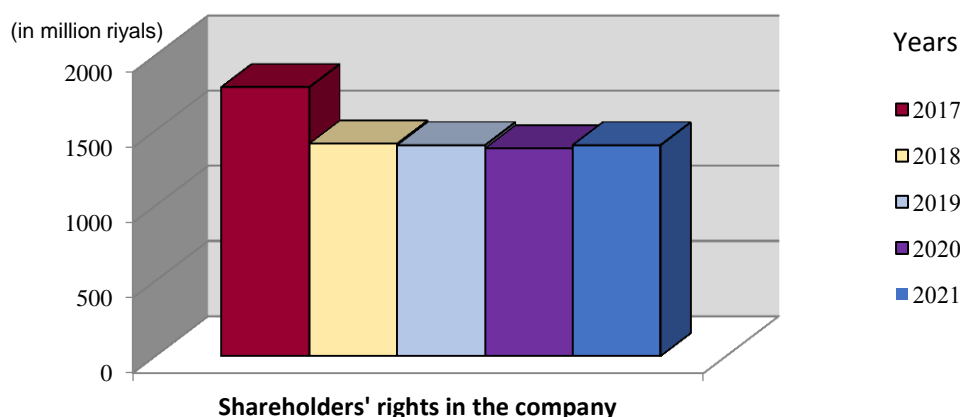
Shareholders' equity at the end of the year increased by 1.5% over the previous year, reaching 1402 million riyals, compared to 1381 million riyals in the previous year. This is mainly due to recording profits of valuing equity instruments at fair value during the year.

The table below shows a summary of equity and shareholders' equity for five fiscal years:

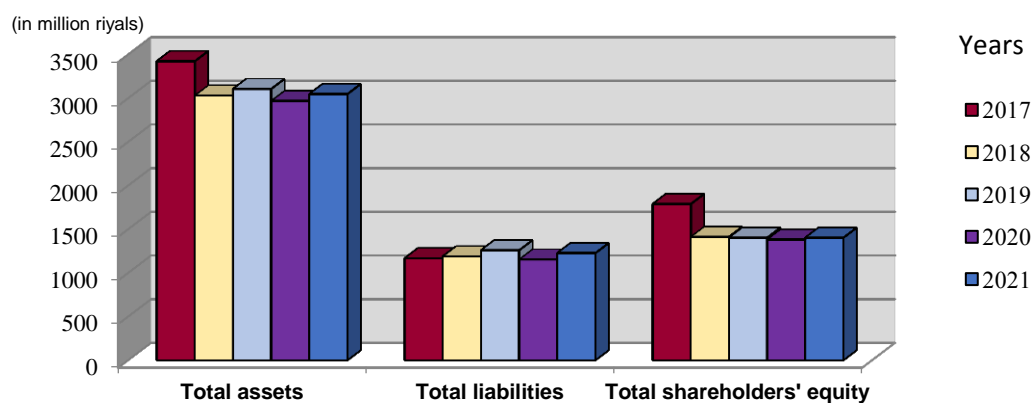
Items of equity and shareholders' equity in the financial position:

Statement (in million riyals)	2021	2020	2019	2018	2017
Equity					
Shareholders' equity					
Capital	1264	1264	1264	1264	1264
Statutory reserve	219	312	312	406	632
(Losses)/Retained earnings	(40)	(64)	(18)	(84)	(203)
Net unrealized gain on revaluation of equity instruments at fair value	39	(51)	(74)	(86)	183
Foreign currency translation differences	(80)	(80)	(82)	(88)	(88)
Shareholders' equity in the company	1402	1381	1402	1412	1788
Non-controlling interest (minority)	420	434	445	430	467
Total Equity	1822	1815	1847	1842	2255

The figure below shows a comparison of the company's shareholders' equity for five fiscal years:



The figure below shows a comparison of total assets, liabilities and shareholders' equity for five fiscal years:



Consolidated business results of the company:

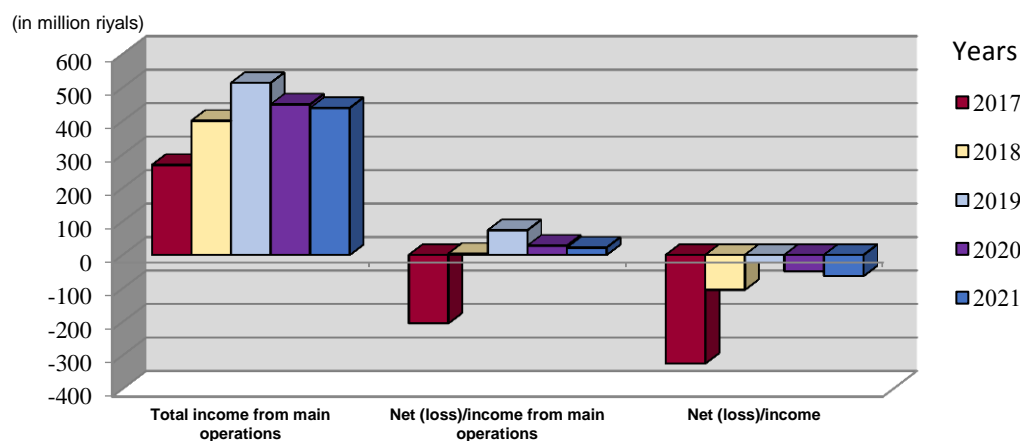
During 2021 G, the company made a net loss of 63 million riyals, compared to a net loss of 49 million riyals during the previous year, as a result of a decrease in total income from major operations by 2% to reach 439 million riyals, compared to 450 million riyals during the previous year, a decrease of 11 million, and the loss resulted mainly from investment losses, as it amounted to 47 million riyals, compared to 1 million riyals during the previous year.

The table below shows a summary of the income statement items compared to five fiscal years:

Income statement items:

Statement (in million riyals)	2021	2020	2019	2018	2017
Net sales	1711	1570	1884	1798	1888
Gross sales income	486	451	547	529	616
Total (loss)/income from investments	(47)	(1)	(33)	(128)	(347)
Total income from main operations	439	450	514	401	269
Selling and distribution expenses	(256)	(241)	(260)	(253)	(336)
General and administrative expenses	(169)	(184)	(181)	(153)	(143)
Other operating income/(expenses)	8	3	1	9	6
Total expenses	(417)	(422)	(440)	(397)	(473)
Net (Loss)/Income from main operations	22	28	74	4	(204)
Net (expenses)/other income	2	(1)	39	4	1
Finance charges	(20)	(27)	(38)	(37)	(38)
(Loss)/Currency difference profit	-	-	-	-	(1)
(Loss)/Income from the continuous operations prior to zakat, tax, and non-controlling interest	5	-	75	(29)	(242)
Income from discontinuous operations	-	-	-	-	(1)
Zakat and income tax	(45)	(45)	(57)	(24)	(28)
Non-Controlling Interest	(22)	(4)	(41)	(51)	(53)
Net (loss)/income	(63)	(49)	(23)	(104)	(324)
(Loss)/Earnings per share from net (loss)/income	(0.50)	(0.38)	(0.18)	(0.82)	(2.56)

The figure below shows a comparison of business results for five fiscal years:



Subsidiaries:

The company exercises its main activities and operations either directly or through its subsidiaries, in addition to fully owned companies established by it for purposes related to its investments according to the nature of the business sector and the classification of each investment. The table below shows the subsidiaries during 2021 G, in which the company owns 30% or more of its capital.

Company name, type and capital	Ownership%	Country of incorporation	The main country from which it operates	The main activity
(1) Aseer Arabian Industrial Investment Ltd. (One Person Limited Liability Company) Capital (300,000,000 Saudi riyals)	owned actually 100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Its activity is focused on establishing or participating in industrial projects.
(1/1) Halwani Brothers Company (public joint-stock company) Affiliated to Aseer Arabian Industrial Investment Ltd. Capital (353,571,450 Saudi riyals)	owned in a percentage of 55.51%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Manufacture and packaging of food materials and products, especially tahini, halva, ma'moul, meat, and cheese products. The company exports part of its products to more than 32 countries around the world.
(1/1/1) Halwani Brothers Company (Egypt) (Closed joint stock company) (Affiliated to Halwani Brothers Company) Capital (60,000,000 EGP)	owned actually 100%	Arab Republic of Egypt	Arab Republic of Egypt	Manufacture, packaging of food materials and products, especially tahini, halva, ma'moul, and meat products, and some of their products are exported to other Arab countries.
(1/2) Al Rabie Saudi Food Co. Ltd. "Al Rabie" (Limited liability company) Affiliated to Aseer Arabian Industrial Investment Ltd. Capital (110,000,000 Saudi riyals)	owned in a percentage of 57.3%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Manufacture of food products, especially juices, dairy, and ice cream, and the company exports part of its products to the Gulf Cooperation Council, Arab countries, and other countries around the world.
(1/3) Textile and ready-made garments Co. "Saudi Thobe" (Limited liability company) Affiliated to Aseer Arabian Industrial Investment Ltd. Capital (10,000,000 Saudi riyals)	owned in a percentage of 62.3%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Its activity is concentrated in the production of clothing, and the company's main products include the Saudi thobe and formal and special suits for institutions, hospitals, schools, and universities.
(2) Al Khwatim Trading & Contracting Co. (One Person Limited Liability Company) Capital (1,000,000 Saudi riyals)	owned actually 100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Its main activity is general construction contracting, buildings, and related activities.
(3) Al-Mawajid International Real Estate Development Co. Ltd. (One Person Limited Liability Company) Capital (500,000 Saudi riyals)	owned actually 100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Its main activity is the purchase of lands, investment therein by way of selling or purchasing, buildings general contracting, and activities affiliated with them.
(4) Alissa Industries Co. (Closed joint-stock company) Capital (750,000,000 Saudi riyals)	owned in a percentage of 38%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Manufacture, import and distribution of electrical and electronic household appliances (air conditioners, refrigerators, freezers, etc.)

Shares issued to each subsidiary:

The issued shares for the subsidiaries (listed and unlisted joint-stock companies), in which the company owns 30% or more, represent until the end of 2021 G in Halwani Brothers Co.. and its subsidiary Halwani Brothers (Egypt), registered in the Arab Republic of Egypt, and Alissa Industries Co., as follows:

Halawani Brothers Company:

A Saudi joint-stock company listed on the Saudi Stock Exchange under number (6001), within the food production sector, its issued shares are 35,357,145 ordinary shares until

the end of 2021G, and the nominal value per share is 10 Saudi riyals, fully paid, and its capital is 353,571,450 Saudi riyals. The Extraordinary General Meeting, held on 04/28/2021, approved the Board of Directors' recommendation to increase the company's capital from (314,285,730) Saudi riyals to (353,571,450) riyals, a percentage of 12.5%, therefore increasing the number of shares issued by granting owned shares (1 share for every 8 shares), (31,428,573) to (35,357,145) shares.

Halwani Brothers Company is a subsidiary company of Aseer Arabian Industrial Investment Ltd., with an ownership percentage of 55.51% of the capital, 19,626,750 shares out of the total number of its issued shares, and there has been no change in the ownership percentage of Aseer Arabian Industrial Investment Ltd. in Halwani Brothers Company compared with what it was at the end of the fiscal year 2020.

Halwani Brothers Company is affiliated with its subsidiary company in the Arab Republic of Egypt, which is Halwani Brothers Company (Egypt), a closed Egyptian joint-stock company (unlisted), and it's actually fully owned by Halwani Brothers Company, its issued capital is 60 million Egyptian pounds, distributed over 300 million issued ordinary share with a paid nominal value of 0.20 Egyptian pounds (twenty piasters) per share as at the end of the year 2021 G.

Alissa Industries Company:

Alissa Industries Company is a closed Saudi joint-stock company (unlisted) and the number of its issued shares is 75 million ordinary shares, the nominal value of each share is 10 Saudi riyals, fully paid up, and its capital is 750 million Saudi riyals, the company's ownership in Alissa Industries is 38% of the capital, a number of 28,500,000 shares out of its total issued shares as at the end of the year 2021 G.

Neither the company nor any of its subsidiaries had issued any debt instruments until the end of 2021.

Loans on the company and total indebtedness with its subsidiaries:

Loans to the company:

The company has a Term Islamic Murabaha Facility Agreement with Samba Financial Group amounting to 631 million Saudi riyals to finance the acquisition of 38% of the capital of Alissa Industries and increase its capital during 2013G. The company has provided a promissory note as a guarantee for this loan in addition to signing the necessary bank documents. The loan is repaid in installments distributed over a period of seven years with the flexibility of early repayment. In 2020 G, the company signed a rescheduling agreement to repay the Murabaha in unequal installments distributed over a period of five years, and an amount of 461 million riyals was paid until 12/31/2021, and the remaining amount of the loan amount is 170 million riyals as of the end of 2021 G, in addition to the amount of 2 million riyals financing charges due.

(in million Saudi riyals)

Loan donor	Amount Loan principal	Repayment period	Paid until 12/31/2020	Paid during 2021 G	Remaining amount of the loan
Samba Financial Group	631	5 years	428.6	32.4	170

The company also entered into short-term Islamic Murabaha facilities (Tawarruq) contracts with a local bank in the Kingdom of Saudi Arabia with a total amount of 200 million Saudi riyals to be repaid within a period of six months. The company pays financing charges according to the prevailing exchange rate among Saudi banks (SIBOR) in addition to a fixed commission rate. As of December 31, 2021, the outstanding balance of these contracts amounted to 140 million riyals, and these contracts are secured against a shares' pledge.

Loans to subsidiaries:

The subsidiaries, which consolidate their financial statements with the company, obtained loans and facilities as follows:

Halwani Brothers Company:

• Banque Saudi Fransi loan:

(in million riyals)

Principal value of the loan	Paid of the loan Until December 31, 2020	Paid during 2021 G	Remainder of loan amount
150	56	88	6

In 2019, Halwani Brothers signed a financing agreement with the French Bank in the amount of 150 million Saudi riyals, and the entire financing balance was withdrawn by the company in accordance with the terms of the agreement. The loan is repayable in quarterly installments, and the last installment is due on June 30, 2023, and there are fees arising from the financing, and the loan is secured by promissory notes issued in favor of the bank.

• Al Rajhi Bank loan:

(in million riyals)

Principal value of the loan	Paid of the loan	Paid during 2021 G	Remainder of loan amount
50	-	12.5	37.5

In 2021, Halwani Company signed a financing agreement with Al Rajhi Bank in the amount of 65 million Saudi riyals, and an amount of 50 million Saudi riyals was withdrawn from the financing balance by the company in accordance with the terms of the agreement. The loan shall be repaid in the form of quarterly installments, and the last installment shall be due on March 31, 2024. The financing entails financing fees and the loan is secured by promissory notes issued in favor of the bank.

- Halwani Brothers Company has short-term Islamic Murabaha contracts (Tawarruq) with local banks in the Kingdom of Saudi Arabia with a total amount of 450 million Saudi riyals to be repaid within a period of three months and six months, and the company pays financing charges according to the prevailing exchange rate among Saudi banks (SIBOR) in addition to a fixed commission rate. Also, as of December 31, 2021, the outstanding balance of these contracts amounted to 151.5 million riyals, and these contracts are secured by promissory notes.
- Halwani Brothers Company (Egypt), a subsidiary of the Halwani Brothers Company, has short-term Islamic Murabaha contracts with banks in the Arab Republic of Egypt to purchase goods used in production, and the company pays fixed financing charges. Also, as of December 31, 2021, the outstanding balance for these contracts amounted to 2.7 million Saudi riyals.

Al Rabie Saudi Food Company:

• The Saudi British Bank (SABB) loan:

(in million riyals)

Principal value of the loan	Paid of the loan Until December 31, 2020	Paid during 2021 G	Remainder of loan amount
138.9	32	106.9	-

- Al Rabie Saudi Food Company signed a long-term loan agreement during 2015 with the Saudi British Bank in the amount of 200 million riyals to finance the capital expenditures for the modernization and replacement of production lines for its factories in Riyadh, and it shall be repaid in installments over five years with a grace period of one year on the amount of each withdrawal, and an amount of 106.9 million riyals was withdrawn until 2020, and a promissory note guarantee was presented against obtaining the loan, in addition to signing the necessary bank documents.

In April of 2021, the company terminated the agreement and paid the full amounts due.

• The Saudi British Bank (SABB) loan:

(in million riyals)

Principal value of the loan	Paid of the loan	Paid during 2021 G	Remainder of loan amount
138.9	-	-	138.9

- Al Rabie Saudi Food Company signed a financial facility agreement in 2021 with Samba Financial Group in the amount of 150 million riyals to finance capital expenditures in order to modernize and replace production lines of its factories in Riyadh, and it is repaid in installments over five years with a grace period of six months on the amount of each withdrawal, and an amount of 138.9 million riyals was withdrawn until the year 2021 G, and a promissory note guarantee was provided in return for obtaining the loan, in addition to signing the necessary bank documents.

Al Rabie Saudi Food Company:

- The company has also concluded short-term Islamic Murabaha facilities (Tawarruq) contracts with local banks in the Kingdom of Saudi Arabia that are repaid within a period of less than 12 months. The company pays financing charges according to the prevailing exchange rate between Saudi banks (SIBOR) plus a fixed commission rate. As of December 31, 2021, the outstanding balance of these contracts amounted to 30 million riyals, and these contracts are secured by a promissory note.

The total debt of the company and its subsidiaries:

The total indebtedness of the company and its subsidiaries, which consolidated their financial statements with it, including Murabahas, loans, capital rent, accounts payable, liabilities and dividends payable in addition to the statutory provisions until the end of 2021 G, amounting to 1,226 million riyals, compared to 1153 million riyals in the previous year, as per to the table below:

Statement (in million riyals)	2021	2020
Murabaha financing and short-term loans	321	186
Current installments of Murabaha financing and long-term loans	127	157
Murabaha financing and long-term loans	229	260
Receivables from capital lease contracts		-
The sum of the Murabaha, loans and capital lease	677	603
Payables and other accrued liabilities	302	306
Dividend payable	13	14
Provision for zakat, tax and deferred tax	68	65
Provision for employees' end-of-service benefits	112	120
Obligations under lease contracts	54	45
Gross Total	549	550
Total liabilities	1,226	1153

Total of Regular Payments Due:

The company finalized its zakat status for the year ending on December 31, 2008, and obtained an Unrestricted Zakat Certificate for the aforementioned year. The company submitted its zakat returns for the years ending on December 31, 2009, until 2018 G, and obtained a Restricted Zakat Certificate for the mentioned years. The Authority issued the initial assessment regarding the zakat declarations submitted to it for the years from 2009 to 2018 G, according to which it claimed additional zakat differences in the amount of 180,105,610 Saudi riyals, and the company submitted an objection to the initial zakat assessment mentioned above. Accordingly, the Authority issued the revised zakat assessment, according to which claimed zakat difference from the company for the years from 2009 to 2018 G with a total amount of 96,885,968 Saudi riyals. The company's management believes that the Authority did not take into account the zakat paid as per the zakat declarations submitted by the company, with a total amount of 26,534,285 Saudi riyals for the years ending on December 31, 2009, until

2014 G. The company followed up with the Authority to prove that the amounts have been paid, and the Authority included the above-mentioned amount in the company's account with the Authority, so the zakat differences due on the company has become a total amount of 70,351,683 Saudi riyals instead of a total amount of 96,885,968 Saudi riyals, and the company has objected to the zakat assessment; accordingly, the objection was raised to the Committee for the Resolution of Tax Violations and Disputes. The company also submitted a settlement request to the Dispute Resolution Committee, and after studying the company's request, the Committee's apology for studying the settlement request has been received. In 2021 G, a decision was issued by the Third Circuit for the Settlement of Tax Violations and Disputes, which accepted part of the objection clauses, and the due zakat differences became 58.9 million riyals. The company and the Authority have appealed the above-mentioned decision of the Circuit to the Appeal Committee for Tax Violations and Disputes, which is still under study by it. The company recorded a provision for zakat differences in the amount of 21,585,478 Saudi riyals, based on the opinion of its zakat advisor that he is confident of its ability to reduce zakat claims to that amount.

A consolidated zakat return was submitted to Aseer for Trading, Tourism, Manufacturing, Agriculture, Real Estate and Contracting Business Co. and its subsidiaries for the years ending on December 31, 2013, until 2019 G, which includes its entire subsidiaries, and the Restricted Zakat Certificate was obtained for the mentioned years.

The zakat provisions for the company and the subsidiaries whose financial statements are consolidated with it amounted to 41.9 million riyals during the fiscal year 2021 G, and zakat is paid after completing the procedures for submitting zakat returns to the Zakat and Customs Tax Authority.

Its subsidiary Halwani Brothers Company is also entitled to an income tax in the Arab Republic of Egypt amounting to 25.8 million riyals until the end of 2021 G on behalf of its subsidiary company in the Arab Republic of Egypt, Halwani Brothers Company (Egypt), in addition to a deferred income tax amounting to 0.5 million riyals at the end of the year, and it pays its taxes after submitting its tax returns in accordance with the Egyptian tax system.

In 2021 G, the company paid its payments of fees and other statutory dues on a regular basis.

The table below shows the value of the statutory payments due to the company and the subsidiaries whose financial statements are consolidated with it as at the end of 2021 G:

Statement (in thousand riyals)	2021		Brief description thereof	Statement of Reasons
	Payer	Due until the end of 2021 G and has not been paid		
Zakat	13,696	41,876	Paid or charged for the year in accordance with the provisions and regulations of the General Authority for Zakat and Tax in the KSA	Zakat shall be paid after completing the procedures for submitting Zakat Returns
Zakat	324,831	72,095	Paid or charged for the year in accordance with the relevant provisions and regulations	The tax shall be paid after completing the procedures for submitting tax returns
General Organization for Social Insurance	14,138	1,246	Paid or charged to the year in accordance with the provisions and regulations of the General Organization for Social Insurance in the KSA	The amounts due will be paid during the year 2021 G according to the statutory period
Visa and Passport Costs	1,180	-	Paid during the year in accordance with the relevant provisions and regulations	-
Labor Office Fee	5,483	187	Paid during the year in accordance with the relevant provisions and regulations	-

The company explains that as a result of the opening of the Zakat assessments for previous years on subsidiary companies by the General Authority for Zakat and Income, resulted in claims

for differences in the amount of SAR 3.2, and objections were submitted in this regard and were not recorded among the outstanding claims in the financial statements to consider the departments of the subsidiaries, and the Zakat advisor corrected their position on the objections.

Company's Dividends Policy:

The company shall comply with the governing and regulating policies to protect and maximize the interests of its shareholders in all respects, aiming for raising the value of their investments in the company in accordance with the company's approved dividend policy. The distribution of profits to shareholders in any period depends on the company's profits, its financial position, market conditions, the general economic climate, investment opportunity factors, the company's interests for reinvestment, cash and capital requirements, in addition to legal and regulatory considerations. Also, it cannot guarantee the distribution of profits for any year.

Any proposed dividends from the BOD shall require the approval of the General Assembly of Shareholders. According to the company's AOA, the company's annual net profits shall be distributed after deducting all general expenses and other costs and after setting aside the statutory and other reserves as follows:

1. Ten (10%) of the net profit shall be set aside to form a statutory reserve. Such allocations to the statutory reserve may be discontinued by the Ordinary General Assembly when the statutory reserve amounts to 30% of the paid-up capital.
2. The Ordinary General Assembly may, upon request of the BOD, set aside a percentage not exceeding (10%) of the annual net profits not to exceed 10% to form an additional reserve to be allocated towards one or more specific purposes.
3. The Ordinary General Assembly may resolve to form other reserves to the extent they serve the company's interests, or to ensure the distribution of fixed dividends – so far as possible – to the shareholders. The said Assembly may also withhold certain amounts from the net profits for establishing social organizations for the company's employees, or for supporting any such existing organizations.
4. Upon the proposal of the BOD, the Ordinary General Assembly may distribute a percentage of no less than (5%) of the company's paid-up capital to the shareholders.
5. Considering the provisions stipulated in Article 21 (the Remuneration of BOD Members) of the company's AOA, and Article 76 of the Companies Law, after the above, a percentage not exceeding ten percent (10%) of the remaining shall be allocated to remuneration of the BOD members, provided that the entitlement to such remuneration shall be proportional to the number of sessions attended by the member.

The Company may also distribute interim dividends to its shareholders on a semi-annual or quarterly basis after fulfilling regulatory requirements in this regard.

The eligibility to distribute dividends to the shareholders owning shares on the due date who are registered in the company's shareholders' register at the Securities Depository Center at the end of the second day of trading following the due date, in line with market rules and procedures for amending the time period for settling transactions of listed securities (T + 2), upon the Assembly approving the distribution of profits proposed by the BOD. The dividends to be distributed to the shareholders shall be paid within 15 working days from the due date of these dividends specified in the resolution of the General Assembly.

▪ Dividends for previous years:

During 2016 G, the company distributed cash dividends to the shareholders in an amount of SAR 126 million. No dividends were distributed during 2017, 2018, 2019

and 2020, and the BOD did not recommend during the year 2021 G the distribution of dividends to shareholders.

The interest in the class of voting shares:

The company was not informed during the fiscal year 2021 G of any rights, in the interest of the class of shares with eligibility to vote, belonging to persons (other than members of the BOD, senior executives and their relatives). No person has significant ownership in the company's shares except for DallahAlbaraka Holding, and the table below shows ownership and interest of DallahAlbaraka Holding Co. in the shares entitled to vote during 2021 G:

The Name	Number of Shares at the beginning of the year	Ownership% at the beginning of the year	Net Change during the year	Change Percentage during the year	Number of Shares Year End	Ownership Percentage at the end of the year
Dallah Al Baraka Holding Company	67,225,431	53.2%	-	-	67,225,431	53.2%
Saleh Abdullah Kamel	1,500,000	1.2%	-	-	1,500,000	1.2%
Total ownership and interest of Dallah Al Baraka Holding Company	68,725,431	54.4%	-	-	68,725,431	54.4%

Names of the members of the BOD, members of the committees and the Executive Management, their current and previous positions, qualifications and experience:

1. Members of BOD:

	The Name	Current Jobs	Previous Jobs	Qualifications and Experience
1	Abdullah Saleh Kamel (Chairman of BOD)	Chairman of the BOD - Dallah Al Baraka Holding Company	Chief Executive Officer - Dallah Al Baraka Holding Company	The CEO has undergraduate studies in Economics from the University of Southern California in the USA. He started his career in 1988 G, as he held several leadership positions in the Dallah Al Baraka Holding Company and has been a member of the BODs of local and international companies in various sectors (finance, investment, industry, contracts, real estate, maintenance, operation, food, supply and information) as well as members of public interest associations.
2	Abdulaziz Mohammed Abdo Yamani (Deputy Chairman of the BOD) (Chairman of the Investment and Finance Committee)	CEO - Dallah Al Baraka Holding Group	Executive Vice-President - Dallah Al Baraka Holding Group	Executive Vice-President has a BSc in Industrial Engineering from King Abdel-Aziz University. He began his career in 1995 G, holding numerous leadership positions in a number of companies and has been a member of the BODs of local and international companies in various sectors (business, industrial and agricultural investment, information, business and real estate investment).
3	Hussein Ali Shobokshi (Member of the BOD) (Member of the Remuneration and Nominations Committee) (Member of the Investment and Finance Committee)	Chief Executive Officer - Shobokshi Development and Trade Company	General Manager - Wariq Paper Trading Company General Manager - Shobokshi Agencies Company	General Manager holds a Bachelor of Arts in Political Science and Management from the University of Tulsa in the USA. He started his career in 1977 G, where he held many leadership positions in the Shobokshi group of companies, memberships of local and international companies' BOD, membership of press institutions, and participated in a number of local and international conferences as a speaker.
4	Suleiman Ibrahim Al-Hadithi (Member of the BOD) (Chairman of the Audit Committee)	-	Managing Director and CEO - Saudi Research and Marketing Group (SRMG)	Managing Director and CEO holds a bachelor's degree in Structural Engineering from Arizona State University in the USA. He started his career in 1982 G, where he held many positions in a number of companies and membership of BOD of companies in various sectors (printing, publishing, investment banks, investment companies, biotechnology, investment and real estate development).
5	Abdullah Ibrahim Al-Huwaish (Managing Director and CEO) (Member of the Investment and Finance Committee)	Managing Director and CEO - Aseer Company	Managing Director - Amlak International Real Estate Finance Company	Managing Director and CEO holds a bachelor's degree in Economics from King Abdulaziz University - KSA. He started his career in 1985 G, where he held many leadership positions in a number of banks and companies, and membership in BOD and committees of local and international companies in various sectors (banks, banking, finance, investment, transport, trade and industry).
6	Mansour Abdulaziz Al-Busaili (Member of the BOD) (Chairman of the Remuneration and Nominations Committee)	Businessman	Senior Director of Legal Affairs and General Secretary at The Saudi British Bank	Member of the BOD holds a bachelor's degree in Law and Regulations from King Saud University - KSA. He started his career in 1985 G, where he held many leadership positions in a number of banks and membership of BOD and committees of companies in various sectors (banks, banking, finance, insurance, investment, transportation, trade and real estate investment).
7	Omar Abdullah Jafri (Member of the BOD) (Member of the Audit Committee)	Adviser to the Minister of Transport	Senior Advisor to the General Manager - Saudi Airlines	Member of the Audit Committee holds a Ph.D. in Marketing from the University of Alabama, a Master's in Business Administration and a Bachelor of Industrial Management from King Fahd University of Petroleum and Minerals. He started his career in 1990 G, where he held many leadership positions in a number of companies and membership of BOD and committees in local and international companies in various sectors (Air Transport and IT).

	The Name	Current Jobs	Previous Jobs	Qualifications and Experience
8	Faisal Mohammed Shaker (Member of the BOD) (Member of the Investment and Finance Committee)	CEO - Contemporary Food Company	CEO and Head of Wealth and Investment Management - Audi Capital	Mr. Faisal holds a master's degree in Economics from Old Dominion University - Norfolk in the USA, and a Bachelor of Business Administration - Marketing from King Saud University - KSA. He started his career in 1999 G, where he held many leadership positions in a number of banks, companies and board memberships, and corporate committees in different sectors (investment platform development and management, investment banking, asset management, wealth management, corporate banking, commercial banking, business development, pharmaceutical industry, food, investment and real estate development).
9	Amr Mohamed Kamel (Member of the BOD) (Member of the Remuneration and Nominations Committee)	Executive Vice-President - Dallah Al Baraka Company	Executive Director - Dallah Al Baraka Al Wusta Company	Mr. Amr holds a bachelor's degree in Business Administration - Financial Management from King Saud University - KSA. He started his career in 2001 G, where he held many leadership positions in a number of companies and membership of boards of directors and committees of companies in various sectors (commercial, investment, communications, real estate finance and real estate investment).

2. Committee members from outside the BOD:

	The Name	Current Jobs	Previous Jobs	Qualifications and Experience
1	Nasser Sohag Al Shaibani (Member of the Audit Committee)	Financial and Management Consultant	Lecturer at the Technical College in Riyadh	Mr. Nasser holds a master's degree in Accounting and Information Systems from the University of Denver, USA, and a bachelor's degree from King Saud University. He is a member of the Saudi Organization for Certified Public Accountants. He started his career in 1994 G and has experience in accounting, the application, implementation and analysis of financial systems, in preparing financial and administrative policies and procedures, corporate structuring and analyzing strengths and weaknesses of the financial system.

3. Executive Management:

	The Name	Current Jobs	Previous Jobs	Qualifications and Experience
1	Abdullah Ibrahim Al-Huwaish	Managing Director CEO	Managing Director - Amlak International Real Estate Finance Company	Managing Director and CEO holds a bachelor's degree in Economics from King Abdulaziz University - KSA. He started his career in 1985 G, where he held many leadership positions in a number of banks and companies, and membership in BOD and committees of local and international companies in various sectors (banks, banking, finance, investment, transport, trade and industry).
2	Abdul Hakim Abdul Rahman Al Shafei	Company Advisor	Advisors for a number of companies	Mr. Abdul Hakim holds a Certificate of Professional Board Membership from the Institute of Executive Directors and Accreditation of the International Finance Corporation (IFC), a Diploma in Corporate Governance from the Tulane University School of Law in the USA, a Certificate of Selling Practice and a Certificate of Marketing Practice from the Chartered Institute of Marketing in Britain, and a bachelor's degree in Statistics from Kuwait University. He has accumulated experience of more than 35 years and has held leadership positions in companies. He has also undertaken projects for the development of corporate governance, acquisitions and mergers, membership of BOD, and attending a number of courses, including administrative leadership, strategic management, crisis management, change and finance, and others.
3	Emad Muhammad Othman (His Working Period as Executive Director of Finance in the company ended on 11/30/2021 G)	Executive Director of Finance	Financial Manager - Kodo Company	Mr. Emad holds an MBA in Finance and Banking Services from Maastricht University in the Netherlands and a BA in Commerce from Ain Shams University in Cairo. He started his career in 1995 G and worked in many international companies (Bristol-Myers Squibb, Johnson, Johnson, Siemens, Baker Hughes, Al Faisaliah and Kudu) and began working in the company as Financial Director from September 2019.
4	Sami Abdel Salam Weheba (Mr. Sami started his working period as Executive Director of Finance in the company on 12/01/2021 AD)	Executive Director of Finance	Deputy Regional Director of Corporate Finance - Banque Francaise	Mr. Sami holds a bachelor's degree in Business Administration from the University of Alexandria. He started his career in 1994 G, where he held many positions in a number of Saudi banks, where his expertise focused in financing large corporates. He also worked as committee member in local companies in the finance, insurance and investment sector, and began working in the company as the Executive Director of Finance from December 2021.
5	Ahmed Sanad Al Sanad	Executive Director of Governance and Compliance and Secretary of the Board and Committees	Director of Administration and Shareholders Affairs	Mr. Ahmed holds a master's degree in Financial Management from Al-Faisal Colleges, a bachelor's degree in International Business Administration from King Abdulaziz University, and holds the Certificate of Certified Compliance Officer from the Financial Institute (CCO), the Certificate of Conformity and Compliance of Combating Money Laundering and Terrorist Financing (CME2) and the General Certificate for Dealing in Securities (CME1). He started his career in 2003 G and worked in several departments of the company in which he held various positions until the position of Executive Director of Governance and Compliance.

	The Name	Current Jobs	Previous Jobs	Qualifications and Experience
6	Abdullah Mubarak Rais	Investment Manager	Senior Manager - House of national consulting Company	Mr. Abdullah holds a bachelor's degree in Financial Management from Prince Sultan University, and holds a Certificate of Conformity, Compliance, Anti-Money Laundering and Terrorist Financing (1 CME2 2) and General Certificate for Dealing in Securities (2 CME1 5) from the Financial Institute in KSA, and holds a Certificate of Financial Modeling and Evaluation Analyst (5 FMVA 3) from The Financial Institution of Canada (3 CFI 5). He started his career in 2006G in a consulting company licensed by the Capital Market Authority that provides investment banking services and held several positions until the position of senior manager, and began working in the company as an Investment Manager from September 2020 G.
7	Muhammad Ibrahim Muhammad Suleiman	Financial Controller	Senior Audit Manager - Ernst & Young & Co.	Mr. Muhammad holds a bachelor's degree in Commerce from Cairo University, a Fellow of the Association of Management Accountants in the USA, a Fellow of the Association of Chartered Accountants in New Hampshire, USA. He started his working life in 2004 G and worked in the field of auditing at Ernst & Young and Deloitte, in which he held various positions until the position of Senior Manager and started working in the company as Financial Controller from July 2016.

Current and Previous Membership of the BOD Inside and Outside the Kingdom:

During 2021 G, some members of the company's BOD took over the membership of BOD in other companies, as follows:

BOD Member's Name	Companies of the BOD of which he is a member	Companies in which he was a member of the previous BOD
	Company Name - Legal Entity - Inside/Outside the KSA	Company Name - Legal Entity - Inside/Outside the KSA
Abdullah Saleh Kamel	UMM AL QURA FOR DEVELOPMENT & CONSTRUCTION Company (Unlisted Joint-Stock Company) - KSA	Bank Aljazira (Listed Joint-Stock Company) - KSA
	Al Baraka Banking Group (Listed Joint-Stock Company) - Bahrain	Amlak International Real Estate Finance Company (Unlisted Joint-Stock Company) -KSA
	Dallah Al Baraka Holding Company BSC (Unlisted Joint-Stock Company) - Bahrain	Halawani Brothers Company (Listed Joint Stock Company) -KSA
	Dallah International Holding Company (Unlisted Joint-Stock Company) - Egypt	Saudi Research and Marketing Group (Listed Joint-Stock Company) -KSA
	Almaza Real Estate Development Company (Unlisted Joint-Stock Company) - Egypt	Al-Tawfeek Financial Group Company (Unlisted Joint-Stock Company) - KSA
	Dallah For Real Estate Investments (Unlisted Joint-Stock Company) - Egypt	Simla and Al-Rum Urban Development Company (Unlisted Joint-Stock Company) - Egypt
		Simla Company for Hotels and Tourist Resorts (Unlisted Joint-Stock Company) - Egypt
		Bait Al Tawfiq Development Holding Company (Unlisted Joint-Stock Company) - Bahrain
Abdulaziz Mohammed Abdo Yamani		Emaar, The Economic City Company (Listed Joint-Stock Company) - KSA
	Halawani Brothers Company (Listed Joint-Stock Company) - KSA	Dallah Doyle Bitumen Company (Limited Liability) - KSA
	Itqan Capital Company (Unlisted Joint-Stock Company) - KSA	Food Services Group Company (Unlisted Joint-Stock Company) - KSA
	Dallah Al Baraka Investment Holding Company (Unlisted Joint-Stock Company) - KSA	Al Rabie Saudi Food Company (Limited Liability) - KSA
	Dallah Al Baraka Holding Company (Unlisted Joint-Stock Company) - KSA	Textile and Garment Company (Limited Liability) - KSA
	Foras International Investment Company (under liquidation) (Unlisted Joint-Stock Company) - KSA	National Petrochemical Industries Company (Unlisted Joint-Stock Company) - KSA
	Al Thuraya Urban Real Estate Company (Limited Liability) - KSA	The Basic Arab Company for Developed Industries (Limited Liability) - KSA
	Jood Al-Hilli Trading Co. Ltd. (Limited Liability) - KSA	Saudi Swicorp (Unlisted Joint-Stock Company) - KSA
	Dallah Technology and Alternative Energy Company (Limited Liability) - KSA	Saudi Foras Company (Unlisted Joint-Stock Company) - KSA
	Dallah Trading Company (Limited Liability) - KSA	The Arab Badge Company (Limited Liability) - KSA
	Food Makers Company (Limited Liability) - KSA	Alujain Company (Listed Joint-Stock Company) - KSA
	Biscuit International Company (Limited Liability) - KSA	Investor Securities Company (Unlisted Joint-Stock Company) - KSA
	Al-Manakhah Urban Development Project Company (Unlisted Joint-Stock Company) - KSA	Al-Samaha Trading Company (Limited Liability) - KSA
	Benefit Sharing Real Estate Company (Limited Liability) - KSA	UMM AL QURA FOR DEVELOPMENT & CONSTRUCTION Company (Unlisted Joint-Stock Company) - KSA
	Borouge First Investment Company (Limited Liability) - KSA	Waj Development and Investment Company Limited (Limited Liability) - KSA
	Emam Modern Real Estate Company (Limited Liability) - KSA	House of Tawfiq Development Company (Limited Liability) - KSA

BOD Member's Name	Companies of the BOD of which he is a member	Companies in which he was a member of the previous BOD
	Company Name - Legal Entity - Inside/Outside the KSA	Company Name - Legal Entity - Inside/Outside the KSA
	Maad International Company for Construction and Development (Limited Liability) - KSA	Dallah Industrial Investment Company (Limited Liability) - KSA
	Dallah Al Baraka Real Estate Investment Company (Unlisted Joint-Stock Company) - Egypt	The Arab Agricultural Investment Company (Unlisted Joint-Stock Company) - KSA
	GODIVA INVESTMENT (GDV) (Private Limited Company) - Britain	Al-Tawfiq Company for Financial Leasing (Unlisted Joint-Stock Company) - Egypt
	UI Egypt (private Co. With Limited) - Egypt	Arabian Company for Real Estate and Tourism Investment (Unlisted Joint-Stock Company) - Egypt
	Arab Moltaqa Investments Company (Listed Joint-Stock Company) - Egypt	
	Dallah Al Baraka Egyptian Company for Investment and Development (Unlisted Joint-Stock Company) - Egypt	Al-Tawfeek Asset Leasing Company for Small and Medium Enterprises (Unlisted Joint-Stock Company) - Egypt
	Al Baraka Bank (Listed Joint-Stock Company) - Egypt	Egyptian Saudi Finance Bank (Unlisted Joint-Stock Company) - Egypt
	Al-Tawfiq Company for Tawarruq (Unlisted Joint-Stock Company) - Egypt	Al-Tawfeek Financial Group (under liquidation) (Unlisted Joint-Stock Company) - Egypt
	Al Baraka Financial Investments Company (Unlisted Joint-Stock Company) - Egypt	Tunisian Company for the Development of the Milk Industry (SOTUDIL) (Limited Liability) - Cayman
	Ismailia Misr Poultry Company (Listed Joint-Stock Company) - Egypt	
	Dallah For Real Estate Investments (Unlisted Joint-Stock Company) - Egypt	Al Sawary Investment Company Limited (OFFSHORE) (Limited Liability) - Cayman
	Almaza Real Estate Development Company (Unlisted Joint-Stock Company) - Egypt	
	Simla and Al-Rum Urban Development Company (Unlisted Joint Stock Company) - Egypt	Al Kawamil Trading and Contracting Company (OFFSHORE) (Limited Liability) - Cayman
	New Ismailia Company for Urban Development and Development (Listed Joint-Stock Company) - Egypt	
	Helwan Brothers Company (Unlisted Joint-Stock Company) - Egypt	Supply Company for Electrical Works (OFFSHORE) (Limited Liability) - Cayman
	Dallah International Holding Company (Unlisted Joint-Stock Company) - Egypt	
	The Arab Company for Technology Investments and Development (Unlisted Joint-Stock Company) - Egypt	
	Simla Company for Hotels and Tourist Resorts (Costa de Simla) (Unlisted Joint-Stock Company) - Egypt	
	Al Mushrif Company (Unlisted Joint-Stock Company) - Lebanon	
	Al Mushrif Club Company (Unlisted Joint-Stock Company) - Lebanon	
	Al-Tawfiq Company for Development and Investment - Adecco (Unlisted Joint-Stock Company) - Lebanon	
	Saden Holding Company (Limited Liability) - Lebanon	
	House of Tawfiq Development Holding (Unlisted Joint-Stock Company) - Bahrain	
	Al-Tawfiq Company for Investment Funds (Unlisted Joint-Stock Company) - Cayman	
Hussein Ali Shobokshi	Shobokshi Development and Trade Company (Limited Liability) - KSA	
	Naeem Holding Company for Investment (Listed Joint-Stock Company) - Egypt	
Suleiman Ibrahim Al-Hadithi	Saudi Company for Private Laboratories (Unlisted Joint-Stock Company) - KSA	Saudi Research and Marketing Group (Listed Joint-Stock Company) - KSA
	Najmat Al-Madaen Group Company (Unlisted Joint-Stock Company) - KSA	Saudi Printing and Packaging Company (Listed Joint-Stock Company) - KSA
		Venture Capital Investment Company (Unlisted Joint Stock Company) - KSA
Abdullah Ibrahim Al-Huwaish	Amlak International Real Estate Finance Company (Listed Joint-Stock Company) - KSA	Standard Chartered Capital KSA Company (Unlisted Joint-Stock Company) - KSA
	Halawani Brothers Company (Listed Joint-Stock Company) - KSA	
	Emaar, The Economic City Company (Listed Joint-Stock Company) - KSA	Saudi Ground Services Company (Listed Joint-Stock Company) - KSA
	Alissa Industries Company (Unlisted Joint-Stock Company) - KSA	Al-Amad Saudi Company for Airport Services and Transportation Support (Unlisted Joint-Stock Company) - KSA
	SEDCO Capital Company ((Unlisted Joint-Stock Company) - KSA	
	Halawani Brothers Company (Unlisted Joint-Stock Company) - Egypt	Riyadh Airports Company (Unlisted Joint-Stock Company) - KSA
	Al Khozama Management Company (Unlisted Joint-Stock Company) - KSA	SABB Takaful Company (Listed Joint-Stock Company) - KSA
	Al Rabie Saudi Food Company (Limited Liability) - KSA	Al-Tawfeek Financial Group (currently Itqan Capital Company) (Unlisted Joint-Stock Company) - KSA
		Fawaz Abdulaziz Al Hokair& Partners Company (Listed

BOD Member's Name	Companies of the BOD of which he is a member	Companies in which he was a member of the previous BOD
	Company Name - Legal Entity - Inside/Outside the KSA	Company Name - Legal Entity - Inside/Outside the KSA
Mansour Abdulaziz Al-Busaili		Joint-Stock Company) - KSA
		The Saudi Credit Bureau (SIMAH) (Unlisted Joint-Stock Company) - KSA
		Al-Ettifaq Steel Industries Company (Unlisted Joint-Stock Company) - KSA
	Saudi Ground Services Company (Listed Joint-Stock Company) - KSA	Saudi Cooperative Reinsurance Company (Re) (Listed Joint-Stock Company) - KSA
	United Electronics Company (Listed Joint-Stock Company) - KSA	
Omar Abdullah Jafri	Amlak International Real Estate Finance Company (Listed Joint-Stock Company) - KSA	SABB Takaful Company (Listed Joint-Stock Company) - KSA
	HSBC KSA (Unlisted Joint-Stock Company) - KSA	Jabal Omar Development Company (Listed Joint-Stock Company) - KSA
	Arabian Jazz Services Company (Unlisted Joint-Stock Company) - KSA	
	Saudi Ground Services Company (Listed Joint-Stock Company) - KSA	National Air Services Company (NAS) (Unlisted Joint-Stock Company) - KSA
	SITA International Company (Unlisted Joint-Stock Company) - Belgium	
Faisal Mohammed Shaker	Yemen Airways Company (Governmental Joint-Venture Company) - Yemen	
	Saudi Company for Pharmaceutical Industries and Medical Appliances (Listed Joint-Stock Company) - KSA	Falcon Plastic Products Company (Limited Liability) - KSA
	Abdul Mohsen Al Hokair Group for Tourism and Development (Listed Joint-Stock Company) - KSA	Arak Company (Limited Liability) - KSA
	Modern Food Company Limited (Limited Liability) - KSA	Spimaco Company (Unlisted Joint-Stock Company) - Egypt
	National Wealth Management Company (Unlisted Joint-Stock Company) - KSA	SPIMACO (Unlisted Joint-Stock Company) - Morocco
Amr Mohamed Kamel	Al-Qassim Medical Services Company (Unlisted Joint-Stock Company) - KSA	
	Dallah Health Services Company (Listed Joint-Stock Company) - KSA	
	Amlak International Real Estate Finance Company (Listed Joint-Stock Company) - KSA	
	Al Khozama Management Company (Unlisted Joint-Stock Company) - KSA	
	Maad International Company for Reconstruction and Development (Limited Liability) - KSA	
	Etihad Shams Company (Limited Liability) - KSA	
	Bee'ah International Company (Limited Liability) - KSA	

During 2021 G, no member of the BOD has membership in the boards of more than five listed joint-stock companies.

Composition of the BOD and Classification of Membership:

The company's BOD consists of nine members in accordance with the company's AOA. The 14th Extraordinary General Assembly, held on October 23, 2019, appointed the members of the BOD for a period of three Gregorian years starting from October 27, 2019. During 2021 G, there has been no change in the members of the BOD since their election. Accordingly, the BOD consists of eight non-executive members, three of whom are independent, in addition to an executive member.

The table below shows the composition of the BOD and the classification of membership for 2021:

BOD Member's Name	Position on the BOD	Membership Rating
Abdullah Saleh Kamel	Chairman of BOD	Non-executive
Abdul Aziz Mohammed Abdo Yamani	Deputy Chairman of the Board	Non-executive
Hussein Ali Shobokshi	Member of the BOD	Non-executive
Suleiman Ibrahim Al-Hadithi	Member of the BOD	Non-executive

BOD Member's Name	Position on the BOD	Membership Rating
Abdullah Ibrahim Al-Huwaish	Managing Director of the BOD	Executive
Mansour Abdulaziz Al-Busaili	Member of the BOD	Independent
Omar Abdullah Jafri	Member of the BOD	Independent
Faisal Mohammed Shaker	Member of the BOD	Independent
Amr Mohamed Kamel	Member of the BOD	Non-executive

Board meetings and members' attendance record during 2021 G:

The BOD of the company held four meetings during the fiscal year 2021 G. In addition, the BOD issued a number of passing decisions in the periods between the dates of its meetings during the year 2021 G, according to the needs and requirements of the company, especially decisions to approve the quarterly and annual financial statements, after studying the Audit Committee and submitting its recommendations to the Board. The record of the BOD's meetings during 2021 G was as follows:

BOD Member's Name	Attendance record for board meetings 2021				Attendance/ number of meetings
	First Meeting 28/03/2021	Second Meeting 15/08/2021	Third Meeting 07/11/2021	Fourth Meeting 29/12/2021	
Abdullah Saleh Kamel	✓	✓	x	✓	3/4
Abdul Aziz Mohammed Abdo Yamani	✓	✓	✓	✓	4/4
Hussein Ali Shobokshi	✓	✓	✓	✓	4/4
Suleiman Ibrahim Al-Hadithi	✓	✓	✓	✓	4/4
Abdullah Ibrahim Al-Huwaish	✓	✓	✓	✓	4/4
Mansour Abdulaziz Al-Busaili	✓	✓	✓	✓	4/4
Omar Abdullah Jafri	✓	✓	✓	✓	4/4
Faisal Mohammed Shaker	✓	✓	✓	✓	4/4
Amr Mohamed Kamel	✓	✓	✓	✓	4/4

Date of the last meeting of the General Assembly on 05/30/2021 G

Number of Board meetings and attendance of Board members during the Board session:

As of date of its appointment by the 14th Extraordinary General Assembly, held on October 23, 2019, the BOD held (9) meetings until the end of 2021 G. The table below shows the attendance of the members of the BOD at its meetings during the current session:

BOD Member's Name	The (15th) session of the BOD started from October 27, 2019 and ends on October 26, 2022 G		
	Number of Meetings	The Attendance	Attendance rate
Abdullah Saleh Kamel	9	8	89%
Abdul Aziz Mohammed Abdo Yamani	9	8	89%
Hussein Ali Shobokshi	9	9	100%
Suleiman Ibrahim Al-Hadithi	9	9	100%
Abdullah Ibrahim Al-Huwaish	9	9	100%
Mansour Abdulaziz Al-Busaili	9	9	100%
Omar Abdullah Jafri	9	8	89%
Faisal Mohammed Shaker	9	9	100%
Amr Mohamed Kamel	9	9	100%

Main Company Committees:

Within the framework of the company's governance rules and based on the needs, circumstances and nature of the company's business, the BOD formed three main committees with the aim of assisting the board in performing its tasks and responsibilities and conducting its business effectively and raising the level of supervision, control and decision-making controls in the company. These committees are the Audit Committee, the Remuneration and Nominations Committee, and the Investment and Finance Committee. The BOD supervise their work, and the committees present the results of their work and recommendations to the Board on a regular basis. The competencies, tasks, composition, chairmen and members of the Committees, the

number of their meetings, the dates of their meetings, and the attendance data of members for each meeting during 2021 G, are summarized as follows:

▪ **AuditCommittee:**

The General Assembly (46) held on December 31, 2017 approved the work regulation of the Audit Committee, which includes the formation of the Committee, its tasks, controls for its work, and the remuneration of its members in accordance with the Corporate Governance Regulations. The tasks of the Committee include in particular those set out below, in addition to any other tasks and responsibilities assigned thereto by the BOD:

First: Financial Reports:

1. To study the company's initial and annual financial statements before submitting them to the BOD and expressing its opinion and recommendation in regard; in order to ensure their integrity, fairness and transparency.
2. To express a technical opinion - at the request of the BOD - on whether the Board's report and the company's financial statements are fair, balanced and understandable and include information that allows shareholders and investors to evaluate the company's financial position, performance, business model and strategy.
3. To study any important or unfamiliar issues contained in the financial reports.
4. To research thoroughly any issues raised by the company's financial manager, whoever assumes his duties, the company's compliance officer, or the auditor.
5. To verify the accounting estimates in the material issues contained in the financial reports.
6. To study the accounting policies followed in the company and expressing an opinion and recommendation to the BOD in this regard.

Second: Internal Audit:

1. To study and audit the company's internal and financial control and risk management systems.
2. To study internal audit reports and following up on the execution of corrective actions for the notes contained therein.
3. To monitor and supervise the performance and activities of the internal auditor or (the internal audit department in the company - if any -); in order to verify the availability of the necessary resources and their effectiveness in performing the tasks assigned thereto. If the company does not have an internal auditor, the committee shall submit its recommendation to the Board regarding the need for its appointment.
4. To recommend to the BOD the appointment of the director of the internal audit unit or department or the internal auditor and suggesting his remuneration.
5. The committee shall meet periodically with the company's internal auditor at least twice a year.

Third: External Auditor:

1. To recommend the BOD to nominate and dismiss auditors, determine their fees and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.
2. To verify the auditor's independence, objectivity and fairness, and the effectiveness of audit work, taking into account the relevant rules and standards.
3. To review the company's auditor plan and work, and verify that the auditor has not submitted technical or administrative works that are outside the scope of audit work, and provide its views in this regard.
4. To answer the company's auditor's inquiries.
5. To study the auditor's report and notes on the financial statements and follow up on what was taken in their regard.

- The committee shall meet periodically with the company's auditor at least twice a year.

Fourth: Compliance:

- To review the results of the reports of the supervisory authorities and verify that the company has taken the necessary measures in this regard.
- To verify the company's compliance with relevant laws, regulations, policies and instructions.
- To review the contracts and transactions proposed to be conducted by the company with related parties, and present its views in this regard to the BOD.
- To raise the issues it deems necessary to take action on to the BOD, and make recommendations for the actions to be taken.

A committee was formed by a decision of the company's 14th Extraordinary General Assembly held on 10/23/2019 for a period of three years starting from the beginning of the BOD session on 10/27/2019. It is made up of three non-executive members of the BOD: Engineer Suleiman Ibrahim Al-Hadithi, Chairman of the Committee, who is a non-executive member of the Board of Directors, Dr. Omar Abdullah Jafri, who is an independent member of the BOD, and Mr. Nasser Sahaj Al-Shaibani, an independent external member specialized in financial and accounting affairs.

The following is a table showing the chairman and members of the committee, the number of its meetings, the dates of their meetings, and the attendance data of members for each meeting during 2021 G, as follows:

The Name	Membersh ip Nature	The Committee exercised its functions by conducting (6) meetings during 2021 G					
		First Meeting 03/14/2021	Second Meeting 03/24/2021	Third Meeting 03/30/2021	Fourth Meeting 05/04/2021	Fifth Meeting 08/11/2021	Sixth Meeting 11/03/2021
Suleiman Ibrahim Al-Hadithi	Chairman	✓	✓	✓	✓	✓	✓
Omar Abdullah Jafri	Member	✓	✓	✓	✓	✓	✓
Nasser Sahaj Al-Shaibani	Member *	✓	✓	✓	✓	✓	✓

* An independent external member specialized in financial and accounting affairs.

Remuneration and Nominations Committee:

In line with the Corporate Governance Regulations, the BOD decided to merge the Remuneration and Nomination Committees into one committee under the name of the Remuneration and Nominations Committee. It undertakes all the competencies and tasks of the remuneration and nomination committees mentioned in the Corporate Governance Regulations. Accordingly, the General Assembly (46) held on December 31, 2017 approved the work regulations for the Remuneration and Nominations Committee, which include the formation of the Committee, its tasks, controls for its work, and the remunerations of its members in accordance with the Corporate Governance Regulations. The Remuneration and Nominations Committee shall be responsible for the tasks related to the remuneration of members of the Board and its committees, the remuneration of the Executive Management and nominations for membership of the Board and the Executive Management as shown below, in addition to any other tasks and responsibilities assigned there to by the BOD:

First: Regarding the Company's Remunerations:

- To prepare a clear policy for remuneration and submitting it to the BOD for consideration in preparation for approval by the company's General Assembly, provided that this policy includes:
 - Board member remuneration.
 - Remuneration of committees emanating from the BOD.
 - Executive Management remuneration.

Provided that, in this policy, consideration should be given to following performance-related standards, disclosing, and verifying their implementation.

2. To clarify the relationship between the remuneration granted and the applicable remuneration policy, and indicate any material deviation from this policy.
3. To periodically review the remuneration policy, and evaluate its effectiveness in achieving its objectives.
4. To recommend to the BOD, in accordance with the policy approved by the association, the following:
 - a. Board member remuneration.
 - b. Remuneration of committees emanating from the BOD.
 - c. Senior executive remuneration.

Secondly: With regard to nominations for membership of the BOD and Executive BOD:

The competencies of the Committee with regard to nominations shall be as follows:

1. To propose clear policies and criteria for membership in the BOD and the Executive Management.
2. To recommend the BOD to nominate and re-nominate its members in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a breach of trust.
3. To prepare a description of the capabilities and qualifications required for membership in the BOD, and file Executive Management positions.
4. To determine the time that the member should allocate for the work of the BOD.
5. To review annually the necessary needs for skills or appropriate expertise for membership of the BOD and Executive Management functions.
6. To review the structure of the BOD and the Executive Management, and making recommendations that can be made.
7. To verify annually the independence of the independent members, and the absence of any conflict of interest if the member is a member of the BOD of another company.
8. To develop job descriptions for executive members, non-executive members, independent members, and senior executives.
9. To establish special procedures in the event of a vacancy in the position of a member of the BOD or senior executives.
10. To Identify weaknesses and strengths in the BOD, and proposing solutions to address them in line with the company's interest.

The Remuneration and Nominations Committee was formed by a decision of the BOD for a period of three years, starting from the beginning of the Board's term on October 27, 2019. It is made up of three non-executive members of the BOD, namely, Mr. Mansour Abdulaziz Al-Busaili as the Chairman of the Committee, who is an independent BOD member, and the membership of Mr. Hussein Ali Shobokshi and Mr. Amr Muhammad Kamel, who are non-executive members of the BOD.

The following is a table showing the Chairman and members of the Committee, the description and nature of membership, the number of its meetings, the dates of their meetings, and the attendance data of members for each meeting during the year 2021 G, as follows:

The Name	Membership Nature	The Committee exercised its functions by conducting (2) meetings during 2021 G	
		First Meeting 02/17/2021G	Second Meeting 10/24/2021G
Mansour Abdulaziz Al-Busaili	Chairman	✓	✓
Hussein Ali Shobokshi	Member	✓	✓
Amr Mohamed Kamel	Member	✓	✓

▪ **Investment and Finance Committee:**

In its meeting on 08/11/2020 G, the BOD approved the work of the Investment and Finance Committee, which includes the formation of the Committee, its tasks, controls for its work, and the remuneration of its members, in order to assist the BOD in performing its duties and executing its responsibilities related to the terms of reference, tasks and responsibilities below, in addition to any other tasks and responsibilities assigned thereto by the BOD.

Functions, tasks and responsibilities of the Investment and Finance Committee:

1. To develop investment strategies and policies, review them periodically, and submitting recommendations thereon to the BOD.
2. To direct credits and investments according to the powers delegated to the Committee by the BOD.
3. To study new investment opportunities and submitting recommendations to the BOD.
4. To study the performance of investments and periodically evaluate them, and submit recommendations in their regard to the BOD.
5. To supervise and control the implementation of investment policies, strategies and projects, and submit recommendations to the BOD.
6. To study and evaluate the investment opportunities proposed by the management in relation to the following transactions, and recommending them:
 - a. Mergers or acquisitions of companies
 - b. Exit or sell any of the company's investments, or transferring its ownership, and other forms of disposing of investments
 - c. To study new investment opportunities and submitting recommendations to the BOD.
 - d. To study the funding sources necessary for the various investments offered to the company or recommended by management
7. To ensure that the administrative and financial procedures in relation to the management of the company's investments are in line with legal requirements and administrative controls.
8. To suggest, study and review the appropriate financing structure for the company, and its proportionality with the volume of existing and upcoming investments the company will have, and submit recommendations in this regard to the BOD.
9. To approve and contract loans, agencies, banking facilities, and bills of exchange, within the limits of what is authorized by the company's BOD.
10. To assign and define the scope and fees of the financial advisory offices, to carry out acquisitions, mergers, or sale of investments and the like.
11. The Committee may recommend to the BOD to delegate some of its tasks and powers to the Executive Management.
12. To prepare periodic and annual reports on the work of the Committee, and the annual disclosure report, and submit them to the BOD.

The Investment and Finance Committee was formed by a decision of the BOD for a period of three years, starting from the beginning of the Board's term on 27/10/2019 G. It is made up of four members of the BOD, they are Eng. Abdulaziz Muhammad Abdo Yamani, Chairman of the Committee, who is a non-executive member of the BOD, the membership of Mr. Hussain Ali Shobokshi, who is a non-executive member of the BOD, the membership of Mr. Abdullah Ibrahim Al-Huwaish, who is an executive member of the BOD, and the membership of Mr. Faisal Mohamed Shaker, who is an independent member of the BOD.

The following is a table showing the Chairman and members of the Committee, the description and nature of membership, the number of its meetings, the dates of their

meetings, and the attendance data of members for each meeting' during the year 2021 G, as follows:

The Name	Membership Nature	The Committee exercised its functions by conducting (6) meetings during 2021 G					
		First Meeting 02/28/2021	Second Meeting 04/26/2021	Third Meeting 06/30/2021	Fourth Meeting 09/27/2021	Fifth Meeting 10/31/2021	Sixth Meeting 12/13/2021
Abdulaziz Mohammed Abdo Yamani	Chairman	✓	✓	✓	✓	✓	✓
Hussein Ali Shobokshi	Member	✓	✓	✓	✓	✓	✓
Abdullah Ibrahim Al-Huwaish	Member	✓	✓	✓	✓	✓	✓
Faisal Mohammed Shaker	Member	✓	✓	✓	✓	✓	✓

Interest of Board Members and Senior Executives in the Company's Shares and its Subsidiaries:

• Interest in the Company's Shares:

The table below shows the interest of the board members in the company's shares during the fiscal year 2021 G. there is no interest for their relatives (spouses and minor children) in the shares of the company or its subsidiaries. Also, there is no interest for any of the senior executives and their relatives in the company's shares or its subsidiaries, and there are no debt instruments of the company or its subsidiaries.

The name of the user who has the interest	At the beginning of the year		Year End		Net change in the number of shares	Change Percentage
	Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
Abdullah Saleh Kamel *	67,903,932	-	67,903,932	-	-	-
Abdulaziz Mohammed Abdo Yamani	2,022	-	2,022	-	-	-
Hussein Ali Shobokshi	1,000	-	1,000	-	-	-
Suleiman Ibrahim Al-Hadithi	1,000	-	1,000	-	-	-
Abdullah Ibrahim Al-Huwaish	100	-	100	-	-	-
Mansour Abdulaziz Al-Busaili	1,000	-	1,000	-	-	-
Omar Abdullah Jafri	50	-	50	-	-	-
Faisal Mohammed Shaker	258	-	258	-	-	-
Amr Mohamed Kamel	1,000	-	1,000	-	-	-

Note * A number of 67,225,431 shares owned by Dallah Al Baraka Holding Company have been added for the indirect interest of Mr. Abdullah Saleh Kamel to his administrative control of Dallah Al Baraka Holding Company, in addition to the 678,501 shares he directly owns, which are 678,501 shares.

• Interest in Shares of Subsidiaries:

Halawani Brothers Company:

The table below shows the interest of some members of the BOD in the shares of Halawani Brothers Company (Listed Joint-Stock Company) affiliated to the company through Aseer Arabian Industrial Investment Ltd., wholly owned by the company during the fiscal year 2021 G as follows:

The name of the user who has the interest	At the beginning of the year		Year End		Net Change	Change Percentage
	Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
Abdullah Saleh Kamel	1,100	-	1,237	-	137	12.5%
Abdulaziz Mohammed Abdo Yamani	1,100	-	1,237	-	137	12.5%
Abdullah Ibrahim Al-Huwaish	8	-	112	-	104	1300%

Alissa Industries Company:

There is no interest for the members of the BOD in the shares of Al-Issa Industries Company, owned by 38% of the company during the fiscal year 2021 G.

Remuneration of Board Members, Sub-Committees and Executive Management:

The (50th) Ordinary General Assembly held on 05/30/2021 G approved the remuneration policy for members of the BOD, the sub-committees and the Executive

Management, which aims to define clear criteria for the remuneration of the members of the BOD and the committees emanating from the Board and senior executives of the company in light of the requirements of the Companies Law and the regulations and regulations of the Market Authority. The policy also aims to attract individuals with a degree of competence, ability and talent to work on the BOD, committees, and Executive Management by adopting incentive plans and programs for remunerations that are linked to performance, which contributes to improving the company's performance and achieving the interests of its shareholders.

First: Remuneration of the Board Members:

1. According to Article (21) of the company's Articles of Association, the remuneration of the members of the Board shall be a certain amount or attendance allowance for the sessions, or benefits in kind, or a certain percentage of the net profits, and it is permissible to combine two or more of these benefits, in accordance with the provisions contained in the Companies Law, the Corporate Governance Regulations, and the rules and standards set by the Capital Market Authority in this regard.
2. If the remuneration is defined percentage of the company's profits, this percentage may not exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly in application of the provisions of the Companies Law and the Company's AOA, and after distributing the profit to shareholders of no less than (5%) of the company's paid-up capital, provided that the entitlement to this bonus shall be proportional to the number of sessions attended by the member, and any estimate otherwise shall be null and void.
3. The remuneration of the Chairman of the BOD shall be SAR 350,000 annually, and the remuneration of a member of the BOD shall be SAR 250,000 annually.
4. The attendance fee shall be SAR 3,500 for each meeting of the BOD.
5. The company covers the actual and reasonable expenses and fees incurred by the member of the BOD for the purpose of performing his work.
6. In all cases, the sum of the remunerations and benefits received by a member of the BOD, whether financial or in-kind, shall not exceed the maximum limit for remuneration stipulated in the bylaws and regulations and in accordance with the controls set by the competent authority.
7. The Board's report to the Ordinary General Assembly shall include a comprehensive statement of all the remunerations, expenses, allowances and other benefits received by the Board members during the fiscal year. It shall also include a statement of what the Board members received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy. It shall also include a statement of the number of BOD sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.
8. The remuneration of the members of the BOD may be varied in amounts to reflect the member's experience, competencies, tasks entrusted thereto, his independence, the number of sessions attended, and other considerations.
9. The remuneration of independent Board members shall not be a percentage of the profits generated by the company or be based directly or indirectly on the profitability of the company.

The table below shows the remunerations and compensations of the members of the BOD paid during the year 2021 G:

		Fixed Remunerations							Variable Remunerations							End-of-Service Gratuity	Total Amount	Expense Allowance
		Certain Amount	Allowance for attending BOD sessions	Total allowance for attending committee sessions	In-kind benefits	Remuneration of technical, administrative and advisory works	Remuneration of the Chairman, Managing Director, or Secretary, if he is a member	Gross Total	Percentage of Profits	Regular Remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares	Gross Total				
First: Independent Members:																		
1	Mansour Abdulaziz Al-Busaili	370,000	14,000	7,000	-	-	-	391,000	-	-	-	-	-	0	-	391,000	-	
2	Omar Abdullah Jafri	350,000	14,000	21,000	-	-	-	385,000	-	-	-	-	-	0	-	385,000	-	
3	Faisal Mohammed Shaker	350,000	14,000	21,000	-	-	-	385,000	-	-	-	-	-	0	-	385,000	-	
	Gross Total	1,070,000	42,000	49,000	0	0	0	1,161,000	0	0	0	0	0	0	0	1,161,000	0	
Secondly: Non-Executive Members:																		
1	Abdullah Saleh Kamel	350,000	10,500	-	-	-	-	360,500	-	-	-	-	-	0	-	360,500	-	
2	Abdulaziz Mohammed Abdo Yamani	370,000	14,000	21,000	-	-	-	405,000	-	-	-	-	-	0	-	405,000	-	
3	Hussein Ali Shobokshi	450,000	14,000	28,000	-	700,000	-	1,192,000	-	-	-	-	-	0	-	1,192,000	30,000	
4	Suleiman Ibrahim Al-Hadithi	370,000	14,000	21,000	-	-	-	405,000	-	-	-	-	-	0	-	405,000	-	
5	Amr Mohamed Kamel	350,000	14,000	7,000	-	-	-	371,000	-	-	-	-	-	0	-	371,000	-	
	Gross Total	1,890,000	66,500	77,000	0	700,000	0	2,733,500	0	0	0	0	0	0	0	2,733,500	30,000	
Third: Executive Members:																		
1	Abdullah Ibrahim Al-Huwaish	350,000	14,000	21,000	-	-	-	385,000	-	-	-	-	-	0	-	385,000	-	
	Gross Total	350,000	14,000	21,000	0	0	0	385,000	0	0	0	0	0	0	0	385,000	0	
	Total Amount	3,310,000	122,500	147,000	0	700,000	0	4,279,500	0	0	0	0	0	0	0	4,279,500	30,000	

* Based on the policy of remuneration for the members of the BOD, the sub-committees, and the Executive Management, and approved by the Ordinary General Assembly (50) held on 05/30/2021 G, a bonus was paid to the Chairman of the BOD in the amount of 350,000 riyals, and a bonus was paid to each member of the BOD in the amount of 250,000 riyals for the fiscal year ended on December 31, 2021 G with a total amount of 2,350,000 riyals.

* The 50th Ordinary General Assembly, held on 05/30/2021, also agreed to disburse an amount of SAR 1,800,000 as a remuneration to the members of the BOD for the fiscal year ending on December 31, 2020 G, and it was disbursed during the year 2021 G as follows:

Board member name	The amount of the remuneration for the year 2020 G
Abdullah Saleh Kamel	200,000 SAR
Abdulaziz Mohammed Abdo Yamani	200,000 SAR
Hussein Ali Shobokshi	200,000 SAR
Suleiman Ibrahim Al-Hadithi	200,000 SAR
Abdullah Ibrahim Al-Huwaish	200,000 SAR
Mansour Abdulaziz Al-Busaili	200,000 SAR
Omar Abdullah Jafri	200,000 SAR
Faisal Mohammed Shaker	200,000 SAR
Amr Mohamed Kamel	200,000 SAR

Secondly: Remuneration of committee members:

The work list of the Audit Committee, the work list of the Remuneration and Nominations Committee, which was approved by the General Assembly, and the work list of the Investment and Finance Committee approved by the Board of Directors included the remuneration of its members. It is an annual remuneration of SAR 120,000 (Only one hundred and twenty thousand) for the Chairman of the Committee and SAR 100,000 (Only one hundred thousand) for each of the other members, provided that the entitlement to this remuneration shall be proportional to the number of meetings attended by the member during the year.

The table below shows the remunerations and compensations of the paid Committee members during 2021 G:

	Fixed remuneration (except for the allowance for attending sessions)	Allowance for attending sessions	Gross Total
Audit Committee Members:			
Suleiman Ibrahim Al-Hadithi	120,000	21,000	141,000
Omar Abdullah Jafri	100,000	21,000	121,000
Nasser Sohag Al Shaibani	100,000	21,000	121,000
Gross Total	320,000	63,000	383,000
Members of the Remuneration and Nominations Committee:			
Mansour Abdulaziz Al-Busaili	120,000	7,000	127,000
Hussein Ali Shobokshi	100,000	7,000	107,000
Amr Mohamed Kamel	100,000	7,000	107,000
Gross Total	320,000	21,000	341,000
Members of the Investment and Finance Committee:			
Abdulaziz Mohammed Abdo Yamani	120,000	21,000	141,000
Hussein Ali Shobokshi	100,000	21,000	121,000
Abdullah Ibrahim Al-Huwaish	100,000	21,000	121,000
Faisal Mohammed Shaker	100,000	21,000	121,000
Gross Total	420,000	84,000	504,000

Third: Executive Administrative Remuneration:

The BOD shall determine the remuneration of senior executives and includes based on the recommendation of the Remuneration and Nominations Committee as the following:

1. A fixed amount paid in the form of salary and allowances. The allowances include housing allowance, transportation allowance and annual tickets, which are proposed by the Remuneration and Nominations Committee and approved by the BOD.
2. An annual bonus linked to performance indicators, according to the annual evaluation carried out in this regard.
3. The plans, policy and types of remuneration for employees and senior executives shall be approved by the BOD based on the recommendation of the Remuneration and Nominations Committee.

The Remuneration and Nominations Committee shall supervise the implementation of the remuneration policy for employees and senior executives in light of the plans, programs and general directives approved by the Board.

The table below shows the highest remunerations and compensations for seven senior executives paid during the year 2021:

	Fixed Remunerations				Variable Remunerations						End-of-Service Gratuity	Total executive remuneration for the board, if any	Total Amount
	Salaries	Allowances	In-kind benefits	Gross Total	Regular Remunerations	Earnings	Short-term incentive plans	Long-term incentive plans	Granted shares	Gross Total			
Total Amount	6,035,250	2,480,022	-	8,515,272	4,731,000	-	-	-	-	4,731,000	103,080	464,000	13,813,352

There is no arrangement or agreement under which a member of the company's BOD or a senior executive has hereby waived any remuneration.

The means adopted by the BOD in evaluating its performance and the performance of its committees and members:

The BOD approved the performance evaluation form for the BOD' work based on the proposal of the Remuneration and Nominations Committee and in line with the requirements of the Corporate Governance Regulations. During the year, the previously approved model was developed to be a self-assessment through which the member evaluates himself in addition to evaluating each member of the BOD separately, for the purpose of assisting in the process of evaluating the effectiveness of the BOD members. The evaluation form shall include elements that focus on the attendance of a member of

the BOD, effective participation in meetings, the role and responsibilities of the member, in addition to the evaluation of the Board Secretary, his role and responsibilities.

The BOD also approved a performance evaluation form for the work of each of its committees. The form was designed to contribute to verifying the performance of the committees' work in accordance with the approved work regulations, which regulate the committee's work controls and procedures, its tasks, and the rules for selecting its members. The elements of verification include the formation of the committee and its meetings, and the terms of reference, duties and responsibilities of the committee. In order to know the strengths and weaknesses in the performance of the BOD and the committees, to strengthen the places of strength and work to address the deficiencies.

Business and contracts in which any member of the BOD or senior executives have an interest therein:

During 2021 G, the company carried out an ordinary transaction and one of the members of the BOD has a direct interest therein, and it falls within the framework of the company's normal activity and on the same terms and principles followed with others. The transaction was presented to the BOD, and evidence of the interested Board member's notification to the BOD and his approval of that without the stakeholder's participation in voting. The Ordinary General Assembly (50) held on 05/30/2021 G approved the business and contracts below without the participation of the interested member in voting on the resolution, in accordance with the notification of the Chairman of the Board and the special report submitted by the auditor to the General Assembly. The table below shows the transaction with the related party that was approved by the General Assembly:

The name of the interested party	Nature of Transaction	Transaction Amount	Transaction Time	Terms of Transaction
Hussein Ali Shobokshi (Member of the BOD, owned by Hussein Ali Shobokshi Office for Management Consulting)	Consulting Services	SAR 700 thousand	During 2021 G	A contract to provide consulting services without preferential terms.

With the exception of the above, the company acknowledges that there are no business or contracts during 2021 G in which the company is a party or in which there is an interest for a member of the BOD or senior executives, or any person related to any of them.

Transactions with Related Parties:

In the course of their normal commercial business, some of the company's subsidiaries carried out transactions with each other and with related parties within the framework of their normal activities and with the same terms, principles and transaction prices followed with third parties. The table below shows a summary of the important transactions with related parties as at the end of the year according to note (20) from the financial statements for this year:

Amounts due from related parties				
Related Party	Nature of Relationship	Nature of the Transaction	Transaction Amounts	Balance
Other trading companies	Affiliates	Different Transactions	6,454,790	1,907,444
Provision for doubtful debts	-	-	-	(512,361)
Balance				1,395,083

Amounts owed to related parties				
Related Party	Nature of Relationship	Nature of the Transaction	Transaction Amounts	Balance
Dallah Trading Company	Affiliate owned by a major shareholder	Buying finished goods	738,128	79,753
Ismailia Egypt Poultry Company	Affiliate owned by a major shareholder	Buying raw materials	3,196,490	249,223
Others	Affiliates	Different transactions	154,864	638,676
Balance				967,652

Annual Review of the Effectiveness of Internal Control Procedures:

An independent body carries out the internal audit tasks, evaluates and examines the internal control systems and their effectiveness in the company, and submits its reports to the Audit Committee after discussion with the company's management. The company's management takes the necessary corrective actions for the observations contained in the internal audit reports and the notes of the chartered accountant during the examination and review processes, and follows up on their completion in order to strengthen the internal control systems. The internal audit work shall be in accordance with an annual plan that is reviewed periodically. The tasks of the internal audit include evaluating the internal control system, the effectiveness of its procedures, and recommendations for its improvement and development, under the supervision of the Audit Committee. As a result of the annual review of the internal control system and the effectiveness of its procedures, regular observations were found within the company's practice of its functions that require corrective measures to improve and develop control systems, and the absence of observations and material risks affecting, with a recommendation to continue in the processes of developing the control system, internal control procedures and related activities by working on continuous improvement of rules, regulations and operational procedures.

The Opinion of the Audit Committee:

Based on the Committee's follow-up to its tasks, the internal auditor's reports, follow-up with the chartered accountant, and the corrective actions taken by the Executive Management of the company for continuous development and improvement, and the Executive Management's assurances that there are no material observations, when preparing the annual consolidated financial statements for the year 2021 G and the preliminary financial statements for the quarterly periods during 2021 G, and to address all observations made by the chartered accountant during the audit work for 2021 G, the chartered accountant has no comments or material observations that have not been addressed, the absence of material observations of the Committee when studying those statements, the absence of material observations from the BOD and its approval of those financial statements, and management's assurances about the internal control system and the effectiveness of its procedures, signed on 03/14/2022 G. The financial statements were examined and reviewed by the independent certified auditor, who has the right to review all the books and records, the minutes of the BOD and its committees, and the minutes of the General Assembly of Shareholders. In addition, no material note was received from the chartered accountant on the internal control and control systems. Based on the annual internal control report on the evaluation of the effectiveness of the design of the internal control system and the methodology carried out by the internal auditor and his conclusion that the design of the internal control system is effective, appropriate and sufficient with work on continuous development and improvement. In light of the above, the Committee has no substantial observations on the company's internal control system. Also, the company believes that the internal control system confirms to a reasonable degree that it was prepared on sound foundations, with the importance of the Executive Management continuing to develop and improve the internal control system and the development of the mechanism of control over the company's operations and activities.

Company Declarations:

- The account records are properly prepared.
- The internal control system was prepared on sound foundations and implemented effectively.
- There is no doubt about the company's ability to continue its activities.

- The financial system reflects the integrity of financial statements and reports and their systems.

The provisions of the Corporate Governance Regulations have been applied, or have not been applied, and the reasons for that:

The company is working on carrying out the Corporate Governance Regulations issued by the Capital Market Authority through a system of corporate governance principles and rules, the bylaw, and the statutory rules and regulations related to the nature of the company's business and activities, internal work regulations and procedures, and the regulations, policies and procedures associated with the BOD and Board committees.

The BOD also approved the company's corporate governance rules, guided by the Corporate Governance Regulations in the KSA issued by the Capital Market Authority to comply with its provisions and objectives without violating the mandatory provisions, with the exception of some articles:

Item No.	Paragraph No.	Article/paragraph provisions	Reasons not to apply
(39)	-	Training (training of board and executive management members)	The article is for guidance, and the company's management is looking into the need for training programs for senior executives.
(70)	-	Formation of Risk Management Committee	The article is for guidance, and the BOD assigned the functions of the Risk Management Committee to the Audit Committee, noting that the company continuously reviews its policies related to risk management and submits a report to the BOD on an annual basis.
(72)	-	Risk Management Committee Meetings	
(76)	-	Configure the internal audit unit or department	The article is for guidance, and the company relies on external sources to perform the internal control functions, which in turn makes the internal audit plan and submits its reports to the Audit Committee.
(85)	-	Motivate Employees	Guiding Material
(89) Disclosure Policies and Procedures	3	The company's website includes all the information required to be disclosed, and any other data or information published through other means of disclosure	The paragraph is indicative, and the company publishes any information and data that is required to be disclosed according to the regulations and the regulations required by the system.
(95)	-	Formation of the Corporate Governance Committee	The article is indicative, and the BOD assigned the functions of the Governance Committee to the Remuneration and Nominations Committee to develop, implement and amend governance rules when needed.

The company has no penalty, sanction, precautionary measure, or precautionary restriction imposed by the Authority or by any other supervisory, regulatory or judicial authority.

Actions taken by the BOD to inform its members of the shareholders' proposals and comments regarding the company and its performance:

The company's AOA guarantee to the shareholders all rights related to the share. the shareholder shall have the right to inquire and request information in a manner that does not harm the interests of the company and does not contradict the financial market system and its executive regulations. The BOD shall be notified of a summary of these suggestions or observations, if any.

Choosing a chartered accountant for the company:

The 50th Ordinary General Assembly, held on 05/30/2021, decided to nominate and select M/S Dr. Muhammad Al-Omari & Partners Company (BDO) from among the nominated offices, based on the recommendation of the Audit Committee, to be an auditor of the company's accounts, in order to examine, review and audit the financial

statements for the second, third and annual quarters of the year fiscal 2021 G and for the first quarter of the fiscal year 2022G.

The recommendation of the Audit Committee to nominate an auditor for the company's accounts will be presented to the Ordinary General Assembly, at the time it is held during 2022 G, to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2022 G and for the first quarter of the fiscal year 2023 G, and the General Assembly may approve the recommendation or appoint another auditor or more.

Accounting Standards Applicable in the Company:

The consolidated financial statements of the Group and the independent financial statements of the Group's subsidiaries were prepared in accordance with the international standards for the preparation of financial reports and the guidelines issued by the Saudi Organization for Certified Public Accountants. All these financial statements were audited in accordance with international auditing standards, and the auditor issued an unqualified opinion on each of them with indication to a full compliance with International Financial Reporting Standards.

General Assemblies of Shareholders during 2021 G:

During the year 2021 G, the company held one general assembly as follows:

1. The Ordinary General Assembly (50) held on May 30, 2021 G:

It is the Assembly in which the company's auditor's report for the fiscal year 2020 G, the financial statements for the fiscal year 2020 G were approved, the report of the BOD for the fiscal year 2020 G, the disbursement of an amount of SAR 1,800,000 to members of the BOD for the fiscal year 2020 G, the approval to absolve the members of the BOD from their responsibility for managing the company during the fiscal year 2020 G, to approve the business and contracts that took place between the company and the office of Hussein Ali Shobokshi for Management Consulting, in which the member of the BOD Hussein Ali Shobokshi has a direct interest, which are advisory services without preferential terms during the year 2021 G in the amount of SAR (700,000), and approval of the amendment of the remuneration policy for members of the BOD, sub-committees and Executive Management, approval of the appointment of Dr. Muhammad Al-Omari & Partners BDO Company as auditor of the company's accounts from among the candidates, based on the recommendation of the Audit Committee, in order to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2021 G, and the first quarter of the fiscal year 2022 G, and determining its fees.

Names of the members of the BOD present at the general assemblies during the year 2021 G:

M	Board member name	Attendance Record
		Ordinary General Assembly Meeting (50) held on 05/30/2021 G
1	Abdullah Saleh Kamel	x
2	Abdul Aziz Mohammed Abdo Yamani	✓
3	Hussein Ali Shobokshi	✓
4	Suleiman Ibrahim Al-Hadithi	✓
5	Abdullah Ibrahim Al-Huwaish	✓
6	Mansour Abdulaziz Al-Busaili	✓
7	Omar Abdullah Jafri	✓
8	Faisal Mohammed Shaker	✓
9	Amr Mohamed Kamel	✓

The number of the company's requests to the shareholders' register, the dates of those requests and their reasons:

The company's requests for the shareholders' register	The Date of Application	Reasons for Application
1	03/31/2021 G	Company Procedures
2	05/30/2021G	Attending the Ordinary General Assembly (50)
3	06/30/2021G	Company Procedures
4	09/30/2021G	Company Procedures

Social Contributions of the Company:

The company has developed training programs for newly graduated students from universities, in addition to attracting national talent through the programs of the Ministry of Human Resources and Social Development.

Acknowledgments of the BOD:

The Chairman and members of the BOD extend their thanks and appreciation to all the company's shareholders, customers, suppliers and advisors for their efforts and cooperation. Also, the Board expresses its appreciation to the employees of the company and its subsidiaries, and all the parties with which it has a working relationship for their efforts and constructive cooperation with the company during the fiscal year 2021 G. The Board looks forward to advancing the performance of the company during the next year and the coming years to achieve the aspirations of its shareholders In Shaa Allah.

Regards,,,,

BOD