



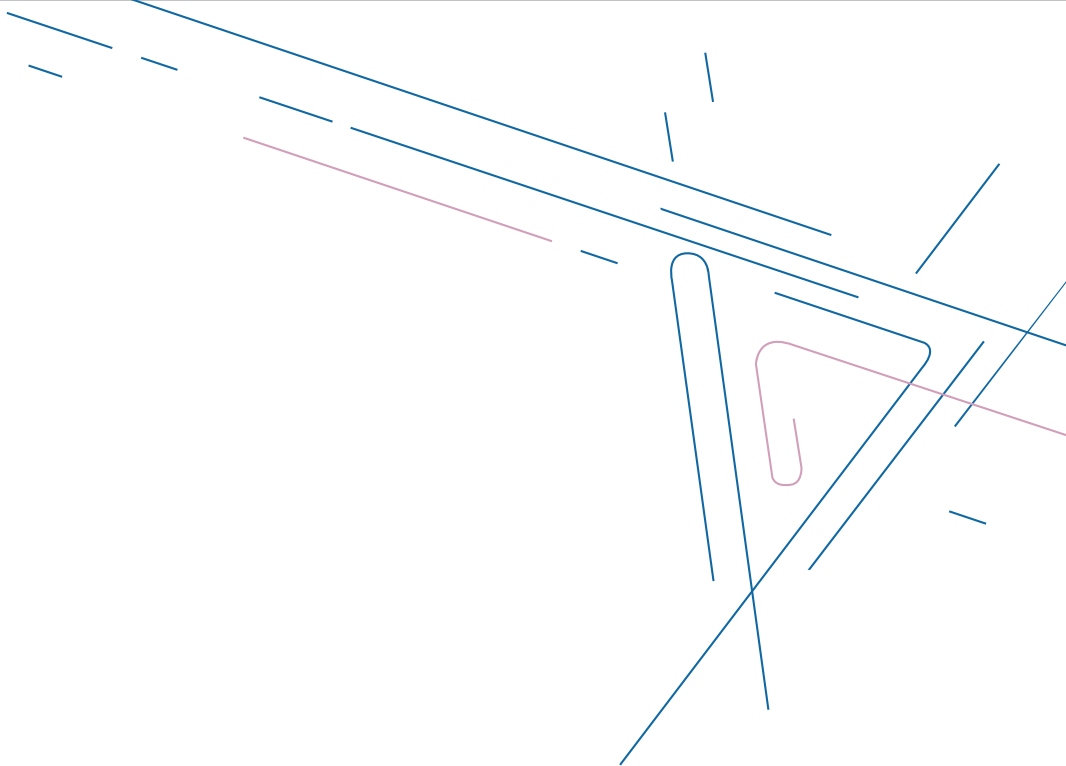
لتأجير السيارات  
Rent a Car

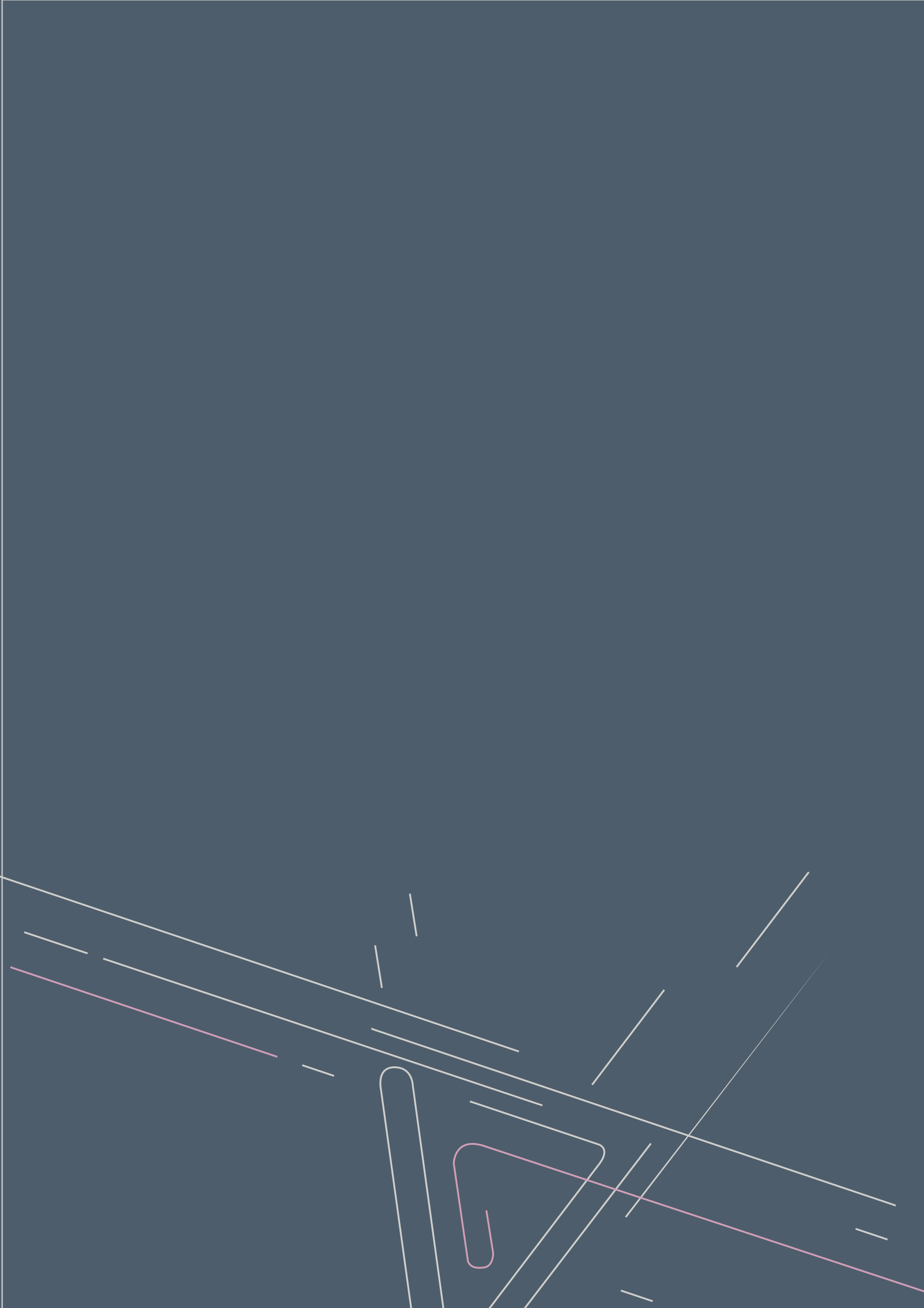


# Limitless Horizons

ANNUAL REPORT  
2021

ذيب .. معاك  
Theeb .. Ma'ak





Custodian of The Two Holy Mosques  
King Salman Bin Abdulaziz Al Saud



His Royal Highness  
Prince Mohammed Bin Salman Bin Abdulaziz Al Saud  
Crown Prince & Deputy Prime Minister & Minister of Defense



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# Board of Directors Report

## Speech of Chairman



We extend your our sincere greetings

During the past three decades, we have been seeking to develop unique solutions in the car rental sector in our beloved KSA to meet the needs of the market. Our ambitions were boundless. We did our best for the Company to have a leading position among the companies that provide car rental service. From this point, the journey to register Theeb Company on (Tadawul) began. Despite the difficulties that resulted from the Corona pandemic, the Company was able, thank God, to overcome this crisis with efficiency and flexibility under the leadership of the Kingdom's government represented by the Custodian of the Two Holy Mosques King Salman bin Abdul-Aziz Al Saud, may God protect him, and his trusted Crown Prince, Deputy Prime Minister and Minister Defense, His Royal Highness Prince Mohammed bin Salman bin Abdul-Aziz Al Saud, may God support him, for the efforts made to face the Corona pandemic, as the Company was able to implement its plan to put the Company on Tadawul in March of 2021G to become a listed joint stock Company.

I also extend my thanks to the Public Transport Authority and all the regulatory authorities, especially the Capital Market Authority for their support of the Company to become a listed joint stock Company

I would like to extend my sincere thanks to our valued customers, shareholders of the Company, members of the Board of Directors and Board committees, whose trust, support and continuous encouragement played an important role in the achievements made this year at all levels. We ask God Almighty that the coming years will be full of achievements.

**Mohammed bin Ahmed Al –Theeb**  
**Chairman of Board of Directors**

## Speech of the CEO



We extend you our sincere greetings

The year 2021 witnessed a remarkable improvement in the global and local economy from the repercussions of the Corona pandemic (Covid-19), which had a positive impact on most sectors and areas, including the car rental sector. The impact on the sector was also evident as a result of the Kingdom's Vision 2030, represented by the initiatives of the tourism sector. Theeb Rent a Car Company, as a leading Company in this sector, has proven that it is capable of facing difficult circumstances and overcoming the effects of the pandemic by implementing strategic plans and flexibility in dealing with events to ensure the progress of business in all its management according to an integrated risk management system. The Company has been able to promote sustainable growth in its business, in a way that enhances its leadership position, strong financial performance and ability to compete in this sector.

The Company, thanks to God and then thanks to its board of directors, executive management and employees, was able to achieve an important goal during 2021, which is to register the Company within (Tadawul).

Despite the difficulties that the Company faced in 2021, the Company was able to increase its revenues to 99% and achieve a net profit of about 125 million Saudi riyals during 2021, compared to 63 million Saudi riyals during 2020, registering the highest net profit since its establishment.

In conclusion, I would like to thank the members of the Board of Directors for their directives, which had a great impact in achieving all the achievements. I really appreciate our valued customers for their confidence in the Company. I would also like to thank the Company's employees, shareholders, stakeholders and regulators for their great support during the past year.

Thanks a lot

**Nayef bin Mohammed Al-Theeb**  
**CEO**

## Board of Directors



**Mr. Mohammed Ahmed Abdullah Al-Theeb**  
Chairman



**Mr. Hassan Samir Abdullah Al-Shuwaikh**  
Vice Chairman



**Mr. Mohammed Hmoud Al-Theeb**  
Board Member



**Mr. Selim Chidiac**  
Board Member



**Mr. Riyadh Saleh Hamad Al Malik**  
Board Member

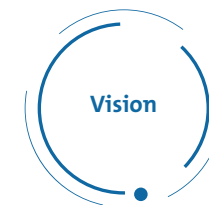


**Mr. Haitham Tawfeeq Ibrahim Al-Fraih**  
Board Member

## A- About the Company, History and Incorporation

Theeb Rent a Car Company is a Saudi joint stock Company established under License No. 244 dated 1412/12/26H (corresponding to 4 November 1991G) issued by the Ministry of Transportation for conducting car rental activities. On 1442/08/16H corresponding to 2021/3/29, the Company converted into a listed joint stock Company and was listed on (Tadawul

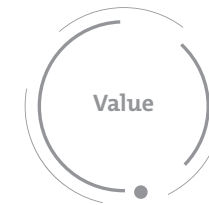
### B-- Mission, Vision and Values of the Company



The company aims to lead and excel in all vehicle rental services



The Company seeks to gain customer satisfaction and confidence and to continuously develop vehicle rental services by providing diverse and distinguished packages that serve all the needs of its customers.

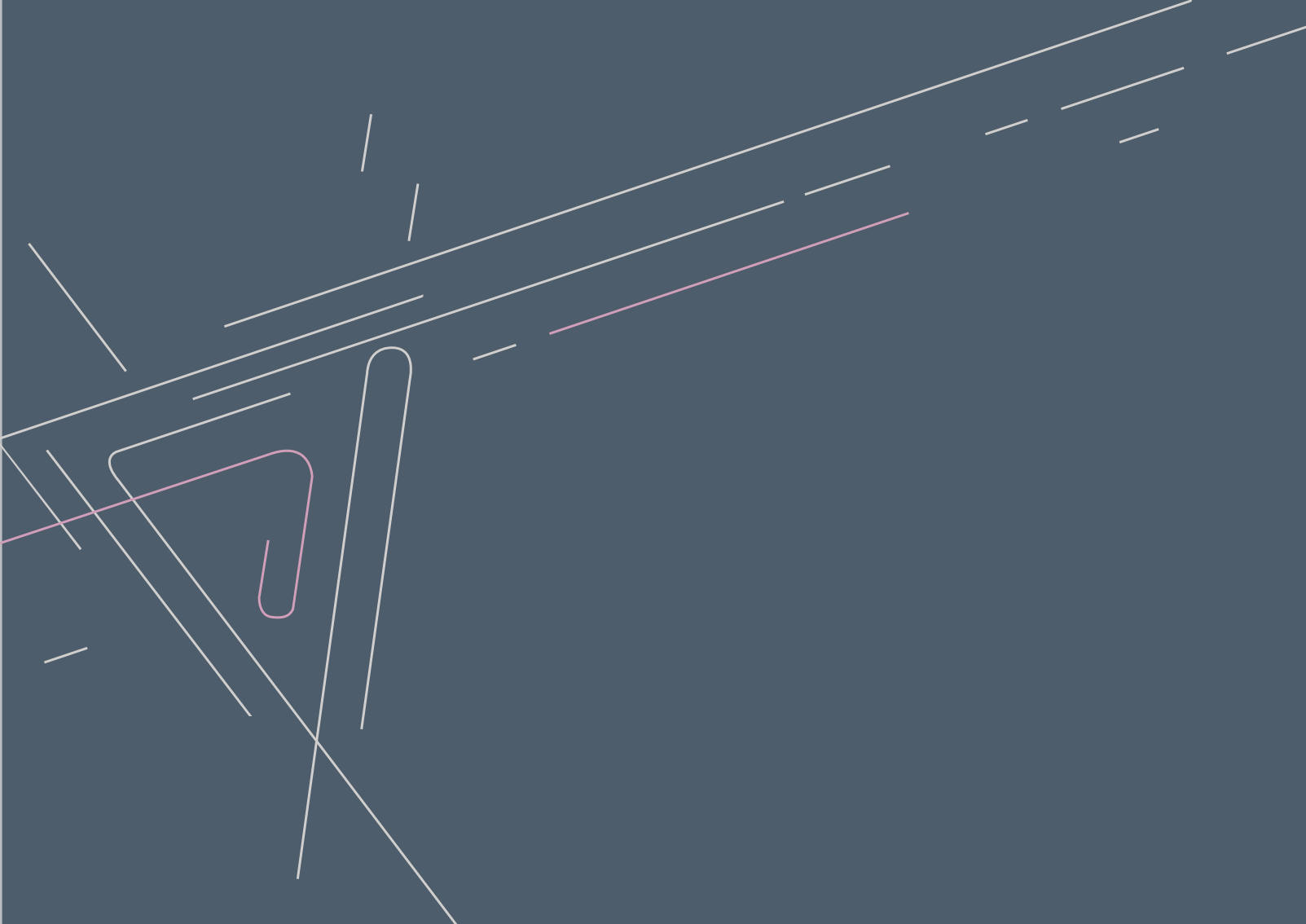


Honesty and integrity in dealing with customers

Commitment to public regulations and traditions

Contribute to community service and growth





## Company's Operational Activity



# Chapter Two: Company's Operational Activity

## A – Company's Main Activity:

Theeb Rent a Car Company has continued to develop its business strategies, since its first launch in 1991, through several integrated founding stages, which gained it extensive experience and strengthened its leadership as the most famous brand in the car rental market in the Kingdom of Saudi Arabia. In order to meet the needs of all segments of its customers and their growing requirements, Theeb Rent a Car continues to develop its professional practices in accordance with the highest international quality standards applicable in this field, through short-term rental services and support solutions attached to them, and long-term rental services and support and support solutions attached to them, as well as selling used vehicles owned by the Company that have been used by its customers. This is done through a wide network of branches in the cities and airports of KSA, including 51 car rental branches, 10 vehicle maintenance centers, and 35 mobile workshops (Roadside Assistance) and two used vehicle sales branches.

## Company's Services and Solutions

Theeb Rent a Car Company has gained a distinguished leadership position as one of the most active brands in the car rental sector throughout the Kingdom in general through its long experience in this field, and its continuous study of the reality and trends of this sector and the accurate growth of its needs, as well as its investment in the latest advanced electronic programs and applications, to develop the best innovative solutions and services that meet all the needs of customers of different segments according to the best standards of service quality and products.

## Rental Services for the Business Sector

The Company offers to all government agencies and private sector companies, a wide range of vehicle rental solutions and services through long and short-term renting, through an independent specialized department that meet the requirements and needs of each of them including cars and drivers according to the type and number required with professionalism and high efficiency. The leasing management services for government agencies and companies include the following services:

- Providing the required quantity of cars, according to the requirements and desires of the customer.
- Supporting customers with the latest and most luxurious types of cars, at their events and conferences, with the possibility of providing drivers including their uniform.
- Comprehensive car insurance coverage, as agreed upon in contracts with customers.
- Providing a car replacement service around the clock, in the event that the car is subject to repair or

maintenance due to an accident, God forbid.

## Renting Services for Individuals

Theeb Rent a Car Company offers multiple options of modern models of passenger cars and commercial vehicles, according to several rental options on a daily, weekly or monthly basis, supported by many services such as car maintenance and insurance, in addition to the roadside assistance service in the event of an emergency breakdown of the rental vehicle or a traffic accident, as well as giving customers a limited number of free daily kilometers.

## Used vehicle Sales Services

Theeb Rent a Car Company sells used vehicles from its own fleet only at the end of their operational lives at competitive prices. The Company does not sell any used vehicles of third parties. Before it is sold, every vehicle undergoes a comprehensive quality check, according to more than 20 technical standards, covering all safety and other key functions of the vehicle, as well as standards for exterior appearance. These cars are usually sold mainly through the

Company's vehicle dealerships in Riyadh and Jeddah. The Company organizes public auctions for the sale of vehicles at specific times. The Company maintains a database of regular customers, while the Company develops marketing and promotional means to reach the largest possible number of new potential customers.

## Accident Assistance service

In line with its strategy that gives its customers the utmost care and attention, Theeb Rent a Car Company is constantly developing its professional practice to meet the requirements and needs of its customers at all times. It provides all support and assistance procedures to them from the moment they receive the car from one of the Company's branches until it is delivered after the end of the rental period . Whereas, in the event that one of them suffers an accident, God forbid, it allocates an experienced professional team to follow up with all the competent authorities in this regard, which gives the customer peace of mind and saves time and effort. The Company always calls upon its customers to immediately contact the Company's customer service department, as soon as any emergency occurs, to intervene quickly and contribute to ending the normal procedures in such a case.

## Cross-border service - traveling by car outside KSA

Theeb Rent a Car Company continues to develop its quality services permanently with the aim of enhancing partnership and trust with its customers, and supporting them with the finest services that give them more peace of mind. Cross-border service launched by the Company to enable customers to travel with rented cars to the Gulf Cooperation Council countries in addition to Jordan, Syria, Lebanon and Egypt, by issuing a travel authorization and completing the relevant traffic procedures with all speed, ease and safety.

## Limousine Service

This service adds a distinct additional value to the experience of its customers of government departments, companies, visiting delegations, guests and tourists, as the Company provides them with cars in various categories such as family



and luxury cars with experienced drivers with a high degree of responsibility and efficiency, who wear the official uniform and speak Arabic and English fluently. Roadside Assistance

The Company's professional services cover its rental car and provides integrated care that continues around the clock, from the moment it is handed over to the customers. The Company's mobile maintenance teams are ready to support these cars at any time. The workshops go to serve them in the event of a breakdown on the Kingdom's roads, and repair them immediately if possible, or tug them if they cannot be repaired directly, as they are replaced with others and delivered to the customer, in order to preserve the customer's comfort and facilitate the continuity of his movements.



#### Maintenance Services

The cars of Theeb Rent a Car Company receive great care, as soon as they enter the main maintenance or express maintenance centers spread in the cities of the Kingdom. The latest technical procedures are applied to check the condition of the vehicle and maintain it according to the highest standards of quality and safety, and prepare it to be ready for service to the next customer. All the Company's cars presented by various car dealerships in the Kingdom of Saudi Arabia are subject to comprehensive maintenance and follow-up programs, with efficiency and perfection

#### A fleet of cars and special vehicles

The Company meets the desires of all customers of different segments and requirements, by giving them a unique driving experience for the car they choose including economy cars that save money and time, or luxury cars that reflect their distinctive status, or family cars that can accommodate all family members in their different travel paths through different categories and models of the best international companies that include more than 70 types, including the following categories:

Economy cars - small cars - medium cars - luxury cars - medium luxury cars - large luxury cars - family cars - SUVs - luxury SUVs - transport vehicles

#### Car Delivery Service

In 2021 AD, the Company launched a free car delivery service for Diamond Membership customers in order to facilitate the reception and delivery procedures. The Company aspires to expand this service and provide it to all customers.





# Accomplishments and Luminous Points During 2021

## - Registration in (Tadawul) - March 2021

Obtaining Mowama Certificate: Mowama is one of the programs of the Ministry of Human Resources and Social Development, which was launched in implementation of the Kingdom's strategy for the rights of persons with disabilities, and to enable people with disabilities to obtain suitable job opportunities, and provide them with all facilities and tools that help them achieve success in addition to motivating establishments in the private sector to provide an appropriate work environment for persons with disabilities, in accordance with specific standards and requirements.

The Company has increased the percentage of women's employment in the Company by 50% compared to last year, based on the Company's interest in increasing the participation of women in the labor market

The fleet increased by 15%, bringing the total vehicles to 22,000 vehicles

## - Obtaining ISO certificate



# Executive Departments

Theeb Rent a Car Company is characterized by a sophisticated administrative and operational organizational structure, in which all roles are integrated to implement the Company's plans and achieve its strategic objectives, in accordance with the latest international advanced professional practices and efficiently aligning them with the the local market.

## Operations Department

The Operations Department is responsible for overseeing the Company's operations in KSA, through managing and monitoring its leasing branches and regional offices, communicating with individual and corporate clients, implementing, updating and monitoring the annual fleet composition, plan, forecast and revenue reports on a regular basis as well as managing relationships with external maintenance service providers and ensuring that their services and warranty support commitments are provided in a timely and a satisfactory manner.

## Business Sector Department

The Business Sector Department is responsible for the sales and collections of its corporate clients and government agencies, in addition to managing long-term rent contracts and agreements for companies, and following up and developing them on an ongoing basis.

## Marketing and Public Relations Department

It develops the Company's marketing strategies, with the aim of enhancing the Company's brand presence and reputation and expanding the customer base in addition to conducting marketing research, market studies and trends, developing and implementing the Company's marketing strategies and plans, and managing the Company's brands, marketing and promotional materials as well as ensuring the correct use of the Company's identity, designs and intellectual property, and managing all the Company's digital platforms such as the website and the Company's accounts on social media platforms.

## Customer Service Department



Responsible for maintaining relationships with the Company's clients by responding to their inquiries and informing them of the latest developments, such as matters related to temporary closure of branches, changes in working hours, marketing events and promotions, as well as analyzing customer data for the purposes of improving service, conducting customer surveys via telephone and e-mail, to follow market trends and tendencies, identify opportunities and shortcomings, collecting customer suggestions and monitor their satisfaction levels.

## Used Vehicle Sales Department

It manages the sales of used vehicles and follows them up through the Company's used vehicle branches, and supervises sales operations to ensure their compliance with the applicable laws and regulations and any relevant sectoral regulations.





#### IT and Digital Transformation Department

It develops the Company's current and future information technology systems, keeps pace with technological development and the global digital communication revolution in the business world, innovates many solutions, programs and systems that support the mechanism of work of all departments and channels of work in the Company on a large scale, as well as ensuring the implementation of all IT projects according to the Company's requirements within the time frame and budget of each. It also manages and analyzes all user data and prepares forms and internal reports for this, in addition to managing systems and information security in accordance with the controls and procedures that ensure the continuity of all the Company's various activities in an efficient and safe manner.

#### Procurement and Warehouse Department

It is responsible for purchasing cars, auto parts, goods and services at the best value and highest possible quality, as well as registering and qualifying suppliers, and managing inventory and warehouses according to the highest standards of efficiency and safety.

#### Financial Department

It maintains accounts, issues reports and financial statements, applies internal financial control systems in all departments, protects the Company's financial assets, prepares accounting policies and procedures, and ensures compliance with relevant regulatory requirements, manages the financial planning processes, and supports the Company's senior management in preparing financial strategies in a timely manner, as well as managing the Company's obligations towards employees, external agencies and government institutions, submitting complaints to the

relevant government authorities, and filing lawsuits before the courts, coordination with external advisors specialized in legal affairs and data collection, in addition to identifying the risks to which the Company is exposed and mitigate them by ensuring that the Company's assets are properly insured, reducing the risks associated with currency and interest rates, as well as closely monitoring credit risks.

#### Compliance Department

It is responsible for ensuring the smooth running of operational and administrative work in the Company, by preparing corporate governance manual and ensuring compliance with it and the correct application of all manuals, procedures, policies and instructions issued by the regulatory authorities. It also advises on the interpretation of applicable laws and regulations, supervises the holding of General Assembly meetings, as well as coordinating with relevant government agencies,

in addition to preparing and drafting the annual report of the Board, addressing conflict of interest cases, and managing the Company's relationship with regulators and shareholders.

#### HR and Administration Department

It attracts the best competencies and qualifications including Saudi youth and appoints them to the Company, develops their skills and refines their expertise through several training programs to enable them to perform their tasks according to the highest standards of quality and proficiency, which helps to achieve the Company's strategic goals, in addition to dedicating the concept of empowering women and replacing them in advanced positions in the Company. The Company has also raised the percentage of women's Saudization by 50% compared to last year. It also manages all relevant government relations, such as the Ministry of Transport and the Ministry of Human Resources and Social Development.





## Internal Control and Audit Department:

It is responsible for providing independent and objective reviews of the Company's performance and status, in addition to providing advisory services aimed at adding real value and improving the Company's administrative and operational processes. It also helps to promote a culture of risk control and good advance planning to control it, through a comprehensive regulatory framework through which the effectiveness of risk management, control and governance procedures in the Company is improved, as well as assessing the adequacy, effectiveness and performance of internal controls, reviewing the reliability and integrity of the Company's financial and operational data, issuing periodic reports to the Audit Committee, summarizing the results of audited or audited activities, and recommending the necessary improvements to the administrative controls designed to protect the Company's assets and achieve its strategic objectives as well as ensuring compliance with rules and regulations.

## Company Plans, Decisions and Strategy

### Aspirations and Targets for 2022 AD

Theeb Rent a Car is continuously developing its performance in all its diverse business channels, in line with the Company's strategy to achieve its future goals, through several initiatives that will be launched next year, which can be summarized as follows:

#### Improving Work Environment for Employees:

The Company pays great importance to its employees and works to constantly improve and develop work environment according to several steps. The Company conducts several initiatives to provide a suitable environment for employees:

- Providing incentives and rewards for employees
- Providing sports and recreational activities for employees
- Providing Loyalty Plus program for employees, which is a discount agreement with Loyalty Plus. This service provides employees with a set of actual discounts with the parties contracting with loyalty.

#### Short-Term and Long-Term Fleet Increase

The Company plans to increase the fleet of vehicles in order to support the growth plans in the leasing sectors as follows:

#### Short-Term Rent

- 1- Opening 5 new branches in Riyadh, Hail, Buraydah and Jeddah

#### Short-Term Rent

- 1- Meeting the needs of existing customers.
- 2- Attracting new clients.

#### Fuel Service

As part of the initiatives aimed at improving the customer experience and customer comfort, the Company seeks to launch a full fuel service, where the fuel tank is fully filled when the vehicle is rented. The Company aims to launch this service in the first quarter of 2022 AD

#### Renovation and Updating of Existing Branches

In implementation of its policy aimed at improving the customer experience, the Company intends to renew several branches in various regions of the Kingdom.

#### Sustaining the Growth of Short-Term Rent Services

This is through the opening of new branches in the cities and airports of the Kingdom and in the areas of huge construction and development projects throughout the Kingdom of Saudi Arabia, in addition to focusing on improving the customer experience by developing an electronic platform to provide automated services, developing marketing activities, and continuing to re-evaluate the composition of the Company's fleet and vehicle categories offered, and providing the desired categories to meet the needs of all customer segments in the market.



## Sustaining the Growth of Long-Term Rent Services

The Company aims to continue expanding its customer base in the Kingdom's regions and increasing market share in addition to improving customer experience by developing the Company's electronic platform to support them with automated services, developing sales activities, and focusing on offering products that suit the needs of each of the Company's customers. The Company also aims to develop its services in the transportation and distribution sector and government institutions, as well as focusing on developing the services of renting vehicles for transport and freight forwarding, and developing the target customer base of these services in the logistics, electronic services, school transport and consumer goods sectors.

The company is working on investing in the permanent improvement of its electronic systems and infrastructure, in order to take advantage of the latest advanced global technologies to improve its digital strategy in order to provide its services faster and simpler for all segments of its customers. During the next year, the company seeks to complete the digital transformation of the departments and launch the updated version of the electronic Theeb application.

### Operational Development

The Company develops all its operational professional practice, in order to improve customer service, reduce costs and increase operational efficiency continuously through comprehensive professional management of the vehicle fleet and maintaining a balance between its availability and use, and the selection of vehicles desired by customers, which are characterized by economic maintenance costs in addition to the alignment and improvement of operational processes between branches by unifying policies and procedures for allocating vehicles, monitoring fleet levels, raising operating rates, and regularly monitoring the financial and operational performance of all branches. The Company also improves organizational efficiency and corporate governance through developing and evaluating control policies and procedures, organizing professional development programs for its employees, enhancing performance on an ongoing basis, and

instilling Company values among all its employees.

The Company also improves the sales of used vehicles, expands online sales channels, and displays vehicles on auction platforms, explores new sales channels and encourage the sale of used vehicles, to increase their profit margins.

## Company Risks

The Company is exposed to some risks due to the nature of its commercial activity, as an entity operating in the field of car rental, which may be exposed to many risks. For this reason, the Company implements best practices in managing and monitoring these risks through the Board of Directors and establishes a specialized risk management department to develop policies and plans to confront risks.

The Board of Directors adopts deliberate measures to confront the various risks that may interfere with the Company's operational performance, and to promote a culture of awareness of the responsibilities of all relevant parties in the Company, in order to be fully aware and aware of their responsibilities towards these risks. The Company enhances the effectiveness of internal control and applies corporate governance controls in accordance with the highest standards of transparency, in an effort to spare the various work units with their various activities in the Company any kind of risks.

### Risk Management Policy Principles

- The Company's risk management policy is based on

each of the following axes:

- Effective self-monitoring
- Sense of responsibility
- Accuracy and transparency
- Taking initiatives

- In order to achieve the highest degree of preparedness and precaution to face risks, the following steps are taken:

- Hazard check
- Hazard Analysis
- Defining risks
- Specification of risks
- Risk assessment
- Preparing reports on potential threats and opportunities
- Facing risk
- Following-up on risks and prepare for any emergency.

### Risks that the Company may face

#### 1- Epidemiological Risks:

The outbreak of communicable diseases or any public health risk has a material negative impact on the Company's business. A new strain of coronavirus disease (Covid-19) was discovered in Wuhan, Hubei Province, China, in December 2019. This disease has spread in most countries of the world, which led many countries, including KSA, to take multiple measures to limit the spread of the Corona virus, which included imposing temporary restrictions such as banning travel, lockdown, preventing movement between cities within the Kingdom and preventing activities which does not achieve social distancing and oblige people coming from

other countries to quarantine for a specified period of time. Accordingly; and as a result, the demand for short-term renting services was affected, as the fleet occupancy rate decreased, and this percentage may decrease further in the future due to the decrease in demand for short-term renting services.

In the event of the outbreak of the virus and the continuation of the restrictions imposed to limit its spread in addition to the reduced demand for short-term rental services, the Company's ability to sell its used vehicles may be affected due to the pandemic, or it may be forced to sell them at prices lower than its fair price in the market, which leads to a decrease in the expected revenues from selling used vehicles. Restrictions were also imposed to limit the movement of the Company's employees, which resulted in the temporary closure of the Company's car rental branches and its maintenance centers, which led to a decrease in the number of rented cars.

The Company's supply chain has also been affected by the impact of the coronavirus on car dealerships in the Kingdom and on foreign manufacturers of fleet vehicles and spare parts.

There are also risks associated with the Company's employees being infected, which may lead to restrictions on their movements and work, and thus affect the Company's daily operations. There are also risks related to the collection of debts owed from its customers due to the pandemic, or the request of long-term rental customers in particular, to reduce fees during the pandemic period due to their not taking full advantage of the rented vehicles, as well as the Company's request to reduce the rental value that it pays to the landlords and property owners rented by the Company or to renegotiate with them to terminate those contracts due to the impact of demand during the pandemic period.

The extent of the impact of the Corona virus on the Company's business depends on the development of current events and new information that may emerge regarding the second wave of the virus and the necessary measures to contain or remedy its impact, including the occurrence of regulatory changes or government fees that the Company may have to pay. In the event that the virus outbreak increases and the restrictions imposed to limit its spread continue, this will have a material negative impact on the Company's business, financial position, results of operations and future growth.



**Epidemiological Risks:**

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**Risks associated with Structural Changes in the Transport Sector**

The transportation sector in general is in continuous development and is subject to fundamental structural changes. Public transport projects such as Riyadh train and HHR, and companies that provide new transport service models, including vehicle routing services through electronic applications, such as "Uber" and "Careem" may affect the demand for short-term rental cars and may lead to a change in preferences and customer uses. Some of these companies may have the ability to provide large capital, innovative technologies or launch new services at a relatively low cost. Consequently, the company faces the risk of increased competition and loss of its customers if transport service providers can improve transport efficiency, change customer driving patterns or provide their services at more competitive prices advantage, more effective use of mobile platforms, or intensive marketing campaigns.

Accordingly, the company's ability to continuously improve its current operations and offerings in response to structural changes in the transportation sector in general as well as technological changes is fundamental to maintaining its competitive position and customer confidence and satisfaction. On the other hand, the absence of a clear and comprehensive approach to dealing with such changes may lead to a loss of competitive advantage and thus negatively affect the company's profitability, market share and ability to grow, which would negatively and fundamentally affect the company's business, financial position, results of operations and

future prospects.

**Risks related to the Company's ability to sell vehicles at the end of their operational life**

The Company's vehicle fleet is not subject to any repurchase commitment by car agents or manufacturers, and therefore the sale of the Company's vehicles at the end of its operating cycle (which ranges between two to five years) is subject to the conditions of the used vehicle market and the usually lack of clarity in terms of prices. The selling price of the vehicles may also be less than the pre-estimated residual value.

Furthermore, the Company's ability to sell its vehicles in the used vehicle market may become severely limited due to a number of factors including the economic environment, changing vehicle models, regulatory requirements (for example, changing laws and regulations governing the sale of cars or vehicle taxes), inventory levels, new car prices, fuel costs and tariffs. Low prices of used vehicles or lack of liquidity in the used vehicle market may limit the Company's ability to resell its cars without incurring financial losses, which will negatively affect the Company's business, financial position, results of operations and future prospects.

**Credit Risk associated with the Collection of Outstanding Debts from the Company's Customers**

The Company may encounter difficulties to collect the amounts due effectively. If the Company's debtors face difficulties in their operations and financial conditions, this will lead to their failure to pay their debts due to the Company, and may also lead to the insolvency of these debtors or their declaration of bankruptcy. Any default in the payment of these debts or the bankruptcy or insolvency of the Company's clients, especially its main clients, will have a negative and material impact on the Company's business, financial position, results of operations and future prospects.

**Finance-related-Risks**

In financing its business, the Company relies on financing facilities obtained from several commercial banks.

In the event of any breach of the Company's financing agreements, the creditors may decide to terminate the lending obligations and declare that all existing loans, in addition to the accrued and unpaid commissions and any fees and other obligations, have become due and payable. If the creditors decide to speed up the payment of the indebtedness owed to them, the Company may not have enough assets to pay that indebtedness, which may push the Company towards declaring bankruptcy or liquidation.

In expanding its business, the Company relies on several

factors, the most important of which is its ability to secure funding sources through internal and external cash resources. In the past, the Company has benefited from loans granted to it on favorable terms by Saudi banks for the purpose of opening branches and purchasing new vehicles to expand the size of its fleet. In the event that these loans are not available or continue or are not granted on the same terms by the banks, or if the Company bears a higher cost of financing or is unable to secure sufficient alternative sources of funding in a timely manner and on favorable terms, the Company may not be able to expand its business, which will have a negative and material impact on its future strategy, business, results of operations, financial position and future prospects.

**Risks associated with relying on Senior Management and Key Personnel**

The company's success depends on the continuous performance and service of its senior management and other key personnel due to their extensive experience in the sector and their contributions to the development of its operations. The company in particular relies on some key personnel who have extensive experience in the short- and long-term car rental sectors and who have made significant contributions to the development of its operations.

The company may not be able to retain its key employees who have the necessary technical skills and knowledge. The loss of any of the senior management or key personnel of the company would hinder or delay the implementation and achievement of its strategic objectives, and divert management's attention to the search for a qualified replacement. All this negatively affects the company's ability to run its business

effectively and efficiently in addition to the resignation of any member of the senior management or key personnel of the work security at any time. If the company is unable to recruit and retain key executives and employees with high levels of skills in the appropriate fields, this will have a negative impact on its business, financial condition, results of operations and future prospects.



## 7- Risks associated with potential tax and zakat entitlements

- During the year ending on December 31, 2021, the management received correspondence from the Authority regarding the ownership of some shares by Development Opportunities Trading Company, one of the Company's former shareholders, stating that there are some potential taxes on the Company. The Authority considers, based on certain assumptions, that the Company is partially subject to income tax. The Authority has assumed that the above-mentioned previous shareholder is wholly owned directly or indirectly by owners who are not nationals of Gulf Cooperation Council countries. Therefore, the total amount of income tax exposure as determined by the Authority is SAR 29.76 million. The exposure to withholding tax as defined by the Authority was SAR 3.94 million, covering the years 2013 to 2018, excluding delay and other related fines. As at the date of approval by the Board of Directors of these financial statements, no official assessment was received from the Authority. An additional amount is likely to be exposed for the year ending on December 31, 2019 and 2020, and for the period from January 1, 2021, until the date of the previous shareholder's sale of his shares if the Authority imposes the above-mentioned exposure on all assessment years.
- The Company is currently registered with the Authority as a Company subject to 100% zakat on the basis that the legal ownership of the Company and its shareholders are either citizens of the Gulf Cooperation Council countries or companies established in the countries of the Gulf Cooperation Council whose shareholders are entirely citizens of the Gulf Cooperation Council countries. Further, dividends to the above-mentioned former shareholder are not, in the management's view, subject to withholding tax because they are a Company residing in the Kingdom of Saudi Arabia (as a Saudi limited liability Company as per the Articles of Association).
- Discussions with the Authority regarding the above matter are still ongoing and at an early stage, and the outcome of the above order is still uncertain. Further, in anticipation of any situation imposed by the Authority, as well as any related fines or delay penalties, the above-mentioned former Shareholder has submitted to the Company a Letter of Indemnification to bear any tax obligations that the Authority may impose on the Company in relation to the above subject matter. Therefore, in light of the information currently available and the letter of indemnity pledge from the aforementioned shareholder, management is of the opinion that it is unlikely that there will be any material exposure to the Company in relation to the above communications from the Authority.

## 8- Risks associated with Political Instability and Security Concerns in the Middle East

The Company's assets, operations and target customers are in the Kingdom. The Middle East region is exposed

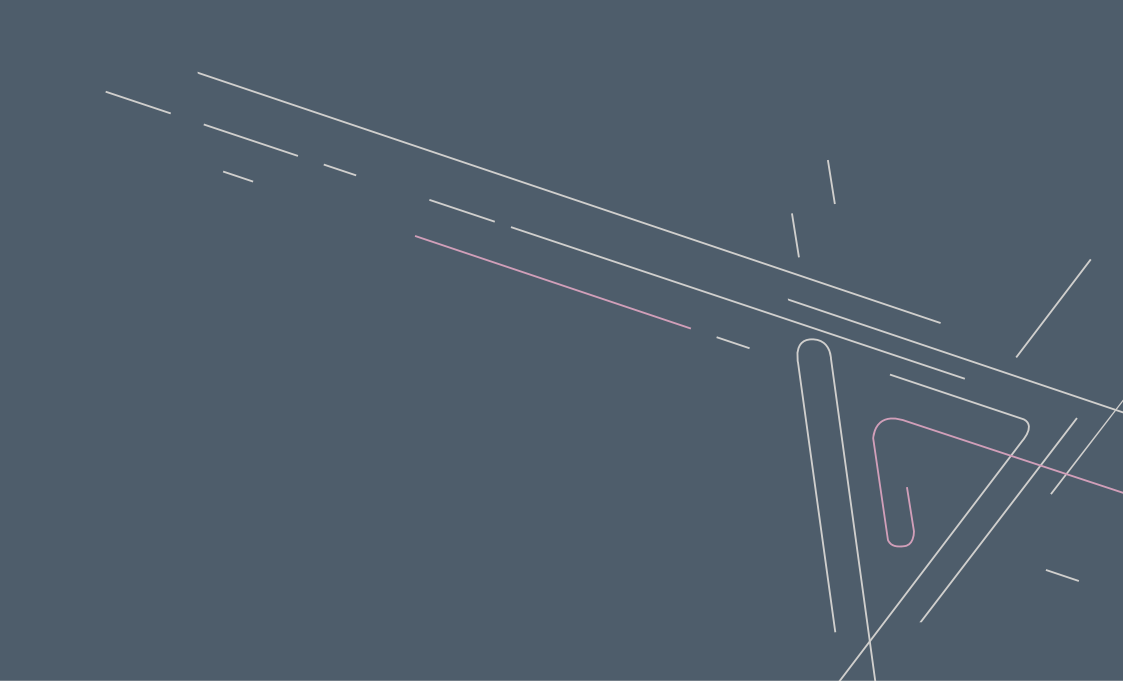
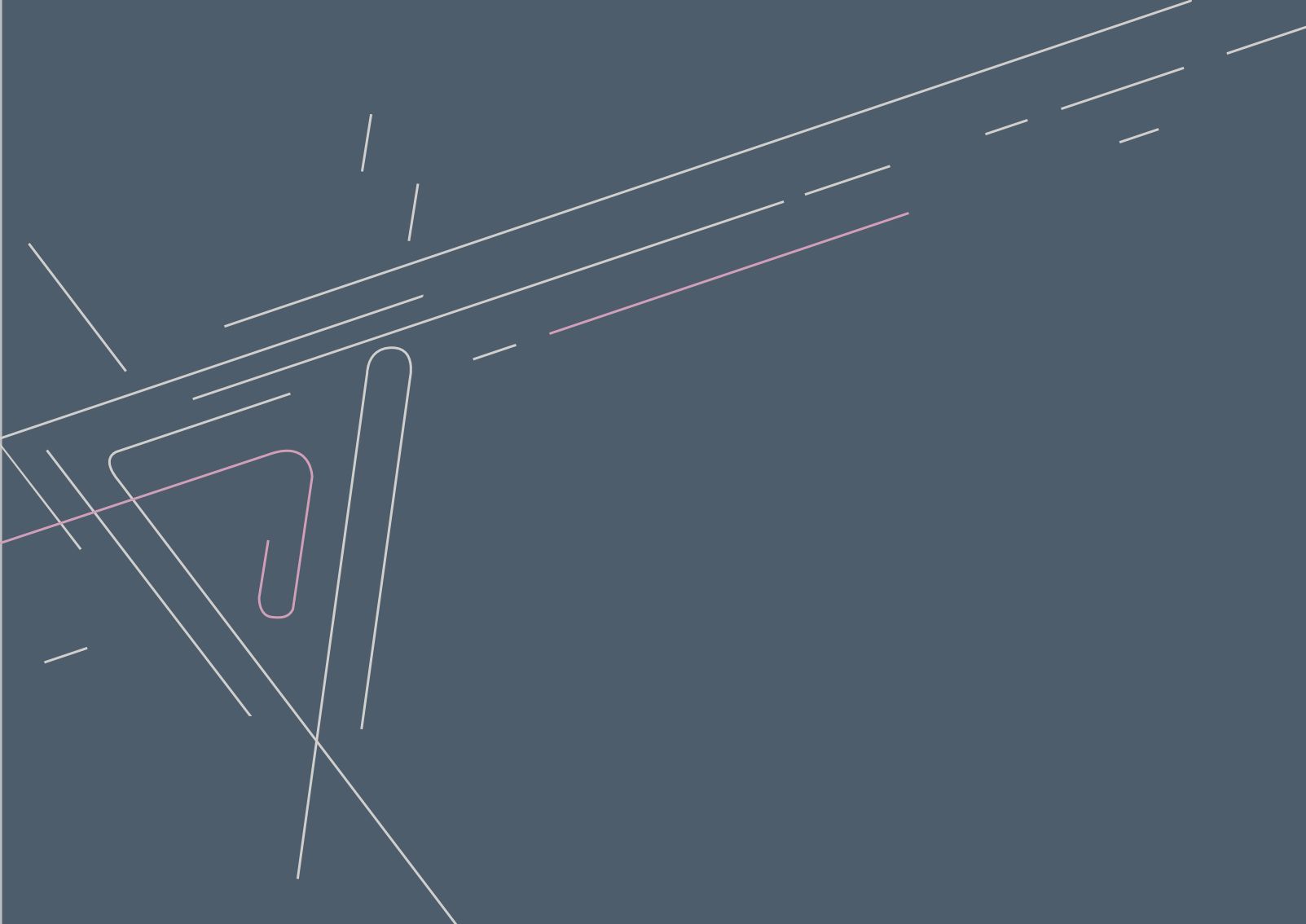
to a number of geopolitical and security risks that may affect the countries of the Gulf Cooperation Council, including KSA.

## 9- Value Added Tax Risks

KSA issued VAT Law, which entered into force on January 1, 2018. This Law imposes an added value of 5% on a number of products and services, according to the Law. On May 11, 2020, the Ministry of Finance announced an additional increase in value-added tax to reach 15% as of July 1, 2020.

Due to the recent application of this Law and the announced increase in the value-added tax rate, any violation or wrong application of it by the company's management or employees may increase the costs and operational expenses that the company will bear or expose the company to fines of up to fifty thousand Saudi riyals, penalties or lead to damage to its reputation. In addition, this increase and any potential increase in value-added tax may reduce the level of demand for the company's services and products or affect its profitability in the event that the company is unable to collect this tax from its customers, which will have a material negative impact on its business, financial position and the results of its operations and future prospects.





## Financial and Operational Results

## Financial and Operational Results

### The assets, liabilities and results of the company's business

#### Financial Outcomes

- During 2021, the company achieved a net profit before deduction of zakat of 132.5 million riyals, compared to 67.4 million riyals for the year 2020
- During 2021, the company achieved a net profit of 125.7 million riyals after deducting zakat, compared to 63.2 million riyals for the year 2020
- During 2021, the company's revenues from its main activities amounted to 752.4 million riyals, compared to 660.0 million riyals for the year 2020
- During the year 2021, earnings per share amounted to 2.92 riyals, compared to 1.47 riyals for the year 2020.

The reason of 2021 net profit increased compared to 2020 AD is due to:

The net profit for the year ended December 2021 ,31 A.D. increased to 125.0 million Saudi riyals, compared to 63.0 million Saudi riyals for the year ended December 2020 ,31, equivalent to 99%. The increase in net profit for the current year compared to the previous year is attributed to several factors, the most important of which are:

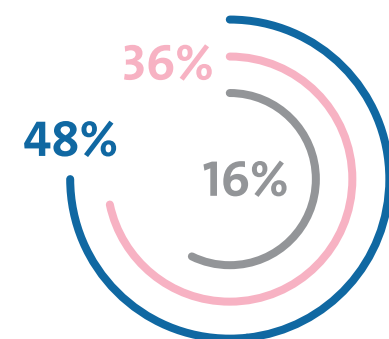
- First: Increasing the revenues of the short-term rental sector during the year 2021 AD compared to the year 2020, where the revenues increased from 255.0 million riyals to 358.4 million riyals. This sector has been greatly affected by the precautionary measures to limit the spread of COVID-19 during the year 2020. This led to the restriction of operations at the main ports (airports and branches outside airports). The current year showed an improvement in usage rates as a result of the increased demand for car rental services.
- Second: Continuing growth in the long-term leasing sector, as revenues increased from 250.0 million Saudi riyals in 2020 to 270.3 million Saudi riyals in 2021. This is due to obtaining new contracts during the year, in addition to maintaining and renewing existing contracts for similar periods.

### B- Geographical analysis of the company's total revenue

Activity	Revenues in millions	Gross profit in millions	Net profit/(loss) in millions
Short Term Lease	358.5	132.6	46.4
Long Term Lease	270.1	99.6	63.4
Used Car Sales	123.7	17.1	15.2
Total	752.4	249.3	125.0

Distribution of revenue by activity

- Short-Term Lease
- Long-Term Lease
- Used vehicles

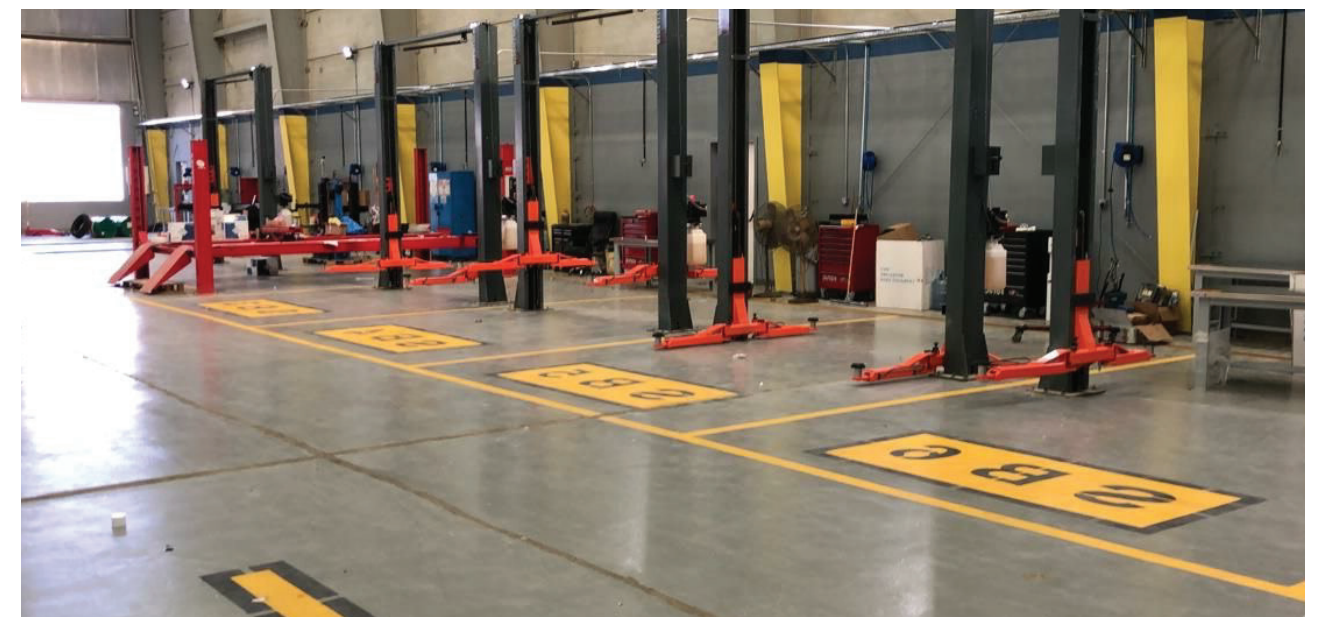
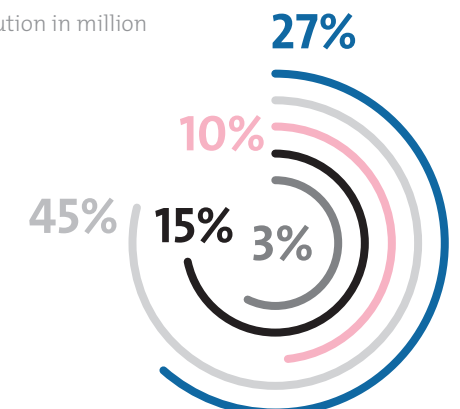


### Revenues according to geographical distribution:

Region	Revenues in millions	%
Southern Region	53.5	%15
Eastern Region	36.9	%10
The northern Region	9.8	%3
Western Region	96.4	%27
Central Region	162.0	%45
Total revenue from short-term rentals	358.5	%100

Short-term rental income by geographical distribution in million

- Southern area
- Eastern Region
- The northern area
- Western Region
- Central Region



### Long term rental revenue by sector

Sector	Amount in million
Food and Beverages	48.1
Government Sector	42.6
Transport Sector	38.9
Building	30.9
Consulting	12.8
Other Sectors	96.9
Total long-term rental income	270.1

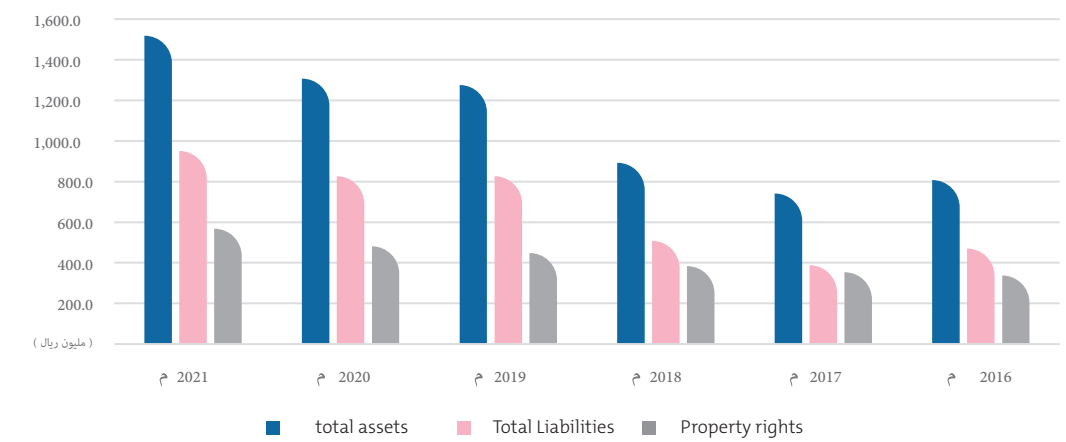
### Long term rental revenue by sector



### Statement of financial position : (millions)

Item	٢٠٢١ م	٢٠٢٠ م	٢٠١٩ م	٢٠١٨ م	٢٠١٧ م	٢٠١٦ م
<b>Assets</b>						
Current assets	273.0	208.8	201.1	141.4	129.0	123.5
Non-Current Assets	1,245.2	1,098.6	1,074.5	750.9	611.9	684.1
<b>Total Liabilities</b>	<b>1,518.1</b>	<b>1,307.4</b>	<b>1,275.5</b>	<b>892.3</b>	<b>740.9</b>	<b>807.7</b>
<b>Liabilities and Equity</b>						
Current liabilities	371.0	365.4	368.0	359.0	112.9	161.6
<b>Total liabilities</b>	<b>950.8</b>	<b>825.9</b>	<b>826.9</b>	<b>508.5</b>	<b>388.0</b>	<b>470.3</b>
Equity	567.4	481.5	448.6	383.8	352.9	337.3
<b>Total liberalities and Equity</b>	<b>1,518.1</b>	<b>1,307.4</b>	<b>1,275.5</b>	<b>892.3</b>	<b>740.9</b>	<b>807.7</b>

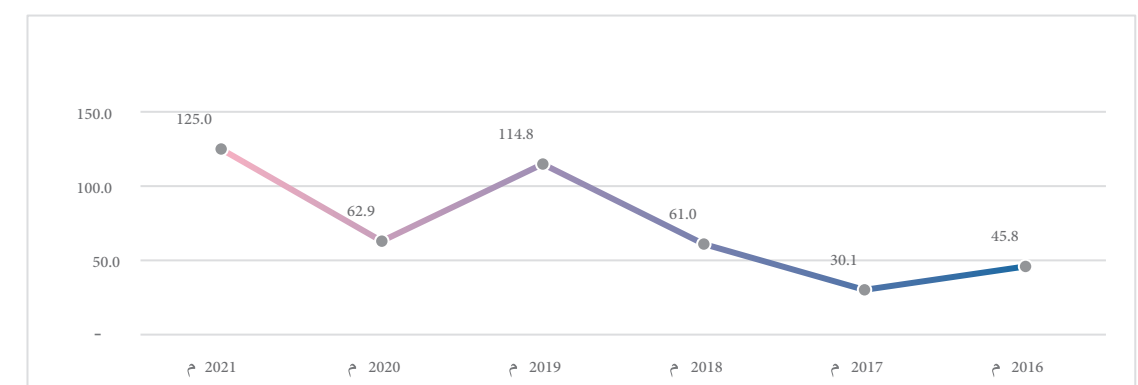
### Statement of financial position for the past five years



### Profit and loss statement (for the past five years)

Item (millions)	٢٠٢١ م	٢٠٢٠ م	٢٠١٩ م	٢٠١٨ م	٢٠١٧ م	٢٠١٦ م
Activity Revenues	752.4	660.0	631.1	537.7	535.5	469.0
Other Revenues	5.9	7.8	2.9	2.1	2.3	0.5
Selling Cost	(503.1)	(498.0)	(410.0)	(395.1)	(425.0)	(348.0)
General and Administrative Expenses	(97.1)	(70.5)	(71.7)	(59.2)	(67.3)	(55.3)
Funding Cost	(25.6)	(32.0)	(28.1)	(16.5)	(15.8)	(18.9)
Net (loss) / profit before zakat	132.5	67.4	124.2	69.0	29.7	47.4
Zakat	(6.8)	(4.1)	(8.1)	(8.9)	(1.0)	(1.6)
Net (loss)/profit	125.7	63.2	116.0	60.1	28.7	45.8
Actuarial losses/gains on employee benefit obligations	(0.8)	(0.3)	(1.2)	0.9	1.4	-
Comprehensive income for the year	125.0	62.9	114.8	61.0	30.1	45.8

### Comprehensive income for the past five years





Comparison of the statement of profit and loss for the two years ended December 31,

Item	٢٠٢١	٢٠٢٠	Difference	Rate
activity revenue	752.4	660.0	92.4	%14
Selling cost	(503.1)	(498.0)	(5.1)	%1
gross profit	249.3	162.0	87.3	%54
selling expenses	(34.4)	(27.2)	(7.2)	%27
General and administrative expenses	(62.7)	(43.3)	(19.4)	%45
Other income	5.9	7.8	(1.9)	%-24
net profit from the activity	158.1	99.3	58.8	%59
Funding Cost	(25.6)	(32.0)	6.3	%-20
Net (loss) / profit before zakat	132.5	67.4	65.1	%97
zakat	(6.8)	(4.1)	(2.6)	%64
net (loss) / profit	125.7	63.2	62.5	%99
Actuarial losses/gains on employee benefit obligations	(0.8)	(0.3)	(0.4)	%120
Comprehensive income for the year	125.0	62.9	62.1	%99

Shareholders' Equity

Equity (millions)	٢٠٢١	٢٠٢٠	Net Change	Rate
Capital	430.0	430.0	-	%0
Statutory Reserve	18.9	6.3	12.6	%198
Retained Earnings	118.5	45.2	73.3	%162
Total shareholders' equity	567.4	481.5	85.8	%18





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## Board of Directors and Committees

## Board of Directors and Committees

### Board of Directors and Committees

The Board of Directors assumes the functions of managing the company through 6 members who are appointed by the company's general assembly, for a period not exceeding 3 years.

Name	Job Title	Membership Classification
Mohammed Ahmed Abdullah Al-Theeb	Chairman	Non-Executive
Hassan Samir Abdullah Al-Shuwaikh	Vice Chairman	Non-Executive
Mohammed Hamoud Abdullah Al-Theeb	Board Member	Executive
Saleh Abdel-Rahman Saleh Al-Fadl*	Board Member	Independent
Selim Chidiac	Board Member	Non-Executive
Riyad Saleh Hamad Al Malik	Board Member	Independent
Haitham Tawfiq Ibrahim Al-Fraih**	Board Member	Independent

\*His membership in the Board expired on 01 September 2021

\*\*Joined the board on September 2021 ,15

### A- Names of the companies in which a member of the board of directors is a member of its current and previous board of directors or one of its managers

Name	Names of the companies in which a member of the board of directors is a member of its current board of directors or one of its managers	Inside/outside the Kingdom	Legal Entity	Names of the companies in which a member of the board of directors is a member of its current board of directors or one of its managers	Inside/outside the Kingdom	Legal Entity
Mohammed Ahmed Abdullah Al-Theeb	Chairman of the Board of Directors of Al-Theeb Sons Real Estate Management Company since 2018	inside the kingdom	Closed Joint Stock Company	-		
	Chairman of the Board of Directors of Mohamed Ahmed Al Theeb Contracting Company since 2018.	inside the kingdom	Closed Joint Stock Company			
Hassan Samir Abdullah Al-Shuwaikh	Vice President of Private Equity in Southeast Asia, Investcorp Financial Services Holding Company,	Outside the kingdom	a closed joint stock company			
	Vice President of Private Equity in Southeast Asia, Investcorp Financial Services Holding Company, Director of Asset Management, Investcorp Saudi Arabia for Financial Investments,	Outside the kingdom	Closed Joint Stock Company	-		
Mohammed Hamoud Abdullah Al-Theeb	Member of the Board of Directors of Madareem Hotel Management and Operation Company since 2011	inside the kingdom	Limited Liability Company	-		
	Member of the Board of Directors of Theeb Contracting and Real Estate Company Ltd. since 2021	inside the kingdom	Limited Liability Company			
Saleh Abdul Rahman Saleh Al-Fadl	-			Member of the Board of Directors - King Faisal Specialist Hospital International Holding Company from 2019 to 2020.	Inside the kingdom	Closed Joint Stock Company
				Member of the Board of Directors of Al-Afdal Rent A Car Company from 2017 AD to 2020 AD	Inside the kingdom	Closed Joint Stock Company
				Member of the Board of Directors of the Saudi Public Transport Company SAPTCO from 2016 to 2018	Inside the kingdom	Closed Joint Stock Company

Name	Names of the companies in which a member of the board of directors is a member of its current board of directors or one of its managers	Inside/outside the Kingdom	Legal Entity	Names of the companies in which a member of the board of directors is a member of its current board of directors or one of its managers	Inside/outside the Kingdom	Legal Entity
Selim Chidiac	-			Member of the Board of Directors of Lazurde Company for Jewelry from 2018 A.D. until 2020 A.D..	Inside the kingdom	Public Joint Stock Company
Riyad Saleh Hamad Al Malik	Member of the Board of Directors of the Saudi Automotive Services Company (SASCO) since P-10	Inside the kingdom	Public Joint Stock Company	Tashelat Marketing Company	Inside the kingdom	Limited Liability Company
				Sahel Transport Company	Inside the kingdom	Limited Liability Company
				Sara Telecommunications Co	Inside the kingdom	Limited Liability Company
				Al-Furusiya Company for Trade and Services Ltd.	Inside the kingdom	Limited Liability Company
Haitham Tawfiq Ibrahim Al-Fraih**	Founding Partner and CEO of Sidra Investments	Inside the kingdom	Closed Joint Stock Company	-		
	Member of the Board of Directors of BLOM Investment Saudi Arabia since P-19	Inside the kingdom	Closed Joint Stock Company			
	Member of the Board of Directors of Zahrat Al-Rabeeh Company since P-19	Inside the kingdom	Closed Joint Stock Company			
	Vice Chairman of the Board of Directors of Al-Mashaer Holding Company since P-19	Inside the kingdom	Closed Joint Stock Company			
	Member of the Board of Directors of Amana Cooperative Insurance Company since P-17	Inside the kingdom	Closed Joint Stock Company			
	Member of the Board of Directors of Bayan Credit Information Company since P-19	Inside the kingdom	Closed Joint Stock Company			
	Member of the Board of Directors of Zohoor Al Reef Company since P-19	Inside the kingdom	Closed Joint Stock Company			
	Chairman of the Board of Directors of Al-Mehbaj Company since P-19	Inside the kingdom	Closed Joint Stock Company			
	Chairman of the Board of Directors of U-Mark Trading Company since P-19	Inside the kingdom	Closed Joint Stock Company			
	Member of the Board of Directors of the Gulf Insulation Group Company	Inside the kingdom	Closed Joint Stock Company			

His membership in the Board expired on 1 September

\*\*Join the board on September 2021 ,15



### Audit Committee

Name	Position
Haitham Tawfiq Ibrahim Al-Fraih*	Chairman of the Committee and Member of the Board of Directors
Saleh bin Abdul Rahman Al-Fadl**	Former Chairman of the Committee
Hassan Samir Abdullah Al-Shuwaikh	member
Salim Chidiac***	member
Ayman Jamil Salem Ammar****	A member from outside the Board

\*Joined the committee on September 2021 ,15  
 \*\* His membership in the Committee expired on 01 September 2021  
 \*\*\*His membership in the Committee expired on December 2021 ,20  
 \*\*\*\* Join the committee on December 2021 ,20

### Nominations and Remunerations Committee:

Name	Position
Riyad Hamad Saleh Al Malik	Chairman of the Committee and Member of the Board of Directors
Waseem Mohamed Hammouda	A member from outside the Board
Fahad Marei Al-Shahrani	A member from outside the Board

### Executive Committee\*

Name	Position
Mohammed Hamoud Abdullah Al-Theeb	Chairman of the Committee and Member of the Board of Directors
Nayef Mohammed Altheeb	Chief Executive Officer
Jafar Salah Al-Din Al-Baz	Chief Financial Officer
Shahzad Ali	Executive Director – Corporate Operation

\* The Executive Committee was formed on November 2021 ,8 AD







Biographies of the members of the board of directors



Mr. Mohamed Ahmed Abdullah Al Theeb

Chairman of the Board of Directors

Current Jobs

- Chairman of the Board of Directors of the company since 2018.
- Chairman of the Board of Directors of Al-Theeb Sons Company, a closed joint stock company, working in the field of real estate management, since 2018.
- Chairman of the Board of Directors of Mohamed Ahmed Al Theeb Contracting Company, a closed joint stock company, working in the contracting field, since 2018

Previous jobs and experience

- CEO of the company from 1991 AD until 2017.
- Member of the Board of Directors of the company from 1991 AD until 2017.
- General Manager of Al Theeb Sons Real Estate Management Company, a limited liability company, working in the field of real estate management, from 2007 to 2017.
- General Manager of the Mohammed Ahmed Al-Theeb Contracting Establishment, a sole proprietorship, working in the Vehicles' Registration and plates official at Aljomaih Automotive Company, a solidarity company, working in the field of car sales and services, from 1976 AD to 1986 AD.

Qualifications

General Secondary School, Al-Fateh Secondary School, Amman, Jordan, in 1970.



Mr. Hassan Samir Abdullah Al-Shuwaikh

Vice Chairman

Current Jobs

- Member of the Board of Directors of the company since 2018
- Vice President of the Private Equity Department in Southeast Asia at Investcorp Holding Company for Financial Services, a Bahraini joint stock company, working in the field of financial services, since 2021.
- Director of Asset Management at Investcorp Saudi Arabia for Financial Investments, a closed joint stock company, working in the field of financial services, since 2016.

Previous jobs and experience

- Vice President of the Private Equity Department in the Middle East and North Africa at Investcorp Holdings for Financial Services, a Bahraini joint stock company, working in the field of financial services, from 2019 to 2021.
- Participant in the Private Equity Department in the Middle East and North Africa, Investcorp Holding Company for Financial Services, a Bahraini joint stock company, working in the field of financial services, from 2016 to 2019.
- Member of the Mergers and Acquisitions Department of Standard Chartered Bank, a public joint stock company, working in the field of financial services, from 2013 to 2016
- Member in PricewaterhouseCooper, a professional company working in the field of tax and accounting consultancy, from 2012G until 2013 A.D.
- Chartered Financial Analyst (CFA) at the Institute of Chartered Financial Analysts, Virginia, USA, in 2018.

Qualifications

- Bachelor of Business Administration - Finance, San Diego State University, California, USA, in 2011.
- Accountant at Co-Efficient Services, formerly known as Bay Accounting, a professional company, working in the field of accounting, from 2011G until 2012G.

## Biographies of the members of the board of directors



Mr. Mohamed Hammoud Abdullah Al-Theeb

Member of the Board of Directors

### Current Jobs

- Member of the company's board of directors since 2015.
- Business development manager at Theeb Rent a Car, a public joint stock company, working in the car rental field since 2018.
- Member of the Board of Directors of Madareem Crown Hotel Company, a limited liability company, working in the field of management, operation and maintenance of hotels, residential units and furnished apartments, since 2011.
- Member of the Board of Directors of Theeb Contracting and Real Estate Company Limited, a limited liability company working in real estate development since 2021
- Chairman of the Executive Committee of Theeb Rent a Car, a public joint stock company, working in the field of car rental since 2021.

### Previous jobs and experience

- Manager of private customer accounts in the business sector in the company from 2017 to 2018
- Operations Manager at Atoz Company, a limited liability company working in the transport of goods on land roads, wholesale and retail and fuel sale services, from 2013 to 2017.

### Qualifications

- General Secondary School, Dar Al Uloom Schools, Riyadh, Kingdom of Saudi Arabia, in 2013.
- General Certificate for Dealing in Securities CMEI



Mr. Saleh Abdul Rahman Saleh Al Fadl

Member of the Board of Directors

### Current Jobs

- Executive Assistant General Manager for Financial Affairs and Services, Saudi Arabian Airlines Corporation, since 2021

### Previous jobs and experience

- Member of the Board of Directors of Al-Afdal Rent A Car, a closed joint stock company, working in the field of car rental, from 2017 to 2020.
- Member of the Board of Directors of King Faisal Specialist Hospital International Holding Company, a closed joint stock company, working in the field of providing health support services, from 2019 to 2020.
- Member of the company's board of directors from 2020 to 2021.
- Chief Financial Officer of Herfy Food Services Company, a closed joint stock company, working in the field of food and consumer luxury goods, since 2015.
- Member of the Board of Directors of the Saudi Public Transport Company (SAPTCO), a public joint stock company, working in the field of public transport, from 2016 AD until 2018.

### Qualifications

- Bachelor's degree in Business Administration, King Saud University, Riyadh, Saudi Arabia, in 2006.
- Master of Science in Finance, University of Illinois, Illinois, USA, in 2009.
- Master of Accounting Science, University of Illinois, Illinois, USA, in 2010.



Mr. Selim Chidiac

Member of the Board of Directors

### Current Jobs

- Member of the company's board of directors since 2020.
- CEO of Lazurde Company for Jewelry, a public joint stock company, working in the field of producing and manufacturing gold, jewelry and precious stones, since 2010.

### Previous jobs and experience

- Member of the Board of Directors of Lazurde Company for Jewelry, a public joint stock company, working in the field of producing and manufacturing gold, jewelry and precious stones, from 2018 to 2020.
- CEO of Red Bull North America, a limited liability company, working in the field of retail and specializing in consumer goods, from 2007G until 2010G.
- CEO and Regional Head (Asia Pacific, Middle East and Africa), Red Bull Japan KK Corporation, a closed joint stock company, working in the field of consumer goods, from 2006G to 2007G.
- Regional Head (Asia Pacific, Middle East and Africa), Red Bull FZE, a limited liability company, working in the field of retail and specializing in consumer goods, from 2004G until 2005G.
- Area Manager (Middle East, North Africa and Greece), Red Bull GmbH, a limited liability company, working in the field of retail and specializing in consumer goods, from 1999 to 2002.
- Marketing Director, Procter & Gamble AG, a public joint stock company, working in the field of retail and specializing in consumer goods, from 1997 to 1999.
- Brand Manager at Procter & Gamble AG, a public joint stock company, working in the field of retail and specializing in consumer goods, from 1995 to 1997

### Qualifications

- Bachelor's degree in Engineering, École Normale Supérieure for Chemistry, Physics and Electronics, Lyon, France, in 1990



## Biographies of the members of the board of directors



Mr. Riyadh Saleh Hamad Al Malik

### Current Jobs

- Member of the company's board of directors since 2020.
- CEO of the Saudi Automotive Services and Equipment Company (SASCO), a public joint stock company, working in the field of car service and equipment and management of stations, rest houses, motels and quick service centers, since 2009.
- Member of the Board of Directors of the Saudi Automotive Services and Equipment Company (SASCO), a public joint stock company, working in the field of car service and equipment and management of stations, rest houses, motels and quick service centers, since 2015.
- Member of the National Committee for Gas Station Companies in the Council of Saudi Chambers.
- Member of the Customs Council of the International Automobile Federation, an international non-profit international organization, concerned with caring for the interests of organizations related to cars and car users and promoting best practices and sustainable practices, since 2009.
- Member of the Arab Council for Automobile and Tourism Clubs, a global organization that aims to unite the Arab-speaking FIA member car clubs, since 2011.

### Member of the Board of Directors

- Member of the International Road Transport Union, an independent global international organization, concerned with facilitating the transport of people and goods by land and facilitating global trade lines, since 2012.
- Member of the Arab Federation of Land Transport, a joint Arab body, specialized in the affairs of development, development, regulation and integration of the land transport sector in the Arab world, since 2009.

### Previous jobs and experience

- President of the Customs Council of the FIA, an international non-profit international organization, concerned with caring for the interests of organizations related to cars and car users and encouraging best practices and sustainable practices, from 2011 to 2017.
- Chairman of the National Committee for Gas Station Companies in the Council of Saudi Chambers.
- General Manager of Tas'helat Marketing Company Limited (Sahel), a limited liability company, working in the field of managing a chain of retail fuel outlets and car service centers within stations throughout the Kingdom, from 2005 to 2009.
- Deputy General Manager for Marketing at Al-Riyadh Development Company, a public joint stock company, working in the field of real estate management and development, from 2000 to 2005.
- Director of Marketing Department at the Saudi Real Estate Company, a public joint stock company, working in the field of investment, management and development of real estate, from 1998 to 2000.
- Sales manager at the InterContinental Hotel Riyadh, InterContinental Hotels Group, a public joint stock company, working in the global hotel and hospitality field, from 1997 to 1998.
- Sales manager at Dur Hospitality Company (formerly the Saudi Company for Hotels and Tourist Areas), a public joint stock company, working in the field of establishing, owning, managing and purchasing hotels and managing real estate development, from 1995 A.D. until 1997 A.D.

### Qualifications

- Bachelor's degree in Business Administration, King Abdulaziz University, Jeddah, Saudi Arabia



Haitham Tawfeeq Ibrahim Al-Freaj

### Current Jobs

- Founding Partner and CEO of Sidra Investments

### Member

### Previous jobs and experience

- Partner and Vice President of Amwal Al Khaleej Company
- Financial Analyst at Abdul Qader Al Muhaidib & Sons Group of Companies
- A seasoned investment expert with a proven track record of success in helping companies fully realize their growth potential
- Driving cash flows across the entire private equity investment cycle (creation, performance evaluation, post-acquisition, and realization).
- Business development, creating many opportunities in various sectors across the GCC including: retail, food and beverage, healthcare and education.

### Qualifications

- MBA from University of Baltimore, Maryland
- Bachelor of Architecture from Tbilisi

Biographies of the members of the board of directors



Mr. Riyadh Saleh Hamad Al Malik

Current Jobs

- Member of the company's board of directors since 2020.
- CEO of the Saudi Automotive Services and Equipment Company (SASCO), a public joint stock company, working in the field of car service and equipment and management of stations, rest houses, motels and quick service centers, since 2009.
- Member of the Board of Directors of the Saudi Automotive Services and Equipment Company (SASCO), a public joint stock company, working in the field of car service and equipment and management of stations, rest houses, motels and quick service centers, since 2015.
- Member of the National Committee for Gas Station Companies in the Council of Saudi Chambers.
- Member of the Customs Council of the International Automobile Federation, an international non-profit international organization, concerned with caring for the interests of organizations related to cars and car users and promoting best practices and sustainable practices, since 2009.
- Member of the Arab Council for Automobile and Tourism Clubs, a global organization that aims to unite the Arab-speaking FIA member car clubs, since 2011.

Member of the Board of Directors

- Member of the International Road Transport Union, an independent global international organization, concerned with facilitating the transport of people and goods by land and facilitating global trade lines, since 2012.
- Member of the Arab Federation of Land Transport, a joint Arab body, specialized in the affairs of development, development, regulation and integration of the land transport sector in the Arab world, since 2009.

Previous jobs and experience

- President of the Customs Council of the FIA, an international non-profit international organization, concerned with caring for the interests of organizations related to cars and car users and encouraging best practices and sustainable practices, from 2011 to 2017.
- Chairman of the National Committee for Gas Station Companies in the Council of Saudi Chambers.
- General Manager of Tas'helat Marketing Company Limited (Sahel), a limited liability company, working in the field of managing a chain of retail fuel outlets and car service centers within stations throughout the Kingdom, from 2005 to 2009.
- Deputy General Manager for Marketing at Al-Riyadh Development Company, a public joint stock company, working in the field of real estate management and development, from 2000 to 2005.
- Director of Marketing Department at the Saudi Real Estate Company, a public joint stock company, working in the field of investment, management and development of real estate, from 1998 to 2000.
- Sales manager at the InterContinental Hotel Riyadh, InterContinental Hotels Group, a public joint stock company, working in the global hotel and hospitality field, from 1997 to 1998.
- Sales manager at Dur Hospitality Company (formerly the Saudi Company for Hotels and Tourist Areas), a public joint stock company, working in the field of establishing, owning, managing and purchasing hotels and managing real estate development, from 1995 A.D. until 1997 A.D.

Qualifications

- Bachelor's degree in Business Administration, King Abdulaziz University, Jeddah, Saudi Arabia



Haitham Tawfeeq Ibrahim Al-Freaj

Current Jobs

- Founding Partner and CEO of Sidra Investments

Member

Previous jobs and experience

- Partner and Vice President of Amwal Al Khaleej Company
- Financial Analyst at Abdul Qader Al Muhaidib & Sons Group of Companies
- A seasoned investment expert with a proven track record of success in helping companies fully realize their growth potential
- Driving cash flows across the entire private equity investment cycle (creation, performance evaluation, post-acquisition, and realization).
- Business development, creating many opportunities in various sectors across the GCC including: retail, food and beverage, healthcare and education.

Qualifications

- MBA from University of Baltimore, Maryland
- Bachelor of Architecture from Tbilisi

## Biographies Of The Nominations And emunerations Members



**Eng. Fahd bin Marei Muhammad Al-Shahrani**

### Current Jobs

- Member of the Nominations and Remunerations Committee at Theeb Rent a Car, a public joint stock company, since 2020
- Director General of Human Resources at the Ministry of Industry and Mineral Resources, a government ministry, working to regulate the industrial and mining sector and maximize the sector's returns, since 2020 A.D.

**member of the Nominations and Remunerations Committee**

### Previous jobs and experience

- Director General of Talents and Remunerations Department at the Royal Commission for Riyadh City - Diplomatic Quarter, a government agency working on developing, developing and investing the Embassy District in Riyadh, from 2019 to 2020
- Director of the Human Resources Department at the General Entertainment Authority, a government agency working to organize and develop the entertainment sector in the Kingdom, from 2017 to 2018.
- Director of Talent and Rewards Department at Saudi Telecom Solutions Company, a public joint stock company, working in the field of information and communications technology (ICT), from 2015 to 2017.
- Talent and Rewards Manager at Saudi Telecom Solutions Company, a public joint stock company, working in the field of information and communications technology (ICT), from 2012 to 2015.
- Founding partner of Advanced Supply Company, a limited liability company working in the field of food and restaurants, since 2018
- Chief Administrative Performance Analyst at Etihad Etisalat Company (Mobily), a public joint stock company, working in the field of communications services, from 2010 to 2012.
- Administrative performance analyst at Etihad Etisalat Company (Mobily), a public joint stock company, working in the field of communications services, from 2007 to 2010.

### Qualifications

- Executive Program for Leadership Development, Michigan Business School, USA 2022
- Executive Program for Business Leaders in Institutions, IMD, Switzerland 2018
- Diploma in Human Resources Management, Accredited Institute for Personnel Development (CIPD), London, United Kingdom, in 2012.
- Bachelor's degree in Industrial Engineering, King Saud University, Riyadh, Saudi Arabia, in 2007.

## Biographies of the Executive Committee members



**Mr. Mohamed Hammoud Abdullah Al-Theeb**

Mentioned in "Biography of Board Members"



**Naif Mohammed Al-Theeb**

Mentioned in 'Biography of Executive Management'



**Jafar Salah Eldin Al-Baz**

Mentioned in "Biography of Executive Management"



**Shahzad Ali**

Mentioned in "Biography of Executive Management"

**Meetings of the Board of Directors, affiliated committees, the General Assembly and the Audit Committee held during the year 2021 AD**

### Board of Directors Meetings

Member	19/04/2021	08/11/2021	16/11/2021	29/12/2021
Mr. Mohammed Ahmed Abdullah Al-theeb	Attended	Attended	Attended	Attended
Mr. Hassan Samir Abdullah Al-Shuwaikh	Attended	Attended	Attended	Attended
Mr. Mohammed Hamoud Abdullah Al-Theeb	Attended	Attended	Attended	Attended
Mr. Saleh Abdel-Rahman Saleh Al-Fadl*	Attended	2021 September 01 His membership in the Board expired on		
Mr. Salim Chidiac	Attended	Attended	Attended	Attended
Mr. Riyadh Saleh Hamad Al-Malik	Attended	Attended	Attended	Attended
Mr. Haitham Tawfiq Ibrahim Al-Fraih**	Joined the board on 2021 ,15 September	Attended	Attended	Attended

**\*His membership in the Board expired on 01 September 2021**

**\*\*Joined the board on September 15th**

**Actions taken by the Board of Directors to inform its members of the proposals or observations of its shareholders regarding the company and its performance.**

- Board meetings.
- Meetings of the committees emanating from the board of directors.
- General Assembly meetings.

## Board Committees

These committees formed by the Board of Directors to assist it in carrying out its duties effectively. The Board of Directors periodically follows up on the work of the committees, to ensure that they carry out the tasks entrusted to them. The committees also inform the Board of Directors periodically, and with absolute transparency, of the results they are doing, reaching, or taking decisions.

### Auditing Committee

The main role of the committee is to monitor the company's business and affairs and assist the board of directors in supervising the company's audits and internal control systems, the company's financial statements and other financial information, and the company's compliance with legal and regulatory requirements. The duties and responsibilities of the committee include:

- Reviewing important issues related to accounting and reporting matters, including complex or unusual transactions, critical discretionary areas, and emerging professional and regulatory announcements, and assessing their impact on the financial statements.
- Studying the company's initial and annual financial statements and all announcements related to the company's financial performance before presenting them to the Board of Directors and expressing its opinion and making recommendations regarding them to the Board of Directors, to ensure their integrity, fairness and transparency.
- Reviewing any important or unusual issues contained in the company's financial statements and reports, and reviewing and researching any issues reported by the Chief Executive Officer (or his designee), the Executive Director of the Financial Department (or his designee), the Compliance Manager, the internal auditor or the auditor and research it carefully.
- Verifying accounting estimates in the material issues contained in the company's financial statements and reports.

### Internal Control and Audit

- Study and review the company's internal and financial control and risk management systems and their effectiveness.
- Studying internal audit reports and following up the implementation of corrective actions for the notes contained therein.
- Monitoring and supervising the performance and activities of the internal auditor and the company's internal audit department to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to them.
- Approving the company's internal audit regulation and reviewing the company's internal audit procedures.
- Recommending to the Board of Directors regarding the appointment, dismissing and remuneration of the company's internal auditor.

### External Audit

- Recommending the Board of Directors to nominate and dismiss the auditor and determine his fees, after verifying his independence and reviewing the scope of his work and the terms of contracting with him.
- Reviewing the performance of the auditor, supervising his activities, and making recommendations to the Board of Directors in this regard.
- Verify the auditor's independence, objectivity and fairness, and the effectiveness of audit work, taking into account the relevant rules and standards, and recommend to the Board of Directors in this regard.
- Studying the auditor's report, his notes and reservations on the company's financial statements and following up on the actions taken in their regard.

### Commitment:

- Verify and monitor the company's compliance with relevant laws, regulations, policies and instructions.
- Reviewing the effectiveness of the control system, ensuring compliance with laws and regulations, the results of investigations conducted by management, and following up on any cases of non-compliance (including taking

disciplinary action).

- Reviewing the results of the reports and investigations of the supervisory or regulatory authorities, and verifying that the company has taken the necessary measures in this regard.

### Review And Evaluation

- Periodically review the structure of the Board of Directors and the executive management of the company, their size, formation, strengths and weaknesses (including skills, knowledge and experience) and make appropriate recommendations to the Board of Directors in accordance with the interest of the company.
- Developing an annual process of self-evaluation for the members of the Board of Directors and some senior executives of the company, presenting recommendations to the Board of Directors in this regard, and supervising that process.

### Remuneration Committee

- Preparing a policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board of Directors and the executive management of the company (the "Remuneration Policy"), and submitting it to the Board of Directors in preparation for its approval by the General Assembly, and supervising its implementation and disclosure.
- Recommend to the Board of Directors the remuneration of the members of the Board of Directors and the committees emanating from the Board of Directors and the Executive Management (including the nature and amount of remuneration) in accordance with the approved remuneration policy.

### Audit Committee Meetings:

Name	Position	23/03/2021	04/05/2021	09/05/2021	09/08/2021	04/11/2021
Mr. Haitham Tawfiq Ibrahim Al-Fraih*	Chairman	N/A	N/A	N/A	N/A	✓
Mr. Saleh bin Abdul Rahman Al-Fadl**	Previous Chairman	✓	✓	✓	✓	N/A
Mr. Hassan Samir Abdullah Al-Shuwaikh	Member	✓	✓	✓	✓	✓
Mr. Salim Chidiac***	Member	✓	✓	✓	✓	✓
Mr. Ayman Jamil Salem Ammar ****	A member from outside the Board	Join the committee on December 20,	Join the committee on December 20,	Join the committee on December 20,	Join the committee on December 20,	

\* Joined the committee on September 20021 ,15

\*\* His membership in the Committee expired on September 2021 ,01

\*\*\*His membership in the Committee expired on December 2021 ,20

\*\*\*\* Join the committee on December 20th,



## Remuneration and Nominations Committee :

This committee undertakes the tasks of nominating the members of the Board of Directors and setting the remuneration policy for the members of the Board and members of the senior management of the company. The duties and responsibilities of the Remuneration and Nomination Committee include the following:

### Nominations

- Preparing policies and standards regarding the nomination and appointment of members of the Board of Directors and members of the executive management of the company (the “Nomination Policy”), proposing them to the Board of Directors and supervising their implementation.
- Ensure that the necessary and appropriate inquiries are made regarding the Board of Directors candidates and their qualifications before submitting a recommendation regarding their nomination to the Board of Directors.
- Recommend to the Board of Directors to nominate and re-nominate members of the Board of Directors in accordance with the applicable laws, regulations, rules, and approved policies and standards (including these regulations).
- Verify on an annual basis the independence of the independent members of the board of directors in accordance with the rules, regulations and rules in force, and the absence of any conflict of interest if the member is a member of the board of directors of another company.
- Periodically reviewing the succession plans of senior executives and making recommendations thereon to the Board of Directors, taking into consideration the challenges and opportunities facing the company, as well as the necessary future needs for skills and expertise.
- Evaluate potential candidates for executive management positions in the company and make recommendations about them to the Board of Directors, including the position of CEO.
- Developing special procedures in the event of a vacancy in the position of a member of the Board of Directors or the Executive Management and reviewing them periodically, and recommending the Board of Directors regarding the selection and approval of candidates to fill those positions.

### Nomination and Remuneration Committee Meetings

Name	Position	12 Dec. 2021	12 Dec. 2021
Mr. Riyadh Hamad Saleh Al-Malik	Chairman	☑	☑
Mr. Wassim Mohamed Hammouda	A member from outside the board	☑	☑
Eng. Fahad Marei Al-Shahrani	A member from outside the board	☑	☑

### Executive Committee

The main role of the committee is to assist the board of directors in fulfilling its responsibilities and tasks by supervising the implementation of the strategic plan and executive work plans, follow-up on achievement and taking executive decisions.

- Supervising the preparation of the company's annual budget, reviewing proposals submitted by the executive management, and making recommendations to the Board for approving the annual budget.
- Reviewing and following up the implementation of all the company's projects, taking decisions according to the powers delegated to it, and discussing the obstacles encountered in implementing the various projects and recommending appropriate solutions to them.
- Reviewing the company's performance based on management reports in light of the specific goals, measuring performance by results, analyzing and studying the main influences, indicators and developments related to its business, and directing the management accordingly.
- Participate in developing the company's new strategic plans, evaluate proposals submitted by management for such plans, such as mergers and acquisitions, and raise recommendations to the Board of Directors.
- Review and study the necessary regulations and policies in the company and submit its recommendations to the Board of Directors.
- Reviewing the internal procedures and ensuring their compatibility with the workflow and amending them when needed.
- Review the organizational structure of the company and submit recommendations for any amendments to the Board of Directors.
- Verify the availability of human and financial resources necessary to achieve the company's objectives and main

plans.

- Study projects and strategic and important topics and submit recommendations to the Board in this regard.
- Studying the need to open new branches inside the Kingdom and submitting a recommendation to the Board of Directors, the Chairman of the Board, the Vice President, the Managing Director, or the CEO.
- Submitting a recommendation to the Board of Directors in the event of a need to write off or establish branches outside the Kingdom.
- Studying and approving long-term lease contracts according to the approved terms of reference.
- Submit a recommendation to the Board of Directors for car purchases in case the approved budget is exceeded.
- Submit studies and recommendations to the Board of Directors in case of need to add new activities, services or products.
- Studying the essential bank facilities and loans and presenting its recommendations to the authorized persons in this regard.
- Reviewing and evaluating proposals for new investments, approving projects within the Committee's powers, and submitting its recommendations to the Board in this regard.
- Recommending to the Board of Directors regarding dividends

### Executive Committee Meetings:

Name	Position	13 Dec. 2021
Mr. Muhammad Hammoud Abdullah Al-Theeb	Chairman of the Committee and Member of the Board of Directors	☑
Mr. Nayef Muhammed Al Theeb	Chief Executive Officer	☑
Mr. Jafar Salah Al-Din Al-Baz	Chief Financial Officer	☑
Mr. Shahzad Ali	Executive Director – Corporate Operation	☑

The Executive Committee was formed on November 2021 ,8

## Board Member Remuneration. :

### Remuneration Setting Rules

- The Board of Directors submits to the General Assembly its recommendations regarding the remuneration offered to all members of the Board of Directors for approval on an annual basis. The recommendation of the Board of Directors to the General Assembly in this regard is based on the recommendation of the Nominations and Remunerations Committee of the Company. The recommendations of the Nomination and Remuneration Committee and the Board of Directors shall comply with applicable laws, regulations, rules and policies (including this Policy).
- The remuneration of the members of the board of directors may be a certain amount, benefits in kind, attendance allowance for sessions, or a certain percentage of the company's annual net profits, and two or more of these benefits may be combined.
- If the remuneration is a certain percentage of the company's profits, then the total annual remuneration may not exceed (10%) of the net profits, after deducting the relevant reserves, and after distributing profits to the

### Additional Remuneration

- The Chairman of the Board of Directors may receive an additional remuneration other than the remuneration to which he is entitled as a member of the Board of Directors. The Board of Directors determines this additional remuneration (if any) on an annual basis based on the recommendation of the Nomination and Remuneration Committee.
- Members of the Board of Directors may receive additional remuneration for their membership in committees other than the remuneration they are entitled to as members of the Board of Directors. Such additional remuneration (if any) is determined in accordance with Part 4 of this Policy.
- Members of the Board of Directors may receive additional remuneration for their positions as Senior Executives other than the remuneration to which they are entitled as members of the Board of Directors. Such additional remuneration (if any) is determined in accordance with Part 5 of this Policy.

company's shareholders of no less than (5%) of the capital Paid company.

- In all cases, the sum of the remunerations and benefits and financial or in-kind benefits that a member of the Board of Directors receives shall not exceed five hundred thousand Saudi riyals annually.
- As an exception to paragraphs (2-1) and (3-1) of Part 3 above, the remuneration of independent directors shall not be a percentage of the company's net profits or be based directly or indirectly on the company's profitability.
- The remuneration of the members of the Board of Directors may be of varying amounts to reflect the member's experience, competencies, tasks entrusted to him, his independence, the number of sessions he attends, and other considerations.



### Remuneration for Committee Members

#### Remuneration Setting Rules

- Committee members are remunerated in accordance with the relevant committee's work regulations.
- The Nomination and Remuneration Committee reviews the remuneration of the members of the committees and submits its recommendations to the Board of Directors.

### Senior Executive Remuneration

#### Remuneration Setting Rules

- The Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, determines the remuneration of all senior executives in accordance with the relevant employment contracts, policies and plans for remuneration and internal compensation.
- The Nomination and Remuneration Committee reviews and approves work contracts with senior executives, including contracts to be concluded with newly appointed employees. It must also review and approve any contract with an employee in return for a remuneration equivalent to the salaries of senior executives.

#### Benefits and Incentive Plans

- Senior executives are entitled to some of the benefits that the company offers. Besides pensions, the benefits are mainly medical services, use of the company's recreational facilities, housing-related allowances (or equivalent), and transportation-related allowances (or equivalent). The

nature and levels of benefits offered to senior executives are subject to periodic review by the Nomination and Remuneration Committee, and are also subject to Board approval.

- The company may offer variable remuneration to senior executives, determined according to market data and subject to the achievement of predetermined performance objectives, whether short-term or long-term. The variable remuneration plans are subject to the recommendation of the Nomination and Remuneration Committee and are subject to Board approval.
- The Company may offer senior executives and other employees opportunities for share ownership through an employee stock ownership plan or similar programme. These plans and programs are subject to the recommendation of the Nomination and Remuneration Committee and are subject to the approval of the Board of Directors and are in accordance with the applicable rules, regulations and instructions.

### Board Member Remuneration

### Fixed Remuneration

### Variable Remuneration

	specific amount	Allowance for attending Board Meetings	Total allowance for attending committee Meetings	In-Kind Benefits	A statement of what the board members received in the form of benefits or allowances from the company's administrators or what they received in return for technical or administrative work or consultancy	The remuneration of the chairman of the board, the managing director or the secretary, if he is a member	Total	percentage of profits	Periodic remuneration	short term incentive plans	long term incentive plans	Granted Shares	Total	End of service benefits	Grand Total	Expenses allowance
<b>First: the independent members</b>																
Saleh Abdul Rahman Al-Fadl	50,000.00	10,000.00	32,000.00	-	-	-	92,000.00	-	-	-	-	-	-	-	92,000.00	-
Riyad Hamad Al Malik	150,000.00	40,000.00	10,000.00	-	-	-	200,000.00	-	-	-	-	-	-	-	200,000.00	-
Haitham Tawfiq Al-Fraih	150,000.00	30,000.00	8,000.00	-	-	-	188,000.00	-	-	-	-	-	-	-	88,000.00	-
<b>Total</b>	<b>350,000.00</b>	<b>80,000.00</b>	<b>50,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>480,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>380,000.00</b>	<b>-</b>
<b>Non-executive members</b>																
Selim Chidiac	50,000.00	40,000.00	40,000.00	-	-	-	130,000.00	-	-	-	-	-	-	-	130,000.00	-
<b>Total</b>	<b>50,000.00</b>	<b>40,000.00</b>	<b>40,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130,000.00</b>	<b>-</b>
<b>Executive members</b>																
Mohammed Hammoud Al-Theeb	-	-	-	-	254,712.00	-	254,712.00	-	-	-	-	-	-	8,955.00	263,667.00	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254,712.00</b>	<b>-</b>	<b>254,712.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,955.00</b>	<b>263,667.00</b>	<b>-</b>

\* The remuneration of the Board of Directors is paid after shareholders' approval in the General Assembly

\*\* Salaries and remuneration as one of the company's employees



Remuneration of Members of the Audit Committee

Member	Fixed remuneration (excluding meeting allowances) SAR*	Allowance for attending Meetings SR	Total SAR
Saleh Abdul Rahman Al-Fadl	120,000	32,000	152,000
Selim Chidiac	50,000	40,000	90,000
Haitham Tawfiq Ibrahim Al-Fraih	30,000	8,000	38,000

\*The remuneration of the Audit Committee shall be disbursed after approval by the shareholders in the General Assembly

Remuneration of the Nomination and Remuneration Committee Members:

العضو	Fixed remuneration (excluding meeting allowances) SAR*	Allowance for attending Meetings SR	Total SAR
Riyad Hamad Al Malik	50,000	10,000	60,000
Fahad Al Shahrani	40,000	10,000	50,000

Remuneration of the Senior Executives

Description	Salaries	Allowances	In-kind benefits	Total	Periodic Remuneration Dividends	short term motivational plans	Long term motivational plans	Granted Shares	Total	End of Services	Executive Compensation Group	Grand Total	
Executive management	3,116,400.00	995,309.00	0	4,111,709.00	0	0	612,612.00	0	0	4,724,321.00	229,700.00	0	4,954,021.00
Total	3,116,400.00	995,309.00	0	4,111,709.00	0	0	612,612.00	0	0	4,724,321.00	229,700.00	0	4,954,021.00





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# Executive Management

## Executive Management

Members of the company's executive management.

Name	Position
Mr. Nayef Muhammed Al Theeb	Chief Executive Officer
Mr. Jafar Salah Al-Din Al-Baz	Chief Financial Officer
Mr. Shahzad Ali	Executive Director – Corporate Operation



**Mr. Nayef Mohammed Al-Theeb**

**Chief Executive Officer**

### Current Jobs

- CEO of the company since 2018.
- Member of the Board of Directors of Al-Theeb Sons Company, a closed joint stock company, working in the field of real estate management, since 2018.
- Member of the Board of Directors of Mohamed Ahmed Al- Theeb Contracting Company, a closed joint stock company, working in the contracting field, since 2018.

### Previous jobs and experience

- Vice Chairman of the Board of Directors of the company from 2018 to 2020.
- Executive Director of Operations in the company from 2015G until 2018.
- Assistant CEO of the company from 2012 to 2015.
- Assistant General Manager in the company from 2008 to 2012.

### Qualifications

- Bachelor's degree in Global Business, King Abdulaziz University, Jeddah, Saudi Arabia, in 2009

### Experiences

- Director of the Central Region Branches in the company from 2005G until 2008A.D..
- Assistant Director of the Central Region Branches in the Company from 2003 AD until 2005 AD.
- Public Relations Manager in the company from 2002 AD until 2003 AD.
- Public Relations Officer in the company from 2000 AD until 2003 AD.



**Mr. Jafar Salah El-Din Al-Baz**

**Chief Financial Officer**

### Current Jobs

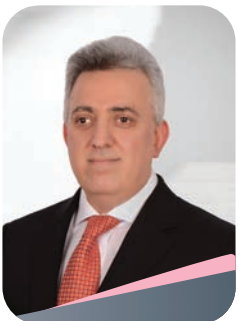
- Executive Director of the Company's Financial Department since ٢٠١٨.

### Previous jobs and experience

- Financial Director in Al Jaber Holding Group in a limited liability company working in the field of contracting and rental services, from 2015G until 2018.
- Financial Director of Yazid Al-Rajhi Holding Group, a limited liability company working in the field of retail, food, contracting and technology, from 2012A.D. until 2015A.D..
- Financial director at Al Mutlaq Projects, a closed joint stock company working in the field of contracting and services, from 2009 to 2012.
- Financial Director of Baseco International Contracting, a limited liability company working in the field of contracting, from 2007 to 2009.
- Financial Director of the Saudi Research Group, a public joint stock company working in the field of publishing and media, from 2005 to 2007.
- Principal auditor at Talal Abu-Ghazaleh & Co., a limited liability company working in the field of professional services, from 1998 to 2005.

### Qualifications

- Bachelor's degree in Accounting, Yarmouk University, Irbid, Jordan, in 1998.



**Mr. Shahzad Ali**

**Executive Director – Corporate Operation**

### Current Jobs

- Executive Director of the Business Sector in the company since 2014.

### Previous jobs and experience

- Chief Executive Officer of S&S Consulting Company, a limited liability company working in the field of management consulting, from 2010 until 2014 A.D.
- Chief Executive Officer in Hanco Rent A Car Company, a closed joint stock company working in the field of car rental, from 1993 to 2010.

### Qualifications

- Master of Business Administration, European University, Paris, France, in 1992.
- Bachelor's degree in Business Administration, European University, Paris, France, in 1991.



## Marketing Management and Company's Social Contributions



# Marketing Management and Company's Social Contributions

## First: Report of the Marketing and Public Relations Department for the year 2021

The car rental sector is one of the main sectors in the Kingdom of Saudi Arabia, and Theeb Rent a Car Company is a category (A) based on the evaluation of the Public Transport Authority. Theeb Rent a Car Company was established in 1991, and it has now reached 52 branches in various regions of the Kingdom and is located in international and regional airports.

### Details of the company's social contributions

Part One: Social Responsibilities (Theeb Al Khair Program)

A lot of charitable contributions, works and initiatives have been worked on, the most important of which are:

#### Theeb Rent a Car donates one riyal from each rental contract to sponsor orphans in cooperation with (Ensan) Association

An agreement was signed between Theeb Rent a Car and the Charitable Society for Orphans Care (Ensan), with Theeb Rent a Car donating one riyal for each individual lease contract concluded by the company for a full year. This step comes within the initiatives of Theeb Al-Khair Program in contributing to social responsibility and the company's strategy in providing all kinds of support and assistance to charities and orphan care institutions in the community in which it operates. As well as to contribute to support the services of these charities and help them expand their scope of work, and to provide sustainable sources of income that help them maintain the levels of services they provide. The agreement was signed by Mr. Nayef bin Muhammad Al-Theeb, CEO of Theeb Rent a Car, and Eng. Muhammad bin Ali Al-Yasin, General Manager of the Charitable Society for Orphans Care in Riyadh (Ensan). This was during a

ذيب الخير  
Theeb Alkhair

business meeting held at the official headquarters of Theeb Rent a Car Company

Embodying its responsibility to serve the community and among the initiatives of the "Theeb Al Khair" program

## Theeb Rent a Car sponsors the Charitable Foundation for Orphans Care "Ekhaa", with a sponsorship of 30 orphans, and sponsors two competitions during the holy month of Ramadan and the tenth of Dhul-Hijjah

Theeb Rent a Car Company announced its sponsorship of the activities of the Charitable Foundation for Orphans Care "Ekhaa" by establishing an annual program for orphan care that includes 30 orphans to provide for all their living and life needs. This initiative is part of the annual sponsorship programs for charities at Theeb Rent a Car Company "Theeb Al Khair". These programs aim to achieve balance for orphans, and raise their cultural and educational level so that they can integrate into social life and become self-reliant. The company also sponsored the two competitions of the Charitable Foundation for Orphans Care "Ekhaa", which are organized this year 1442 AH during the blessed months of Ramadan and Dhul-Hijjah, which aim to support the efforts of "Ekhaa" to introduce its various services and programs directed to the care of orphans in all regions and cities of the Kingdom. In addition to strengthening the community partnership between the private sector institutions and charitable organizations, and informing members of the community of their role in contributing to the care and care of orphans.



## Theeb Rent a Car renews the annual guarantee of the DSCA Association for Children with Down Syndrome for the year 2021 AD

Theeb Company renewed the annual sponsorship for children with Down syndrome, numbering 6, as the company was honored by the association and to see the achievements and innovations of the association's children who are still 4 years old. They are being followed up and the sponsorship is renewed with them.

## Theeb Rent a Car offers car rental in support of the Khairkom Association for the memorization of the Holy Quran in Jeddah.

Theeb Rent a Car Company sponsored the Khairkom Association for the memorization of the Noble Qur'an in Jeddah by providing a car for the association to tour the city of Riyadh and check on the course of their businesses.





### Theeb Rent a Car offers family cars to Al-Issa Complex for the memorization of the Noble Qur'an.

Theeb Rent a Car Company took the initiative to provide family cars for the Al-Issa Complex for the memorization of the Noble Qur'an in Riyadh, for the students of the complex to take a trip outside the Riyadh region. This initiative is part of the Theeb Al Khair Program.

### Theeb Rent a Car offers a family car to the Maknoon Association for the memorization of the Holy Quran in Riyadh.

Theeb rent a car company provided a family car to the Maknoon Association for the association to make a trip to Makkah Al-Mukarramah. The company has been keen to sponsor such initiatives for charities in general in the event that they need cars or need financial support that benefits charities.

### Comfort service for people with special needs

Theeb Rent a Car Company seeks to provide comfort to serve one of the parties to this community, namely those with special needs. Theeb offers discounts to them when renting, which they can benefit from when they show the card that

proves that they are people with special needs. Furthermore, in turn, Theeb Rent a Car Company provided cars for their convenience to move around comfortably. It is a family car with a chair and a mobile crane that a person can get up and down from without carrying the person.

A new membership has also been added to the membership package of Theeb Rent a Car, which is the Ataa Membership Card, which is for people with special needs and carries discounts and benefits when renting.

### Renewing the annual sponsorship of Bena Association in the Eastern Province, 25 orphans.

Theeb Rent a Car Company renewed the annual guarantee with Bena Association for Orphans Care in the Eastern Province, which provides for the sponsorship of 25 orphans. This initiative comes as part of the "Theeb Al Khair" program.

### A charitable initiative of the Mawaddah Charitable Society, which specializes in family stability

On the occasion of the National Day, a charitable initiative was made on a tweet dedicated to the Mawaddah Association at the expense of Theeb Rent a Car. The aim of this initiative is to interact with the association, as the number of likes will be transferred in riyals to the association's account. Theeb Company was honored by the Executive Director of the Society, Princess Luluh bint Nawaf Al Saud.

### An initiative of the Laith Society for Rescue and Relief.

Theeb Rent a Car Company, under the name Theeb Al-Khair program, has, through social media, contained one of the tweets of the Laith Rescue and Relief Association by donating a financial amount to contribute to closing the purchase of an ambulance belonging to the association located in the city of Najran.

### Participation in the exhibition "For Them" in Buraidah.

As part of charitable initiatives and collective responsibility, Theeb Rent a Car Company participated in the exhibition held at the King Khalid Civilization Center in Buraidah, Qassim Region, under the patronage of His Royal Highness Prince Dr. Faisal bin Mishal bin Saud Al Saud, to hold the third annual conference for families of persons with disabilities.



### Sponsoring a trip for orphans.

Theeb Rent a Car Company, via Twitter, contributed to sponsoring a trip organized by (Ghazi Tours) for a group of orphans, including all food items or entertainment games for the benefit of the children.



### Afforestation initiative in cooperation with the Ministry of Human Resources and Social Development

As part of social responsibility and believing in the principle of integration and in order to promote volunteer work, Theeb Rent a Car Company, in cooperation with the Ministry of Human Resources and Social Development, initiated an initiative for afforestation in one of the public parks in Riyadh. A number of employees attended and planted several seedlings in various places with the aim of supporting the Saudi Global Volunteer Boom initiative





#### A party for the children of Ansan Association at Theeb Rent a Car Company

As part of its social responsibility and among the initiatives of the "Theeb Al Khair" program, Theeb Rent a Car Company held a party for the children of the Ensan Association for Orphans in Riyadh. A set of games and entertainment items were brought and gifts were distributed to children to bring joy and pleasure to them.



لتأجير السيارات  
Rent a Car

تَرْفُق  
يَا الذَّيْب

## Launching a campaign, "Tarfq Ya Theeb

It is the traffic safety program from Theeb Rent a Car in 2021

### A Brief

Yaltheeb is a campaign launched by Theeb Rent a Car Company to adopt the concept of traffic safety with the fact that the paramount goal is to drive cars safely as a habit.

### Campaign message

Despite the comprehensiveness of the title of the # Tarfq Ya Theeb campaign, it came within a specific scope, which is traffic safety. The campaign message was limited to five main themes and direct messages, based on facts

Leave the  
mobile



buckle up



slow down



Use a baby chair



Committed to  
the path



### Campaign Objectives



Community awareness of traffic safety and the dangers of reckless driving.



Guiding the community to follow traffic safety.



Teaching the importance of community life and concern for the safety of others.

## Targeted Age Group

Main category: Youth from 18 to 32 years old

Secondary category: from 32 years old to 50 years old

### Reason for naming

The name "Tarfq\_Ya Theeb" came out of the desire to create a name that would affect the ears of the listeners, in addition to the possibility of applying it and using it in various fields, which gave freedom to deal with the name. As well as the ability to revive the campaign at any time for any field. The most important reason is to attach a lofty value, which is the kindness to the name of the company, Theeb.

#### Campaign Logo

The identity logo was designed with two uses that suit the different applications that the campaign came up with. The logo is characterized by simplicity, clarity, and flexibility



#### "#Tarfq\_Ya Theeb" Campaign video

The message carried by the video "#Tarfq\_Ya Theeb" is to make safe driving a permanent habit and that the safety of the driver and the safety of everything on the street depends on the driver himself after God.

The idea of measuring the percentage of driving and the occurrence of an accident was employed with two meters similar to those found in video games, where each counter increases and decreases based on every movement and small step made by the driver.

#### Radio advertisements

To convey a message that affects the safety and security of people on the street, the channel must be in the place where the decision is taken. Whereas the message of "#Tarfq\_Ya Theeb" calls for safe driving, the best place to display it is on the radio, where the individual listens to it in the car. The advertisement is based on the previous knowledge of the driver's auditory sense through well-known tones and sounds such as the sound of the seat belt, the mobile message, the speedometer, and the driver's safety awareness at the end of the advertisement.

#### Launching the Internal Campaign

The campaign was launched on two scales; Internal at the company level and electronically at the level of the company's accounts on social networking sites.

##### Internal Release:

The campaign was launched internally first at the company's employee level, through mobile text messages with content similar to the contents of a violation entry, followed by sending an email explaining the campaign details.

##### External Release:

The external launch began with several tweets carrying different media related to traffic safety without written text, the goal was to create questions for customers.

##### Activate the campaign

In contrast to the launch of the campaign, the activation came on three domains: internal at the company level, electronic at the company's accounts on social media, and external at the level of the company's 51 branches distributed around the Kingdom's regions, as well as for Theeb companies.

##### Internal Activation

To promote the campaign among employees; The stationery used by the staff has been re-implemented and designed in a way that reflects the meaning of the moral as well as the visual meaning of "#Tarfq\_Ya Theeb".



### Activation In Branches

In activating the branches, the goal was to consolidate the meaning of the campaign and its visual character in the minds of Theeb customers. The activation was divided in the 51 branches, in addition to the distributions that were circulated to all branches.

### Theeb Branches

The activation of the branches also included circulating the "#Tarfq\_Ya Theeb board at the doors of all branches as the first visual element that the customer sees when entering the branch. Also, all the reception staff counters were changed to match the identity of "#Tarfq\_Ya Theeb." In addition to that; Every contract that comes out of Theeb is stamped with the slogan "#Tarfq\_Ya Theeb.

### Electronic Activation

Electronic activation is one of the pillars of the success of campaigns. In the "#Tarfq\_Ya Theeb campaign, strategies and plans were developed to build an activation plan on social media, where the campaign was launched, with an exciting strategy that attracted customers and raised their questions by publishing clips related to the

campaign title without text. This was followed by the launch of the campaign's official video with a traffic safety booklet in its electronic version. The campaign cooperated with several influential accounts in the field of driving and traffic safety in general to diversify the contents, in addition to continuously improving the quality of interaction and building a special relationship with customers through Theeb accounts on social networking sites.





### Campaign #Ready\_ForMore:

Theeb Rent a Car aims, through its “#Ready\_ForMore” campaign, to enhance the pride of the Saudis for their achievements and what they have achieved in order to develop their country. The campaign also enhances the value and importance of the individual in society.

The title of the campaign was also decided to be #Ready\_ForMore, as it reflects the determination of the Saudis and their readiness for everything new for the sake of change and elevation from the past until now.

### Campaign Goals



Prepare for change.



Highlighting the values of the Saudis



Pride for this country



Support government initiatives

### The role of the campaign

#### Internal Activation

The internal activation of the campaign was carried out across the staff by sending an email to everyone containing the message and objectives of the campaign, in addition to the official video of the campaign.

The company also organized a big celebration of the National Day for employees and their children

#### External activation:

Activation on social media:

The activation of the campaign began with the official video of the campaign on our social media platforms, in which the departments participated in a number of interactive brochures such as the Twitter card and shared it with users, a kindness donation brochure, and a series of brochures for employees’ posts that were published on Twitter, Instagram and LinkedIn.

#### Activation within Branches

Murals were installed in the branches to celebrate the National Day on the outside glass of the stores. The branches were provided with interactive gifts for customers in addition to a special discount for the National Day.



#### Theeb Al Khair for Social Responsibility:

Theeb Al-Khair Program is one of the main sectors in Theeb Company. Within the framework of activating Theeb Al-Khair on the National Day, the company presented an initiative to donate to the Mawaddah Charitable Society, which is concerned with family stability and reducing divorce and its effects.

ذيب الخير  
Theeb Alkhair

### Statistics

We review the most important statistics related to the National Day, and the interaction of customers and users in the company's accounts on social media:



3+ thousand

references to the company's accounts



1+ Million

views on twitter



38+ thousand

users interacted with the company's accounts on social media



7+ thousand

distributed to customers, employees and their children.

## Kahtain Campaign

As part of the social responsibility and initiatives that come within Theeb Al-Khair program, a program called “Kahtain” has been established. It aims to do charitable works with relevant associations, as the Ensan Association for Orphans Care and the Ihsan platform come within the plan of this campaign. There are initiatives to deduct one SAR from each individual rental contract for the benefit of the associations, and messages are being sent to the customer informing him that he has contributed to sponsoring an orphan according to the campaign. As part of the campaign support, multiple gifts were made to be delivered to the customer in support of the marketing campaign, which is in the interest of the “Theeb Al Khair” program.

### Inauguration of Mercedes S-Class 2021

Theeb Rent A Car receives the first fleet of Mercedes S-Class 2021 from Ibrahim Al Juffali & Brothers Automotive Company. Theeb Rent a Car Company has launched a group of all-new



Mercedes-Benz “S450” cars that were recently launched in the global markets, with the aim of enhancing its services and upgrading in line with the high demand for premium services with the launch of the new expansion of its fleet of rental cars in the Kingdom of Saudi Arabia. The step comes within the company's strategy to continuously develop and modernize its fleet, in order to meet the demand of discerning customers who are looking for comfort and luxury in their travels.

A marketing campaign was conducted to cover and attend a group of celebrities and to see the details of the car, where a series of advertisements were made and posted on social media.



### Theeb Rent a Car has obtained ISO 45001 and ISO 14001 certificates for health, safety and environment.

Theeb Rent a Car Company announced that it has obtained the international ISO certificate No. 14001 for the environmental management system, as well as the ISO certificate No. 45001 for the occupational health and safety management system. The company's quest to obtain these two certificates comes within the general framework of the company's strategy for excellence in work and follow-up to the latest global systems in management and operation so that it can provide the best services to its customers, whether they are individuals or companies.

It should be noted that the ISO 14001 international certification standards mainly aim to assist companies in continuously improving their environmental performance and complying with any applicable legislation. This certification allows the company to define its objectives and performance standards. The standards of this certification also highlight what the company must do to achieve those goals, and monitor and measure the extent to which it achieves those goals. The company can apply the standards to a variety of levels in the business, from the organizational level to the level of services provided. This will contribute significantly to improving the company's overall environmental performance through its compliance and application of these internationally recognized standards.

Also, the ISO 45001 international certification standards related to the implementation of the occupational safety and health management system, mainly specify the requirements of the occupational health and safety management system to provide the opportunity for companies to provide healthy and safe workplaces. This is done by providing an integrated system for the prevention of work injuries, health protection and occupational safety. Theeb Rent a Car has been keen on obtaining this certificate as an affirmation of its continuous commitment to taking care of its employees and providing the best work environment in order to protect them from any dangers they may be exposed to during the course of their work.

On the other hand, the company has previously obtained the ISO 9001 certificate related to quality management standards, which helped the company to meet the needs of its customers more effectively by managing its resources better and motivating its employees to raise the level of performance. It is worth mentioning that Theeb Rent a Car Company is always keen to follow up on the latest versions of international standards related to its work and its application, as a commitment from the company to provide the highest and best levels of service to its customers, implement all instructions and the most accurate standards, and coordinate between the various departments and sections in the company. This is reflected positively on the quality of services, efficiency of performance and excellence in all departments and branches of the company. This enhances the services it provides to its customers, which is what it always seeks.





#### Theeb Rent a Car Company allows access to its services through the "unified national access"

Theeb rent a car company announced the launch of a new service in cooperation with "Elm" company that allows its customers to obtain its services easily by linking its application for renting cars with the "unified national access" portal. Thus, it will be the first car rental company to launch this service. The company's launch of this distinctive service comes as part of its recently launched digital transformation strategy, which constitutes an important step in raising the level of services provided to customers. It shortens the time to verify the customer's identity easily, and shortens the procedures for booking and receiving the car. This contributes to the smooth flow of work and the customer's access to the car he wants to rent through simple steps.

#### Launching new memberships

Theeb memberships were launched in a new form and two new memberships were created, the (bronze) is issued automatically upon closing the first lease contract and the (Ataa) for people with special needs with special benefits.

The number of Theeb memberships increased during 2021 by 20%, with a total of more than 360,000 memberships.

#### Part Three: Opening of Branches:-

Theeb Rent a Car opens a new branch in Jazan - Abu Arish Governorate.

Theeb Rent a Car Company announced the opening of a new branch of its operations in Jazan region in the south of the Kingdom of Saudi Arabia, which is the ninth branch of the company in the southern region. The new branch is located on Prince Sultan Road in Abu Arish Governorate, which lies east of Jizan city and is about 40 km away from it. It constitutes a major meeting point for a large group of roads linking various villages and deserts in the eastern Jazan region. The population of Abu Arish governorate is about 250,000

people, working in the government sector and in various private sectors. It is considered the capital of the eastern part of the Jazan region. The opening of the branch of Theeb Rent a Car in Abu Arish governorate comes based on the continuous demand for the company's services in the region, and to contribute with the airport branch in the city of Jizan to provide distinguished services for the individual and business sectors, as well as within the general framework of the company's strategy to expand horizontally, and to be present in all regions and cities of the Kingdom of Saudi Arabia, to be as close as possible to its customers, so that it can serve them better.



#### Opening of Jubail Al-Balad Branch: -

Theeb Rent a Car Company has opened a branch in Jubail Al-Balad, as this branch enhances its presence in the Eastern Province and is considered the second branch in Jubail, where it became the 50th branch at the time.



#### Opening of Cortoba Branch in the Eastern Province: -

Theeb Rent a Car Company has opened a new branch in Al-Khobar, as the branch is now considered the main headquarters of the regional administration for the Eastern Province, and is considered one of the largest in the region



#### Opening of Qadisiyah Sales Showroom

Theeb Rent a Car Company has opened an showroom for the sale of used cars in Al-Qadisiyah district, east of Riyadh, where the branch allows the sale of various types of used cars after the expiry of their rental life.

Theeb Used Car Sales is one of the main segments under Theeb Rent a Car. This sector sells used cars. The company offers the sale of single cars as well as wholesale envelope auctions.

Used car sales branches in Riyadh and Jeddah specialize in offering cars for sale, of various types, sizes, luxury and regular categories. All cars offered are in excellent condition, high efficiency and an excellent service history. During the period of use (leasing), it received periodic and permanent follow-up from the company's service centers, in addition to conducting maintenance and continuous inspection, according to the conditions of the car agencies guarantee.



Part Four: Internal Activation of Employees

World Coffee Day:-

In the interest of Theeb Rent a Car to create a good working environment for its employees, it has worked to embody the event of #InternationalCoffeeDay.



The subscription ceremony of Theeb Rent a Car Company in the public stock market (Tadawul):

On the occasion of Theeb Rent a Car subscription in the Saudi stock market, the company held a celebration for the employees to express the joy of their arrival to this achievement, which has moved and changed the company's level since its inception.

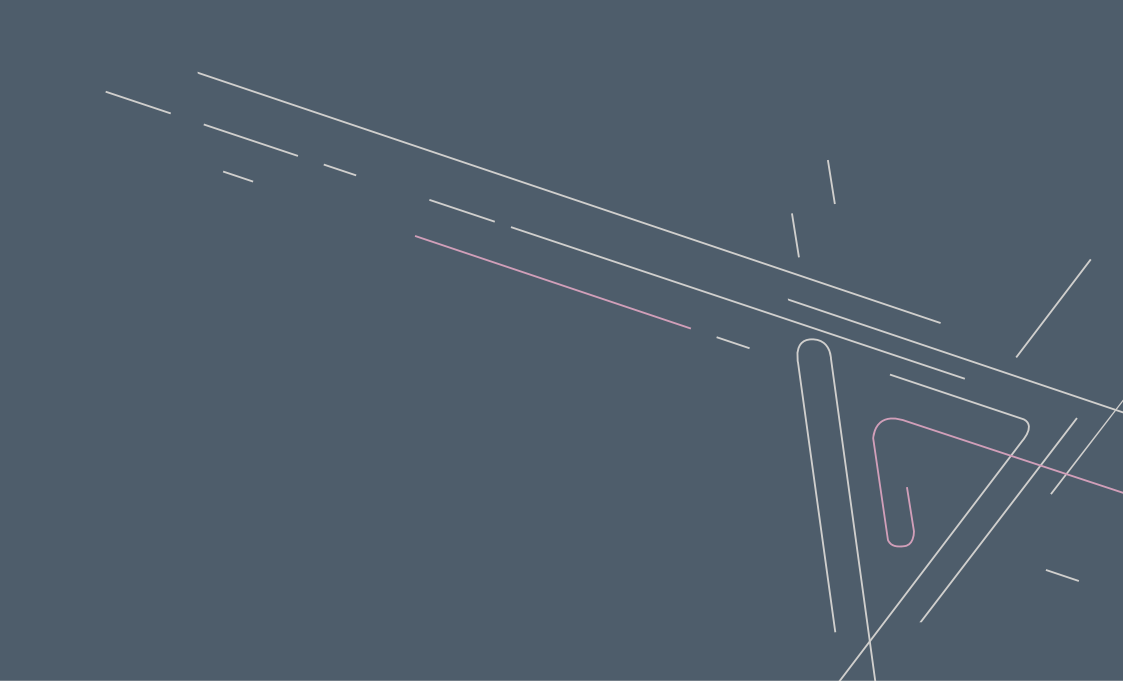
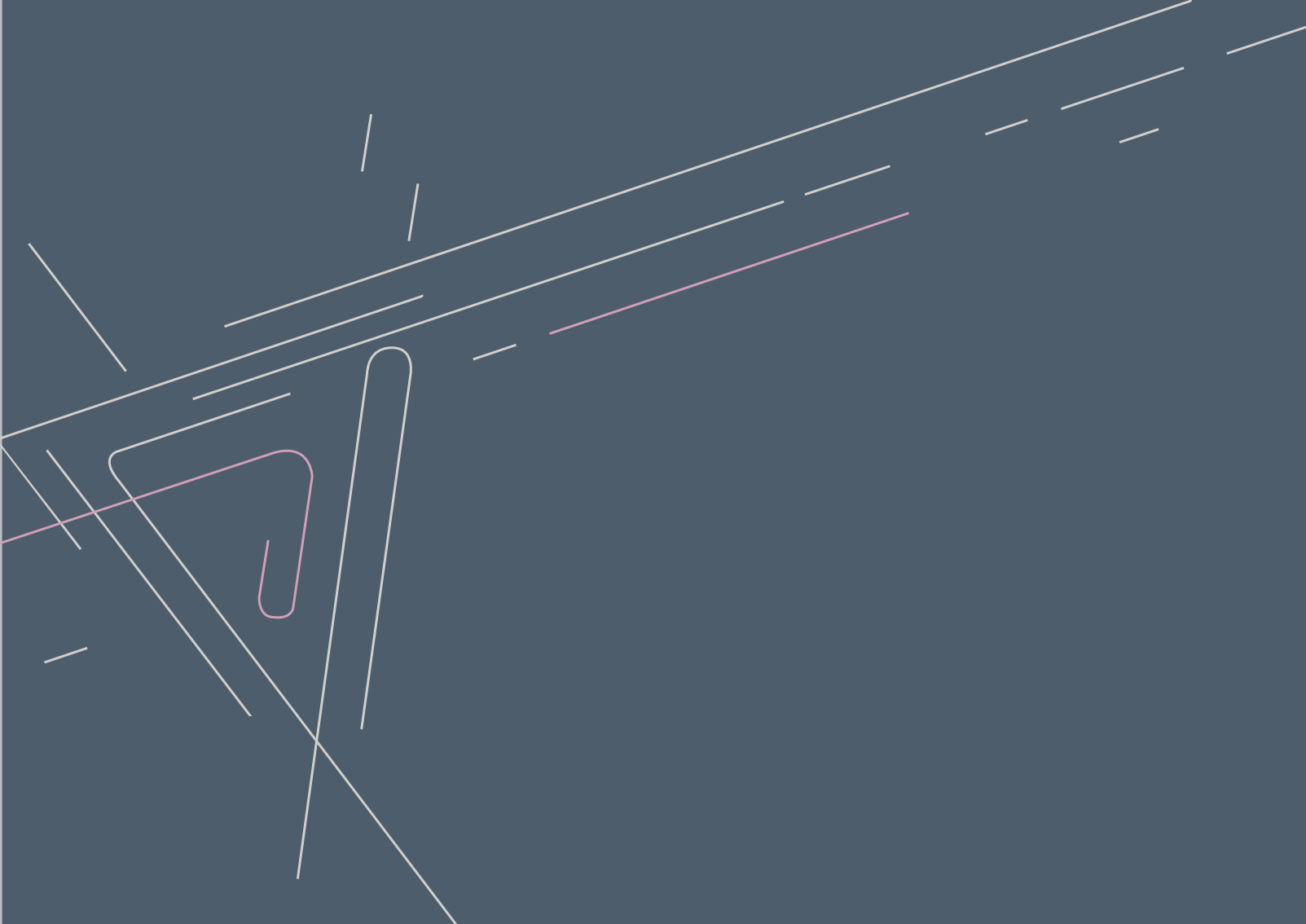


Signing with Walaa Plus

The Marketing and Public Relations Department of Theeb Rent a Car has made a discount agreement with Walaa Plus. This service provides employees with a set of actual discounts with the contracting parties with loyalty.







## Governance and Internal Control

## Governance and Internal Control

### What provisions of the Corporate Governance Regulations have been applied, and what have not been applied, and the reasons for that

In line with the provisions of the Corporate Governance Regulations issued by the Capital Market Authority, which requires the company to mention the provisions of the Corporate Governance Regulations that have been applied, and what has not been applied, with a statement of the reasons for non-implementation in the report of its Board of Directors. The company's board of directors is pleased to note that the company has prepared its own governance regulation, in line with all the requirements contained in the corporate governance regulation issued by the Capital Market Authority. It was approved by the Board of Directors on Rajab 1441 ,21 AH corresponding to March 2020 ,16 AD, and the General Assembly of the company's shareholders approved it on (1441/07/24 AH) corresponding to March 2020 ,19 AD. The company has worked to comply and implement all provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the following articles:

Article/paragraph number	Article/paragraph text	Reasons not to apply
41	<p><b>Evaluation</b></p> <p>A- The Board of Directors, based on the proposal of the Nomination Committee, sets the necessary mechanisms to evaluate the performance of the Board, its members, committees, and executive management annually, through appropriate performance indicators related to the extent to which the company's strategic objectives are achieved, the quality of risk management, the adequacy of internal control systems, and others. It should also identify the strengths and weaknesses and propose to address them in line with the company's interest.</p> <p>B- The performance evaluation procedures must be written and clear and disclosed to the members of the Board of Directors and the persons concerned with the evaluation.</p> <p>C- The performance evaluation shall include the skills and experiences that the board possesses, and identify its weaknesses and strengths, while working to address the weaknesses in possible ways, such as nominating professional competencies that can develop the performance of the board. The performance evaluation must also include an evaluation of the work mechanisms of the board in general.</p> <p>D- In the individual evaluation of the members of the Board of Directors, the extent of the member's effective participation and commitment to perform his duties and responsibilities, including attending the Board's sessions and committees, and allocating the necessary time for them, shall be taken into account.</p> <p>E- The Board of Directors makes the necessary arrangements to obtain an evaluation of its performance by a competent third party every three years.</p> <p>F- The non-executive members of the Board of Directors conduct a periodic evaluation of the performance of the Chairman of the Board after taking the views of the executive members - without the Chairman of the Board attending the discussion designated for this purpose. Strengths and weaknesses should be identified and proposed to be addressed in the best interest of the company.</p> <p>The non-executive members of the Board of Directors conduct a periodic evaluation of the performance of the Chairman of the Board after taking the views of the executive members - without the Chairman of the Board attending the discussion designated for this purpose. Provided that the strengths and weaknesses are identified and proposed to be addressed in line with the company's interest</p>	Non-binding guideline, its application will be studied

Article/paragraph number	Article/paragraph text	Reasons not to apply
70	<p><b>Formation of a risk management committee</b></p> <p>By a decision of the company's board of directors, a committee called (Risk Management Committee) was formed. Its chairman and the majority of its members are non-executive board members. Its members are required to have an adequate level of knowledge of risk management and finance</p>	The Audit Committee performs the duties and responsibilities of the Risk Management Committee
72	<p><b>Risk Management Committee Meetings</b></p> <p>The Risk Management Committee meets at least every six months, and whenever the need arises.</p>	The Audit Committee performs the duties and responsibilities of the Risk Management Committee
85	<p><b>Employees Motivation</b></p> <p>The company sets programs to develop and motivate the participation and performance of its employees, provided that It includes - in particular the following: -</p> <ul style="list-style-type: none"><li>• Forming committees or holding specialized workshops to listen to the opinions of the company's employees and discuss with them the issues and topics that are the subject of important decisions.</li><li>• Programs to grant employees shares in the company or a share of the profits it achieves, retirement programs, and the establishment of an independent fund to spend on those programs.</li></ul> <p>Developing of social institutions for the company's employees</p>	The company provides various incentive programs
1/88	<p><b>Social Action Initiatives</b></p> <p>The Board of Directors sets the programs and determines the necessary means to present the company's initiatives in the field of social work. This includes:</p> <p>Establishing measurement indicators that link the company's performance with the above-mentioned initiatives in social work, and compare that with other companies of similar activity</p>	The company provides various incentive programs
95	<p><b>Formation of the Corporate Governance Committee</b></p> <p>In the event that the Board of Directors forms a committee specialized in corporate governance, it must delegate to it the competencies stipulated under Article Ninety Four of these Regulations. This committee must follow up on any issues related to governance applications, and provide the Board of Directors, at least annually, with the reports and recommendations it reaches.</p>	The corporate governance is supervised by various departments in the company

### Details of any penalties, penal or precautionary measures, or violations imposed on the company.

The company received violations from the Public Transport Authority in the amount of 401,500 riyals due to various reasons. It has a special committee to deal with and avoid any future violations

**The company's management's assurances and the effectiveness of the company's internal control** procedures, and the audit committee's opinion  
The internal control system was developed according to best practices. This was reinforced by the presence of an independent internal audit department whose work is supervised by the Audit Committee. This supports the application of best practices in the field of internal control and governance. The Audit Department submits periodic reports on the business and activities of the company under review in order to provide a continuous evaluation of the internal control system and its effectiveness. The adequacy and effectiveness of the internal control system is reviewed by the Internal Audit Department in accordance with an annual plan approved by the Audit Committee and implemented on a regular and continuous basis to verify the effectiveness of the system in protecting the company's assets and identifying business risks. The company's management also monitors compliance with the control procedures and corrects any deficiencies in the internal control

system. The internal control work referred to in the year 2021 AD did not show a fundamental weakness in the company's internal control system. The results of the review of the internal control system are taken care of, ensuring that the observed observations are dealt with, working to follow up on their correction, and setting controls that prevent their recurrence.  
The results of the internal audit reflected the effectiveness and efficiency of the company's internal control procedures. The Audit Committee also provided the Board of Directors, through the minutes of the committee and the committee's annual report, with the results of the internal audit work, and its recommendations on the efficiency and effectiveness of internal control.  
Accordingly, the company's internal control system and procedures are effective, as the company's annual audit results reports did not show substantial observations. The report of the Audit Committee on the results of the effectiveness of the internal control procedures will be presented to the General Assembly, and the report is available to the company's management for the shareholders' perusal.

### General Assembly of Shareholders

Member	2021 march 23	2021 June 27	2021 .Aug 31	Remarks
Mr. Mohammed Ahmed Abdullah Al-theeb	Attended	Excused	Excused	
Mr. Hassan Samir Abdullah Al-Shuwaikh	Excused	Attended	Attended	
Mr. Mohammed Hamoud Abdullah Al-Theeb	Attended	Attended	Attended	
Mr. Saleh Abdel-Rahman Saleh Al-Fadl*	Excused	Attended	Attended	2021. Sep 01 His membership in the board expired on
Mr. Salim Chidiac	Excused	Attended	Attended	
Mr. Riyadh Saleh Hamad Al-Malik	Excused	Attended	Attended	
Mr. Haitham Tawfiq Ibrahim Al-Fraih**	-		-	2021, 15 Join the board on September

### Recommendations of the Audit Committee that conflict with the decisions of the Board of Directors or which the Board refused to tak

There is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors.

### Clarification of any difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants

There is no difference from the accounting standards issued by the Saudi Organization for Certified Public Accountants regarding the auditing and evaluation of the company's financial statements during 2021.

### Choosing an auditor for the company

Ernst & Young & Co. was selected as the company's auditor in the annual general assembly by the shareholders in the general assembly meeting held on 2021/06/27.

### The company's dividend policy

The company's profits are distributed in accordance with Article 47 of the Articles of Association and the instructions of the Ministry of Commerce. The Board of Directors shall recommend the distribution of any dividends prior to their approval by the shareholders at the General Assembly meeting. The company is under no obligation to declare any profits. Any decision to distribute dividends depends on a number of factors including the company's past and expected profits and cash flows, financing and capital requirements, market

data and economic factors in general, zakat, as well as other legal and regulatory considerations. The distribution of profits is subject to the restrictions contained in the financing agreements concluded with the financing parties. The distribution of profits is also subject to the restrictions set forth in the articles of association, and profits are distributed in Saudi riyals.  
The company's annual net profits shall be distributed after deducting all general expenses and other costs as follows:  
(%10) -1 of the net profits shall be set aside to form the statutory reserve of the company, and the Ordinary General Assembly may decide to discontinue this deduction when the said reserve reaches (30%) of the paid-up capital.  
2- The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside (5%) of the net profits to form a consensual reserve to be allocated to support the financial position of the company.  
3- The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The aforementioned assembly may also deduct sums from the net profits for the establishment of social institutions for the company's employees or to assist the existing ones of these institutions.  
4- After that, a percentage representing (5%) of the company's paid-in capital shall be distributed to the shareholders.

### Dividends distributed during the year 2021 AD

Profit Period	Number of shares entitled to dividend	Dividend per share	Dividend to Nominal (%) Share Ratio	Total dividends	Eligibility Date	Date of Dividends
First Half	shares 43,000,000	SAR per share 0.51	% 5.1	22,000,000 SAR	September 2021 20	October 2021 ,06
Third Quarter	shares 43,000,000	SAR per share 0.40	% 4	17,200,000 SAR 23,220,000 SAR	November 2021 ,22	December 2021 ,5
Dividends percentage to be distributed at the end of the year	shares 43,000,000	SAR per share 0.54	% 5.4			
Total				62,350,000		

### Ownership of voting shares

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

Shareholder	beginning of the year Number of Shares	End of year Number of Shares	net change	Change in ownership percentage
Board of Directors				
Mohammed Ahmed Abdullah Al-Theeb	9902900	10118254	215,354	%2.2
Mohammed Hammoud Abdullah Al-Theeb	210700	860000	649300	%308.2
Senior Executives				
Nayef Mohammed Ahmed Al-Theeb	210700	210700	0	-
Shahzad Hamid Anwar Ali	0	4000	4000	%100
Shazia Akhtar Ali*	0	4000	4000	%100

\*Belongs to Shahzad's Wife

**Company loan information**

Bank Name	The principal amount of the loan	Loan Term	Paid amounts Repayment of loans	Remaining amount from loans
Al Rajhi Bank	132,413.4	36M	87,154.1	45,259.4
NCB Bank	64,337.1	36M-30M	44,798.9	19,538.2
Al Jazeera Bank	56,853.3	36M-24M	13,463.0	43,390.3
Inmaa Bank	171,336.0	36M	68,391.1	102,944.9
SABB Bank	221,411.4	48M-30M	54,431.4	166,980.0
Riyad Bank	67,154.1	36M-24M	20,036.7	47,117.4
Samba Bank	308,440.2	48M-36	168,875.1	139,565.2
SNB	54,540.7	36M	4,534.6	50,006.1
<b>Total</b>	<b>1,076,486.3</b>	<b>48M-24M</b>	<b>461,684.9</b>	<b>614,801.4</b>

**Business or contracts with related parties that have a direct or indirect interest to members of the Board of Directors, senior executives, or any person related to any of them**

#	nature of contract	Contract amount	Duration of the contract	Terms of the contract	related party
1	Orouba Branch Land Lease Contract	3,220,000 SAR	5 years	The contract was made in the normal course of business on a purely commercial basis	Mohamed Ahmed Al-Theeb, Board Member - Non-Executive

**Regular payments made**

Statement of balances of government agencies for the year 2021 (numbers in thousands)

Statement (in thousands SAR)	Balance as of December 2020	Due during 2021	Payable during 2021	Balance as of December 2021
General Authority for Zakat and Tax	19,930	6,757	-5,740	20,946
General Organization for Social Insurance	340	5,891	-5,506	724
Total balances of government entities	20,270	12,647	-11,247	21,670

**Company Declarations**

- There are no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right memoranda, or similar rights issued or granted by the company.
- No redeemable debt instruments have been redeemed, purchased or canceled by the Company or any of its subsidiaries, and no listed securities have been purchased either from the Company or its subsidiary.
- No agreement has been entered into under which a member of the company's board of directors or a senior executive has waived any salary or compensation
- There is no agreement under which a shareholder of the Company has waived any rights to profits.
- The chartered accountant's report did not include any reservations on the financial statements.
- There was no recommendation by the Board of Directors to replace the company's chartered accountant before the end of the period for which it was appointed.
- There are no treasury shares held by the company.
- There are no investments or reserves established for the benefit of the company's employees during the year
- There is no interest in the class of shares entitled to vote belonging to persons (other than members of the Board of Directors, senior executives and their relatives) who have informed the company of these rights and any change in those rights during the year 2021 AD.
- There are no convertible debt instruments, any contractual securities, memoranda of subscription right, or similar rights issued or granted by the company during the year 2021 AD.
- There are no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right memoranda, or similar rights issued or granted by the company during the year 2021 A.D.
- No redeemable debt instruments have been redeemed, purchased or canceled by the Company or any of its subsidiaries, and no listed securities have been purchased either from the Company or its subsidiary.
- The company did not provide any loan to any of the members of the board of directors and did not guarantee any loan entered into by any of the members with third parties.
- There is no subsidiary of the company.

-1 The Board of Directors acknowledges that the books of accounts have been properly prepared.

-2 The Board of Directors acknowledges that the internal control system has been prepared on sound bases and has been effectively implemented.

-3 The Board of Directors acknowledges that there is no significant doubt in the company's ability to continue its activities.



