

Governance Report

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Advancing Governance, Risk Management and Compliance

Internal Audit Activities

The Company's Board of Directors considers the Internal Audit Department (IAD) as an essential function to control, improve and monitor the performance of the Company and to strengthen its internal control and Corporate Governance environment so as to achieve its strategic objectives.

The IAD reports functionally to the Audit Committee, and administratively to the Chief Executive Officer (CEO). The IAD is committed to adhering to the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA) for internal audit activities, which includes International Standards for the Professional Practices of Internal Auditing, Core Principles, Internal Audit Definition, Code of Ethics, Implementation and Supplemental Guidance.

In 2021, BinDawood Holding's IAD prepared a risk based internal audit plan to assess any potential risks to BDH's operations and objectives. It engaged with PricewaterhouseCoopers (PwC) as a co-source partner to assist in implementing the risk-based audit plan, approved by the Audit Committee, to ensure adequacy and effectiveness of internal controls over business processes.

The following is a summary of the high-level accomplishments of BinDawood Holding's IAD during 2021:

- Developed a comprehensive Internal Audit Charter which was approved by the Audit Committee and the Chairman of the Board of Directors.
- Developed a three-year Strategic Plan (2021-2023) after re-assessing the overall risk assessment of business processes in co-ordination with all stakeholders including the Board, Audit Committee, senior management and other assurance providers. The IAD plan for FY 2021 was executed successfully.
- Liaised with External Auditors in accordance with the Internal Audit Standard 2050 (Co-ordination and Reliance) to ensure rigorous management of consulting service providers with a view to optimize coverage and minimize duplication of efforts.
- Conducted and finalized the Vulnerability Assessment and Penetration Testing audit and IT General Controls engagement with experts from PwC.
- Initiated the TeamMate+ Audit Management System to operate as a paperless department and improve work efficiency within the department.

Corporate Governance Activities

BDH is committed to observing and upholding the highest standards of Corporate Governance and made a special effort in 2021 to be fully compliant with the Corporate Governance Regulations issued by the Capital Market Authority (CMA).

Key corporate governance accomplishments implemented during 2021 include:

- Developed a Company 'Whistleblowing Policy'.
- Developed a 'Governance Committee Charter'.
- Developed a 'Remuneration Philosophy' and a 'Remuneration Policy' for the BOD, Committee Members and Executive Management.
- Developed a 'Related Party Transaction' Policy.
- Developed a policy for 'Regulating the Relationship with Stakeholders'.

Risk Management Activities

BinDawood Holding established a Risk Management department in 2021, which reports directly to the Audit Committee. BDH's risk management is based on the latest international frameworks, such as ISO-31000 and COSO-ERM, with an ambitious vision to be one of the best risk management departments in the Kingdom of Saudi Arabia in the coming years.

Compliance Activities

BDH's commitment to integrity and compliance goes far beyond simply preventing violations. Instead, it strives to build a robust compliance culture within the Company. The Compliance Department developed and started implementing a Compliance Plan for 2021 – 2022 to ensure compliance related activities are executed, together with handling any whistleblowing complaints and compliance advice requests whilst maintaining effective communication and reporting to senior management on compliance issues. The Compliance Department reports directly to the Audit Committee.

1. Implemented and non-implemented provisions of the Corporate Governance Regulations issued by the Capital Markets Authority (CMA) and justifications therefor

The Company became fully compliant with all the mandatory and guiding articles during 2021. The following steps were taken in 2021 to ensure full compliance with the CMA's Corporate Governance Regulations.

Article No.	Article	Article Type	Justifications
39	Training	Guiding Article	The Company recently conducted a highly specialized corporate governance training session for the Board and members of senior executive Management which was delivered by external experts from the PwC Academy
41	Assessment of the Board	Guiding Article	The Company conducted a constructive assessment of the Board and its Committees led by the Nomination and Remuneration Committee as delegated by the Board
70	Composition of the Risk Management Committee	Guiding Article	The Board of Directors delegated the responsibilities for Risk Management to the Audit Committee whose Charter was updated to incorporate this change and then approved by the Board in March 2021 and the General Assembly in June 2021
83	Regulating the relationship with stakeholders	Guiding Article	The Company developed a policy for regulating relationships with stakeholders and launched it in November 2021
84	Reporting non-compliant practices	Mandatory Article	The Audit Committee and the Board approved a whistleblowing policy in April 2021. This policy is available on the Company's website
85	Employee incentives	Guiding Article	The Company created incentive programs for employees through various strategies and mechanisms
95	Formation of a Corporate Governance Committee	Guiding Article	The Board approved the formation of the Corporate Governance Committee and approved its Charter in Q1 FY 2021. The Committee started to meet during 2021

Board of Directors' Report continued

2. Names, qualifications, experience, as well as current and former responsibilities of the Board and Executive Management members

A. Summary of Board Members' and Board Secretary's CVs

Name	Abdulrazzag Dawood BinDawood
Current Positions	<ul style="list-style-type: none"> Chairman of the Board of Directors, Non-Executive, BinDawood Holding Executive Chairman of the Board of many companies including Abdullah Dawood BinDawood and Sons Company Limited, BinDawood Trading Company Limited, National Leader for Real Estate Company Limited, Amwaj Real Estate Company Limited, AlQimma Hotels Company Limited, Akasiya Star Trading Company Limited, Future Field for Real Estate Company, Builders Company Limited Chairman of the Board of many companies including BinDawood Superstores Company, Danube Company for Foodstuff and Commodities and Danube Star for Bakeries and Marketing
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in Engineering from King Fahd University of Petroleum and Minerals, Dhahran, KSA Honorary Doctorate of Economics from the European University of Benelux, Belgium
Previous Positions	• n/a
Experience	<ul style="list-style-type: none"> Lifetime experience in retail sector He also sits on a number of other boards & committees

Name	AbdulKhalig Dawood BinDawood
Current Positions	<ul style="list-style-type: none"> Vice Chairman of the Board of Directors, BinDawood Holding Executive Member of the Board of many companies including Abdullah Dawood BinDawood and Sons Company Limited, BinDawood Trading Company Limited, National Leader for Real Estate Company Limited, Amwaj Real Estate Company Limited, AlQimma Hotels Company Limited, Akasiya Star Trading Company Limited, Future Field for Real Estate Company, Builders Company Limited Vice Chairman of the Board of many companies including BinDawood Superstores Company, Danube Company for Foodstuff and Commodities and Danube Star for Bakeries and Marketing
Qualifications	• Bachelor's degree in Physics from Umm Al-Qura University, Makkah, KSA
Previous Positions	• n/a
Experience	<ul style="list-style-type: none"> Lifetime experience in retail sector He also sits on a number of other boards & committees

Name	Khalid Dawood BinDawood
Current Positions	<ul style="list-style-type: none"> Managing Director, BinDawood Holding Executive Member of the Board of many companies including Danube Star for Bakeries and Marketing, Abdullah Dawood BinDawood and Sons Company Limited, BinDawood Trading Company Limited, National Leader for Real Estate Company Limited, Amwaj Real Estate Company Limited, AlQimma Hotels Company Limited, Akasiya Star Trading Company Limited, Future Field for Real Estate Company, Builders Company Limited Managing Director of the Board of Danube Flower for Recruitment
Qualifications	• High School degree from Al Dammam School, Al Dammam, KSA
Previous Positions	• n/a
Experience	<ul style="list-style-type: none"> Lifetime experience in retail sector He also sits on a number of other boards & committees

Name	Ahmad Abdulrazzag BinDawood
Current Positions	<ul style="list-style-type: none"> Member of the Board of Directors, BinDawood Holding CEO, BinDawood Holding CEO, Danube Company for Foodstuff and Commodities CEO, BinDawood Superstores Company Member of the Board of Red Sea Mall Company Member of the Board of International Applications Trading Company
Qualifications	• Bachelor's degree in International Business Administration from King Abdulaziz University, KSA
Previous Positions	<ul style="list-style-type: none"> Assistant Purchasing Manager at Danube Company for Foodstuff and Commodities Deputy Operations Manager at Danube Company for Foodstuff and Commodities Business Development Manager at Danube Company for Foodstuff and Commodities Deputy Chief Executive at Danube Company for Foodstuff and Commodities
Experience	• Retail & business sectors

Name	Tariq Abdullah BinDawood
Current Positions	<ul style="list-style-type: none"> Member of the Board of Directors, BinDawood Holding Chief Development Officer, BinDawood Holding
Qualifications	• Middle school degree from AlAsimah School, Makkah, KSA
Previous Positions	<ul style="list-style-type: none"> Operations Manager at the BinDawood Superstores Company Regional Operations Manager at the BinDawood Superstores Company Chief of Operations at BinDawood Superstores Company Projects & Development Manager, BinDawood Holding
Experience	<ul style="list-style-type: none"> He is a member of a number of other boards Retail & business sectors

Board of Directors' Report continued

2. Names, qualifications, experience, as well as current and former responsibilities of the Board and Executive Management members continued

A. Summary of Board Members' and Board Secretary's CVs continued

Name	Walid Michel Majdalani
Current Positions	<ul style="list-style-type: none"> Member of the Board of Directors, BinDawood Holding Head of Private Equity MENA and Southeast Asia at Investcorp Financial Services BSC Member of the Nomination & Remuneration Committee and member of the Board of Directors at Automak Automotive Company K.S.C.C Member of the Nomination & Remuneration Committee and member of the Board of Directors at NDT and Corrosion Control Services Company Member of the Board of Directors at Investcorp Saudi Arabia Financial Investments Co. Member of the Board of Directors at Al Yusr Industrial Contracting Company and its Subsidiaries Member of the Board of Directors, Asia Food Growth Advisors Limited Member of the Board of Directors, Asia Food Growth Investment Manager Limited Member of the Board of Directors, Asia Food Growth Advisors (Hong Kong) Limited Member of the Board of Directors, Asia Food Growth I GP Limited Member of the Board of Directors, Viz Branz Holdings Pvt. Ltd. Member of the Board of Directors, Heritage Foods Limited, India
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in Information Management Systems from the University of Texas, USA Master's degree in Business Administration from Harvard University, USA
Previous Positions	<ul style="list-style-type: none"> Member of the Board of Directors, Orka Holding A.S. Member of the Board of Directors, Hydrasun Group Holdings Ltd Member of the Board of Directors, Hydrasun Group Equipment Ltd Assets and Investment Manager at ABN Amro Bank N.V, a public limited company established in the Netherlands, and operating in the banking sector UAE Regional Manager at Oracle Systems Limited, a limited liability company established in the United States of America, and operating in the Information Technology sector Principal at Investcorp Bank B.S.C, a Joint Stock Company established in the Kingdom of Bahrain, and operating in the Financial sector Managing Director at Investcorp Bank B.S.C. Member of the Nomination and Remuneration Committee and Member of the Board at Theeb Rent A Car Company
Experience	<ul style="list-style-type: none"> He is a member of a number of other boards and committees Banking, financial & private equity sectors

Name	Abdulrahman Mohammed Albarrak
Current Positions	<ul style="list-style-type: none"> Member of the Board of Directors, BinDawood Holding Chairman of the Audit Committee at BinDawood Holding Chairman of the Corporate Governance Committee at BinDawood Holding President of Thara Consulting Member of the Board of Directors, Alandalus Property Company Member of the Board of Directors, Saudi Credit Bureau Company SIMAH Member of the Board of Directors, Gulf Telecom Company Member of the Board of Directors, Thiqah Business Services Company Member of the Board of Directors, Al Watania Poultry Company
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in Accounting from King Faisal University, KSA Master's degree in Finance from the University of Colorado, USA Doctorate in Finance from Newcastle University, UK
Previous Positions	<ul style="list-style-type: none"> Vice-Chairman of the Capital Market Authority Board Member of the Capital Market Authority Board Chaired the Audit Committee of the Capital Market Authority (CMA), the Saudi Organization for Chartered and Professional Accountants (SOCPA), and a number of Executive Committees and Strategic Committees overseeing projects related to the development of the Saudi financial market Associate Professor, Dean, and head of the Finance department at King Faisal University Member of the Board at the Saudi Organization for Chartered and Professional Accountants Chairman of the Board of Directors, MedGulf Insurance Company Chairman and Board Member at Leejam Sports Company Member of the Board of Directors, Jabal Omar Development Company
Experience	<ul style="list-style-type: none"> Chairman & member of numerous government & corporate boards & committees Extensive experience in financial markets, finance and corporate governance, and internal audit and control systems

2. Names, qualifications, experience, as well as current and former responsibilities of the Board and Executive Management members continued

A. Summary of Board Members' and Board Secretary's CVs continued

Name	Iyad Mazhar Malas
Current Positions	<ul style="list-style-type: none"> Member of the Board of Directors, BinDawood Holding CEO and Member of the Board of Directors Al Ghurair Group and subsidiaries, UAE Member of the Board of Directors, Mashreq Bank Member of the Board of Directors, National Cement Company Advisor to the Board of Directors, Sawari Ventures Member of the Board of Directors, Olayan Food Division, KSA Member of the Board of Directors, Methak Holding, KSA Chairman of BECO Fund I, UAE
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in Business Administration from the American University of Beirut, Lebanon Master's degree in International Business Administration from the George Washington University, USA Chartered Financial Analyst from the Institute of Chartered Financial Analysts, Charlottesville, Virginia Association for Investment Management and Research, USA
Previous Positions	<ul style="list-style-type: none"> Member of the Board of Directors, ASGC Construction, UAE Member of the Board of Directors, Fetchr Company Advisor to Gulf Capital Market analyst at the International Finance Corporation, Washington Investment officer at the International Finance Corporation, Washington Senior investment officer at the International Finance Corporation, Washington Regional financial markets manager at the International Finance Corporation, Washington CEO at Fleming CIIC CEO at EFG-Hermes Regional Director at the International Finance Corporation, India CEO at Majid Al Futtaim Trust CEO at Majid Al Futtaim Holding Company Partner and Senior Executive Officer at Gateway Partners
Experience	<ul style="list-style-type: none"> He is an acting advisor to a number of other boards Finance, business & retail sectors

Name	Nitin Khanna
Current Positions	<ul style="list-style-type: none"> Member of the Board of Directors, BinDawood Holding Advisor to several subsidiaries of Transmed Holdings Senior Partner of Nucleus Consulting FZC
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in Economics from Delhi University, India Chartered Accountant, from the Institute of Chartered Accountants of India
Previous Positions	<ul style="list-style-type: none"> Semi Senior at Whinney Murray, Bahrain (now known as Ernst & Young) Assistant Manager and Manager in the audit line of service at PricewaterhouseCoopers, Dubai Branch Senior Manager and Director in the Audit and Deals Advisory lines of services at PricewaterhouseCoopers, Dubai Branch Partner at PricewaterhouseCoopers, Dubai Branch Member of the Leadership Team of PricewaterhouseCoopers, Middle East Regional Head of Risk and Quality of PricewaterhouseCoopers, Middle East Regional Transaction Services Leader of PricewaterhouseCoopers, Middle East Regional Corporate Finance Leader of PricewaterhouseCoopers, Middle East Member of the Deals Leadership Team of PricewaterhouseCoopers, Middle East Consultant at PricewaterhouseCoopers, Dubai Branch Advisory Board Member, Emirates Hospital Group
Experience	<ul style="list-style-type: none"> Finance, accounting, economics & business sectors

Name	Thamer Saeed Althubaiti
Current Positions	<ul style="list-style-type: none"> Member of the Nomination and Remuneration Committee and the Audit Committee, BinDawood Holding Founder and partner at Thamer Althubaiti and Dhafer AlSubaei for Law and Legal Advisory Company, KSA Vice president at Saeed Althubaiti for Jewellery Establishment and its branches, KSA
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in Law from King Abdulaziz University, KSA
Previous Positions	<ul style="list-style-type: none"> Legal Advisor at AlSheikh Abdullah AIMusleh Legal Group, KSA Member of the Gold and Jewellery Committee at the Jeddah Chamber of Commerce Member of the Friends of the Saudi Red Crescent Authority Committee at the Jeddah Chamber of Commerce Member of Saudi Lawyers Authority
Experience	<ul style="list-style-type: none"> Retail & legal sectors

Board of Directors' Report continued

2. Names, qualifications, experience, as well as current and former responsibilities of the Board and Executive Management members continued

A. Summary of Board Members' and Board Secretary's CVs continued

Name	Adel M.R. Jamjoom
Current Positions	<ul style="list-style-type: none"> Member of the Governance Committee, BinDawood Holding Manager, Litigation Section, Islamic Development Bank Member of the Technical Review Group of IDB Member of several investigation committees and task forces related to the procurement of goods and services for the Bank
Qualifications	<ul style="list-style-type: none"> LLM (Master of Laws in Business Law), Washington College of Law, USA Legal Introductory Course, International Law Institute, USA LLB (Bachelor of Law), King Abdul Aziz University, KSA
Previous Positions	<ul style="list-style-type: none"> Acting Manager, Litigation Section, Islamic Development Bank KSA
Experience	<ul style="list-style-type: none"> Islamic Banking (Litigation) Regulatory & Compliance (Counselling Management for the Development Banking and International Financial Markets) Legal Matters (Contracts Review and Providing Legal Opinion)

B. Summary of Committee Members' CVs

i. Nomination and Remuneration Committee

The main function of the Nomination and Remuneration Committee is to identify qualified candidates who are eligible for Board membership. The Committee is also responsible for assisting the Board in establishing a proper governance system and drafting the necessary policies and procedures.

No.	Name	Title
1	Iyad Mazhar Malas ⁽¹⁾	Chairman
2	Abdulrazzag Dawood BinDawood ⁽²⁾	Member
3	Thamer Saeed Althubaiti	Member

(1) Iyad Mazhar Malas: his current and previous positions, qualifications and experience were mentioned earlier in this report.

(2) Abdulrazzag Dawood BinDawood: his current and previous positions, qualifications and experience were mentioned earlier in this report.

Name	Thamer Saeed Althubaiti
Current Positions	<ul style="list-style-type: none"> Member of the Nomination and Remuneration Committee and the Audit Committee, BinDawood Holding Founder and partner at Thamer Saeed Althubaiti and Dhafer AlSubaei for Law and Legal Advisory Company, Kingdom of Saudi Arabia Vice president at Saeed Althubaiti for Jewellery Establishment and its branches, Kingdom of Saudi Arabia
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in law from King Abdulaziz University, Kingdom of Saudi Arabia
Previous Positions	<ul style="list-style-type: none"> Legal advisor at AlSheikh Abdullah AlMusleh Legal Group, Kingdom of Saudi Arabia
Experience	<ul style="list-style-type: none"> Member of the Gold and Jewellery Committee at the Jeddah Chamber of Commerce Member of the Friends of the Saudi Red Crescent Authority Committee at the Jeddah Chamber of Commerce Retail & legal sectors

ii. Audit Committee

The implementation of an effective internal control system is one of the responsibilities assigned to the Board of Directors. The main task of the Audit Committee is to verify the adequacy and effective implementation of the internal control system and to make any recommendations to the Board of Directors that would actuate and develop the system to achieve the Company's objectives. The Committee is also responsible for reviewing risk management policies, the annual risk report and risk reduction plans before presenting the same to the Board of Directors. The Committee is responsible for ensuring compliance with the Company's Corporate Governance Regulations and Practices issued by the Capital Market Authority and the Company's Corporate Governance Manual and Policy.

Audit Committee Members

No.	Name	Title
1	Abdulrahman Mohammed Albarrak ⁽¹⁾	Chairman
2	Walid Michel Majdalani ⁽²⁾	Member
3	Thamer Saeed Althubaiti ⁽³⁾	Member

(1) Abdulrahman Mohammed Albarrak: his current and previous positions, qualifications and experience were mentioned earlier in this report.

(2) Walid Michel Majdalani: his current and previous positions, qualifications and experience were mentioned earlier in this report.

(3) Thamer Saeed Althubaiti: his current and previous positions, qualifications and experience were mentioned earlier in this report.

iii. Executive Committee

The main task of the Executive Committee is to review the policies and strategic goals of the Company and monitor their implementation. The Executive Committee is also responsible for reviewing periodically the strategic plans and operational objectives of the Company and its subsidiaries to ensure their conformity with the Company's objectives. The scope of the Committee's work shall include all actions that enable it to fulfil its functions.

No.	Name	Title
1	Abdulrazzag Dawood BinDawood ⁽¹⁾	Chairman
2	AbdulKhalig Dawood BinDawood ⁽²⁾	Member
3	Walid Michel Majdalani ⁽³⁾	Member
4	Nitin Khanna ⁽⁴⁾	Member

(1) Abdulrazzag Dawood BinDawood: his current and previous positions, qualifications and experience were mentioned earlier in this report.

(2) AbdulKhalig Dawood BinDawood: his current and previous positions, qualifications and experience were mentioned earlier in this report.

(3) Walid Michel Majdalani: his current and previous positions, qualifications and experience were mentioned earlier in this report.

(4) Nitin Khanna: his current and previous positions, qualifications and experience were mentioned earlier in this report.

C. Summary of Executive Management CVs

The Company's senior management is comprised of qualified Saudi and non-Saudi members with significant retail expertise. The senior management team currently consists of eleven (11) members.

Name	AbdulKhalig BinDawood
Current Positions	<ul style="list-style-type: none"> Vice Chairman, BinDawood Holding <p>His current and previous positions, qualifications and experience were mentioned earlier in this report</p>

Name	Khalid BinDawood
Current Positions	<ul style="list-style-type: none"> Managing Director, BinDawood Holding <p>His current and previous positions, qualifications and experience were mentioned earlier in this report</p>

Board of Directors' Report continued

2. Names, qualifications, experience, as well as current and former responsibilities of the Board and Executive Management members continued

C. Summary of Executive Management CVs continued

Name	Ahmad Abdulrazzaq BinDawood
Current Positions	<ul style="list-style-type: none"> Chief Executive Officer, BinDawood Holding <p>His current and previous positions, qualifications and experience were mentioned earlier in this report</p>
Name	Tariq Abdullah BinDawood
Current Positions	<ul style="list-style-type: none"> Chief Development Officer, BinDawood Holding <p>His current and previous positions, qualifications and experience were mentioned earlier in this report</p>
Name	Muhammed Salim Patka
Current Positions	<ul style="list-style-type: none"> Chief Financial Officer, BinDawood Holding
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in business administration from the University of Karachi, Pakistan Chartered Accountant from the Institute of Chartered Accountants of Pakistan, Pakistan
Previous Positions	<ul style="list-style-type: none"> Audit clerk at Ford Rhodes Robson Morrow, Pakistan Senior audit clerk at PricewaterhouseCoopers, Pakistan Finance officer at Hoechst Pakistan Limited Assistant finance manager at Hoechst Pakistan Limited Financial controller at Uclaf Environmental Health, Pakistan Finance manager at Hoechst Pakistan Limited, Pakistan Divisional finance manager at Hoechst Pakistan Limited Chief financial officer and company secretary at AgrEvo Pakistan Financial officer and company secretary at Aventis CropScience Pakistan Chief financial officer at BinDawood Superstores Company, KSA
Experience	<ul style="list-style-type: none"> CFO of the Year Award – Private Sector, Saudi Trade Finance Awards, KSA, 2019 Finance, business, accounting & retail sectors
Name	Walid Abdulrazzag BinDawood
Current Positions	<ul style="list-style-type: none"> Chief Commercial Officer, BinDawood Holding
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in finance and administration from King Abdulaziz University, KSA Master's degree in business administration from Cardiff Metropolitan University, UK
Previous Positions	<ul style="list-style-type: none"> Category buyer at BinDawood Superstores, KSA Chief operating manager at BDSS Board secretary at BinDawood Holding Company, KSA Chief human resources officer at Danube Company for Foodstuff, KSA Chief human resources officer at BDSS Chief commercial officer at BDSS
Experience	<ul style="list-style-type: none"> GCC, Rising Star Award – Gov Youth Summit, 2021 Retail & business sectors

Name	Basem Hijaz
Current Positions	<ul style="list-style-type: none"> Chief Audit and GRC Officer, BinDawood Holding Secretary of the Board, Audit Committee and the Governance Committee, BinDawood Holding
Qualifications	<ul style="list-style-type: none"> Executive Master of Business Administration, London Business School, 2021 BA Accounting, Faculty of Business Administration, The University of Jordan Qualification in Internal Audit Leadership (QIAL), Institute of Internal Auditors, USA Certified Public Accountant (CPA) certificate, American Institute of Certified Public Accountants, USA, Active License Certified Internal Auditor (CIA) Institute of Internal Auditors, USA Certified Information System Auditor (CISA), Information System Audit & Control Association, USA Certified Fraud Examiner (CFE), ACFE, USA Certification in Risk Management Assurance (CRMA), Institute of Internal Auditors, USA Certified in Risk and Information System Control (CRISC), Information System Audit & Control Association, USA Certification in Control Self-Assessment (CCSA), Institute of Internal Auditors, USA
Previous Positions	<ul style="list-style-type: none"> Chief Audit Executive, Secretary of the Audit Committee, National Agricultural Development Co. (NADEC), KSA Chief Audit Executive, Secretary of the Audit Committee: Qatari Investors Group, (QIG), Qatar Internal Audit Director, Secretary of the Audit Committee: Bawan Holding Company, KSA Regional Internal Auditor: United Electronics Co. EXTRA, KSA Senior Internal Auditor: Jordan Electricity Company, Jordan
Experience	<ul style="list-style-type: none"> Audit Committee Chairman of Saudi Cables Company Audit Committee Chairman of Careem Incorporation (until it became a subsidiary of Uber) Audit Committee Chairman of Institute of Internal Auditors, Jordan Founder and Ex-Vice President of Institute of Internal Auditors, Jordan

Name	Siobhán Maria McCarthy
Current Positions	<ul style="list-style-type: none"> Chief Communications Officer, BinDawood Holding
Qualifications	<ul style="list-style-type: none"> Bachelor of Arts degree in Journalism & Communications from Griffith College, Dublin, Ireland Certificate of Investor Engagement & Shareholder Relations, Informa Middle East Certificate, Race & Ethnicity, Trinity College Dublin, Ireland Certificate, Data & Analytics, Section 4 Certificate, Business Strategy, Section 4 Certificate, Brand Strategy, Section 4
Previous Positions	<ul style="list-style-type: none"> Chief Communications Officer at AYM Commerce, UAE Director of Communications, AYM Commerce, UAE Head of Corporate Communications, Europe, Middle East, Africa & South Asia, Travelport Account Director & Director of Affiliates, Edelman
Experience	<ul style="list-style-type: none"> Top 50 Marketing & Communications Professionals in the Middle East, Forbes Middle East, 2020 Top 50 Women in Middle East Retail, Retail Middle East, 2020 Communications, public relations & investor relations sectors

Board of Directors' Report continued

2. Names, qualifications, experience, as well as current and former responsibilities of the Board and Executive Management members continued

C. Summary of Executive Management CVs continued

Name	Medhat AboelSoud
Current Positions	<ul style="list-style-type: none"> Chief Corporate Affairs Officer, BinDawood Holding
Qualifications	<ul style="list-style-type: none"> Bachelor of Science Degree, Business Administration from Ain Shams University, Cairo, Egypt PMP, Certified Telecoms Mini MBA, Informa
Previous Positions	<ul style="list-style-type: none"> Director of PMO, BinDawood Holding Head of PMO, Kaplan, KSA Director of Customer Experience & CRM, King Abdullah Economic City, KSA Director of Customer Experience, Mobily, KSA
Experience	<ul style="list-style-type: none"> Telecom, real estate, banking, retail & education services

Name	Mohammed Belkhatte
Current Positions	<ul style="list-style-type: none"> Chief Transformation Officer, BinDawood Holding
Qualifications	<ul style="list-style-type: none"> Executive MBA, Bradford University, UK Bachelor's Degree IT, Engineering College of AMS, Netherlands Digital Transformation Certificate, MIT
Previous Positions	<ul style="list-style-type: none"> General Manager, Information Technology at Majid Al Futtaim, Carrefour, UAE IT Operation Manager at Majid Al Futtaim, Carrefour, UAE IT Security Manager at Majid Al Futtaim, Carrefour, UAE IT Consultant at Capgemini, The Netherlands
Experience	<ul style="list-style-type: none"> IT strategies & governance Digital transformation & innovation Cybersecurity & data governance Risk management & compliance Enterprise software development & deployment Change management & digital adoption Networking & telecommunication Infrastructure operations & cloud technology

Name	Anthony Parker
Current Positions	<ul style="list-style-type: none"> Chief Operations Officer, BinDawood Holding
Qualifications	<ul style="list-style-type: none"> Bachelor of Science Degree with Honours – Construction Management – University of Northumbria, Newcastle, UK
Previous Positions	<ul style="list-style-type: none"> Operations Director, Pan India, Star Bazaar (a TATA and Tesco joint venture) Regional Director, Lidl UK, (15 years – across 3 regional territories) Property Executive, Lidl UK, London Area Manger retail operations, Lidl UK
Experience	<ul style="list-style-type: none"> Store retail operations, warehousing and logistics, supply chain, property acquisition and store construction, human resource management and talent development, ecommerce end to end delivery, brand positioning and loyalty programs Member of the Tesco Global COO forum Managing committee member for the British Business Group, Mumbai division

Note: The former Chief Human Resources Officer, Waleed Al Ghonaim left the Company on 31 December 2020. The Company is currently seeking a replacement hire for this position.

Note: The Company is in the advanced stages of appointing a Chief Technology Officer.

3. Names of the companies inside and outside KSA in which a Board Member is a member of their current or previous Boards or a manager thereof

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
1	Abdulrazzaq BinDawood	BinDawood Holding Company	Inside	Listed			
		Danube Star for Bakeries and Marketing	Inside	Limited Liability			
		Abdullah Dawood BinDawood and Sons	Inside	Limited Liability			
		BinDawood Trading Company Limited	Inside	Limited Liability			
		National Leader For Real Estate	Inside	Limited Liability			
		Amwaj Real Estate Company Limited	Inside	Limited Liability			
		AlQimma Hotels Company Limited	Inside	Limited Liability			
		Abdulrazzag Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Suleiman Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Sarah Dawood BinDawood and Partners Company	Inside	Limited Liability			
		Khalid Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Ismail Abdul Majed Hussain Trading Company Limited	Inside	Limited Liability			
		Asma Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			

3. Names of the companies inside and outside KSA in which a Board Member is a member of their current or previous Boards or a manager thereof continued

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
		Hajar Dawood BinDawood Company and Partners Limited	Inside	Limited Liability			
		Abdulkhaliq Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Ismail BinDawood Sons and Partners Company Limited	Inside	Limited Liability			
		Tariq Abdullah BinDawood and Partners Company Limited	Inside	Limited Liability			
		Akasiya Star Trading Company Limited	Inside	Limited Liability			
		Future Field for Real Estate Company	Inside	Limited Liability			
		Builders Company Limited	Inside	Limited Liability			
		BinDawood Superstores Company	Inside	Limited Liability			
		Danube Company for Foodstuff and Commodities	Inside	Limited Liability			
		Safa Company for Household Ware	Inside	Limited Liability			
		International Applications Trading Company	Inside	Limited Liability			
		Danube Flower for Recruitment	Inside	Unlisted			
		Al Jumaira Marketing Company	Outside	Unlisted			
		AlMehar for Trading Company	Inside	Limited Liability			

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
2	Abdulkhaliq Dawood BinDawood	BinDawood Holding Company	Inside	Listed			
		Danube Star for Bakeries and Marketing	Inside	Limited Liability			
		Abdullah Dawood BinDawood and Sons	Inside	Limited Liability			
		BinDawood Trading Company Limited	Inside	Limited Liability			
		National Leader For Real Estate	Inside	Limited Liability			
		Amwaj Real Estate Company Limited	Inside	Limited Liability			
		AlQimma Hotels Company Limited	Inside	Limited Liability			
		Abdulrazzag Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Suleiman Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Sarah Dawood BinDawood and Partners Company	Inside	Limited Liability			
		Khalid Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Ismail Abdul Majed Hussain Trading Company Limited	Inside	Limited Liability			
		Asma Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Hajar Dawood BinDawood Company and Partners Limited	Inside	Limited Liability			

Board of Directors' Report continued

3. Names of the companies inside and outside KSA in which a Board Member is a member of their current or previous Boards or a manager thereof continued

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
		Abdulkhaliq Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Ismail BinDawood Sons and Partners Company Limited	Inside	Limited Liability			
		Tariq Abdullah BinDawood and Partners Company Limited	Inside	Limited Liability			
		Akasiya Star Trading Company Limited	Inside	Limited Liability			
		Future Field for Real Estate Company	Inside	Limited Liability			
		Builders Company Limited	Inside	Limited Liability			
		BinDawood Superstores Company	Inside	Limited Liability			
		Danube Company for Foodstuff and Commodities	Inside	Limited Liability			
		Safa Company for Household Ware	Inside	Limited Liability			
		Danube Flower for Recruitment	Inside	Unlisted			
		Droub for Building Development Company	Inside	Limited Liability			
		Al Jumaira Marketing Company	Outside	Unlisted			
		AlMehtar for Trading Company	Inside	Limited Liability			
		AlMashaer Path Company Limited	Inside	Limited Liability			

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
3	Khalid Dawood BinDawood	BinDawood Holding Company	Inside	Listed			
		Danube Star for Bakeries and Marketing	Inside	Limited Liability			
		Abdullah Dawood BinDawood and Sons	Inside	Limited Liability			
		BinDawood Trading Company Limited	Inside	Limited Liability			
		National Leader For Real Estate	Inside	Limited Liability			
		Amwaj Real Estate Company Limited	Inside	Limited Liability			
		AlQimma Hotels Company Limited	Inside	Limited Liability			
		Abdulrazzag Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Suleiman Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Sarah Dawood BinDawood and Partners Company	Inside	Limited Liability			
		Khalid Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Ismail Abdul Majed Hussain Trading Company Limited	Inside	Limited Liability			
		Asma Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Hajar Dawood BinDawood Company and Partners Limited	Inside	Limited Liability			
		Abdulkhaliq Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			

Board of Directors' Report continued

3. Names of the companies inside and outside KSA in which a Board Member is a member of their current or previous Boards or a manager thereof continued

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
		Ismail BinDawood Sons and Partners Company Limited	Inside	Limited Liability			
		Tariq Abdullah BinDawood and Partners Company Limited	Inside	Limited Liability			
		Akasiya Star Trading Company Limited	Inside	Limited Liability			
		Future Field for Real Estate Company	Inside	Limited Liability			
		Builders Company Limited	Inside	Limited Liability			
		BinDawood Superstores Company	Inside	Limited Liability			
		Danube Company for Foodstuff and Commodities	Inside	Limited Liability			
		Safa Company for Household Ware	Inside	Limited Liability			
		International Applications Trading Company	Inside	Limited Liability			
		Danube Flower for Recruitment	Inside	Unlisted			
		Al Jumaira Marketing Company	Outside	Unlisted			
		AlMehar for Trading Company	Inside	Limited Liability			
4	Ahmad Abdulrazzag BinDawood	BinDawood Holding Company	Inside	Listed			
		International Applications Trading Company	Inside	Limited Liability			
		Red Sea Mall Company	Inside	Unlisted			

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
5	Tariq Abdullah BinDawood	BinDawood Holding Company	Inside	Listed			
		Abdullah Dawood BinDawood and Sons Company Limited	Inside	Limited Liability			
		Tariq Abdullah BinDawood and Partners Company Limited	Inside	Limited Liability			
		Danube Flower for Recruitment	Inside	Unlisted			
6	Walid Michel Majdalani	BinDawood Holding Company	Inside	Listed	Investcorp Bank B.S.C.	Outside	Listed
		Investcorp Saudi Arabia Financial Investments Co.	Inside	Listed	Orka Holding A.S.	Outside	Unlisted
		Al Yusr Industrial Contracting Company and its Subsidiaries	Inside	Listed	Hydrasun Group Holdings Ltd	Outside	Limited Liability
		Asia Food Growth Advisors Limited	Outside	Unlisted	Hydrasun Group Equipment Ltd	Outside	Limited Liability
		Asia Food Growth Investment Manager Limited	Outside	Unlisted			
		Asia Food Growth Advisors (Hong Kong) Limited	Outside	Unlisted			
		Asia Food Growth IGP Limited	Outside	Unlisted			
		Viz Branz Holdings Pvt. Ltd.	Outside	Unlisted			
		Heritage Foods Limited	Outside	Unlisted			
		Automak Automotive Company K.S.C.C	Outside	Joint stock company established in Kuwait			
		NDT and Corrosion Control Services Company	Inside	Listed			
		Arvento M2M Elektronik Sistemler Sanayi Ticaret A.S.		Unlisted			
		ArventoRVENTO MOBİL SİSTEMLER A.S.	Outside	Unlisted			
		NAMET GIDA SANAYİ VE TİCARET A.S.	Outside	Unlisted			

Board of Directors' Report continued

3. Names of the companies inside and outside KSA in which a Board Member is a member of their current or previous Boards or a manager thereof continued

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
7	Abdulrahman Mohammed Albarrak	BinDawood Holding Company	Inside	Listed	MedGulf Insurance Company	Inside	Listed
		Alandalus Property Company	Inside	Listed	Leejam Sports Company	Inside	Listed
		Thara Administrative Consulting Company	Inside	Limited Liability	Jabal Omar Development Company	Inside	Listed
		Saudi Credit Bureau Company SIMAH	Inside	Unlisted			
		Gulf Communication Company	Inside	Unlisted			
		Thiqah Business Services Company	Inside	Limited Liability			
		Al Watania Poultry Company	Inside	Limited Liability			
		Qatar Consultancy Company	Inside	Limited Liability			
		Saudi National Bank	Inside	Listed			
		Al-Elm Information Security Company	Inside	Unlisted			
8	Iyad Mazhar Malas	Saudi Airlines Cargo Company	Inside	Unlisted			
		Saudi Arabian Logistics Company (SAL)	Inside	Unlisted			
		BinDawood Holding Company	Inside	Listed	Majid Al Futtaim Holding Co.	Outside	Limited Liability
		BECO Fund I	Outside	Limited Liability	Infinity Invest Company	Outside	Limited Liability
		Egy Caffé Company	Outside	Limited Liability	Falcon Group Company	Outside	Limited Liability
		Methak Holding	Inside	Limited Liability	ABC Company	Outside	Unlisted
		Olayan Food Division	Inside	Unlisted	ASGC Construction	Outside	Unlisted
		Al Ghurair Group	Outside	Unlisted	Fetchr Company	Outside	Limited Liability
9	Nitin Khanna	National Cement Company	Outside	Listed			
		Mashreq Bank	Outside	Listed			
9	Nitin Khanna	BinDawood Holding Company	Inside	Listed	Emirates Hospital Group (Board Advisory Committee)	Outside	Unlisted

4. Composition of the Board and classification of its members, as follows: Executive Director, Non-Executive Director, or Independent Director

The Company's Board of Directors

Name	Position	Status
Abdulrazzag Dawood BinDawood	Chairman	Non-Executive
Abdulkhaliq Dawood BinDawood	Vice Chairman	Executive
Khalid Dawood BinDawood	Managing Director	Executive
Ahmad Abdulrazzag BinDawood	Director	Executive
Tariq Abdullah BinDawood	Director	Executive
Walid Michel Majdalani	Director	Non-Executive
Abdulrahman Mohammed Albarrak	Director	Independent
Iyad Mazhar Malas	Director	Independent
Nitin Khanna	Director	Independent

5. Procedures taken by the Board to inform its members, particularly Non-Executive Members, of shareholder suggestions and remarks concerning the Company and its performance

The CEO updates the Board on investors' suggestions and remarks concerning the Company and its performance at Board meetings. Board members are invited to and encouraged to attend all Earnings Calls to hear first-hand the questions raised by analysts.

Additionally, the Company held two General Assembly meetings during the year, during which Board Members were present. One Board Member, Dr Abdulrahman Albarrak, addressed specific questions raised by shareholders in his capacity as Chairman of the Audit Committee and Chairman of the Governance Committee.

6. A brief description of the competencies and duties of the committees, indicating committee names, as well as the names of Chairmen, members and the number of their respective meetings, dates thereof and the members in attendance

A. Audit Committee

1. Brief

Audit Committee

The main tasks of the Audit Committee are to provide financial reporting oversight, to assess the adequacy and effective implementation of the internal control systems and to make recommendations to the Board of Directors that would improve and strengthen these systems to achieve the Company's objectives. The Committee is also responsible for reviewing risk management policies, the annual risk report and risk mitigation plans before these are presented to the Board of Directors. In addition, the Committee is responsible for ensuring compliance by the Company with the Corporate Governance Regulations and Practices issued by the CMA and the Company's Corporate Governance Manual and Policy.

In fulfilling the above mandate, the scope of the Committee's work includes, inter alia:

1. Analysing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations in relation to their integrity, fairness and transparency. This entails:
 - Examining the accounting policies followed by the Company and ensuring they are in accordance with relevant accounting standards and have been properly applied.
 - Examining the basis on which significant accounting estimates have been made and ensuring they reflect the commercial reality.
 - Reviewing any exceptional and non-recurring transactions and ensuring they are properly reflected in the financial statements.
 - Holding discussions with the Company's External Auditors to fully understand matters of critical accounting judgement and estimate and the manner in which the auditors have dealt with them.
 - Carrying out a thorough review of the financial statements, the Board reports and any communications issued by the Company in relation to interim results to ensure that they are fair and balanced and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model and strategy.
2. Investigating any issues raised by the Company's Chief Financial Officer or any person assuming his/her duties, the Company's Compliance Officer or External Auditor.
3. Examining and reviewing the Company's internal and financial control and risk management systems.
4. Analysing the internal and external audit reports and following up on the implementation of the recommendations/ corrective measures highlighted in such reports.
5. Monitoring and overseeing the performance and activities of the internal auditor and Internal Audit Department of the Company to ensure the availability of the necessary resources and their effectiveness in performing the assigned duties and activities.
6. Providing recommendations to the Board on the appointment and remuneration of personnel for the Internal Audit Department.
7. Providing recommendations to the Board on the appointment and the remuneration of the External Auditor after having verified their independence, reviewed and determined their scope of work and assessed their competence.
8. Assessing the performance of the External Auditor at the end of each year and making recommendations to the Board in relation to their continuance, subject to meeting any mandatory rotational rules.
9. Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith.
10. Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions.
11. Reviewing Related Party transactions and providing assurance to the Board that they have been conducted on an arm's length basis.
12. Developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the Company's activities, monitoring their implementation, and reviewing and updating them based on internal and external factors.
13. Reviewing the organizational structure for risk management and ensure it is adequately staffed with people having the right experience.
14. Making recommendations to the Board in relation to risk management.

The Audit Committee consists of three members appointed by the Ordinary General Assembly for a period of three years.

Audit Committee Members

No.	Name	Title
1	Abdulrahman Mohammed Albarrak	Chairman
2	Walid Michel Majdalani	Member
3	Thamer Saeed Althubaiti	Member

2. Attendance

Audit Committee Meeting Attendance (2021)

Members	10 March	06 May	11 August	04 November
Abdulrahman Mohammed Albarrak	*	*	*	*
Walid Michel Majdalani	*	*	*	*
Thamer Saeed Althubaiti	*	*	*	*

B. Nomination and Remuneration Committee

1. Brief

Nomination and Remuneration Committee

The main function of the Nomination and Remuneration Committee is to assist in identifying suitably qualified candidates for senior positions within the Company, including to the Board of Directors. In addition, the Committee is responsible for ensuring that the remuneration of key senior personnel, including any performance related pay, is fair, in line with market norms and commensurate with their role, responsibility and contribution.

In fulfilling the above mandate, the scope of work of the Committee includes, inter alia:

Nomination

- Screening candidates who have applied for nomination to the Board of Directors against the qualifications and criteria established for such nominations and making recommendations as to their suitability
- Conducting an annual review of Board membership requirements, to include the candidates' capabilities, experience and availability to fulfil their Board responsibilities.
- Determining the strengths and weaknesses of the Board and proposing required changes thereto which are beneficial to the Company's interests.
- Nominating candidates for the positions of Chief Executive Officer and Managing Director, as well as nominating members for different Board Committees for approval by the Board of Directors or the General Assembly.
- Reviewing the approval of policies and procedures for Board membership prior to their adoption through the General Assembly.
- Monitoring the independence of Board members and investigating any conflicts of interest that may arise.
- Reviewing the preparatory materials and training courses designed for new Board members.
- Reviewing and proposing plans for the assumption of key executive functions.

6. A brief description of the competencies and duties of the committees, indicating committee names, as well as the names of Chairmen, members and the number of their respective meetings, dates thereof and the members in attendance continued

B. Nomination and Remuneration Committee continued

1. Brief continued

Nomination and Remuneration Committee continued

Remuneration

- Reviewing and approving the Company's overall structure of rewards and privileges, which include employment grades, structure of wages and privileges, as well as rewards and incentives associated with performance.
- Establishing clear policies regarding the remuneration of managers and senior executives
- Approving changes to the remuneration of the Chief Executive Officer and recommending changes to the remuneration of the Managing Directors, the Directors and members of the various Board Committees.
- Approving extraordinary remuneration (signing or performance bonuses) for the Chief Executive Officer and senior executives.

The Nomination and Remuneration Committee shall consist of at least three members appointed by the Company's Board of Directors for a period of three years.

Nomination and Remuneration Committee Members

No.	Name	Title
1	Iyad Mazhar Malas	Chairman
2	Abdulrazzag Dawood BinDawood	Member
3	Thamer Saeed Althubaiti	Member

2. Attendance

Nomination and Remuneration Committee Meeting Attendance (2021)

No.	Members	03 March	25 May
1	Iyad Mazhar Malas	*	*
2	Abdulrazzag Dawood BinDawood	*	*
3	Thamer Saeed Althubaiti	*	*

C. Executive Committee

1. Brief

Executive Committee

The primary purpose of the Executive Committee is to assist the Board of Directors in giving direction to the policy, strategy, business and affairs of the Company and its subsidiaries. The overarching principle is that the Committee's role should be complementary to that of Executive Management and should not become a substitute for, or an intrusion on, the role and authority of Executive/Operational Management.

In fulfilling this mandate, the scope of work of the Committee includes inter alia:

1. Assist Executive Management in the formulation of strategy and preparation of 3-5 years' business plans that reflect the agreed strategy.
2. Monitor performance against the strategy and business plans.
3. Review and recommend for approval to the Board of Directors operating plans, capital expenditure plans and other studies or plans that will have a significant impact upon the operations of the Company.
4. Assist the Board in performing activities and tasks as delegated to it by the Board of Directors, in order to facilitate the smooth operation of the Company.
5. Approve transactions in accordance with the Company's Authority Matrix.
6. Review Authority Matrix on an annual basis and recommend changes based on experience and any change in management structure or trading conditions.
7. Review and understand the financial performance of the business and ensure that reports on financial performance submitted to the Board, other than reports which are required to be sent by the Audit Committee to the Board, are accurate and meaningful.
8. Assist the Board in identifying and evaluating acquisition opportunities.

The Executive Committee consists of four members appointed by the Board of Directors for a period of three years.

Executive Committee Members

No.	Name	Title
1	Abdulrazzag Dawood BinDawood	Chairman
2	AbdulKhalik Dawood BinDawood	Member
3	Walid Michel Majdalani	Member
4	Nitin Khanna	Member

2. Attendance

Executive Committee Meeting Attendance (2021)

Members	03 February	05 May	12 August	08 November
Abdulrazzag Dawood BinDawood	*	*	*	*
AbdulKhalik Dawood BinDawood	*	*	*	*
Walid Michel Majdalani	*	*	*	*
Nitin Khanna	*	*	*	*

D. Governance Committee

1. Brief

Governance Committee

The main objective of the Governance Committee is to assist the Board of Directors to enhance the effectiveness of the general governance framework and compliance in the Company, without conflicting with any of the rules governing the work of other committees of the Board.

In fulfilling this mandate, the scope of work of the Committee includes inter alia:

1. Ensuring that the Company is compliant with the regulations issued by the CMA, and any applicable laws and regulations.
2. Reviewing and updating governance regulations and policies in accordance with regulatory requirements and best practices.
3. Verifying that there are adequate policies and procedure to ensure adherence by the Company and the Executive Management to the regulations and the Committee's Charter and their compliance with the requirement to disclose to the shareholders and stakeholders any essential information.
4. Monitoring compliance by the Company's employees with the applicable regulations and Company policies and procedures.
5. Reviewing and developing, in conformity with best professional practice, the code of professional conduct that represents the Company's values, and other internal policies and procedures that meet the Company's needs including, but not limited to, the Company's Governance policies and procedures guide, the Company's by-laws, the Authority Matrix, and the departmental standard operating procedures.
6. Keeping Board members informed of developments in the corporate governance field and the best professional practices.
7. Ensuring that the senior Executive Management responsible for the governance and compliance framework are competent to do so.
8. Approving and monitoring the execution of action plans related to implementing governance and compliance frameworks in the Company and ensuring their effectiveness through periodic updates.

The Governance Committee consists of three members appointed by the Board of Directors for a period of three years.

6. A brief description of the competencies and duties of the committees, indicating committee names, as well as the names of Chairmen, members and the number of their respective meetings, dates thereof and the members in attendance continued

D. Governance Committee continued

1. Brief continued

Governance Committee Members

No.	Name	Title
1	Abdulahman Mohammed Albarrak	Chairman
2	Ahmad Abdulrazzaq Dawood BinDawood	Member
3	Adil Mohammed Jamjoom	Member

2. Attendance

Governance Committee Meeting Attendance (2021)

Members	26 May
Abdulahman Mohammed Albarrak	*
Ahmad Abdulrazzaq Dawood BinDawood	*
Adil Mohammed Jamjoom*	–

* Mr. Adil Mohammed Jamjoom joined on 4 August 2021 as a replacement for Mr Omar Hariri

7. Where applicable, the means used by the Board to assess its performance, the performance of its Committees and members and the external body that conducted the assessment and its relation to the Company, if any

The Board of Directors requested the Nomination and Remuneration Committee to conduct an internal assessment for the Board and its Committees for the year 2021. The Committee conducted the assessment and shared the results with the Chairman of the Board of Directors. In the current year, the Board will consider the possibility of outsourcing this assessment to an independent third party.

8. Disclose the remuneration of Board members and Executive Management

Remuneration of Directors and Senior Executives

Set out below are the details of the remuneration paid to Directors and Senior Executives:

The remuneration of the Board and Senior Executives is determined based on the following principles:

- It should be in compliance with all relevant laws and regulations, including official decisions and instructions issued by the relevant authorities, and the by-laws of the Company.
- It should be fair, non-discriminatory and commensurate with the roles, responsibilities, expertise and experience of the individual, and attractive enough to retain talent.
- The remuneration should have been reviewed and vetted by the Nomination and Remuneration Committee.
- Any variable element should be based on well-defined key performance indicators, in line with market norms and commensurate with the contribution made by the individual.
- The total remuneration payable to Board members, in cash or in kind but excluding reimbursement of out-of-pocket expenses should not exceed SAR 500,000 for each member annually.

8. Disclose the remuneration of Board members and Executive Management continued

Remuneration of Directors and Senior Executives continued

Board of Directors' Remuneration – FY 2021

Names	Position	Amount in SAR		
		Fixed	Variable	Total
Abdulrazzag Dawood BinDawood*	Chairman	–	–	–
AbdulKhalig Dawood BinDawood*	Vice Chairman	–	–	–
Khalid Dawood BinDawood*	Managing Director	–	–	–
Ahmad Abdulrazzaq BinDawood*	Chief Executive Officer	–	–	–
Tariq Abdullah BinDawood*	Chief Development Officer	–	–	–
Walid Michel Majdalani*	Non-Executive	–	–	–
Abdulahman Mohammed Albarrak	Independent	200,000	112,500	312,500
Iyad Mazhar Malas	Independent	200,000	112,500	312,500
Nitin Khanna	Independent	200,000	112,500	312,500
Total		600,000	337,500	937,500

* The Board Members have waived their remuneration for FY 2021.

Nomination & Remuneration Committee's Remuneration – FY 2021

Names	Position	Amount in SAR		
		Fixed	Variable	Total
Iyad Mazhar Malas	Chairman	60,000	16,000	76,000
Abdulrazzag Dawood BinDawood*	Member	–	–	–
Thamer Saeed Althubaiti	Member	50,000	10,000	60,000
Total		110,000	26,000	136,000

* The Committee Member has waived his remuneration for FY 2021.

Audit Committee's Remuneration – FY 2021

Names	Position	Amount in SAR		
		Fixed	Variable	Total
Abdulahman Mohammed Albarrak	Chairman	100,000	50,000	150,000
Walid Michel Majdalani*	Member	–	–	–
Thamer Saeed Althubaiti	Member	50,000	20,000	70,000
Total		150,000	70,000	220,000

* The Committee Member has waived his remuneration for FY 2021.

Governance Committee's Remuneration – FY 2021

Note: For both independent members the fee has been calculated from the date of joining, as below:

Abdulahman Mohammed Albarrak	02 March 2021
Adil Jamjoom	04 August 2021

Names	Position	Amount in SAR		
		Fixed	Variable	Total
Ahmad Abdulrazzaq BinDawood	Member	–	–	–
Abdulahman Mohammed Albarrak	Chairman	29,500	8,000	37,500
Adil Jamjoom	Member	16,333	–	16,333
Total		45,833	8,000	53,833

* The Committee Member has waived his remuneration for FY 2021.

Nomination & Remuneration Committee's Remuneration – FY 2021

Names	Position	Fixed	Variable	Total
AbdulKhalig Dawood BinDawood ¹	Member	–	–	–
Walid Michel Majdalani ¹	Member	–	–	–
Nitin Khanna ²	Member	125,000	20,000	145,000
Total		125,000	20,000	145,000

¹ The Committee Members have waived their remuneration for FY 2021.

² One Committee Member received his remuneration for FY 2021 and pro-rated amount of SAR 25,000 for his remuneration of FY 2020.

8. Disclose the remuneration of Board members and Executive Management continued

Remuneration of Directors and Senior Executives continued Executive Management's Remuneration – FY 2021

		Amount in SAR				
		Fixed		Variable		
	Salaries	Allowances	Total	Salaries	End of Service Benefits	Total
	27,115,968	10,386,328	37,502,296	6,526,197	1,645,036	8,171,233

This table includes the total remuneration of the Company's top five senior executives including the CEO and CFO. Allowances include: leave, education, car, medical, ticket allowances and bonus payments.
Note: The Company maintained a car for one executive.

9. Any punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the CMA or any other supervisory, regulatory or judiciary authority, describing the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future

BinDawood Holding is committed to the highest standards of governance and compliance. The Company has no penalty, precautionary procedure or preventive measure imposed on it by any government body, supervisory, regulatory or judicial body to report in 2021.

10. Results of the annual review of the effectiveness of the Company's internal control procedures and the opinion of the Audit Committee with respect to the adequacy of the Company's internal control system

Management of the Company is responsible for establishing and maintaining an adequate and efficient internal control system. An internal control system encompasses the policies, procedures and processes, which are designed in consultation with the Audit Committee and the Board of Directors, to accomplish the Company's strategic objectives.

The scope of the Internal Audit Department, independent from line management, comprises the evaluation of the competency and efficacy of the internal control system across the Company and the assessment of compliance with established policies and procedures. All significant and substantial findings of the internal audit assessments are reported to the Audit Committee.

Rigorous and integrated efforts are made by all departments of the Company to avoid and rectify any control deficiencies. The procedures are continuously reviewed and streamlined to improve the control environment.

Each department, under the supervision of Executive Management, is delegated the responsibility to oversee rectification of control deficiencies identified by the Internal Audit Department.

The Company's internal control system has been designed to provide reasonable assurance to the Audit Committee, the Board and the Management that risks are adequately managed to achieve the Company's long-term objectives. However, internal control systems, despite being well designed, have inherent limitations which can hinder detection and prevention of all control deficiencies.

The Audit Committee reviewed the updated inherent risk assessment report and other departmental internal audit reports prepared by the Internal Audit Department of the Company and PwC, to whom some of the internal audit work had been outsourced.

In light of the aforementioned scope of work, and based on the periodic review reports submitted by the Company's Internal Audit Department and PwC, the External Auditor, the Executive Management of the Company, and the Management's assurances about the integrity of the Company's control system, the Audit Committee is of the opinion that the Company's internal control system are efficient and adequate and that there are no pervasive weaknesses in the control environment which may affect the accomplishment of strategic goals.

11. The Audit Committee's recommendation on the need to appoint an internal Company auditor, in the absence thereof

The Company appointed a Chief Internal Auditor in January 2021.

12. Audit Committee's recommendations that conflict with Board resolutions, or those that the Board rejects in relation to the appointment, dismissal, assessment or remuneration of an External Auditor, as well as justifications for those recommendations and reasons for rejecting them

During 2021, there was no instance of any conflict between the Audit Committee's recommendations and Board resolutions in relation to any matter, including the appointment and remuneration of the External Auditor.

13. Details of the Company's social contributions, if any

BinDawood Holding continues to strategize on a CSR/ESG program which is aligned with our purpose as a business together with the country's sustainability goals and which is likely to have the greatest impact on the communities the Company serves.

In 2021 the Company was acknowledged for its work in championing and supporting the success of women in retail when it was shortlisted in the 'Accelerating Diversity in Retail' category at the World Retail Awards. The World Retail Awards recognizes the work that retailers have done to support their employees, customers, communities and economies.

For World Blood Donor Day in June 2021, the Company organized a blood donation campaign for its employees in co-operation with King Abdulaziz University Hospital at the BinDawood Holding headquarters in Jeddah. BinDawood Holding's employees were keen to share social responsibility and help create awareness amongst the wider Saudi community on the need for more people to donate blood regularly and contribute to better health.

14. A list of General Assembly meeting dates held during the last financial year and the names of Board members who attended them

General Assembly Meeting Attendance (2020)

Members	28 January	28 June
Abdulrazzaq Dawood BinDawood	*	*
AbdulKhalig Dawood BinDawood	*	*
Khalid Dawood BinDawood	*	*
Ahmad Abdulrazzaq BinDawood	*	*
Tariq Abdullah BinDawood	—	*
Walid Michel Majdalani	*	*
Abdulrahman Mohammed Albarrak	*	*
Iyad Mazhar Malas	*	*
Nitin Khanna	*	*

15. A description of the Company and its Affiliates' main scope of business activities.

When two or more such activities exist, a statement shall be attached specifying each activity and the manner by which each affects Company activities and results

Company overview

BinDawood Holding is one of the leading grocery retail operators of hypermarkets and supermarkets in the Kingdom of Saudi Arabia. The Company has a total of 78 stores, as at 31 December 2021, of which 52 are hypermarkets and 26 are supermarkets, each located strategically across KSA, under two complementary brands: BinDawood and Danube.

The Company's subsidiaries

Danube Company for Foodstuff and Commodities

Danube Company for Foodstuff and Commodities (Danube) is a Limited Liability Company registered in KSA under Commercial Registration number 4030093169, dated 25 January 1993. The registered office of Danube is located in Jeddah, KSA.

Danube operates and manages Danube stores, which targets premium segment consumers in the Kingdom. As at 31 December 2021, Danube's portfolio included 51 stores/branches spread across Saudi Arabian cities including Riyadh, Jeddah, Dammam Khobar, Makkah, Khamis Mushait, Taif, Jizan, and Al Ahsa.

BinDawood Superstores Company

BinDawood Superstores Company (BinDawood) is a Limited Liability Company registered in KSA under Commercial Registration number 4031063164 dated 26 June 2011. The registered office of BinDawood is located in Makkah, KSA.

BinDawood operates and manages BinDawood stores, which targets value segment consumers in the Kingdom. As at 31 December 2021, BinDawood's portfolio included 27 stores/branches spread mainly across Makkah, Madinah and Jeddah.

Danube Star for Bakeries and Marketing

Danube Star for Bakeries and Marketing Company Limited (Danube Star) is a Limited Liability Company registered in Jeddah, KSA under commercial registration No. 4030086333, dated 13 April 1992. The registered office of the Company is located in Jeddah, KSA. Further, the Fruit and Vegetables segment of Jumairah Marketing Establishment (a branch of Abdul Khaliq BinDawood Establishment) was moved under Danube Star from the beginning of 2020. Danube Star manufactures bakery products and sells its range of confectionery products through Danube and BinDawood stores.

Online E-commerce platforms

BinDawood Holding was the first retail grocery operator in the Kingdom to offer online sales through the Danube App, a mobile phone application and online platform launched in 2017. The launch of the BinDawood App followed in 2019. These applications were developed and are owned by IATC, a Related Party of the Company. The online platforms source products for delivery from across the Company's stores. The Company aims to continue to strategically build an incremental online sales channel through www.danube.sa and the Danube App and BinDawood App, maintaining its strong positioning as the pioneer of grocery digitization in KSA. In March 2022, the Company announced a definitive agreement to acquire a 62% majority in IATC, a company that was previously responsible for running the BinDawood Holding mobile applications and its online platform. The transaction is subject to customary closing conditions and completion of regulatory approval and is expected to close in the second half of 2022.

16. A description of the Company's significant plans and decisions (including changes to the structure, expansion of the Company's operations or the halting thereof) and future expectations

Future plans and growth opportunities

The Company is in the midst of an expansion drive with a commitment to opening 5-6 stores per year until 2024. Additionally, in 2021, the Company announced a BinDawood 10-store expansion in the Riyadh province, to roll out over a 5-year period from 2022-2027 and committed to increasing that number if there is further market demand. Operationally, 2021 marked further important milestones with the introduction of the Company's Danube brand to the city of Makkah for the first time, with the opening of two Danube stores in the city in 2021.

Geographical expansion

Expansion in Saudi Arabia

The Company is in the second year of a five-year plan to continue its geographical expansion to consolidate its position in all of its existing regions of operations within Saudi Arabia (including the Western Region, Central Region and Northern Region). In particular, Management have prepared a national rollout plan to expand the Company's national footprint, leveraging the flexibility of the Company's dual brand model and format to continue the expansion of the existing network of BinDawood and

Danube stores. However, the primary focus is to roll out more stores in the Danube brand. Details of these new stores set to open in 2022 are set out in the table below.

Expansion outside Saudi Arabia

In addition to its domestic expansion, the Company is exploring options to open new stores outside Saudi Arabia. In December 2020, the Company announced its first international store opening in Bahrain, due to open in 2022. In particular, Management is exploring the potential opening of new stores in other countries within the MENA region.

Sites for future properties

The Company plans to open the following new stores within Saudi Arabia by the end of 2022:

New Stores

No.	Brand	Type	Name	Location	Expected Selling Area (m ²)	Expected Total Area (m ²)	Expected year of operation
1	Danube	Supermarket	Digital City	Riyadh	2,407	4,832	Q2 2022
2	Danube	Hypermarket	Liwan Mall	Bahrain	3,380	5,419	Q2 2022
3	Danube	Express	HHSR KAEC Station	Tuwal	185	194	Q2 2022
4	Danube	Express	HHSR Makkah Station	Makkah	800	1,000	Q2 2022
5	Danube	Express	HHSR Jeddah Station	Jeddah	600	612	Q2 2022
6	Danube	Express	HHSR Madinah Station	Madinah	300	311	Q2 2022
7	Danube	Supermarket	The Village	Jeddah	2,700	3,370	Q3 2022
8	Danube	Supermarket	Jeddah Park-Serafi 2	Jeddah	3,300	3,913	Q3 2022
9	Danube	Hypermarket	Tabuk Boulevard	Tabuk	3,490	5,964	Q2 2022
10	Danube	Pastry Shop	BOCU Lux Pastry	Jeddah	208	480	Q2 2022
11	Danube	Supermarket	King Abdulaziz International Airport	Jeddah	900	1,172	Q4 2022

New investment subsidiary established

In 2021, the Company planned the establishment of a new subsidiary with the goal of capitalizing on investment opportunities. The establishment of the subsidiary, 'Future Technology Retail' was announced in January 2022. The company is headquartered in Jeddah and will focus on opportunities in the technology and retail solutions sectors either through establishing new companies and/or acquiring entities to assist the Company in achieving its long-term goals.

Growth of the Company's online sales

The Company plans to increase its online sales as a proportion of its total revenue. Moving to fully own the customer experience and increase the vertical integration of the BinDawood Holding business, in March 2022 the Company announced the signing of a definitive agreement through its subsidiary, Future Technology Retail, to acquire 62% of the shares of IATC, the company which developed and currently operates BinDawood Holding's Danube and BinDawood ecommerce channels as part of its strategy to strengthen and better integrate the BinDawood Holding online offering. The move is expected to optimize the online operations and poise the Company's online business via its mobile applications and website for future growth. The transaction, subject to customary closing conditions and completion of regulatory approval, is expected to close in the second half 2022. As part of the transaction agreement, BinDawood Holding will invest a further amount of up to SAR 160 million in IATC over a two-year period to support the development of the platforms and the roll-out of a network of state-of-the-art dark stores and fulfilment centres to optimize operations, fully integrate the customer experience and provide shorter lead delivery times.

Company Loyalty Program

A customer loyalty program was in development in 2021, which launched in February 2022. The omni-channel customer loyalty program called 'Jood' is live across the Danube and BinDawood retail brands with a long-term view of expanding the program's privileges and benefits. Customers sign up and access the loyalty program using the Company's e-commerce Danube and BinDawood Apps where they accrue points as they shop across all touchpoints in the Company's Danube and BinDawood points of sale. Customers earn points based on each transaction spent online or in the Company's bricks and mortar stores and can access cash rebates based on the points accrued across the Company's Danube and BinDawood stores.

17. Information on any risks facing the Company (operational, financial or market related) and the policy of managing and monitoring said risks

Set out below are the principal operational, financial and market related risks faced by the Company and the manner in which it seeks to manage/mitigate these risks. The commentary does not include risks arising from force majeure events (such as the recent Covid-19 pandemic), that are endemic to every business, or risks that are not material to the Company's operations in terms of their impact on financial performance, as discussed more fully in the Financial Risk section.

Operational Risk

1. Interruptions/outages in the Company's IT network or cloud systems

The Company's ability to attract and retain customers, to accurately monitor its operations and costs, and to compete effectively depends upon the sophistication and reliability of its IT network, availability of its cloud services and, in particular, its bespoke IT management system for tracking all transactions completed at the Company's stores.

In recognition of the importance of this infrastructure, a designated IT team monitors and records all transactions along with a backup service. Further, the Management is restructuring the IT Department to put more stringent controls over the Company's business processes. The Management has recently performed an external IT security assessment through a third party (PwC) to identify any security gaps and to address them proactively.

2. Supply chain disruption

Disruptions to the delivery of products to the Company's warehouses and stores may occur for reasons such as:

- Poor handling or transportation bottlenecks, which could lead to delayed or lost delivery or damaged products.
- Material shortages or unavailability of particular products demanded by customers due to disruptions to the Company's supply chain.

These risks are accentuated by the fact that a significant proportion of the products supplied by the Company at its stores are imported.

If there was a significant interruption of operations at one or more of the stores or online operations due to the Company's inability to source its product requirements on a timely basis, its revenues and profitability would be affected, which would adversely and materially affect the Company's business, financial condition and prospects.

While it is not possible to mitigate the supply chain risk completely since it relates to factors outside its direct control, the Company has sought to manage this risk as follows:

- By maintaining a strong relationship with its suppliers based on trust created through long association. The Company's strong cash position allows it to make payments to its suppliers on time enabling it to secure some priority/preference in relation to supply of goods.
- The Company has a sophisticated inventory management system that allows it to forecast and plan its product requirements with a fair degree of certainty.
- The Company benefits from a high degree of flexibility in its sourcing, logistics and warehousing solutions. It has set up fully centralized logistics capabilities, including two central refrigerated warehouses, one each in Jeddah and Riyadh, with a combined area of 14,800 square metres. This together with its strong fleet of vehicles gives the Company the ability to order and store goods in anticipation of any shortages/supply chain disruptions and then to distribute them effectively across its store network.

3. Availability of good locations

As the Company expands its store network, it becomes increasingly difficult to secure good locations at reasonable rentals whilst minimizing cannibalization at existing stores.

The Company has access to good locations through its relationship with leading real estate developers in the Kingdom, including Amwaj Real Estate Company Limited, a Related Party with whom lease arrangements are made on an arm's length basis. The Company has a full-fledged department for the identification and development of new stores. There is a proven methodology for assessing the viability of new stores and the investment case is reviewed and tested by the Ex Comm before any commitment is made.

4. Disruption to traditional brick and mortar business as a result of the marked shift to online shopping

The shift to online grocery shopping, accelerated by the onset of the Covid-19 pandemic, and, as a consequence, the proliferation of online operators, could result in a loss of traditional store business.

The Management recognizes the challenges posed to the traditional business due to the increasing popularity of online shopping and as a result has recently acquired a majority interest in IATC, the company responsible until now for running BDH's mobile applications and online platform. This acquisition will enable the Company to better integrate the online operations so as to strengthen its omnichannel presence and to provide the customer with a seamless shopping experience. The planned investment of up to SAR 160m, over a two-year period following the acquisition, for the roll out of state-of-the-art dark stores and fulfilment centres should put the Company in a prime position to capture a leading share of the growing online market.

5. Product liability

Defective products or food products unfit for consumption sold through the Company stores could result in loss of custom, reputation and sales.

The Company has introduced stringent quality controls to minimize the incidence of defective/unfit products. In any case, under its contract with its suppliers the liability, if any, for defective/unfit products is in most cases borne by the supplier.

Financial Risk

Certain common financial risks associated with a business, as set out below, do not manifest themselves in a significant manner in the Company's operations and therefore have not been discussed in detail.

- Fluctuations in foreign currency: Most of the Company's purchases are denominated in SAR or USD, to which the SAR is pegged. Sales are solely in SAR. The total value of purchases in currencies other than SAR and USD constituted less than 1% of total purchases during 2021.
- Credit risk: During 2021, credit sales constituted approximately 10% of total sales and most of these sales were made to Government or quasi sovereign entities with whom the Company has a long-standing relationship and no history of any default. The credit risk related to monies held with financial institutions is negligible since these institutions enjoy a high credit rating.
- Interest rate risk: The Company has no debt and, therefore, is not exposed to any interest rate risk. Theoretically there is an interest rate risk attached to the monies it puts on deposit with financial institutions from time to time but this is negligible having regard to the very low profit rate paid on them.
- Liquidity risk: As at 31 December 2021, the Company had no debt and cash and bank balances of SAR 484.1m, eliminating any liquidity risk in the foreseeable future.

Based on the foregoing, the main financial risks to which the Company is exposed are discussed below

1. Company's reliance on certain key suppliers

The Company's top 25 suppliers represented a substantial amount of the total gross purchases made by the Company during 2021. If any one of the Company's key suppliers fails to renew its supply agreement with the Company or renews on less favourable terms for the Company, the Company's business, results of operations and financial condition could be affected adversely.

The Company has a long-standing relationship with most of its suppliers and given the volume of purchases it makes from these suppliers on an annual basis, it enjoys a certain degree of countervailing power as well. In addition, Management has taken all necessary steps to retain key suppliers by signing contractual agreements and maintaining regular communication with them.

2. Sustainability of the Company's Supplier Support Incentives

The Company's financial performance and profitability is quite dependent on Supplier Support Incentives it receives, such as rental for display shelves, branch opening fees and volume-based discounts for the aggregate value of goods purchased by the Company.

Whilst there is an inherent risk in predicting Supplier Support Incentives, the Company manages this risk by entering into contractual arrangements with suppliers in relation to these incentives and by constantly monitoring performance against defined thresholds, thereby ensuring that revenue from this source is recognised appropriately in the financial statements.

17. Information on any risks facing the Company (operational, financial or market related) and the policy of managing and monitoring said risks) continued

Based on the foregoing, the main financial risks to which the Company is exposed are discussed below (continued)

3. Related Party transactions

The Company maintains ongoing business relationships with several Related Parties. To the extent that the Company enters into contracts with any Related Parties which are not on arm's length terms and/or in the event that such transactions transfer undue benefits to Related Parties of the Company, the Company's costs and revenues would be negatively impacted.

The Management deals with Related Parties through signed agreements (prepared on an arm's length basis) which cover all the key risk areas such as pricing, profit margin and other associated terms and conditions. In addition, during 2021, the Company developed a comprehensive policy governing all Related Party transactions and payments, which are reviewed by the Audit Committee and approved by the Board under the mandate granted by the General Assembly.

Market related

1. Macro-economic factors

Given that the Company operates in a sector that directly or tangentially touches the life of every consumer, it is more exposed to macro-economic factors than most other industries. Any change in economic or fiscal conditions that adversely impact the purchasing power of consumers will have a consequential negative affect on the Company's business. Examples of such factors are inflation, higher tax rates, retrenchments and/or reduction in salaries which in turn are linked more closely to the broader state of the local economy, and more distantly, to the international economy.

The grocery sector has a certain inherent resilience since it caters to the basic requirement of every customer that will need to be met. Whilst it is not possible for the Company to completely insulate itself against macro-economic factors, it seeks to mitigate their adverse impact by closely monitoring consumer trends and behaviours and changing its product mix in response thereto, by constantly evolving its store formats and by being adept at initiating cost saving measures when required, without sacrificing quality of product and service.

2. Highly competitive environment

The Company faces competition from domestic and international operators of stores, department stores, speciality retailers, discount stores, online and other forms of retail business. This is likely to intensify following the recent regulatory reforms introduced in the Kingdom to encourage foreign investment.

The Management monitors the product offering and pricing of competitors, in addition to conducting detailed feasibility studies and market trend analysis prior to undertaking store expansion. It tries to differentiate itself from competition by offering a very wide range of products in stores that are well laid out and offer a quality of service that enhances the customer experience. In 2022, the Company will be launching a customer loyalty programme to improve customer retention and enhance brand recognition. The Company has also set up a subsidiary for making retail related investments in technology that will enhance digitisation of operations and provide the Company a competitive edge.

3. The impact of political and economic risks on the Company's operations

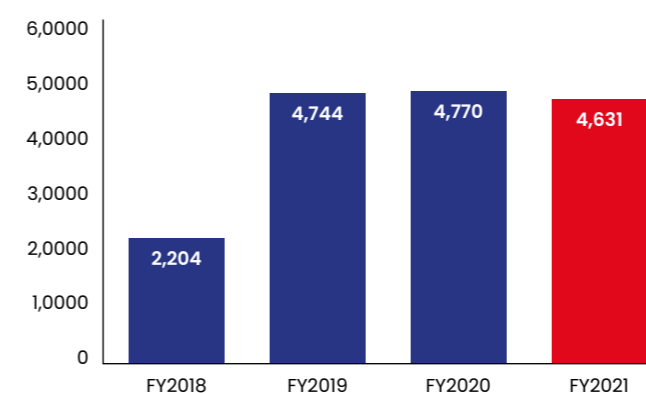
The entirety of the Company's stores portfolio is currently located in Saudi Arabia, and the Company's financial performance is therefore dependent on the prevailing economic and political conditions in Saudi Arabia and on global economic conditions that affect Saudi Arabia's economy.

The Management believes that there is no indication that the economic and political scenario will change to a degree that will materially affects the business of the Company in an adverse manner. On the contrary, the progressive reforms introduced by the Government, such as greater involvement of women in the work force and emphasis on development of tourism, are expected to have a beneficial impact on the Company's business in the long term. In addition, the Company is looking to diversify geographically. Its first store outside the Kingdom is scheduled to open in Bahrain in 2022 and it is also looking for value-accretive acquisition opportunities in other GCC states.

18. A summary in the form of a table or graph displaying the Company's assets, liabilities and results during the last four financial years or since its incorporation date, whichever is shorter

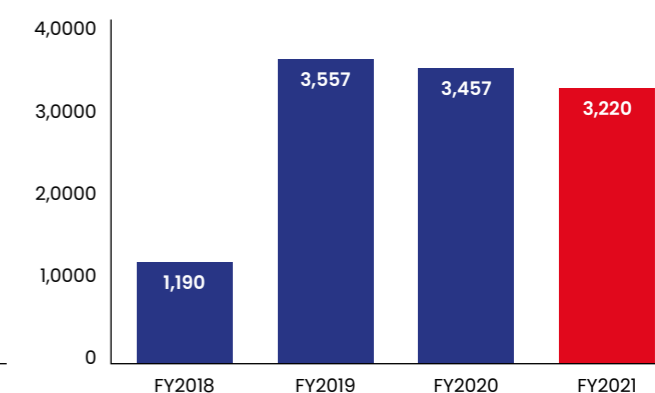
Total Assets	Amount in SAR Million	Total Liabilities	Amount in SAR Million	Sales	Amount in SAR Million	Net Profit	Amount in SAR Million
FY 2018	2,204	FY 2018	1,190	FY 2018	4,554	FY 2018	398
FY 2019	4,744	FY 2019	3,557	FY 2019	4,844	FY 2019	419
FY 2020	4,770	FY 2020	3,457	FY 2020	5,156	FY 2020	448
FY 2021	4,631	FY 2021	3,220	FY 2021	4,382	FY 2021	241

Total Assets (SAR million)



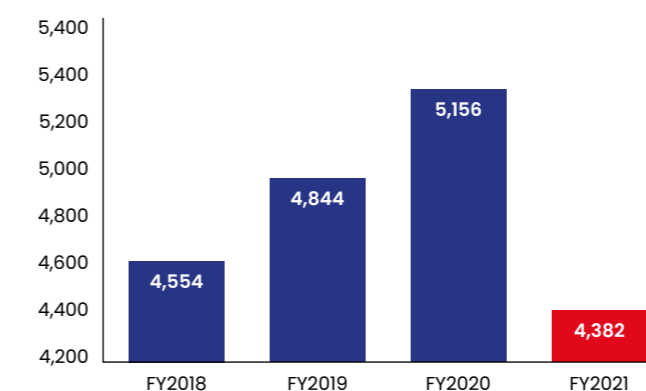
Total Assets stands at SAR 4,579 million at end of FY 2021, representing a decrease of 4% from SAR 4,770 million at the end of FY 2020.

Total Liabilities (SAR million)



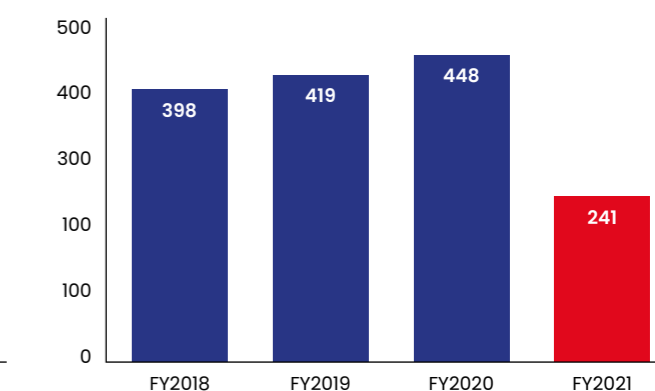
Total Liabilities decreased from SAR 3,457 million at the end of FY 2020 to SAR 3,168 million at the end of FY 2021, reflecting a decline of 8.4%.

Sales (SAR million)



Sales decreased from SAR 5,156 million in FY 2020 to SAR 4,382 million in FY 2021, representing a decline of 15%.

Net Profit (SAR million)



Net Profit earned by the Company is SAR 241 million in FY 2021, reflecting a decline of 46.2% as compared to FY2020.

19. Geographical analysis of the Company and its Affiliates' revenues

Sales by Region

Company	Regions	Amount in SAR Million	
		FY 2021	FY 2020
BinDawood	West	1,162	1,443
	South	47	58
BinDawood		1,209	1,501
Danube	East	411	580
	West	1,349	1,453
	South	211	223
	Central	1,202	1,399
Danube		3,173	3,656
BinDawood Holding	East	411	580
	West	2,512	2,896
	South	258	281
	Central	1,202	1,399
BinDawood Holding		4,382	5,156

Sales by Subsidiaries

Subsidiaries	Amount in SAR Million		
	FY 2021	FY 2020	FY 2019
BinDawood	1,209	1,501	1,733
Danube	3,173	3,656	3,110
BinDawood Holding	4,382	5,156	4,844

Sales by Merchandise Category

Company	Amount in SAR Million								
	FY 2021			FY 2020			FY 2019		
	FMCG	Non-food	Fresh food	FMCG	Non-food	Fresh food	FMCG	Non-food	Fresh food
BinDawood	778	142	289	936	184	381	1,018	314	402
Danube	2,013	306	854	2,208	398	1,050	1,880	369	862
BinDawood Holding	2,791	448	1,143	3,143	582	1,432	2,897	682	1,264

Sales by Store Type

Company	Store Type	Amount in SAR Million		
		FY 2021	FY 2020	FY 2019
BinDawood	Supermarket	472	579	752
	Hypermarket	737	922	981
BinDawood		1,209	1,501	1,733
Danube	Supermarket	271	304	243
	Hypermarket	2,902	3,351	2,868
Danube		3,173	3,655	3,111
BinDawood Holding	Supermarket	743	884	995
	Hypermarket	3,640	4,273	3,849
BinDawood Holding		4,382	5,156	4,844

20. Any material differences in operational results compared to the preceding year's results, along with any Company announced projections

Financial Review

The Company generates revenue principally from selling food and non-food products through its grocery retail network of Danube and BinDawood stores. Revenue for the full year 2021 was SAR 4,382.17 M versus SAR 5,156.47 M in 2020.

The decline in sales of Danube and BinDawood supermarkets was primarily due to lower HI sales as compared to the same period in 2020, which benefited enormously from pantry-buying in response to the pandemic lockdowns and the lead-up to the VAT hike. The sales decline was also related to pandemic travel restrictions leading to an absence of pilgrim inflow during Umrah, Hajj and Ramadan seasons and store restrictions in the Makkah and Madinah area, coupled with the lack of promotional campaigns such as Back to School, year-end and food festivals.

Danube supermarkets contributed revenue of SAR 3,173 M in 2021 as compared to SAR 3,655.54 M in 2020. H2 2021 sales were SAR 1,559.94 M versus SAR 1,609.48 M in H2 2020.

BinDawood supermarkets contributed revenue of SAR 1,209.17 M in 2021 as compared to SAR 1,500.93 M in 2020. H2 2021 was SAR 574.98 M versus SAR 586.18 M in H2 2020.

The Company's gross profit declined to SAR 1,438.92 M in FY 2021 versus SAR 1,671.89 M in FY 2020. Despite the drop in absolute terms, the Company posted a higher gross profit margin of 32.84% in 2021 as compared to 32.42% in 2020. The increase was due to stringent wastage and shrinkage controls and improvement in pricing and procurement efficiency.

Operating expenses for the full year 2021 were broadly in line with 2020 despite new openings and full year impact of 2020 stores. In 2021, the Company had no Covid-19 related relief support such as bank fee waivers and subsidised electricity charges whereas, in 2020, SAR 15.5 M was secured as waivers and subsidies.

Other Income increased significantly due to the recording of one-time store rental relief amounting to SAR 64.72M. The corresponding figure for 2020 was SAR 27.6M.

Finance cost declined significantly by SAR 8.20M due to the favourable impact of lease modifications and termination of one lease agreement during the year.

Zakat expense surged by SAR 2.36M due to an increase in the net asset zakat base as at the end of FY 2021.

Net profit declined to SAR 240.56M, 5.49% of sales, in 2021 as compared with SAR 447.7M, 8.7% of sales, in 2020, mainly due to a drop in sales and the resultant impact of fixed costs on this ratio.

Total assets for FY 2021 stood at SAR 4,631.36M, a decline of SAR 138.29M. The decline was primarily attributable to a decrease in non-current assets by SAR 302.58M, reflecting a decrease in property and equipment by SAR 79.21M and in right-of-use-assets by SAR 223.97M. These reductions were partly offset by an increase in current assets by SAR 164.29M.

Non-current assets stood at SAR 2,823.64M at the end of FY 2021, reflecting a decrease of SAR 302.58 M. The decrease was attributable to a reduction in operating fixed assets by SAR 79.21 M as a result of the depreciation charge of SAR 162.13M, which was partly offset by net additions to fixed assets of SAR 85.4M. The additions pertained to capex incurred for stores opened in 2021, those planned for 2022 and routine renovation. In addition, right-to-use assets decreased by SAR 223.97M mainly due to the depreciation charge of SAR 258.51M, modification of leases amounting to SAR 65.2M and termination of leases amounting to SAR 1.3M, which were offset by new lease additions of SAR 101.10M.

Current assets as at the end of FY 2021 stood at SAR 1,807.72M, an increase of SAR 164.29M. The increase was primarily attributable to an increase in cash and bank balances by SAR 251.90 M and trade and other receivables by SAR 44.69M. These increases were offset by a decrease in inventories by SAR 181.97M and in prepayments and advances by SAR 10.37M.

Total liabilities at the end of FY 2021 stood at SAR 3,220.22M, reflecting a decrease of SAR 236.49M. The decrease was mainly attributable to a reduction of SAR 58.34M in current liabilities and of SAR 178.16M in non-current liabilities. Non-current liabilities declined due to a reduction in lease additions, positive impact of lease modification and decline in lease terminations during FY 2021.

20. Any material differences in operational results compared to the preceding year's results, along with any Company announced projections continued

Financial Review continued

Equity at the end of FY 2021 was SAR 1,411.14M, showing an increase of SAR 98.2M. The increase was primarily attributable to net profit achieved of SAR 240.56M which was offset by the cash dividend of SAR 142.88M paid by the Company.

Current liabilities stood at SAR 1,028.59M at the end of FY 2021, a decrease of SAR 58.34M as compared to FY 2020. The decrease was mainly due to a reduction of SAR 98.72M in accounts payable, of SAR 37.48M in current portion of lease liabilities and SAR 8.97M in amounts due to related parties. These decreases were offset by an increase in unearned income and other payable balances by SAR 9.78M.

Net cash generated from operating activities for FY 2021 was SAR 687.18M, an increase of SAR 29.65M as compared to FY 2020. Due to the favourable impact of changes in working capital, The cash generated from operations prior to considering changes in working capital was lower by SAR 259.5M.

Net cash used in investing activities for FY 2021 was SAR 83.82M, an increase of SAR 38.14M as compared to FY 2020 mainly due to higher capital expenditure incurred in relation to the 4 new stores that were opened in FY 2021, planned store openings for 2022 and routine renovation.

Net cash used in financing activities for FY 2021 was SAR 351.47M, a decrease of SAR 243.13M as compared to FY 2020 due to a decrease in dividend paid by SAR 142.88M and a decrease in lease payments by SAR 67.4M.

Cash and cash equivalents at the end of FY 2021 were SAR 484.09M, reflecting an increase of SAR 251.90M as compared to FY 2020. This was primarily attributable to more cash generated from operations and less dividend payments compared to FY 2020.

21. Any inconsistencies with the standards approved by the Saudi Organization for Chartered and Professional Accountants

Financial Statements have been prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

22. Name of each Affiliate company, its capital, the Company's ownership percentage, the main scope of business, country of operation and country of incorporation

Affiliate	CR Number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
BinDawood Superstores Company	4031063164	10,880,000	99%	1%	KSA	KSA	Engaged in retail trading of foodstuff and household items
Danube Company for Foodstuff and Commodities	4030093169	2,500,000	99%	1%	KSA	KSA	Engaged in retail trading of foodstuff and household items
Danube Star for Bakeries and Marketing	4030086333	1,500,000	99%	1%	KSA	KSA	Engaged in operating bakeries and restaurant for foodstuff

23. Details of shares and debt instruments issued for each Affiliate company

Name of Affiliate company	No. of shares	Share value	Debt instruments (SAR)
BinDawood Superstores Company (A Limited Liability Company)	1,088,000	SAR 10	-
Danube Company for Foodstuff and Commodities (A Limited Liability Company)	250,000	SAR 10	-
Danube Star for Bakeries and Marketing (A Limited Liability Company)	1,500	SAR 1,000	-

24. A description of the dividends distribution policy

The intention of the Board of Directors is to distribute 50% of the net profit for the year by way of interim/final dividends subject to complying with local law and in the Company's by-laws and subject to the approval of the General Assembly. However, the Company is under no obligation to declare dividends and any decision to do so will depend on, amongst other things, the Company's anticipated earnings and cash flows, financing and capital requirements, market and general economic conditions and the desire and ability to undertake any merger and acquisition activity through internally generated funds.

The dividend distribution policy may change from time to time, as the Board of Directors may resolve, after taking cognizance of shareholder feedback.

25. A description of any interest in voting shares held by persons (other than the Company's Directors, senior executives and their relatives) who have notified the Company of their holdings pursuant to Article 65 of OSCIR Rules, together with any change to such interests during the last financial year

During the last financial year, the Company has not received notification under Article 65 of OSCIR Rules of any new, or change in interest or voting shares belonging to persons other than the Company's directors, senior executives and their relatives.

BinDawood and Partners Company Limited which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co., which holds 20% of the shares of Akasiya Star Trading Company Limited, which in turn owns 67.572% of the Company's Shares; (8) ownership of 1% in Abdulrazzag Dawood BinDawood and Partners Company Limited, which holds 19.777% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co., which holds 20% of the shares of Tariq Abdullah BinDawood and Partners Company Limited, which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co. which holds 20% of the shares of Tariq Abdullah BinDawood and Partners Company Limited which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 17% (approx.) of the shares of Abdullah Dawood BinDawood and Sons Company Limited, which in turn owns 6.828% of the Company's Shares; and (9) ownership of 1% in Abdulrazzag Dawood BinDawood and Partners Company Limited, which holds 19.777% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co., which holds 20% of the shares of Tariq Abdullah BinDawood and Partners Company Limited, which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co. which holds 20% of the shares of Akasiya Star Trading Company Limited which in turn owns 67.572% of the Company's Shares

***** Tariq Abdullah BinDawood owns an indirect shareholding of 0.489%, consisting of the following: (1) ownership of 76.5% in Tariq Abdullah BinDawood and Partners Company Limited, which holds 8.534% of the shares of Abdullah Dawood BinDawood and Sons Company Limited, which in turn owns 6.828% of the Company's Shares; (2) ownership of 76.5% in Tariq Abdullah BinDawood and Partners Company Limited, which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 17% (approx.) of the shares of Abdullah Dawood BinDawood and Sons Company Limited, which in turn owns 6.828% of the Company's Shares; (3) ownership of 76.5% in Tariq Abdullah BinDawood and Partners Company Limited, which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co., which holds 20% of the shares of Akasiya Star Trading Company Limited, which in turn owns 67.572% of the Company's Shares; (4) ownership of 76.5% in Tariq Abdullah BinDawood and Partners Company Limited, which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co., which holds 20% of the shares of Tariq Abdullah BinDawood and Partners Company Limited, which holds 8.534% of the shares of Abdullah Dawood BinDawood and Sons Company Limited, which in turn owns 6.828% of the Company's Shares; (5) ownership of 76.5% in Tariq Abdullah BinDawood and Partners Company Limited, which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co., which holds 20% of the shares of Tariq Abdullah BinDawood and Partners Company Limited, which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co., which holds 20% of the shares of Akasiya Star Trading Company Limited, which in turn owns 67.572% of the Company's Shares; (6) ownership of 76.5% in Tariq Abdullah BinDawood and Partners Company Limited, which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co., which holds 20% of the shares of Tariq Abdullah BinDawood and Partners Company Limited, which holds 8.534% of the shares of Abdullah Dawood BinDawood and Sons Company Limited, which in turn owns 6.828% of the Company's Shares; (7) ownership of 76.5% in Tariq Abdullah BinDawood and Partners Company Limited, which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co., which holds 20% of the shares of Tariq Abdullah BinDawood and Partners Company Limited, which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co., which holds 20% of the shares of Akasiya Star Trading Company Limited, which in turn owns 67.572% of the Company's Shares; (8) ownership of 76.5% in Tariq Abdullah BinDawood and Partners Company Limited, which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co., which holds 20% of the shares of Tariq Abdullah BinDawood and Partners Company Limited, which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 17% (approx.) of the shares of Abdullah Dawood BinDawood and Sons Company Limited, which in turn owns 6.828% of the Company's Shares; and (9) ownership of 76.5% in Tariq Abdullah BinDawood and Partners Company Limited, which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co., which holds 20% of the shares of Tariq Abdullah BinDawood and Partners Company Limited, which holds 0.442% of the shares of BinDawood Trading Company Limited, which holds 86% of the shares of Future Field Co., which holds 20% of the shares of Akasiya Star Trading Company Limited, which in turn owns 67.572% of the Company's Shares.

27. Information on any loans (payable upon request or not), a statement of the total indebtedness of the Company and its Affiliates, any loan payments made by the Company during the year, the amount of the principal debts, the creditor's name, the loan term and remaining amount. In case there are no debts, a declaration thereof shall be presented

Borrowing Facilities

BinDawood Holding's subsidiaries have entered into short and medium-term financing arrangements with various lenders. These financing arrangements are primarily used to finance imports of products and assets sourced from international suppliers as well as to issue payment guarantees and bid bonds. The total amount of facilities available at 31 December 2021 was SAR 243.1 million and out of these, a total of SAR 48.7 million was utilized. The below table provides a detailed description of these facility agreements.

Facility Type	Amount in SAR				Description
	Facility Amount	Utilization	Short-term	Medium-Term	
Letters of Credit	210,000,000	41,515,095	41,515,095	-	Sight and Usance Letters of Credit, Letters of Guarantee
Letters of Guarantee	30,000,000	7,184,608	406,328	6,778,280	Payment Guarantees, Bid Bonds and Performance Guarantees
Corporate Credit Card	100,000	-	-	-	No utilization
Derivatives	3,000,000	-	-	-	No utilization
Total	243,100,000	48,699,703	41,921,423	6,778,280	

28. A description of the class and number of any convertible debt instruments, contractual securities, preemptive rights or similar rights issued or granted by the Company during the financial year, as well as a statement of any compensation obtained by the Company in this regard

There have been no convertible debt instruments, contractual securities, preemptive rights or similar rights issued or granted by the Company during FY 2021 and no compensation has been received by the Company in this regard.

29. A description of any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the Company

There were no conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the Company during FY 2021.

30. A description of any redemption, purchase or cancellation by the Company of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by the Company and those purchased by its Affiliates

There has been no redemption, purchase or cancellation by the Company of any redeemable debt instruments during FY 2021 and no such instrument was outstanding at the year end.

31. The number of Board meetings held during the last financial year, their dates and the attendance record of each meeting listing the names of attendees

Board meeting attendance (2021)

Members	28 February	28 March	26 May	28 June	12 August	8 November
Abdulrazzag Dawood BinDawood	*	*	*	*	*	*
AbdulKhalig Dawood BinDawood	*	*	*	*	*	*
Khalid Dawood BinDawood	*	*	*	*	*	*
Ahmad Abdulrazzag BinDawood	*	*	*	*	*	*
Tariq Abdullah BinDawood	*	*	*	*	*	*
Walid Michel Majdalani	*	*	*	*	*	*
Abdulrahman Mohammed Albarrak	*	*	*	*	*	*
Iyad Mazhar Malas	*	*	*	*	*	*
Nitin Khanna	*	*	*	*	*	*

32. The number of times the Company requested the shareholders' Register and the dates and reasons therefor

Date of Request	Reason for Request
28 January 2021	Convening of General Assembly
28 June 2021	Convening of General Assembly
3 August 2021	For dividend distribution purposes

33. A description of any transaction between the Company and any Related Party; and

34. Information relating to any business or contract to which the Company is a party and in which a director of the Company, a senior executive or any person related to any of them is or was interested, including the names of those involved in said business or contracts, the nature, conditions, durations and value of the business or contract. The Company shall submit a statement in that regard when there are no such businesses or contracts

Related Party Transactions

Related party	Nature of transaction	Term	Value of transactions	
			31 December 2021 SAR	31 December 2020 SAR
National Leader for Real Estate Company Ltd. ^{1,2}	Lease rental paid by Company	Varying lengths from 1 to 15 years	46,999,000	43,550,000
Amwaj Real Estate Company Ltd. ²	Lease rental paid by Company	Varying lengths from 1 to 15 years	33,056,100	26,233,800
Safa Company Limited for Household Ware ²	Purchase of goods by Company	Annually renewable	3,675,608	8,630,152
International Applications Trading Company ²	Online sales commission charged to the Company	Annually renewable	6,499,598	20,227,886
BinDawood Trading Company Ltd. ²	Shared service fee charged by the Company	Annually renewable	953,705	935,000
AbdulKhalig BinDawood Establishment ³	Purchase of goods by the Company	Annually renewable	29,504,383	32,936,415
AbdulKhalig BinDawood Establishment	Shared service fee charged by the Company	Annually renewable	1,086,303	1,065,000
AbdulKhalig BinDawood Establishment	Rent charged by the Company	Annually renewable	1,409,350	1,376,600
AbdulKhalig BinDawood Establishment	Goods transferred by the Company	Non-contractual	655,236	741,108
AbdulKhalig BinDawood Establishment	Branch transfer to the Company	Per-transfer agreement	–	245,660
AbdulKhalig BinDawood Establishment	Purchase of fixed assets by the Company	Non-contractual	3,940,210	–
Total			127,779,493	135,941,621

- One-time rent waiver of 75% awarded by Amwaj Real Estate Company Ltd. and National Leader for Real Estate Company Ltd.
- National Leader For Real Estate CO. LTD, Amwaj Real Estate Company Limited, Safa Company for Household Wares, International Applications Trading Company and BinDawood Trading Holding Company are Related Parties on the basis that each of Abdulrazzag BinDawood, AbdulKhalig BinDawood, Khalid BinDawood, Ahmad AR. BinDawood and Tariq BinDawood, who are Directors in the Company, have an indirect ownership interest in these companies.
- AbdulKhalig BinDawood Establishment is a Related Party on the basis that AbdulKhalig BinDawood, who is a Director in the Company, has a direct ownership interest in the Establishment and each of Abdulrazzag BinDawood, Khalid BinDawood and Tariq BinDawood, who are also Directors in the Company, have an indirect ownership interest in the Establishment.

34. Information relating to any business or contract to which the Company is a party and in which a director of the Company, a senior executive or any person related to any of them is or was interested, including the names of those involved in said business or contracts, the nature, conditions, durations and value of the business or contract. The Company shall submit a statement in that regard when there are no such businesses or contracts
continued

	31 December 2021 SAR	31 December 2020 SAR
Due from related parties		
Amwaj Real Estate Company Ltd.	24,792,075	-
National Leader for Real Estate Company Ltd.	35,249,250	-
	60,041,325	-
	31 December 2021 SAR	31 December 2020 SAR
Due to related parties		
Safa Company Limited for Household Ware	4,226,950	8,029,340
Happy Time for Kids Toys Establishment	265,705	-
Jumairah Marketing Establishment (Delsey) – A Branch of AbdulKhalid BinDawood Establishment	2,214,268	1,338,730
Jumairah Marketing Establishment (Toys) – A Branch of AbdulKhalid BinDawood Establishment	454,224	939,870
Etre Trading Establishment – A Branch of AbdulKhalid BinDawood Establishment	197,008	3,119,355
International Application Company Limited	600,048	3,503,316
	7,958,203	16,930,611

The following significant Related Party transactions were made during January 2021 which required General Assembly approval:

Related Party	Nature of Dealing	Amount (SAR)	Period
Amwaj Real Estate Company Limited	Lease Agreement	46,999,000	FY 2021
National Leader for Real Estate Company Ltd.	Lease Agreement	33,056,100	FY 2021
Safa Company Limited for Household Ware	Purchase of goods by Company	427,395	January 2021
International Applications Trading Company	Services Agreement	532,191	January 2021
BinDawood Trading Company Limited	Shared Service Agreement	91,396	January 2021
AbdulKhalid BinDawood Establishment	Purchase of goods by Company	29,504,383	FY 2021
AbdulKhalid BinDawood Establishment	Shared Service Agreement	1,086,303	FY 2021
AbdulKhalid BinDawood Establishment	Lease Agreement	1,409,350	FY 2021
AbdulKhalid BinDawood Establishment	Goods transferred by Company	655,236	FY 2021
AbdulKhalid BinDawood Establishment	Purchase of fixed assets by Company	3,940,210	FY 2021

* Shareholders have granted the mandate to the Board for approving Related Party transactions from 28 January 2021, which expired on 27 January 2022

35. A description of any arrangement or agreement under which a Company Director or senior executive has waived any remuneration

All Executive Directors and the Non-Executive Director waived their right to any remuneration as members of the Board for FY 2021.

36. A description of any arrangement or agreement under which a shareholder of the Company has waived any rights to dividends

No shareholder of the Company has waived any rights to dividends in FY 2021.

37. A statement of the value of any paid and outstanding statutory payments pertaining to zakat, taxes, fees or any other charges that have not been paid as at the end of the financial year with a brief description and the reasons therefor

	Amount in SAR		Description	Reasons/Justifications
	Paid during the year	Outstanding		
Zakat	17,539,457	19,482,391	Zakat for FY 2021	
VAT	205,439,956	45,096,847	Value added tax for the month of December 2021	
Withholding tax	-	126,809	Withholding tax	According to the requirements of the laws and applicable regulations
Visas and passport office fees	27,097	-	Iqama renewal and transfer of sponsorship fees	
GOSI	1,288,353	111,100	Social insurance payments for employees	

38. A statement as to the value of any investments made or any reserves set up for the benefit of the Company employees

No such investments were made, nor any reserves set up for the Company's employees except for the provision for End of Service benefits and the payment of GOSI under the relevant laws.

39. Declarations

The Board confirms that:

i. Accounting records were properly prepared

The Management of the Company is responsible for establishing and maintaining an adequate and efficient internal control system. An internal control system encompasses the policies, procedures and processes which are designed, in consultation with the Audit Committee and the Board of Directors, to accomplish the strategic objectives of the Company.

The scope of Internal Audit Department, independent from line management, comprises the evaluation of the efficacy of the internal control systems across the Company and the assessment of compliance with established policies and procedures. All significant and substantial arising from the internal audit assessments are reported to the Audit Committee.

Rigorous and integrated efforts are made by all departments of the Company to avoid and rectify any control deficiencies. The procedures are continuously reviewed and streamlined to improve the control environment. Each department under the supervision of the Executive Management is delegated the responsibility to oversee rectification of control deficiencies identified by the Internal Audit Department.

The Company's internal control system has been designed to provide reasonable assurance to the Audit Committee, the Board and the Management that risks are adequate to achieve the Company's long-term objectives. However internal control systems, despite being well designed, have inherent limitations which can hinder detection and prevention of all control deficiencies.

ii. There are no significant doubts concerning the Company's ability to maintain its business activities

iii. There are no reservations contained under the External Auditor's report concerning the annual financial statements for FY 2021

The Company has prepared the Board's Report for FY 2021 in line with the guidelines set out in the Corporate Governance Regulations of CMA and there are no reservations concerning the financial statements for FY 2021 included in the External Auditor's report for FY 2021.

iv. The Board does not recommend replacing the External Auditor before the end of its term