

Raydan Food Company



ريـدان
RAYDAN

**Report of the Board
Of Directors for 2022**



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FIRST

A WORD OF THE
CHAIRMAN OF THE BOARD
OF DIRECTORS



A Word of Chairman of the Board of Directors

Dear Shareholders of "Raydan Food Company",

Greetings,

The Board of Directors of Raydan Food Company is pleased to present to you the annual report of the Board of Directors for the fiscal year ending on December 31, 2022 AD, which reviews the company's performance and financial statements during the year 2022 AD.

Although the markets are going through multiple challenges in the current period, high inflation rates, high costs locally and globally, as well as low rates of purchasing power, all of which are tools that reflected on the company's performance, we have opened 3 branches managed by the company, and a commercial franchise has been granted to one branch, in parallel with the company's plan In expanding and obtaining a market share in the long term, as it is expected that the impact of this will appear during the next two years. We would like to point out that the company applied the new construction identity to a number of existing branches to increase their effectiveness, noting that sales increased during the year 2022 AD by 21.35% compared to the year 2021 AD.

This is with emphasis that the Board of Directors seeks to improve the company's performance by complying with the application of the updated laws and regulations of the Ministry of Commerce and the Capital Market Authority and the application of control systems and best practices to ensure transparency for all valued shareholders.

In conclusion, the Board of Directors of Raydan Food Company extends its thanks and gratitude to the shareholders of the company for their confidence in it, and to all the committees emanating from the Board and the employees of the company for their wonderful efforts.

With Best regards,,



 SECOND

RAYDAN COMPANY

2-1 Company Activity

Raydan Food Company was established as a Saudi closed joint stock company pursuant to the Minister of Commerce and Industry Decision No. 149 / S, dated 4/29/1429 corresponding to 5/5/2008 announcing the establishment of the company according to the Commercial Registry No. 4030180055 issued from Jeddah on 6/11/1429 corresponding to 2008 6/15 m. The company's current capital is 158,084,670 (one hundred fifty-eight million eighty-four thousand six hundred seventy Saudi riyals) divided into 15,808,467 shares with a nominal value of ten SR. per share, fully paid.

In their meeting held on Muharram 26, 1444 AH, corresponding to August 23, 2022 AD, the Board of Directors recommended reducing the group's capital by amortizing its accumulated losses of SAR 179,415,330 until June 30, 2022, at a rate of 53.16% of the capital value.

And based on the company's extraordinary general assembly meeting held on Rabi' al-Awwal 9, 1444 AH, corresponding to October 5, 2022 AD, it was approved to reduce the group's capital from 337,500,000 Saudi riyals, to become, after the reduction, an amount of 158,084,670 Saudi riyals by amortizing the amount of accumulated losses, which amounted to 179,415,330 Saudi riyals, by 53.16 percent. % of the group capital. The regular procedures to reduce the capital have been completed.

The Main Activities

The company is engaged in establishing restaurants with service and catering kitchens for parties.

Vision:

Pioneers in the quality and excellence industry to provide Arab foods according to the latest high-tech methods.

Mission:

Excellence in all products and services provided, while ensuring that customers' desires are met.



Goals of the Company

Raydan aims to reach a leading position in the local, regional and global market with its specialization in food, party preparation and catering services in order to achieve focus on customer confidence and meet their desires and to excel in providing the highest levels of quality, type, service and hospitality through expansion and spread by granting franchises in all the kingdom's regions and beyond, with the good selection of Saudi human cadres and upgrading them in support of Saudization programs and in line with the Kingdom's Vision 2030, in addition to participating and contributing to support business and charitable projects within our societal responsibilities

The Strategy of the Company

- Updating and developing the menu to meet customer requirements
- Granting franchise branches in geographic areas other than the company's branches.
- Working on developing and improving the interior designs of the branches by applying the new identity of the company.
- Preserving the company's brand by promoting the name and the brand locally and abroad.
- Continuing to improve operational and marketing processes, product quality, and community engagement.
- Concluding strategic agreements with the company's main suppliers while diversifying the sources of the company's operational needs.
- Attracting qualified Saudi human resources to support the company's strategic plan for growth and expansion.



Raydan Company

2-2 Subsidiaries and Associates:

- **Raydan Egypt Kitchens and Restaurants Company (subsidiary):**

The company's assets were sold and its branches were granted a franchise in 2021 AD, as announced.

- **The company's share in the associate company (Aljonah).**

The company owns 30% stake in Aljonah Distinguished Desserts and Parties Ltd

- **Raydan Saudi Arabia:**

He continued to clarify the performance of the most important departments of the company, and we summarize the work of these companies and their objectives as follows:

Company Branches:

Number of Branches	Franchise Branches	Existing branches of the company			
		Jeddah	Makkah	Madinah	Al-Qunfudhah
	10	10	5	2	1

With an explanation that all of the sixty, university and kilo 14 branches were closed due to their presence within the removal areas, during the year 2022 AD, and the Dammam branch in the eastern region was closed due to operational losses, in addition to that the branches of Al-Zaidi, Al-Tayseer and Al-Madinah were opened.



The Internal Audit

The main task of the internal audit department is to provide independent and objective views of the company on issues related to risk, control and governance in addition to its effective role and continuous support for all sectors of the company in achieving its strategic objectives. It also reviews and evaluates administrative controls, plans and procedures approved by the company to direct its activities and provide the necessary information to enable it. It aims to effectively control the assets and operations of its sectors in addition to providing independent and objective recommendations with the aim of supporting executives to improve the effectiveness of risk, control and governance mechanisms.

The Legal Administration:

The main task of the legal department is to provide legal advice to all business units in the company in addition to handling various daily legal matters for the company and following up all legal issues with the concerned authorities to ensure that all sectors of the company comply with the laws and legislation in force in the Kingdom. The Legal Department has made a lot of activity with regard to legal risks in all business units of the company as well as carefully reviewing various contracts and agreements with all parties.

The Human Resources:

In the year 2022, the company developed its plans and updated its strategy to provide an attractive work environment for talents and localize jobs to raise the scopes of Saudization therein, and on the other hand, to attract competencies and practical experiences that increase the value of the human resource in the company, in addition to planning the career path for employees, organizing their activities, guiding, directing and motivating them, and then monitoring Performance results after checking the degree of effectiveness. Taking into consideration that all sectors of the company have been restructured to suit the company's future goals.



Training and Developing

The company continued to provide training and development programs for its employees, in addition to creating a Talent Attraction and Development Department in the administrative structure, which is responsible for training employees, following up on evaluating their performance, updating the career scale, salary scale, and human resources policies and procedures to follow up on employee performance, evaluation, and development, which aims to continue providing distinguished service to the company's customers.

Information Technology:

The company's information technology department has witnessed many improvements and developments, most notably the introduction of high-tech global source programs with compatibility with the local environment while continuing to develop the company's automated and technical system to keep pace with operational, marketing, sales and customer service requirements with the latest modern technical means and programs.

Supplies and Catering:

The company continues the policy of research and negotiation to bring the best raw materials with the best quality and lowest cost, in light of the rise in the prices of basic raw materials and the development of the logistics management business to keep pace with the current challenges related to the high prices of basic raw materials.



 **THIRD**

**FINANCIAL
PERFORMANCE**



Financial Performance

3-1 Summary of operations and operating result:

- Reclassification:

An amount of 274,021 riyals has been reclassified by transferring from the cost of revenue to general and administrative expenses in the comparative year 2021 within the consolidated financial statements for the year 2022. It has an impact on the total loss and has no effect on the net loss in the comparative year 2021

-Explanation of accumulated losses

The accumulated losses of SAR 179,415,330 have been amortized until June 30, 2022, at a rate of 53.16% of the capital value.

البيان	2021	2022	الفرق	%
	JAN to DEC 2021	JAN to 2022 DEC		
Sales	131,168,043	159,177,603	28,009,560	21.35%
Cost of Sales	(137,374,571)	(152,694,949)	15,320,378	11.15%
Total profit / loss	(6,206,528)	6,482,654	12,689,182	-204.45%
Selling and marketing expenses	(2,554,548)	(3,270,975)	716,427	28.05%
General and administrative expenses	(21,128,501)	(17,638,335)	(3,490,166)	-16.52%
Reversal / (fall) in the value of property, plant and equipment	2,280,215	-	(2,280,215)	-100.00%
Reversal / (impairment) in the value of right-of-use assets	3,370,097	1,377,965	(1,992,132)	-59.11%
Impairment in the value of assets held for sales	(6,815,555)	(2,422,834)	(4,392,721)	-64.45%
Losses from the disposal of property, plant and equipment	4,150,152	175,544	(3,974,608)	-95.77%
Gains/(losses) on disposal of right-of-use assets	2,675,878	1,866,232	(809,646)	-30.26%
Other income	-	(813,572)	(813,572)	-
Net loss of business	(24,228,790)	(14,243,321)	(9,985,469)	-41.21%
Share of the company profits in an associate company	(5,192,537)	(5,213,062)	20,525	0.40%
Financing expenses	(4,922,512)	(3,975,311)	(947,201)	-19.24%
Currency valuation differences	-	(258,218)	258,218	-
Net loss before zakat	(34,343,839)	(23,689,912)	(10,653,927)	-31.02%
Zakat and foreign income tax	(470,371)	(931,627)	460,656	97.81%
Net loss from continuing operations	(34,814,810)	(24,621,539)	(10,193,271)	-29.28%
Loss from discontinued operations, after income tax	(7,408,695)	-	(7,408,695)	-100.00%
net loss	(42,223,505)	(24,621,539)	(17,601,966)	-41.69%
Shareholders of the company	(42,207,449)	(24,621,384)	(17,586,065)	-41.67%
non-controlling interest	(16,056)	(155)	(15,901)	-99.03%
Net loss	(42,223,505)	(24,621,539)	(17,601,966)	-41.69%
Total comprehensive loss	(42,856,177)	(22,927,665)	(19,928,512)	-46.50%
Total equity of the company's shareholders	207,918,005	184,990,495	(22,927,510)	-11.03%
Basic and diluted earnings per share	(1.60)	(0.83)	(0.77)	-48.13%

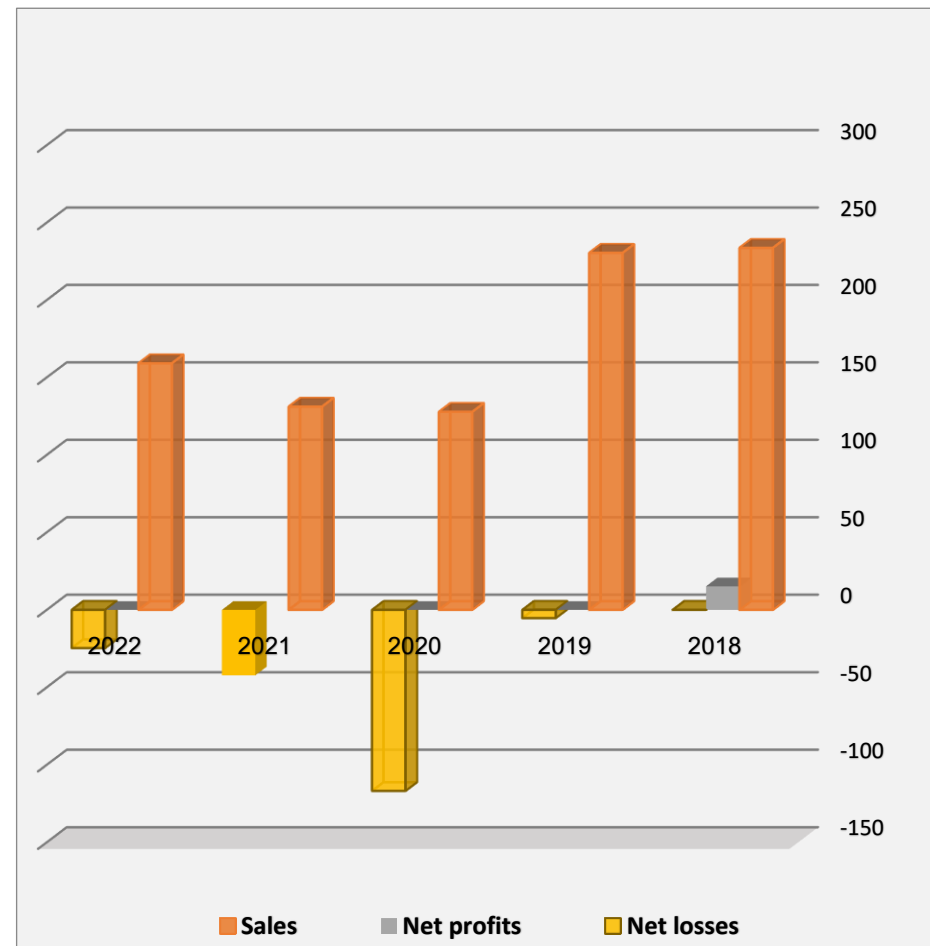


Financial Performance

3-2 A review of the elements of the financial statements

Sales and net profits / losses (In Thousand SR.)

Years	Sales	Net profits	Net losses
2018	233,687	15,212	-
2019	230,483	-	
2020	127,816	-	(116,770)
2021	131,168	-	(42,224)
2022	159,178	-	(24,621)

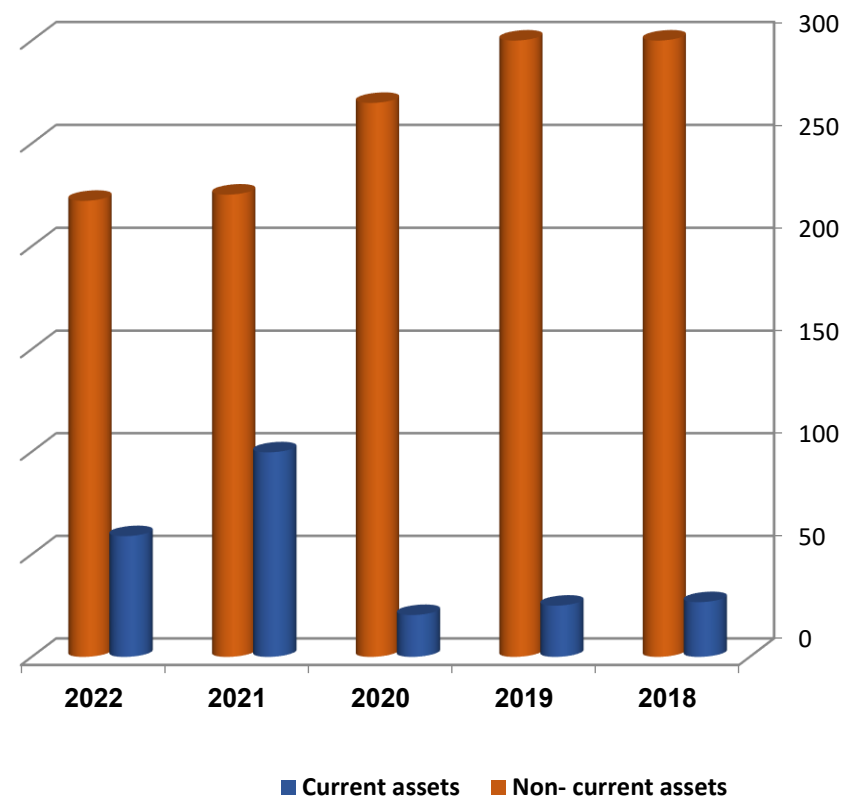




Financial Performance

Current and non-current assets (In Thousand SR.)

Years	Current assets	Non- current assets
2018	26,682	314,786
2019	24,976	398,941
2020	20,404	269,689
2021	99,709	225,131
2022	58,858	222,100

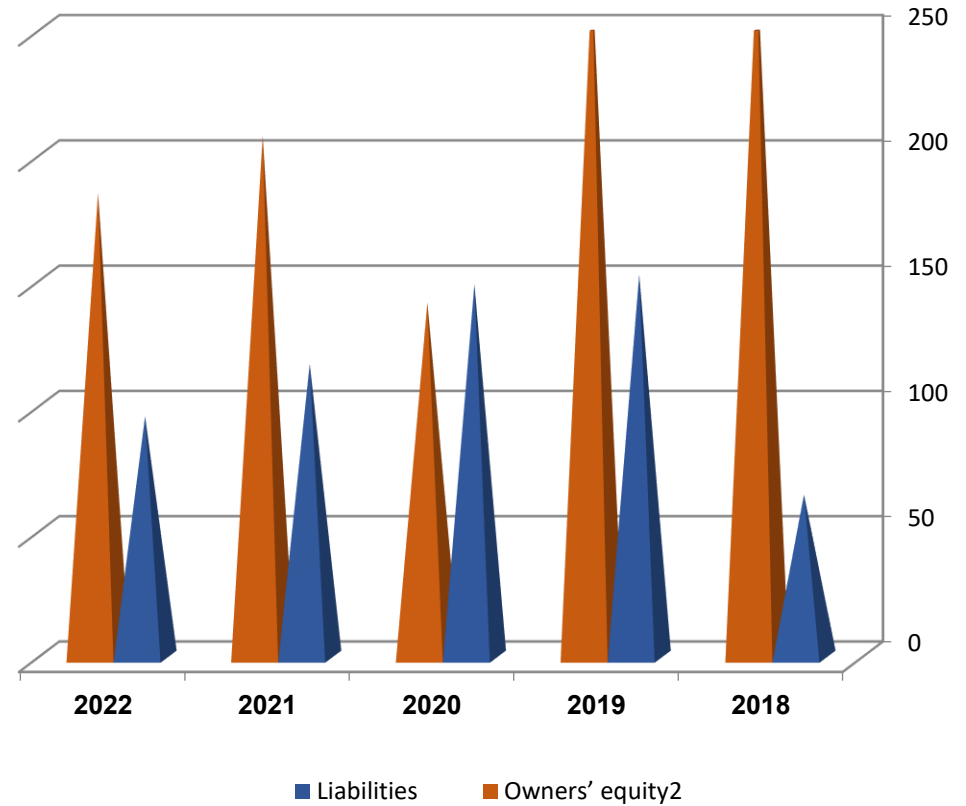




Financial Performance

Liabilities and ownership rights (In Thousand SR.)

Years	Liabilities	Owners' equity
2018	64,756	276,712
2019	152,499	271,418
2020	148,723	141,370
2021	116,919	207,920
2022	95,964	184,993

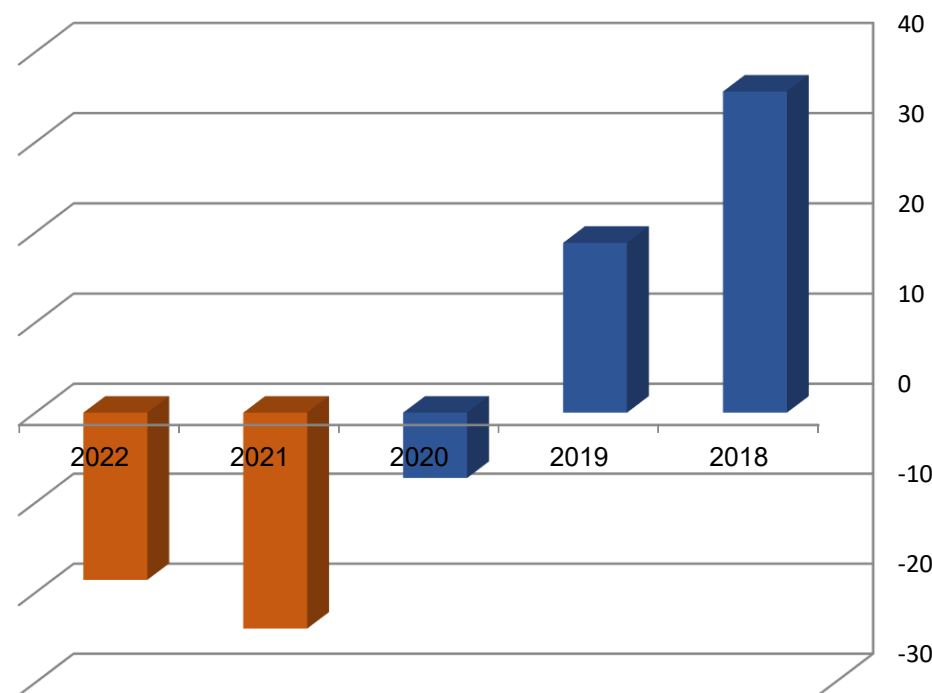




Financial Performance

Cash flows (used in) from operating activities (in Thousand SR.)

Years	Net Cash flows (used in) from operating activities
2018	35,603
2019	18,836
2020	(7,257)
2021	(23,996)
2022	(18,587)





Financial Performance

3-3 Geographical analysis for the company activity (in Thousand SR.)

Reagan	2022	2021
	Sales	Sales
Western region	154,550	126,000
Central region	0	0
Eastern region	397	2,407
Egypt	0	0
Other	4,230	2,761
Total	159,177	131,168

3-4 Share loss:

Statement	2022	2021
Loss per share out of net loss	(0.83)	(1.60)



Financial Performance

3-5 Loans:

The Group has a long-term loan amounting to 35.1 million Saudi riyals in the form of a long-term finance lease to finance capital expansions. This loan is secured against the mortgage of plots of land from the group (note 4). This loan is subject to an annual interest rate of 8%. The total financing charges related to this loan have been fully deducted in advance from the amount received. The withdrawn amount shall be paid in quarterly installments. The long-term loan is denominated in Saudi riyals. On October 28, 2020, the company reached an agreement to reschedule the loan installments that includes additional financing charges in the amount of 3,216,731 Saudi riyals to be paid during the new loan term, and accordingly, the quarterly installments were reduced and the loan repayment period increased to end on 15 October 2024.

The Group had the following outstanding balances relating to this financing as at 31 December (in Thousand SR.)

Statement	2022 (SR)	2021 (SR)
Long-term financing	17,415	23,415
Less. Deferred finance costs	(1,658)	(3,096)
Net	15,756	20,319
Less: current portion	(7000)	(6000)
Non-current portion	8,757	14,319

The maturity schedule for long-term financing is as follows as on 31 December (in Thousand SR.)

Years	2022 (SR)	2021 (SR)
2020	-	-
2021	-	-
2022	-	6000
2023	7000	7000
2024	10,415	10,415
Total	17,415	23,415



Financial Performance

3-6 Supporting Community Institutions

Raydan Food Company, in cooperation with the Hefz AL-Nemaa Society, to receive the rest of the prepared foods at the end of the day, and packed and distributed it.

3-7 Zakat, payments to government agencies, penalties and penalties

- The company completed its zakat assessments until December 31, 2020.
- The company submitted its zakat returns for the years ending on December 31, from incorporation until December 31, 2021 AD, and zakat certificates were received for these years
- Value added tax returns were submitted on a monthly basis from January 2018 until December 2022.

The following is a statement of the most important payments to the regulatory authorities (Value in Thousand SR.):

Statement	2021
The General Authority for Zakat and Income (Zakat and Value Added Tax)	7,934
The Public Institution for Social Security	1,685
Municipalities and secretariats	493
Governmental fees and certifications	81
Passports Department - Ministry of Interior	353
Labor Bureau	4,094
Total	14,640



Financial Performance

Others:

Saudi Tadawul announced on its website on Thursday 10/03/1444 corresponding to 06/10/2022 the following:

On Wednesday 09/03/1444 corresponding to 05/10/2022, the extraordinary general assembly of Raydan Food Company approved to reduce the company's capital. Accordingly, the fluctuation rate for the company's shares will be calculated based on the price of 27.35 riyals, and the existing orders will be cancelled.

Also, the trading of the company's shares will be suspended, based on the listing rules, for a period of two working days, starting on Thursday 10/03/1444 corresponding to 06/10/2022, provided that the Securities Depository Center Company (Edaa) applies a reduction to the share of Raydan Food Company in the portfolios Investment shareholders, provided that the suspension of trading the company's shares will return to trading at the end on Sunday 03/13/1444 corresponding to 10/09/2022.



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FOURTH

RISKS AND OUTLOOK



Risks & Future Outlook

4-1 The risks that the company is exposed

Risk management in Raydan is carried out by senior management according to policies approved by the Board of Directors, whereby the management identifies and evaluates risks, and hedge them through close cooperation between Raydan's departments, assesses the possibility of their occurrence and assesses the effects that may arise from them and then takes the necessary measures to reduce from these risks, avoiding them and containing them as much as possible to avoid any damages that they may cause if they occur.

There are many risks associated with Raydan activities including

A) Economic Risks;

Risks to the economy in general, whether inside or outside the kingdom, which have an impact on spending by individuals and institutions, and what has an impact on suppliers and manufacturers.

B) Strategic risks:

Not to be aware of economic changes, making wrong strategic decisions, or wrongly implementing the strategy and Raydan Company is keen to take note of economic changes by studying the market and the economic situation, and using distinguished expertise to avoid any strategic risks.

C) Operational risks

All the faults and deficiencies facing the operational processes, and the ability to work in a competitive environment, including these risks.



Risks & Future Outlook

- **Credit Risk:**

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on titles due from related parties, trade receivables and bank balances as follows. **(In Thousand SR.)**

Statement	31 DEC 2022	31 DEC 2021
	Saudi SR.	Saudi SR.
Due from related parties	5,820	8,482
Trade Receivables	5,883	3,331
Employees due and other debit balances	2,106	1,733
Bank balances	25,851	75,422
Total	39,660	88,969

The carrying amount of financial assets represents the maximum exposure to credit risk. The Company manages the credit risk in relation to the due from related parties and trade receivables by setting credit limits for each customer and monitoring uncollected receivables on an ongoing basis. Receivable balances are monitored so that the Group does not incur significant bad debts. Cash balances with banks are kept with financial institutions with high credit ratings.

Risks & Future Outlook

Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in collecting funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The following are the contractual maturities at the end of the reporting period for financial obligations:

(in Thousand SR.)

Financial obligations	31 Dec. 2022			
	Carrying amount	Less than one year	One year to five years	More than five years
	Saudi SR.	Saudi SR.	Saudi SR.	Saudi SR.
Long-term loan	17,415	7,000	10,415	-
Trade payables	15,202	15,202	-	-
Liability to related parties	2,591	2,591	-	-
Total	35,208	24,793	10,415	-
Financial obligations	31 Dec. 2021			
	Carrying amount	Less than one year	One year to five years	More than five years
	Saudi SR.	Saudi SR.	Saudi SR.	Saudi SR.
Long-term loan	20,319	6,000	14,319	-
Trade payables	16,397	16,397	-	-
Liability to related parties	11,162	11,162	-	-
Total	47,878	33,559	14,319	-

Liquidity risk is managed by monitoring on a regular basis and ensuring that sufficient funds and credit facilities are available to meet the Group's commitments.



Risks & Future Outlook

Risk management of financial instruments

The Group's activities expose it to various financial risks such as liquidity risk, market price risk, currency risk and change risk in interest rates.

The Group's objective when managing capital is to preserve the Group's ability to continue as a going concern so that it can continue to generate returns for shareholders and benefits for other stakeholders. And maintaining a strong capital base to support the sustainable development of its business.

The ratio of the Group's adjusted net liabilities to net equity is as follows:

Statement	31 DEC 2022	31 DEC 2021
Total liabilities	95,964	116,919
Deducted: cash and cash equivalents	(27,465)	(76,188)
Net liabilities	68,499	40,731
Shareholders' equity	184,994	207,920
Modified private property rights	184,994	207,920
Net liabilities into two rights	0.37	0.20

- **Human Resources Risks:**

The ability to attract and maintain qualified and distinguished human cadres, and the company is continuously recruiting and training national cadres, and developing an incentive reward to support the continuity and efficiency of employees while keeping adopting of developments related to the work law and workers.



Risks & Future Outlook

- **Legal Risks:**

Risks related to legislative and legal changes in the Kingdom or the countries in which Raydan operates, whether from taxes, labor laws, and others.

- **Technology Risks:**

Risks of continuity of operational processes associated with technical programs in the event of a technical defect, Raydan continues to develop and support its technical programs and alternative technology solutions.

4-2 Outlook

Based on the foregoing and the changes that the Kingdom has witnessed in consumer behavior, the company seeks to follow a strategy based on reducing the profit margin sometimes to gain a larger share in the market in light of economic changes and customer requirements and seeking to obtain competitive prices from suppliers to support this strategy, and the expansion service will be limited to opening areas New, by signing many franchise contracts. The future of the company, in light of our continuous quest to reach the largest possible segment of customers and serve them in new ways and methods, enables us to improve the company's performance and achieve the desired growth, in addition to providing the highest levels of customer service. The company realizes that achieving these goals depends on a strong and qualified work team. Therefore, it continues to invest in human capital and attract qualified human cadres to provide the best value to its customers and investors. Based on these data and plans, and in light of the current and expected market conditions, and in light of the challenges surrounding the sector, especially the company seeks to maintain its market share, develop performance, and find alternative solutions to reduce costs.



 FIFTH

GOVERNANCE



The Governance

5-1 Establishing the board of directors during 31/12/2022:

A- The current Board of Directors consists of five members, as the term of the current Board began on April 21, 2022 and ends on April 20, 2025. In accordance with Article (18) of the Articles of Association of Raydan Food Company, and the composition of the Board of Directors is in accordance with the instructions contained in Article (16) of the Corporate Governance Regulations issued by the Capital Market Authority. The following are the current members of the Board of Directors:

Number	Name	Current position	Previous position	Qualifications	Experience
1	Omar Rabeih Al Sulami (Non-executive)	Chairman of the Board of Directors	-	Master of Business Administration (MBA) from Al-Faisal University and Information Systems from the Arab Academy of Sciences, Bachelor of Business Administration in Marketing from King Abdulaziz University	More than 15 years of experience in managing companies, institutions and board memberships
2	Nair Bayan Al Sulami (Non-executive)	Deputy Chairman of the Board	-	Bachelor's degree in Business Administration from SMC University, Switzerland	More than 23 years of experience, during which he held leadership positions and board memberships in many leading companies in the financial, commercial and service sectors.



The Governance

Number	Name	Current position	Previous position	Qualifications	Experience
3	Mansour Nasser Al Sulami (Executive)	Managing Director and Chief Executive Officer	General Manager of Operation, Control and Follow-up at Raydan Food Company	Master of Business Administration from the University of Business and Technology, Bachelor of Science - Marketing from the University of Jeddah, College of Business	More than 8 years of experience in implementing control and follow-up strategies. He also worked as General Manager of Operations and Operations for Raydan Company and General Manager of Control and Follow-up.
4	Sultan Mohammed Al Howymel (Independent)	Board members	-	Master of Finance and Investment from the University of Essex, UK	More than 10 years of experience in strategic planning, project development and management
5	Faisal Saad Al Subaie (Independent)	Board members	-	Master of Law University of California Davis	More than 11 years of experience in legal advice

The Governance

B- The former Board of Directors consisted of eight members in accordance with Article (18) of the Articles of Association of Raydan Food Company, where the term of the previous Board of Directors began on April 21, 2019 and ended on April 20, 2022 AD, and the composition of the previous Board of Directors is consistent with the instructions contained in Article (16) of the Bylaws Corporate Governance issued by the Capital Market Authority. The following are the former members of the Board of Directors:

number	Name	Current profession	Previous profession	Qualifications	Experiences
1	Awadallah Ahmed Alsulami (Non-executive)	Chairman of the Board of Directors of Raydan Food Company	Chairman of the Board of Directors of Raydan Food Company	Primary	Real estate investment and restaurants
2	Nasser Awadallah Alsulami (Non-executive)	Vice Chairman of the Board of Directors of Raydan Food Company and a businessman in the field of contracting and restaurants	Vice Chairman of the Board of Directors of Raydan Food Company and a businessman in the field of contracting and restaurants	Commercial secondary - business administration	Experience in contracting and catering field
3	Mansour Awadallah Alsulami (Executive)	Managing Director of Raydan Food Company and a businessman who runs his own group of companies	Managing Director of Raydan Food Company and a businessman who runs his own group of companies	Ph.D. at the American University - Bachelor's degree in Business Administration from El-Neelain University, Sudan	Management of companies, establishments, investments, real estate development, petroleum services, fuel stations, medical and commercial services
4	Meshal Awadallah Alsulami (Non-executive)	Businessman in the field of retail and wholesale	Businessman in the field of retail and wholesale	Bachelor's degree in Business Administration from King Abdulaziz University	Retail and wholesale trade and food industries
5	Khaled Awadallah Alsulami (Non-executive)	A businessman who runs his own group of establishments	A businessman who runs his own group of establishments	Bachelor of Science in Management Sciences at King Abdulaziz University. Diploma in Management Technology Technical College.	Real estate investment and petroleum services



The Governance

number	Name	Current profession	Previous profession	Qualifications	Experiences
6	Saud Saeed Alojaifi (Independent)	Director of the law firm and legal advice and a partner at the First Law Firm.	Head of the (Investigator) Department at the Investigation and Public Prosecution Department	Master of Criminal Justice, Institute of Public Administration, Bachelor of Systems, King Abdulaziz University	More than 23 years in investigation and public prosecution, experience in the field of advocacy and legal advice
7	Hassan Shaker Alсахافي (Independent)	Businessman who runs; An institution that sells sportswear	Member of the Board of Directors of the Jeddah Chamber of Commerce	Secondary Diploma in Commercial - Higher Institute of Commerce, majoring in Accounting	Management of investments, trade and companies
8	Abdulraoof Alsadiq Alقaydi (Independent)	A businessman and runs an establishment specializing in decoration work	Work for the Ministry of Labor, deputy assistant (Inspection and Labor Relations) – deputy assistant (Employment of Saudis) - Director General of Planning and Manpower Development - General Manager of the Labor Office in Jeddah - Director of the Ministry of Labor and Social Affairs in the region of Makkah Al-Mukarramah - Director of the Ministry of Labor and Social Affairs in the region of AL-Medina AL-Munawarah	Master of Library and Information Management from Western Michigan University from the United States of America Bachelor's degree in Library Management from King Abdulaziz University	I More than 23 years of experience in the Ministry of Labor and Social Affairs



The Governance

The following is a list of the names and information of the members of the senior executives and the executive management:

Number	Name	Current profession	Previous profession	Qualifications	Experiences
1	Mansour Nasser Al Sulami*	Managing Director and Chief Executive Officer	General Manager of Operation, Control and Follow-up at Raydan Food Company	Master of Business Administration from the University of Business and Technology, Bachelor of Science - Marketing from the University of Jeddah, College of Business	More than 8 years of experience in implementing control and follow-up strategies. He also worked as General Manager of Operations and Operations for Raydan Company and General Manager of Control and Follow-up.
2	Fawzan Abdullah Saad Alharthi**	CEO of Raydan Food Company	General Director of human Resources, Administrative Affairs, Operations and Regions of Al Sawani Company	PhD in Business Administration	CEO of Raydan Food Company. General Director of human Resources, Administrative Affairs, Operations and Regions of Al Sawani Company for 24 years. He also worked in directing the liquidation of Sama Company for Transmission and Distribution. In 1996, he established 2 fruits for foodstuff factory, and established procedural rules and regulations for the implementation of the works. Experience in establishing companies and establishments.
3	Jamal Nasser Ahmed Abdulkareem	Chief Financial Officer of Raydan Food Company,	Head of accounting	Bachelor of Commerce Accounting Division	Granted Bachelor of Commerce – department of Accounting, now serves as the financial and executive director of Raydan food company. He served as the head of the accountings for Raydan food company from 2014 up to date, and the head of the workshop accounting. He employed for Hassan Rabie for accounting in Egypt.

*Mr. Mansour Al-Sulami was appointed Managing Director on 04/24/2022 and CEO on 01/05/2022

** Mr. Fawzan Al-Harthy resigned from his position on 01/05/2022 AD



The Governance

5-2 Attendance record of Board of Directors meetings

A. The following table shows the attendance record for the current Board of Directors meetings:

Member	Membership status	First meeting 24/04/2022	Second meeting 23/05/2022	Third meeting 08/11/2022	Total
Omar Rabeh Al Sulami	Chairman of the Board of Directors	✓	✓	✓	3
Nair Bayan Al Sulami	Deputy Chairman of the Board	✓	✓	✓	3
Mansour Nasser Al Sulami	Managing Director and Chief Executive Officer	✓	✓	✓	3
Sultan Mohammed Al Howymel	Board member (independent)	✓	✓	✓	3
Faisal Saad Al Subaie	Board member (independent)	✓	✓	✓	3



The Governance

B. The following table shows the attendance record for the previous Board of Directors meetings:

Member	Membership status	First meeting 05/01/2022	Second meeting 26/01/2022	Third meeting 13/02/2022	Forth meeting 22/03/2022	Fifth meeting 30/03/2022	Total
Awadallah Ahmed Alsulami	Non-executive (chairman of board of directors)	✓	✓	✓	✓	✓	5
Nasser Awadallah Alsulami	Non-executive (vice chairman of board of directors)	✓	✓	✓	✓	✓	5
Mansour Awadallah Alsulami	Executive (managing director)	✓	✓	✓	✓	✓	5
Mesahl Awadallah Alsulami	Non-executive	✓	✓	x	✓	x	3
Khaled Awadallah Alsulami	Non-executive	✓	✓	✓	✓	✓	5
Saud Saeed Aqal Alojaifi	Independent	✓	✓	✓	✓	✓	5
Hassan Shaler Saleh Alsaifi	Independent	✓	✓	✓	✓	✓	5
Abdulraoof Alsadiq Alqaydi	Independent	✓	✓	✓	✓	✓	5



The Governance

5-3 Attending record of the general assembly meeting of the shareholders

The company held three general assemblies for shareholders during the year 2022, according to the following schedules:

- **The Extraordinary General Assembly (second meeting), which was held at 22:30 pm on Wednesday 19/09/1443 AH corresponding to 04/20/2022 (via modern technology)**

Name	Attendance
Awadallah Ahmed Alsulami	✓
Nasser Awadallah Alsulami	✓
Mansour Awadallah Alsulami	✓
Mesahl Awadallah Alsulami	x
Khaled Awadallah Alsulami	✓
Saud Saeed Aqal Alojaifi	✓
Hassan Shaler Saleh Alsaifi	✓
Abdulraoof Alsadiq Alqaydi	✓

- **The Ordinary General Assembly of the company (the second meeting), at 20:30 pm on Sunday 27/11/1443 AH corresponding to 26/06/2022 (via modern technology)**

Name	Attendance
Omar Rabe Al Sulami	✓
Nair Bayan Al Sulami	✓
Mansour Nasser Al Sulami	✓
Sultan Mohammed Al Howymel	✓
Faisal Saad Al Subaie	✓



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- The Extraordinary General Assembly of the company that includes capital reduction (second meeting) modern, which was held at 20:00 pm on Wednesday 09/03/1444 AH corresponding to 05/10/2022 (via modern technology)

Name	Attendance
Omar Rabeah Al Sulami	✓
Nair Bayan Al Sulami	✓
Mansour Nasser Al Sulami	✓
Sultan Mohammed Al Howymel	✓
Faisal Saad Al Subaie	✓

5-4 Board memberships in current or previous companies inside or outside the Kingdom

A. Current Board members

Name	Names of companies in which a member of the Board of Directors is a member of their current boards of directors or one of their managers	inside / Outside the kingdom	legal entity	Names of companies in which a member of the Board of Directors was a member of its previous boards of directors or one of its managers	inside / Outside the kingdom	legal entity
Omar Rabeah Al Sulami	Jeddah chamber	inside the kingdom	Non-profit organization	x	x	x
	Al-Bir Charity Association, at balgrave	inside the kingdom	Charity Association			
	Service Management Company Limited	inside the kingdom	Limited liability			
	Arab Development Company for Textiles, Egypt	Outside the kingdom	Limited liability			

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Name	Names of companies in which a member of the Board of Directors is a member of their current boards of directors or one of their managers	inside / Outside the kingdom	legal entity	Names of companies in which a member of the Board of Directors was a member of its previous boards of directors or one of its managers	inside / Outside the kingdom	legal entity
Nair Bayan Al Sulami	Member of the Board of Directors of Genovik Consulting Dubai	Outside the kingdom	Limited liability	Yanal Finance Company	inside the kingdom	Closed joint stock
	CEO of Gulf Cranes Leasing Company	inside the kingdom	Closed joint stock	Modern Insurance and Reinsurance Brokerage Company	inside the kingdom	Insurance
				Gulf Finance Company	inside the kingdom	Closed joint stock
Mansour Nasser Al Sulami	x	x	x	x	x	x
Sultan Mohammed Al Howymel	x	x	x	x	x	x
Faisal Saad Al Subaie	x	x	x	x	x	x



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B. Current Board members

Name	Names of companies in which a member of the Board of Directors is a member of their current boards of directors or one of their managers	inside / Outside the kingdom	legal entity	Names of companies in which a member of the Board of Directors was a member of its previous boards of directors or one of its managers	inside / Outside the kingdom	legal entity
Awadallah Ahmed Alsulami	x	x	x	x	x	x
Nasser Awadallah Alsulami	x	x	x	x	x	x
Mansour Awadallah Alsulami	x	x	x	x	x	x
Mesahl Awadallah Alsulami	x	x	x	x	x	x
Khaled Awadallah Alsulami	x	x	x	x	x	x
Saud Saeed Aqal Alojaifi	x	x	x	x	x	x
Hassan Shaler Saleh Alsahafi	x	x	x	x	x	x
Abdulraoof Alsadiq Alqaydi	x	x	x	x	x	x

5-5 The company's requests for a record of shareholders

No.	Date of request	Date of ownership file	Reasons for request
1	26/01/2022	31/12/2022	Other
2	10/04/2022	07/04/2022	Companies procedures
3	19/04/2022	20/04/2022	General Assembly
4	23/06/2022	26/06/2022	General Assembly
5	26/06/2022	26/06/2022	General Assembly
6	09/08/2022	09/08/2022	Other
7	31/08/2022	30/08/2022	Other
8	07/09/2022	06/09/2022	General Assembly
9	01/10/2022	29/09/2022	General Assembly
10	04/10/2022	05/10/2022	General Assembly
11	05/10/2022	05/10/2022	General Assembly
12	19/11/2022	17/11/2022	Other



The Governance

5-6 Committees emanating from the Board of Directors

1- The Audit Committee

The audit committee has been formed in accordance with Article (54) of the Corporate Governance Regulations issued by the Capital Market Authority, and in accordance with Article (2) and the approved audit committee's work regulations. In this regard, or to take decisions if the board delegated to it to do so, and the committee informs the board of directors of the results it reaches, takes decisions, or recommends them.

The committee is also responsible for monitoring the company's business and verifying the integrity and safety of the reports, financial statements, and internal control systems therein. The committee's duties include in particular the following

▪ The Financial Reports:

- Study the initial and annual financial statements of the company before submitting them to the Board of Directors and expressing its opinion and recommendation in this regard, to ensure its fairness, integrity and transparency.
- Expressing a technical opinion - at the request of the Board of Directors - on whether the report of the Board of Directors and the financial statements of the company are fair, balanced and understandable, and include information that allows shareholders and investors to evaluate the financial position of the company, its performance, business model and strategy.
- Study any important or unfamiliar issues included in the financial reports.
- Carefully researching any issues raised by the financial director of the company or whoever assumes his duties or the compliance officer in the company or the auditor.
- Verifying the accounting estimates in the fundamental issues mentioned in the financial reports.
- Study the accounting policies applied in the company and express opinion and recommendation to the Board of Directors in this regard.



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▪ **The Internal Auditing**

- Study and review of the company's internal, financial and risk management systems
- Study the internal audit reports and follow up the implementation of corrective measures for the observations contained therein.
- Control and supervise the performance and activities of the internal auditor and the internal audit department in the company, to verify the availability of the necessary resources and their effectiveness in performing the tasks and tasks assigned to them.
- Recommending to the Board of Directors the appointment of the manager of the internal audit unit or department or the internal auditor and propose his remuneration.

▪ **The Auditor:**

- Recommending to the Board of Directors to nominate and dismiss auditors, determine their fees and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of contracting with them.
- Verifying the auditor's independence, objectivity and fairness, and the effectiveness of the audit work, taking into account the relevant rules and standards.
- Reviewing the company's auditor's plan and his work, verifying that he has not submitted technical or administrative works that are outside the scope of the audit work, and expressing his views on that.
- Answer the company's auditor's inquiries.
- Verification to enable the auditor to perform his work and not conceal information about him.
- Study the auditor's reports and notes on the financial statements and follow up on what has been taken in their regard.

▪ **Guarantee of Obligation:**

- Review the results of the reports of the regulatory authorities and verify that the necessary measures have been taken in their regard.
- Verify the company's compliance with the relevant laws, regulations, policies and instructions.

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- Reviewing the proposed contracts and transactions that the company conduct with related parties, and submitting its opinions on this to the Board of Directors.
- Raise what it deems to be issues that it deems necessary to take action in its regard to the Board of Directors, and to make recommendations on the measures to be taken.

The current Audit Committee meetings during the year 2022*:

Member	Membership status	First meeting 22/05/2022	Second meeting 27/07/2022	Third meeting 24/08/2022	Forth meeting 08/11/2022	Total
Mazen Khalaf Al Zayer	Chairman of the Audit Committee (independent from outside the Board)	✓	✓	✓	✓	4
Noha Abdulghani Sulaimani	Audit Committee member (independent from outside the Board)	✓	✓	✓	✓	4
Basem Tayseer Hijaz	Audit Committee member (independent from outside the Board)	✓	✓	✓	✓	4

* It was approved to form the audit committee, define its tasks, work controls and remuneration for its members at the company's extraordinary general assembly (first meeting), which was held via modern technology at 22:30 on Wednesday 09/19/1443 AH corresponding to 20/04/2022. And for a period of three years, ending on 20/04/2025.



The Governance

Experiences:

Name	Current position	Previous position	Qualifications	Experiences
Mazen Khalaf Al Zayer	Chairman of the Audit Committee (independent from outside the Board)	Chairman of the Audit Committee (independent from outside the Board)	Associate degree, University of Jubail	He has more than 16 years of experience in auditing and risk management in companies such as the Jeddah Chamber of Commerce, Dallah Al Baraka Company, Samba Financial Group and Petromin Company.
Noha Abdulghani Sulaimani	Audit Committee member (independent from outside the Board)	Audit Committee member (independent from outside the Board)	Master of Finance and Investment from the University of Leeds in England, Bachelor of Accounting from King Abdulaziz University	She has more than 14 years of experience in the financial sector and financial markets, and has extensive experience in the systems of the Capital Market Authority, banking sector systems, risk management, treasury and finance
Basem Tayseer Hijaz	Audit Committee member (independent from outside the Board)	Audit Committee member (independent from outside the Board)	Master of Business Administration from the London Business School, UK, Bachelor of Accounting from the University of Jordan	He has more than 17 years of experience in auditing, risk and compliance in companies such as Bin Dawood Holding, Nadec, Extra and Jordan Electricity Company.

The previous Audit Committee meetings during the year 2022*:

Member	Membership status	First meeting 28/03/2022	Total
Saud Saeed Alojaifi	Chairman of the Audit Committee	✓	1
Omar Rabeh Al Sulami	Audit Committee member (from outside the Board)	✓	1
Yaser Husain Bhalkhi	Audit Committee member (from outside the Board)	✓	1



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Experiences:

Name	Current position	Previous position	Qualifications	Experiences
Saud Saeed Alojaifi	Director of the law firm and legal advice and partner in the first law firm	Head of a department (investigator) at the Public Prosecution and Investigation Department	Master of Criminal Justice, Institute of Public Administration, Bachelor of Systems, King Abdulaziz University	More than 23 years of investigation and public prosecution experience in the field of law and legal advice
Omar RabeH Al Sulami	Chairman of the Board of Directors (Raydan Food Company)	financial consultant	Master of Business Administration (MBA) from Al-Faisal University and Information Systems from the Arab Academy of Sciences, Bachelor of Business Administration in Marketing from King Abdulaziz University	More than 15 years of experience in managing companies, institutions and board memberships
Yasser Husain Bhalkhi	Director of the office of Yasser Bhalkhi - chartered accountants and consultants	Partner at Deloitte & Touche	Bachelor of Accounting	More than 30 years in the field of accounting, where he worked as a financial manager for the Saudi Company for Precious Metals - a partner at Deloitte & Touche - an auditor at Ernst & Young Chartered Accountants and director of the office of Yasser Bhalkhi - chartered accountants and consultants

In light of the work done by the committee during the year 2022, the audit committee believes that there is no deficiency or any fundamental change in the internal audit and control systems, and that they are effective in preventing and discovering fundamental errors, and that there has been no fundamental breach or violation of the internal control systems during the year 2022.



The Governance

2- Remuneration and Nomination Committee:

The Remuneration and Nomination Committee was formed in accordance with Article (60), Article (64), and Paragraph (7) of Article (50) of the Corporate Governance Regulations issued by the Capital Market Authority. And in accordance with Article (2) of the remuneration and nomination committee - approved by the company. The committee undertakes to study the issues pertaining to it or referred to it by the Board of Directors, and it is submitted Its recommendations to the council to take a decision regarding them, or to take decisions if the board delegated to it to do so, and the committee informs the board of directors of its findings, decisions or recommendations.

With regard to remuneration, the committee shall have jurisdiction over the following:

- Clarify the relationship between the bonuses granted and the applicable remuneration policy, and indicate any material deviation.
- Periodic review of the remuneration policy, and evaluation of its effectiveness in achieving the objectives sought from it.
- Recommending to the Board of Directors the remuneration of members of the Board of Directors, the committees emanating from it, and the senior executives of the company, in accordance with the approved policy.

The committee shall specialize in it regarding nominations with the following:

- Proposing clear policies and standards for membership in the Board of Directors and executive management.
- Recommending to the Board of Directors to nominate and re-nominate its members in accordance with the approved policies and standards.



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- Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and occupying executive management positions.
- Determine the time that the member should allocate to the work of the board of directors.
- Annual review of the necessary needs of skills or appropriate experiences for board membership and executive management functions.
- Review the structure of the Board of Directors and executive management and make recommendations regarding possible changes.
- Checking on an annual basis the independence of the independent members, and the absence of any conflict of interest if the member occupies the board of directors of another company.
- Establish job descriptions for executive members, non-executive members, independent members and senior executives.
- Establishing special procedures in case the position of a member of the board of directors or senior executives becomes vacant.
- Evaluating the performance of the Board of Directors, its committees and the executive management annually, and submitting its results to the Board of Directors, along with recommending a plan to address aspects that need development.
- Determining the strengths and weaknesses of the Board of Directors, and proposing solutions to address them in line with the company's interest.



The Governance

The current meetings of the Remuneration and Nomination Committee during the year 2022*:

Member	Membership status	First meeting 25/04/2022	Second meeting 14/08/2022	Total
Sultan Mohammed Al Howymel	Chairman of the Committee	✓	✓	2
Omar RabeH Al Sulami	Committee member	✓	✓	2
Faisal Saad Al Subaie	Committee member	✓	✓	2

*The formation of the Remuneration and Nominations Committee was approved at the Company's Extraordinary General Assembly (first meeting), which was held via modern technology at 22:30 on Wednesday 19/09/1443 AH corresponding to 20/04/2022 And for a period of three years, ending on 20/04/2025.

Experiences:

Name	Current position	Previous position	Qualifications	Experiences
Sultan Mohammed Al Howymel	Board member	Board member	Master of Finance and Investment from the University of Essex, UK	More than 10 years of experience in strategic planning, project development and management
Omar RabeH Al Sulami	Chairman of the Board of Directors	Chairman of the Board of Directors	Master of Business Administration (MBA) from Al-Faisal University and Information Systems from the Arab Academy of Sciences, Bachelor of Business Administration in Marketing from King Abdulaziz University	More than 15 years of experience in managing companies, institutions and board memberships
Faisal Saad Al Subaie	Board member	Board member	Master of Law University of California Davis	More than 11 years of experience in legal advice

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Previous Remuneration and Nomination Committee meetings during the year 2022*:

Member	Membership status	First meeting 10/02/2022	Second meeting 14/02/2022	Third meeting 24/02/2022	Fourth meeting 07/03/2022	Fifth meeting 20/03/2022	Total
Saud Saeed Alojaifi	Chairman of the Committee	✓	✓	✓	✓	✓	5
Khaled Awadallah Ahmed Al Sulami	Committee member	✓	✓	✓	✓	✓	5
Jamal Naser Abdulkareem	Committee member	✓	✓	✓	✓	✓	5

*The previous membership of the Remuneration and Nomination Committee members ended on April 20, 2022

Experiences:

Name	Current profession	Previous profession	Qualifications	Experiences
Saud Saeed Alojaifi	Director of the law firm and legal advice and partner in the first law firm	Head of a department (investigator) at the Public Prosecution and Investigation Department	Master of Criminal Justice, Institute of Public Administration, Bachelor of Systems, King Abdulaziz University	More than 23 years in investigation and public prosecution, experience in the field of advocacy and legal advice
Khaled Awadallah Ahmed Al Sulami	A businessman who runs his own group of establishments	A businessman who runs his own group of establishments	Bachelor of Science in Management Sciences at King Abdulaziz University. Diploma in Management Technology Technical College.	Real estate investment and petroleum services
Jamal Naser Abdulkareem	The financial director of Raydan food company	Head of the Accountings	Bachelor of Commerce – department of Accounting	Granted Bachelor of Commerce department of Accounting, now serves as the financial and executive director of Raydan food company. He served as the head of the accountings for Raydan food company from 2014 up to date, And Head of Accounts for Al Raouche Sweets Company.



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3- The Executive Committee:

The Executive Committee was formed in accordance with the Corporate Governance Regulations issued by the Capital Market Authority: Its duties and responsibilities are summarized as follows:

- Drawing up the general strategies, policies and objectives of the company in coordination with the Board of Directors, and studying and proposing the economic objectives of the projects, investments and general policies of the company.
- Discussing with the company administrators about the estimated budgets to achieve its goals.
- Set a future vision to develop and increase the company's profits through market trends, with the aim of achieving better returns for shareholders.
- Review and approval of the CEO's recommendations.

The current Executive Committee meetings during the year 2022*:

Member	Membership status	First meeting 19/05/2022	Second meeting 06/06/2022	Third meeting 30/08/2022	Fourth meeting 13/10/2022	Total
Nair Bayan Al Sulami	Chairman of the Committee	✓	✓	✓	✓	4
Omar RabeH Al Sulami	Committee member	✓	✓	✓	✓	4
Mansour Nasser Al Sulami	Committee member	✓	✓	✓	✓	4

* The formation of the Executive Committee was approved at the company's Extraordinary General Assembly (first meeting), which was held via modern technology at 22:30 on Wednesday 19/09/1443 AH corresponding to 20/04/2022 And for a period of three years, ending on 20/04/2025.



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Experiences:

Name	Current position	Previous position	Qualifications	Experiences
Nair Bayan Al Sulami	Vice Chairman of the Board of Directors	Vice Chairman of the Board of Directors	Bachelor's degree in Business Administration from SMC University, Switzerland	More than 23 years of experience, during which he held leadership positions and board memberships in many leading companies in the financial, commercial and service sectors.
Omar Rabeh Al Sulami	Chairman of the Board of Directors	Chairman of the Board of Directors	Master of Business Administration (MBA) from Al-Faisal University and Information Systems from the Arab Academy of Sciences, Bachelor of Business Administration in Marketing from King Abdulaziz University	More than 15 years of experience in managing companies, institutions and board memberships
Mansour Nasser Al Sulami	Managing Director & CEO	General Manager of Operation, Control and Follow-up at Raydan Food Company	Master of Business Administration from the University of Business and Technology, Bachelor of Science in Marketing from the University of Jeddah, College of Business	More than 8 years of experience in implementing control and follow-up strategies. He also worked as General Manager of Operations and Operations for Raydan Company and General Manager of Control and Follow-up.

Previous Executive Committee meetings during the year 2022*:

Member	Membership status	First meeting 06/04/2022	Second meeting 19/04/2022	Total
Fawzan Abdullah Saad Alharthi	Chairman of the Committee	✓	✓	2
Mansour Nasser Awadallah Alsulami	Committee Member– outside the Board	✓	✓	2
Jamal Nasser Ahmed Abdulkareem	Committee Member– outside the Board	✓	✓	2

* The membership of the previous Executive Committee members ended on April 20, 2022 AD

The Governance

Experiences:

Name	Current profession	Previous profession	Qualifications	Experiences
Fawzan Abdullah Saad Alharthi	CEO of Raydan Food Company	General Director of human Resources, Administrative Affairs, Operations and Regions of Al Sawani Company	PhD in Business Administration	CEO of Raydan Food Company. General Director of human Resources, Administrative Affairs, Operations and Regions of Al Sawani Company for 24 years. He also worked in directing the liquidation of Sama Company for Transmission and Distribution. In 1996, he established 2 fruits for foodstuff factory, and established procedural rules and regulations for the implementation of the works. Experience in establishing companies and establishments.
Mansour Nasser Alsulami	Managing Director & CEO	General Manager of Operation, Control and Follow-up at Raydan Food Company	Master of Business Administration from the University of Business and Technology, Bachelor of Science in Marketing from the University of Jeddah, College of Business	More than 8 years of experience in implementing control and follow-up strategies. He also worked as General Manager of Operations and Operations for Raydan Company and General Manager of Control and Follow-up.
Jamal Naser Abdulkareem	Chief Financial Officer	Head of the Accountings	Bachelor of Commerce department of Accounting	Granted Bachelor of Commerce department of Accounting, now serves as the financial and executive director of Raydan food company. He served as the head of the accountings for Raydan food company from 2014 up to date, And Head of Accounts for Al Raouche Sweets Company.

4- Governance and Risk Committee

The Governance and Risk Committee was formed with the aim of conforming to Article (70), Article (71), and Article (72) of the Corporate Governance Regulations issued by the Capital Market Authority, and its important tasks are summarized as follows:

- To attend committee meetings.
- Ensuring integrity in the implementation of the committee's affairs and its meetings.
- Obtaining the adequate skills and training necessary to participate in the implementation of the committee's affairs.
- Participate in the committee's decisions and vote on them.
- Provide the committee chair (and his deputy) with full support in preparing meeting agendas and confirming meeting minutes.

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- Inform other members of the committee of any changes in regulations and practices that affect the roles and responsibilities of the committee.
- The chairman of the committee or whomever he deputizes from among its members may attend the general assemblies to answer shareholder's questions.

The current Governance and Risk Committee meetings during the year 2022*:

Member	Membership status	First meeting 23/05/2022	Second meeting 15/08/2022	Total
Faisal Saad Al Subaie	Chairman of the Board	✓	✓	2
Nair Bayan Al Sulami	Committee member	✓	✓	2
Mansour Nasser Alsulami	Committee member	✓	✓	2

* The formation of the Governance and Risk Committee was approved at the company's Extraordinary General Assembly (first meeting), which was held via modern technology at 22:30 on Wednesday 09/19/1443 AH corresponding to 04/20/2022 AD. And for a period of three years, ending on 04/20/2025 AD.

Experiences:

Name	Current profession	Previous profession	Qualifications	Experiences
Faisal Saad Al Subaie	Board member	Board member	Master of Law University of California Davis	More than 11 years of experience in legal advice
Nair Bayan Al Sulami	Vice Chairman of the Board of Directors	Vice Chairman of the Board of Directors	Bachelor's degree in Business Administration from SMC University, Switzerland	More than 23 years of experience, during which he held leadership positions and board memberships in many leading companies in the financial, commercial and service sectors.
Mansour Nasser Alsulami	Managing Director & CEO	General Manager of Operation, Control and Follow-up at Raydan Food Company	Master of Business Administration from the University of Business and Technology, Bachelor of Science in Marketing from the University of Jeddah, College of Business	More than 8 years of experience in implementing control and follow-up strategies. He also worked as General Manager of Operations and Operations for Raydan Company and General Manager of Control and Follow-up.



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The previous Governance and Risk Committee did not meet during the year 2022*:

Member	Membership status
Fahad Nasser Awadallah Alsulami	chairman of the Committee from outside the Board
Mansour Nasser Alsulami	Committee Member from outside the Board
Abdullah Ali Alalawi	Committee Member from outside the Board

*The membership of the previous members of the Governance and Risk Committee ended on April 20, 2022

Experiences:

Name	Current profession	Previous profession	Qualifications	Experiences
Fahad Nasser Awadallah Alsulami	Director of Shareholder Affairs and Relations,	Shareholder Affairs and Relations Manager	Bachelor of Public Administration	More than 13 years in the field of work, where he worked as Director of Administrative and Financial Affairs at Al-Salami Group and General Director of the Al-Raouche confectionary establishment and is currently the Director of Shareholder Affairs and Relations at Raydan Food Company
Mansour Nasser Awadallah Alsulami	Director General of Operations	Director General of Supervision and Follow-up	Master of Business Administration	More than 8 years of experience in implementing control and follow-up strategies. He also worked as General Manager of Operations and Operations for Raydan Company and General Manager of Control and Follow-up.
Abdullah Ali Alalawi	Director of Development Affairs,	Director of Development Affairs	Bachelor of Business Administration	More than 20 years of experience in the field of work in implementing management strategies in international brands and restaurants, and motivating work teams to achieve the largest results. . He has experience in the field of disclosure on Tadawul and Financial Market Authority websites, and Tadawulat is a human resource professional with



The Governance

5-7 Disclosure of remunerations

The company has prepared the remuneration policy for members of the Board of Directors of Raydan Food Company, its committees and the executive management, in accordance with the provisions of Paragraph (1) of Article (85) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority, and approved by the Company's General Assembly, and taking into account the remuneration granted to members of the Board of Directors and senior Executives comply with the approved policy, and the company also confirms that there is no material deviation from this policy.

5-8 General Standards of remunerations

- Its consistency with the company's strategic plans, long-term and short-term goals, its activities, the sector in which it operates, the skills required to manage it, and the size, nature and degree of risks of the company.
- Induce the members of the board of directors, its committees and the executive management to make the company successful and develop in the long run, and to link the variable part of the remuneration with long-term performance.
- That the remuneration is determined based on the level of the position, the tasks and responsibilities entrusted to the occupant, and the level of performance, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year
- Taking into consideration the practices of other companies in determining remuneration, while avoiding the unjustified increase in rewards and compensation that may result from that.
- To aim at attracting, maintaining and motivating professional talents, without exaggerating them
- To prepare in coordination with the Remuneration and Nominations Committee of the company upon new appointments
- Stopping the payment of the bonus or refunding it if it appears that it was decided based on inaccurate information provided by a member of the board of directors or the executive management, this is to prevent the employment situation being exploited for undue rewards.



The Governance

The policy stated that the remuneration of the Board of Directors and its committees emanating from it shall be as follows:

- A)** The remuneration of the members of the Board of Directors and its committees emanating from it consists of a specific amount and an attendance allowance for sessions or expenses, in a manner that does not exceed what is stated in the Companies Law, its bylaws, and the Articles of Association of the company, as per the following details:
- An annual remuneration of (50,000) SR. for each member of the board of directors.
 - An annual bonus of (5000) SR. for each member of the committees emanating from the board of directors.
 - An allowance for attending sessions amounting to (1000) SR. per session for each member, whether in the board of directors or in its committees emanating from it.
 - Allowances and other benefits, such as travel expenses, etc., shall be added according to the company's policy.
 - Allowances and other benefits, such as travel expenses, etc., are added according to the company's policy.

The policy also stated that the remuneration of the executive management shall be according to the following:

- B)** The company grants its senior executives specific financial benefits based on the salary scale and its approved policies in this regard. Remuneration for the executive management includes the following:
- Basic salary
 - Transfer allowance
 - Housing allowance
 - Leaving service bonus
 - In addition to the privileges stipulated in the Labor and Workers Office system, which apply to all employees of the company.

The Governance

A. The following is a statement that includes the remunerations for the members of the Board of Directors, members of the committees, and five of the current senior executives of the company during the year 2022 AD (value in thousand riyals) according to the following:

Remunerations for the current Board members during the year 2022				
Statement	The Fixed Rewards			Total
	A certain amount (50) annually	Allowance for attending council meetings (1)	What received by the board members as employees or administrators , and what they received against technical or consulting works	
First : The independent Members				
Faisal Saad Al Subaie	34.7	3	0	37.7
Sultan Mohammed Al Howymel	34.7	3	0	37.7
Second: Non-executive Members				
Omar Rabeh Al Sulami	34.7	3	0	37.7
Nair Bayan Al Sulami	34.7	3	0	37.7
Third : The executive Members				
Mansour Nasser Alsulami	34.7	3	0	37.7
Total	173.6	15	0	188.6



The Governance

Remunerations for current Committees members during the year 2022			
The committee	Fixed annual rewards	Allowance for sessions attending	Total
The Executive Committee			
Nair Bayan Al Sulami	3.4	4	7.4
Omar Rabeh Al Sulami	3.4	4	7.4
Mansour Nasser Alsulami	3.4	4	7.4
Total	10.2	12	22.2
The Audit Committee			
Mazen Khalaf Al Zayer	3.4	3	6.4
Noha Abdulghani Sulaimani	3.4	3	6.4
Basem Tayseer Hijaz	3.4	3	6.4
Total	10.2	9	19.2
Nomination & Remunerations Committee			
Sultan Mohammed Al Howymel	3.4	2	5.4
Omar Rabeh Al Sulami	3.4	2	5.4
Faisal Saad Al Subaie	3.4	2	5.4
Total	10.2	6	16.2
Governance and Risk Committee			
Faisal Saad Al Subaie	3.4	2	5.4
Nair Bayan Al Sulami	3.4	2	5.4
Mansour Nasser Alsulami	3.4	2	5.4
Total	10.2	6	16.2



The Governance

Remunerations for current senior executives during the year 2022								
Statement	Salaries & Allowances	Benefits in kind	Total	Periodic rewards	Total	Benefits of end of service	Total rewards of executive of the board if any	Total
Mansour Nasser Awadallah Alsulami (Managing Director and Chief Executive Officer)	676	0	676	0	0	84.5	37.7	798
Jamal Nasser Abdulkareem (Chief Financial Officer)	300	0	300	0	0	25	0	325
Total	976	0	976	0	0	109.5	37.7	1123

B- The following is a statement that includes the remunerations for the previous members of the Board of Directors, members of committees, and senior executives of the company during the year 2022 (value in thousand riyals) according to the following:

Remunerations for the previous Board members during the year 2022				
Statement	The Fixed Rewards			
	Certain amount	Allowance for attending the board session	What received by the board members as employees or administrators , and what they received against technical or consulting works	Total
First : The independent members				
Saud Saeed Aqal Alojaifi	15.3	6	0	21.3
Hassan Shaler Saleh Alsaahafi	15.3	4	0	19.3
Abdulraoof Alsadiq Alqaydi	15.3	6	0	21.3
Second: Non-executive members				
Awadallah Ahmed Alsulami	15.3	6	0	21.3
Nassir Awadallah Alsulami	15.3	6	0	21.3
Meshal Awadallah Alsulami	15.3	5	0	20.3
Khaled Awadallah Alsulami	15.3	6	0	21.3



The Governance

Third : The executive members				
Mansour Awadallah Alsulami (Managing Director)	15.3	6	0	21.3
Total	122	45	0	167
Remunerations for previous Committees members during the year 2022				
The committee	Fixed annual rewards	Allowance for sessions attending	Total	
The Executive Committee				
Fawzan Abdullah Saad Alharthi	1.5	2	3.5	
Mansour Awadallah Alsulami	1.5	2	3.5	
Jamal Nasser Abdulkareem	1.5	2	3.5	
Total	4.5	6	10.5	
The Audit Committee				
Saud Saeed Aqal Alojaifi	1.5	2	3.5	
Omar Rabeh Siter Alsulami	1.5	2	3.5	
Yasser Hussein Omar Balkhi	1.5	2	3.5	
Total	4.5	6	10.5	
Nomination & Remunerations Committee				
Saud Saeed Aqal Alojaifi	1.5	6	7.5	
Khaled Awadallah Alsulami	1.5	6	7.5	
Jamal Nasser Ahmed Abdulkareem	1.5	6	7.5	
Total	4.5	18	22.5	
Governance and Risk Committee				
Fahad Nasser Awadallah Alsulami	1.5	0	1.5	
Abdullah Ali Abdullah Alalawi	1.5	0	1.5	
Mansour Nasser Awadallah Alsulami	1.5	0	1.5	
Total	4.5	0	4.5	



The Governance

Remunerations for previous senior executives during the year 2022

Statement	Salaries & Allowances	Benefits in kind	Total	Periodic rewards	Total	Benefits of end of service	Total rewards of executive of the board if any	Total
Mansour Awadallah Alsulami Managing Director	369	0	369	0	0	2010	21.3	2400.3
Fawzan Abdullah Saad Alharthi CEO of Raydan Food Company	240	0	240	0	0	1191	0	1431
Total	609	0	609	0	0	3201	21.3	3831.3

- Member of the Board of Directors - Managing Director whose term ended at the end of the Board term 04/20/2022 AD
- CEO until the date of resignation 04/30/2022 AD

All salaries and bonuses have been charged to the expenses of the year 2022

In this regard, the company's management affirms the following: -

- There are no arrangements or agreements whereby a member of the Board of Directors or a senior executive has waived any salary or compensation.
- There are no arrangements or agreements under which one of the company's shareholders has waived any rights to profits.
- There are no investments or other reserves created for the benefit of the company's employees.



The Governance

5-9 Percentage of shares ownership and its change for members of the Board of Directors, Senior Executives, their spouses and their minor children

- **Members of the Board of Directors, their spouses and their minor children**

A. The following table shows the percentage of Raydan shares owned by the current members of the Board of Directors during the year 2021: (The capital was decreased in 2022)

S	Shareholder	Percent of shares at the beginning of 2022 (%)	Percent of shares at the end of 2022 (%)	Change during a year	Percent of change (%)
1	Omar Rabeh Al Sulami	-	0.0029604%	468	0.0029604%
2	Nair Bayan Al Sulami	-	0.0029604%	468	0.0029604%
3	Mansour Nasser Alsulami	0.0002222%	0.0002214%	(40)	(0.0008)%
4	Faisal Saad Al Subaie	-	0.0000316%	5	0.0000316%
5	Sultan Mohammed Al Howymel	-	-	-	-

B. b) The following table shows the proportion of Raydan shares owned by members of the previous board of directors during the year 2022:

S	Shareholder	Percent of shares at the beginning of 2021(%)	Percent of shares at the end of 2021(%)	Change during a year	Percent of change (%)
1	Awadallah Ahmed Alsulami	1,777778%	1,777775%	(318,961)%	0,000003%
2	Nasser Awadallah Ahmed Alsulami	4,84%	5%	843,406	0,16%
3	Mansour Awadallah Ahmed Alsulami	13,35%	14,71%	(2,179,472)	1%
4	Meshal Awadallah Ahmed Alsulami	1,333333%	1,33332%	(239,221)	(0,1)%
5	Khaled Awadallah Ahmed Alsulami	1,111114%	1,111113%	(199,351)	(0,1)%
6	Saud Saeed Aqal Alojaifi	-	-	-	-
7	Hassan Shaler Saleh Alsaafi	-	-	-	-
8	Abdulraoof Alsadiq Alqaydi	-	-	-	-



The Governance

- **Seniors Executives (without the managing director) their wives and minor kids:**

There are no shares owned by senior executives and their spouses and minor children during the year 2022

5-10 Transactions with related parties

The transactions are as follows:

A) Total transactions with related parties during the year 2022 (value in thousands of SR.):

#	Name of the related party	Relationship type	Nature of the deal	Names of business concerned	Deal amount during a year	
					2022	2021
1	Aljonah For Desserts & Catering	Associate company	Rentals / Sales	Partners of the company, Mr. Nassar Awadallah Alsulami, and Mr./ Meshal Awadallah Alsulami, shareholders in Raydan Food Company	1,048	2,444
			Purchases		8,403	912
2	Farah Parties Hall	Associate company	Sales	Mr./ Mansour Awadallah Alsulami ,owns the establishment owns the parties hall	0	10,073
Total					9,4510	13,429



The Governance

B) Due from related parties (value in thousands of SR.)

#	Name of the related party	Relationship type	Nature of the deal	Names of business concerned	Deal amount during a year	
					2022	2021
1	<i>Aljonah For Desserts & Catering</i>	<i>Associate company</i>	<i>Rentals / Sales/ Purchases</i>	<i>/Partners of the company, Mr. Nassar Awadallah Alsulami, and Mr./ Meshal Awadallah Alsulami, shareholders in Raydan Food Company</i>	5,820	8,482
<i>Total</i>					5,820	8,482

C) Due to related parties (value in thousands of SR.)

#	Name of the related party	Relationship type	Nature of the deal	Names of business concerned	Deal amount during a year	
					2022	2021
1	<i>Aljonah For Desserts & Catering</i>	<i>Associate company</i>	<i>Rentals / Sales/ Purchases</i>	<i>Partners of the company, Mr. Nassar Awadallah Alsulami, and Mr./ Meshal Awadallah Alsulami, shareholders in Raydan Food Company</i>	2,591	10,803
2	<i>Farah Parties Hall</i>	<i>Associate company</i>	<i>Sales</i>	<i>Mr./ Mansour Awadallah Alsulami ,owns the establishment owns the parties hall</i>	0	358
<i>Total</i>					2,591	11,161



The Governance

5-11: Company auditors

Raydan confirms that the financial statements were prepared during the fiscal year 2022 in accordance with the International Financial Reporting Accounting Standards approved by the Board of Directors of the Saudi Organization for Certified Public Accountants.

5-12 Declarations of the Board of Directors

The company's board of directors acknowledges the following

- That the account records were prepared correctly.
- The internal control system was prepared on a perfect basis and was effectively implemented.
- There is no doubt about the ability of the company to continue its activity.

The company's board of directors also confirms

- That there is no penalty, sanction or precautionary restriction imposed on Raydan from the Capital Market Authority or any supervisory, regulatory or judicial body except what was mentioned in this report
- Operating performance and its results as disclosed in the financial statements and their explanations.



The Governance

- The company undertakes to applying international accounting standards, and the board of directors undertakes to provide the Capital Market Authority with any additional information at any time regarding the conservative opinion of the financial statements.
- During the year 2022, the Board of Directors informed its members, especially the non-executive members, of all inquiries and proposals received from shareholders, and the Board was briefed to study them and take opinion on each of them separately, to approve what is in line with Raydan's policy and in a manner that does not contradict the laws and regulations.

5-13: Corporate Governance

Raydan issued its corporate governance rules, and the company is constantly reviewing and defining these policies in accordance with the relevant laws and regulations. Which:

- The Working Regulation of the Audit Committee
- The Working Regulations of the Remuneration and Nominations Committee.
- The Working Regulations of the Executive Committee
- The Working Regulations of the Governance & Risk Committee
- Policies, standards and procedures for membership in the Board of Directors
- The remuneration policy for members of the board of directors, its committees, and the executive management
- Corporate Governance manual
- Profit distribution policy
- Board of Directors work procedures policy



The Governance

- Disclosure policy and procedures.
- Policy for handling conflict of interest cases
- Policy and procedures regulating the relationship with stakeholders
- Policy of professional conduct and ethical values

Work has also been made to review the company's policies and regulations on an annual basis.

It is worth noting that there are some provisions that do not apply to Raydan, and they include the following:

- Raydan has not provided any cash loan of any kind to any of its board members, nor has it secured any loan contracted by a member of its board of directors with others.
- Raydan does not have convertible debt instruments or any contractual securities, subscription right memoranda or similar rights issued or granted by Raydan.
- There are no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right memoranda, or similar rights issued or granted by Raydan.
- Raydan does not have any refund, purchase or cancellation of any redeemable debt instruments.
- Raydan does not have preference shares or shares that enjoy special priority in voting, whether for shareholders or members of the Board of Directors, and that all Raydan shares are ordinary shares of equal nominal value and other voting rights according to the system.
- Raydan is subject to zakat in accordance with the regulations of the General Authority for Zakat and Income in the Kingdom of Saudi Arabia, and it records the zakat provision due annually and uploads it to the income statement - if the violation is recorded in the period in which the violation is not recorded.
- During the year 2022, the company's external auditor did not provide any advisory services to the company and did not receive any fees in this regard.



The Governance

The company applies all the provisions of the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the following:

No. of Article / Clause	Text of Article / Clause	Reasons for non-application
39	<p style="text-align: center;"><u>Evaluation</u></p> <p>A) a. Based on the approval of the Nominations Committee, the Board of Directors sets the necessary instruments to annually evaluate the performance of the Board, its members, committees and executive management, through appropriate performance indicators related to the extent to which the strategic objectives of the company are achieved, the quality of risk management, and the adequacy of internal control systems, etc. Consistent with the interest of the company</p>	Guiding material for the board to study the options available for choosing an independent body to set up mechanisms for evaluating the council, its members, committees, and executive management
82	<p style="text-align: center;"><u>Motivate employees</u></p> <p>The company establishes programs to develop and stimulate the participation and performance of the company's employees, provided that they include - in particular - the following:</p> <ol style="list-style-type: none">1- Forming committees or holding specialized workshops to listen to the views of the company's employees and discuss with them the issues and topics that are the subject of important decisions.2- Programs granting employees shares in the company or a share from the profits it realizes and retirement programs, and an independent fund has been established to spend on these programs.3- Establishing social institutions for company employees.	Guiding material and the company has a n incentive programs
85	<p style="text-align: center;"><u>Social work initiatives</u></p> <p>The Board of Directors sets the programs and defines the necessary means to present the company's initiatives in the field of social work, and this includes the following:</p> <ol style="list-style-type: none">1- Establishing measuring indicators linking the company's performance with the initiatives it offers in social work, and comparing this with other companies of similar activity.2- Disclose of the goals of the social responsibility that the company adopts for its employees, and their awareness and education about them.3- Disclose of social responsibility verification plans in the periodic reports related to the company's activities.4- Establishing community awareness programs to introduce the company's social responsibility.	Guiding material and the company has some initiatives, but the company sets certain programs or indicators of measuring ...etc



The Governance

5-14 The company's policy in the distribution of dividends:

The company's annual net profits are distributed as follows:

1. (10%) of the net profits shall be retained to form the statutory reserve of the Company, and the Ordinary General Assembly may decide to discontinue this retention 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 retain (20%) of the net profits to form an agreement reserve allocated for a specific purpose or purposes.
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 amounts 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. Subsequently, a percentage representing (5%) of the Company's paid-up capital shall be distributed to the shareholders.
5. Taking into consideration the provisions stipulated in Article (20) of this Law and Article (76) of the Companies Law, after the above, 10% of the remainder is allocated to the Board of Directors' remuneration, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member.

