



DEVELOPMENT WORKS FOOD COMPANY

Board Report 2021

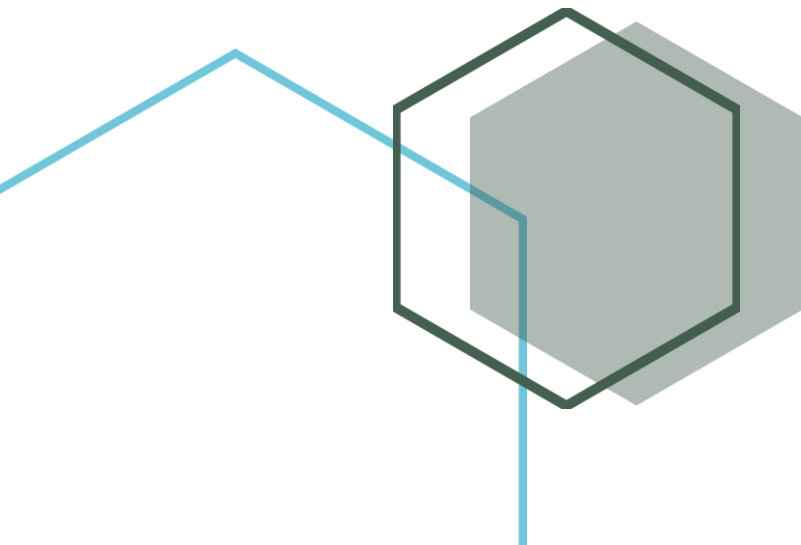


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Chairman Speech

The company is working to continue to support its operations and existing projects under the company's strategy in line with the vision of the Kingdom 2030, and we in turn strive to develop according to the modern economic data and what the wise leadership seeks under the auspices of King Salman bin Abdul Aziz and His Crown Prince Prince Mohammed bin Salman bin Abdulaziz, May God save them.

I would also like to express my deep pride in the outstanding performance shown by the company during 2021, after the company proved its ability to overcome the exceptional challenges witnessed in the world arena during 2020, and succeeded in overcoming the difficult circumstances imposed by the spread of the epidemic, where the company was able to benefit from the developments witnessed by the company Markets and changes in operational activities to provide the best products and services that satisfy the tastes of customers, making them ready to take advantage of the opportunities that the post-Covid-19 phase will provide, especially in light of the good performance shown by the company at the financial and operational levels. In 2021, Saudi Arabia gradually began to restore economic and social activity to pre-epidemic levels, which contributed to the rapid recovery of economic growth and the achievement of GDP growth rates. In the Kingdom. These factors would not have been available, which contributed to the strengthening of the business environment in the Kingdom, had it not been for the success of Allah Almighty and then the wise policies and vision adopted by the government of the Custodian of the Two Holy Mosques and the continued support it provided to the healthcare system in the Kingdom and the sectors affected by the pandemic, and in light of the marked improvement in the markets in which the company operates during 2021. The company has continued to provide a unique customer experience, as well as enhancing operational performance across the company. And supply and stop import from a number of countries, which affected the prices of fruit and the high operating cost, because the company succeeded in achieving the objectives of its strategic plan, where the company succeeded in achieving profits of 2.6 million riyals compared to losses of 8 million riyals last year, and an increase in sales by 7% over the previous year with no disruption of quality and operational efficiency and the company expects to continue to enhance performance. Financial in the coming years, God willing, against the backdrop of the return of the situation to normal to pre-pandemic levels.

We are sure of the company's experiences in overcoming difficult circumstances, it will continue its journey of success in the coming years through the development of its products and activities, with the determination of the company's management and employees who have gained accumulated skills and expertise in the face of difficulties and the creation of the best solutions.

In conclusion, we express our thanks and pride in the confidence of our customers in our products, as I am pleased on behalf of the Board of Directors to thank all the company's shareholders for their good confidence in the Board and to all the employees of the company, I hope that Our Dear And Wise Lord will help us and you.

And God is the best

Chairman
Ashry Bin Saad Al-Ashry

1- Company activity:

The company is engaged in setting up and operating restaurants with service, coffee shops, fresh juices and cold drinks.

2- Company Message:

Pursuing shareholder aspirations, providing the best customer service, and launching new ideas and products as one of the first companies to offer fresh juices of high quality and value.

Our goals:

- 1- Continue to achieve good financial results.
- 2- Development of human capital.
- 3- Work to achieve the aspirations of shareholders.
- 4- Achieving the highest quality standards and gaining customer satisfaction.

3- Production and sales:

- The company's actual activity began in 2012.

3/1 The company's main products:

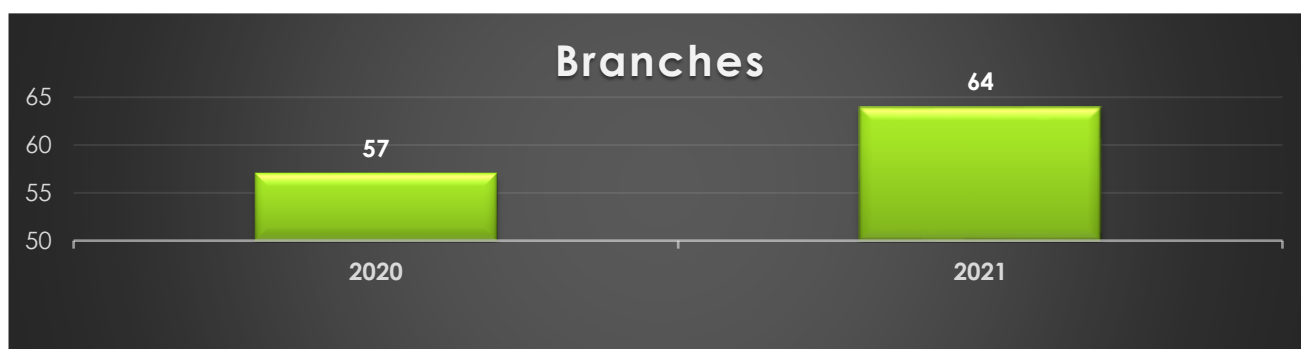
The company has different brands, each brand that specializes in providing a specific type or types of food and beverages as follows:

1- Juice time	2- Quiznos Sub
It serves all that is related to fresh fruits, smoothies, fruit salad, as well as a variety of different cocktails that blend ice cream, juice and fruit salad and are served in different packages depending on size and type.	It specializes in making healthy sandwiches of high quality meat and cheeses from homemade ingredients with a great taste and toaster, with a blend of special sauces, served to consumers looking for a fresh and delicious alternative compared to traditional fast food restaurants.
* Pizza Mishwar	

* Mashwar Pizza was sold on 01/01/2021 in support of the company's strategy to focus on high-profit activities achieved by focusing on the juice industry.

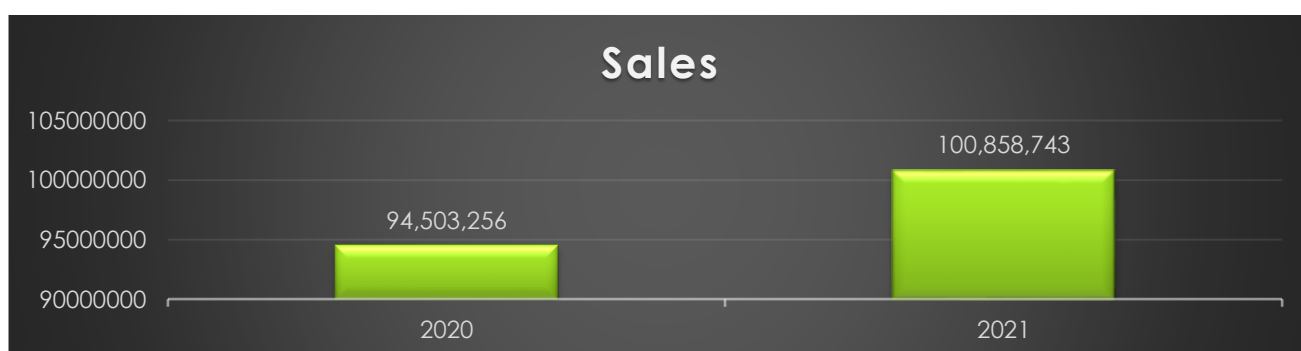
3/2 Number of branches:

The number of branches (64) in 2021 compared to (57) branches for 2020.



3/3 Sales:

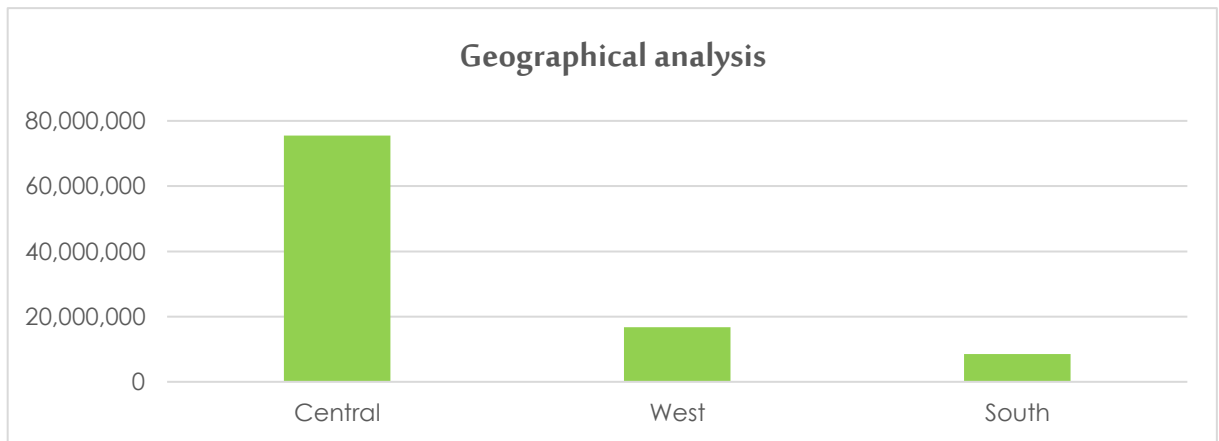
Sales in 2021 was SAR 100,858,743 compared to SAR 94,503,256 in 2020, up (6. 7%)



The increased of sales is due to the company's exit from activities with low sales figures, and a focus on activities that achieve good sales.

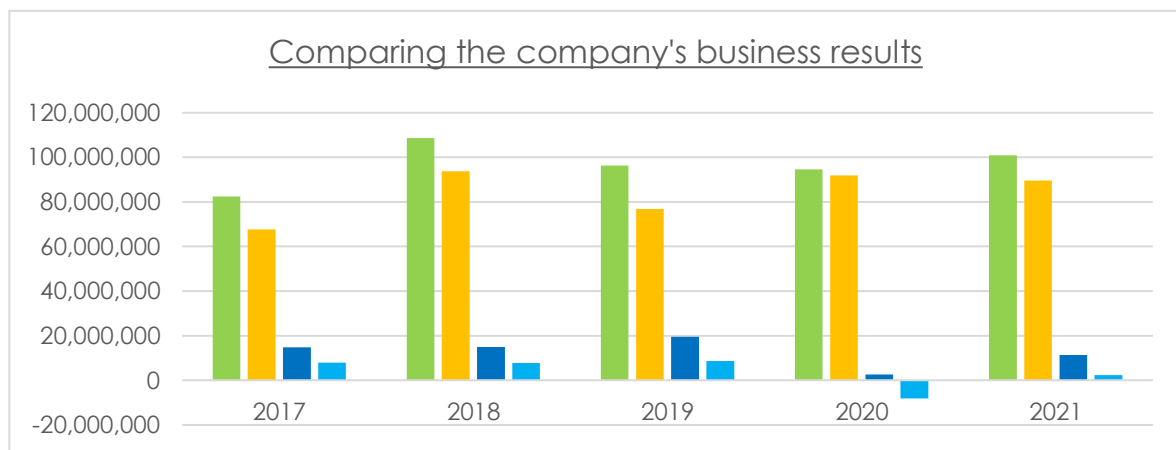
3/4 The Geographical analysis of the company's revenues

Area	
Central	75,487,514
Western Region	16,823,581
Southern Region	8,547,648
Total	100,858,743



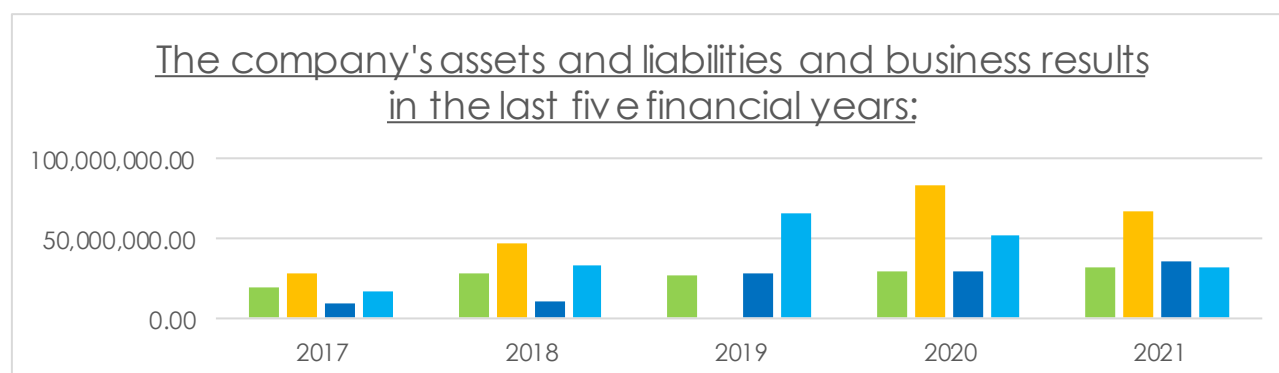
3/5 The company's assets and liabilities and business results in the last five financial years:

Item	2021	2020	2019	2018	2017
Revenue	100,858,743	94,503,256	96,270,908	108,659,651	82,404,654
Revenue costs	(89,532,863)	(91,882,566)	(76,820,669)	(93,719,750)	(67,660,759)
Total profit	11,325,880	2,620,690	19,450,239	14,939,901	14,743,895
Overall income for the year	2,372,827	(8,158,749)	8,629,759	7,742,099	7,887,527



Comparison of the company's assets and liabilities:

Item	2021	2020	2019	2018	2017
Assets	32,287,488	29,345,925	26,842,701	27,606,774	19,460,120
Non-current assets	67,218,479	82,692,339	105,673,310	46,490,223	28,555,788
Total assets	99,505,967	112,038,264	132,516,011	74,096,997	84,015,909
Current liabilities	35,090,304	29,103,995	28,099,091	10,558,381	9,502,707
Non-current liabilities	31,349,710	52,022,449	65,496,351	33,247,806	17,023,893
Total liabilities	66,440,014	81,126,444	93,595,442	43,806,187	26,526,600



4- Summary of financial results:

4/1 Profit List or Loss and Consolidated Comprehensive Income:

	2021	2020	2019	2018	2017
Revenue income	100,858,743	94,503,256	96,270,908	108,659,651	82,404,654
cost of sales	(89,532,863)	(91,882,566)	(76,820,669)	(93,719,750)	(67,660,759)
Gross profit	11,325,880	2,620,690	19,450,239	14,939,901	14,743,895
Administrative, General expenses and finance code	12,881,626	9,491,100	11,999,459	9,250,887	8,016,507
Other income - net	4,581,249	4,145,388	3,057,619	2,261,833	1,600,083
Zakat	348,155	200,943	267,925	208,748	439,944
Non-continuous operations	-	5,232,784	1,610,715	-	-
Net income profit (loss)	2,372,827	8,158,749-	8,629,759	7,742,099	7,887,527

4/2 Consolidated Financial Position List:

	2021	2020	2019	2018	2017
Current assets	32,287,488	29,345,925	26,842,701	27,606,774	19,460,121
Right to use assets	28,531,660	38,574,502	49,415,856	-	-
Investments in sister companies	176,578	-	-	-	-
Fixed assets	38,510,241	44,117,837	56,257,454	46,490,223	28,555,788
Total assets	99,505,967	112,038,264	132,516,011	74,096,997	48,015,909
Current Liabilities	35,090,304	29,103,995	28,099,091	10,558,381	9,502,707
Non-current Liabilities	13,647,346	24,766,327	35,977,460	2,242,012	4,151,045
Long-term loans	17,702,364	27,256,122	29,518,891	31,005,794	12,872,848
Total liabilities	66,440,014	81,126,444	93,595,442	43,806,187	26,526,600
Paid-up capital	30,000,000	25,000,000	12,500,000	12,500,000	12,500,000
Reserves and rounded profits	3,065,953	5,911,820	26,420,569	17,790,810	8,989,309
Shareholders' equity	33,065,953	30,911,820	38,920,569	30,290,810	21,489,309
Total liabilities and shareholders' equity	99,505,967	112,038,264	132,516,011	74,096,997	48,015,909

5- Differences in operating results:

	2021	2020	Rate of change
Revenue	100,858,743	94,503,256	7 %
Cost of sales	89,532,863-	91,882,566-	-3 %
Total profit	11,325,880	2,620,690	332 %
General and administrative expenses	11,582,825-	7,971,639-	45 %
Operating profit (loss)	256,945-	5,350,949-	-95 %

6- The company's plans and future expectations:

The Company's Board of Directors and management are working to develop and expand its business by preparing future plans to ensure the company's presence in the market and increase the company's market share, one of the most important of which is the following company's plan:

- Ensure that the company's governance is activated and implemented in accordance with the regulations of corporate governance issued by the CMA, the corporate system issued by the Ministry of Commerce, and the instructions of supervisory and regulatory authorities.
- Expansion to reach 110 branches over the next five years.
- Acquire some juice time-assisting activities that yield rewarding returns.
- Training, development, continuous evaluation and investment in human capital.
- Motivate, train and develop training plans for employees.
- Work to promote the health of the community by providing healthy and natural products and preserving the environment.
- Work to achieve the highest local and international quality standards.
- Product marketing and increased sales of company B 2 B (business).
- Work to strengthen the internal control system in accordance with the approved standards and best practices.
- Work to provide global operating systems (ERP-POS) and automate the company's business.
- Increase financial resources, and reduce costs.
- Engage customers in continuous performance and product evaluation.

7- Human resources:

Since the founding of the company, senior management has taken on the importance of human resources as it is the most important element of the production process, which requires the search for good competencies capable of performance and outstanding giving, and therefore the management of human resources has been interested in making its employees able to achieve the goals of human resources in particular and achieving the objectives of the company in general. Developing and developing skills, raising efficiency, effectiveness and stability, as well as achieving belonging and loyalty through available employment opportunities and creating favorable working conditions and working environment, as well as justice in wages and administrative transactions and providing social and health services and care, which helps to employ and invest human resources as an effective entry point for managing and maintaining other resources. For a high position commensurate with the amount of effort exerted to become one of the attractive companies to hire Saudis where the percentage of Saudization for 2021 reached 33%, and the company looks forward to more in the future, God willing.

8- Information Technology:

The company has made many developments for the technical work environment in the company where the sales system Vodex was activated and connected to the company's ERP system, which contains many systems, for example, but not limited to the financial system, personnel system, procurement system, warehouse system, maintenance system, reporting system and other systems interconnected to automatically reverse all movements in the system, and the company also activated delivery applications more to increase sales And retrieving and activating social media and negotiating with new applications to increase outlets, as was developed application for the company, contracting with an electronic payment portal, and activated the security wall to keep the company information from hack and manipulation as a mechanism was made to save information and make backups, and update the system. The technical environment in the branches and equipped with security systems and safety and control of branches with cameras.

9- Social Responsibility:

The company attaches special attention to charitable, social and humanitarian work in addition to its economic and development role, and the company is keen to build a culture of social responsibility among employees, where the company contributed to a number of social and charitable activities during the year.

10- Zakat:

The amount of zakat for the fiscal year 2021 amounted to (348,155) and the company formed a dedicated zakat amount of 303,590 for zakat due for 2021, knowing that the company submitted the zakat declarations and unconsented financial statements to the General Authority for Zakat, Tax and Customs until 2020 and paid the due under that Decisions and obtained on the certificate related and the examination and linking was carried out until 2019, but in 2020 the approval of zakwe was examined and there was an objection to the evaluation of the Zakat Authority and tax and customs and the objection was rejected by the authority and the objection was escalated to the tax committees under the pretext of no. Z-2022-89840 for SAR 448,481.

11- Loans:

Statement of the long-term loan movement during 2021:

The company obtained a number of long-term islamic-compliant garages from Al Rajhi Bank as follows:

Balance 31/12/2021	Paid during the year	Add-on during the year	Loan balance 01/01/2021	Statement
2,621,637.23	0	0	2,621,637.23	First loan
4,961,316.15	0	0	4,961,316.15	Second loan
13,182,929.09	0	0	13,182,929.09	Third loan
4,597,490.31	0	0	4,597,490.31	Fourth loan
3,370,040.18	80,419.02	0	3,450,459.2	Fifth loan
28,733,412.96	80,419.02	0	28,813,831.98	Total

The short-term movement of the pairs during 2021: (SAR)

The company has obtained a number of short-term islamic-compliant garages from Al Rajhi Bank and Emirates Nbd as follows:

1. Al Rajhi Bank:

Balance 31/12/2021	Paid during the year	Add-on during the year	Loan balance 01/01/2021	Statement
2,875,396.40	0	0	2,875,396.40	First loan

2. Emirates NBD:

Balance 31/12/2021	Paid during the year	Add-on during the year	Loan balance 1/1/2021	Statement
0	1,678,478.56	0	1,678,478.56	First loan

12- Risks:

The company pays attention to the potential risks of expected competition as a result of the entry of new companies and expansions in other companies and the company reviews all the risks that may be exposed to it and then takes the necessary measures to reduce the impact of these risks on performance and overcome them, and the company achieves this through its management, committees and regulatory tools represented by the audit committee and periodic reports of financial and operational aspects and compare performance indicators.

The risks contained in the financial statements attached to this report illustrate the company's position on those risks as follows:

12/1 Exchange rate change risks:

The risk of change in the value of financial instruments due to changes in foreign exchange rates is monitored by the administration and the administration monitors foreign exchange fluctuations and believes that the company is not exposed to the risk of a significant change in exchange rates since the official currency of the company is the Saudi riyal, which is the main currency that the company deals with and its price is currently fixed and at a small margin against the U.S. dollar.

12/2 Credit risks:

The risk of other parties not being able to meet their obligations to the Company resulting in a financial loss resulting in the company depositing its cash balances in a number of high credit-capable financial institutions, and for clients there are no forward sales, management has not specified any significant concentrations in credit risk.

12/3 Liquidity risks:

The risks are that the company will have difficulties in obtaining funds to meet the obligations associated with financial instruments managed liquidity by periodically ensuring that it is available in sufficient amounts to meet any future obligations and the company does not believe that it is exposed to substantial liquidity risks.

12/4 Operating systems and Information Technology risks:

The company relies on IT systems to manage its business in general, and the importance of relying on it as it helps to manage the company's sales and document the purchasing processes and details that take place on a daily basis and connect branches in addition to the human resources planning system, so the company's failure to maintain and develop IT systems or the presence of any malfunctions in its functions will negatively affect the company's business and results.

12/5 Legal risks:

The company is exposed to risks related to legislative and legal changes in the Kingdom, whether from taxes or labor regulations, increased obligations, reduction of expansions and others.

12/6 Epidemic risks:

Epidemics and disasters are risks affecting the economy in general, and the company's activity in particular, including what the whole world witnessed after the Corona epidemic, which negatively affected the productivity and sales of the company, due to precautions and precautionary measures that can be issued by the specialist, such as what happened during fiscal year 2021.

12/7 Risk of high priority materials used:

There are risks facing the company, which is the risk of high and fluctuating fruit prices where most of the fruits used by the company fresh and imported fruits where the company faced the risk of high fruit prices due to the krona pandemic and also the lack of fruits in the local market and the suspension of imports from a number of fruit exporting countries, and this risk affects the cost Sales to the company where this rise in imported fruits is reflected in a rise in the cost of sales to the company, which may cause pressure on profit margins.

13- Results of the annual review of the effectiveness of the company's internal control procedures:

The Board of Directors seeks to develop and support the control and internal control systems, and prepare an annual plan for the audit process, which aims to evaluate the system of control and internal control, the Internal Audit Department submits periodic reports to the audit committee on its ongoing operational, administrative and financial audits, which aim to reasonably verify the achievement of the company's objectives of protecting the company's assets and the accuracy of accounting records and Complete, comply with the regulations and policies adopted by the administration to achieve the company's objectives and constantly monitored by the audit committee, and make recommendations about them, and the audits carried out by the Internal Audit Department and external auditors of the effectiveness and procedures of internal control and control did not show a fundamental weakness in the system of control and internal control of the company, which may indicate and reasonably ensure the effectiveness and efficiency of the procedures of the internal control system.

14- Company Governance:

The company applies the standards of the governance system in order to adhere to the best practices that ensure the protection of the rights of shareholders, stakeholders and employees of the company, and in the interests of the company on the rights of its shareholders as well as stakeholders dealing with it through the existence of policies and regulations that ensure that the company's business is regulated internally in accordance with the governance regulations, and therefore it was a priority of the Board of Directors to apply what is stated in the list of corporate governance issued by the Board of The Capital Market Authority(CMA).

The company has therefore completed its internal governance regulations (Company Governance Manual) for 2021, in accordance with the CMA Board's Corporate Governance Regulations:

Article	Article/paragraph text	Reason
39	Training, supporting and evaluating members of the Board of Directors and Executive Management, and developing the necessary programs for this.	Guidance, the company is working on training programs
41	At the suggestion of the Nominations Committee, the Board of Directors shall develop the evaluation and mechanisms necessary to evaluate the performance of the Board, its members, committees and executive management annually.	Guidance, and the Remuneration and Nominations Committee uses some means to evaluate them
85	The company develops programs to develop and stimulate participation and performance for the employees of the company	Guidance, the company is working on development and stimulation programs
87	At the suggestion of the Board of Directors, the AGM develops a policy to ensure that its objectives and those of society are balanced with the purpose of developing the social and economic conditions of society.	Guidance, applied when committed
88	- Develop benchmarks linking the company's performance to its social work initiatives, comparing it with other companies with similar activities. - Develop awareness programs to introduce the social responsibility of the company	Guidelines, which will be applied when adhered to
95	If the Board of Directors is formed by a competent corporate governance committee, it must authorize the specialty of the 94th article of this regulation, and the committee should follow up on any issues regarding governance applications and provide the Board of Directors with at least annual reports and recommendations.	Guidance, the Board of Directors works continuously in following up the company's application of all governance regulations and is applied when committed to them.

15- Board of Directors:

15/1 The Board:

The company is governed by a board of (6) members, and members are classified according to the definitions contained in Article II of the List of Corporate Governance issued by the CMA, and the number of board meetings held during 2021 (8) meetings, during which a package of decisions and recommendations was taken on the agenda of the meetings for the current session.

A. Board members

SN	Name	Current jobs	Previous jobs	Qualifications	Experiences
1	Ashri Saad Al Ashri	Board Chairman of The Development Works Food Company	Managing Director/ Al-Jouf Cement	Bachelor of Accounting	More than 22 years in the field of finance and business.
2	Ans Saleh AlAmud	Mobily Pay Compliance Manager Deputy Chairman of the Company	Director of Corporate Governance - Development Alinma Bank - Saudi Central Bank	M.A. Management Of Finical / MBA	More than 14 years in finance and business
3	Ibrahim Nasser Al-Shamimari	CEO/ Munch Automatic Bakery Company	CEO/Mohammed Al-Shamimari Financial Advisory Company, Chief Operating Officer/ Bravo Brands (Coca-Cola) UK	Bachelor of Finance and International Business Administration	More than 20 years in the field of finance and business.
4	Yazid Khalid Al Tamimi	Lawyer / Omar Bin Saleh Al-Ibrahim Office (Lawyers and Legal Advisers)	Lawyer / Omar Bin Saleh Al-Ibrahim Office (Lawyers and Legal Advisers)	Bachelor of Sharia	More than 5 years in the field of law
5	Bashar Abdulaziz Aba Al Khail	Founding Partner/Insurance Solutions Company	Head of Strategy and CEO in charge/Falcon Insurance Company - Insurance Supervisor and Director of Inspection on the Insurance Sector / Central Bank of Saudi Arabia Bank Inspector Bank / Central Bank of Saudi Arabia	Bachelor of Finance Master's MBA	More than 20 years in the field of finance and business.
6	Abdullah Khalid Al-Fadhli	Public Relations Officer/Glow of Life Advertising Company	Public Relations Officer/Glow of Life Advertising Company	Bachelor of Social Service	Public Relations and Social Service

- The second duration of the Board start on 30/10/2021

- Changes in the classification and nature of board membership during the year:

Type of change	SN	Member's name	The nature of change	Date of change
The nature of board membership	1	Hisham Abdulrahman Muqrin	Exit	29/10/2021
	2	Musa Abdullah Al Fawzan	Exit	29/10/2021
	3	Abdulrahman Nasser AlAsmari	Exit	20/12/2021
	4	Ibrahim Nasser AlShamimari	Join	30/10/2021
	5	Yazid Khalid Al Tamimi	Join	30/10/2021
	6	Abdullah Khalid Al Fadhli	Join	19/12/2021
	7	Bashar Abdulaziz Aba AlKhail	Join	21/12/2021

- The names of companies within or outside the Kingdom that the company's board member is a member of its current and former board of directors or directors:

	Name	Names of companies whose board member is a member of their current boards of directors or directors	Within the Kingdom/ Out of the Kingdom	Names of companies whose board member is a member of their previous boards of directors or directors	Within the Kingdom/ Out of the Kingdom	Legal entity (listed contribution/unlisted contribution/limited liability/....)
1	Ashri Saad Al Ashri	KASB Capital, Altafuf company Aljoug Mineral Water Bottling Co	Inside the Kingdom	AlJoug Cement Company		Public
2	Hisham Abdulrahman Muqrin					
3	Abdulrahman Nasser Al Asmari					
4	Musa Abdullah Al Fawzan					
5	Anas Saleh Al Amud					

6	Ibrahim Nasser Al-Shamimari	Sajana Trading Company, Munch Automatic Bakery Company	Inside the Kingdom			Limited liability
7	Yazid Khalid Al Tamimi					
8	Bashar Abdulaziz Abba Al Khail	National Medical Care Company, Saudi Paper Industry Company	Inside the Kingdom			Public
9	Abdullah Khalid Saad Al-Fadhli					

- Composition of the Board of Directors and classification of its members as follows:
Executive Board member - non-executive board member - independent board member:

SN	Member's name	Membership rating (executive/non-executive/independent)
1	Ashri Saad Al Ashri	Non-executive
2	Hisham Abdurrahman Muqrin	Executive
3	Abdulrahman Nasser Al-Asmari	Non-executive
4	Musa Abdullah Al Fawzan	Independent
5	Anas Saleh Al Amud	Independent
6	Ibrahim Nasser Al-Shamimari	Independent
7	Yazid Khalid AlTamimi	Independent
8	Bashar Abdulaziz Aba Al Khail	Independent
9	Abdullah Khalid Al-Fadhli	Independent

15/2 Board Attendance for 2021:

Name	25/01/2021	02/03/2021	27/04/2021	24/06/2021	16/08/2021	12/09/2021	2021/10/31	09/12/2021
Ashri Saad Al Ashri	✓	✓	✓	✓	✓	✓	✓	✓
Abd Al Rahman Nasser Al Asmari	✓	✓	✓	✓	✓	✓	✓	-
Hisham Abd AlRahman Muqrin	✓	✓	✓	✓	✓	✓	-	-
Musa Abdullah Al Fawzan	✓	✓	✓	✓	✓	✓	-	-
Anas Saleh Al Amud	✓	✓	✓	✓	✓	✓	✓	✓
Ibrahim Nasser Al-Shamimari	-	-	-	-	-	-	✓	✓
Yazid Khalid Al Tamimi	-	-	-	-	-	-	✓	✓

15/3 Interests of board members and senior executives:

15 /3/1 Interests of board members:

SN	Name	On 01/01/2021		On 31 December 2021		Net change	Rate of change
		Number of shares	Ratio	Number of shares	Ratio		
1	Ashri Saad Al Ashri	200,000	8 %	200,000	8 %	0	0%
2	Abd Al Rahman Nasser Al Asmari	191,000	7.64 %	191,000	7.64 %	0	0%

15/3/2 Interests of minor wives and children to members of the Board of Directors:

None of the wives or minors of board members have any shares in the company.

15/3/3 Interests of senior executives:

SN	Name	On 01/01/2021		On 31 December 2021		Net change	Rate of change
		Number of shares	Ratio	Number of shares	Ratio		
1	Hisham Abd Alrahman Muqrin	0	0 %	0	0 %	(0)	0%
2	Salah Mohammed Shahin	0	0 %	0	0%	(0)	%0
3	Abdullah Abdulrahman Al-Sharif	0	0 %	0	0%	(0)	%0
4	Nawaf Nasser Al Nashmi	0	0 %	0	0%	(0)	%0
5	Kareem Mohammed Al Sayed	0	0 %	0	0%	(0)	%0

15/3/4 The Interests of wives and minor children to senior executives:

The wives of minors and senior executives do not have any shares in the company.

15/3/5 Disclosure of policies rewarding board members, board committees and executive management

The following is the policy of rewarding board members and board committees and executive management in accordance with article (93) of the Corporate Governance Regulations, which aims to establish clear standards, controls and procedures for compensation and rewards of board members and members of the committees emanating from it, to the provisions of paragraph (1) of Article 61 of the List of Corporate Governance in Saudi Arabia, in application of On the Board of the Capital Market Authority by Resolution No. (2017-16-8) and the date of 16/5/1438 H, corresponding to 13 February 2017.

First/ Rewarding board members

The rewards are amounts, allowances, profits and what is in its judgment, periodic or annual rewards associated with performance and short or long-term incentive plans, and any other in-kind benefits except reasonable actual expenses and expenses incurred by the Company for the Board member. This bonus may be an amount or attendance allowance for sessions, in-kind benefits or a certain percentage of net profit, and may be combined with two or more of these benefits and if the bonus is a certain percentage of the company's profits, this percentage may not exceed (10%) of net profits, after deducting the reserves decided by the General Assembly in accordance with the provisions of the system and the company's base system, and after distributing a profit to shareholders. At least a discount (5% of the company's capital, within the limits of the corporate system, corporate governance regulations and the company's statutes.

Second/ Policy and Procedures to reward board members and board committees:

- 1- The rewards should be fair and proportionate to the terms of reference of the member, the business and the responsibilities carried out by the board members, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.
- 2- The rewards should be based on the recommendation of the Remuneration Nominations Committee.
- 3- The rewards must be commensurate with the company's activity and the skill needed to manage it. The size and experience of board members and board committees in the business related to the company.
- 4- The reward should be reasonably sufficient to attract, motivate and retain competent board members with appropriate experience, taking into account the upper limit (SAR 500,000) in article (76) of the corporate system.
- 5- A board member may receive a reward for his membership in the review committee formed by the General Assembly, or for any work or executive, technical, administrative or advisory positions - under a professional license - additional assigned to the company, in addition to the reward he can receive as a member of the Board of Directors and on the committees formed by the Board of Directors, in accordance with the corporate system and the company's base system. Obtained by the member as mentioned above does not fall within the maximum reward limit set out in article (76) of the corporate system described in paragraph (4) above.
- 6- The rewards of board members may vary in amount to reflect the member's experience, competences, tasks, independence, number of meetings he attends and other considerations.
- 7- The remuneration of independent board members should not be a percentage of the company's profits or be based directly or indirectly on the company's profitability. This is so that the association of their rewards with the performance of the company or any other factors does not affect the independence of their decisions.

- 8- According to the 21st article of the Company's Statute, the Board of Directors determines, at its discretion and by decision, the special reward received by the Chairman, Vice President and Managing Director, if any, for each of them in addition to the reward prescribed to the members of the Board of Directors, within the limits of the corporate system and regulations.
- 9- Board members may not vote on the board member bonus clause at the General Assembly meeting to ensure the independence of the company's General Assembly decision on the board members' bonus clause.
- 10- If the General Assembly decides to terminate the membership of absent board members for not attending three consecutive board meetings without a legitimate excuse, the member does not deserve any rewards for the period following the last meeting he attended, and must return all the rewards spent on him for that period.
- 11- If the Audit Committee or the CMA finds that the rewards disbursed to any board member are based on incorrect or misleading information presented to the General Assembly or included in the Board's annual report, it must return it to the company, and the company has the right to demand its refund. This does not exempt the Board member from any liabilities for any damages to the Company, its shareholders or any other persons involved as a result.
- 12- In its annual report, the Board of Directors must disclose details of the policies relating to rewards, mechanisms for their identification, and the amounts and financial and in-kind benefits paid to each board member for any executive, technical, administrative or advisory work or positions.

Third/ Rewards of board members and board committees:

As mentioned above, the rewards and fees of the Board of Directors are calculated as follows:

- 1- Annual bonus for board members and committees of the Board of Directors 40,000 SAR.
- 2- Annual bonus for membership of the committees of the Board of Directors for external members:
 - 2/1 Review Committee 15,000 SAR.
 - 2/2 Other committees 15,000 SAR.
- 3- Instead of attending board sessions and committees of the Board of Directors for all members 1500 SAR for each session.
- 4- The Board of Directors determines, at its discretion and by decision, the special reward received by the Chairman, Vice President and Managing Director - In and Jed - each in addition to the scheduled reward for board members.

Fourth/ Rewards for senior executives:

On the recommendation of the Nominations and Rewards Committee, the Board of Directors determines that senior executive is rewarded in accordance with the following principles:

- 1- Rewards and compensation are consistent with the company's strategic objectives, and are a factor in motivating senior executives to achieve these goals, enhance the company's capacity and grow its hopes.
- 2- To be suitable for the nature of the company's business, activity, size, skills and expertise required.
- 3- To enable the company to attract senior executives with the capabilities, skills and qualifications necessary to enable the company to achieve its goals.
- 4- Do not cause any conflict of interest that would adversely affect the company's interest and ability to achieve its objectives, including the rewards of executive management for:
 - A- Assassi's salary and allowances according to the contract are paid at the end of each calendar month and on an ongoing basis, health insurance for him and his family members, an annual bonus linked to the annual evaluation and a severance payout according to the work system.
 - B- The CEO implements the rewards policy for employees and senior executives in light of the general plans, programs and mentors approved by the Nominations and Rewards Committee.

15/3/6 Total payments to five senior executives including CEO and CFO:

Senior Executive Positions	Fixed rewards				Changing rewards						End-of-service bonus	Total executive reward for the Board if found	Total	Reviews
	Salaries	Allowances	Advantages in kind	Total	Periodic rewards	Profits	Short-term incentive plans	Long-term incentive plans	Shares granted (value is entered)	Total				
Total	892,543	303,208	0	1,195,751	0	0	0	0	0	0		74,500	1,270,251	

15/3/7 Board members' remuneration:

	Fixed rewards							Variable Rewards										
	Certain amount	attending Board meetings allowance	Total allowance for attending committee meetings	Advantages	Rewarding works of management and consulting	Rewarding the chairman of the board, the managing director, or the secretary, if he is one of its members	Total	Percentage of profits	Regular rewards	Short-term incentive plans	Long-term incentive plans	shared granted (value is entered)	Total	End-of-service	Total	Expense allowance	Reviews	
Oula: Independent members																		
Musa Abdullah AlFawzan	40,000	9,000	10,500	0	0	0	59,500	0	0	0	0	0	0	0	59,500	0		
Anas Saleh AlAmud	40,000	12,000	10,500	0	0	0	62,500	0	0	0	0	0	0	0	62,500	0		
Ibrahim Nasser AlShamimari	6,666	3,000	1,500	0	0	0	11,166	0	0	0	0	0	0	0	11,166			
Yazid Khalid Al Tamimi	6,666	3,000	1,500	0	0	0	11,166	0	0	0	0	0	0	0	11,166			
Total	93,332	27,000	24,000	0	0	0	144,332	0	0	0	0	0	0	0	144,332	0		
Second: Non-executive members																		
Ashri Saad Al Ashri	40,000	12,000	1,500	0	0	0	53,500	0	0	0	0	0	0	0	53,500	0	waive, to company	
Abd alrahman Nasser AlAsmari	40,000	10,500	1,500	0	0	0	52,000	0	0	0	0	0	0	0	52,000	0	waive, to company	
Total	80,000	22,500	3,000	0	0	0	105,500	0	0	0	0	0	0	0	105,500	0		
Third: Executive members																		
Hisham AbdAlrahman Muqrin	40,000	9,000	6,000	0	0	0	55,000	0	0	0	0	0	0	0	55,000	0		
Total	40,000	9,000	6,000	0	0	0	55,000	0	0	0	0	0	0	0	55,000	0		

15/3/8 Committee members' Remunerations:

Members of the Audit Committee	Fixed rewards (excluding session attendance allowance)	Attending allowance	Total
Saad Sunitan Hudaib	15,000	6000	21,000*
Musa Abdullah Al Fawzan	0	7500	7500
Mohamed Abdullah Al Mubarak	15,000	7500	22,500
Anas Salih Al Amoud	0	1500	1500
Hassan Omar Ba khamis	1250	1500	2750

* Waive to company

Members of the Nominations and Rewards Committee	Fixed rewards (excluding session attendance allowance)	Attending allowance	Total
Anas Saleh Al Amoud	0	3000	1500
Musa Abdullah Al Fawzan	0	1500	1500
Abdulrahman Nasser AlAsmari	0	1500	1500*
Ashry Saad Al Ashry	0	1500	1500*
Yazid Khalid Al Tamimi	0	1500	1500
Ibrahim Nasser AlShamimari	0	1500	1500

* waive, to company

Members of the Executive Committee	Fixed rewards (except for attending sessions)	Attending allowance	Total
Anas Saleh Al Amoud	0	4500	4500
Hisham Abd Alrahman Muqrin	0	4500	4500
Salah Shaheen	0	4500	4500

Members of the Risk Management Committee	Fixed rewards (excluding session attendance allowance)	Attending allowance	Total
Anas Saleh Al Amoud	0	1,500	1,500
Hisham Abdulrahman Muqrin	0	1,500	1,500
Musa Abdullah Al Fawzan	0	1,500	1,500

The reference here is that there are no deviations between the rewards granted and the applicable reward policies.

15/3/9 Members of the Board of Directors who have waived their remuneration:
Two members of the Board of Directors waived their remuneration

Name	Adjective
Ashri Saad Al Ashri	Chairman
Abd Al Rahman Al Asmari	Board Member

16- Board committees:

16/1 Audit Committee

The Audit committee consists of four members, and the General Assembly has adopted the rules of selection of members of the committee, the duration of their membership and the modus operandi of the committee, and the review committee consists of the following:

SN	Name	classification	Memberships status	Fully qualified	Current jobs	Previous jobs	Experiences
1	Musa Abdullah Al Fawzan	president	Independent	Diploma of Financial and Management Sciences / Master of Management Sciences / Bachelor of Commerce	Vice President / Authenticity for Education and Training	Development Manager - Hadid Al Rajhi / CEO - Construction Union Company for Construction Materials / Vice President - Othaim / CEO - Abdullah Bin Abdulaziz Al Rajhi Charitable Foundation / Ceo in charge - Earning Finance	23 years in the field of financial and administrative business
2	Anas Salih Al Amud	Member	Independent	MBA / B.A.	Mobily Pay Compliance Manager Deputy Chairman of the Company	Director of Corporate Governance – Al Inmaa Bank Senior Supervisor - Saudi Central Bank	More than 14 years in finance and business
3	Hassan Omar Ba khmis	Member	From outside the board.	MBA/B.A.	Director, Department of Business Development/ National Agricultural	Director of the Department of Business Development/National Poultry - Regulatory Advisor / Prince Norah Bint Abdulrahman University - Trainer and Management Advisor/Institute of Management	25 years in business management and development
4	Abdullah Abdullah Al Mubarak	Member	From outside the board.	Bachelor of Accounting	Director of Internal Review - Gain Holdings	Senior Auditor - Adult Office chartered accountants	34 years in finance

Changes in the classification and nature of membership in the review committee during the year

Nature of the review committee membership	1	Saad Sunitan Hudaib	Exit	29/10/2021
	2	Hassan Omar Ba khamis	Join	30/10/2021
	3	Anas Salih Al Amoud	Join	02/11/2021

16/2 Duties of the audit committee:

- Supervising the management of the internal audit in the company, in order to verify its effectiveness in carrying out the work and tasks specified by the Board.
- Study the internal control system and develop a written report on its opinion and recommendations.
- Study internal audit reports and follow up on the implementation of corrective actions for the observations contained in them.
- Recommending the Board to appoint, dismiss and charge chartered accountants, and in recommending the appointment ensure their independence.
- Follow-up of the work of chartered accountants and the adoption of any work outside the scope of the audit work they are assigned to in the course of the audit work.
- Coordination between the various departments of the company and external regulators including external auditors, the Capital Market Authority and other external regulators.
- Follow-up on the implementation of the registration and listing regulations issued by the CMA.
- Study the audit plan with the chartered accountant and make observations on it.
- Study the notes of the chartered accountant on the financial statements and follow up on what has been done about them.
- Study the preliminary and annual financial statements before submitting them to the Board and expressing their opinion and recommendation.
- Study the accounting policies and give an opinion and recommend to the Board.

The Audit committee meetings held in 2021 amounted to 5 meetings, although there was no conflict between the recommendations of the review committee and the decisions of the Board of Directors.

16/3 Audit committee meetings attendance at the 2021:

Name	2021/01/10	2021/04/24	2021/06/23	2021/08/12	2021/11/06
Saad Sunitan Hadaib	√	√	√	√	
Mohamed Abdullah Al Mubarak	√	√	√	√	√
Musa Abdullah AlFawzan	√	√	√	√	√
Hassan Omar Ba khamis					√
Anas Salih Al Amud					√

16/4 Nominations and Remuneration Committee:

The Nominations and Remuneration Committee is consists of three members, and the General Assembly has adopted the rules of selection of members of the committee, the duration of their membership and the modus operandi of the committee, and the committee of nominations and rewards consists of the following:

SN	Name	classification	Membership status	Fully qualified	Current jobs	Previous jobs	Experiences
1	Anas Salih Al Amud	president	Independent	MBA / B.A.	Mobily Pay Compliance Manager Deputy Chairman of the Company	Director of Corporate Governance – Al Inmaa Bank Senior Supervisor - Saudi Central Bank	More than 14 years in finance and business
2	Ibrahim Nasser AlShamimari	Member	Independent	Bachelor of Finance and International Business Administration	CEO / Munch Automatic Bakery Company	CEO / Mohammed Al-Shamimari Financial Advisory Company	20 years in business administration
3	Yazid Khalid AlTamimi	Member	Independent	Bachelor of Sharia	Lawyer / Omar Bin Saleh Al-Ibrahim Office (Lawyers and Legal Advisers)	Lawyer / Omar Bin Saleh Al-Ibrahim Office (Lawyers and Legal Advisers)	Experience in the field of law and law

Changes in the classification and nature of membership in the Nominations and Rewards Committee

membership of the Nominations and Rewards Committee	1	Abdulrahman Nasser AlAsmari	Exit	25/01/2021
	2	Ashri Saad Al Ashri	Exit	29/10/2021
	3	Musa Abdullah AlFawzan	Join	25/01/2021
	4	Musa Abdullah AlFawzan	Exit	29/10/2021
	5	Anas Salih AlAmoud	Join	25/01/2021
	6	Ibrahim Nasser AlShamimari	Join	31/10/2021
	7	Yazid Khalid Zaid AlTamimi	Join	31/10/2021

16/5 Duties and responsibilities of the Committee:

- Recommending the Board of Directors to nominate to the Board in accordance with the policies and standards adopted, taking into account the non-nomination of any person who has already been convicted of a crime against honour and honesty.
- Annual review of the requirements for appropriate skills for board membership and a description of the capabilities and qualifications required for board membership, including determining the time a member needs to devote to the work of the Board.
- Review the structure of the Board and make recommendations on changes that can be made.

- Identify weaknesses and strengths in the Board, and propose to address them in accordance with the interest of the company.
- Annually ensure the independence of independent members, and there is no conflict of interest if the member is a member of the board of directors of another company.
- Prepare and review the policy on awarding bonuses, benefits, incentives and salaries in the company on an annual basis.
- Clear policies for compensation and remuneration for board members and senior executives, taking into account the use of performance-related standards in development.
- Develop a rewards policy with the company that includes that the rewards and salaries are sufficient to attract and retain qualified people to work in the company and in line with the salaries granted by similar companies in the market to determine the company's needs of competencies at the level of senior executive management and employees and the basis of their selection.
- Prepare and review the company's human resources and training policy annually.

The nominations and rewards committee meetings held in 2021 reached 2.

16/6 Nominations and Remuneration committee attendance at the 2021:

Name	8/2021	12/2021
Anas Salih Al Amud	√	√
Ashri Saad Al Ashri	√	
Musa Abdullah Al Fawzan	√	
Abdulrahman Nasser Al-Asmari	√	
Ibrahim Nasser Al-Shamimari		√
Yazid Khalid Al Tamimi		√

16/7 Executive Committee:

The Executive Committee is consists of three members, and the General Assembly has adopted the rules of selection of members of the committee, the duration of their membership and the method of the work of the Committee.

The Executive Committee consists of:

SN	Name	classification	Membership status	Fully qualified	Current jobs	Previous jobs	Experiences
1	Anas Salih Al Amoud	president	Independent	MBA / B.A.	Mobily Pay Compliance Manager Deputy Chairman of the Company	Director of Corporate Governance – Al Inmaa Bank Senior Supervisor - Saudi Central Bank	More than 14 years in finance and business
2	Hisham Abdulrahman Muqrin	Member	Executive	Master of Accountcy	CEO of the company	CEO of The Investor Securities Company, CEO of Tharawat Securities Company, Chief Financial Officer of Albilad Capital	More than 20 years in the field of finance and business.
3	Salah Mohammed Shahin	Member	Executive	Bachelor of Commerce	The company's chief financial officer.	Chief Financial Officer, Hervey Plant	More than 30 years in the field of financial management and discretionary budgets

Changes in the classification and nature of membership in the Executive Committee

	1	Muhammad Iqbal palimalil	EXIT	25/01/2021
	2	Anas Salih Al Amud	Join	25/01/2021
	3	Salah Mohammed Shahin	Join	25/01/2021

16/8 Executive Committee Duties and responsibilities:

1. Developing the company's general strategic plans and practical vision for the implementation of the plans.
 2. Develop a vision for the future of developing and increasing the company's profits through market trends with the aim of achieving better returns for shareholders.
 3. Follow up on the company's long, medium and short-term strategic plans, update them and review them from time to time.
 4. Guide sales and marketing businesses and explore ways to activate them.
 5. Monitor market shares, growth rates and penetration from competing companies and take action in a timely manner.
 6. Approve discretionary budgets, approve consolidated branch budgets, operating costs, cash flow as a whole, and raise final approvals.
 7. Review budgets, monitor performance and ensure that executive management adheres to operational objectives, standards and regulations.
 8. Follow-up the implementation of the company's discretionary budgets, analyze the causes of deviations if any and make recommendations.
 9. Review approved capital expenses.
 10. Supervising the company's investments with third parties and in joint stock companies and working to obtain better returns by implementing clear and sound policies.
 11. Monitoring the efficiency and quality of the investment process in conjunction with the objectives.
 12. Supervising the implementation of the policies and procedures adopted in all departments of the company and its subsidiaries, if any.
 13. Monitoring the performance of the general manager and senior management team.
- The executive committee meetings held in 2021 reached three meetings.

16/9 Executive Committee Attendance at the 2021:

Name	28/1/2021	3/5/2021	6/9/2021
Anas Salih Al Amoud	√	√	√
Hisham Abdulrahman Muqrin	√	√	√
Salah Shaheen	√	√	√

16/10 Risk Management Committee:

The Risk Management Committee is consists of three members, and the General Assembly has adopted the rules of selection of members of the committee, the duration of their membership and the way the committee works, and the committee consists of the following:

No	Name	classification	Membership status	Fully qualified	Current jobs	Previous jobs	Experiences
1	Anas Salih Al Amoud	president	Independent	MBA / B.A.	Director of Corporate Governance / Al Inmaa Bank	Senior Supervisory Framework Analyst and Insurance Supervisor - Saudi Central Bank	12 years in the financial business
2	Hisham Abd Alrahman Muqrin	Member	Executive	Master of Accountcy	CEO of the company	CEO of The Investor Securities Company, CEO of Tharawat Securities Company, Chief Financial Officer of Albilad Capital	More than 20 years in the field of finance and business.
3	Musa Abdullah AlFawzan	Member	Independent	Diploma of Financial and Management Sciences / Master of Management Sciences / Bachelor of Commerce	Vice President / Authenticity for Education and Training	Development Manager - Hadid Al Rajhi / CEO - Construction Union Company for Construction Materials / Vice President - Othaim / CEO - Abdullah Bin Abdulaziz Al Rajhi Charitable Foundation	23 years in the field of financial and administrative business

Changes in the classification and nature of membership in the Risk Management Committee

Risk management committee membership	1	Abdullah Abdullah AlMubarak	EXIT	25/01/2021
	2	Mohamed Saad AlAshri	EXIT	25/01/2021
	3	Anas Saleh AlAmud	Join	25/01/2021
	4	Musa Abdullah Al Fawzan	Join	25/01/2021

16/11 Attendance of the Risk Committee for 2021:

Name	09/02/2021
Anas Salih Al Amoud	√
Hisham Abdurrahman Muqrin	√
Mosi Abdullah Al Fawzan	√

16/12 The Duties and responsibilities of the Risk Committee:

1. Develop a comprehensive risk management strategy and policies in proportion to the nature and size of the company's activities
Verify, review and update their implementation based on the company's internal and external variables.
2. Determine an acceptable level of risk to the company and maintain queue and check that the company does not exceed it.
3. To verify the feasibility of the company continuing and continuing its activities successfully, while identifying the risks that threaten its continuation over the next 12 months.
4. Overseeing the company's risk management system, assessing the effectiveness of its systems and mechanisms to determine its existence and following up on the risks to which the company may be exposed in order to identify its shortcomings.
5. Reassess the company's risk tolerance and exposure periodically (e.g. through endurance tests)
6. Prepare detailed reports on exposure to risks and proposed steps to manage these risks, and submit them to the Board of Directors.
7. Make recommendations to the Board on risk management issues.
8. Ensure adequate resources and systems for risk management.
9. Review the regulatory structure of risk management and make recommendations before it is adopted by the Board of Directors.
10. To verify the independence of risk management staff from activities that may arise to expose the company to risk.
11. Check that risk management staff understand the risks surrounding the company, and raise awareness of the risk culture.
12. Review the issues raised by the review committee that may affect the company's risk management.

16/13 Executive Management:

SN	Name	The job.	Fully qualified	Previous jobs	Experiences
1	Hisham Abdulrahman Muqrin	CEO of the company	Master of Accountancy	CEO of The Investor Securities Company, CEO of Tharawat Securities Company, Chief Financial Officer of Albilad Capital	More than 20 years in the field of finance and business.
2	Salah Mohammed Shahin	The company's chief financial officer.	Bachelor of Commerce	Chief Financial Officer, Hervey Plant	More than 30 years in the field of financial management and discretionary budgets
3	Abdullah Abdulrahman Al-Sharif	Business Development Manager	Bachelor of International Business Administration	Head of Business Development/Yazid Al Rajhi, Board Member of Half Million and Diouf Company	More than 15 years in the field of financial credit and business development
4	Nawaf Nasser Al Nashmi	Human Resources Manager	Bachelor of Business Administration	Director of Human Resources for Elite Oud/Bark Al-Ajami/Afti Association-National Company Regulatory Development Officer	More than 17 years in human resources
5	Kareem Mohammed Al Sayed	Operating Manager	Bachelor of Science	Supervisor of the Savoy Hotel, Cook Dor, Kentucky, Metro, Basami Transportation Co.	More than 12 years in restaurant management and operation

17- Assessing the performance of the board and its committees:

This is done through the Nominations and Rewards Committee, where it identifies the strengths and weaknesses of the Board of Directors and proposes to address them and evaluates the members of the Board of Directors, but the nominations and rewards committee is evaluated by the Chairman of the Board.

18- General Assemblies:

- 1- The company held the regular general assembly meeting on 18 November 1442, 28/06/2021, in which:
 - 1- Vote on financial statements for the year ended December 31, 2020
 - 2- Vote on the board's report for the year ended 31 December 2020
 - 3- Vote on the discharge of board members for the fiscal year ended December 31, 2020
 - 4- Vote on the Auditor's Report for the fiscal year ended December 31, 2020
 - 5- Vote on the review committee's report for the fiscal year ended December 31, 2020
 - 6- Vote on the appointment of a company auditor from among the candidates on the recommendation of the Audit Committee, in order to examine, review and audit the financial statements for the second, third, fourth and annual quarters of fiscal year 2021 and for the first quarter of 2022 and determine its fees.

- 2- The company held the meeting of the non-regular general assembly on 09/02/1443 H, 16/09/2021, in which:
 - 1- Vote on the amendment of Article (16) of the company's basic system relating to the management of the company
 - 2- Vote on the amendment of Article (23) of the Company's Basic System relating to the quorum of the Board meeting
 - 3- Vote on the amendment of Article (33) of the Company's Basic System relating to the quorum of the AGM
 - 4- Vote on the amendment of Article (47) of the Company's basic system relating to the distribution of profits
 - 5- Vote on the election of board members among the candidates for the next session, which starts on 30 October 2021 and lasts for three years, ending with the date of 29/10/2024
 - 6- Vote on the formation of the review committee and determine its functions, controls of its work and the rewards of its members.
 - 7- Vote on the Board's recommendation to increase the company's capital by granting free shares to the company's shareholders.

SN	Name	Position	classification	membership	Attended/ Did not attend
1	Ashri Saad Al Ashri	president	Non-executive	personal	Attended
2	Abdulrahman Nasser Al Asmari	Member	Non-executive	personal	Attended
3	Hisham Abd Al rahman Muqrin	Member	Executive	personal	Attended
4	Musa Abdullah AlFawzan	Member	Independent	personal	Attended
5	Anas Saleh AlAmoud	Member	Independent	personal	Attended

19- Shareholder records:

The company has applied 8 times for the shareholders' register for the purpose of holding the General Assembly and preparing for the transfer requirements for the main market.

20- Transactions with related entities:

There are transactions made during the year with related parties within the company's normal business and with the approval of management, and management considers that these transactions are no different from any other transactions submitted to a third party.

1- The balance due from the related party is:

The party in connection.	The nature of the relationship	2021
Nasser Abdulaziz Al-Sayari	Partner in a subsidiary	65,740
Ajdan Vegetable and Fruit Company	Sister Company	150,269

2- Balances owed to the related parties:

- There are no balance due to the related parties

3- Transactions with the related parties:

The party in connection.	Type of transaction	2021
Board of Directors	Remuneration of the Board and attend meetings	228,000
Higher Management	Salaries and other benefits	1,195,751
Al-Faddan for fruit and vegetables Company	operational	17,216,487

21- procurements or contracts with interest to the board member and executives:

There are no procurements or contracts entered into by the company during 2021 with the interest of a member of the Board of Directors or its senior executives.

22- Subsidiaries :

Al-Faddan for fruit and vegetables Company

Al-Faddan for fruit and vegetables Company is a limited liability company, 70% owned by Development Works Food Company, Al-Faddan for fruit and vegetables Company established under the Commercial Register No. 1010454082, and a capital of (500,000) 500,000 Saudi riyals, and its main center is located in Riyadh

M	Contributors	Money capital	Company ownership ratio	main activity	Operations country	Country of incorporation
1	Al-Faddan for fruit and vegetables Company	500,000	70%	Importing and selling vegetables and fruits	Saudi Arabia	Saudi Arabia

- Shares and debt instruments issued to the subsidiary
There are no shares or debt tools issued by subsidiary

23- Regular payments to government agencies:

Item	2021
Zakat	348,155
Total	348,155

24- Dividend policy:

- According to articles (42) and (43) of the company's statutes, the company's profits are distributed as follows:
 - The company's annual net profit after deducting all general expenses and other costs is distributed as follows:
- 1- It avoids (10%) of the net profits to form a regular reserve, and the General Assembly may stop this avoidance once the reserve in question reaches half of the capital.
At the suggestion of the Board of Directors, the Ordinary General Assembly may avoid a percentage of net profits to form and allocate convention reserves for a particular purpose or purpose. The rest is then distributed as a down payment to shareholders equivalent to at least 5% of the paid-up capital.
 - 2- After the above, no more than 10% of the rest is allocated to reward the Board of Directors, taking into account the regulations and instructions issued by the Ministry of Commerce and Industry in this regard, and the rest is then distributed to shareholders as an additional share of profits.
 - 3- Dividends to be distributed to shareholders are paid at the venue and the dates set by the Board of Directors in accordance with the instructions issued by the Ministry of Commerce and Industry.

25- Dividends during 2021:

The company did not distribute profits during 2021.

26- International accounting standards:

The company has applied international accounting standards and issued its financial lists for 2021 according to them.

27- Chartered Accountant Report:

As an external auditor for the company's accounts for the fiscal year ended December 31, 2021, al-Kharashi's office reviewed the company's financial statements, and the company's chartered accountant's report did not contain any reservations about the annual financial statements, and the office issued the following opinion:

"In our view, the attached consolidated financial statements show in all fundamental respects the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and consolidated cash flows for the year ending that date in accordance with the international standards of the financial report approved in Saudi Arabia and other standards and issues approved by the Saudi Authority of Auditors and Accountants."

28- Shareholders:

The Board of Directors and Executive Management of the company is committed to working to protect shareholders' rights in order to ensure justice and equality between them and not to distinguish between shareholders who own the same category of shares and not to withhold any right from them and to inform the members of the Board of Directors of the opinions, proposals and notices of shareholders about the company and its performance and discuss with them, as the Chairman of the Board also briefs and conveys the opinions of shareholders to the Board of Directors during the meetings of the Board without attending any Executive member if needed.

29- Board procedures to tell the members especially non executives

At the first board meeting, the Chairman informs the board members, especially non-executives, of the shareholders' proposals and observations about the company, its performance and the results of its work, although the company has not received any proposals or observations about the company.

30- Increase the company's capital

At its meeting on 09 December 2021, the Board of Directors approved an increase in the company's capital of (216,000,000) on the board's recommendation to increase the company's capital by offering priority rights shares and the announcement of the approval of the magazine on the Saudi trading site on 09/12/2021. This increase is conditional on the approval of the CMA and the General Assembly of the company and the company will prepare the file after the issuance of the financial statements for the fiscal year 2021 and complete the work of the examination that is negative for financial and legal ignorance and a submission to the Financial Market Authority, note The company has contracted with The CertainTyan Financial Company to be the financial advisor for the offering, and any new findings will be announced in this regard at the Saudi Trading Site.

31- Declarations of the Board

- That the account records are properly prepared.
- The internal control system was prepared on sound bases and effectively implemented.
- There is no doubt about the company's ability to continue its activities.
- There are no businesses or contracts entered into by the company or in the interest of a member of the Board of Directors, senior executives or any person related to any of them.
- There are no treasury shares with the company.

32- Board confirmations:

The Board confirms that:

- No loan was granted to any of the members of the Board or the Executive Management.
- The Company has not entered into any transactions related to the company's shares with any board members or those directly related.
- The company's financial statements were prepared in accordance with the accounting standards issued by The Saudi Organization for Chartered and Professional Accountants.
- There are no notes or reservations in the external reference report.
- There are no voting shares belonging to people who informed the company of these rights in 2021.
- There is no arrangement or agreement between the company and a shareholder to waive its share of the profits.
- No reserves or savings have been created for the benefit of the company's employees other than the end-of-service bonus allocation.
- There are no equity-convertible debt instruments, and no refundable debt instruments for the company and subsidiaries.
- There are no purchases or contracts with interest to the member of the Board of Directors or Executives.
- There are no arrangements or agreement under which a board member or a senior executive of the company will waive any undisclosed salary or compensation.

Final Speech

In conclusion, the Chairman and members of the Board of Directors thank the shareholders for meeting the invitation by attending and for the trust you have given to the Board, which we appreciate, and the Board of Directors registers its appreciation and gratitude to the government of The Custodian of the Two Holy Mosques, King Salman bin Abdul Aziz, and His Crown Prince Mohammed bin Salman bin Abdul Aziz, May God save them, the Financial Market Authority and all supervisory and supervisory bodies. For their continued cooperation and support for the company, the Board also thanks and appreciates all the company's employees for their dedication and continued support for the company.