



Annual Report of the Board of Directors

# 2022

**BAAZEEM TRADING CO.**

**In the name of Allah, the  
merciful, the gracious**



Custodian of the Two Holy Mosques

**King Salman bin Abdulaziz Al Saud**

God save him



His Royal Highness

**Prince Mohammed bin Salman bin Abdulaziz Al Saud**

Crown Prince, Deputy Prime Minister and Minister of Defense

God save him



Annual Report of the Board of Directors

# BAAZEEM TRADING CO.

(Saudi Joint Stock Company)

For the year ended on  
31 December 2022

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**SALEM BIN SALEH BAAZEEM**

Chairman

# Chairman's Statement:

The valued shareholders,

Praise be to Allah, Lord of the Worlds, and prayers and peace be upon the last Prophet and Messengers, our Master Mohammad, peace be upon him, and all his family and companions.

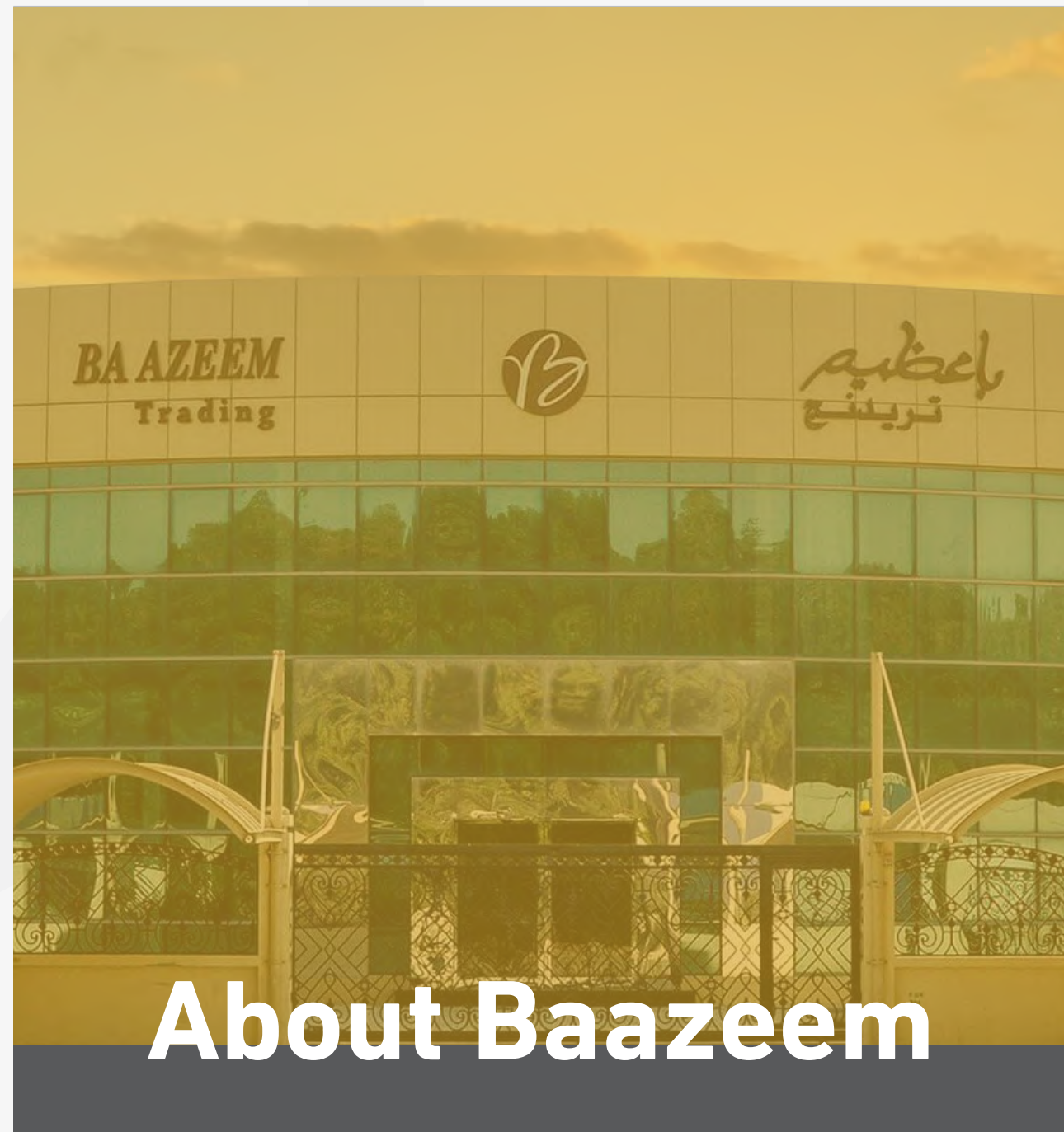
It gives me immense pleasure to present to the shareholders of BAAZEEM TRADING CO. the annual report of the Board of Directors for the fiscal year ending on 31 December 2022, including the financial results for this fiscal year, as well as full information on the activities and additions achieved during the year. This was done with the dedicated efforts of all the company employees.

I would like to thank our valued shareholders for their trust in the Chairman and Board of Directors, as well as to everyone who contributed to the success achieved, looking forward to further growth, progress and success in the coming years.

# In the name of Allah, the merciful, the gracious

The Chairman of the Board of Directors of BAAZEEM TRADING CO. would like to take this opportunity to present the Board's annual report to the shareholders regarding the company's performance for the year ended on 31/12/2022G, which includes various information about the company's activities, its most important achievements, strategy and financial results, the Board of Directors and its various committees and other complementary information aimed at meeting the needs of shareholders.





Baazeem Trading Company (BTC), is a Saudi listed joint stock company, was established in 1978 in Riyadh

Baazeem is one of the leading FMCG distribution company in the Kingdom of Saudi Arabia.

The Company has been operating throughout the Gulf region for more than 40 years

The brands distributed by Baazeem Trading Company are either fully owned, or are under an exclusive distribution agreement

## Our Brands





# Company's Main Activities:



Wholesale of food and  
beverages



wholesale of  
cosmetics and soaps



wholesale of soap and  
detergents



wholesale of coffee  
and tea products



sale of plastic tools and  
materials (including bags)



general stores that  
include a collection of  
goods



wholesale of primary plastics, rubber  
and synthetic fibers

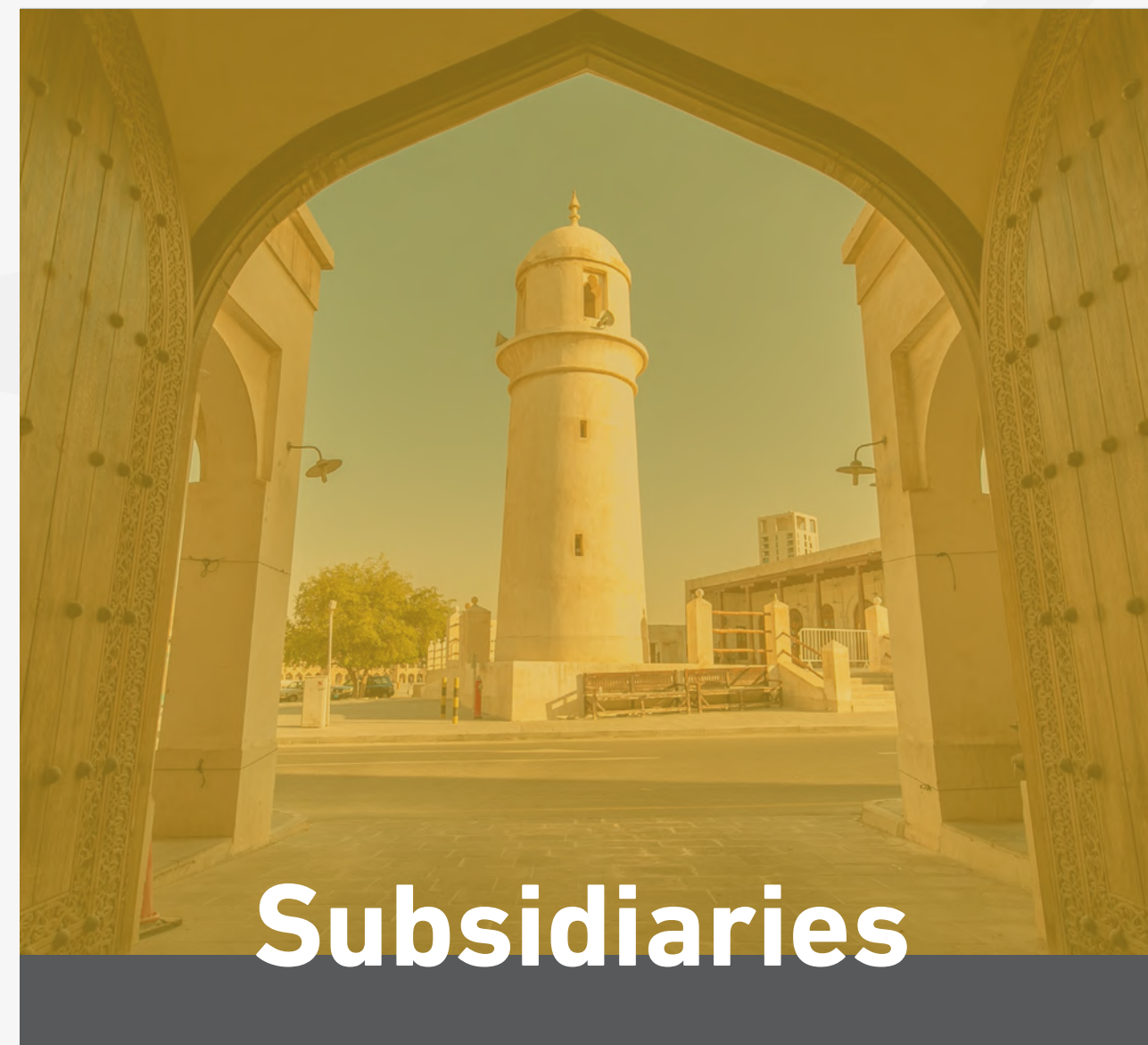


## Statement of the impact of each category on the volume of business and its contribution to the results of 2022G:

Category	Total Sales	Percentages of Total
(Trademarks owned by the Company (Uodo- Moog- Fedfad	149,429,361	57%
Agency trademarks	113,924,130	43%
Net Sales	263,353,491	100%

## Business Results:

During the fiscal year 2022G, the company achieved total sales for the fiscal year 2022G, amounted to (263,353,491 riyals) compared to (259,905,021 riyals) for the fiscal year 2021G, with a decrease of 1%. While the net profit for the year 2022 amounted to (21,775.621 riyals) compared to (21,550,718 riyals) for the fiscal year 2021, with an increase of 1%. While the total shareholders' equity for the fiscal year 2022G amounted to (190,382,104 riyals) compared to (194,085,755 riyals) for the fiscal year 2021G, with a decrease of -1.91%, noting that there are no minority rights.



BAAZEEM TRADING CORPORATION incorporated in the State of Qatar, which is wholly owned by the company and registered in the name of the Chairman, **Mr. Salem bin Saleh Baazeem**, as an individual establishment, with a capital of (30,000) thirty thousand Qatari riyals

Its net sales for the year 2022G amounted to

SAR **9,860,146**

with an increase of 8% for the fiscal year 2021G.

# Human Resources



Work was carried out according to the plan set for the year 2022G, by focusing on human capital in several aspects, the most important of which is the training and development of employees, in addition to focusing on social development. The door was opened for (on-the-job training, training ending with employment).

In the field of employment, the Saudization rate was raised from

36%  
to  
42%  
↑

by the end of 2022G, in addition to the implementation of the employment plan by 88% of the set target.

**As for the 2023G plan, the management aims to accomplish the following:**

- 1 Focus on automating staff preparing programs.
- 2 Automation of internal training and development.
- 3 Work on a succession plan.
- 4 Review and approve the code of conduct of the employees.
- 5 Work on the benefits and compensations of the company's employees and update them.



# Information Technology



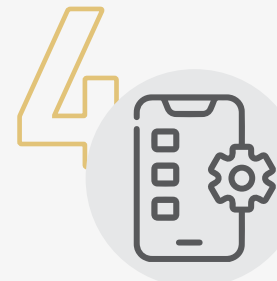
In 2022G, the Information Technology Department completed adding the procurement planning report, which enables the procurement department to follow up on the annual procurement plan, and also the performance measurement report for the sales team.



A study of available options for developing the current accounting program has also been completed. And also studying the options available to improve the quality of the current network and to develop the information security system, which contributes to raising the efficiency of employees.



Our goal in 2023G is to update Microsoft Business Central accounting software to the latest version to take advantage of the updates in it and help increase work efficiency and save employees time.



Also, one of the goals of 2023G is to develop a mobile application for the sales team, in order to obtain a better and faster performance of the daily operations of the sales team.



And also developing the infrastructure of the company's internal network and linking all employees through the Microsoft Azure DC cloud server application, which will help increase the security of data and information and at the same time facilitate sharing between employees according to the scope of work of each employee.

# Industrial sector



The industrial department completed the expansion of the production field, as a new Italian packaging line was established inside the factory, and it was linked to the current automatic paper roll production line, in order to increase the quality and productivity of the line.

**In light of the high cost of raw materials, the factory plan in 2023G is as follows:**



Adjusting and setting fair prices for our products and making them competitive as well, in order to increase profit and cover costs at the very least.



Submitting a detailed feasibility study to the General Management for establishing a new production line and working on its implementation, which will reduce the indirect costs of the factory in general.



Working to increase operational efficiency, which contributes to increasing profitability.





# 1- Names of Directors, Members of Committees and Executive Management, and their capacity:

## A. Board of Directors:



### Salem Bin Saleh Baazeem

#### Current positions

- Chairman of the board of directors

#### Previous positions

- Chairman of the board of directors

#### Qualifications

- Bachelor of Accounting



### Fawzya Bint Saleh Baazeem

#### Current positions

- Deputy Chairman and Secretary of the Board of Directors

#### Previous positions

- Educational Supervisor

#### Qualifications

- Bachelor of English



### Ahmed Bin Saleh Baazeem

#### Current positions

- Businessman

#### Previous positions

- Administrative Affairs Officer

#### Qualifications

- Intermediate Diploma



### Talaat Bin Zaki Bin Reda Hafez

#### Current positions

- Economic Writer in Arriyadh and Arab News Newspapers

#### Previous positions

- Secretary of Media and Banking Awareness Committee and Bank spokesman

#### Qualifications

- Master of Accounting



### Mohammed Bin Hamad Al Fares

#### Current positions

- President of Private Banking and Wealth Management group, Bank AlJazira

#### Previous positions

- Regional Manager of Private Banking and Wealth Management, Bank AlJazira

#### Qualifications

- Master of Business Management (Financial Management)

## B. Members of Committees

Audit Committee				
SN	Name	Current positions	Previous positions	Qualifications
1	Mohammed Bin Hamad Al Fares	• President of Private Banking and Wealth Management group, Bank Aljazira	• Regional Manager of Private Banking and Wealth Management, Bank Aljazira	• Master of Business Management (Financial Management)
2	Fawzya Bint Saleh Baazeem	• President of Private Banking and Wealth Management group, Bank Aljazira	• Educational Supervisor	• Bachelor of English
3	Abdul Aziz Ahmed Al-Kabab	• Urban planning professor at Sana'a University	• Urban planning professor at Sana'a University	• PhD in Urban Planning

Remunerations and Nomination Committee				
SN	Name	Current positions	Previous positions	Qualifications
1	Talaat Bin Zaki Bin Reda Hafez	• Economic Writer in Arriyadh and Arab News Newspapers	• Secretary of Media and Banking Awareness Committee and Bank spokesman	• Master of Accounting
2	Fawzya Bint Saleh Baazeem	• Deputy Chairman and Secretary of the Board of Directors	• Educational Supervisor	• Bachelor of English
3	Ahmed Bin Saleh Baazeem	• Businessman	• Administrative Affairs Officer	• Intermediate Diploma

Executive Committee:				
SN	Name	Current positions	Previous positions	Qualifications
1	Salem Bin Saleh Baazeem	• Chairman of the board of directors	• Chairman of the board of directors	• Bachelor of Accounting
2	Abdul Aziz Ahmed Al-Kabab	• Urban planning professor at Sana'a University	• Urban planning professor at Sana'a University	• PhD in Urban Planning
3	Ali bin Musleh Al-Wakedy	• Chief Executive Officer	• Chief Executive Officer	• Bachelor's degree in Computer Engineering • Master of Business Administration
4	Saleh bin Salem Baazeem	• Director of Sales and Marketing	• Director of Sales	• Bachelor's degree in Computer
5	Thamer bin Ahmed Baazeem	• Head of Marketing and Communication Sector. • Islamic Development Bank	• Director General of Information and Communication, Ministry of Hajj	• PhD in Marketing



## C. Executive Management

SN	Name	Current positions	Previous positions	Qualifications
1	Ali bin Musleh Al-Wakedy	• Chief Executive Officer	• Chief Executive Officer	• Bachelor's degree in Computer Engineering • Master of Business Administration
2	Muhammad Ali Muhammad Ali Salem	• Head of Accounts	• Deputy Head of Accounts	• Bachelor of Commerce, Accounting Department
3	Saleh bin Salem Baazeem	• Director of Sales and Marketing	• Director of Sales	• Bachelor's degree in Computer
4	Ehab Abdel Mohsen Mohamed Rashad	• Purchasing Manager	• Purchasing Manager	• Bachelor of Science
5	Ohood Abdel Aziz Al-Mashhadi	• Director of Administrative Affairs	• Supervisor Human Resources	• Bachelor of Science - Human Resources Management



## 2- Measures taken by the Board of Directors to inform its members - especially non-executives - of the shareholders' proposals and observations regarding the company and its performance.

The Chairman and the Secretary of the Council communicate with all members of the Council through modern technologies such as e-mail and telephone meetings, and discuss them during periodic meetings.



### 3- Names of companies inside or outside the Kingdom in which a member of the company's board of directors is a member of its current and previous boards of directors or of its manager.

SN	Name of the member	The names of the companies in which the member of the Board of Directors is a member of its current boards of directors or one of its directors	Inside/ outside the Kingdom	Legal entity (listed joint stock / unlisted joint stock / limited liability)
1	Salem bin Saleh Baazeem	Yemen Bahrain Shamel Bank	outside the Kingdom	a closed joint stock company
		Al-Mawarid Company for Educational Services		
		Steel company		
		Brom Fish Company		
2	Talaat bin Zaki Reda Hafez	None	-	-
3	Mohammed bin Hamad Al-Fares	Kingdom Hospital and specialized clinics	Inside the Kingdom	a closed joint stock company
		Dr. Mohammed bin Rashid Al Faqih Hospital		



### 4- Composition of the board of directors and classifications of its members

SN	Name	Capacity
		(Executive- Non-executive- Independent)
1	Salem Bin Saleh Baazeem	Non-executive
2	Fawzya Bint Saleh Baazeem	Non-executive
3	Ahmed Bin Saleh Baazeem	Non-executive
4	Talaat bin Zaki bin Reda Hafez	Independent
5	Mohammed bin Hamad Al-Fares	Independent



## 5- Brief description of committees' competencies and duties:

### 1

#### Audit Committee

the committee performs various and several tasks as follows:

1. Studying the financial statements before presenting them to the Board of Directors and express their opinion and recommendations on them
2. Checking the accounting estimates regarding the fundamental issues mentioned in the financial reports.
3. Following-up the work of certified public accountants and approve any work outside the scope of the auditing work that he is carrying out.
4. Recommending to the Board of Directors the appointment of a director of the internal audit unit or department or the internal auditor.
5. Studying and reviewing the company's internal and financial control systems.
6. Controlling and supervising the performance and activities of the internal audit department and the management of the internal audit to verify the availability of resources and its effectiveness in performing the work and tasks entrusted to it.
7. Recommending to the Board of Directors the nomination and dismissal of auditors, determining their fees and evaluating their performance.
8. Raising issues, it deems necessary to take action on to the Board of Directors and present its recommendations with the actions to be taken.

SN	Name	Member's	Number of Meetings (4) meetings			
			First meeting 12/03/2022	Second meeting 17/05/2022	Third meeting 08/08/2022	Fourth meeting 07/11/2022
1	Mohammed bin Hamad Al-Fares	Head of Committee	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Fawzya bint Saleh Baazeem	Member	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Abdul Aziz Ahmed Al-Kabab	Member	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Attend			<input checked="" type="checkbox"/> Did not attend			

## 2

**Nominations and Remunerations Committee**

the committee performs various and several tasks, as follows:

1. Proposing clear policies and criteria for membership in the Board of Directors and Executive Management.
2. Recommending to the Board of Directors the nomination and re-nomination of its members in accordance with the approved policies and standards.
3. Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and for occupying executive management positions.
4. Reviewing the structure of the Board of Directors, its affiliated committees, and the executive management, and making recommendations.
5. Verifying the independence of the independent members of the Board of Directors.
6. Preparing a clear policy for the remuneration of the chairman and members of the board of directors, its committees and the executive management.
7. Clarifying the relationship between the granted remunerations and the applicable remuneration policy, and indicate any material deviation from this policy.

SN	Name	Member's capacity	Number of Meetings (1) meeting
			First meeting 2022/03/16
1	Talaat bin Zaki bin Reda Hafez	Head of Committee	<input checked="" type="checkbox"/>
2	Fawzya bint Saleh Baazeem	Member	<input checked="" type="checkbox"/>
3	Ahmed Bin Saleh Baazeem	Member	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Attend <input checked="" type="checkbox"/> Did not attend			

## 3

**Executive Committee:**

The committee studies all issues referred to it by the Board of Directors or submitted to it by the Executive Management. Responding to projects or initiatives submitted by the Executive Management and providing the appropriate recommendations to the Board, in addition to following up the performance of the Executive Management for its roles entrusted to it in accordance with the plans approved by the Board of Directors.

SN	Name	Member's capacity	Number of Meetings (4) meetings			
			First meeting 10/02/2022	Second meeting 16/05/2022	Third meeting 07/08/2022	Fourth meeting 06/11/2022
1	Salem bin Saleh Baazeem	Head of Committee	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Abdul Aziz Ahmed Al-Kabab	Member	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Ali bin Mosleh Al-Wakedy	Member	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4	Saleh bin Salem Baazeem	Member	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5	Thamer bin Ahmed Baazeem	Member	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Attend <input checked="" type="checkbox"/> Did not attend						



## 6- Disclosure of the remunerations of the Board of Directors and Executive Management as stated in Article 93 of the Corporate Governance Regulation:

	Fixed Remunerations						Variable Remunerations					Grand Total	Expenses Allowance		
	Certain amount	Committees' meetings attendance allowance	Total of Committees' meetings attendance allowance	In kind benefits	A statement of what the members of the Board received in their capacity as workers or administrators, or what they received in return for technical, administrative or advisory work	Total	Percentage of Profits	Periodical Remunerations	Long-term Incentive plans	Granted Shares (the value is included)	Total				
	First: Independent Members														
	Total	420,000	44,000	20,000			484,000								484,000
	Second: Non-Executive Members														
	Total	1,145,000	74,000	33,000			600,000								1,852,000
	Third: Executive Members														
	Total	265,000					265,000								265,000



### It is worth noting

that the remunerations of the executive members are for the year 2021G, as they are not board members starting from the year 2022G.



## Salaries and Remunerations of Senior Executives

	Fixed Remunerations						Variable Remunerations				End of service benefits	Total of Executives' Remunerations for the Board (if any)	Grand total
	Salaries	Allowances	In-kind allowances	Total	Periodical remuneration	Profits	Short-term Incentive plans	Long-term Incentive plans	Granted Shares	Total			
Total	1,264,738	476,084		1,740,822	1,355,850					3,096,672		145,000	3,241,672

## Remunerations of the Committees' Members

	Name	Fixed Remunerations (except meetings Attendance Allowance)	Meetings Attendance Allowance	Expenses Allowance	Total
Members of Audit Committee					
1	Mohammed bin Hamad Al-Fares	50,000	20,000	0	70,000
2	Fawzya bint Saleh Baazeem	50,000	16,000	0	66,000
3	Abdul Aziz Ahmed Al-Kabab	50,000	16,000	0	66,000
Total		150,000	52,000	0	202,000

Members of Nomination and Remuneration Committee					
1	Talaat bin Zaki bin Reda bin Hafez	10,000	0	0	10,000
2	Fawzya bint Saleh Baazeem	10,000	0	0	10,000
3	Ahmed Bin Saleh Baazeem	10,000	0	0	10,000
4	Roa Abu Baker Baazeem	10,000	0	0	10,000
Total		40,000	0	0	40,000

Members of Executive Committee					
1	Salem bin Saleh Baazeem	50,000	14,000	0	64,000
2	Fawzya bint Saleh Baazeem	50,000	3,000	0	53,000
3	Abdul Aziz Ahmed Al-Kabab	50,000	9,000	2,500	61,500
4	Ali bin Mosleh Al-Wakedy	50,000	12,000	0	62,000
5	Saleh bin Salem Baazeem	50,000	12,000	0	62,000
6	Thamer bin Ahmed Baazeem	50,000	12,000	2,500	64,500
Total		300,000	62,000	5,000	367,000



**7- Any sanction, penalty, or precautionary measure imposed on the company by the Authority or any supervisory, regulatory or judicial authority, with a statement of the reasons for the violation, the penalizing authority, and ways to treat and avoid its occurrence in the future.**

No sanctions, discipline, precautionary measures, or provisional restrictions were imposed.

**8- Results of annual audit for the internal control procedures effectiveness, as well as the Audit Committee opinion on the adequacy of the internal control system of the Company:**

Praise be to Allah, the work of the internal audit of the company's departments was completed according to the plan approved by the Audit Committee and it was as follows (Information Technology – Sales Department – Purchasing Department – Financial Department – Supply Chain Department – Human Resources Department) and after the departments reply on the comments attached to the reports and discussed them with the Executive Management, the full reports with their attachments have been sent to the Audit Committee. The Audit Committee also played its role in discussing with the Director of Internal Audit the pending points to work on finalizing them. The accounting reports of the company's subsidiaries are audited on a monthly basis and are as follows (sales invoices, approvals and related special offers, general accounts, receipt and exchange vouchers and discounts).

In 2022, monthly audit works of samples of the policies, procedures and powers matrix of the departments for the effectiveness of the role of internal audit were completed, in addition to the comprehensive audit plan for each department according to the plan approved by the Audit Committee.



**9- A statement of the dates of the general assemblies of shareholders held during the last fiscal year and names of the attending members of the Board:**

P	Name	Attendance Record	
		1st Assembly Meeting 20/01/2022	2nd Assembly Meeting 09/05/2022
1	Salem bin Saleh Baazeem	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Fawzya bint Saleh Baazeem	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Ahmed Bin Saleh Baazeem	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4	Talaat bin Zaki bin Reda Hafez	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5	Ali Bin Mohammed Shnemer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
6	Mohammed bin Hamad Al-Fares	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

☒ Attend ☒ Did not attend



**Note**

In the first meeting of the General Assembly, Mr. Mohammed bin Hamad Al-Fares was not a member of the Assembly.

In the second meeting of the General Assembly, Mr. Ali bin Mohammed Shnemer is no longer a member of the Assembly.

## 10- Description of the Main Activities of the Company and its subsidiaries:



Description of the Main Activities of the Company:



Activity (1):

1

Wholesale of food and beverages

2

Wholesale of cosmetics and soaps

3

Wholesale of soap and detergents

4

Wholesale of coffee and tea products

5

Sale of plastic tools and materials (including bags)

6

General stores that include a various collection of goods

7

Wholesale of primary plasticsrubber and synthetic fibers



Wholesale of cosmetics and soaps



Wholesale of soap and detergents



Wholesale of food and beverages



Wholesale of coffee and tea products



Sale of plastic tools and materials (including bags)



General stores that include a various collection of goods



Wholesale of primary plastics, rubber and synthetic fibers

Activity Revenues

100 %

Description of the Main Activities of the Company's subsidiary:



Activity (1):

1

Trading in household appliances

2

trading in materials, tools, hygiene and cleaning equipment.



Trading in household appliances



trading in materials, tools, hygiene and cleaning equipment

Activity Revenues

100 %

In this regard, the company states that it has a valid non-operating commercial registry in the United Arab Emirates under the name of BAAZEEM TRADING, a free zone establishment with limited liability, and the commercial registry is being written off.

11- Description of the important plans and decisions of the Company (including the structural changes of the Company, expansion or suspension of its works) and its prospects.

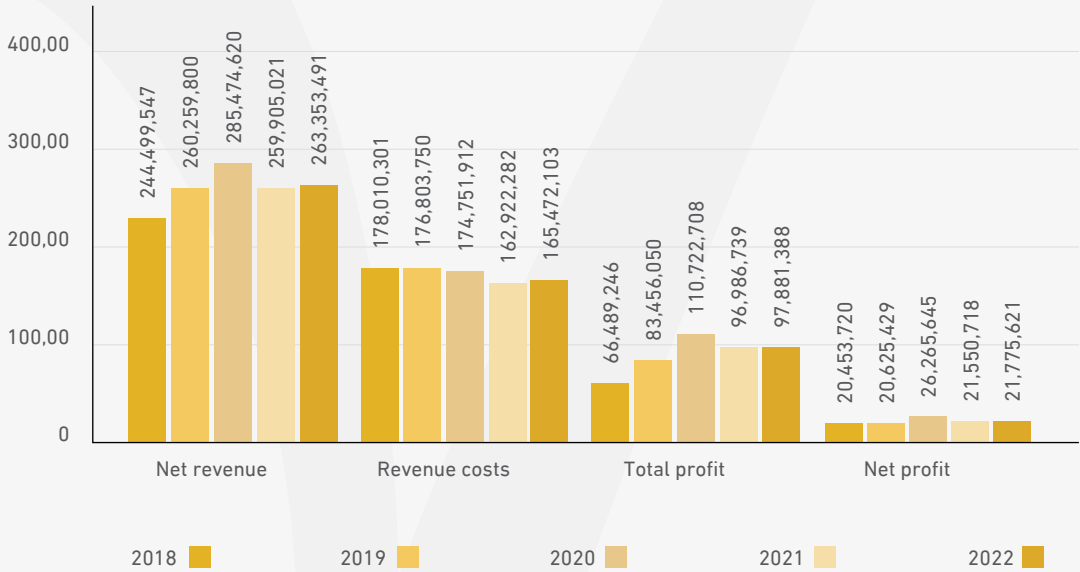
The company’s management has worked on many programs and plans that contribute to the impacted performance of the company, which helps it achieving its goals properly without harming its interests, through automating its operations and continuing the policy of following up customers’ debts and auditing debt ceilings. The company also introduced its first food trademark owned by it in the field of organic tea and inorganic tea, the company is working on adding new products to brands owned by it. Moreover, there are no structural changes for the company, expansion of its operations, or suspension of it, except the above mentioned.

12- Information related to any risks faced by the company (whether operational, financing or market risks) and the policy for managing and controlling such risks).

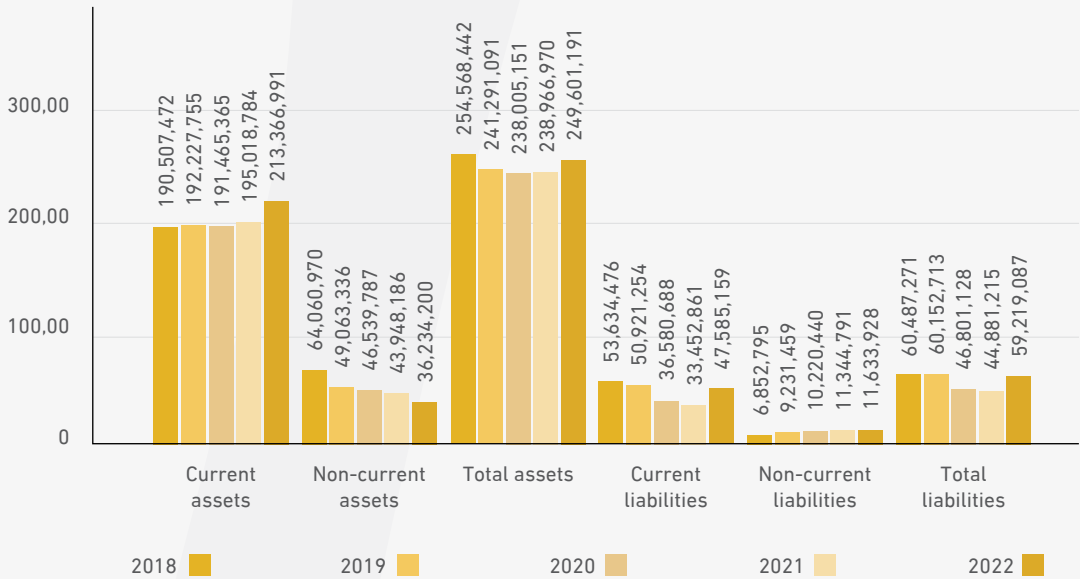
In accordance with the company’s continuous policies of checking customer debts, balancing the company’s demands and providing products, the company is constantly auditing its policy to avoid any potential risks.

13- A summary in table format showing the company’s assets, liabilities and results of operations in the last five years or since its establishment, whichever is shorter:

Comparison of business results:



Comparison of Assets and Liabilities





#### 14- A Geographical Analysis of Total Revenues for the Company's and its subsidiaries:

Year	Geographical Analysis of the Company Revenues							
	Net revenues	Headquarters	Central	Western	Eastern	Southern	Northern	Madinah
2022	253,493,345	1,943,097	88,454,323	54,197,761	27,832,586	25,149,999	32,707,339	23,208,239

Year	Geographical Analysis of total Revenues of Affiliates	
	Net revenues	Net profits
2022	9,860,146	864,556

#### 15- Clarification of the substantial differences in operating results from the previous year or any expectations declared by the Company:

Statement	2022	2021	(-) Changes (+) or	Change percentage
Net sales/revenue	263,353,491	259,905,021	3,448,470	1.33%
Cost of sales/revenue	165,472,103	162,922,282	2,549,821	1.57%
Total profit	97,881,388	96,982,739	898,649	0.93%
Other operating income	0	0	0	0
Other operating expenses	70,962,445	69,124,609	1,837,836	2.66%
(Operating profit (loss	26,918,943	27,858,130	-939,187	-3.37%
Other expenses and revenues	-953,207	253,743	-1,206,950	-475.66%
Net income for the year before zakat	25,965,736	28,111,873	-2,146,137	-7.63%
Zakat	4,190,115	6,561,155	-2,371,040	-36.14%
Net income for the year	21,775,621	21,550,718	224,903	1.04%

#### 16- Clarification of the differences from accounting standards of the Saudi Organization for Certified Public Accountants (SOCPA):

None

#### Issued standards that have not yet been applied:

The following is a statement of the new standards and amendments to the applicable standards for the years beginning on or after January 1, 2023G, with early application permitted, but the Group did not apply them when preparing these consolidated financial statements.

#### Amendments to IAS 1, "Presentation of Financial Statements", on Classification of Liabilities

These narrow scope amendments to IAS 1, "Presentation of Financial Statements", clarify that liabilities are classified as current or non-current, depending on the rights that exist at the end of the reporting period. The classification is not affected by the entity's expectations or by events after the reporting date (e.g. receipt of a waiver or breach of a covenant). The amendment also clarifies what IAS 1 means when it refers to the "settlement" of an obligation.

#### Amendments to IAS 1, Practice Statement 2 and IAS 8

The amendments aim to improve accounting policy disclosures and help users of financial statements distinguish between changes in accounting estimates and changes in accounting policies.

17- The name of each subsidiary, its capital, the company’s ownership percentage in it, its main activity, the country of its main operations, and the countries of its establishment:

The Subsidiary Company	Capital	Ownership percentage	Main Activity	Main Operations County	Country of incorporation
BAAZEEM TRADING CO.	30,000 QR	100%	Trading in household appliances, materials, tools, hygiene and cleaning equipment	Qatar	Qatar
BAAZEEM TRADING- FREE ZONE LTD*	150,000 AED	100%	General trading	UAE	UAE

\* Not in business and the commercial register is being written off.

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

None

19- Description of the company’s dividends policy:

	Ratio of profits distributed during the year		Ratio of profits proposed to be distributed at the end of the year	Total profits
	23/05/2022*	04/09/2022**		
Ratio	17.50% of the capital	7% of the capital,	11% of the capital for the second half of 2022.	11,137,500
Amount	17,718,750 riyals	7,087,500 riyals		

\* Dividends distributed on 23/05/2022G for the year 2021G.  
\*\* Dividends distributed on 04/09/2022G for the first half of the year 2022G.





**20- Description of any interest in the category of voting shares belonging to persons (other than members of the company’s board of directors, senior executives and their relatives) who notified the company of those rights under Article 45 of the Registration and Listing Rules, and any change in those rights during the last fiscal year.**



There are no shares of the company that entitles persons to vote.

**21- Description of any interest, contractual securities and subscription rights associated with the members of the company’s Board of Directors, Senior Executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries, and any change in such interests or those rights during the last fiscal year.**

There is no interest, contractual securities or underwriting rights belonging to the members of the company’s board of directors, senior executives and their relatives in shares.

**22- Information related to any loans owed by the company (whether payable upon demand or otherwise), and a statement of the total indebtedness of the company and its subsidiaries, any amounts paid by the company to repay loans during the year, the principal amount of the loan, name of lender, its duration, and the remaining amount. In the absence of any loans, the company must submit a declaration of the same.**

SN	Name of loan awarding Entity	Loan Principal amount	Loan duration	Loan repayments during the year	Remaining amount of the loan	Total indebtedness of company and subsidiaries
4	Arab National Bank	5,000,000	9 months	Short-term Tawarruq	5,000,000	5,000,000

Subsidiaries are debt free.

**23- A description of the categories and numbers of any convertible debt instruments, any contractual securities, and subscription right notes, or similar rights issued or granted by the Company during the fiscal year including any compensation obtained by the company in return.**

The Company is free from any convertible debt instruments or any contractual securities, subscription notes or similar rights issued or granted by the Company during the fiscal year

**24- A description of any transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company.**

The company has no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company.

**25- A description of any redemption, purchase or cancellation by the company of any redeemable debt instruments and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries**

The company does not have a refund, purchase or cancellation of any redeemable debt instruments, and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries



## 26- Number and dates of board meetings held during the last financial year, in addition to attendance record of each meeting detailing the names of the attendees

Member's name	Number of meetings (5) meetings				
	1st meeting 26-01-2022	Second meeting 2022/03/27	3rd meeting 29-05-2022	4th meeting 09-08-2022	5th meeting 08-11-2022
Salem bin Saleh Baazeem	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fawzya bint Saleh Baazeem	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ahmed bin Saleh Baazeem	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Talaat bin Zaki bin Reda Hafez	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mohammed bin Hamad Al-Fares	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Attend <input checked="" type="checkbox"/> Did not attend					

## 27- Number of company requests to shareholders' register, dates, and reasons:

	Sector	Date of Property File	Reason for the request
1	Main	16/01/2022	General Assembly
2	Main	18/01/2022	General Assembly
3	Main	20/01/2022	General Assembly
4	Main	08/05/2022	Company procedures
5	Main	09/05/2022	General Assembly
6	Main	06/07/2022	Other
7	Main	10/08/2022	Company procedures

## 28 – A description of any transaction between the company and a related party.

Description of any transaction between the company and a related party and must refer to the definition of the relevant parties provided for in Article 1 of the Corporate Governance Regulations.

Related Party	Type of relationship with Company	Type of Deal	Duration	Value
Salem bin Saleh Baazeem	Qatar Branch Transactions	Payment of Suppliers	one year	SR 5,228,699

## 29- Information related to any business or contracts to which the company is a party or in which there was an interest of one of the members of the board of directors of the company or its senior executives or any person related to any of them “so that it includes the names of those involved in the business or contracts” and the nature of these works or contracts and their conditions, duration and amount. If there are no such works or contracts, the company must submit a declaration of that.

Nature of work or contract	Amount of work or contract	Duration of work or contract	Terms of work or contract	Member's Name
Qatar branch transactions	5,228,699 riyals	Year	Without preferential conditions	Salem bin Saleh Baazeem

## 30- Disclosure of the remuneration policy and how the remuneration of the members of the Board and the executive management of the company is determined

The company has prepared a policy for the remuneration of the members of the Board of Directors, its committees, and the executive management in implementation of the provisions of the Corporate Governance Regulations issued by the Board of the Capital Market Authority in Article Ninety-three, considering their compliance with the approved policy. This is done based on the recommendation of the Nominastion and Remunerations Committee



**31- Clarification of the relationship between the remunerations granted and the applicable remuneration policy and indicate any material deviation from this policy.**

The relationship between awarded remuneration is consistent with the applicable remuneration policy and there is no material deviation from this policy.

**32- Statement of any arrangements or agreement under which a member of the Company's Board of Directors or a senior executive waives any remunerations.**

None

**33- Statement of any arrangements or agreement under which a shareholder of the company waives any rights to profits.**

None

**34- List of the values of regulatory payments made and due to pay any Zakat, taxes, fees or other payables that were not paid until the end of the annual fiscal period with a brief description and reasons**

Detail	2022			
	Paid	Due until the end of the annual financial period and not yet paid	Brief Description of it	Statement of reasons
Zakat	4,284,044	4,190,115	Zakat 2022	To be paid when the budget is approved
Tax	32,502,411	3,085,137	Value Added Tax for 12-2022	Issued in 1-2023
General Organization for Social Insurance	1,452,921	128,459	Invoice for the month of 12-2022	Issued in 1-2023

**35- Statement of the value of any investments or reserves established for the benefit of the company's employees.**

None



## 36- Declarations:



**In terms of the responsibility entrusted to the Board of Directors, it affirms that:**

1

The account records were properly prepared.

2

The internal control system is properly developed and implemented effectively.

3

There is no doubt about the Company's ability to continue its activities.

**37- The company is working on implementing the mandatory provisions contained in the Corporate Governance Regulations issued by the Board of the Capital Market Authority, except for some guiding provisions, including, for example:**

Article	Article text	Reasons for non-application
41	The Board of Directors, based on a proposal by the Nomination and Remunerations Committee, sets out the evaluation of the necessary mechanisms for evaluating the performance of the Board, its members and .committees, and the executive management	Guiding article
88	Teamwork initiative	Guiding article
85	Formation of a governance committee	Guiding article

**38- If the auditor’s report includes qualifications on the annual financial statements, the report of the board of directors must clarify those qualifications, their reasons and any information related thereto.**

**Attention**

With reference to note No. (2) regarding information on the group regarding the company’s investment in Baazeem Trading Establishment - State of Qatar (a subsidiary company), it was found that the investment was registered in the name of one of the main shareholders (Chairman of the Board of Directors), starting from 2008G, and that investment is approved in the minutes of the Board of Directors and the minutes of the General Assembly of the company.



**39- In the event that the board of directors recommends changing the auditor before the end of the period for which he is appointed, the report must include that, with indication of reasons for recommending the change.**

The Board does not have any notes on the auditor.

Board of Directors



