



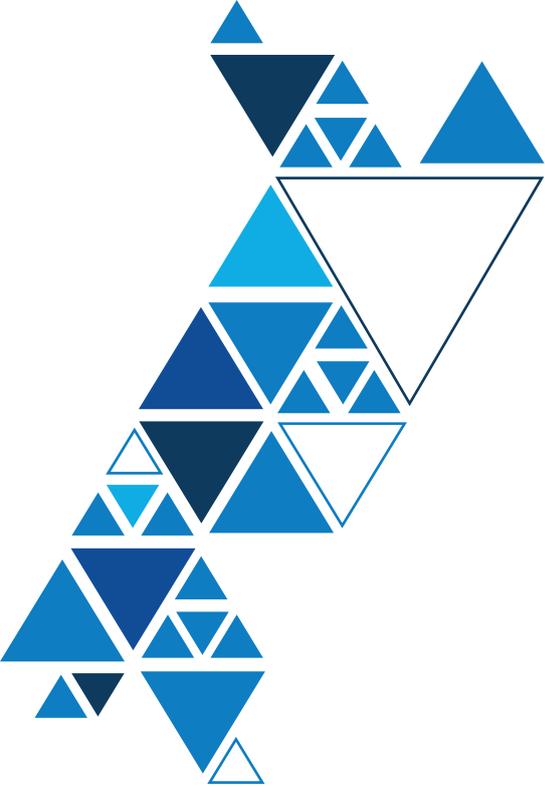
The Annual Report

Of Al Khaleej Training and Education
Board of Directors

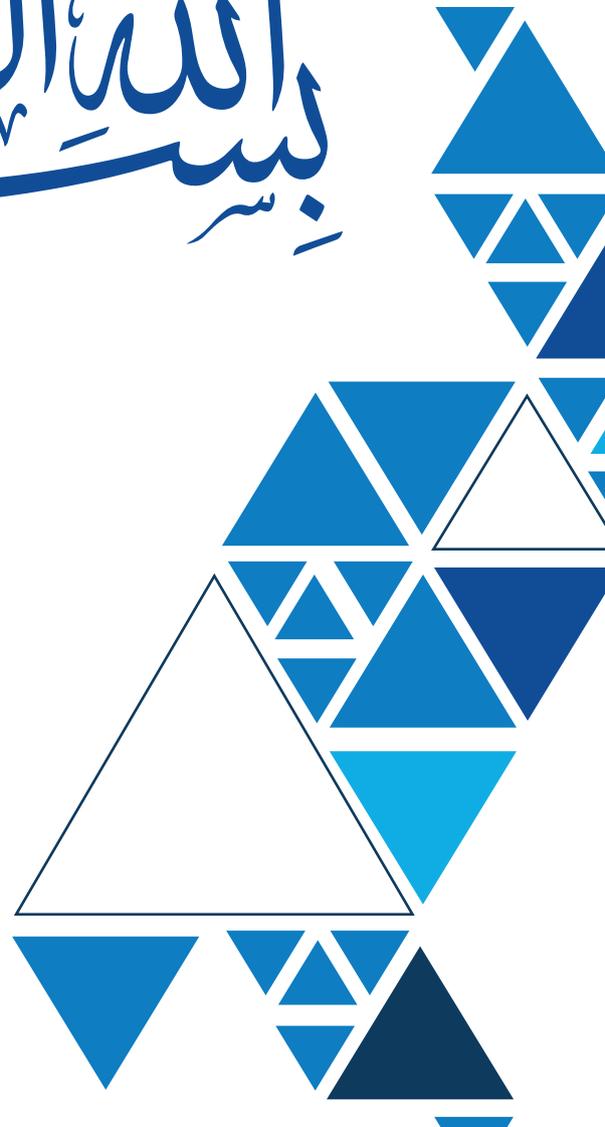
On the company's performance for the fiscal year ending on 31/12/2021

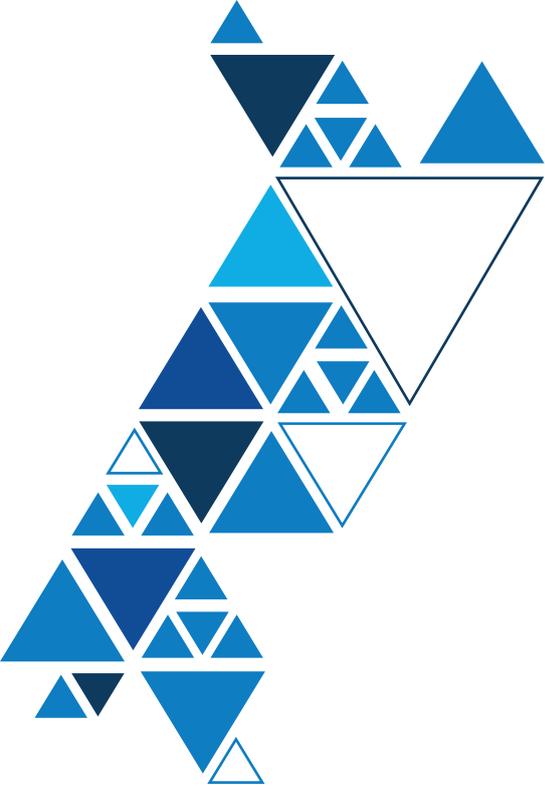
الخليج
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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ





The Annual Report Of Al Khaleej Training and Education Board of Directors

On the company's performance for the fiscal
year ending on 31 / 12 / 2021



CEO Opening Statement

Ladies & gentlemen/ shareholders of Al Khaleej Training and Education Company,

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

On my own behalf and on behalf of Al Khaleej Training and Education Board of Directors members, It is an honor to welcome you all and I am delighted to put in your hands the annual report of the Board of Directors of Al Khaleej Training and Education Company for the fiscal year ending on 122021/31/ AD, which presents to the company's valuable shareholders a report on the company's businesses and outcomes during the year 2021 AD, and reflects the most important achievements achieved during that period in the field of training, education and call centers. The report also reviews the company's performance, the audited annual financial statements and their clarifications, and the auditor's report for that period. The report also includes an adequate summary of the implementation of the corporate governance regulation, information about the members of the board of directors and the committees emanating from the board, in addition to the goals and future plans for all of the company's sectors.

Despite the difficulties we faced during the past year, we were able, with God's help and grace, to overcome these difficulties, maintain the company's performance and achieve good financial results during this year, bypassing all the challenges we faced, thanks to the efforts made by the company's management and employees and the continuous support of its valued shareholders and its board of directors,

We affirm that the company's management is striving hard to improve the company's performance to reach the desired goals through the company's plans and strategy, which aim at continuous growth and achieving good and satisfactory results for all of the company's shareholders. Also, by paying attention to the development of systems and control procedures to improve performance, and developing the work environment by keeping pace with modern administrative and technical methods, in addition to strengthening the culture of institutional work and benefiting from investment-related initiatives in various sectors, especially the training and education sector, provided by Vision 2030,

This report has been prepared in accordance with the requirements of the Corporate Governance Regulations, the registration and listing rules issued by the Capital Market Authority, the Saudi Companies Law, the company's articles of association, and the regulatory controls and procedures issued in implementation of the Companies Law for Listed Joint Stock Companies.

I would also like to take this opportunity to thank all the authorities licensed for the company's activities represented by the General Organization for Technical and Technical Training, the Ministry of Education, the Ministry of Commerce and Industry, the Capital Market Authority, the Capital Market Company (Tadawul) and all relevant stakeholders for their cooperation and constant encouragement to us,

Thanks are due to all our valued customers and shareholders for their precious trust and continuous support for us and their constructive role in supporting the company's march to make more effort and giving to reach the company's goals and achieve its vision,

In conclusion, I extend my sincere thanks and appreciation to the company's management and employees at all levels for their active role in overcoming challenges, their tireless work and sincere efforts to achieve more successes to consolidate the company's leadership, progress and prosperity.

We pray to Allah to endow the blessings of safety and security on our dear country.

**Chairman of the Board of Directors
Abdulaziz bin Hammad Al-Blaihidi**

1- Applied provisions of the Governance Regulations issued by the CMA, Non-applied provisions, and reasons for non-application

Al Khaleej Training and Education Company applies all the mandatory provisions stipulated in the Corporate Governance Regulations issued by the CMA on 16/ 5 /1438 H, corresponding to 132017/2/, amended by the CMA Board Resolution No. 3- 45 -2018 , dated 7/ 8 /1439 H, corresponding to 232018/4/, except for some of the guiding provisions, as shown below:

Article no.	Paragraph no.	Text of the article/paragraph	Reasons for non-application
Article 39	Paragraph 1:2	<p>Training</p> <p>The company shall pay adequate attention to the training and preparation of the directors of the board and the executive management and shall develop the necessary programs required for the same, taking the following into account:</p> <ol style="list-style-type: none"> 1. Preparing programs for the recently appointed directors of the board and executive management to familiarize them with the progress of the company's business and activities, particularly the following: <ol style="list-style-type: none"> a. The strategy and objectives of the company. b. The financial and operational aspects of the company's activities. c. The obligations of the directors of the board and their duties, responsibilities, and rights. d. The duties and competencies of the committees of the board. 2. Developing the necessary mechanisms for the directors of the board and the executive management to enroll continuously in training programs and courses. 	<p>This clause has not been applied since it is for guiding purposes only, but it will be considered in the future.</p>
Article 41	Paragraph e:f	<p>Assessment</p> <p>e) The board shall make the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.</p> <p>f) Non-executive directors shall carry out a periodic assessment of the performance of the chairman of the board after seeking the opinions of the executive directors. The chairman of the board shall not be present during the discussions of this matter, provided that the weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the company.</p>	<p>This clause has not been applied since it is for guiding purposes only, but it will be considered in the future.</p>
Article 70	0	<p>Composition of the Risk Management Committee</p> <p>The company's board shall form, by resolution therefrom, a committee to be named the "Risk Management Committee." Chairman and majority of the members thereof shall be non-executive directors. The members of that committee shall possess an adequate level of knowledge of risk management and financial affairs.</p>	<p>This clause has not been applied since it is for guiding purposes only, but it will be considered in the future.</p>

Article no.	Paragraph no.	Text of the article/paragraph	Reasons for non-application
Article 71	Paragraph 1:12	<p>Competencies of the Risk Management Committee</p> <p>The competencies of the Risk Management Committee shall include the following:</p> <ol style="list-style-type: none"> 1. Developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the company's activities. 2. Determining and maintaining an acceptable level of risk that may be faced by the company and ensuring that the company does not go beyond such level. 3. Ensuring the feasibility of the company's continuation, the successful continuity of its activities, and determining the risks that threaten its existence during the following twelve months. 4. Overseeing the company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the company. 5. Regularly reassessing the company's risk tolerance and risk exposure (for example, through stress tests). 6. Preparing detailed reports on the risk exposure and the recommended measures to manage such risks and submitting them to the board. 7. Submitting recommendations to the board on matters related to risk management. 8. Ensuring the availability of adequate resources and systems for risk management. 9. Reviewing the organizational structure for risk management and providing recommendations regarding the same before the approval of the board. 10. Verifying the independence of the risk management employees from activities that may expose the company to risk. 11. Ensuring that the risk management employees understand the risks threatening the company and raising the awareness of the culture of risk. 12. Reviewing any issues raised by the Audit Committee that may affect the company's risk management. 	<p>This clause has not been applied since it is for guiding purposes only, but it will be considered in the future.</p>
Article 72	0	<p>Meetings of the Risk Management Committee</p> <p>The risk management committee shall convene periodically at least once every (six months) and whenever necessary.</p>	<p>This clause has not been applied since it is for guiding purposes only, but it will be considered in the future.</p>
Article 85	Paragraph 1:3	<p>Employees' incentives</p> <p>The company shall establish programs for developing and encouraging the participation and performance of the company's employees. The programs shall particularly include the following:</p> <ol style="list-style-type: none"> 1. Forming committees or holding specialized workshops to hear the opinions of the company's employees and discuss the issues and topics that are subject to important decisions. 2. Establishing a scheme for granting company shares or dividends and pension programs for employees and setting up an independent fund for such program. 3. Establishing social organizations for the benefit of the company's employees. 	<p>This clause has not been applied since it is for guiding purposes only, but it will be considered in the future.</p>

•Company's Compliance with Governance Regulations:

The Company has been careful to adhere fully to the rules of corporate governance. The board has set up, in this regards, a corporate governance system in the company, in line with the provisions of the Corporate Governance Regulations issued by the CMA, dated 161438/5/ AH, corresponding to 132017/2/. The system includes the rules and standards governing the management of the company and ensures the protection of the rights of the shareholders and stakeholders. The company, therefore, has approved its own governance regulations and policies through the board and the general assembly of shareholders, in accordance with the Companies Law and the CMA's regulations and instructions. Upon the issuance of the CMA's decision No. 32018-45-, dated 71439/8/ AH, corresponding to 232018/4/, amending some articles of the Corporate Governance Regulations, the company has updated its own corporate governance regulations to comply with the amended Corporate Governance Regulations, dated 232018/4/.

Based on the above-mentioned, the board has established policies and procedures that ensure the company's compliance with the rules and regulations and commitment to the disclosure of the material information to the shareholders, creditors, and other stakeholders. In accordance with the Corporate Governance Regulations and the text of Article 94 of the Corporate Governance Regulations issued by the CMA, the company has complied with the all the paragraphs and clauses of the binding articles of the Governance Regulations as follows:

• Rights of Shareholders and General Assembly:

The Company has been keen to allow all shareholders to exercise their statutory rights to obtain dividends or a share of the company's assets, in the event of liquidation. They have been allowed to attend shareholders' assemblies, participate in their deliberations, vote on their decisions, dispose of shares, monitor the work of the board, file liability lawsuits against board directors, and request information that does not harm the company or contravene with the capital market system and its implementing regulations.

•Shareholders' access to information:

The Company makes all information fully accessible to all shareholders, without discrimination, in accordance with the policies of disclosure of major developments, financial data, and performance reports, in accordance with the legal requirements, applicable regulations, and instructions received from the competent authorities, to enable the shareholders to fully exercise their rights. Such information has always been complete, accurate, and regularly updated on the specified dates on the Saudi Stock Exchange's (Tadawul) website, the company's website, and daily newspapers.

•Risk management:

The Company regards risk management as part and parcel of the activities and decision making process. The company realizes the importance of the effective role of risk management in achieving its current and future success. The company is seeking to strike an acceptable balance between risks and profits, while striving to achieve its vision. Risk management is a vital part of the company's internal control functions and its governance arrangements. One of the benefits of risk management is that it has a logical, systematic method to contextualize, identify, analyze, evaluate, address, monitor, and report risks in a manner that allows the company to make appropriate decisions and respond in a timely manner to risks as they arise.

•Policies and procedures related to disclosure and transparency:

Disclosure and transparency policies are part and parcel of the company's Corporate Governance Regulation. The board has established written policies and procedures regarding disclosure and transparency, which ensure fairness while providing the appropriate information on the appropriate time to investors to help them make investment decisions based on correct, complete information. Such policies also ensure that the information is not leaked to some investors while not reaching others. The company is committed to the policies and procedures established by the board, based on the relevant systems, the instructions received from the CMA, and the competent authorities, in order to enhance the level of disclosure and transparency.

Al Khaleej Training and Education Company posts the quarterly and annual financial results on the Saudi Stock Exchange's (Tadawul) website during the statutory periods of publication and on the company's website. The company also publishes all the information related to the statutory disclosures or major developments in a timely manner. The company is always working to enhance the level of disclosure through the nature, type, and timing of information disclosed, while continuing to enrich the company's website with all the information that might help all stakeholders acquaint with the company's activities and the developments of its works, to make successful investment decisions.

The following is a statement of the company's disclosures on the Saudi Stock Exchange's (Tadawul) website and the company's website in 2021.



Event	Date
Al Khaleej Training and Education Company announces the appointment of the Chairman and Vice-Chairman and the formation of the Board's committees for its new term	2021/02/14
Al-Khaleej Training and Education Company announces the latest developments regarding the binding memorandum of understanding signed with Al-Roqi National Schools Company Limited	2021/03/23
Al Khaleej Training and Education Company announces the board of directors' recommendation to increase the company's capital through a rights issue.	2021/03/30
Al Khaleej Training and Education Company announces the distribution of cash dividends to shareholders for the fiscal year 2020 AD	2021/03/30
Al Khaleej Training and Education Co. announces its annual financial results for the period ending on 312020-12- AD	2021/03/31
Al Khaleej Training and Education Company invites its valued shareholders to participate and vote in the Ordinary General Assembly meeting by means of modern technology (the first meeting)	2021/04/29
Al Khaleej Training and Education Company announces to its shareholders the date of the start of electronic voting on the items of the Ordinary General Assembly meeting (the first meeting) by means of modern technology	2021/05/19
Al Khaleej Training and Education Co. announces its interim financial results for the period ending on 032021-31- (Three Months)	2021/05/23
Al Khaleej Training and Education Company announces the results of the Ordinary General Assembly meeting (first meeting)	2021/05/26
Al Khaleej Training and Education Company announces the date and mechanism for distributing cash dividends to shareholders for the year 2020	2021/06/06
Al Khaleej Training and Education Company announces the signing of a non-binding Memorandum of Understanding with Al-Enjaz National Schools Company Ltd.	2021/06/29
Al Khaleej Training and Education Company announces the submission of a request file to increase the company's capital through the offering of priority rights shares to the Capital Market Authority	2021/06/30
Al Khaleej Training and Education Company announces the award of a project with King Saud University	2021/07/14
Al Khaleej Training and Education Company announces the award of a project with King Saud University	2021/07/14
Al Khaleej Training and Education Co. announces its interim financial results for the period ending on 062021-30- (six months)	2021/08/22

Event	Date
Corrective announcement from Al-Khaleej Training and Education Company regarding Al-Khaleej Training and Education's announcement of the interim financial results for the period ending on 06-2021-30 (six months)	2021/08/22
Al-Khaleej Training and Education Company announces that it has signed a sale and purchase agreement to acquire 60% of the ownership stakes of Al-Roqi National Schools Company.	2021/08/30
Al Khaleej Training and Education Company announces the signing of a project contract with King Saud University	2021/09/02
Al Khaleej Training and Education Company announces the signing of a project contract with King Saud University	2021/09/02
Al Khaleej Training and Education Company announces the extension of the (non-binding) Memorandum of Understanding signed with the owner of Al-Ajaz National Schools Company Ltd.	2021/09/26
Al-Khaleej Training and Education Company announces the developments in the file of increasing the company's capital by offering priority rights shares with the Capital Market Authority	2021/10/03
Al Khaleej Training and Education Company announces to invite its shareholders to attend the Extraordinary General Assembly meeting that includes the increase of the company's capital (the first meeting) through modern technology	2021/10/11
Al Khaleej Training and Education Company announces developments in the company's capital increase file by offering rights issue shares and provides a rights issue prospectus.	2021/10/11
Al Khaleej Training and Education Company announces the decision of its Board of Directors to approve the separation of one of its affiliated activities (Smart Link Call Centers) as an independent company.	2021/10/13
Al-Khaleej Training and Education Company announces the signing of a (non-binding) Memorandum of Understanding with Al-Faisaliah National Schools Company Ltd.	2021/10/20
Al Khaleej Training and Education Company announces to its shareholders the date of the start of electronic voting on the items of the Extraordinary General Assembly meeting, which includes increasing the company's capital (the first meeting) by means of modern technology	2021/10/27
Al Khaleej Training and Education Co. announces its interim financial results for the period ending on 302021-09- (Nine Months)	2021/11/03
Al Khaleej Training and Education Company announces the results of the Extraordinary General Assembly meeting that includes the company's capital increase (the second meeting)	2021/11/04
Al Khaleej Training and Education Company announces the determination of the period for trading priority rights and subscribing to new shares	2021/11/04
Al Khaleej Training and Education Company announces the start of the trading period for priority rights and subscription for new shares (reminder)	2021/11/07
Al Khaleej Training and Education Company announces the last day for trading in the priority rights and the last day for subscribing for new shares (reminder)	2021/11/15
Al Khaleej Training and Education Company announces the results of trading priority rights and subscribing to new shares and details of the process of selling shares that were not subscribed for	2021/11/21
Al Khaleej Training and Education Company announces the latest developments regarding the (non-binding) Memorandum of Understanding signed with the owner of Al-Injaz National Schools Company Ltd.	2021/11/22
Al Khaleej Training and Education Company announces the results of the remaining offering and allotment of rights shares	2021/11/25
Al Khaleej Training and Education Company announces the awarding and signing of a project contract with the Ministry of Commerce	2021/11/30
Al Khaleej Training and Education Company announces the distribution of compensation amounts to the priority rights holders who did not exercise their right to subscribe to the new shares	2021/12/08
Al-Khaleej Training and Education Company announces the latest developments regarding the sale and purchase agreement signed with Al-Roqi National Schools Company and announced on 082021/30/ AD.	2021/12/12

2- Names of members of board directors, members of committees, and the executive management and their current and previous positions, qualifications, and experience.

1. Board Members

	Name of Member	Current position	Previous position	Qualifications	Experience
1	Mr. Abdulaziz bin Hammad Al-Blaihid	Board Chairman Al Khaleej Training and Education	General Manager Saudi Central Bank	Bachelor of Science in Banking and Finance University of Arkansas-USA	years of experience in 51 the field of administration, finance, business administration, training, and IT
2	Mr. Abdulaziz bin Rashid Al-Rashed	Board Chairman AlRashed & Sons Group	Board Director Banque Saudi Fransi	Bachelor of Business Administration Warner Pacific University-USA	years of experience in 48 investment management
3	Mr. Ahmed bin Ali Ahmed Al-Shadwi	President and CEO Al-Falak Electronic Equipment and Supplies Company	President of the Chamber of Commerce and Industry in Al-Baha	Diploma in Presidential Higher Administration from Harvard University	years of experience in 48 the field of information and communication systems and the establishment and management of companies
4	Dr. Ali bin Abdul-Khaleq Abdul Rahman Al-Qarni	general manager For the Arab Bureau of Education for the Gulf States	General Supervisor of the Kingdom Private Schools Company and Secretary General of the Higher Committee for Education Policy	PhD in Educational Psychology from the University of Wisconsin, USA	years of experience 49 in the field of education, educational development and educational research
5	Dr. Abdullah bin Saghir Muhammad Al-Husseini	Dean of Student Affairs and Professor of Accounting and Auditing at Prince Sultan Al-Ahliyya University in Riyadh	Professor of Accounting and Auditing at Prince Sultan University in Riyadh	PhD in Financial Accounting and Auditing from the University of Kent, UK	years of experience 30 in the field of financial accounting, auditing, financial and tax consultancy
6	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	Adviser	Senior advisor at the Saudi Arabian Monetary Agency	Bachelor of Computer Engineering from King Saud University	years of experience 30 in software and network development, project management, and systems development for the Saudi Payment Systems Network
7	Mr. Abdullah bin Muhammad Suleiman Jibreen	CEO ABANA Group for Projects	Director of the private office of the governor of Riyadh	MBA of business administration from the University of White worth, USA	years of experience in 36 business administration
8	Eng. Al-Walid bin Abdul Razzaq Al-Duraian	Managing Director of the Board Al Khaleej Training and Education	Manager Al-Khaleej Computers and Electronic Systems	Masters of electrical engineering Wisconsin University-USA	years of experience 37 in the field of business administration, training, education, and IT

2. Members of committees

Nomination and Remuneration Committee

	Name of member	Current position	Previous position	Qualifications	Experience
1	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	Adviser	Senior advisor at the Saudi Arabian Monetary Agency	Bachelor of Computer Engineering from King Saud University	30 years of experience in software and network development, project management, and systems development for the Saudi Payment Systems Network
2	Mr. / Abdulaziz bin Rashid Al-Rashed	Board Chairman AlRashed & Sons Group	Board Director Banque Saudi Fransi	Bachelor of Business Administration Warner Pacific University-USA	48 years of experience in investment management
3	Mr. Abdullah bin Muhammad Suleiman Jibrean	CEO ABANA Group for Projects	Director of the private office of the governor of Riyadh	MBA of business administration from the University of White worth, USA	36 years of experience in business administration

Governance and Social Enterprises Committee

	Name of member	Current position	Previous position	Qualifications	Experience
1	Dr. Ali bin Abdul-Khaleq Abdul Rahman Al-Qarni	general manager For the Arab Bureau of Education for the Gulf States	General Supervisor of the Kingdom Private Schools Company and Secretary General of the Higher Committee for Education Policy	PhD in Educational Psychology from the University of Wisconsin, USA	49 years of experience in the field of education, educational development and educational research
2	Mr. / Abdulaziz bin Rashid Al-Rashed	Board Chairman AlRashed & Sons Group	Board Director Banque Saudi Fransi	Bachelor of Business Administration Warner Pacific University-USA	48 years of experience in investment management
3	Dr. Abdullah bin Saghir Muhammad Al-Husseini	Dean of Student Affairs and Professor of Accounting and Auditing at Prince Sultan Al-Ahliyya University in Riyadh	Professor of Accounting and Auditing at Prince Sultan University in Riyadh	PhD in Financial Accounting and Auditing from the University of Kent, UK	30 years of experience in the field of financial accounting, auditing, financial and tax consultancy

Audit Committee

	Name of member	Current position	Previous position	Qualifications	Experience
1	Dr. Abdullah bin Saghir Muhammad Al-Husseini	Dean of Student Affairs and Professor of Accounting and Auditing at Prince Sultan Al-Ahliyya University in Riyadh	Professor of Accounting and Auditing at Prince Sultan University in Riyadh	PhD in Financial Accounting and Auditing from the University of Kent, UK	30 years of experience in the field of financial accounting, auditing, financial and tax consultancy
2	Mr. / Ahmed bin Ali Ahmed Al-Shadwi	President and CEO Al-Falak Electronic Equipment and Supplies Company	President of the Chamber of Commerce and Industry in Al-Baha	Diploma in Presidential Higher Administration from Harvard University	48 years of experience in the field of information and communication systems and the establishment and management of companies
3	Mr. Omar bin Abdulaziz Hammad Al-Blaihed	CEO of Jura Holding Company	Corporate Finance Assistant at Saudi Hollandi Bank	Bachelor's degree in Finance from King Fahd University of Petroleum Minerals	15 years of experience in business administration, finance and finance
4	Mr. / Lotfi Qassem Ahmed Shehadeh	Audit Manager Audit and financial consulting	Audit Manager Audit and financial consulting	Bachelor of accounting and business administration	48 years of experience in the field of financial accounting and auditing

3. Executive management

	Name of member	Current position	Previous position	Qualifications	Experience
1	Eng. / Al-Walid bin Abdul Razzaq Al-Duraian	Managing Director of the Board Al Khaleej Training and Education	Manager Al-Khaleej Computers and Electronic Systems	Master of electrical engineering Wisconsin University-USA	37 years of experience in the field of business administration, training, education, and IT
2	Dr. / Hatem bin Abdul Razzaq Al-Duraian	Deputy CEO	Senior Vice President Training sector	PhD in business administration	34 years of experience in the field of training and technology
3	Dr. / Khalid bin Saeed Jaari Al-Ghamdi	Senior Vice President Education sector	General Manager National and foreign education Ministry of Education	PhD in educational administration	33 years of experience in the field of national, foreign, and university education
4	Mr. / Ismail Ahmed Al Hussein	Senior Vice President Training sector	Vice President Training sector	Bachelor of computing	24 years of experience in the field of training
5	Mr. Mohamed Mahmoud Mustafa Khatib	Senior Vice President For the call center sector	Vice President of Business Development and Sales	Bachelor's degree Electrical and Electronics/Computer Engineering	19 years of experience in sales, communication and computer development
6	Mr. Sherif Esmat Abdel Samee Hussein	CFO	Chief Financial Officer Alkhabeer financial company	Bachelor of Commerce Accounting major	30 years of experience in the field of financial accounting and auditing

3- Names of companies inside and outside KSA, which a director or a manager is a member of their board, currently or previously.

Name of member	Names of companies director is a current member of board or one of managers	Inside/ outside KSA	Legal entity	Names of companies director is a previous member of board or one of managers	Inside/ outside KSA	Legal entity	
1	Mr. / Abdulaziz bin Hammad Al-Blaihid	Al-Falak Electronic Equipment and Supplies Company	Inside	Not listed	N/A	—	
		AL-ENAYAH MEDICAL EST for TRADE	Inside	Not listed			
		Al-Khaleej Computers and Electronic Systems	Inside	L.L.C.			
2	Mr. / Abdulaziz bin Rashid Al-Rashed	AL-ENAYAH MEDICAL EST for TRADE	Inside	Not listed	Banque Saudi Fransi	Inside	Listed
		Al-Falak Electronic Equipment and Supplies Company	Inside	Not listed	Alshifa Medical Syringe Manufacturing Company	Inside	Not listed
		Al-Khaleej Computers and Electronic Systems	Inside	L.L.C.			

Name of member	Names of companies director is a current member of board or one of managers	Inside/ outside KSA	Legal entity	Names of companies director is a previous member of board or one of managers	Inside/ outside KSA	Legal entity	
3	Al-Khaleej Computers and Electronic Systems	Inside	L.L.C.	Gulf Union Cooperative Insurance Co.	Inside	Listed	
	Al-Falak Electronic Equipment and Supplies Company	Inside	Not listed				
	AlFalak Manpower Services Co.	Inside	Not listed				
	Mr. / Ahmed bin Ali Ahmed Al-Shadwi	AL-ENAYAH MEDICAL EST for TRADE	Inside	Not listed			
		Saudi Consolidated Contracting Company (SCCC)	Inside	Not listed			
		Dhahran Emaar Company	Inside	Not listed			
		Al-Baha Development Co.	Inside	Not listed			
4	Dr. Ali bin Abdul Khaliq Abdul Rahman Al-Qarni	N/A	-----	N/A	-----	----	
5	Dr. Abdullah bin Saghir Muhammad Al-Husseini	Al-Babtain Power and Telecom Company	Inside	Listed	N/A	-----	
	Allianz Saudi Fransi Insurance Company	Inside	Listed				
	Prince Sultan University	Inside	Ahlia University				
6	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	N/A	-----	N/A	-----	----	
7	Mr. Abdullah bin Muhammad Suleiman Jibreem	Abana Group Company for Projects	Inside	Not listed	N/A	-----	
			Inside	L.L.C.			
			Inside	Not listed			
8	Eng. / Al-Walid bin Abdul Razzaq Al-Duraian	Arabian Cement Company	Inside	Listed	N/A	-----	
		Allianz Saudi Fransi Insurance Company	Inside	Listed			
		Malaz Capital Company	Inside	Not listed			
		AL-ENAYAH MEDICAL EST for TRADE	Inside	Not listed			
		Saudi Telecom Services Company	Inside				

4- Board's composition and classification of directors:

	Name of director	Position	Classification
1	Mr. / Abdulaziz bin Hammad Al-Blaihid	Board Chairman	Non-executive
2	Mr. / Abdulaziz bin Rashid Abdul Rahman Al-Rashed	Deputy Board Chairman	Non-executive
3	Mr. / Ahmed bin Ali Ahmed Al-Shadwi	Director	Non-executive
4	Dr. Ali bin Abdul Khaliq Abdul Rahman Al-Qarni	Director	Independent
5	Dr. Abdullah bin Saghir Muhammad Al-Husseini	Director	Independent
6	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	Director	Independent
7	Mr. Abdullah bin Muhammad Suleiman Jibreen	Director	Independent
8	Eng. / Al-Walid bin Abdul Razzaq Saleh Al-Duraian	Boar Managing Director	Executive

5- Procedures & Actions taken by the board to inform its members (especially the non-executives ones) of the shareholders' proposals and comments regarding the company and its performance.

The board of directors has not received any remarks from the shareholders regarding the company and its performance. The board always makes sure that the majority of the directors, especially non-executives, attend the general assembly meetings to listen to the shareholders' questions, inquiries, and recommendations regarding the company and its performance, respond to them, and document them in the minutes of the assemblies.

6- A Brief description of the Main Board Committees' Functions & Duties

First: Nomination and Remuneration Committee

Brief description of the competencies and tasks of the committee:

1. Propose clear policies and criteria for membership in the Board of Directors and the Executive Management.
2. Recommending the Board of Directors to nominate and re-nominate 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. Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and occupying executive management positions.
4. Annual review of the necessary needs for skills or appropriate expertise for membership of the Board of Directors and executive management functions.
5. Review the structure of the Board of Directors and the Executive Management and make recommendations regarding changes that can be made.
6. Establishing special procedures in the event of a vacancy in the position of a member of the Board of Directors or senior executives.
7. Determining the weaknesses and strengths in the Board of Directors, and proposing solutions to address them in line with the company's interest.
8. Preparing a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the Executive Management, and submitting it to the Board of Directors for consideration in preparation for its approval by the General Assembly.
9. Clarify the relationship between the rewards granted and the applicable rewards policy, and indicate any material deviation from this policy.
10. Periodically reviewing the rewards policy, and evaluating its effectiveness in achieving its intended goals.
11. Recommend to the Board of Directors the remuneration of the members of the Board of Directors and its committees and senior executives of the company in accordance with the approved policy.

	Names of Nomination and Remuneration Committee members	Type of membership	Number of meetings, their dates, and attendance record		
			in presence		Passed decisions
			First	Second	First
			2021/03/25	2021/12/21	2021/03/01
1	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	Committee Chairman			
2	Mr. / Abdulaziz bin Rashid Abdul Rahman Al-Rashed	Member			
3	Mr. Abdullah bin Muhammad Suleiman Jibreen	Member			

Attended in per Attended by delegating another board director Attended by phone/means of modern technology

Did not attend Passed decisions

Second: Governance and Social Responsibility Committee

Brief description of the competencies and tasks of the committee:

1. Ensuring the company's implementation and compliance with the corporate governance instructions issued by the Capital Markets Authority, and verifying the company's compliance with the rules, regulations and laws issued by the Ministry of Commerce and the Capital Market Authority...
2. Monitor the effective implementation of the Information Disclosure Framework. In addition to the process of monitoring the procedures followed in cases of conflict of interest and transactions with related parties.
3. Coordination with the company's corporate governance officer to make an annual evaluation of the Board of Directors and its committees, and to ensure annually the independence of the independent members and the absence of any conflict of interest
4. Developing the foundations and criteria of social contribution and developing programs that contribute to deepening the sense of the company's social responsibility, and proposing and adopting programs that serve the community and the company's employees.
5. Activating the company's role in adopting social responsibility policies, initiatives and programs towards its shareholders, customers, suppliers, the environment and society as a whole in order to support and enhance the company's reputation.
6. Supervising the supported programs, and evaluating the effectiveness and seriousness of those programs and the working team involved.
7. Recommend to continue or stop the support after the end of the program.
8. Submitting recommendations to the company's board of directors regarding the company's annual social contribution budget.
9. Disclosing plans to achieve social responsibility in periodic reports related to the company's activities.
10. Study the issues referred to the committee by the board of directors and take appropriate decisions in respect of them if the board delegates them to do so.

	Names of Governance and Social Responsibility Committee members	Type of membership	Number of meetings, their dates, and attendance record		
			in presence		Passed decisions
			First	Second	First
			2021/03/24	2021/12/21	2021/07/06
1	Dr. Ali bin Abdul Khaliq Abdul Rahman Al-Qarni	Committee Chairman			
2	Mr. / Abdulaziz bin Rashid Abdul Rahman Al-Rashed	Member			
3	Dr. Abdullah bin Saghir Muhammad Al-Husseini	Member			

Attended in per Attended by delegating another board director Attended by phone/means of modern technology Did
 not attend Passed decisions

Third : Audit Committee

Brief description of the competencies and tasks of the committee:

1. Supervising the Internal Audit Department of the company.
2. Reviewing the internal control system and submitting a written report reflecting the committee's opinion and recommendations.
3. Reviewing the internal audit reports.
4. Following up on the works of the chartered accountants.
5. Reviewing the audit plan with the chartered accountant.
6. Reviewing the adopted accounting policies and submitting the committee's opinion and recommendations regarding them.
7. Reviewing the interim and annual financial statements before submitting them to the board of directors and submitting the committee's opinion and recommendation regarding them.
8. Reviewing the remarks of the chartered accountant regarding the financial statements and following up on what has been done about them.

Names of Audit Committee members	Type of membership	Number of meetings, their dates, and attendance record						
		First	Second	Third	Fourth	Fifth	Sixth	Seventh
		2021/03/31	2021/04/22	2021/05/10	2021/05/23	2021/08/19	2021/11/02	2021/12/2
Dr. Abdullah bin Saghir Muhammad Al-Husseini	Committee Chairman							
2 Mr. / Ahmed bin Ali Ahmed Al-Shadwi	Member							
3 Mr. / Lotfi Gassem Ahmed Shehadeh	Member							
4 Mr. Omar bin Abdul Aziz Hammad Al-Blaihed	Member							

- Attended in per Attended by delegating another board director
 Attended by phone/means of modern technologyDid not attend

7- Methods used by the board of directors to evaluate its performance, the performance of its committees , directors and the third party that carried out the evaluation.

Completely not applicable. The process of evaluating the performance of the board of directors, its committees, and directors is carried out according to the evaluation form proposed by the Nomination and Remuneration Committee and approved by the board of directors of the company. The form came into effect starting from 2018. The directors of the board take part in the evaluation process by expressing their opinions on the performance of the board and its committees. The results are then analyzed by the Governance Department, under the supervision of the Nomination and Remuneration Committee. Finally, the evaluation results are submitted to the board of directors for perusal. No third party has been hired for the evaluation process up to this moment.

8- Disclosure of the remunerations of board directors and senior executives for the year 2021

a. The remunerations of the board directors and executive management of the company are defined based on the policies of remuneration for the board, its committees, and executive management approved by the general assembly of shareholders on 222017/11/. The policies have been set up in accordance with the provisions of the Companies Regulations, CMA Regulations, and the company's articles of association. The remuneration policies take into account being fair and proportionate to the competencies, works, and responsibilities of the directors. The remuneration policies also consider the company's activity, size, and the required skills to manage it and the experience of the directors. The remunerations are also consistent with the company's strategy and objectives and are reasonably sufficient to attract, motivate, and retain board directors with appropriate competence and experience. The remunerations are also offered with the purpose of encouraging the board directors and the executive management to make the company successful and develop it on the long run, taking into consideration the practices of other companies and the prevalent practices in the labor market in defining the remunerations.

b. Disclosure regarding the remunerations of the board directors and executive management is made accurately, transparently, and in details, directly or indirectly, without cover up or deception. This includes sums, benefits, or advantages, whatever their nature or name is. According to the text of Article 21 of the articles of association of the company, the board report to the ordinary general assembly should include a comprehensive statement of all remunerations, expenses, allowances, and other benefits the board directors obtain during the fiscal year and any other benefits, regardless of their nature.

c. The remunerations of the board directors and executive management is defined according to the applicable remuneration policies of the company, to ensure that there is no material deviation from the terms and condition of annual entitlements stipulated in those policies while defining such remunerations. The board defines the remunerations of the board directors based on the recommendation of the Nomination and Remuneration Committee, which takes into account while defining the remuneration all the regulations and circulars issued by the competent authorities in this regard, in a manner that does not contravene with the applicable remuneration policies of the company. Such recommendation is subject to the approval of the general assembly of shareholders.

d. All the details of remunerations and compensations disbursed to the board directors, five of the senior executives, and committee members during the fiscal year ending on 312021/12/ will be detailed in the following tables. In all cases, the total amount of remunerations and financial and in-kind benefits that a single board director receives does not exceed the amount of (500,000) five hundred thousand Saudi riyals annually, according to Article 76 of the Companies Regulations.

The following tables detail all the remunerations disbursed to: Directors of the board-Senior executives.-Members of the committees.

First: Board directors' remunerations

Name of directors	Fixed remunerations							Variable remunerations					End of service gratuity	Total amount	Expenses allowance
	Fixed amount (annual remuneration)	Allowance for attending board meetings	Total of allowance for attending board meetings	In kind benefits	Technical, administrative, and consulting works remuneration	Remuneration of the Chairman, Managing Director, or Secretary, if he/she is a director	Total	Share of profits	Regular remuneration	Short-term incentive plans	Long-term incentive plans	Shares granted (enter value)			
Independent directors	Thousand riyals	Thousand riyals					Thousand riyals							Thousand riyals	
Dr. Ali bin Abdul Khaliq Abdul Rahman Al-Qarni	100	15	-	-	-	-	115	-	-	-	-	-	-	115	
Dr. Abdullah bin Saghir Muhammad Al-Husseini	100	15	-	-	-	-	115	-	-	-	-	-	-	115	
Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	100	15	-	-	-	-	115	-	-	-	-	-	-	115	
Mr. Abdullah bin Muhammad Suleiman Jibreen	100	15					115							115	
Total	400	60					460							460	

First: Board directors' remunerations

Name of directors	Fixed remunerations							Variable remunerations					End of service gratuity	Total amount	Expenses allowance
	Fixed amount (annual remuneration)	Allowance for attending board meetings	Total of allowance for attending board meetings	In kind benefits	Technical, administrative, and consulting works remuneration	Remuneration of the Chairman, Managing Director, or Secretary, if he/she is a director	Total	Share of profits	Regular remuneration	Short-term incentive plans	Long-term incentive plans	Shares granted (enter value)	Total		
Name	Thousand riyals	Thousand riyals					Thousand riyals							Thousand riyals	
Non-executive directors															
Mr. / Abdulaziz bin Hammad Nasser Al-Blaihid	200	12	-	-	-	-	212	-	-	-	-	-	-	212	
Mr. / Abdulaziz bin Rashid Abdul Rahman Al-Rashed	100	15	-	-	-	-	115	-	-	-	-	-	-	115	
Mr. / Ahmed bin Ali Ahmed Al-Shadwi	100	9	-	-	-	-	109	-	-	-	-	-	-	109	
Total	400	36					436							436	
Executive directors															
Eng. / Al-Walid bin Abdul Razzaq Saleh Al-Duraian	100	15	-	-	-	-	115	-	-	-	-	-	-	115	
Total	100	15					115							115	

Second: Senior executives' remunerations

Senior executive positions	Fixed remunerations				Variable remunerations						End of service gratuity	Total of executive remuneration for the board, if any	Total amount
	Wages	Allowances	In kind benefits	Total	Periodic bonuses	Profits	Short-term incentive plans	Long-term incentive plans	Shares granted (enter value)	Total			
Name	Thousand riyals	Thousand riyals		Thousand riyals		Thousand riyals						Thousand riyals	Thousand riyals
Senior executives	5594	1458.7	-	7052.7	-	3450	-	-	-	-	-	-	10502.7
Total	5594	1458.7	-	7052.7	-	3450	-	-	-	-	-	-	10502.7

Third: Committees members' remunerations

Committee	Name of members	Fixed remunerations (Excluding allowance for attending board meetings)	Attending board meetings allowance	Total
	Name	Thousand riyals	Thousand riyals	Thousand riyals
Audit Committee members	Dr. Abdullah bin Saghir Muhammad Al-Husseini	30	10.5	40.5
	Mr. / Ahmed bin Ali Ahmed Al-Shadwi	30	4.5	34.5
	Mr. Omar bin Abdul Aziz Hammad Al-Blaihed	60	10.5	70.5
	Mr. / Lotfi Qassem Ahmed Shehadeh	60	21	81
	Total	180	46.5	226.5

Third: Committees members' remunerations

Committee	Name of members	Fixed remunerations (Excluding allowance for attending board meetings)	Attending board meetings allowance	Total
	Name	Thousand riyals	Thousand riyals	Thousand riyals
Nomination and Remuneration Committee members	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	20	3	23
	Mr. / Abdulaziz bin Rashid Abdul Rahman Al-Rashed	20	3	23
	Mr. Abdullah bin Muhammad Suleiman Jibreem	20	3	23
	Total	60	9	69
Governance and Social Responsibility Committee	Dr. Ali bin Abdul Khaliq Abdul Rahman Al-Qarni	20	3	23
	Mr. / Abdulaziz bin Rashid Abdul Rahman Al-Rashed	20	3	23
	Dr. Abdullah bin Saghir Muhammad Al-Husseini	20	3	23
	Total	60	9	69

9- Sanctions and penalties imposed on the company.

There is no penalty, sanction, precautionary measure, or precautionary restriction imposed on the company by the CMA or any other supervisory, regulatory, or judicial authority.

10- The results of the annual review of the effectiveness of the internal control procedures of the company and the opinion of the Audit Committee on the efficiency of the internal control system.

Due to the importance of internal control procedures of the company, the board validates their effectiveness and efficiency on annual basis through reviewing them by the Audit Committee. The review includes an assessment of the efficiency and effectiveness of all policies, practices, and procedures of all the company's departments and the effectiveness of governance, risk management, and internal control, which enables the company to achieve its objectives and protect its assets.

The Audit Committee also looks into the effectiveness of the internal control procedures by reviewing the work of the external auditor of the company and internal auditing works of the company, concluding relevant recommendations to enhance them, and submitting such recommendations periodically to the board to ensure the efficiency and effectiveness of the internal control system in general.

The board stresses after conducting the annual review of the effectiveness of the internal control system of the company that there is no material results that have a major impact regarding the soundness of the financial and accounting systems and internal control related to the preparation of financial statements that need to be disclosed. The Audit Committee also believes that the internal control procedures applied in the company during the fiscal year 2021 has been highly effective and efficient. The committee further believes that in light of its work, it has no material remarks and has not found any deficiency in the procedures of internal control that needs to be highlighted or disclosed.

11- The committee's recommendation regarding the appointment of an internal auditor in the company.

There is no recommendation from the Audit Committee to this effect since there is an internal auditor in the company already.

12- The recommendations of the Audit Committee contravening with the resolutions of the board, or which the board has refused to consider regarding the appointment and dismissal of an internal auditor in the company, defining the fees, and assessment of performance thereof, or the appointment of an internal auditor, the reasons for such recommendations, and the reasons for not considering them.

There is no contravention between the recommendations of the Audit Committee and the resolutions of the board.

13- The details of the company's social contributions.

The company believes in the importance of social contributions and helping in the process of social development. The company adopts a social mission that aims at enriching its contributions to community services because it realizes that the community has rights over its members, whether individuals or companies. An annual budget has been allocated for social responsibility and a strategic plan has been devised to define the social responsibility programs that help in developing the community and are consistent with the vision and goals of the company and its activities. Among the social responsibility programs that the company has been interested in supporting during the upcoming phase are the special education programs for schools, such as autism and learning difficulties, training programs for people with minor disabilities, and training programs for those who have social security. The company continues its efforts in adopting and implementing many community service programs that are consistent with the company's mission and values and reflects its absolute commitment to improving the social and living conditions of needy groups and providing their needs.

Out of Al Khaleej Training and Education's belief in the importance of community contributions and its adoption of many community service programs that are consistent with the company's mission, values and 2030 Vision, the company has participated during the year 2021 in many community contributions, including, for example:

1. Contribution and continuous financial and in-kind support to many charitable and civil associations and institutions that adopt the poor, orphans and people with special needs to rehabilitate them and ensure their right to education.
2. Providing several free training programs for the company's employees to develop them, raise their efficiency and skills, and provide a safe and stable work environment for them to provide the opportunity for job stability and achieve justice, equality and equal opportunities, and to provide facilities for the company's products and services for employees and their children.
3. The company's community contribution to support the national campaign for charitable work through the Ihsan Charity platform to activate its important role in community development; This is through the cash contribution to the national campaign in the amount of (100,000) one hundred thousand riyals.
4. The company's community contribution through the training sector granting free training courses in many fields to the children of charitable associations and institutions throughout the Kingdom. The value of the cash contribution to these training courses amounted to (104,903) one hundred and four thousand nine hundred and three riyals.
5. The company's societal contribution during the education sector made a monetary contribution to the National Committee for Training and Private Education in the Council of Saudi Chambers in the amount of (100,000) one hundred thousand riyals.
6. The company's community contribution through the education sector teaching the Holy Qur'an to school students for free. The value of the monetary contribution to the teaching process amounted to (31,300) thirty one thousand three hundred riyals.
7. Contribution and in-kind and material support for many humanitarian cases for the children of the company's employees and their families to be able to complete their educational studies, with an amount of (32,200) thirty-two thousand and two hundred riyals.

14- A statement of the dates of the shareholders 'general assemblies held during the last fiscal year and the names of the board directors attending them.

The board of directors has held in the fiscal year 2021 two (2) extraordinary general assemblies of the shareholders as follows:-

	Names of board directors	Type of assembly	Ordinary General Assembly	Type of assembly	Extraordinary General Assembly
		Date of assembly	٢٠٢١/٠٥/٢٥	Date of assembly	٢٠٢١/١١/٠٣
		Attendance record		Attendance record	
1	Mr. / Abdulaziz bin Hammad Nasser Al-Blaihid	✓		✓	
2	Mr. / Abdulaziz bin Rashid Abdul Rahman Al-Rashed	✓		✓	
3	Mr. / Ahmed bin Ali Ahmed Al-Shadwi	✗		✓	
4	Dr. Ali bin Abdul Khaliq Abdul Rahman Al-Qarni	✗		✓	
5	Dr. Abdullah bin Saghir Muhammad Al-Husseini	✓		✓	
6	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	✓		✓	
7	Mr. Abdullah bin Muhammad Suleiman Jibreen	✓		✓	
8	Eng. / Al-Walid bin Abdul Razzaq Saleh Al-Duraian	✓		✓	



Attended in person



Attended by delegating another board director



Did not attend

15- A description of the company's main types of activities and subsidiaries.

The company exercises its main activities through several sectors, the training sector, the education sector, and the call center sector.

The first activity: the training sector

The training sector is divided into:

- Project management (university, governmental and semi-governmental).
- Managing training centers for individuals and companies.

First: Project management (university, governmental and semi-governmental).

This sector includes projects (university, governmental and semi-governmental) that are submitted through government competitions and tenders.

With regard to university projects, during the year 2021 we obtained nine contracts from seven universities for the preparatory year, the number of their employees is about a thousand, and they are constantly increasing, God willing, and work in these projects is focused on providing academic staff for the preparatory years according to standards and scientific foundations set by universities, and the company manages the resources human universities.

As for governmental and semi-governmental projects, which are the most profitable and profitable for the training sector, their growth continues after the increase in government spending and is among the plans in place to achieve Vision 2030.

Second: Managing training centers for individuals and companies.

- The individual and corporate sector is still affected by the Corona pandemic, and we hope that this impact will end by the end of the year, God Almighty, with the continuation of the developments imposed by the Corona pandemic starting in 2020, and continuing to stop in-person training inside educational facilities and limiting gatherings at the beginning of 2021 to 20 trainees and continuing education Remotely on 72021/2/. After that, successive decisions were issued to extend the precautionary measures and distance education until the end of the school year - and on 12021/8/, a decision was issued to switch to in-person training and provide training at rates of 50% as a result of the application of social distancing measures and precautionary measures within educational facilities. This was followed by a decision dated 102021/17/ to cancel social distancing, which was later suspended by the decision issued on 302021/12/ to return to applying the precautionary requirements and to continue the procedures for distancing and training at rates of 50%.

- We are continuing with the General Corporation for Technical and Vocational Training, the Ministry of Education and the Electronic Training Center to pay for the accreditation of the Electronic Training Center, which is the licensed authority for distance education in the Kingdom, which took a very long time to obtain the license to start distance training in the Kingdom.

- Despite the current circumstances, thank God, the results of 2021 were better than the year 2020, and we hope to increase the percentage of sales and profits during the coming periods, which we are working on through the five-year strategic plans.

The second activity: Education Sector

Schools and Kindergartens:

- Dammam schools operate with a capacity of 90% and have been expanded to reach about 2,000 students. This property was sold to the Al-Rajhi REIT Fund and leased back.
- Riyadh Schools, Al Mugharazat District, opened in September 2017, with a capacity of 3,500 students. This property was sold to Al Rajhi REIT Fund and leased back.
- Schools in Jeddah that were opened in early September 2018, with a capacity of 2,500 students.
- The company has an independent kindergarten in Riyadh, and this property was sold to Al Rajhi REIT Fund and leased back. Another independent kindergarten building was rehabilitated in the city of Dhahran and was commissioned in September 2016.
- A school was received in the Hittin district of Riyadh and started operating in September 2021.
- A contractor has been awarded to build the land of Al-Khobar, which is an educational complex with a capacity of 2,500 male and female students. The educational complex is expected to be operational in September 2023.
- A government land with an area of 19,712 was leased in Al-Jazirah district in Riyadh for a period of 28 years, at an amount of 700,000 riyals annually, and construction permit procedures were started.
- The company has leased Al-Ishraq schools in Dammam for a period of 20 years, and it has 500 students and a capacity of 700 students.
- The procedures for acquiring 60% of Al-Roqi private schools in Al-Suwaidi neighborhood in Riyadh have been completed, with a value of (12,817,128) Saudi riyals, conditional on completing the due diligence work.
- The company is currently suspended from finalizing the necessary licenses to build schools in King Abdullah Economic City in Rabigh, with a capacity of 2,000 students, until the vision becomes clear about King Abdullah Economic City.

**The third activity:
 Call Centers Sector**

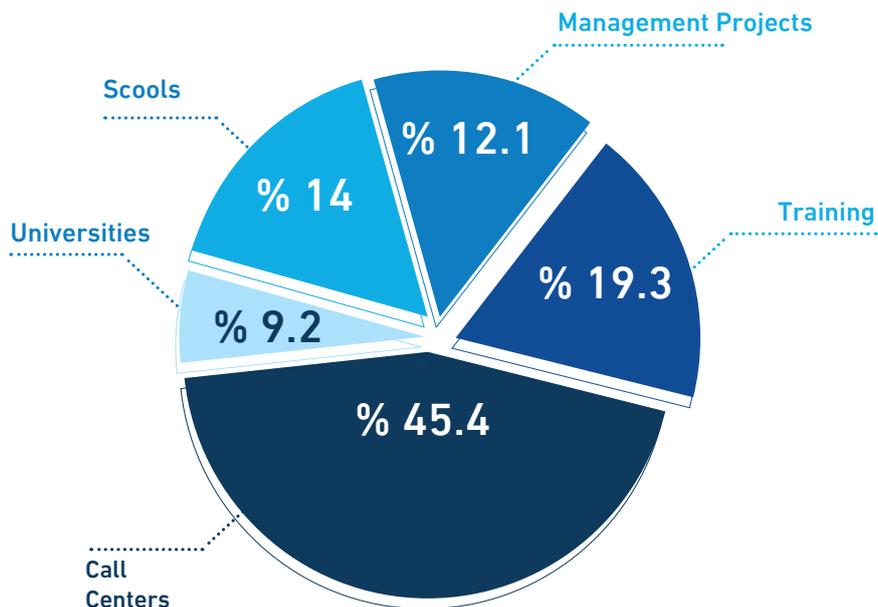
- This sector has grown remarkably over the past years, thanks to God and then thanks to the efforts of the work team, which was able during the past period and since the company's inception to have a distinct strategy and an integrated understanding of the needs of the labor market, taking advantage of the distinction of its human experiences, which helped in the company's acquisition of Most of the market share culminated in contracting with many government and private agencies. This department works to provide trained and qualified Saudi cadres to play different roles according to the contractual need, which falls within the work of outsourcing and operating on behalf by carrying out the work either at the client's headquarters or within the company's facilities. Up-to-date with regard to customer services and customer experience.

- Smart Link services include providing solutions and support services for business on behalf and operation by providing human cadres in various disciplines (information technology, sales and marketing, various departments, customer services and call centers)

- Smart Link provides comprehensive solutions for integrated call center services (including call center services provided internally or externally on behalf of the client), and solutions for establishing, supplying, installing, operating, managing, monitoring and controlling the performance of call centers for technical support, support and modern customer services according to The latest international standards and modern technologies.

- The total capacity of Smart Link operations headquarters is 4,000 customer service representative seats supported by cadres of team leaders, supervisors and support business units to keep pace with the rapid growth in the size of the company's projects and operations, which enables Smart Link to operate various projects with a total call exchange volume of more than 500,000 calls per day within various sectors Employment.

- Smart Link operations headquarters are distributed in the main cities (Riyadh, Jeddah) in addition to an additional regional location in the Arab Republic of Egypt - Cairo,



The impact of those main activities on the size of the company's business and contribution to the results are as follows:

	Type of activity	Activity revenues Thousand riyals	Percentage %
1	Management Projects	101,788	12.1
2	Training	162,943	19.3
3	Call Centers	383,183	45.4
	Universities	77,613	9.2
	Scools	118,690	14
	Total	844,217	% 100

Description of the Main Activities of Subsidiaries:

1. First activity: Computers
2. Second activity: English Language
3. Third activity: Administrative Training.

The impact of those main activities of the subsidiaries on the size of the company's business and contribution to the results are as follows:

	Type of activity	Activity revenues Thousand riyals	Percentage %
1	Computers	18452	2
2	English Language	6970	1
3	Administrative Training	32520	4
	Total		% 7

16- Company's important Plans and Decisions, and Future Expectations of the Company's Business

First: In the Training Sector:

- As for university projects and governmental and semi-governmental projects, they will be the highest tributary to the sector in 2022, and all efforts will be directed to winning competitions for the best technical offer at competitive and profitable prices.
- With regard to training centers for individuals and companies, the situation of the outbreak of the Corona disease still requires us to work at the lowest costs for individuals and companies, and since remote training has been stopped by the licensed authorities until it is reorganized again, and there is a promise by the remote training center (an authorized government center). to grant training licenses) that this will be soon within a period of one to two months, and most of the training in the centers will be through distance training, which will positively affect two things:
 1. Cost Reduction
 2. Covering a larger geographical area within the Kingdom.

The growth in this sector is expected in 2022 AD by (4%)

Second: In the Education Sector:

- In order for the company to fulfill its expansion plans in the education sector, it was decided to do so through: -
1. Financing the expansion of schools by searching for real estate developers to buy lands and build schools on them, then the company leases these facilities for a period of no less than 25 years,
 2. Striving to increase the numbers in schools to reach 5,000 male and female students in September 2022 compared to 4,400 male and female students in 2021,
 3. Activating electronic platforms in a distinct way to serve male and female students and parents during the first half of 2021, with the expectation that these platforms will continue to partially provide the education process even after the end of the pandemic, God willing.

The growth in this sector is expected in 2022 by (10%).

Third: In the Call Centers Sector:

In order for the company to fulfill its expansion plans in the telecommunications sector, it was decided to do so through: -

1. Completing the procedures for obtaining international quality certificates for technical standards and information security for call centers (ISO 27001 certification).
2. Activate the latest artificial intelligence (AI) methodologies in call center applications and systems and develop ways and methodologies to activate them in the company's projects.
3. Applying and approving the approved standards for information security and obtaining certificates of conformity from the relevant authorities (certificate of conformity with the standards of the National Cybersecurity Authority, the certificate of conformity with the standards of the Saudi Arabian Monetary Agency, and the certificate of conformity with the standards of Aramco).
4. Activating and applying the work of the necessary human cadres in the call centers to work from home, as the company saw in this an appropriate solution to ensure the continuity of providing services to the sector in crises and pandemics, God forbid.

It is expected that in light of the changes and restructuring of the company, the company aspires in 2022 to maintain the largest number of strategic customers and existing projects, with the expectation of a slight decrease, not exceeding 1.5%, God willing, and focusing on reducing operational costs to the maximum limits.

17- The Potential Risks Face by the company

The following are the risks the company may face:

1. Governmental competition represented by universities, technical colleges, government and semi-governmental companies that offer programs similar to what the company offers.
2. Frequent change of work systems and workers and long procedures for obtaining work visas that enable the company to compete in government tenders.
3. Universities are directed to self-employment for the preparatory years, which may lead to a decrease in revenues in the education sector.
4. The high levels of competition in the communication sector in terms of reducing prices in the advanced competitions.
5. The abolition of government support for companies by the Human Resources Development Fund, which resulted in a rise in operational costs.
6. Increasing the financial and administrative expenses.

The company's policy regarding the management and control of these risks is to search for alternative solutions and develop strategies and plans that aim to expand in many other areas, covering the consequent shortage of some of the revenues of those activities because of those risks. The company always strives to limit and control those risks. There are also other types of potential risks related to the company's activities. The most important of them are:

1. Liquidity risks:

They are the risks resulting from the inability to provide the funds necessary to meet the obligations related to the financial instruments. Liquidity risk is managed by monitoring it regularly to ensure the availability of sufficient liquidity by carefully following up on the collection process to fulfill any obligations of the company on their due dates.

2. Credit risks:

Credit risks are the inability of one party to fulfill its obligations, which may lead to the other party incurring a financial loss. The company believes that its exposure to credit risk is not significant, especially since the company is depositing cash balances into national financial institutions that are highly credible and maintaining good credit rating.

3. Risks of fluctuating foreign exchange rates:

It is the risk of change in the value of financial instruments due to changes in the foreign exchange rates. The company's management is closely monitoring the fluctuations in the foreign exchange rate. The company believes that the possibility of its exposure to the risk of changing exchange rates is not significant because the official currency of the company is the Saudi riyal, which is the main currency the company is dealing with. The prices of Saudi riyal is fixed currently, with slight margin, against the US dollar, although there are some transactions in foreign currencies made by the company's branches outside the KSA. These risks are managed and monitored on a regular basis.

4. Risks of Compliance with Government Legislation and Regulations:

They are the risks arising from non-compliance with government legislations and regulations issued by official bodies or government agencies. This includes, but not limited to, CMA instructions regarding compliance, disclosure, and application of accounting standards, the instructions of the Ministry of Commerce and Industry, the Ministry of Labor, the Zakat and Income Authority, etc. The company is continuously monitoring these risks by reviewing all the obligations and requirements and submitting the necessary ones to the concerned authorities within the specified time.

18- The company's Assets, Liabilities, and Results of Business in the last five Financial years.

Comparing Business Results:

	Statement	2021	2020	2019	2018	2017
	Income statement (in thousand)	Thousand riyals				
1	Activity revenues	844218	787328	864191	802517	709992
2	Activity costs	707281	663219	685518	644717	526752
3	Gross profit	136937	1124109	178673	157800	183240
4	General & administrative expenses	136229	166054	144783	127654	132839
5	Other revenues-net	33991	23221	33055	5519	5891
6	Zakat	11484	1984	2675	1318	2000
7	Minority interest	2528	320	4804	1989	2594
8	Net profit	20688	-21028	59465	32358	51698

Comparative figures for the year 2020 have been reclassified to conform to the presentation of the 2021 figures

Comparing Assets and Liabilities:

	Statement	2021	2020	2019	2018	2017
	Financial position (in thousand)	Thousand riyals				
1	Circulating assets	656173	466696	1155435	466482	414310
2	Current liabilities	394809	374754	499250	529119	408512
3	Operating capital	261364	91942	656185	62637	5798
4	Other long-term assets	774972	720344	718571	150859	57472
5	Fixed assets	475916	459350	436864	807085	792719
6	Total assets	1907061	1646390	1738667	1424426	1264501
7	Circulating assets	394809	374754	499250	529119	408512
8	Long-term loans	141442	161157	98545	136828	181525
9	Other liabilities	551829	514391	506034	202854	121229
10	Total liabilities	1088080	1050302	1103829	868801	711267
11	Paid capital	650000	450000	450000	450000	400000
12	Reserves and retained earnings	165464	143216	178923	97154	143188
13	Shareholders' equity	815463	593216	628923	547154	543188
14	Minority interests	3517	2872	5915	8471	10047
15	Total equity	818980	596088	634838	555625	553235
16	Total liabilities and shareholders' equity	1907061	1646390	1738667	1424426	1264501

Comparative figures for the year 2020 have been reclassified to conform to the presentation of the 2021 figures

19- The Geographical Analysis of the total revenues of the company and subsidiaries.

The geographical analysis of the company's total revenues

	Year	Statement	KSA
		Revenues	Thousand riyals
1	2021	Management Projects	47270
2		Training	162942
3		Call Centers	383184
4		Universities	77613
5		Scools	118690
	Year	Revenues	Thousand riyals
1	2020	Management Projects	9489
2		Training	141645
3		Call Centers	376253
4		Universities	92325
5		Scools	128162

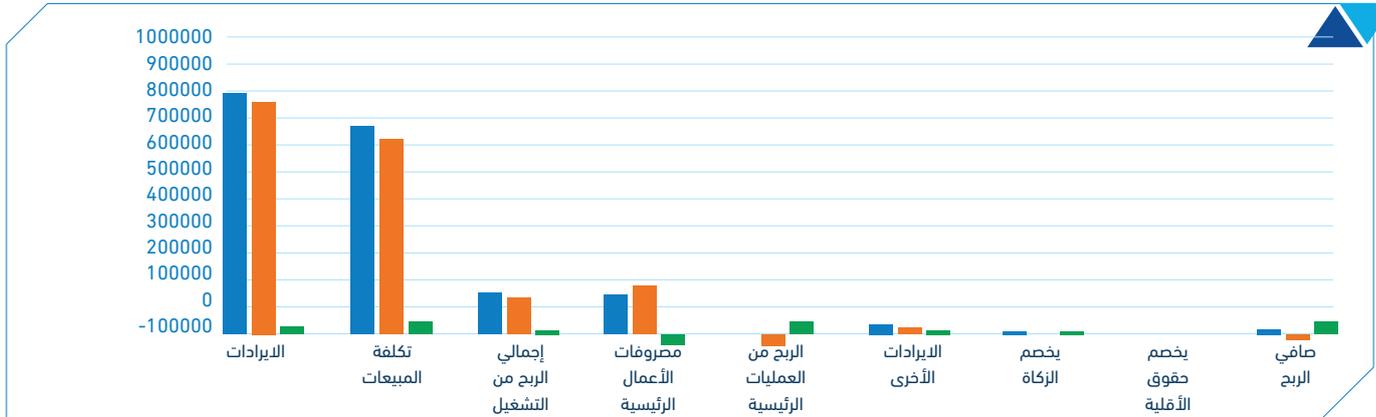
The geographical analysis of the total revenues of subsidiaries

	Year	Statement	U.A.E	EGYPT	U.K.
		Revenues	Thousand riyals	Thousand riyals	Thousand riyals
2		English Language			3542
3		Administrative Training	43600	7372	
	Year	Revenues	Thousand riyals	Thousand riyals	Thousand riyals
2		English Language			4160
3		Administrative Training	35175	115	

20- Clarification of any material differences in the operational results compared to the results of the previous year or forecasts announced by the company.

	Statement	2021	2020	Changes in (+) or (-)	Change percentage
		Thousand riyals	Thousand riyals	Thousand riyals	%
1	Revenues	810226	787328	22898	3
2	Sales costs	707281	663219	44062	6
3	Total operating profits	136936	124108	12828	9
4	Major works expenses	136230	166053	-29823	-22
5	Major operating profits	706	-41945	42651	6041
6	Other revenues	33991	23220	110771	32
7	Zakat deduction	11483	1983	9500	83
8	Minority interest deduction	2528	320	2208	87
9	Net profit	20688	-21028	41716	202

Comparative figures for the year 2020 have been reclassified to conform to the presentation of the 2021 figures



21- Clarification of any difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA).

There are no differences from the accounting standards, applied by the SOCPA, which require disclosure. The company's records have been properly prepared according to the accounting standards issued by the SOCPA.

22- A detailed list of subsidiaries, their capital, ownership percentage, main activities, country of main operations, and country of incorporation.

	Name of subsidiary	Capital	Ownership percentage	Main activity	Country of main operations	Country of incorporation
1	Land Express Group Corporation	50.000 درهم	80 %	Training	UAE	UAE
2	Al Khaleej Training & Information Technology	4.500.000 جنيه	57 %	Training	ARE	ARE
3	Online Trading Academy	1.000.000 درهم	100 %	Training	UAE	UAE
4	Application company for digital media services	2.500.000 درهم	90 %	Training	UAE	UAE
5	Franklin Covey Middle East Company	5.000.000 درهم	61 %	Training	UAE	UAE
6	Linguaphone Company Ltd.	1.606.639 إسترليني	100 %	Training	UK	UK
7	Jobzella Company	250.000 جنيه	60 %	Software	Egypt	UAE

23- Details of shares and debt instruments issued for each subsidiary.

There are no shares or debt instruments issued by the subsidiaries of the company.

24- The Company's Policy in Distributing Dividends.

The company's policy of distributing net annual profits is based on Article 47 of the company's articles of association, after deducting all general expenses and other costs as follows:

1. (10%) of the net profits is provisioned to create the statutory reserve of the company. The general assembly may decide to suspend such provision if the said reserve reaches (30%) of the paid capital.
2. The ordinary general assembly may, based on a board's proposal, provision a certain percentage of the net profits to create an agreed reserve to be dedicated for a certain purpose or purposes, to be defined by the board.
3. The ordinary general assembly may decide to create other reserves to the extent that serves the interest of the company or ensures that fixed dividends, as much as possible, are distributed to the shareholders. The aforementioned assembly may also deduct amounts from the net profits to establish social institutions for the company's employees or to assist such existing institutions.
4. From the remainder, a percentage of (5%) of the paid capital of the company shall be distributed to the shareholders, or as decided by the ordinary general assembly in this regard.
5. Subject to the provisions of Article 20 of the articles of association and Article 76 of the Companies Regulations, an amount from the remainder of the aforementioned shall be allocated to disburse the remuneration of the board, provided that the remuneration entitlement is proportional to the number of meetings attended by the board director.
6. The company may distribute interim dividends to the shareholders in a semi-annual or quarterly manner, after fulfilling the controls and requirements set by the competent authorities in this regard.
7. The board of Al Khaleej Training and Education Company during the meeting held on Tuesday 17/14/2020/08/AH, corresponding to 30/2021/03/, has recommended the general assembly to do the following:

Approve the distribution of cash dividends to shareholders for the fiscal year ending on 31/2020/12/ at (0.25) a quarter of riyal for each share, which is equivalent to (2.5%) of the nominal value of each share, in a total amount of (11,250,000) eleven million two hundred fifty thousand riyals. The eligible shareholders shall be the ones who own the shares on the day of the assembly meeting and who are registered in the company's shareholders register at the Depository Center at the end of the second day of trading following the date of the assembly.

	Percentage of dividends distributed during the year			Proposed percentage of dividends to be distributed at the end of the year	Total of dividends In Saudi riyal
	2021/00/00	2021/00/00	2021/00/00		
percentage	%	%	%	%	
Total	0	0	0	2.5	11,250,000

25- A description of any interest in the voting-eligible shares category belonging to persons (other than the company's board directors, senior executives, and their relatives), who informed the company of those rights under Article 45 of the Registration and Listing Rules, and any change to those rights during the last fiscal year.

There is no interest in the voting-eligible shares category belonging to persons other than the company's board directors, senior executives, and their relatives, who informed the company of those rights or any change to those rights during the last fiscal year.

26- A description of any interest, contractual securities, and subscription rights belonging to board directors, senior executives, and their relatives in the shares or debt instruments of the company or any of its subsidiaries and any change to that interest or those rights during the last fiscal year.

A description any interest, contractual securities, and subscription rights belonging to board directors and their relatives in the shares or debt instruments of the company.

	Name of the interest holder	No. of shares Beginning of year	Ownership percentage Beginning of year	No. of shares End of year	Ownership percentage End of year	Net change	Change percentage
1	Mr. / Abdulaziz bin Hammad Nasser Al-Blaihid	2.250.000	5	2.800.000	4.31	+ 550.000	+ % 24.4
2	Mr. / Abdulaziz bin Rashid Abdul Rahman Al-Rashed	1.801.284	4	2.601.854	4	+ 800.570	+ % 44.4
3	Mr. / Ahmed bin Ali Ahmed Al-Shadwi	2.410.012	5.36	123.595	0.190	- 2.286.417	- 95%
4	Eng. / Al-Walid bin Abdul Razzaq Saleh Al-Duraian	4.078.478	9.06	5.063.357	7.79	+ 984.879	+ % 24
5	Dr. Ali bin Abdul Khaliq Abdul Rahman Al-Qarni	100	0.00022	100	0.00015	00	00
6	Dr. Abdullah bin Saghir Muhammad Al-Husseini	1	0.0000002	1	0.0000001.5	00	00
7	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh	100	0.00022	100	0.00015	00	00
8	Mr. Abdullah bin Muhammad Suleiman Jibreen	1000	0.0022	1444	0.0022	444	+ % 44.4
9	Al khaleej Holding Company	1.077.661	2.39	3856	0.0059	- 1.073.805	- % 99.64
10	Jaoudeh bin Abdul Rahman Masood	1	0.0000002	1	0.0000001.5	00	--

A description any interest, contractual securities, and subscription rights belonging to senior executives and their relatives in the shares or debt instruments of the company.

	Name of the interest holder	No. of shares Beginning of year	Ownership per-centage Beginning of year	No. of shares End of year	Ownership percentage End of year	Net change	Change percentage
1	Sherif Esmat Abdel Samee Hussein	0	0	7889	0.0121	0	0

A description any interest, contractual securities, and subscription rights belonging to board directors, senior executives, and their relatives in the shares or debt instruments of the company.

	Name of the interest holder	No. of shares Beginning of year	Ownership per-centage Beginning of year	No. of shares End of year	Ownership percentage End of year	Net change	Change percentage
1	Not available	0	0	0	0	0	0

27- Information regarding the company's loans in thousands.

First, short-term loans

	Name of creditor and number of loan	Amount of loan principal Thousands of riyals	Loan term	Due date	Debt at the beginning of 2020 Thousands of riyals	Loan movement during the year		Debt at the end of 2020 Thousands of riyals
						Pay Thousands of riyals	addition Thousands of riyals	
1	Riyadh Bank -1	6400	1 Year	2021/7/24	6400	34400	28000	0
2	Arab National Bank -1	104000	1 Year	2022/06/27	104000	124000	119000	99000
3	Al Rajhi Bank - 1	12000	1 Year	2021/12/18	12000	24000	12000	0

	Name of creditor and number of loan	Amount of loan principal	Loan term	Due date	Debt at the beginning of 2020	Loan movement during the year		Debt at the end of 2020
		Thousands of riyals			Thousands of riyals	Pay	addition	Thousands of riyals
					Thousands of riyals	Thousands of riyals	Thousands of riyals	Thousands of riyals
4	Al Rajhi Bank - 2	8000	1 Year	2021/04/01	8000	8000	0	0
5	National Commercial Bank -1	15000	1 Year	2021/04/01	15000	15000	0	0
6	British Bank	27000	1 Year	2022/07/17	27000	42500	30000	14500
7	Francie Bank - 1	15000	1 Year	2022/12/22	15000	16500	14000	12500
8	Francie Bank - 2	13614	6 Months	bills finance	13614	22607	19925	10932
9	Inma Bank	52000	1 Year	2021/12/22	52000	112000	60000	0
10	Aljazeera Bank - 1	8000	1 Year	2022/11/26	8000	8000	8000	8000
11	Aljazeera Bank - 2	0	6 Months	bills finance	0	15767	23006	7239
12	Aljazeera Bank - 3	0	6 Months	bills finance	0	0	10000	10000
	Total				261014	422774	323931	162171

Second, long-term loans

	Name of creditor and number of loan	Amount of loan principal	Loan term	Due date	Debt at the beginning of 2020	Loan movement during the year		Debt at the end of 2020
		Thousands of riyals			Thousands of riyals	Pay	addition	Thousands of riyals
					Thousands of riyals	Thousands of riyals	Thousands of riyals	Thousands of riyals
13	Francie Bank - 3	21157	10 Years	0	21157	0	28000	42080
14	Riyadh Bank -2	140000	5 Years	0	140000	0	119000	176802
	Total				161157	140000	197725	218882
	Grand total				422171			381053

28- A description of classes and number of any convertible debt instruments and any contractual securities, subscription right notes, or similar rights issued or granted by the company during the fiscal year, with an explanation of any compensation the company obtained in return.

There is no convertible debt instruments or any contractual securities, subscription right notes, or similar rights issued or granted by the company during the fiscal year 2021 and the company has not received any compensation.

29- A description of any convertible or subscription rights by virtue of convertible debt instruments, any subscription right notes, or similar rights issued or granted by the company.

The company issued rights issue for subscription after the extraordinary general assembly issued a decision on 032021/11/ AD approving the increase of the company's capital by offering and listing twenty million (20,000,000) rights issue shares. The priority rights were deposited as securities in the portfolios of the registered shareholders according to their eligibility in proportion to the percentage of what each shareholder owns in the capital for trading or subscription in accordance with what is disclosed in the company's prospectus.

30- A description of any of the company's redemption, purchase, or cancellation of any redeemable debt instruments and the value of the remaining securities, with a distinction between listed securities the company purchased and those a subsidiary purchased.

The company has not redeemed, purchased, or cancelled any redeemable debt instruments and the value of the remaining securities, while distinguishing between listed securities the company has purchased and those a subsidiary has purchased.

31- Number of meetings held by the board during the las fiscal year (2021).

The board has held during 2021 (5) meetings, by attending in person / by phone / by means of modern technology and has passed (6) decisions, according to following:

	Name	Date of meeting and attendance record											At-attendance per-centage
		In person / by phone / by means of modern technology					Passed decisions						
		1	2	3	4	5	1	2	3	4	5	6	
		2021/02/14	2021/03/30	2021/05/25	2021/10/13	2021/12/21	2021/01/24	2021/02/17	2021/03/31	2021/05/20	2021/07/06	2021/12/28	
1	Mr. / Abdulaziz bin Hammad Nasser Al-Blaihid												97%
2	Mr. / Abdulaziz bin Rashid Abdul Rahman Al-Rashed												100%
3	Mr. / Ahmed bin Ali Ahmed Al-Shadwi												95%
4	Dr. Ali bin Abdul Khaliq Abdul Rahman Al-Qarni												100%
5	Dr. Abdullah bin Saghir Muhammad Al-Husseini												100%
6	Mr. Abdul Malik bin Abdul Rahman Abdullah Al Sheikh												100%
7	Mr. Abdullah bin Muhammad Suleiman Jibreen												100%
8	Eng. / Al-Walid bin Abdul Razzaq Saleh Al-Duraian												100%

Attended in person
 Attended by delegating another board director-
 Attended by phone/means of modern technology
 Did not attend
 Passed decision

32- Number of company's applications submitted to shareholders' register during the last fiscal year (2021)

Application no	Application date	Reasons for application
1	2021/03/01	Companies' procedures
2	2021/03/21	Companies' procedures
3	2021/04/19	Companies' procedures
4	2021/05/25	General Assembly
5	2021/05/27	profit file
6	2021/06/08	Companies' procedures
7	2021/06/10	Companies' procedures
8	2021/06/22	Companies' procedures
9	2021/06/30	Companies' procedures
10	2021/08/01	Companies' procedures
11	2021/08/08	Other
12	2021/09/16	Companies' procedures
13	2021/09/30	Companies' procedures
14	2021/11/03	General Assembly
15	2021/12/02	Companies' procedures

33- A description of any transaction between the company and a relevant party.

There is no transaction between the company and a relevant party.

34- Works or contracts the company is party to or one of board directors, senior executives, or a person related to them has interest in.

There are contracts where the company is a party to with companies owned by some of the board directors and they have a direct or indirect interest in them as follows:

The first contract: Lease contract of offices by the company to Al-Khaleej Computers and Electronic Systems.

	Nature of work or contract	Contract value	Contract term	Contract conditions	Name of interested director
1	A contract of leasing of offices to Al-Khaleej Computers Company owned by the board directors, who have interests in the building owned by Al Khaleej Training and Education Company in the city of Riyadh, with an area of (1,366) square meters.	1,366,000 Riyals annually	3 years	Usual works, without conditions or special privileges	Abdulaziz bin Hammad Al-Blaihid Abdulaziz bin Rashid Al-Rashed Ahmed bin Ali Al-Shadwi

The second contract: Lease contract of a building by Al-Falak Electronic Equipment and Supplies Company to the company.

	Nature of work or contract	Contract value	Con-tract term	Contract conditions	Name of interested director
2	Lease contract of a building by Al-Falak Electronic Equipment and Supplies Company, owned by the board directors who have interests in it, to Al Khaleej Training and Education Company, with an area of (4,000) square meters, for a project with Aramco in the city of Al Khobar	900,000 Riyals annually	7 years	Usual works, without conditions or special privileges	Abdulaziz bin Hammad Al-Blaihid
					Abdulaziz bin Rashid Al-Rashed
					Ahmed bin Ali Al-Shadwi

The third contract: Agreement to purchase equipment and electronic products for the company from Al-Falak Electronic Equipment and Supplies Company

	Nature of work or contract	Contract value	Con-tract term	Contract conditions	Name of interested director
3	An agreement to purchase the equipment and electronic products the company needs from Al-Falak Electronic Equipment and Supplies Company, owned by the board directors who have interests in it	1,000,000 Riyals annually	One year	Usual works, without conditions or special privileges	Abdulaziz bin Hammad Al-Blaihid
					Abdulaziz bin Rashid Al-Rashed
					Ahmed bin Ali Al-Shadwi

35- A statement of any arrangements or agreement under which a board director or a senior executive of the company has waived any remuneration.

There is no arrangements or agreement, under which a board of director or a senior executive has waived a remuneration.

36- A statement of any arrangements or agreement under which a shareholder of the company waives any rights to dividends.

There is no arrangements or agreement, under which a shareholder of the company has waived any rights to dividends.

37- A statement of the value of statutory payments paid and due to pay for zakat, taxes, fees, or any other dues that have not been paid until the end of the annual fiscal period, with a brief description of them and their reasons.

	Statement	2021		Brief description	Reasons
		Paid	Due until the end of annual fiscal period and has not been paid		
		Thousand riyals	Thousand riyals		
1	Zakat	732	10443		
2	General Organization for Social In-surance	44220	911		
3	Costs of visas, passports, and govern-ment relations	21183	-		
	Total	66135	11354		

38- A statement of the value of any investments or reserves created for the interest of the company's employees.

There is no other investments or reserves created for the interest of the company's employees.

39- The board acknowledges that:

- 1- The company's accounting records have been prepared appropriately.
- 2- The internal control system has been prepared based on sound foundations and have been implemented effectively.
- 3- There is no doubt surrounding the company's ability to continue its activity.

40- A statement of the reservations in the auditor's report on the annual financial statements, their reasons, and any information related to them.

There is no in the auditor's report include any reservations or material observations on the annual financial statements for the fiscal year 2021 AD.

41- The board's recommendation to change the auditor before the end of the auditor's mandate, with the reasons for recommending such change.

There is no recommendation from the board of directors to change the auditor before the end of the auditor's mandate.

42- Details of treasury shares retained by the company and the details of the uses of such shares.

There is no treasury shares retained by the company.

43- Company's lawsuits:

- The board stresses that no lawsuits have been filed by or against the company during the fiscal year 2021 with a value exceeding 5% of the company's net assets.
- The board stresses that there have been lawsuits filed during the fiscal year 2021 against a board director, a partner in a subsidiary, or a senior executive of the company.

44- The Board stresses that:

1. The company is careful not to violate the regulations and to implement the Corporate Governance Regulations and all policies and procedures related to disclosure and transparency.
2. The company has not received any request from the certified auditor to convene the general assembly during the fiscal year ending in (2021).
3. The Chairman has not received any written request from two directors or more to hold emergency meetings during the fiscal year ending in (2021).
4. The company has not received from the shareholders owning at least (5%) of the company's capital a request to convene the general assembly during the fiscal year ending in (2021).
5. The shareholders owning at least (5%) of the company's capital has not requested adding one item or more to the agenda of the general assembly when preparing it.
6. The Board has not absolved any of the company's debtors from their liabilities towards the company during the fiscal year ending in (2021).
7. The company has not placed any restrictions or policies that may impede a shareholder from using the rights guaranteed to the shareholders, according to the laws and regulations.
8. There is no material obstacles that may affect the company's ability to prepare its financial statements, according to the international standards.
9. The company has not provided any cash loan of any kind to the board directors. It also has not guaranteed any loan anyone of them has entered into with others.
10. The company does not have concession shares or shares that enjoy special priority in voting (whether for the shareholders, board directors, or its employees). All the shares of the company are ordinary shares of equal nominal value, equal voting rights, and other rights, according to the regulations.
11. The external auditor of the company has not provided any services of consulting nature to the company and has not received any fees in this regards during the fiscal year ending in (2021).

45- Mechanism of communication with the company's shareholders.

Out of Al Khaleej Training and Education Company and its board keenness to look after the rights of their honorable shareholders and open various, constant communication channels with them, the company has established a dedicated department to follow up on the affairs of the shareholders and stakeholders. The department also continuously communicates with them, responds to all their questions and inquiries, and follows up on any potential problems they may face regarding the distribution of dividends, operations, or others.

The Department of Shareholders' Affairs of Al Khaleej Training and Education Company may be communicated with through the following channels:

Email

adel-amin@alkhaleej.com.sa

Phone

0114623260 - EXT 1593

The honorable shareholders may also follow our news and major events through the company's website:

<https://www.alkhaleej.com.sa>

46- Closing message

Finally, the board of Al Khaleej Training and Education would like to sincerely thank all the company's shareholders for their valuable trust, constant cooperation, and continuing support to the company and its leadership. We would also like to thank the company's management and employees for their fruitful and distinguished efforts. We also thank all our partners of success for their constant support. We would not have achieved that success except for Allah Almighty's guidance and then your support, understanding, and loyalty to the company and its general strategy. We pray to Allah that the year 2022 would be a prosperous year for us all. The company will continue, Allah willing, to exert more effort to achieve its future goals and plans, to achieve the expectation of the honorable shareholders.

We hope that the information presented to you in this annual report by the board of Al Khaleej Training and Education Company on the results of the company's works in the fiscal year ending on 31 December 2021 has been satisfactory to you. Thanks to Allah, we have achieved the results stated in the report through hard, continuous work of the board, executive board of the company, and the cooperation of all the employees of the company. We will continue to maintain the level of growth and prosperity for all the company's activities, Allah willing.

We seek Allah's guidance,

Chairman of the Board of Directors
Abdulaziz bin Hammad Al-Blaihid



Thank You

