



ANNUAL REPORT 2021

Saudi Ground Services



Our Vision is a strong, thriving, and stable Saudi Arabia that provides opportunity for all. Our Vision is a tolerant country with Islam as its constitution and moderation as its method. We will welcome qualified individuals from all over the world and will respect those who have come to join our journey and our success.

We intend to provide better opportunities for partnerships with the private sector through the three pillars: our position as the heart of the Arab and Islamic worlds, our leading investment capabilities, and our strategic geographical position. We will improve the business environment, so that our economy grows and flourishes, driving healthier employment opportunities for citizens and long-term prosperity for all. This promise is built on cooperation and on mutual responsibility.

- His Royal Highness Prince Mohammed bin Salman bin Abdulaziz

Crown Prince, Vice President of the Council of Ministers |
Chairman of the Council of Economic and Development
Affairs

ANNUAL REPORT

2021

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OUR VISION

To enable a seamless and sustainable mobility ecosystem through integrated solutions and a customer centric mindset.

ABOUT US

Today's airline passengers expect a flawless travel experience from check in to take-off, and that's what we're here to deliver.

As the national provider of ground-handling services in the Kingdom of Saudi Arabia, we are dedicated to providing efficient and safe services to our clients and passengers at the highest standards of performance and professionalism.

OUR VALUES

SAFETY

The wellbeing of customers and staff, ensuring the highest standards of maintenance and security measures at all times

EXCELLENCE

Our commitment to always deliver excellent quality in all services and maintaining integrity with customers and employees

INNOVATION

Leading the market in technology and constantly investing into new ways to improve diversify the service offerings

ACCOUNTABILITY

Our systematic approach to planning and implementing a constant improvement process

SUSTAINABILITY

The responsible business practices actively add value to the business model, wider community, and the environment; generating economic growth that benefits society in support of a more inclusive and eco-friendly future

CITIZENSHIP

Our representation of the Kingdom and contributing to upholding a positive image to fulfill Vision 2030

INTEGRITY

To ensure that all interactions with any stakeholder represents the values of both SGS and the Kingdom of Saudi Arabia



OUR HISTORY

The Saudi Ground Services Company was initially established by the Saudi Arabian Airlines Corporation (known as Saudia) to consolidate the ground handling services in the Kingdom of Saudi Arabia.

Saudi Arabian Airlines Ground Services was the initial name of the company before it merged with the Saudi Arabian Airline Ground Services (SAAGS), National Handling Services (NHS), and Al-Attar Ground Handling (Attar Travel Co.) to fulfill the same purpose; delivering a high-quality, efficient, and professional service to the passengers.





3

2010

MERGED WITH AL-ATTAR
GROUND HANDLING



4

2010

MERGED WITH NATIONAL
HANDLING SERVICES



5

2011

RENAMED TO SAUDI GROUND
SERVICES COMPANY



6

2014

CONVERTED TO CLOSED JOINT STOCK
WITH SHARE CAPITAL 1,880,000,000



2

2008

SPAN-OFF FROM SAUDIA AS
SAUDI AIRLINES GROUND
SERVICES COMPANY



1

1945

ESTABLISHED WITHIN SAUDIA



8

2020

MARKET CAP OF 6.8 B MARKET
SHARE – 92% SAUDI – 52.5%
PUBLIC – 47.5%



7

2015

FLOATED 30% SHARES ON SAUDI
STOCK EXCHANGE (TADAWUL) ON
JUNE 25, 2015

Section 1

Chairman of the Board
Message

1





ENG. KHALID AL BUAINAIN

Chairman

I have the honor to present to you the major developments and achievements that Saudi Ground Services has made through the annual report of the year 2021. The following pages of the report dive into the company's performance, decisions and substantial results during the year.

In light of the recovery from the major disturbances of the COVID -19 pandemic in 2021, we have witnessed many positive fundamental changes in the aviation sector, reflected in easing travel restrictions around the world, along with the gradual resumption of flights operations. There is now an optimistic future vision for the sector with the increase of jobs and flight operations – such thrive is empowering to the air transport sector on all levels, offering more touristic, educational, professional development and trading opportunities.

We have taken several major steps

over the past year, building a solid foundation to our commitment in developing the air transport sector in the face of the pandemic challenges. Our role is to continue being one of the pillars of the national aviation strategy in the Kingdom – an important tool in promoting economic and social development within the framework of the Kingdom's Vision 2030.

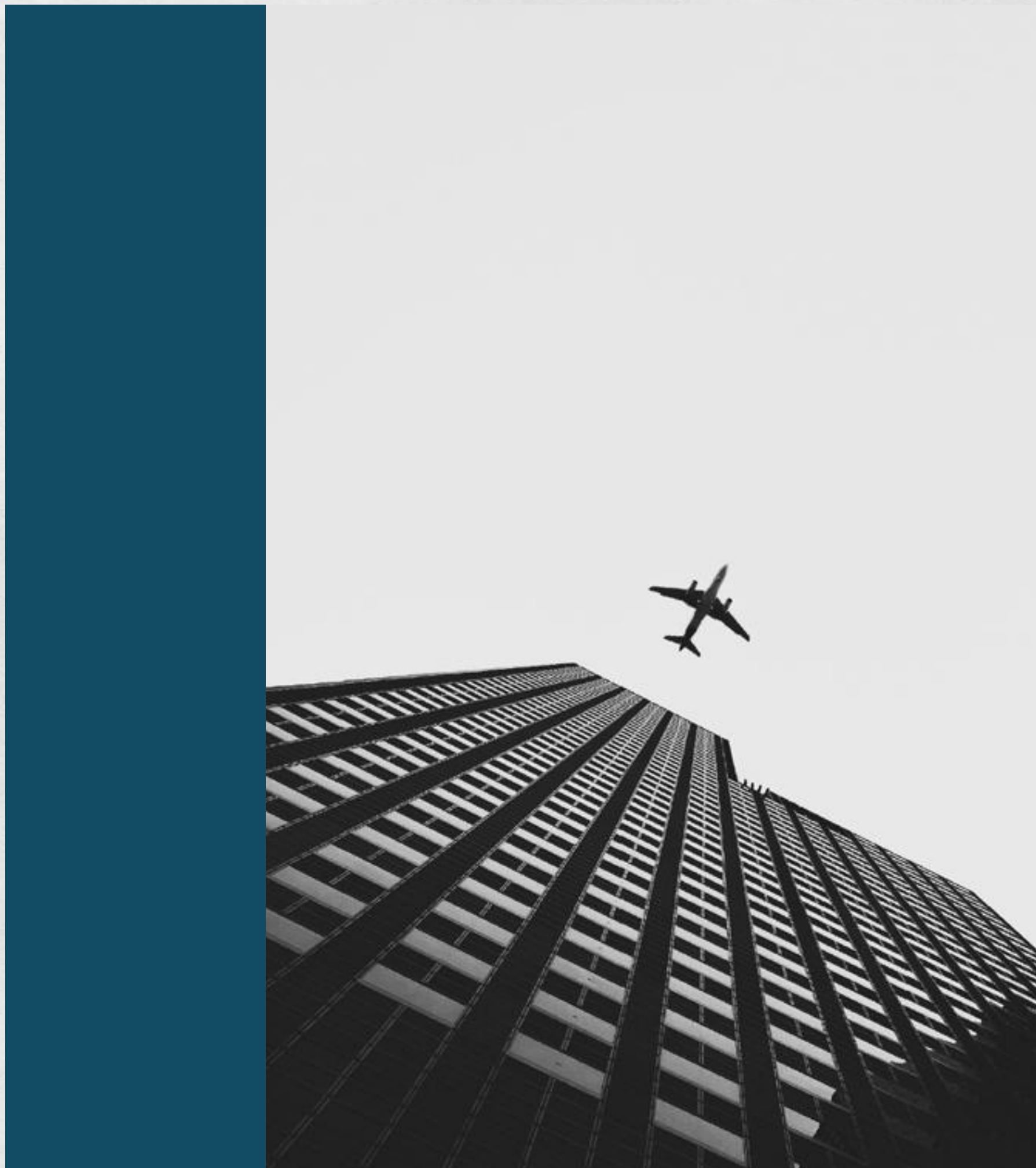
The recovery of the aviation sector in the past year and in air traffic was made possible by the intensive efforts of the Government, and the early precautionary measures taken place to contain the pandemic spread. This has enabled the Kingdom to be at the forefront of countries that provided vaccines to all citizens and residents at no cost, in pursuant to the directives of the country's wise leadership.

I am pleased to extend my appreciation to our stakeholders for their trust, and their pivotal role in strengthening the company's position in the air transport sector in the Kingdom. On behalf of the Board Members, I extend our deepest gratitude to the Custodian of the Two Holy Mosques King Salman Bin Abdulaziz Al-Saud, HRH Crown Prince Mohammed bin Salman, and to all governmental authorities for the support and empowerment that the aviation sector receives, in line with the Saudi Vision 2030 future aspirations for the Kingdom.

Section 2

CEO Message

2





The COVID-19 pandemic has dominated the economic and social landscape over the past two years globally; exceeding being merely a health crisis. Its impact extended on the global economy in an unprecedented manner, and on the aviation sector precisely during its peak, causing travel disruption.

Despite all the fluctuations, we were able to witness the resumption of operations, which increased by 28% by the end of the year compared to the beginning of the year. This is an undoubted result of the efforts of our government authorities, and all the concerned parties, in implementing the necessary protocols to recover the air transport sector.

This year, like all others, would not have been crowned with success and progress if it were not for Allah's blessing and then the efforts, dedication and cooperation of our Saudi employees, working as one wherever they are in the Kingdom. Their commitment is a source of pride for us, and we believe it is worthy of our investment in them. This has prompted us to focus on Saudizing our operational jobs at airports over the past two years, as well as training these national cadres to qualify them to

enter the labor market in the field of ground services. We were able to execute this plan in collaboration with the Ministry of Human Resources and Social Development, and the Human Resources Development Fund "HADAF", with the direct support of the General Authority for Civil Aviation and the Ministry of Transport and Logistics. With all this support, we were able to achieve a Saudization rate of 82% this year.

This year, we also witnessed graduating the first batch students from The Ground Services Diploma, in collaboration with the Faculty of Tourism at King Abdulaziz University. We consider this unique step as one that empowers the ground services sector with qualified national staff over the coming years, to continue to meet the Kingdom's needs in this field.

As the leading company in the ground services sector in the Kingdom, our mission to improve our services and Saudize our operations is a great reflection of what we seek to achieve in this sector in line with the aviation strategy of the Kingdom. That strategy is based on three main pillars: supporting Vision 2030, enabling the national Tourism Strategy, and strengthening the local aviation sector. We have also expanded the scope of our operations by providing services to "Saudi Cruise", the first of its kind in the Kingdom, in effort to contribute to Kingdom's efforts in developing the tourism sector, under the supervision of our highly qualified and experienced Saudi employees.

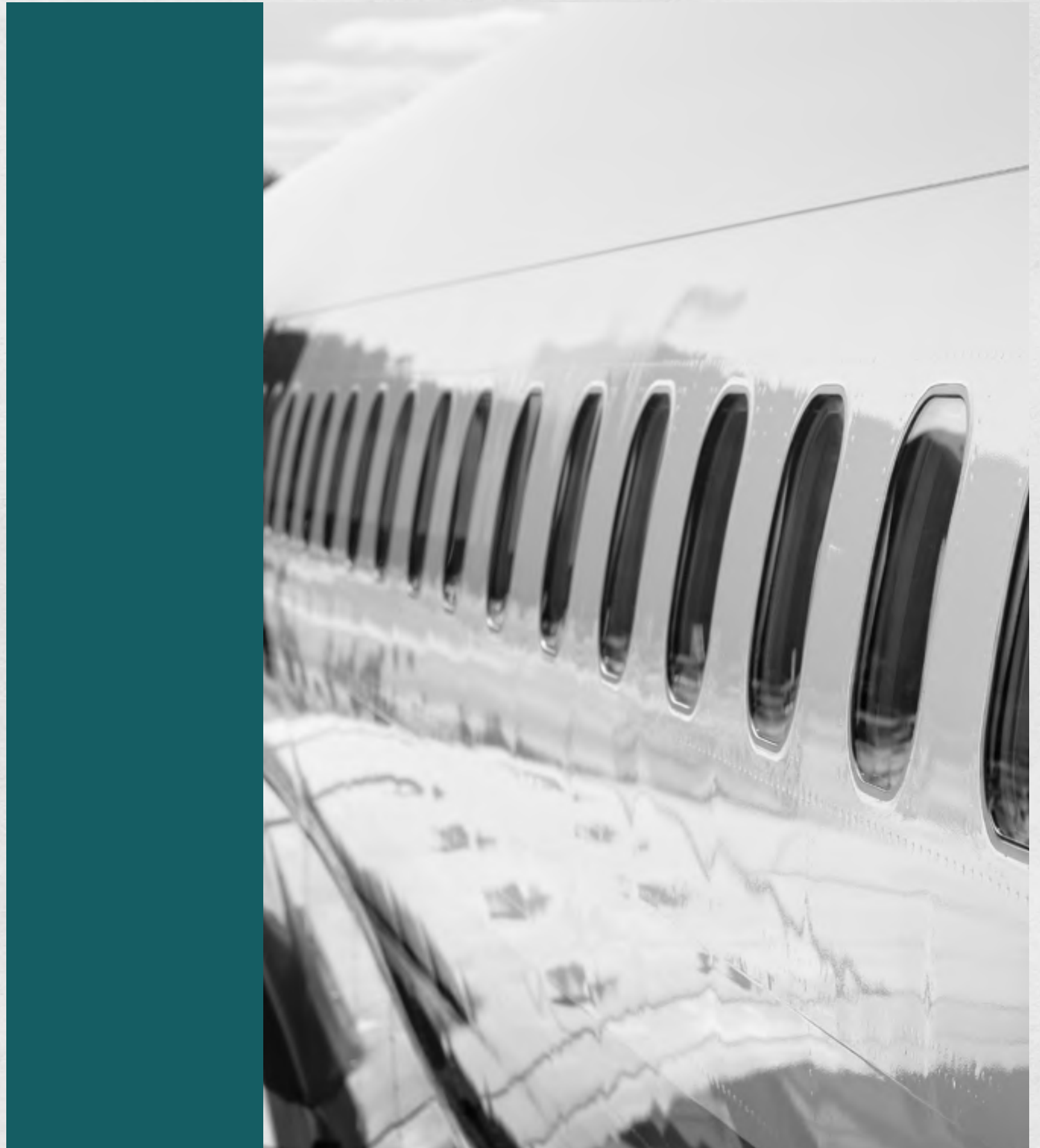
I conclude by taking this opportunity to express my gratitude and appreciation for the Government for its continuous support of the ambitious aviation sector strategy. I would also like to extend my gratitude to the Board Members, the Executive Management team and our employees for their outstanding successes over the past year to make the progress we see today.

Mr. Raed Hassan Al-Idrissi

CEO

Section 3

BOARD MEMBERS





ENG. KHALID AL BUAINAIN

CHAIRMAN

Independent



DR. OMAR JEFRI

VICE CHAIRMAN

Non-executive



MR. CON KORFIATIS

MEMBER

Non-executive



MR. ONNO BOOTS

MEMBER

Independent



MR. PER UTNEGAARD

MEMBER

Independent



MR. MANSOUR AL BOSAILY

MEMBER

Independent



ENG. FAHD CYNNDY

MEMBER

Non-executive



MR. MOHAMMED ALYEMNI

MEMBER

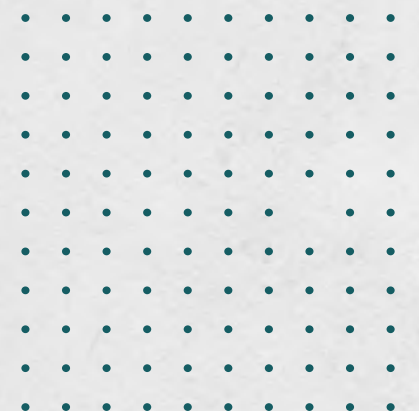
Independent



ENG. SALEH HEFNI

MEMBER

Independent



Section 4

Executives





MR. RAED H. AL-LDRISSI
CEO

Raed Al-Ildrissi stands out in his area with wide ranging executive experiences, extending over 20 years, varying between ground services operations and project management. Raed has been known for being a result-oriented leader, with exceptional communication and team-building



MR. MOHAMMAD A. MAZI
EVP FINANCE

leading the strategy formation and execution of transforming the company to grow its revenue, aiming to induce the business and financial acumen across the organization



MR. MAZEN G. DHAIFALLAH
VP CORPORATE AFFAIRS

Mazen is recognized for holding many integral roles in the company, most notably being the General Secretary of the Board of Directors. As the VP of Corporate Affairs, he is leading many key departments: Corporate Governance, Compliance, Legal departments, Corporate Governance, Public Relations and CSR, and Communication and Branding.



ENG. AYMAN A. AL-GHAMDI
VP HR
EVP OPERATION (ACTING)

Eng. Ayman AlGhamdi is the Vice President of Human Resources at SGS since January 2019, leading SGS HR teams in a business with around 10,000 employees working in 28 locations across Saudi Arabia



HAMAD ALHEMEDE
VP COMMERCIAL

Hamad is known for being highly effective at driving strategic initiatives, with a solid financial backing offering 15+ years of experience in financial leadership in the aviation, logistics, and transportation industries

Section 5

Our Services Training Academy

Our Services
Passenger Service
Traffic Control
Baggage Handling
Load Control
Cargo Services
Ramp Services
Representation & Supervision
Fleet Solutions
Training Academy

5





OUR SERVICES

We provide premier aviation ground-handling services 24/7 to both local and international airlines at each of the 27 airports within Saudi Arabia. Our first-rate facilities, equipment and diligent staff ensure the smooth transition of passengers and cargo, are mindful of safety and security ensure travelers and their goods are fully served at every step, from aircraft to destination.

THE EFFICIENT GROUND HANDLING SERVICES PROVIDER IN SAUDI ARABIA

We are dedicated to providing a wide range of ground handling services throughout our entire network of airlines in Saudi Arabia. We take care of passengers' needs from arrival to departure in order to leave a lasting impression, by putting them in the center of everything we do.

PASSENGER SERVICES

Hospitality is deeply ingrained in the Saudi culture. As the national ground-handling service provider, SGS considers interactions between passengers and staff to be very important. We always remember that we never get a second chance to make a first impression.

Meeting the passengers' needs before or after a flight drives what we do. We are proud to deliver to world-class services to over 88 million travelers a year.

OUR SERVICES INCLUDE:

- . Station management.
- . Gate service.
- . Assisting passengers with reduced mobility.
- . VIP services. Deportee handling.
- . Additional security services.
- . Flight operations.
- . Arrival and transfer services.
- . Check-in services.
- . Passenger manifests and seat allocation.
- . Excess baggage services.
- . Boarding pass and baggage tagging.
- . Dedicated passenger services.
- . Load control. Crew handling.

RAMP SERVICES

Airlines require rapid and precise turnaround times to meet their schedules and maximize the economic viability of their operations.

To maintain the aircraft in a safe and airworthy condition, the mechanical sophistication of aircraft systems demands highly trained and experienced teams of specialist personnel and equipment.

By owning the right manpower and facilities, SGS maintains the highest standards of operation to complete the numerous overlapping service processes on time, and to fit these required standards to the schedules of our airline customers.

OUR SERVICES INCLUDE:

- . Aircraft Turnaround Coordination
- . Ground to Cock-Pit Headset Service
- . Marshaling the Aircraft on Ground at Arrival and Departure
- . Aircraft Loading Supervision (ie. Loading & Unloading of Cargo, Mail, and Passengers' Baggage)
- . Ground Power Unit (GPU)
- . Push-Back
- . Unit Load Device Control (ULD)
- . Air Conditioning Unit (ACU)
- . Air Starter Unit (ASU)
- . Aircraft Towing Wing-Walkers



BAGGAGE HANDLING

As a ground handling service provider, we at SGS understand the importance of providing reliable, efficient and safe baggage handling services in building strong relationships with our customers, and, in turn, passengers.

OUR SERVICES INCLUDE:

- Baggage Assembly, Sorting, Reconciliation and Transportation
- Loading and Unloading
- Operation/Handling of Baggage Reconciliation System



FLEET SOLUTIONS

A central element of the passenger experience is the quality of the aircraft cabin environment. To ensure cabins are clean and comfortable, the SGS fleet solution team provides an around-the-clock cabin preparation service for hundreds of thousands of flights per year across international and local airports.

THE COMPANY PROVIDES THE FOLLOWING AIRCRAFT SERVICES:

- CABIN GROOMING AND DEEP CLEANING.
- TURNAROUND CLEANING.
- TOILET AND WATER SERVICES.
- DISINFECTION SERVICES



LOAD CONTROL

Our load planners ensure the safe departure of aircraft with maximum payload

OUR SERVICES INCLUDE:

- . LOAD PLANNING
- . AIRCRAFT WEIGHT AND BALANCE CALCULATIONS
- . MESSAGING AND TELECOMMUNICATIONS
- . ISSUING LOADING INSTRUCTION REPORTS, NOTIFICATION TO CAPTAIN AND LOAD SHEET



TRAFFIC CONTROL

SGS manages ground-handling operations at every Saudi Arabian airport. We monitor arrival and departure schedules on behalf of our customers and coordinate requisite turnaround activities efficiently and safely.



CARGO SERVICES

SGS handles the supervision, loading unloading and transportation of general cargo and special cargo with its own supply of specialized equipment and specially trained staff.



REPRESENTATION AND SUPERVISION

SGS is fully certified to represent and supervise the aircraft services of our customer airlines when requested. The aircrafts are handled by qualified staff in order to represent the airline in the best way possible.

GSE and Vehicles Maintenance and Technical Services

TRAINING ACADEMY

Saudi Ground Services Company has a Training and Development Academy, which is accredited by the International Air Transport Association (IATA) as an authorized training center (ATC), and regional training partner (RTP) to provide IATA courses. It is also approved by GACA to provide some of the training programs, including the DGR program, and ramp driving licenses RDL.

Training academy has developed number of training programs, including operational and administrative courses. The training academy has developed training curricula in line with GACA requirements and IATA standard to meet the company's operational and non-operational staff requirements, including but not limited to:

Operational Program

Training Academy offers a variety of operational training programs that allow employees to develop their skills and qualifications when hired and those are on duty at all airports throughout the Kingdom. These programs include training of front-line staff on airport passenger terminal systems, passengers handling, in addition to operating all Ramp equipments and Ramp driving license.

Administrative programs

Training academy provides number of administrative and soft skills courses to raise the level of staff performance including: organizational skills, work ethics, time management, customer service, communication skills, training and guidance, personal productivity Staff, teamwork and team building, middle management, leadership and impact, meeting management.

E-Learning

In line with the increased operating requirements and to facilitate the delivery of training courses without affecting the operation, training academy has developed e-learning program to provide operational courses for all operation staff so that the employee can attend an on-line training courses from any site at any time.

Operating System

In order to facilitate the training process, training academy applies the LMS system to save information/ complete all training tasks (training planning, scheduling of training courses, scheduling trainers, scheduling classes, etc.).

Section 6

GSE



1. INTRODUCTION

1.1 SAUDI GROUND SERVICES COMPANY

The Saudi Ground Services Company (the “Company”) was established as a limited liability company in Jeddah, KSA, with C.R No. 4030181005 and 11/7/1429 A.H. (corresponding to 14/07/2008). The Minister of Trade and Industry issued Decree No. 171/H of 7/7/1435 AH (corresponding to 06/05/2014) approving the conversion of the company from a limited liability company to a closed shareholding company. The capital is 1.880.000.000 million SAR divided into 188.000.000 shares with a nominal value of 10 SAR (“shares”)

Fifty-six million and four hundred thousand 56,400,000 ordinary shares representing 30% of the capital of the Saudi Ground Services Company were put on public subscription during the period (3/6/2015 to 9/6/2015). The company was listed on the Saudi financial market and its shares started trading on 24/6/2015.

The company’s main activity is to provide ground handling and back-up services inside the Kingdom’s airports to various local and international airlines (passenger services, coordination, management and supervision services, airport yards services, support services, security services).

The company has several business sectors and departments that provide the necessary services support for its activities (operations and ground handling management, financial management, human resources management, business administration, internal audit, legal and governance management, facilities maintenance and engineering support management, strategy and growth management).

1.2 ESTABLISHING SUBSIDIARIES

A

SAUDI AMAD FOR AIRPORT SERVICES AND AIR TRANSPORT SUPPORT COMPANY

The company established the Saudi Amad for Airport Services and Air Transport support Company , a closed joint-stock company listed in the Commercial Register No. 4030254190 dated 27/10/1434 A.H. (corresponding to 03/09/2013) with capital of 500,000 riyals and headquartered in Jeddah, Saudi Arabia. The company specializes in transporting passengers at airports via various means of transport. The company owns 50% of the shares in Saudi Amad for Airport Services and Air Transport support Company , while the remaining 50% belongs to Saudi Amad for Airport Services and Air Transport support Company Trading and Supply Company, a Saudi company with a simple recommendation under C.R No. 4030057952 and 22/11/1407H (corresponding to 19/07/1987). Subsidiary’s main activity:

The main activity of the Saudi Amad for Airport Services and Air Transport support Company is to provide passenger and seafarer transportation services and to operate buses at airports. The establishment of the Saudi Amad Company was intended to merge the operational operations of the company and Amad Trading and Supply Company in relation to passenger transport.

B

ESTABLISH TLD ARABIA COMPANY

The Saudi Ground Services Company established a company with the French Group TLD under the name TLD Arabia Equipment Company for the purpose of providing specialized automation and maintenance services in airport solutions and ground handling equipment to the company and other companies in all airports in the Kingdom. The company is a limited liability company listed in the Commercial Register No. 4030181005, with capital of SAR 1,000,000, and is based in Jeddah, Saudi Arabia. Subsidiary’s main activity:

The main activity of the TLD Arabia Equipment Company is to provide maintenance services for ground services equipment, rental of machine tools, leasing of other air transport equipment without drivers and operational leasing. It also provides administrative and supervisory services at airports and other air transport activities and services.

Section 7

Financial Outcome

7



2. TOP FINANCIAL RESULTS

2.1 COMPANY CORE ACTIVIT

COMPANY CORE ACTIVITIES: GROUND HANDLING SERVICE (SAUDI GROUND SERVICES COMPANY)

ACTIVITY REVENUE (SAR 1,000)	RATIO
1,593,837	99.12%

2.2 MAIN ACTIVITIES OF THE SUBSIDIARY

AIRPORT PASSENGER, SEAFARER AND BUS SERVICES (SAUDI AMAD FOR AIRPORT SERVICES AND AIR TRANSPORT SUPPORT COMPANY)

ACTIVITY REVENUE (SAR 1,000)	RATIO
107,768	100%

2.3 MAIN ACTIVITIES OF THE SUBSIDIARY

MAINTINANCE SERVICES (TLD ARABIA EQUIPMENT COMPANY)

ACTIVITY REVENUE (SAR 1,000)	RATIO
113,358	100%

2.4 PARTNERS AND CAPITAL IN SAUDI AMAD FOR AIRPORT SERVICES AND AIR TRANS-PORT SUPPORT COMPANY

MAIN ACTIVITIES OF THE SUBSIDIARY: MAINTINANCE SERVICES (TLD ARABIA COMPANY)

PARTNER NAME	VALUE OF SHARES (SAR)	CAPITAL RATIO
SAUDI GROUND SERVICES COMPANY	250,000	50%
AMAD TRADING AND SUPPLY COMPANY	250,000	50%
TOTAL	500,000	100%

2.4 PARTNERS AND CAPITAL IN THE TLD ARABIA COMPANY

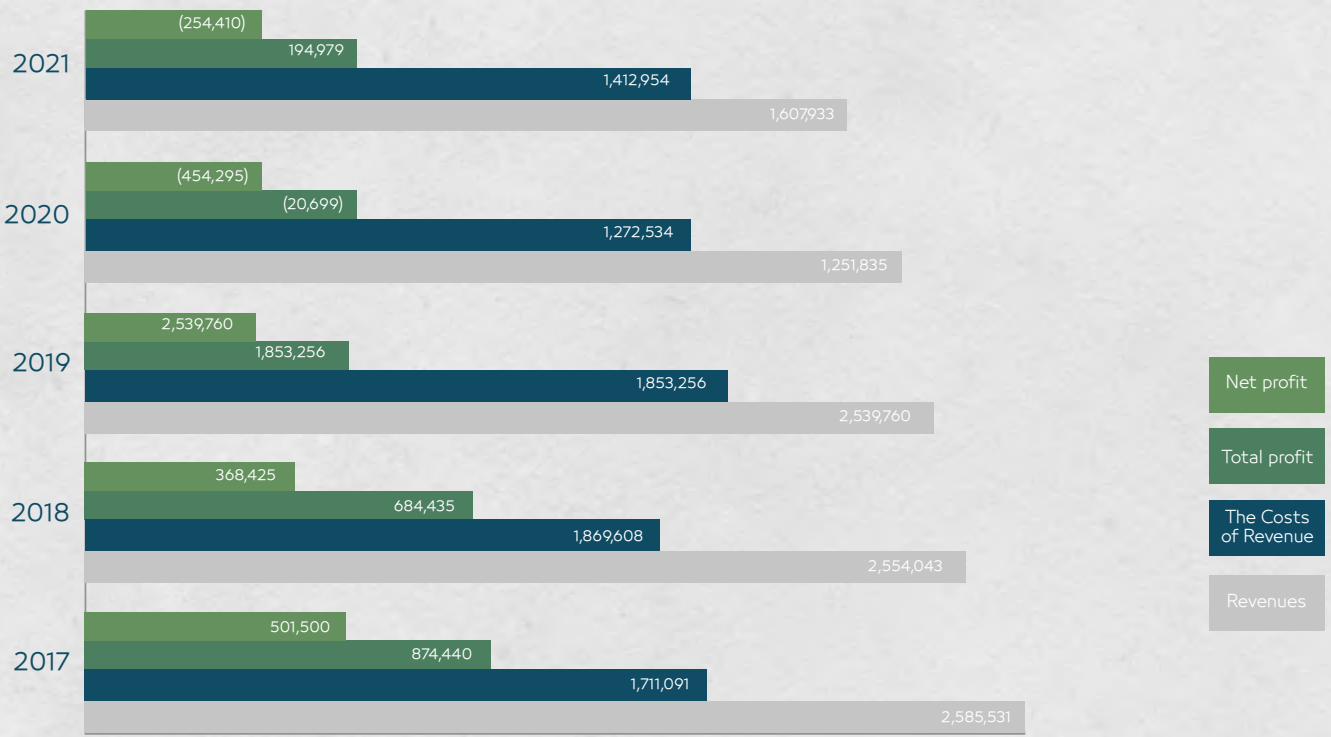
(SUBSIDIARY)

PARTNER NAME	VALUE OF SHARES (SAR)	CAPITAL RATIO
SAUDI GROUND SERVICES COMPANY	500,000	50%
TLD GROUP	500,000	50%
TOTAL	1,000,000	100%

(THE TLD ARABIA COMPANY STARTED ITS ACTIVITY FROM 01-01-2021)

2.5 A SUMMARY OF THE COMPANY’S FINANCIAL RESULTS OVER THE PAST FIVE YEARS

STATEMENT (AMOUNTS IN SAR 1,000)	2021	2020	2019	2018	2017
REVENUES	1,607,933	1,251,835	2,539,760	2,554,043	2,585,531
THE COSTS OF REVENUE	1,412,954	1,272,534	1,853,256	1,869,608	1,711,091
TOTAL PROFIT	194,979	(20,699)	686,504	684,435	874,440
NET PROFIT	(254,410)	(454,295)	423,353	368,425	501,500



2.6 COMPARISON OF THE COMPANY’S ASSETS AND LIABILITIES DURING 2021 WITH PRE-VIOUS YEARS

STATEMENT (AMOUNTS IN SAR 1,000)	2021	2020	2019	2018	2017
CURRENT ASSETS	3,327,522	2,751,360	2,397,073	2,245,987	2,136,338
NON-CURRENT ASSETS	1,519,164	1,665,592	1,925,979	1,660,970	1,630,856
TOTAL ASSETS	4,846,686	4,416,952	4,323,052	3,906,957	3,767,194
CURRENT LIABILITIES	1,450,845	785,520	715,942	556,194	462,849
NON-CURRENT LIABILITIES	1,131,127	1,132,248	661,222	474,390	432,280
TOTAL LIABILITIES	2,581,972	1,917,768	1,377,164	1,030,584	895,129

2.7 GEOGRAPHICAL ANALYSIS OF THE TOTAL REVENUE OF THE COMPANY DURING 2021

GEOGRAPHICAL ANALYSIS OF TOTAL CORPORATE REVENUE (AMOUNTS IN SAR 1,000)

TOTAL REVENUE	1,607,933
KING ABDULAZIZ AIRPORT, JEDDAH	510,462
KING KHALID AIRPORT IN RIYADH	555,290
INTERNAL STATIONS	321,877
KING FAHD-DAMMAM AIRPORT	168,450
PRINCE MOHAMMED ABDULAZIZ AIRPORT	51,854
TOTAL	1,607,933

2.8 GEOGRAPHICAL ANALYSIS OF THE AFFILIATE’S REVENUE (SAUDI AMAD)

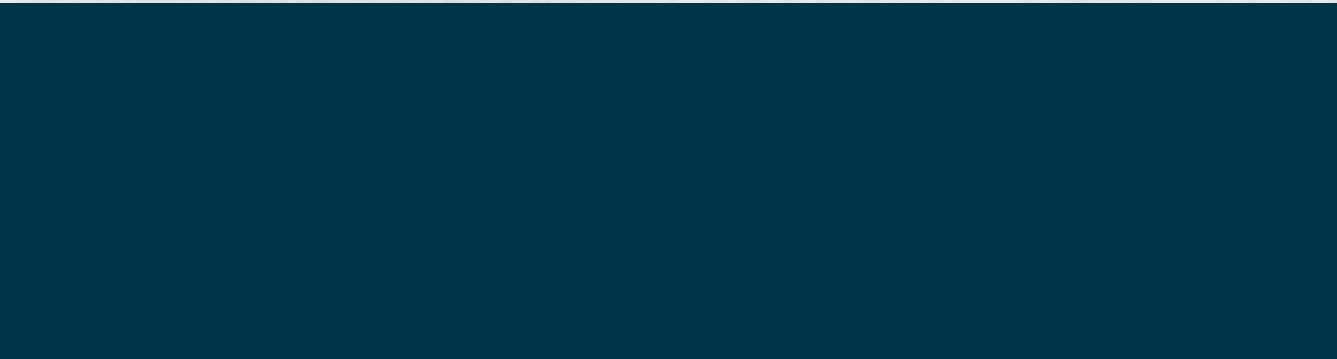
GEOGRAPHICAL ANALYSIS OF THE TOTAL REVENUE OF THE SUBSIDIARY (AMOUNTS IN SAR 1,000) IN 2021

TOTAL REVENUE	107,768
KING ABDULAZIZ AIRPORT, JEDDAH	58,092
OTHER STATIONS	49,675
TOTAL	107,768

2.9 GEOGRAPHICAL ANALYSIS OF THE AFFILIATE’S REVENUE (TLD AES)

IN 2021

TOTAL REVENUE	113,358
KING ABDULAZIZ AIRPORT, JEDDAH	72,549
OTHER STATIONS	40,809
TOTAL	113,358



2.10 SUMMARY OF THE MOST SIGNIFICANT DIFFERENCES IN OPERATIONAL RESULTS FROM THE PREVIOUS YEAR’S RESULTS OR ANY EXPECTATIONS ANNOUNCED BY THE COMPANY

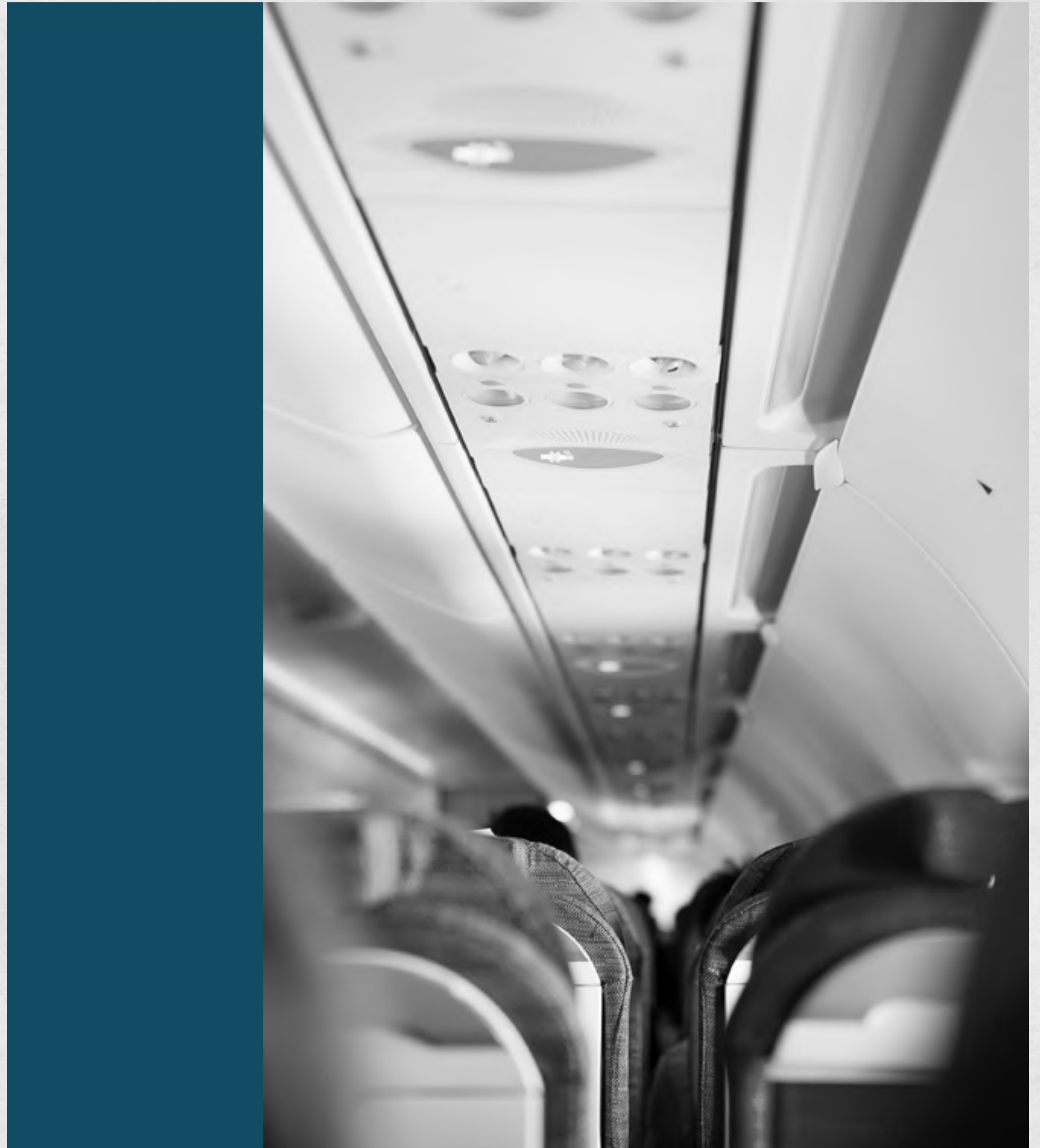
STATEMENT (AMOUNTS IN SAR 1,000)	2021	2020	VARIATIONS (+) OR (-)	% VARIATION
SALES / REVENUE	1,607,933	1,251,835	356,098	28.45%
COST OF SALES/ REVENUES	(1,412,954)	(1,272,534)	(140,420)	11.03%
GROSS PROFIT (LOSS)	194,979	(20,699)	215,678	(1,041.97%)
OPERATIONAL INCOME- OTHERS	10,140	1,688	8,452	500.71%
ADMINISTRATIVE EXPENSE	(296,315)	(256,785)	(39,530)	15.39%
IMPAIRMENT LOSS ON TRADE RECEIVABLES	(78,824)	127,524	48,700	(38.19%)
OPERATIONAL PROFIT (LOSS)	(170,020)	(403,320)	233,300	(57.84%)



Section 8

Material Events, Resolutions & Achievements

8



3. KEY MILESTONES, DECISIONS AND ACHIEVEMENTS

The company witnessed a quantum leap in its work activity during 2021, after the cessation of its operational operations during the pandemic last year. The company addressed the challenges it faced by establishing clear frameworks based on an assessment of operational and financial prospects to overcome the crisis with the lowest losses, while considering to reduce and maintain costs. During the year, the company also witnessed a change in the organizational and administrative structure of the company's business sectors, which contributes to the growth of the company's business in general and strengthens the company's rights and shareholders' interests in another respect. The members of the Board of Directors and its affiliated committees were instrumental in issuing a number of decisions to achieve the goals of the company and to ensure the continuity of its work, the most important of which were:

1. Approve the amendment to the Procurement Policy Manual.
2. Approval of the secondment of the CEO of the Saudi Ground Services, Fahd Bin Hamza Cynndy, to the Saudi Aerospace Engineering and Industry Company (SAEI).
3. Approval of the appointment of Mr. Raed Bin Hassan Al-Idrisi, EVP Operations, acting CEO.
4. Approve the appointment of Eng. Fahd Bin Hamza Cynndy as a member of the Board of Directors and complete the current cycle, which ends on 05-05-2022.
5. Approve the invitation to the Company's General Assembly Meeting.
6. Approve the preliminary financial results for the first quarter for the period ending 31/03/2021.
7. Approval of the preliminary financial results for the second quarter for the period ending 30/06/2021.
8. Approval of works and contracts to be

concluded with Saudi Arabian Airlines (related party).

9. Approve to end contract by mutual consent with Eng. Fahd Bin Hamza Cynndy as CEO for Saudi Ground Services as of date 08/07/2021. His membership in the Company's Board of Directors will remain active. As his new position as CEO at one of Saudia Airlines Subsidiaries.
10. Approval of the termination of the contract with the consent of Eng. Fahd Bin Hamza Cynndy from the post of the Executive President of the Saudi Arabian Land Service Company, effective 08/07/2021. He continues to be a member of the Company's Board of Directors to assume the post of Executive President of Saudi Arabian Airlines Corporation.
11. Approval of the appointment of Mr. Raed bin Hassan Al-Idrisi as the Chief Executive Officer of the Saudi Ground Service, effective 1/07/2021.
12. Approval of the contract with the Bupa Arabia for Cooperative Insurance Company to provide medical insurance services to employees of the company and their families.
13. Approval of the signing of contracts for catering services.

4. KEY ORGANIZATIONAL AND STRUCTURAL CHANGES IN THE COMPANY

The company has continued to develop its systems and capabilities, and to enhance its operational and technical operations, which has a positive impact on its financial performance, in line with its objectives and strategy, which coincide with Vision 2030, and to the benefit of its shareholders and employees. During 2021, the company continued to implement its management restructuring plans, which included promoting the letter and spirit of the concepts of adherence to regulations, regulations and supervisory directives, with the aim of strengthening the ethical and professional principles of the company's employees to perform their duties in order to achieve sustainable growth and enhance protection against the risks of non-compliance or financial crimes.

The company also sought to complete the company's transformation plan in order to expand its work in the field of future ground services and to diversify the sources of income that were previously announced in the most important projects and contracts that were concluded during the year in Tadawul. The transition plan was not only aimed at expanding businesses, but also at focusing on changing the work environment and providing a healthy and practical environment for staff, reflected in increased productivity and opportunities for initiatives for staff by providing an integrated and healthy work culture.

5. FUTURE EXPECTATIONS

The ground handling sector is expected to witness a gradual improvement in the growth of the number of pilgrims during 2022, and the return of operations to reach pre COVID-19 level, while increasing international flights to reach 81% of pre COVID-19, which will have a positive impact compared to last year for the ground handling sector, as well as other sectors concerned with pilgrimage and umrah services, as a result of the development and application of mechanisms to confront the coronavirus pandemic by the Ministry of Health locally and the World Health Organization, including the commitment to precautionary measures and the emphasis on the need to obtain the vaccine, with the aim of achieving safety and enhancing community health immunity.

Investment opportunities are also expected to contribute to the growth and expansion of the company's business in the coming years. The company has begun to diversify its business, develop airport services, and sign numerous partnerships during the year. Despite the pressures the company faced due to the pandemic and the suspension of its operations during the crisis period, future plans have been developed to contain the costs through.

Section 9

Risks



6. RISKS

The Saudi Ground Services Company (SGS) is keen to follow up the most major risks and developments that may affect the progress of the Company's business through a competent risk department. To this end, all departments and stations cooperate closely and actively in order to identify the most major risks to which the Company may be exposed. And to ensure that the necessary plans are in place to address and mitigate such risks as well as reduce their effects. All risks are regularly monitored by the executive management and the Risk Management Committee (RMC) under supervision of the Board of Directors. The following is a list of some of such risks to which the Company may be exposed:

6.1 ORGANIZATIONAL RISKS

The risks of change in laws and regulations issued by all regulators that materially reflect on the business sector, where any change in laws or regulations issued by the regulators to which the company is subject to can lead to an increase in operating costs. Therefore, the company has placed all policies and procedures aimed at complying with the regulations on its operations, which are reviewed periodically.

6.2 OPERATIONAL RISKS

Operational risks are the impact of inadequate or the safety on internal procedures, inadequate staff or technical systems, and therefore the company conducts staff training courses on an ongoing basis and continuously working on updating the technical systems.

6.3 RISKS OF CONCENTRATION OF REVENUE ON CERTAIN CLIENTS

86% of the company's revenues is concentrated in 20 customers, and the company has recently renewed contracts for periods of between three to five years for its major customers, and Saudi Arabian Airlines is a related and largest shareholder in the company.

6.4 ACCIDENT AND INJURY HAZARDS

Risks of Accidents and Injuries

The Company depends on working in an environment exposed to hazards and risks at airports. Any technical failure or human defect or during the provision of services may cause losses and damage to lives and property as well.

Accordingly, the Company is still conducting training courses and education programs for employees and organizing workshops to ensure that services are provided in the right way. In the Company there is a specialized department concerned with the safety, quality and security system. This department conducts regular reviews to ensure the proper implementation of policies and procedures. It also prepares special reports for accidents, analyzes the cause of their occurrence, and take act.

6.5 EQUIPMENT WEAR AND TEAR

Risks of Equipment Depreciation and Replacement Equipment and machinery are of the important pillars on which the Company's operations depend in providing ground services to airlines. Seeking to reduce operating costs and enhance quality and efficiency of services provided to its customers, the Company recently signed

a joint venture agreement with the French TLD Group to establish a limited liability company. This company is to provide competitive services at all Kingdom's airports in digitalization and maintenance of specialized equipment and technologies for the ground handling sector.

6.6 LIQUIDITY RISK

These are risks of insufficient liquidity to meet operational obligations and requirements. Hence, the Company has adopted a strategy for growth and diversification of sources of income by investing in several technical projects. This is in addition to maintaining a high balance of cash assets and managing them appropriately.

6.7 LEGAL RISKS

Legal Risks Any of the Company's customers, employees or any other party may resort to filing an action against the Company for damage arising out from failure to comply with the statutory procedures. In order to reduce the occurrence of such risks, the Company regularly updates all policies and procedures, and ensures that all employees adhere to them properly.

6.8 REPUTATIONAL RISK

Preservation of the Company's good reputation in and outside the Kingdom is an important matter. The Company's reputation may be negatively affected by several factors such as the low quality of the provided ground services or occurrence of accidents resulting from any failure by the Company. Therefore, the Company commits to provide its services in accordance with the international quality and safety

standards. The Company also has a competent department for addressing customers' complaints. Credit risk represents the inability of a customer, guarantor or counterparty to meet its financial obligations to the Saudi Ground Services Company in respect of the company's dues. Therefore, the company regularly audits the outstanding receivables of customers and collects the appropriate guarantees.

6.9 CREDIT RISK

Credit Risks Credit risk is defined as the risk that a client, guarantor, or counterparty is unable to fulfill its financial obligations towards the Saudi Ground Services Company concerning the Company's receivables. Therefore, the Company regularly reviews the clients' outstanding receivables and collects the appropriate guarantees.

6.10 RISKS OF LATE PAYMENT AND NON-PAYMENT

Risk of delayed payment and non-payment The Company issues ground service invoices to a wide range of its clients and grants a grace between 30 to 90 days from the date of issuing the invoice. In the event that the client fails to pay the dues, the Company takes the statutory and contractual actions ensuring the preservation of the Company's rights.

6.11 CYBER SECURITY RISKS

The potential for loss resulting from a cyber attack or corporate data breach. The company continuously audits and monitors cyber security policy activities to ensure that the necessary measures and safeguards are in place to prevent cyber-attacks, in addition to complying with the standards and requirements of the National Cybersecurity Authority.

Section 10

Corporate Governance Regulation

10



7. CORPORATE GOVERNANCE REGULATION

The Saudi Ground Services Company (SGS) is always keen to fully adhere to the principles of corporate governance as approved by the Capital Market Authority (CMA), to follow international professional standards in transactions. It also adopts transparency and disclosure measures enhancing the efficiency of the Company's business and relations with all stakeholders.

In 2021 AD, the Company considered the application of procedures and measures for management of governance and secretariat of the Company's Board. These include all its governance policies to ensure full compliance with the provisions of the Companies' Law and Corporate Governance Regulation as issued by the CMA and work to implement it fully.

7.1 EVALUATION OF THE EFFECTIVENESS OF THE COUNCIL AND ITS MEMBERS AND OF THE COUNCIL COMMITTEES

In accordance with the provisions of its Governance Regulation, the Company took into consideration the need for the Board of Directors to evaluate the effectiveness of its members and the extent of their participation, whether individually or as a group, as well as the effectiveness of the performance of the Board's sub-committees. The work was taken into account in completing the evaluation of the work of 2021 through the Company's Governance Department. The results of the evaluation process will be submitted to the Nominations and Remuneration Committee and the Board of Directors by the first quarter of 2022.

7.2 TRAINING PROGRAMS FOR MEMBERS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

During 2021, the company worked to provide a number of self-training programs to the members of the Board and its committees due to the circumstances of the Corona pandemic and its consequences, as the company was keen to spread awareness continuously to the members of the Board and committees through modern technical means, knowing that the meetings are still taking place through modern technical means or in attendance.

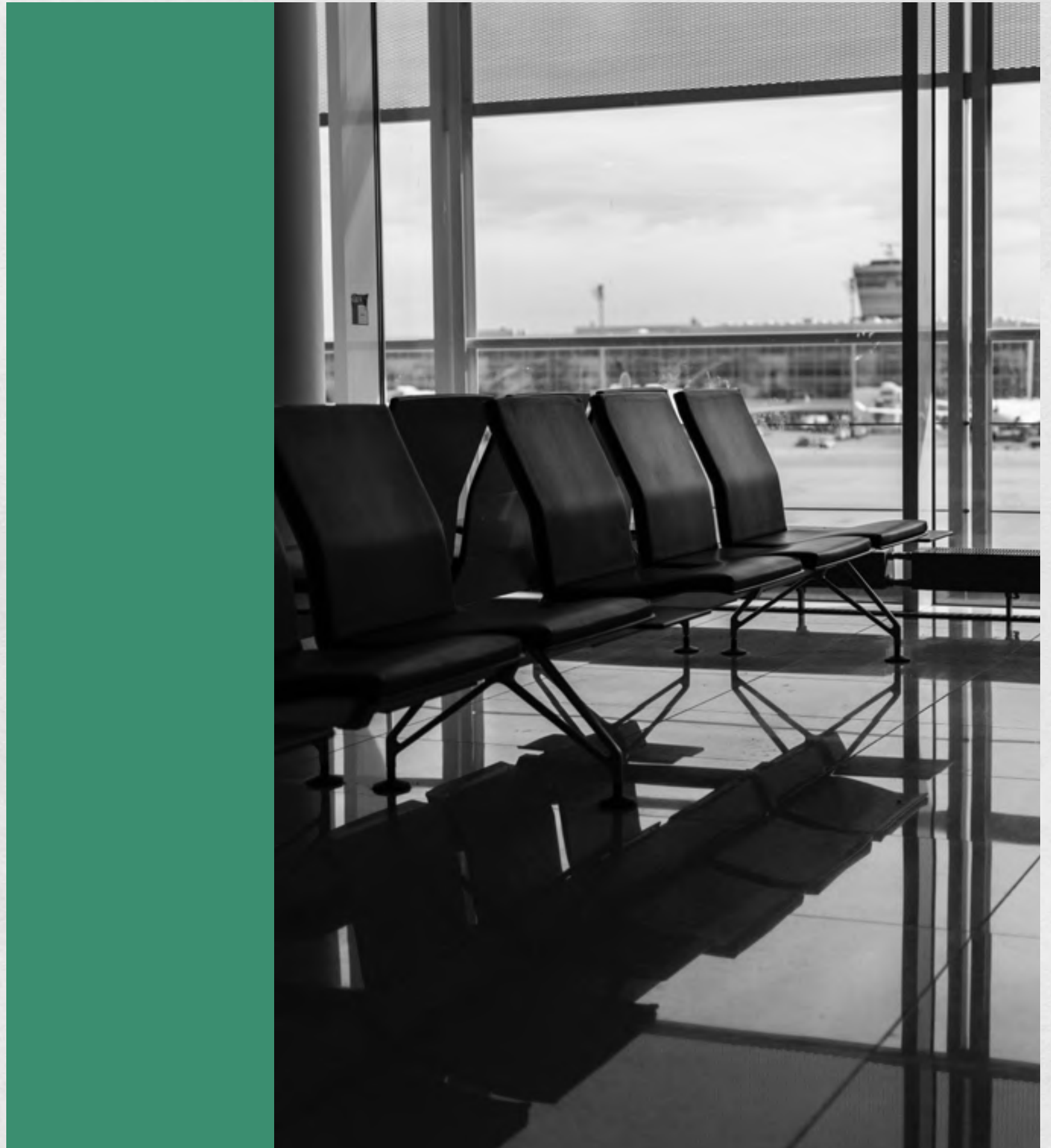
In general, SGS adheres to all the mandatory provisions and directives stipulated in the Corporate Governance Regulations issued by the CMA. This commitment is reflected in the inclusion of all mandatory requirements in the Company's articles, governance document and complementary policies. This also enhances disclosure, provision of information, transparency and fairness in dealing and ensuring shareholders' rights and defines the duties and responsibilities of the Company's Board members and the executive management, in accordance with the statutory directives. The Company also applies all the provisions set forth in the Corporate Governance Regulations issued by the CMA, except for the below provisions:

SN.	ARTICLE/PARA-GRAPH NUMBER	ARTICLE/PARAGRAPH CONTEXT	REASONS FOR NOT APPLYING
1.	39	TRAINING: THE COMPANY SHOULD PAY SUFFICIENT ATTENTION TO THE TRAINING AND QUALIFICATION OF BOARD MEMBERS AND EXECUTIVE MANAGEMENT, AND DEVELOP THE NECESSARY PROGRAMS.	INFORMATIVE MATERIAL SELF-TRAINING PROGRAMMS WERE PROVIDED TO THE MEMBERS THROUGH CORONA PANDEMIC
2.	54/B	THE CHAIRMAN OF THE AUDIT COMMITTEE SHALL BE AN INDEPENDENT MEMBER.	INFORMATIVE MATERIAL THIS ARTICLE WAS APPLIED IN EARLY 2021
3.	85 /2	EMPLOYEE INCENTIVE PROGRAM - EMPLOYEE STOCK OPTION (ESO) PROGRAMS; OFFERS TO EMPLOYEES THE CHANCE TO DIRECTLY BUY SHARES OF ITS STOCK OR PAYING DIVIDENDS AND PROVIDING RETIREMENT PROGRAMS, AND ESTABLISHING AN INDEPENDENT FUND TO SPEND ON SUCH PROGRAMS.	INFORMATIVE MATERIAL
4.	85/3	EMPLOYEE MOTIVATION PROGRAMS: ESTABLISHING SOCIAL INSTITUTIONS FOR THE COMPANY EMPLOYEES.	
5.	87	SOCIAL RESPONSIBILITY: THE ORDINARY GENERAL ASSEMBLY, BASED ON A PROPOSAL BY THE BOARD, SHALL SET A POLICY ENSURING A BALANCE BETWEEN ITS OBJECTIVES AND GOALS OF SOCIETY; WITH THE AIM OF DEVELOPING THE SOCIAL AND ECONOMIC CONDITIONS OF SOCIETY.	INFORMATIVE MATERIAL
6.	88/1	SOCIAL WORK INITIATIVES: DISCLOSURE OF THE OBJECTIVES OF SOCIAL RESPONSIBILITY ADOPTEDBY THE COMPANY TO ITS EMPLOYEES, RAISING THEIR AWARENESS AND EDUCATION	INFORMATIVE MATERIAL THE COMPANY IS UNDERTAKING SOME INITIATIVES; THE COMPANY DID NOT DEVELOP SPECIFIC PROGRAMS OR MEASUREMENT INDICATORS
	88/2	SOCIAL WORK INITIATIVES: DISCLOSE, RAISE AWARENESS AND EDUCATE EMPLOYEES ABOUT THE SOCIAL RESPONSIBILITY GOALS OF THE COMPANY.	
	88/3	SOCIAL WORK INITIATIVES: THE DISCLOSURE OF PLANS TO ACHIEVE SOCIAL RESPONSIBILITY IN PERIODIC REPORTS RELATING TO THE ACTIVITIES OF THE COMPANY.	
	88/4	SOCIAL WORK INITIATIVES: DEVELOP COMMUNITY AWARENESS PROGRAMS TO PROMOTE CORPORATE SOCIAL RESPONSIBILITY.	
7.	B/4/93	THE BOARD OF DIRECTORS IS COMMITTED TO: 4) PROVIDE DETAILS ON REMUNERATION AND COMPENSATION PAID TO: (B) FIVE SENIOR EXECUTIVES WHO RECEIVED THE HIGHEST AWARDS FROM THE COMPANY, INCLUDING THE CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER.	ONLY SIX OF THE TOP EXECUTIVES' SALARIES WERE DISCLOSED
8.	95	FORMATION OF CORPORATE GOVERNANCE COMMITTEE	INFORMATIVE MATERIAL
9.	ANNEX NO. (1)/ 23	THE FINANCIAL MARKET AUTHORITY COUNCIL DECISION NO. 1.35-2018 OF 09.07.1439, CORRESPONDING TO 026.03.2018, STIPULATES THAT THE TABLE FOR THE DISCLOSURE OF CEO REMUNERATION SPECIFIED IN ANNEX 1 TO THE CORPORATE GOVERNANCE REGULATION SHALL BE INDICATIVE, PROVIDED THAT THE DISCLOSURE OF CEO REMUNERATION IN THE GC REPORTS TO BE ISSUED FOR THE FINANCIAL PERIODS COMMENCING ON 01.02.2020 SHALL BE MADE IN DETAIL IN ACCORDANCE WITH THE TABLE FOR THE DISCLOSURE OF CEO REMUNERATION SPECIFIED IN ANNEX 1 TO THE CORPORATE GOVERNANCE REGULATION.	* THE COMPANY COMMITTED TO DISCLOSE THE ELEMENTS OF THE CEO BONUS IN AGGREGATE IN ACCORDANCE WITH THE STATUTORY REQUIREMENTS OF ARTICLE 93, PARAGRAPH 4 (B), OF THE CORPORATE GOVERNANCE REGULATION, BUT IN ORDER TO PROTECT THE INTERESTS OF THE COMPANY, ITS SHAREHOLDERS AND EMPLOYEES AND TO AVOID ANY DAMAGES THAT MAY RESULT FROM DISCLOSING IN DETAIL BY NAME ACCORDING TO POSITION THE DETAILS AS CONTAINED IN ANNEX 1 TO THE CORPORATE GOVERNANCE REGULATION ARE NOT PRESENTED.

Section 11

Board Members

11



8. BOARD MEMBERS

8.1 COMPOSITION OF THE BOARD OF DIRECTORS AND MEMBERSHIP STATUS:

The Company’s Board of Directors is formed, according to the Company’s Articles of Association (“AoA”), of nine members for a tenure of three years. In line with the provisions of the Companies Law, the current Board has been formed for a three-year tenure beginning on 06.05.2019 until 05.05.2022. The following table shows names of the Board Members and membership status as of December 31, 2021:

SN.	MEMBER NAME	POSITION	MEMBERSHIP CLASSIFICATION
1.	ENG. KHALID QASIM AL-BUAINAIN	CHAIRMAN	INDEPENDENT
2.	DR. OMAR BIN ABDULLAH JAFARI	VICE CHAIRMAN	NON-EXECUTIVE
3.	MR. MANSOUR ABDULAZIZ AL-BUSAILY	MEMBER OF THE BOARD	INDEPENDENT
4.	MR. MUHAMMAD ALI AL-YEMENI	MEMBER OF THE BOARD	INDEPENDENT
5.	ENG. SALEH AHMED HEFNI	MEMBER OF THE BOARD	INDEPENDENT
6.	MR. CON KORFIATIS	MEMBER OF THE BOARD	NON-EXECUTIVE
7.	MR. PER UTNEGAARD	MEMBER OF THE BOARD	INDEPENDENT
٨.	MR. ONNO BOOTS	MEMBER OF THE BOARD	INDEPENDENT
9.	*ENG. FAHD HAMZA CYNNDY	MEMBER OF THE BOARD	NON-EXECUTIVE

*Cap. Fahd Hamza Cynndy was appointed on 01-02-2021 as an executive member, until 08/07/2021 when his membership status was amended to a non-executive member.

The Company’s Board of Directors consists of nine members to be appointed by the General Assembly of shareholders for a tenure not exceeding three years. The Board shall meet at least once every three months four times a year or as required by an invitation by the Chairman or at the request of two members. The meeting’s quorum shall be complete when it is attended by five members in person, including the Chairman. Resolutions and deliberations of the Board shall be recorded in minutes to be signed by present Members and the Chairman. Recording and keeping the meeting minutes shall be the responsibility of with the secretary of the Board.



8.2 MEMBERS OF THE BOARD OF DIRECTORS AND COMMITTEES

8.2.1 ENG. KHALID QASIM AL-BUAINAIN - CHAIRMAN OF THE BOARD OF DIRECTORS

Eng. Khaled Al-Buainain holds the position of Chairman of the Board of Directors and Chairman of the Executive Committee of the company. He is an independent board member. The following table shows his qualifications, professional experiences and memberships:

CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
MEMBER OF THE BOARD OF DIRECTORS OF HSBC - RIYADH	THE SENIOR VICE PRESIDENT - TECHNICAL SERVICES SECTOR IN SAUDI ARAMCO. - SENIOR VICE-PRESIDENT - ENGINEERING, CAPITAL AND OPERATIONS SUPPORT IN SAUDI ARAMCO. - SENIOR VICE-PRESIDENT FOR MARKETING AND DISTRIBUTION IN SAUDI ARAMCO. - SENIOR VICE PRESIDENT FOR ENGINEERING SERVICES IN SAUDI ARAMCO.	BACHELOR’S DEGREE FROM KING FAHD UNIVERSITY OF PETROLEUM AND MINERALS -	MORE THAN 30 YEARS OF EXPERIENCE IN SAUDI AR-AMCO

MEMBERSHIP AND PROFESSIONAL EXPERIENCE

TITLE	COMPANY NAMES	LEGAL ENTITY TYPE
MEMBER OF THE BOARD	HSBC SAUDI ARABIA	INSIDE KSA - JOINT STOCK
CHAIRMAN OF THE BOARD	SAUDI AMAD FOR AIRPORT SERVICES & TRANSPORT SUPPORT CO (SAAS)	INSIDE KSA – CLOSED-JOINT STOCK

8.2.2 DR. OMAR ABDULLAH JAFARI, VICE CHAIRMAN OF THE BOARD OF DIRECTOR

Dr. Omar Bin Abdullah Jafari, Vice-Chairman of the Board of Directors, Member of the Executive Committee and Chairman of the Audit Committee at the company, is a non-executive board member. The following table shows his qualifications, professional experiences and memberships:

CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
ADVISER TO THE MINISTER OF TRANSPORT FOR THE AVIATION SECTOR	- SENIOR ADVISER TO THE DIRECTOR-GENERAL OF SAUDI ARABIAN AIRLINES - ASSISTANT DIRECTOR-GENERAL FOR ADMINISTRATION AND MANAGEMENT OF SAUDI ARABIAN AIRLINES	PHD IN MARKETING FROM THE UNIVERSITY OF ALABAMA - MASTER OF BUSINESS ADMINISTRATION FROM KING FAHD UNIVERSITY OF PETROLEUM AND MINERALS - BACHELOR OF INDUSTRIAL MANAGEMENT - KING FAHD UNIVERSITY OF PETROLEUM AND MINERALS.	MORE THAN 25 YEARS OF EXPERIENCE IN THE AIR TRANSPORT SECTOR

MEMBERSHIP AND PROFESSIONAL EXPERIENCE

TITLE	COMPANY NAMES	LEGAL ENTITY TYPE
- SENIOR ADVISER TO THE MINISTER OF TRANSPORT AND LOGISTICS - MEMBER OF THE BOARD	SITA INTERNATIONAL, A NON-PROFIT ORGANIZATION OWNED BY INTERNATIONAL AIRLINES	A SEMI-GOVERNMENTAL ENTITY - OUTSIDE THE KINGDOM
- MEMBER OF THE BOARD - MEMBER OF THE BOARD	ASEER TRADE COMPANY , TOURISM AND INDUSTRY YEMEN AIRWAYS	INSIDE KSA- LISTED JOINT STOCK OUTSIDE KSA

8.2.3 MR. MANSOUR ABDULAZIZ AL-BUSAILI - MEMBER OF THE BOARD OF DIRECTORS

Mr. Mansour Abdulaziz Al-Busaili holds the position of a member of the Board of Directors, a member of the Executive Committee, and a member of the Company’s Risk Management Committee, and he is an independent board member. The following table shows his qualifications, professional experiences and memberships:

CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
-BUSINESSMAN - MEMBER OF THE SHURA COUNCIL	- BRANCH MANAGER AT THE UNITED SAUDI BANK, - HEAD OF THE CORPORATE CREDIT TEAM AT THE BANK - SENIOR MANAGER OF LEGAL AFFAIRS AND GENERAL SECRETARY AT THE SAUDI BRITISH BANK.	HE HOLDS A BACHELOR'S DEGREE IN INFORMATION SYSTEM FROM KING SAUD UNIVERSITY - RIYADH	MORE THAN 30 YEARS OF EXPERIENCE IN THE BANK- ING AND LEGAL SECTOR

MEMBERSHIP AND PROFESSIONAL EXPERIENCE

TITLE	COMPANY NAMES	LEGAL ENTITY TYPE
CHAIRMAN	HSBC SAUDI ARABIA	INSIDE KSA- NON-LISTED JOINT STOCK
MEMBER OF THE BOARD	UNITED ELECTRONICS COMPANY	INSIDE KSA- LISTED JOINT STOCK
MEMBER OF THE BOARD	AMLAK INTERNATIONAL FOR REAL ESTATE FINANCE COMPANY	INSIDE KSA- LISTED JOINT STOCK
MEMBER OF THE BOARD	ASEER TRADE COMPANY , TOURISM AND INDUSTRY GAS ARABIAN SERVICES	INSIDE KSA- LISTED JOINT STOCK
		INSIDE KSA- NON-LISTED JOINT STOCK

8.2.4 MR. MOHAMMED ALI AL-YEMENI - MEMBER OF THE BOARD OF DIRECTORS

Mr. Mohammed Bin Ali Al-Yemeni holds the position of member of the board of directors, member of the audit committee, member of the nominations and remuneration committee, and chairman of the company`s RMC. he is an independent board member

CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
LEGAL ADVISER AT THE GENERAL AUTHORITY FOR MILITARY INDUSTRIES	GENERAL MANAGER OF SABIC INDUSTRIAL INVESTMENT COMPANY ADVISER TO THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS, ADVISER TO THE CEO, AND LEGAL ADVISER TO THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS	HE HOLDS A MASTER'S DEGREE FROM GEORGETOWN UNIVERSITY IN COMMERCIAL LAW	HE HAS MORE THAN 35 YEARS OF EXPERIENCE IN THE LEGAL FIELD

MEMBERSHIP AND PROFESSIONAL EXPERIENCE

TITLE	COMPANY NAMES	LEGAL ENTITY TYPE
LEGAL ADVISER AT THE GENERAL AUTHORITY FOR MILITARY INDUSTRIES	GENERAL AUTHORITY FOR MILITARY INDUSTRIES	INSIDE KSA- UNLISTED JOINT STOCK



8.2.5 ENG. SALEH BIN AHMED HEFNI - MEMBER OF THE BOARD OF DIRECTORS

Eng. Saleh bin Ahmed Hefni holds the position of a Board Member, Member of the Executive Committee, and Chairman of the Nominations and Remunerations Committee of the Company, and he is an independent Board Member. The following table shows his qualifications, professional experiences and memberships:

CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
CHIEF EXECUTIVE OFFICER - OMAKO (OMAR QASSEM ALESAYI & PARTNERS GROUP)	CEO AND MANAGING DIRECTOR OF HALWANI BROTHERS COMPANY - FOOD PRODUCTS INDUSTRY MEMBER OF THE BOARD OF DIRECTORS FOR MIDDLE EAST HEALTHCARE (SAUDI GERMAN HOSPITAL)	BACHELOR'S DEGREE IN CIVIL ENGINEERING FROM KAZUL UNIVERSITY IN SAN FRANCISCO AND A MASTER'S DEGREE IN HUMAN RESOURCE MANAGEMENT - UNIVERSITY OF STRATHCLYDE (SCOTLAND)	HE HAS MORE THAN 30 YEARS OF EXPERIENCE IN THE FOOD INDUSTRY, IN- DUSTRIAL AND ENGINEER- ING SERVICES

MEMBERSHIP AND PROFESSIONAL EXPERIENCE

TITLE	COMPANY NAMES	LEGAL ENTITY TYPE
MEMBER OF THE BOARD	SAUDI INDUSTRIAL SERVICES COMPANY (SISCO)	INSIDE KSA- LISTED JOINT STOCK
CHAIRMAN	KINDASA WATER SERVICES COMPANY	INSIDE KSA - CLOSED
VICE CHAIRMAN OF THE BOARD OF DIRECTORS	AL AHLY TAKAFUL COMPANY	INSIDE KSA- LISTED JOINT STOCK
MEMBER OF THE BOARD	SAUDI AMAD	INSIDE KSA- LISTED JOINT STOCK

8.2.6 MR. CON KORFIATIS - MEMBER OF THE BOARD OF DIRECTORS

Mr. Con Korfiatis holds the position of a member of the Board of Directors of the company, and he is a non-executive board member, where he represents the General Corporation of Saudi Arabian Airlines on the Board of Directors and holds the position of CEO of flyadeal, owned by Saudi Airlines. The following table shows his qualifications, professional experiences and memberships:

CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
CEO OF FLYADEAL MIDDLE EAST	- HEDRICK STRANGLES CONSULTING (PARTNER) - YTELINK (CEO) - VIVA MAKAU (CEO) - JETSTAR ASIA (CEO) - QANTAS AIRLINES GROUP (CHIEF STRATEGY OFFICER)	HE HOLDS A BA IN ECONOMICS FROM MONASH UNIVERSITY	MORE THAN 19 YEARS OF EXPERIENCE IN THE AVIA- TION FIELD

MEMBERSHIP AND PROFESSIONAL EXPERIENCE

TITLE	COMPANY NAMES	LEGAL ENTITY TYPE
NO FURTHER MEMBERSHIPS	-	-



8.2.7 MR. PER UTNEGAARD - MEMBER OF THE BOARD OF DIRECTORS

Mr. Per Utnegaard holds the position of Board Member and Executive Committee Member and is an independent Board Member. The following table shows his qualifications, professional experiences and memberships:

CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
INVESTOR IN OTNEGAARD & PARTNERS (GMBH).	- CHAIRMAN OF THE EXECUTIVE BOARD / SWISSPORT INTERNATIONAL. - GROUP PRESIDENT AND CEO / BELLEFINGER (GERMANY). PARTNER/BERIOTENGARD & ASSOCIATES. GENERAL MANAGER, SWEET FEDERAL RAILWAYS, SWITZERLAND	HE HOLDS A BACHELOR'S DEGREE IN BUSINESS ADMINISTRATION AND MARKETING FROM NORTHERN MICHIGAN UNIVERSITY.	MORE THAN 19 YEARS OF EXPERIENCE IN THE FIELD OF TRADING AND GROUND HANDLING.

MEMBERSHIP AND PROFESSIONAL EXPERIENCE

TITLE	COMPANY NAMES	LEGAL ENTITY TYPE
NO FURTHER MEMBERSHIPS	-	-

8.2.8 MR. ONNO BOOTS - MEMBER OF THE BOARD OF DIRECTORS

Mr. Onno Boots holds the position of a board member of the company and is an independent board member. The following table shows his qualifications, professional experiences and memberships:

CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
- CEO OF (ASIA PACIF) AIRLINES (SINGAPORE)	- DIRECTOR AND CEO OF ASIA PACIFIC/BOARD OF DIRECTORS.-MEMBER OF THE BOARD OF DIRECTORS AND BEN ANCOM. -ADVISOR TO THE BOARD OF DIRECTORS/SCHILLY AVIATION/TURKEY.-CEO OF THE SILE AVIATION GROUP -MEMBER OF THE BOARD OF DIRECTORS OF ASIA SUPPLIERS (NON-PROFIT ORGANIZATION).	HE HOLDS A DEGREE FROM CRANFIELD UNIVERSITY.	1+ YEARS EXPERIENCE IN THE AVIATION FIELD.

MEMBERSHIP AND PROFESSIONAL EXPERIENCE

TITLE	COMPANY NAMES	LEGAL ENTITY TYPE
MEMBER OF THE BOARD	WIN INCOM COMPANY	OUTSIDE KSA - UNLISTED
DIRECTOR AND CEO	ASIA PACIFIC/BOARD OF DIRECTORS.	OUTSIDE KSA - UNLISTED
MEMBER OF THE BOARD.	WIN INCOM	OUTSIDE KSA - UNLISTED
BOARD OF DIRECTORS ADVISOR/	SHELLY AIRLINES/TURKEY.	OUTSIDE KSA - UNLISTED
CEO	SHELLY AVIATION GROUP.	OUTSIDE KSA - UNLISTED

8.2.9 ENG. FAHD HAMZA CYNNDY - MEMBER OF THE BOARD OF DIRECTORS

Cap. Fahd Hamza Cynndy holds the position of a board member - executive of the company as of 01-02-2021. The following table shows his qualifications, professional experiences and memberships:

CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
- CEO (ACTING) AT SAEI COMPANY	CEO OF THE SAUDI GROUND SERVICES COMPANY HEAD OF THE AVIATION SECTOR AT SAUDI ARAMCO.	HE HOLDS A UNIVERSITY DEGREE IN COMMER-CIAL AVIATION, UNIVERSITY OF NORTH DAKOTA, THE USA - BACHELOR OF SCIENCE, MECHAN-ICAL ENGINEERING, WESTERN NEW ENGLAND UNIVERSITY, THE USA -MASTER OF BUSINESS ADMINISTRATION, HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY IN CHINA - AN E ECUTIVE LEADERSHIP CERTIFICATE FROM STAN-FORD UNIVERSITY, THE USA. IN ADDITION, ENG FAHD HAS MORE THAN 6,300 FLYING HOURS, AND HOLDS THE US FEDERAL COMMERCIAL AVI-ATION LICENSE. HE IS ALSO A “CERTIFIED” INSTRUCTOR BY IATA.	UP TO 19 YEARS OF EXPERIENCE AT THE AVIATION SECTOR IN SAUDI ARAMCO

MEMBERSHIP AND PROFESSIONAL EXPERIENCE

TITLE	COMPANY NAMES	LEGAL ENTITY TYPE
- CHAIRMAN	GULF FLIGHT SAFETY ASSOCIATION	OUTSIDE KSA
- VICE CHAIRMAN	HELICOPTER CORPORATION	INSIDE KSA– UNLISTED
- MEMBER OF THE BOARD	SAUDI GROUND SERVICES COMPANY	INSIDE KSA– LISTED JOINT STOCK
- MEMBER OF THE BOARD	SAUDI AMAD COMPANY (SUBSIDIARY)	INSIDE KSA– CLOSE-JOINT STOCK
- CHAIRMAN	MIDDLE EAST PROPULSION COMPANY	INSIDE KSA– UNLISTED
- CHAIRMAN	(PIF COMPANY) ROTORTRADE KSA	INSIDE KSA– UNLISTED



Section 12

Committee Members

12



9. COMMITTEE MEMBERS FROM OUTSIDE THE BOARD OF DIRECTORS

9.1 MR. AHMED SALEH AL-SUDAIS - MEMBER OF THE NOMINATIONS AND REMUNERATIONS COMMITTEE

Mr. Ahmed Saleh Al-Sudais is a member of the Company’s Nominations and Remunerations Committee, and he is a member from outside the Board of Directors. The following table shows his qualifications, professional experiences and memberships:

COMMITTEE MEMBERSHIP	CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
MEMBER OF THE NOMINATIONS AND REMUNERATIONS COMMITTEE	HR EXECUTIVE VICE PRESIDENT AT AL RAJHI BANK	GENERAL MANAGER OF HUMAN RESOURCES AT SABB BANK FROM 2012 TO 2017. GENERAL MANAGER OF KINGDOM BRANCHES IN SAP (2011 - 2012)	-BACHELOR’S DEGREE IN ACCOUNTING FROM KING ABDULAZIZ UNIVERSITY IN JEDDAH.	HE HAS HELD SEVERAL LEADING POSITIONS IN THE SAUDI BRITISH BANK (SABB), WHERE HE HAS AT LEAST 20 YEARS OF EXPERIENCE IN THE BANKING SECTOR.

9.2 MR. SALEH BIN ABDULRAHMAN AL-FADL - MEMBER OF THE AUDIT COMMITTEE

Mr. Saleh bin Abdulrahman Al-Fadl holds the position of a member of the Audit Committee of the company, and he is a member from outside the board of directors. The following table shows his qualifications, professional experiences and memberships:

COMMITTEE MEMBERSHIP	CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
MEMBER OF THE AUDIT COMMITTEE OF THE SAUDI GROUND SERVICES COMPANY	FINANCIAL DIRECTOR AT SAUDI ARABIAN AIRLINES COMPANY	CHIEF FINANCIAL OFFICER AT HERFY FOOD SERVICES COMPANY SINCE 2015.	-MASTER OF ACCOUNTING SCIENCE AND MASTER OF FINANCE FROM THE UNIVERSITY OF ILLINOIS IN AMERICA-BACHELOR OF BUSINESS ADMINISTRATION FROM KING SAUD UNIVERSITY, AND HE HOLDS A CERTIFIED PUBLIC ACCOUNTANT (CPA)	HE HELD SEVERAL LEADERSHIP POSITIONS AND IS CURRENTLY THE FINANCIAL DIRECTOR AT SAUDI ARABIAN AIRLINES COMPANY

9.3 MR. HISHAM BIN ALI AL-AQL - MEMBER OF THE AUDIT COMMITTEE

Mr. Hisham bin Ali Al-Aql holds the position of a member of the audit committee of the company, and he is a member from outside the board of directors. The following table shows his qualifications, professional experiences and memberships:

COMMITTEE MEMBERSHIP	CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
MEMBER OF THE AUDIT COMMITTEE MEMBERS	CHIEF FINANCIAL OFFICER OF BANK ALBILAD	CHAIRMAN OF AL RAJHI CAPITAL FINANCIAL GROUP	MASTERS IN ACCOUNTING AND FINANCE, UNIVERSITY OF ILLINOIS ARIANA CHAMPAIGN IN THE UNITED STATES OF AMERICA - BACHELOR OF ACCOUNTING, KING SAUD UNIVERSITY	MORE THAN 20 YEARS OF EXPERIENCE IN BANKING, AVIATION AND THE SAMA

9.4 MR. ADEL ABA AL-KHAIL - MEMBER OF THE AUDIT COMMITTEE

Mr. Adel Aba Al-Khail holds the position of a member of the audit committee of the company, and he is a member from outside the board of directors. The following table shows his qualifications, professional experiences and memberships:

COMMITTEE MEMBERSHIP	CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
MEMBER OF THE AUDIT COMMITTEE MEMBERS	EXECUTIVE FINANCIAL DIRECTOR OF ALINMA BANK	HEAD OF THE FINANCIAL GROUP OF AL RAJHI BANK	MASTERS IN ACCOUNTING AND MASTERS IN FINANCE, UNIVERSITY OF ILLINOIS ARIANA-CHAMPAIGN IN THE UNITED STATES OF AMERICA BACHELOR OF ACCOUNTING, KING SAUD UNIVERSITY	MORE THAN 18 YEARS OF EXPERIENCE IN THE BANKING SECTOR AND THE SAMA

9.5 MR. ABDUL RAHMAN BIN MUHAMMAD ADDAS - MEMBER OF THE RISK COMMITTEE

Mr. Abdul Rahman bin Muhammad Addas holds the position of a member of the company’s risk committee, and he is a member from outside the board of directors. The following table shows his qualifications, professional experiences and memberships:

COMMITTEE MEMBERSHIP	CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
MEMBER OF THE RISK MANAGEMENT COMMITTEE	ONE OF THE SENIOR EXECUTIVES OF THE NATIONAL COMMERCIAL BANK	RETIREE	-MASTER OF BUSINESS ADMINISTRATION, MAJORING IN FINANCIAL MANAGEMENT, UNIVERSITY OF DENVER, COLORADO, USA, BACHELOR OF BUSINESS ADMINISTRATION, KING ABDULAZIZ UNIVERSITY, JEDDAH, SAUDI ARABIA, WITH HONORS.	HE SPENT NEARLY 28 YEARS AT THE NATIONAL COMMERCIAL BANK, FROM 1980 TO 2007, DURING WHICH HE HELD SEVERAL LEADERSHIP POSITIONS, THE MOST PROMINENT OF WHICH WAS THE DIRECTOR OF RISK MANAGEMENT IN ITS THREE BRANCHES (CREDIT RISK, MARKET RISK, AND OPERATIONAL RISK), THE LAST OF WHICH WAS HEAD OF THE CORPORATE SECTOR IN ALL CORPORATE SEGMENTS IN THE MARKET.

9.6 MR. MOHAMMED BIN SAAD BIN DAOUD - MEMBER OF THE RISK COMMITTEE

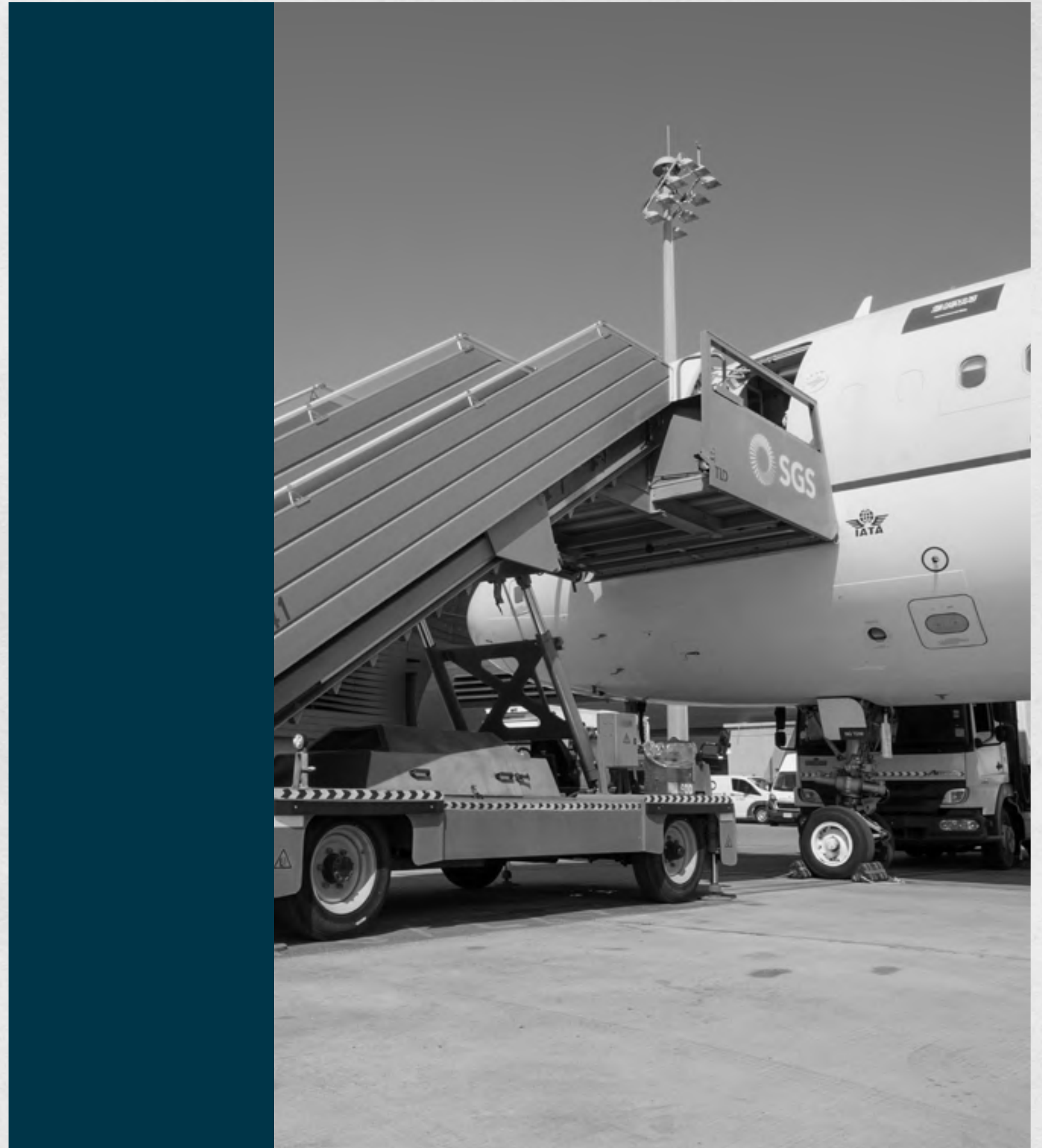
Mr. Mohammed bin Saad bin Daoud holds the position of a member of the company’s Risk Committee, and he is a member from outside the board of directors. The following table shows his qualifications, professional experiences and memberships:

COMMITTEE MEMBERSHIP	CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
MEMBER OF THE RISK MANAGEMENT COMMITTEE OF THE SAUDI GROUND SERVICES COMPANY.	ONE OF THE SENIOR EXECUTIVES AT BIN DAWOOD OFFICE COMPANY	DIRECTOR OF THE MOHAMMED BIN DAWOOD CONSULTING OFFICE	HE HOLDS A BACHELOR’S DEGREE IN ACCOUNTING FROM KING SAUD UNIVERSITY IN 1996 AH	HELD MANY LEADERSHIP POSITIONS IN THE BANKING AND ACCOUNTING CONSULTANCY SECTOR HE IS A MEMBER OF A NUMBER OF LISTED AND UNLISTED JOINT STOCK COMPANIES

Section 13

Executive Management Members

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10. EXECUTIVE MANAGEMENT MEMBERS

10.1 MR. RAED BIN HASSAN AL IDRISI - CEO

Mr. Raed Hassan Al-Idrisi holds the position of CEO (acting) of the company as of 01-02-2021, and was officially appointed on 5/8/2021, and the following table shows his qualifications, professional experiences and memberships

CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
CHIEF EXECUTIVE OFFICER	EXECUTIVE VICE PRESIDENT OF OPERATIONS AT THE SAUDI GROUND SERVICES COMPANY. HEAD OF GROUND SERVICES OPERATIONS IN THE AVIATION SECTOR, HEAD OF CONTRACTS IN THE WELL DRILLING SECTOR AND HEAD OF OPERATIONS IN RESIDENTIAL NEIGHBORHOODS AT SAUDI ARAMCO.	HE HOLDS A BACHELOR'S DEGREE IN MARKETING AND MANAGEMENT FROM KING FAHD UNIVERSITY FOR PETROLEUM AND MINERALS AND AN EXECUTIVE MASTER'S DEGREE IN BUSINESS ADMINISTRATION FROM KING FAHD UNIVERSITY FOR PETROLEUM AND MINERALS, AND HAS RECEIVED SEVERAL EXECUTIVE LEADERSHIP TRAINING COURSES.	HE HAD OVER 44 YEARS OF EXPERIENCE IN VARIOUS POSITIONS IN THE AVIATION AND PETROLEUM SECTORS.

10.2 MR. MOHAMMED BIN ABDULKARIM MAZI - EXECUTIVE VICE-PRESIDENT CEO OF FINANCE

Mr. Mohammed Abdul Karim Mazi holds the position of Executive Vice-President of Finance in the company from 01-01-2020. The following table shows his qualifications, professional experiences and memberships

CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
EXECUTIVE VICE PRESIDENT FOR FINANCE	CEO OF FINANCE AT THE SALEM JOHNSON CONTROLS HEAD OF THE BUDGET PREPARATION AND PERFORMANCE REPORTING DEPARTMENT FOR SAUDI ARAMCO.	CERTIFIED VIRGINIA STATE LAW ACCOUNTANT, MASTER OF BUSINESS ADMINISTRATION, TEXAS A&M UNIVERSITY, BACHELOR OF ACCOUNTING, NEW ORLEANS UNIVERSITY, UNITED STATES OF AMERICA	HAS MORE THAN 14 YEARS OF EXPERIENCE IN FINANCIAL MANAGEMENT.

10.3 MR. MAZEN GHARIB DHAIFALLAH, VICE-PRESIDENT FOR CORPORATE AFFAIRS AND SECRETARY OF THE BOARD AND COMMITTEES

Mr. Mazen Gharib Dhaifallah serves as Vice-President for Corporate Affairs and Secretary of the Board and Committees of the company. He works at the company from 02-04-2016. The following table shows his qualifications, professional experiences and memberships

CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
- EXECUTIVE VICE-PRESIDENT FOR CORPORATE AFFAIRS -SECRETARY OF THE BOARD AND COMMITTEES	- EXECUTIVE DIRECTOR OF THE GOVERNANCE DEPARTMENT AND CORPORATE BOARD SECRETARIAT - EXECUTIVE VICE-PRESIDENT FOR COMMERCIAL AFFAIRS (DESIGNATED)	HE HOLDS A BACHELOR'S DEGREE IN BUSINESS ADMINISTRATION FROM KING ABDULAZIZ UNIVERSITY. HE HAS ALSO RECEIVED MANY TRAINING COURSES IN MANAGEMENT, MONEY LAUNDERING, GOVERNANCE, THE SECRETARIAT OF BOARDS AND COMMITTEES COMPLIANCE AND INSURANCE, BANKS, CUSTOMER SERVICE, EXECUTIVE LEADERSHIP COURSES, A LICENSEE FOR INSURANCE AND DISCLOSURE OPERATIONS ON TADAWUL	MR. MAZEN DHIFALLAH HAS MORE THAN 24 YEARS OF EXPERIENCE IN THE FIELDS OF GOVERNANCE, THE SECRETARIAT OF THE BOARD , COMMITMENT, ANTI MONEY LAUNDRY AND COMMERCIAL AFFAIRS IN VARIOUS SECTORS, INCLUDING BANKING, INSURANCE AND AVIATION IN A NUMBER OF LISTED JOINT STOCK COMPANIES.

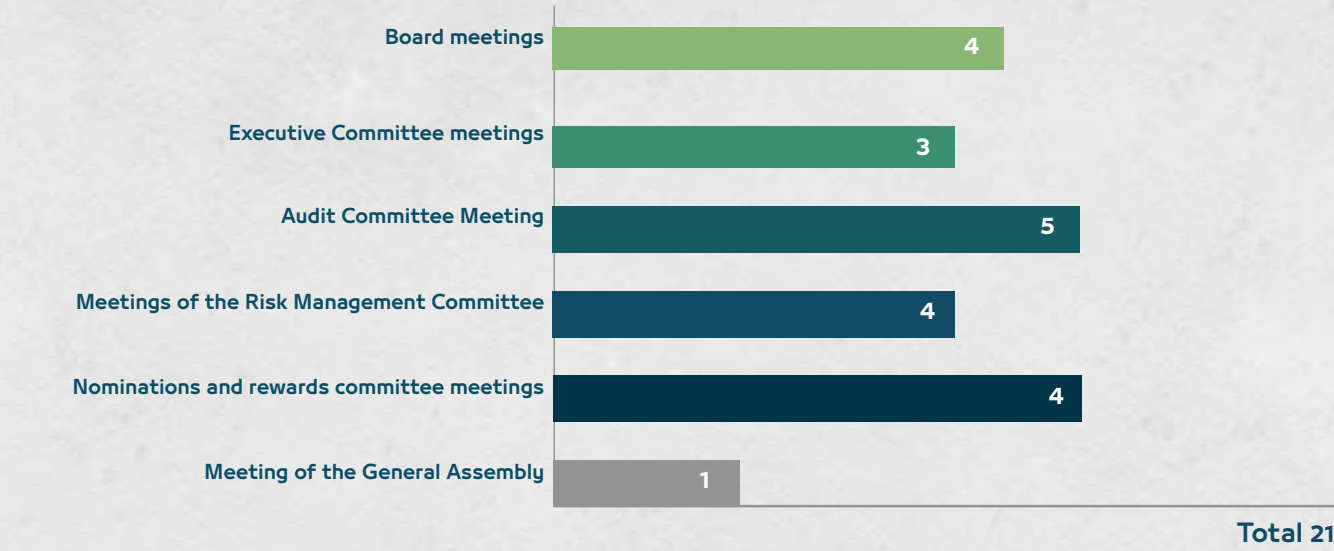
10.4 ENG. AYMAN AHMED AL-GHAMDI - VICE-PRESIDENT OF HUMAN RESOURCES

Eng. Ayman Ahmed Al-Ghamdi - Executive Vice-President of Human Resources at the company, as of 01-01-2019. The following is a statement of scientific qualifications and professional experience

CURRENT POSITIONS	FORMER POSITIONS	QUALIFICATIONS	EXPERIENCE
VICE-PRESIDENT OF HUMAN RESOURCES EXECUTIVE VICE-PRESIDENT OF OPERATIONS	SAFULA GROUP / PROCTER & GAMBLE INTERNATIONAL / SAUDI BASIC INDUSTRIES COMPANY (SABIC).	HE OBTAINED A BACHELOR'S DEGREE IN MECHANICAL ENGINEERING FROM KING ABDULAZIZ UNIVERSITY IN JEDDAH AND A MASTER'S DEGREE IN BUSINESS ADMINISTRATION. HE ALSO RECEIVED SEVERAL TRAINING COURSES IN HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT FROM THE AMERICAN SOCIETY FOR HUMAN RESOURCES MANAGEMENT AND EXECUTIVE LEADERSHIP AND BUSINESS MANAGEMENT COURSES FROM THE INTISAD BUSINESS SCHOOL BASED IN FRANCE	HE HAS 14 YEARS OF PRACTICAL EXPERIENCE IN LEADERSHIP POSITIONS IN HUMAN RESOURCES MANAGEMENT, MECHANICAL ENGINEERING AND OPERATIONAL PROCESSES IN SEVERAL INTERNATIONAL COMPANIES

11. MEETINGS OF THE BOARD , COMMITTEES AND GENERAL ASSEMBLY

During 2021, the Board of Directors, its committees and the audit Committee held a number of scheduled and unscheduled meetings to follow up on the work of executive management and strategic projects. A general assembly of shareholders was held in the presence of a majority of members. During the year, 21 meetings were conducted successfully, as follows:

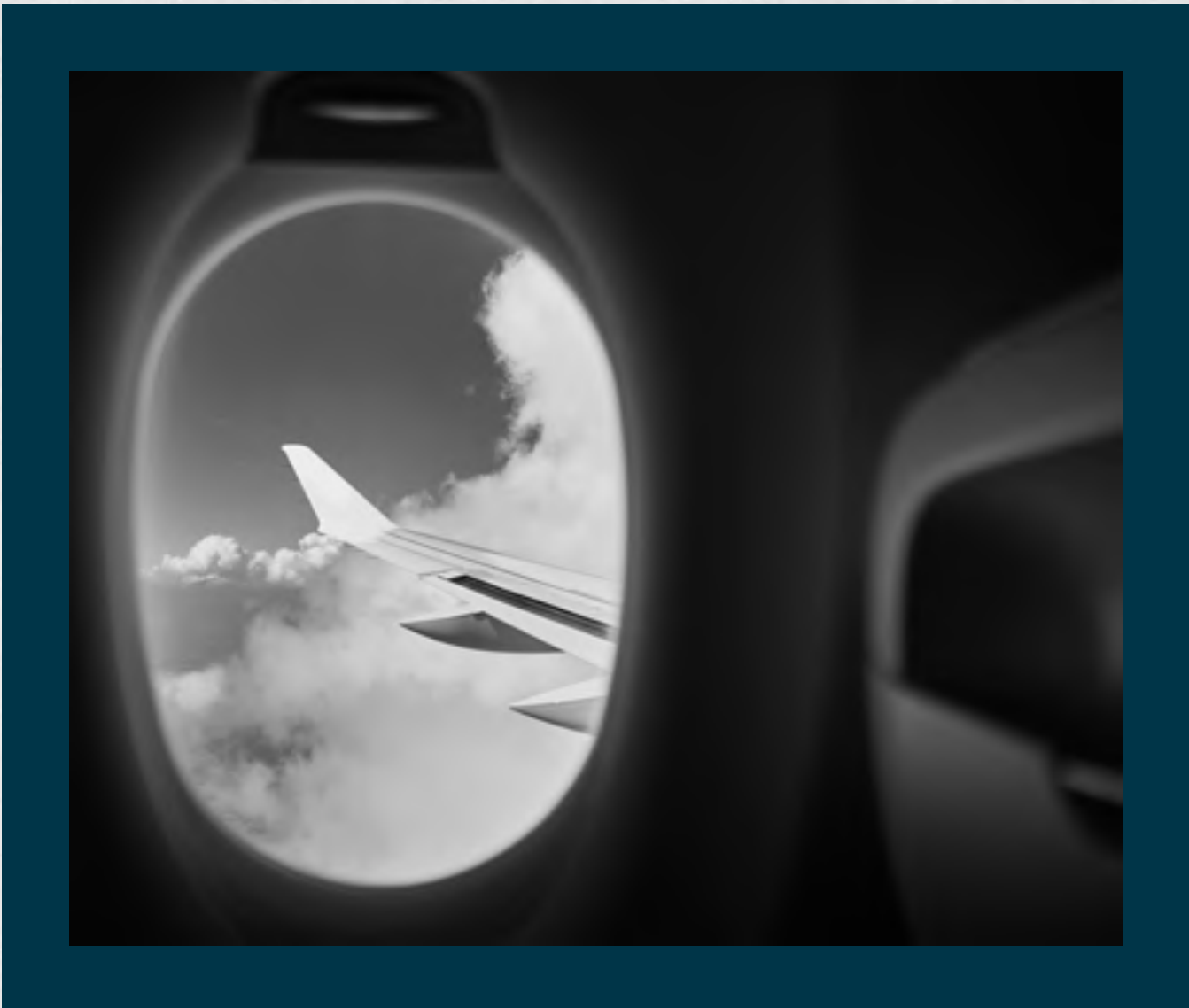


12. BOARD MEETINGS

As at 09.12.2021, the Board of Directors held four meetings. The following table shows the attendance register for each meeting:

NUMBER OF MEETINGS (4) DURING 2021

MEMBER NAME	FIRST 11/03/2021	SECOND 24/06/2021	THIRD 30/09/2021	FOURTH 19/12/2021	TOTAL
ENG. KHALID QASIM AL-BUAINAIN	PRESENT	PRESENT	PRESENT	PRESENT	4
DR. OMAR BIN ABDULLAH JAFARI	PRESENT	PRESENT	PRESENT	PRESENT	4
MR. MANSOUR ABDULAZIZ AL-BUSAILY	PRESENT	PRESENT	PRESENT	PRESENT	4
MR. MUHAMMAD ALI AL-YEMENI	PRESENT	PRESENT	PRESENT	PRESENT	4
ENG. SALEH AHMED HEFNI	PRESENT	PRESENT	PRESENT	PRESENT	4
CAP. FAHD HAMZA CYNNDY	PRESENT	PRESENT	PRESENT	PRESENT	4
MR. CON KORFIATIS	PRESENT	PRESENT	PRESENT	PRESENT	4
MR. PER UTNEGAARD	PRESENT	PRESENT	PRESENT	PRESENT	4
MR. ONNO BOOTS	PRESENT	PRESENT	PRESENT	PRESENT	4



13. SHAREHOLDER AFFAIRS

13.1 SHAREHOLDERS’ SUGGESTIONS AND OBSERVATIONS ON THE COMPANY AND ITS PERFORMANCE

In 2021, the Board assigned duties of shareholders’ affairs to the Governance Department and the Board Secretariat, with its functional reference is to the Board of Directors. A number of specialists and expertise in governance were appointed at the Department to assume the duties and responsibilities of the Board Secretariat and certain committees. This Department receives the suggestions and observations of the shareholders through various means of communication.

13.2 COMMUNICATION CHANNELS FOR SHAREHOLDERS TO SUBMIT SUGGESTIONS AND OBSERVATIONS

Shareholders’ Means of communication for submitting suggestions and observations

1. Shareholders’ email: mdhaifallah@saudiags.com
2. The Company’s website: www.saudiags.com
3. Contact numbers at the Company’s profile on the Saudi Stock Exchange website (Tadawul 4031).
4. Contact the Company’s postal address (P.O. Box 4350 Jeddah, 23719 Kingdom of Saudi Arabia, Al-Basateen District).
5. Contact via the Company’s land line with the Governance Department and the Board Secretariat.
Tel: 00966126909999 Ext: 8866
6. Heading to the Company’s headquarters and submitting the proposals or complaints

to the management board secretariat to the address: Jeddah, Al Yasmeen Center, King Road, Al Basateen District.

13.3 PROCEDURES FOR RECEIVING PROPOSALS AND OBSERVATIONS FROM SHAREHOLDERS AND INFORMING

NON-EXECUTIVE BOARD MEMBERS
Procedures for receiving suggestions and comments observations from shareholders and informing non-executive Board Members:

1. The Board of Directors’ Secretariat management receives all the suggestions and observations received from the shareholders via the means of communication.
2. The Secretary of the Board of Directors provides and immediately sends all received proposals and observations to the Chairman of the Board of Directors.
3. Shareholders’ proposals and observations are presented at the Board of Directors meetings, and passed across all members of the Board.
4. Response to proposals and observations will be made within five business days from the date of receiving the suggestion or observation.

13.4 SUGGESTIONS AND FEEDBACK RECEIVED FROM SHAREHOLDERS

In 2021, the Board Secretariat Management received a number of observations and suggestions from shareholders via the declared means of communication. Responses to shareholders suggestion and observation were made through the management of the Board Secretariat pursuant to the CMA’s Regulations.

Section 14

Committees

14



14. COMMITTEES

According to the Company's Articles of Association (AoA) and corporate governance regulation, an appropriate number of sub-committees from the Board are formed as per the Company's requirements, conditions and activities. This formation is also made in a manner that contributes to assisting the Board of Directors effectively perform the tasks assigned to it in accordance with such general procedures as set by the Board, including defining the committees responsibly, tenure, and powers granted during this period and how the Board will monitor the same. The Committees report to the Board of Directors, which in turn regularly monitors the performance of the committees, to verify that the duties and responsibilities are properly performed. In addition, the Board approves the work regulations of all the committees emanating from it. The General Assembly approves the work regulations of the "Audit Committee and the "NRC". The following Board committees have been formed

1. Audit committee.
2. Nominations and Remuneration Committee.
3. Executive committee.
4. Risk management committee.



14.1 FUNCTIONS AND RESPONSIBILITIES OF THE COMMITTEES AND THEIR MEETINGS DURING 2021

14.1.1 AUDIT COMMITTEE

1. Reviewing the Company's financial statements and announcements related to its financial performance before submitting the same to the Board of Directors, to ensure integrity, fairness and transparency, and expressing their opinion.

2. Providing technical opinion, upon the request of the Board of Directors, on whether the Board's report - and the Company's financial statements, are fair, balanced and understandable, or include such information allowing shareholders and investors to assess the Company's financial position, performance, business model and strategy.

3. Studying any important or unusual issues included in the financial reports and accounts.

4. Reviewing any issues or matters raised by the Company's CFO, whoever assumes his duties, the Company's compliance manager, or the internal auditor.

5. Verifying accounting estimates in any material issues included in the financial reports.

6. Studying accounting policies in force at the Company and providing opinion and recommendation to the Board of Directors in this regard.

7. Meeting with the Executive Management and external auditors to review and discuss the Company's quarterly operating results and annual financial statements, as well as all internal control reports or summaries.

8. Reviewing other relevant reports or financial information submitted by the Company to any governmental or general public agency and as well as the related reports submitted by the external auditors or summaries.

9. Studying and reviewing the internal and financial control systems, and preparing a written report including its recommendations and opinion on the adequacy of such systems and performance within the scope of its competence. The Board of Directors shall deposit sufficient copies of this report at the Company's head office at least ten days before the meeting of the General Assembly; to provide

shareholders with copy of the same upon request. The report shall be read during the General Assembly.

10. Reviewing the internal audit reports and following up on the implementation of corrective measures for the observations therein.

11. Monitoring and supervising performance and activities of internal auditor, the Internal Audit Department and the Corporate Governance and Compliance Department, to verify the sufficiency of the necessary resources and their effectiveness in performing the duties assigned thereto.

12. Where the Company does not have an internal auditor, the Committee shall submit its recommendation to the Board regarding the extent of necessity of appointment an internal auditor. If it has not recommended the same, it shall state the reasons on the annual report.

13. Recommending to the Board of Directors to appoint a manager of the internal audit unit or department or the internal auditor and suggesting his remuneration.

14. Recommending to the Board of Directors to appoint and dismiss external auditors, determine their fees and evaluate their performance, after ensuring their independence and integrity, and reviewing the scope of Directors to appoint and dismiss external auditors, determine their fees.

15. Verifying the independence and integrity of external auditors, and the effectiveness of audit activity, taking into account the relevant rules and standards.

16. Reviewing the Company's external auditors' plan and their duties, verifying that they have not submitted technical or administrative works that are outside the scope of the audit activity, and providing its their views thereupon.

17. Responding to inquiries of external auditors for the companies.

18. Studying reports of external auditors and observations on the financial statements and follow upon any actions thereon.

19. Actively participating in a discussion with the internal auditor, taking into account the disclosed relationships or services that may affect the independence and integrity of the auditor, and taking appropriate measures to supervise the independence of such external auditors.

20. Reviewing with external auditor about any problems or difficulties, and reviewing the Management's response.

21. Reviewing results of reports of regulatory authorities and verifying that the Company has taken the necessary actions in this regard.

22. Verifying the Company's compliance with the relevant laws, regulations, policies and instructions.

23. Reviewing such contracts and transactions as proposed to be conducted by the Company with related parties, and providing the Board of Directors with its opinion and what it deems necessary in this regard.

24. Submitting to the Board of Directors whatever issues it deems necessary to take action in their regard, and making recommendations on the steps need to be taken.

25. Monitoring and supervising performance and activities of the Manager of the Compliance Department, if any, to verify the sufficiency of the necessary resources and their effectiveness in performing the duties assigned thereto. Where the Company does not have a compliance officer, the Committee shall submit its recommendation to the Board regarding the extent of necessity of a compliance officer.

26. Recommending to the Board of Directors to appoint a manager of a unit or compliance department

or a compliance officer and suggesting his remuneration.

27. Discussing with the external auditor any matters in relation to financial or accounting practices.

28. Supervising any investigation of any such activities within its duties.

29. Studying and examining any such financial issues as determined by the Board.

AUDIT COMMITTEE MEMBERS

Committee members: As of 31 December 2021, the Committee includes the following members

NAME	MEMBERSHIP TITLE	TITLE
DR. OMAR BIN ABDULLAH JAFARI	NON-EXECUTIVE BOARD MEMBER	CHAIRMAN OF THE COMMITTEE
MR. MUHAMMAD ALI AL-YEMENI	INDEPENDENT BOARD MEMBER	COMMITTEE MEMBER
MR. SALEH ABDULRAHMAN AL-FADL	NON-BOARD MEMBER	COMMITTEE MEMBER
MR. HISHAM ALI AL-AQEL	NON-BOARD MEMBER	COMMITTEE MEMBER
MR. ADEL ABUL KHAIL	NON-BOARD MEMBER	COMMITTEE MEMBER

COMMITTEE MEETINGS

During the year 2021 the Audit Committee conducted 5 meetings successfully.

MEMBER NAME	FIRST 06/03/2021	SECOND 29/05/2021	THIRD 14/08/2021	FOURTH 06/11/2021	TOTAL
DR. OMAR BIN ABDULLAH JAFARI	PRESENT	PRESENT	PRESENT	PRESENT	5
MR. MUHAMMAD ALI AL-YEMENI	PRESENT	PRESENT	PRESENT	PRESENT	5
MR. SALEH ABDULRAHMAN AL-FADL	PRESENT	PRESENT	PRESENT	PRESENT	5
MR. HISHAM ALI AL-AQEL	PRESENT	PRESENT	PRESENT	PRESENT	5
ADEL SALEH ABALKHAIL	PRESENT	PRESENT	PRESENT	PRESENT	5

14.1.2 NOMINATIONS AND REMUNERATION COMMITTEE

The Committee shall be composed of three to five non-executive members of the Board of Directors. The Committee’s Charter shall be approved by the General Assembly of the Corporation. The Committee shall meet periodically and hold at least two meetings a year or whenever necessary. The Company has taken into consideration the harmonization of the Committee’s work regulations in accordance with the supervisory directives. The Committee’s rules of procedure were amended and were approved at the General Assembly meeting of the Company held on 24/04/2019. As stipulated in the organizational directives, the Committee has the following functions:

- Roles and Responsibilities:
- The Nomination and Remuneration Committee (NRC) is responsible for the following roles and responsibilities:
- 1- Proposing clear policies and standards for Board membership and Executive Management.
 - 2- Recommending to the Board of Directors to nominate its members and re-nominate them in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a breach of trust.
 - 3- Preparing a description for the capabilities and qualifications required for Board membership and Executive Management positions, and determining the time for a member to dedicate to the work of the Board of Directors.
 - 4- Conducting annual review of the necessary requirements of skills or appropriate expertise for Board Membership and Executive Management positions.
 - 5- Reviewing the structure of the Board of Directors and Executive Management, and making recommendations regarding possible changes.
 - 6- Conducting annual verification for the independence of the independent members, and the absence of any conflict of interest

- if the member is a member of the Board of Directors of another company.
- 7- Establishing job descriptions for executive members, non-executive members, independent members and senior executives.
 - 8- Setting up special procedures if a position of a member of the Board of Directors or a senior executive becomes vacant.
 - 9- Identifying the Board of Directors’ weaknesses and strengths, and proposing solutions to address the same in line with the Company’s interest.
 - 10- Preparing a clear policy for the remuneration of the Board Members and the Committees emanating from the Board and the Executive Management, and submitting the same to the Board of Directors for consideration in preparation for approval by the General Assembly. Provided that the following standards related to performance should be taken into account in this policy, disclosure and verification of their implementation.
 - 11- Making clear the relationship between the actual remunerations and the applicable remuneration policy, and indicating any material deviation from this policy.
 - 12- Carrying out periodic review of the remuneration and compensation policy, and evaluating its effectiveness in achieving the desired objectives.
 - 13- Recommending to the Board of Directors the remuneration of the Board Members and the Committees emanating from it and the senior executives in accordance with the approved policy.
 - 14- Conducting comprehensive consideration of the senior executive replacement plan as part of the Committee’s duties, taking into account the opportunities and challenges, as well as such skills and experience as required in the future for the the Board Members.
 - 15- Approving the appointment of the Company’s senior executives, proposing and implementing replacement policies for the Board and its Committees and for the executive leadership of the Company.

- 16- Setting clear compensation and remuneration policies for the Board Members and senior executives, to be implemented after approval by the General Assembly in accordance with the Articles of Association. Upon setting such policies, all criteria the Committee deems necessary shall be considered, including the relevant legal and regulatory requirements, and provisions and recommendations of the Corporate Governance Regulation and guidelines. The purpose of this policy is to ensure that the members of the Executive Management of the Company receive the appropriate incentives to improve Performance, and that they are rewarded fairly and in an acceptable way for their individual contributions to success of the Company.
- 17- Approving the design of any plans as implemented by the Company to link remuneration to performance and determining targets, and recommending the approval of the

- total amount to be paid for such plans.
- 18- Reviewing and studying design of all plans related to share incentives to be presented to the Board of Directors and General Assembly for approval. Within such plans, the Committee shall determine whether to grant any shares and the total value of such shares, the share granted to each of the members of the executive Board and other members of the Executive Management. It also specifies the performance targets upon which such shares are offered.
 - 19- The Committee shall recommend to the Board of Directors to approve the determination of appropriate performance measures, along with setting performance remuneration budgets on achieving the Company’s strategic objectives and profit against risk, in order to pay remuneration for annual performance and longterm performance.

NOMINATIONS AND RUMENRATION COMMITTEE MEMBERS

Committee members: As of 31 December 2021, the Committee includes the following members

NAME	TITLE
ENG. SALEH BIN AHMED HEFNI - INDEPENDENT BOARD MEMBER	CHAIRMAN OF THE COMMITTEE
MR. MOHAMMED ALI AL-YEMENI - INDEPENDENT BOARD MEMBER	COMMITTEE MEMBER
MR. AHMED AL-SUDAIS - NON-BOARD MEMBER	COMMITTEE MEMBER

COMMITTEE MEETINGS

During 2021, the Nominations and Rumenration Committee held four meetings. The members of the Committee attended as shown below

MEMBER NAME	FIRST 31/01/2021	SECOND 02/03/2021	THIRD 07/06/2021	FOURTH 29/12/2021	TOTAL
ENG. SALEH AHMED HEFNI	PRESENT	PRESENT	PRESENT	PRESENT	4
MR. MUHAMMAD ALI AL-YEMENI	PRESENT	PRESENT	PRESENT	PRESENT	4
MR. AHMAD AL-SUDAIS	PRESENT	PRESENT	PRESENT	PRESENT	4



14.1.3 EXECUTIVE COMMITTEE

The Executive Committee consists of three to five Board Members, and it meets regularly every two months or as required. The Company has considered the harmonization of the Committees work regulations in accordance with the supervisory directives. This is reflected as the Committees work rules have been amended, and approved by the Board on 28.11.2017. The Committee shall be responsible for the following duties:

ROLES AND RESPONSIBILITIES

A) The Executive Committee assists the CEO within the powers delegated to him by the Board of Directors and within the powers of the Committee granted to it by the Board. It also addresses any such issues as assigned to it by the Board. The Committee has no authority to alter any decision issued by the Board or rules or regulations unless it is authorized by the Board.

b) The Committee shall undertake all the duties assigned to it by the Board. The Board of Directors may assign the Committee any other tasks as required by the Board and the duties assigned to it. In this regard, the Committee shall carry out the following responsibilities:

1. Reviewing business performance reports, human resources reports, investor relations reports, and social shares report.
2. Monitoring progress reports of annual operating plans, initiatives, cost challenges, major strategic projects, etc.
3. Ensure to reviewing Executive Management reports, offers, and clarifications, as it deems necessary for the same.
4. Considering financial reports, shareholder reports, reports of authorized signatories on the Company, reports of the legal affairs department and secretariat, reports on financial affairs and

operational aspects in relation to the daily management of the Company’s activities, etc.

5. Recommending approval of the annual operating plan, strategic plan, investment strategy, and credit facilities / business matters outside the risk limits as set by the Board of Directors, etc.
6. Briefing and perusal of the main issues and issues as presented to the CEO or the Executive Management by the internal administrative Committees.
7. Assisting the CEO within the Committee’s powers regarding matters referred to by him or by the Board, such as regulatory approvals, etc.
8. Considering and approving the special and necessary approvals for the Company’s expenses and obligations in relation to its activities, as well as real estate and property including rents, among others, as well as support services, and approving them within the limits set by the Board.
9. Considering the costs of projects and expenses of support services, such as security, safety, maintenance, etc., and approving them.
10. Directing the Company departments, in general, and the property management and support services, in particular, in such matters related to property and support services.
11. The Committee shall review its performance, status, and work rules at least once a year to ensure that the Committee performs duties at maximum effectiveness and recommend any changes it deems appropriate for the Board of Directors’ approval.
12. The Committee shall carry its work in addition to such powers granted to it by the Board of Directors in accordance with the Company’s Articles of Association.

MEMBERS OF THE EXECUTIVE COMMITTEE

Committee members: As of 31 December 2021, the Committee includes the following members

NAME	TITLE
ENG. KHALED QASSEM AL-BUAINAIN - INDEPENDENT CHAIRMAN OF THE BOARD	CHAIRMAN OF THE COMMITTEE
MR. OMAR ABDULLAH JAFRI, NON-EXECUTIVE BOARD MEMBER	COMMITTEE MEMBER
MR. MANSOUR ABDULAZIZ AL-BUSAILI - INDEPENDENT BOARD MEMBER	COMMITTEE MEMBER
ENG. SALEH BIN AHMED HEFNI- INDEPENDENT BOARD MEMBER	COMMITTEE MEMBER
MR. PER UTNEGAARD- INDEPENDENT BOARD MEMBER	COMMITTEE MEMBER

EXECUTIVE COMMITTEE MEETINGS

During 2021, the Executive Committee held three meetings. The members of the Committee attended as shown below

MEMBER NAME	FIRST 16/02/2021	SECOND 05/08/2021	THIRD 11/11/2021	TOTAL
ENG. KHALID QASIM AL-BUAINAIN	PRESENT	PRESENT	PRESENT	3
DR. OMAR BIN ABDULLAH JAFARI	PRESENT	PRESENT	PRESENT	3
MR. MANSOUR ABDULAZIZ AL-BUSAILY	PRESENT	PRESENT	PRESENT	3
ENG. SALEH AHMED HEFNI	PRESENT	PRESENT	PRESENT	3
MR. PER UTNEGAARD	PRESENT	PRESENT	PRESENT	3



14.1.14 RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of three to five Independent and Non-Executive Board Members. Certain Committee members may be selected from non-Board members. The Committee members shall be appointed by a resolution by the Board. The Committee meets regularly every quarter or as required. The Company has considered the harmonization of the Committee’s work regulations in accordance with the supervisory directives. The Committee shall be responsible for the following duties:

ROLES AND RESPONSIBILITIES

The Committee is responsible for monitoring the work of the Company’s risk management and providing consultation to the Board of Directors on all matters related to high-level risks in relation to the Company’s various activities. This is in addition to providing strategic risk guidance, including setting a risk vision, deciding on priorities and supervising the implementation of key initiatives, transformational risks. In the context of its responsibility, it shall provide any such advice to the Board, and shall handle the treatment of issues related to the following:

- a. The level of the Company’s exposure to current and future risks.
- b. Evaluating and managing risk profile and future risk strategy.
- c. The Company’s Risk management.

To achieve this, the Committee shall be responsible for the following:

- 1) Setting a comprehensive risk management strategy and policies in line with the nature and size of the Company’s activities, verifying and reviewing their implementation and updating them based on the internal and external requirements of the Company.
- 2) Reviewing policies and procedures for risk management and submitting recommendations to the Board of Directors for approval, .and reviewing them regularly (once every two years at least)
- 3) Determining and maintaining an acceptable level of risk that the Company may be exposed to, and verifying that the Company does not exceed such level.
- 4) Identifying such risks threatening continuation of the Company.
- 5) Supervising the Company’s risk management

system and evaluating the effectiveness of the systems and mechanisms for identifying, measuring and following up the risks to which it may be exposed; to identify any deficiencies.

- 6) Periodically reassessing the Company’s ability to withstand risks and its exposure to them, including but not limited to conducting stress testing.
- 7) Preparing detailed reports on exposure to risks and proposed steps for managing and mitigating these risks, and submitting them to the Board of Directors.
- 8) Submitting recommendations to the Board on matters related to risk management.
- 9) Ensuring the sufficiency of adequate resources and systems for risks management.
- 10) Reviewing the organizational structure of risk management and making recommendations regarding it prior to being approved by the Board of Directors.
- 11) Verifying the independence of the risk management staff from the activities that may give arise to exposing to risks.
- 12) Verifying that the risk management staff understand the risks to which the Company is exposed, and working to increase awareness of the risk culture.
- 13) Reviewing business continuity policy and submitting recommendations to the Board of Directors for 12.4 Risk Management Committee approval, ensuring that it is reviewed regularly (every year at least), and ensuring that the annual business continuity implementation plan and reports are reviewed.
- 14) Reviewing and examining such security reports, fraud risk reports, compliance reports as received by the Executive Management, and assessing the level of risks of such aspects.
- 15) Reviewing effectiveness of the Company’s risk management framework and internal control systems (other than internal financial control systems). To this end, the Committee shall:
 - Ensure that adequate procedures are in place to properly and timely control of the major risks or such types of risks that may become relevant of particular importance;
 - Ensure that sufficient procedures are in place to justify the request to adhere to the Company’s policies.
 - Consider any significant inputs derived from the results of regular reviews and interactions

with regulatory bodies regarding risk governance, risk assessment, or administrative procedures.

- Discuss internal control systems with the Executive Management and ensure that the management is fulfilling its obligations regarding maintaining an effective internal control system.
- Ensure that effectiveness of risk management has adequate resources and systems (including consideration of qualifications and experiences of employees, training programs and budgeting), that it has the appropriate standing inside the Company, and is not subject to any restrictions or otherwise as imposed by management.
- Request assurances from the internal audit that the internal control processes for managing risks are adequate for such strategy a set by the Board.
- Where applicable, the Committee shall “recommend and submit to the Board of Directors for” approval the appointment and dismissal of the general manager of risk management, and evaluation of his performance.

The Committee shall ensure that he:

- a. Takes part in risk management and control process at the highest level on a company-wide basis.
- b. Verifies that the risk creators at the business units are informed and in line with the company’s risk appetite.

- c. Has a completely independent position from individual work units.
- d. Cannot be dismissed from office without prior approval of the Committee.
- e. Has a direct access to the Committee’s chairperson as required.

16) On an annual basis, the Committee will review its rules of operation and effectiveness within the framework of self-evaluation, and recommend to the Board of Directors any such amendments as it deems necessary.

17) If the Executive Management requests non-compliance with any of the Company’s policies in an exceptional basis (due to emergency circumstances or otherwise), it shall submit it to the Risk Management Committee and obtain the necessary approval after determining the duration of non-compliance and causes to determine risks of such non-compliance.

18) The Company and the Executive Management shall submit the following to the Risk Management Committee:

- a. Strategic projects the Company intends to implement.
- b. Change (s), if any, to policies and procedures.

To enable Committee to study and evaluate such risks arising out of such projects and variables, and submit the same to the Board of Directors for final approval

MEMBERS OF THE RISK COMMITTEE

Committee members: As of 31 December 2021, the Committee includes the following members

NAME	TITLE
MR. MOHAMMED ALI AL-YEMENI - INDEPENDENT BOARD MEMBER	CHAIRMAN OF THE COMMITTEE
MR. MANSOUR ABDULAZIZ AL-BUSAILI - INDEPENDENT BOARD MEMBER	COMMITTEE MEMBER
MR. ABDULRAHMAN MOHAMMED ADASS – NON-BOARD COMMITTEE MEMBER	COMMITTEE MEMBER
MR. MOHAMMED SAAD DAOUD - NON-BOARD COMMITTEE MEMBER	COMMITTEE MEMBER

COMMITTEE MEETINGS

During 2021, the Risk Committee held four meetings. Members of the Committee attended as shown below

MEMBER NAME	FIRST 25/03/2021	SECOND 01/07/2021	THIRD 20/09/2021	FOURTH 05/12/2021	TOTAL
MR. MUHAMMAD ALI AL-YEMENI	PRESENT	PRESENT	PRESENT	PRESENT	4
MR. MANSOUR ABDULAZIZ AL-BUSAILY	PRESENT	PRESENT	PRESENT	PRESENT	4
MR. ABDUL RAHMAN MOHAMMED ADASS	PRESENT	PRESENT	PRESENT	PRESENT	4
MR. MOHAMED SAAD DAOUD	PRESENT	PRESENT	PRESENT	PRESENT	4

BOARD MEMBERS OF SUBSIDIARIES:

1- Saudi Amad for Airport Services & Transport Support Co (SAAS)

Saudi Amad for Airport Services & Transport Support Co (SAAS) board members consisted in its first cycle which concluded on 31/12/2021 of the following six members:

1. Engr. Khalid Q. Al Buenain Chairman, SAAS
2. Mr. Farid J. Al Harazi, Deputy Chairman
3. Eng. Saleh A. Hefni, Member of the Board
4. Cpt. Fahd H. Sendi, Member of the Board
5. Eng. Khaled M. Radwan, Member of The Board
6. Mr. Nizar F. Al Harazi, Member of the Board

Saudi Amad for Airport Services & Transport Support Co (SAAS) board members consisted in its second cycle which concluded on 01/01/2022 of the following six members:

1. Engr. Khalid Q. Al Buenain Chairman, SAAS
2. Mr. Farid J. Al Harazi, Deputy Chairman
3. Mr Raed Al-Idrissi, Member of The Board
4. Mr. Qayed Al-Otaibi, Member of the Board
5. Cpt. Fahd H. Sendi, Member of the Board
6. Mr. Mohammed Mazi, Member of The Board
7. Eng. Khaled M. Radwan, Member of the Board

TLD ARABIAN EQUIPMENT COMPANY:

1. Fabrice Denninger, Chairman
2. Séverine Delecourt, Board Member
3. Raed Al-Idrissi, Board Member
4. Mohammed Mazi, Board Member



14.2 EVALUATION OF THE BOARD OF DIRECTORS AND COMMITTEES

In line with the corporate governance parameters adopted by the Company, the Company has developed a process of evaluation forms for the Board of Directors and its Committees, and also automated the evaluation tools under the framework of the policies guide and for the Company's corporate governance regulation. The Evaluation has been divided into several sections as follows:

1. Evaluation of effectiveness of the Board of Directors.
2. Evaluation of effectiveness of the Audit Committee.
3. Evaluation of Risk Management Committee.
4. Evaluation of effectiveness of the NRC.
5. Evaluation of effectiveness of the Executive Committee.

The evaluation processes carried out internally by the Corporate Governance Department under direct guidance of the NRC have been taken into consideration. The results of the evaluation process made at the individual and collective levels will be submitted and presented to the Board during the first quarter of 2022

14.3 BOARD OF DIRECTORS' REMUNERATION

14.3.1 BOARD MEMBERS' REMUNERATION POLICY

The Ordinary General Assembly, held on 05.24.2018, approved the remuneration and compensation policy for members of the Board of Directors. In general, the compensation and remuneration paid to the members of the Board of Directors and non-Board members are determined under such frameworks as defined by instructions issued by the supervisory

authorities. They are governed by the main principles of governance of corporates operating in the Kingdom, as well as such compensation controls as issued by the competent authorities, the Corporate Governance Regulations issued by the CMA, the provisions of the Companies Law, the Company's Articles of Association, and the SGS Governance Regulations. The Company has taken into account that the level and composition of remuneration of the Board Members is sufficient and reasonable to attract and maintain distinguished individuals in order to achieve the duties to be assigned to them. It is stipulated in the Rules for nominations and rewards that taking into account avoiding the development of any plans, policies or programs for compensation and rewards exceeding the recognized principles or as stipulated by the supervisory authorities.

14.3.2 REMUNERATION AND COMPENSATION FOR BOARD MEMBERS

Subject to the provisions of the Company's Articles of Association, the remuneration for Board membership shall be according to the following:

1. A Board member receives a lump sum amount as a remuneration by SAR 300,000 on an annual basis, it is also for their participation in the Company's business. While the Chairman of the Board receives a lump sum amount as a remuneration of SAR 380,000 on an annual basis. The annual remuneration and compensation paid to the Chairman and Board Member shall not exceed the amount of SAR 500,000 on an annual basis.
2. The Chairman and Board member receives an amount of SAR 3,000 for attending each meeting of the Board, whether in physical attendance or through any of remote communication means. Remuneration and compensation for Board Members within the work of Board Committees Compensation of the Audit Committee Members: Committee members shall receive remuneration

and compensation as follows

a. A Board member shall receive an allowance for participation in the work of the subcommittees of the Board of Directors. This compensation shall be a lump sum amount, on an annual basis, according to the following:

1. Members of the Executive Committee: SAR 80,000 .
2. Members of the NRC: SAR 80,000 .
3. Members of the Risk Management Committee: SAR 80,000.

b. Noting that if the Board of Directors decides to establish any other sub-Committee, the members of such committee will receive the same compensation amount.

c. The chairman and member of committees receives an amount of SAR 3,000 for attending each meeting of the Board, whether in physical attendance or through any of remote communication means.

1. Remuneration for Committee membership of non-executive and independent Board Members: Up to SAR 80,000 annually.

2. Remuneration for Committee membership for non-Board members: a lump sum amount as compensation and compensation their participation in Committee work; i.e. SAR 150,000 annually.

3. The chairman and member of committee (whether a Board member or a non-Board member) receives an amount of SAR 3000 for attending each meeting of the Board, whether in physical attendance or through any of remote communication means.

3. The Company shall pay all actual expenses incurred by the Chairman and Board member for attending the Board meetings, including travel and accommodation expenses.

14.3.3 COMPENSATION OF COMPANY BOARD MEMBERS IN THE WORK OF THE BOARD COMMITTEES

Remuneration and compensation for Board Members within the work of Board Committees

a. A Board member shall receive an allowance for participation in the work of the subcommittees of the Board of Directors. This compensation

shall be a lump sum amount, on an annual basis, according to the following:

1. Members of the Executive Committee: SAR 80,000.
2. Members of the NRC: SAR 80,000
3. Members of the Risk Management Committee: SAR 80,000.

b. Noting that if the Board of Directors decides to establish any other sub-Committee, the members of such committee will receive the same compensation amount.

c. The chairman and member of committees receives an amount of SAR 3,000 for attending each meeting of the Board, whether in physical attendance or through any of remote communication means.

Compensation of the Audit Committee Members:

Committee members shall receive remuneration and compensation as follows Remuneration for Committee membership of non-executive and independent Board Members: Up to SAR 80,000 annually.

2. Remuneration for Committee membership for non-Board members: a lump sum amount as compensation and compensation their participation in Committee work; i.e. SAR 150,000 annually.

3. The chairman and member of committee (whether a Board member or a non-Board member) receives an amount of SAR 3000 for attending each meeting of the Board, whether in physical attendance or through any of remote communication means.

14.3.4 REMUNERATION FOR MEMBERS OF THE AUDIT COMMITTEE

Members of the Committee shall receive remuneration and allowances in accordance with the following:

1. Remuneration of the membership of the Committee from non-executive and independent members of the Board of Directors: With a maximum amount of (80,000 SAR) only eighty thousand SAR, only annually.

2. Remuneration for committee membership from non (outside) members of the Board of Directors: A lump sum as compensation and allowance for his participation in the committee's work is (150,000 SAR) only one hundred and fifty thousand SAR annually.

3. The chairman of the committee members (whether from inside or outside the board) gets an amount of (3000 SAR) only three thousand SAR in return for attending each session of the council committees of which he is a member, whether he attends directly or through any of the features of remote communication

14.3.5 COMPENSATION OF COMMITTEE MEMBERS FROM OUTSIDE THE COMPANY'S BOARD OF DIRECTORS

Compensation of Committee members for non-Board Members Pursuant to the provisions of the supervisory instructions set forth in the provisions of the Companies Governance Regulations, the rules and provisions for the work of the Committees of the Company's Board of Directors, and in accordance with the rules governing the work of the audit Committees issued by the Ministry of Commerce and Industry for the work of the Audit Committee, non-Board members shall appointed to participate in the work of the committees and their activities. The following conditions shall govern the compensations paid to such non-Board members:

1. A non-Board member of the committee of the Board shall receive a lump sum amount as compensation and compensation their participation in Committee work; i.e. SAR 150,000 annually.
2. A non-Board member shall receive an amount of SAR 3,000 for attending each meeting of the Board, whether in physical attendance or through any of remote communication means.
3. The Company pays all actual expenses incurred by a non-Board member of Board for attending the Board meetings, including travel and accommodation expenses.

14.3.6 DETERMINATION OF THE BOARD OF DIRECTORS' REMUNERATION

The remuneration of the Board Members shall determined on an annual basis, ensuring that the members take part in the work and activities of the Board and the Committees during the fiscal year. Attendance compensations shall also be paid for each of the Board and Committee meetings on an annual basis on the actual attendance. The remuneration assigned to the Board members and the committee members shall be paid on the basis of membership for a period of 365 days, where the remuneration shall be determined on the basis of the term of appointment at the Board and committees on a daily basis.

14.3.7 REMUNERATION OF THE EXECUTIVE MANAGAMENT

The company does not have an executive management bonus policy and is granted salaries, allowances, compensation and bonuses as part of the company's human resources policy and in accordance with their employment contracts

14.3.8 RELATIONSHIP BETWEEN REWARDS AND POLICY

Relationship between remuneration and relevant policy.

The Board of Directors acknowledges that the remuneration paid to the Board Members and Committees (both Board Members and Non-Board Members) has been approved to be paid in accordance with the remuneration policy approved by the General Assembly of shareholders and in accordance with the Company's Articles of Association. In this regard, there is no deviation from the policy and the remuneration was approved under the supervision of the NRC.

REMUNERATION AND COMPENSATION FOR BOARD MEMBERS

Fixed remuneration (SAR) for the period 10-10-12-2021 up to 13-21-2021

	CERTAIN AMOUNT	ATTENDANCE AT MEETINGS OF THE BOARD	TOTAL COMMITTEE ATTENDANCE ALLOWANCE	IN-KIND ADVANTAGES	REMUNERATION FOR TECHNICAL, ADMINISTRATIVE AND ADVISORY WORK	REMUNERATION OF THE CHAIRMAN OF THE BOARD, THE MANAGING DIRECTOR OR THE SECRETARY, IF SUCH	TOTAL
FIRST: INDEPENDENT MEMBERS							
KHALID QASIM AL-BUAINAIN	-	12,000	9000	-	-	4460,000	481,000
MANSOUR ABDULAZIZ AL-BUSAILY	-	12,000	21,000	-	-	460,000	493,000
MUHAMMAD ALI AL-YEMENI	-	12,000	39,000	-	-	555,000	606,000
OMAR BIN ABDULLAH JAFARI	-	12,000	24,000	-	-	475,000	511,000
SALEH AHMED HEFNI	-	12,000	21,000	-	-	460,000	493,000
UNNO BOOTS	-	12,000	-	-	-	300,000	312,000
PIERRE UTENGWARD	-	12,000	9000	-	-	380,000	401,000
TOTAL		84,000	108,000	-	-	3,090,000	3,297,000
SECOND: NON-EXECUTIVE MEMBER							
FAHAD HAMZA SINDI	-	12,000	9000	-	-	347,726.03	368,726.03
CON CORVIATIS	-	12,000	-	-	-	300,000	312,000
TOTAL	-	24,000	9000	-	-	647,726.03	680,726.03

	PROFIT RATIO	PERIODIC REWARDS	SHORT-TERM INCENTIVE	LONG-TERM INCENTIVE	AWARDED SHARES (VALUE ENTERED)	TOTAL	END-OF-SERVICE BENEFIT (SAR)	GRAND TOTAL (SAR) PAID TO THE MEMBER AFTER DEDUCTING ANY AMOUNT THAT EXCEEDS THE LEGAL LIMIT	EXPENSE ALLOWANCE
FIRST: INDEPENDENT MEMBERS									
KHALID QASIM AL-BUAINAIN	-	-	-	-	-	-	-	481,000	-
MANSOUR ABDULAZIZ AL-BUSAILY	-	-	-	-	-	-	-	493,000	-
MUHAMMAD ALI AL-YEMENI	-	-	-	-	-	-	-	606,000	-
OMAR BIN ABDULLAH JAFARI	-	-	-	-	-	-	-	511,000	-
SALEH AHMED HEFNI	-	-	-	-	-	-	-	493,000	-
UNO BOTS	-	-	-	-	-	-	-	312,000	-
PIERRE OTENGWARD	-	-	-	-	-	-	-	401,000	-
TOTAL	-	-	-	-	-	-	-	3,297,000	-
SECOND: NON-EXECUTIVE MEMBER									
FAHAD HAMZA SINDI	-	-	-	-	-	-	-	368,726.03	-
CON CORVIATIS	-	-	-	-	-	-	-	312,000	-
TOTAL	-	-	-	-	-	-	-	680,726.03	-

Pursuant to Article (76) of the Companies Regulations, the total annual remuneration and compensation granted to a chairman or a board member shall not exceed the statutory ceiling of 500,000 SAR per year.

14.3.9 REMUNERATION AND COMPENSATION FOR SENIOR EXECUTIVES

DESCRIPTION	SIX SENIOR EXECUTIVES (INCLUDING FORMER CEO, CURRENT CEO AND FINANCIAL DIRECTOR) (SAR)
SALARIES	5,686,459
ALLOWANCES	3,052,408
IN-KIND PROFITS	-
TOTAL	8,738,867
PERIODIC REWARDS (BY EMPLOYMENT CONTRACT)	5,378,000
DIVIDENDS, SHORT/LONG TERM INCENTIVE PLANS, AWARDED SHARES	-
TOTAL	5,378,000
END-OF-SERVICE BENEFIT	273,666
TOTAL EXECUTIVE AWARD, IF ANY	-
GRAND TOTAL	14,390,533

All job occupancy was calculated during the period from1-1-2021 to 31-12-2021

* The company committed to disclose the elements of the senior executives remuneration in to-
tal in accordance with the statutory requirements of Article 93, paragraph 4 (b), of the Corporate
Governance Regulation, however, in order to protect the interests of the company, its shareholders
and employees and to avoid any damage that may arise from disclosing any detailed by title such
details are not presented as stipulated in Appendix 1 on the senior executives of the corporate
governance regulations.



14.4 REMUNERATION OF COMMITTEE MEMBERS

Audit Committee member remuneration details

NAME	FIXED REWARDS (SAR)	MEETING ATTENDANCE ALLOWANCE (SAR)	TOTAL (SAR)
DR. OMAR ABDULLAH JAFARI	80,000	15,000	95,000
MR. MOHAMMED AL-YAMANI	80,000	15,000	95,000
MR. SALEH ABDULRAHMAN AL-FADL	150,000	15,000	165,000
MR. HISHAM ALI AL-AKEL	150,000	15,000	165,000
MR. ADEL ABUL KHAIL	150,000	15,000	165,000
TOTAL	610,000	75,000	685,000

Details of remuneration of nominations committee members

NAME	FIXED REWARDS (SAR)	MEETING ATTENDANCE ALLOWANCE (SAR)	TOTAL (SAR)
ENG. SALEH HEFNI	80,000	12,000	92,000
MR. MOHAMMED AL-YAMANI	80,000	12,000	92,000
MR. AHMAD AL-SUDAIS	150,000	12,000	162,000
TOTAL	310,000	36,000	346,000

Details of remuneration of Executive Committee members

NAME	FIXED REWARDS (SAR)	MEETING ATTENDANCE ALLOWANCE (SAR)	TOTAL (SAR)
ENG. KHALID QASIM AL-BUAINAIN	80,000.00	9,000	89,000.00
DR. OMAR ABDULLAH JAFARI	80,000.00	9,000	89,000.00
MR. MANSOUR ABDULAZIZ AL-BUSAILY	80,000.00	9,000	89,000.00
ENG. SALEH AHMED HEFNI	80,000.00	9,000	89,000.00
MR. PER UTNEGAARD	80,000.00	9,000	89,000
TOTAL	400,000	45,000.00	445,000

Details of remuneration for members of the Risk Management Committee

NAME	FIXED REWARDS (SAR)	MEETING ATTENDANCE ALLOWANCE (SAR)	TOTAL (SAR)
MR. MOHAMMED AL-YAMANI	80,000	12,000	92,000.00
MR. MANSOUR ABDULAZIZ AL-BUSAILY	80,000	12,000	92,000.00
MR. ABDUL RAHMAN MOHAMMED ADASS	150,000	12,000	162,000.00
MR. MOHAMED SAAD DAOUD	150,000	12,000	162,000.00
TOTAL	460,000	48,000	508,000.00

The Board of Directors approved the decision to form an AD-HOC committee for transformation, investment and the assignment of a number of projects. The committee did not practice its work continuously, its meetings were attended within the meetings of the company’s executive committee, and the disbursement of remuneration was calculated within the remuneration of the committees established by the Board:

NAME	FIXED REWARDS (SAR)	MEETING ATTENDANCE ALLOWANCE (SAR)	TOTAL (SAR)
CAPT. FAHD HAMZA CYNNDY	73,205.48	9,000	82,205.48
TOTAL	73,205.48	9,000	82,205.48

14.5 REMUNERATION OF MEMBERS AGAINST TECHNICAL, ADMINISTRATIVE OR CONSULTING WORKS

The Board of Directors acknowledges that during 2021 there were no payments made to Board members as employees, administrators or equivalent of substantive, administrative or advisory work.

Section 15

Sanctions/Penalties

15



15. SANCTIONS/PENALTIES

The Company practices the business and activities thereof in accordance with the applicable laws, regulations and guidelines, observed thereby in letter and spirit. During 2021, no sanctions or penalties are imposed on the Company by the relevant supervisory bodies.

16. RESULTS;OPINION OF AUDIT COMMITTEE ON INTERNAL CONTROL SYSTEM

16.1 INTERNAL AUDIT FINDINGS

The Company adopts a framework of internal control based on the three lines of defense. The different business sectors of the Company adapts the activities with the applicable laws and regulations. The Internal Control Departments, consisting of the Compliance, Risk, Security and Safety divisions, play the role of the second line of defense. They assess, measure and control the different levels of risks in terms of operations, credit, information security, conformity with the controls enforced to ensure that the Company fulfills the statutory requirements. Such Departments submit periodical reports to the subcommittees of the Board (Executive, Auditing, Risk Committees). The Internal Audit Department conducts the task of the third line of defense concerned with making inspections and audits required for making sure that the Company and affiliates thereof comply with the policies of procedural work manuals based on the internal audit works implemented during the fiscal year of 2020 for the different departments in the Company.

16.2 AUDIT COMMITTEE OPINION

One of the responsibilities and roles of the audit committee is to ascertain the adequacy of the internal control of the company and to conduct its work in accordance with established best practices, by following up and examining reports issued by the internal or external auditor or the compliance department. The

audit committee's opinion on the adequacy of the company's internal control system is as follows:

Executive Management:

The company's executive management has signed declarations affirming its responsibility to provide internal control procedures to ensure the effectiveness and efficiency of the company's operations and control procedures, including the credibility and integrity of the financial reports and the compliance with the regulations, laws and policies.

The company's internal audit department also implements the annual audit plan approved by the Audit Committee to assess the application of internal control, focusing on the evaluation of the regulatory environment, organizational structure, risks, policies and procedures, the segregation of tasks and information systems by randomly sampling planned activities for audit to ascertain the effectiveness and efficiency of the internal control systems designed and applied, and obtaining assurances of the effectiveness and efficiency of internal control procedures during the year.

The Audit Committee ensured that the External Auditor undertook the responsibilities towards the company by following up on the plans and implementing the audit work to obtain a high degree of satisfaction that the accounting standards, which are recognized in Saudi Arabia, were applied in the company and that the quarterly and annual financial statement results of the company lack any material faults, in accordance with the unreserved opinion of the external accountant during 2021. Based on the annual examination of the internal control procedures subject to the test by the Audit Committee, External Auditor and the internal audit department of the company,

the results of this examination indicated that there were several of observations during 2021 and most of them were addressed. Therefore it is not possible to emphasize the comprehensiveness of the internal audit procedures and evaluations conducted in the Kingdom, as they are based on random sampling efforts. The above improvement, and the developments are ongoing by the Committee and the company's internal control departments to ensure more effective and efficient follow-up mechanism to internal control processes and procedures.

16.3 AUDIT COMMITTEE RECOMMENDATIONS

The recommendations of the Audit Committee are not issued and there was not any conflict between such recommendations and resolutions of the board. Besides, the board did not further reject considering the same.

17. DETAILS OF THE COMPANY'S SOCIAL CONTRIBUTIONS

In line with its values of innovation, excellence and sustainability, the Saudi Ground Service Company has continued to strengthen its position by being at the forefront in providing innovative solutions to serve society through a series of activities and programs aimed at serving society and achieving sustainable development in accordance with its strategy, in addition to its keenness to instill and promote the concepts of awareness and social culture and to support the participation of its employees in these programs. Below are some of the initiatives and achievements of the company during 2021:

17.1 SOCIAL RESPONSIBILITY

1. Awareness-raising event held at headquarters on the occasion of the April Autism Awareness Month in cooperation with the First Autism

Center in Jeddah.

2. Coordinate blood donation campaigns at the headquarters in Jeddah and at the Dammam station, in solidarity with the «Golden February» campaign in cooperation with the Sanad charitable organization to support children suffering from cancer in February.

3. Coordination of a Blood Donation Campaign at headquarters on the occasion of International Blood Donor Day, in cooperation with the King Abdullah Medical Complex in Jeddah in June.

4. Participation in the Earth Hour global initiative to remind people of the importance of rationalizing electricity consumption at the company's headquarters in March.

5. Awareness session on Breast Cancer Awareness month held in collaboration with East Jeddah Hospital at headquarters in October.

6. Coordination with Nama charity to collect Zakat Al-Fitr in May.

17.2 PUBLIC APPEARANCES

1. Interview with the Chief Executive, Mr. Raed Al-Idrissi, as part of the company's participation in the Dubai Air Show, held between 14-18 November 2021.

2. Interview with Al-Ekhbariya TV on November 9, 2021 by the Deputy Chief Executive for Finance.

3. Interview with Arab CNBC TV on November 8, 2021 by the Deputy Chief Executive for Finance, MR. Mohammed Mazi.

4. Press coverage on the renewal of contracts with Saudia Airlines, Indonesia Airways Garuda, EgyptAir.

5. Press coverage on the signing of contracts and memorandums of understanding with Saudi Cruise, Monshaat, Fly Dubai, Sky Prime, Saudi Civil Aviation Academy, Takaful al-Rajhi, Business and Technology University, Saudi Airlines Catering Company, Gulf Air Academy.

6. Press coverage and livestream of the graduation of the first batch of diploma from the Department of faculty of Tourism

in cooperation with Saudi Ground Services Company.

7. Press coverage of the graduation of Turnaround Coordinators in Medina Station, sponsored by the Prince of the Medina Region Saud bin Khaled Al-Faisal.



18. SHAREHOLDERS’ GENERAL ASSEMBLY

During 2021, the company held one shareholder’s general assembly meeting. The board members attended such meeting as follows:

NAME	REGULAR GENERAL ASSEMBLY MEETING 03/06/2021
ENG. KHALID QASSIM AL-BUAINAIN	PRESENT
DR. OMAR BIN ABDULLAH JEFRI	PRESENT
MR. MANSOUR ABDULAZIZ AL-BOSAILY	PRESENT
MR. MOHAMMED ALI AL-YEMENI	PRESENT
ENG. SALEH AHMED HEFNI	PRESENT
ENG. FAHD HAMZA CYNNDY	PRESENT
MR. CON KORFIATIS	PRESENT
MR. PER UTNEGAARD	EXCUSED
MR. ONNO BOOTS	EXCUSED

18.1 RESULTS OF THE GENERAL ASSEMBLY
HELD ON 3 JUNE 2021

1. Approve on the Board of Directors’ Report for the year ended 31st December 2020.
2. Approve on the External Auditor Report for the year ended 31st December 2020.
3. Approve on Financial Statements for the year ended 31st December 2020.
4. Approve on absolving liability of the Board of Directors for the year ended 31st December 2020.
5. Approve on appointing KPMG (Al Fozan & Partners) as the company’s external auditor from among the candidates based on the Audit Committee Recommendation to examine, review and audit the Financial Statements for the second, third, fourth quarters and annual for the year 2021, the first quarter of 2022, and determine their fees.
6. Approve on appointing Eng. Fahd Cynndy – as a Board Member (Executive) starting from the appointing date 01-02-2021G, to complete

the current Board cycle which is ended on 05-06-2022G, replacing former Member Mr. Omar Hariri (Non-Executive Member).

7. Approve on delegating the authority of the Ordinary General Assembly to the Board of Directors as per the license mentioned in Paragraph (i) of Article 71 of the Companies Law, for a period of one year from the date of approval of the Ordinary General Assembly or until the end of the period of the Board delegation, whichever is earlier, per the conditions mentioned in the controls and procedures regulatory issued in implementation of the Companies Law for listed companies.

8. Approve on the business and contracts that will be concluded between the company and the Saudia Airlines, in which the Board Member Con Korfiatis has an indirect interest in it, where he works for the Flyadeal Company, which is 100% owned by the corporation, which is about the provision of ground handling services at the Kingdom’s airports, noting that transactions

for the year 2020 amounted 629,222,707 SAR annually with the knowledge that these transactions take place on a commercial basis and without preferential terms.

9. Approve on the business and contracts that will be concluded between the company and the Saudia Cargo Ltd. and the Board Member that Con Korfiatis has an indirect interest in it, where he works for Flyadeal Company, which is 100% owned by the Corporation, which is about the provision of ground handling services at the Kingdom’s airports, noting that transactions for the year 2020 amounted 19,339,647 SAR annually, noting that these transactions are carried out on a commercial basis and without preferential conditions.

10. Approve on the business and contracts that will be concluded between the company and the Saudi Aerospace Engineering and Industry Company, and the Board Member Con Korfiatis has an indirect interest in it, where he works for Flyadeal Company, which is 100% owned by the Corporation, which is about the provision of ground handling services at the Kingdom’s airports, noting that transactions for the year 2020 amounted 108,165,488 SAR annually, noting that these transactions are carried out on commercial basis and without preferential conditions.

11. Approve on the business and contracts that will be concluded between the company and the Saudi Private Aviation Company (SPA), and the Board Member Con Korfiatis has an indirect interest in it, as he works for Flyadeal Company, which is 100% owned by the corporation, which is about the provision of ground handling services, noting that transactions for the year 2020 amounted 12,159,031 SAR annually, noting that these transactions are carried out on commercial basis and without preferential terms.

12. Approve on the business and contracts that

will be concluded between the company and the Royal Fleet Services Company, and the Board Member Con Korfiatis has an indirect interest in it, where he works for Flyadeal Company, which is 100% owned by the Corporation, which is about the provision of ground handling services at the Kingdom’s airports, noting that the transactions for the year 2020 amounted 77,773,226 SAR annually, noting that these transactions are carried out on commercial basis and without preferential terms.

13. Approve on the business and contracts that will be concluded between the company and Flyadeal, and the Board Member Con Korfiatis has an indirect interest in it, where he works for Flyadeal, which is 100% owned by the corporation, which is about the provision of ground handling services at the Kingdom’s airports, noting that the transactions for the year 2020 amounted 81,050,686 SAR annually, noting that these transactions are carried out on commercial basis and without preferential terms.

14. Approve on the business and contracts that will be concluded between the company and the Saudi Amad Company for Airport and Air Transport Support Services, owned by 50% of the company, and whose Members are Eng. Khaled Al Buainain, Eng. Saleh Hefni and Eng. Fahd Cynndy, has an indirect interest in it as they occupy the membership of the Board of Saudi Al-Amad Company for Airport and Air Transport Support Services which is about providing ground handling services at the Kingdom’s airports, noting that transactions for the year 2020 amounted 1,499,130 SAR annually, noting that these transactions are carried out on commercial basis and without preferential conditions.

15. Approve on the business and contracts that will be concluded between the company and the Saudi Arabia Holding Company, and the Board

Member Con Korfiatis has an indirect interest in it, where he works for the Flyadeal Company, which is 100% owned by the corporation, which is about the provision of Staff secondment services at the Kingdom's airports, noting that transactions for the year 2020 amounted 11,678,728 SAR annually with the knowledge that these transactions take place on a commercial basis and without preferential terms.

16. Approve on the business and contracts that will be concluded between the company and the Saudi Al-Amad Company for Airport and Air Transport Support Services, owned by 50% of the company, and whose members are Eng. Khaled Al-Buainain, Eng. Saleh Hefni and Eng. Fahd Cynndy, an indirect interest in it, as they occupy the membership of the Board of Saudi Al-Amad Company for Airport and Air Transport Support Services, which is about providing rental service for operating vehicles at the Kingdom's airports, noting that transactions for the year 2020 amounted 10,270,515 SAR annually, noting that these transactions are carried out on a commercial basis and without preferential terms.

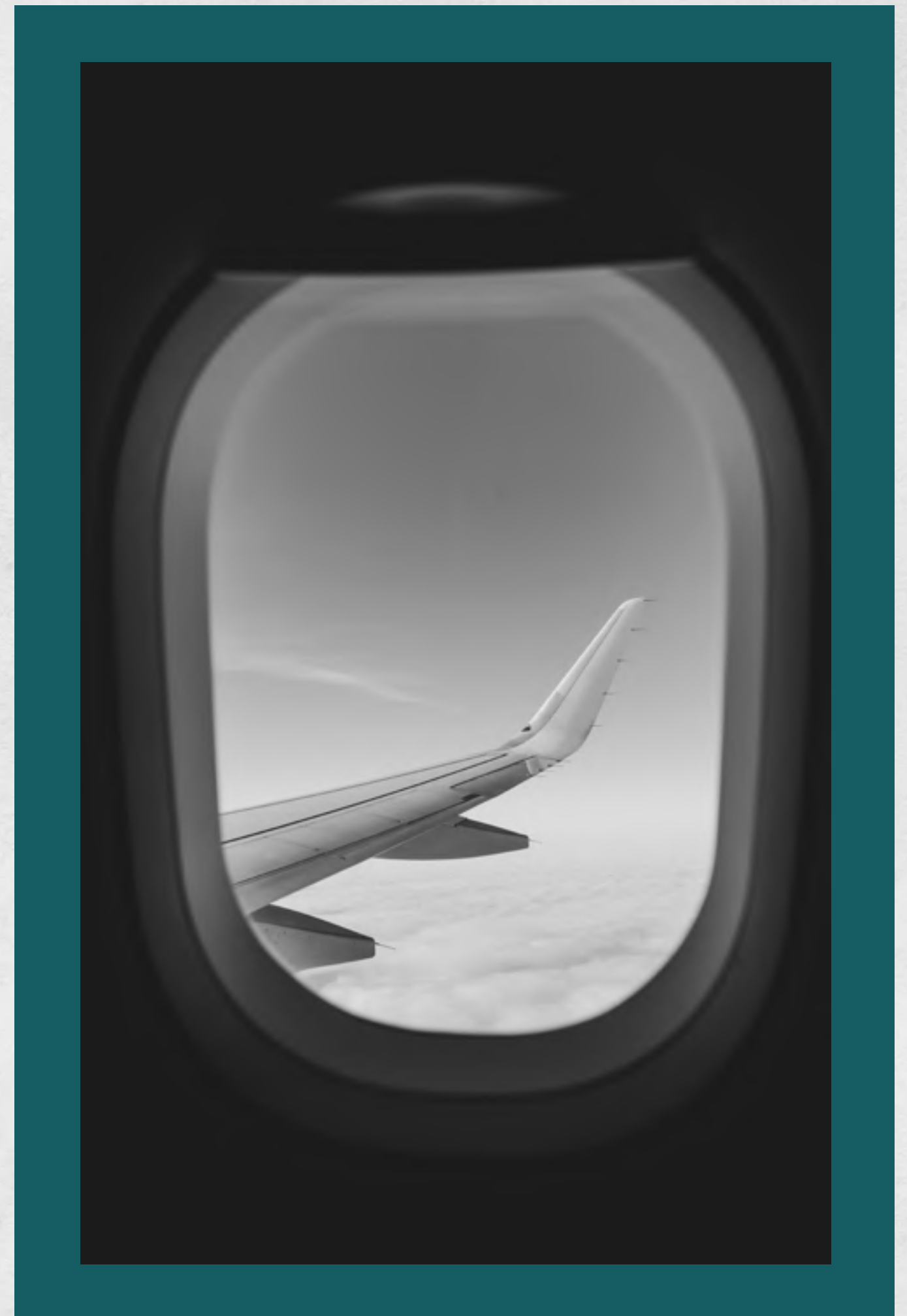
17. Approve on the business and contracts that will be concluded between the company and the Saudia Airlines Catering Company, and the Board Member Con Korfiatis has an indirect interest in it, where he works for the Flyadeal Company and it is 100% owned by the Corporation, which is about the provision of subsistence service to the employees of the company, noting that the transactions for the year 2020 amounted 31,438,733 SAR annually, noting that these transactions are carried out on commercial basis and without preferential terms.

18. Approve on the business and contracts that will be concluded between the company and the Saudi Aerospace Engineering and Industry Company, and the Board Member Con Korfiatis

has an indirect interest in it, who works for Flyadeal and is 100% owned by the corporation, which is about providing maintenance services for the company's equipment, noting that the transactions for the year 2020 amounted. 26,603,720 SAR annually, noting that these transactions are carried out on commercial basis and without preferential terms.

19. Approve on the business and contracts that will be concluded between the company and the Saudi Al-Amad Company for Airport and Air Transport Support Services, owned by 50% of the company, and whose Members are Eng. Khaled Al-Buainain, Eng. Saleh Hefni and Eng. Fahd Cynndy, have an indirect interest in it, as they occupy the membership of the Board of Al-Amad Company, which is about provision of services for transporting seafarers inside and outside the airport and deportees, noting that transactions for the year 2020 amounted 23,362,793 SAR annually, noting that these transactions are carried out on a commercial basis and without preferential conditions.

20. Approve on the business and contracts that will be concluded between the company and the Saudi Al-Amad Company for Airport and Air Transport Support Services, owned by 50% of the company, and whose Members are Eng. Khaled Al-Buainain, Eng. Saleh Hefni and Eng. Fahd Cynndy, have an indirect interest in it, as they occupy the membership of the Board of Saudi Al-Amad Company for Airport and Air Transport Support Services, which is about the Civil Aviation Authority for Airports services and Air Transport support, noting that transactions for the year 2020 amounted 34,574,000 SAR annually, noting that these transactions are carried out on a commercial basis and without preferential conditions.



Section 16

Accounting

16



19. APPROVED ACCOUNTING STANDARDS

The financial statements have been prepared in accordance with international accounting standards in accordance with the directives of the Capital Market Authority issued by Circular No. R15/12231/1 dated 2/10/1436H Corresponding to 1/28/2015G Saudi Organization for Certified Public Accountants.

20. AFFILIATES

SUBSIDIARY NAME	CAPITAL	PROPOR-TION OF THE COMPANY'S OWNERSHIP	MAIN ACTIVITY	HEAD OFFICE OF ITS OPERATIONS AND INCORPORATION
SAUDI AMAD FOR AIR-PORT SERVICES & TRANSPORT SUPPORT CO (SAAS)	500,000 SAR	50%	THE MAIN ACTIVITY OF THE SAUDI AMAD FOR AIRPORT SERVICES AND AIR TRANSPORT SUPPORT COMPANY IS TO PROVIDE PAS-SENGER AND SEAFARER TRANSPORTATION SERVICES AND TO OP-ERATE BUSES AT AIRPORTS. THE ESTABLISHMENT OF THE SAUDI AMAD COMPANY WAS INTENDED TO MERGE THE OPERATIONAL OPERATIONS OF THE COMPANY AND AMAD TRADING AND SUP-PLY COMPANY IN RELATION TO PASSENGER TRANSPORT. THE MAIN ACTIVITY OF THE TLD ARABIA COMPANY IS TO PROVIDE MAINTENANCE SERVICES FOR GROUND SERVICES EQUIPMENT, RENTAL OF MACHINE TOOLS, LEASING OF OTHER AIR TRANSPORT EQUIPMENT WITHOUT DRIVERS AND OPERATIONAL LEASING. IT ALSO PROVIDES ADMINISTRATIVE AND SUPERVISORY SERVICES AT AIRPORTS AND OTHER AIR TRANSPORT ACTIVITIES AND SER-VICES.	KINGDOME OF SAUDI ARABIA
TLD AARABIA EQUIP-MENT COMPANY	1,000,000 SAR	50%		KINGDOME OF SAUDI ARABIA

SHARES AND DEBT INSTRUMENTS FOR SAUDI AMAD FOR AIRPORT SERVICES & TRANS-PORT SUPPORT CO (SAAS):

There are not any shares and debt instruments for SAAS.

LOANS INFORMNATION FOR SAUDI AMAD FOR AIRPORT SERVICES & TRANSPORT SUP-PORT CO (SAAS) LOANS INFORMATION:

FUNDING ENTITY	FUNDING AMOUNT (THOUSAND) SAR	WITHDRAWL AMOUNT (THOUSAND) SAR	PAYMENT AMOUNT (THOUSAND) SAR	LOAN AS OF 31 DECEM-BER 2021 (THOUSAND)	DATE OF OBTAINING	DATE OF WITHDRAWL	PAYMENT ON RE-QUEST	DURATION
THE SAUDI IN-DUSTRIAL DE-VELOPMENT FUND	20,000	20,000	--	20,000	2020	2020	NO	TWO YEARS
ARAB NATION-AL BANK	33,481	33,481	4,576	28,905	2021	2021	NO	THREE YEARS
TOTAL	53,481	53,481	4,576	48,905	2020/2021	2020/2021	NO	TWO TO THREE YEARS

SHARES AND DEBT INSTRUMENTS FOR TLD ARABIA EQUIPMENT COMPANY:

There are not any shares and debt instruments for TLD arabia equipment company.

19.1 APPOINTMENT OF EXTERNAL AUDI-TORS

The General Assembly of the company, held on 03/06/2021, approved the selection of KPMG from the list of candidates as auditors of the company in accordance with the recommendation of the Audit Committee for the audit of the annual financial Statements of the company and also the first quarter of the financial year ended 31/12/2022.

21. DIVIDEND POLICY

Pursuant to article 49 article association of the Statutes of the Saudi Ground Service Company, as amended by the General Assembly, the dividends are distributed to shareholders in accordance with the SGS policy regarding the distribution of profits, as follows:

21.1 THE ANNUAL NET PROFITS OF THE COMPANY ARE AS FOLLOWS

1. (10%) of the net profits shall be allocated to form the statutory reserve of the Company. The ordinary general assembly may decide to suspend such allocation, incase such reserve reaches 30% of the paid capital.
2. The ordinary general assembly may, based on the proposal of the Board, may allocate a certain percentage of the net profits to form a contractual reserve to be allocated for a certain purpose or purposes. 3. The ordinary general assembly may decide to form other reserves, to the extent achieving the interest of the Company or guaranteeing the distribution of fixed profits as much as possible among the shareholders. The general assembly may also deduct amounts from the net profits to establish social institutions for the employees of the Company or assisting the existing institutions.
4. The remaining amounts shall be distributed after that among the shareholders by a percentage not less than 5% the paid capital of the Company.
5. Subject to the provisions of Article (22) of these Articles and Article (76) of the Companies Law, a certain percentage of the remaining amounts shall be allocated to pay the remuneration of

the Board. This is provided that the entitlement of such remuneration shall in proportion to the number of meetings attended by the member

21.2INTERIM PROFIT DISTRIBUTION POLICY

- A. The Company may semiannually or quarterly distribute provisional profits among the shareholders, after fulfilling the following requirements:
- 1- The Board obtains a delegation from the ordinary general assembly of the Company to distribute provisional profits by virtue of a resolution to be annually renewed.
- 2- The Company shall achieve good and regular profits.
- 3- The Company shall have reasonable cash flow and can reasonably expect the level of the profits thereof.
- 4- The Company shall have distributable profits sufficient for covering the profits proposed to be distributed after deducting the profits distributed and capitalized after the date of such financial statements according to the recent audited financial statements.
- B. The profit distribution is charged to the account of the accumulated profits retained from previous years and/or contractual reserves. The Company shall observe the sequence and regularity in terms of the way and ratios of distributing profits as per the potentials and cash flow available to the Company. The Board shall disclose and announce the ratios of regular periodical profits decided to be distributed among the shareholders on time. The Company shall, upon taking the decision of distributing the provisional profits, immediately disclose and announce the same and provide the Authority with a copy of the announcement once it is issued.

21.3 TIME TO PAY DIVIDENDS

- 1. The Board shall implement the decision of the general assembly as to the distribution of profits among the registered shareholders within (15) days from the maturity date of such profits determined in the resolution of the general assembly issued concerning the resolution of the Board including the distribution of provisional profits.
- 2. The Executive Management shall enforce the resolution of the Board of distributing provisional profits among the registered shareholders within (15) days from the maturity date of such profits determined in the resolution of the Board.
- 3. The Board Secretariat management shall ask for the register of the registered shareholders on the maturity date as per the instructions of the Capital Market Authority.
- 4. The Financial Department shall enforce the distribution of profits as per the distribution dates included in the resolution of the Board and general assembly.

During 2021, there were no any resolutions from the board of the directors regarding the dividends distribution.

22. SAUDI GROUND SERVICE COMPANY ANNOUNCEMENTS FOR 2021

In 2021, the company committed to disclose all material and financial information as stipulated in the rules of presentation and ongoing declarations, including the following:

NO.	DATE OF THE CALENDER DECLARATION	DECLARATION STATEMENT
1.	28/01/2021	SAUDI GROUND SERVICE COMPANY ANNOUNCES APPOINTMENT OF BOARD MEMBER
2.	28/01/2021	SAUDI GROUND SERVICES COMPANY ANNOUNCES THE SECONDMENT OF THE COMPANY'S CEO AND THE APPOINTMENT OF A NEW CEO
3.	07/03/2021	SAUDI GROUND SERVICES COMPANY'S ANNOUNCEMENT OF THE ANNUAL FINANCIAL RESULTS ENDING 31-12-2020
4.	09/05/2021	SAUDI GROUND SERVICES COMPANY'S ANNOUNCEMENT OF PRELIMINARY FINANCIAL RESULTS FOR THE YEAR ENDING 31-03-2021
5.	09/05/2021	SAUDI GROUND SERVICES COMPANY TO INVITE ITS SHAREHOLDERS TO ATTEND THE GENERAL ASSEMBLY (FIRST MEETING) THROUGH MODERN TECHNICAL MEANS.
6.	17/05/2021	ADDENDUM ANNOUNCEMENT OF SAUDI GROUND SERVICES INVITE ITS SHAREHOLDERS TO ATTEND THE GENERAL ASSEMBLY (FIRST MEETING) THROUGH MODERN TECHNICAL MEANS.
7.	06/06/2021	ANNOUNCEMENT BY THE SAUDI GROUND SERVICE COMPANY OF THE RESULTS OF THE ORDINARY GENERAL ASSEMBLY (FIRST MEETING)
8.	30/06/2021	THE SAUDI GROUND SERVICES COMPANY ANNOUNCES THE SIGNING OF A CONTRACT WITH SAUDIA AIRLINES (A RELATED PARTY) FOR THE PURPOSE OF PROVIDING ALL GROUND SERVICES.
9.	08/08/2021	THE SAUDI GROUND SERVICES COMPANY IS ANNOUNCING THE SECONDMENT OF THE COMPANY'S CEO, THE ACCEPTANCE OF THE TRANSFER OF ITS SERVICES TO A SAUDIA AIRLINES COMPANY, AND THE APPOINTMENT OF A NEW CEO
10.	15/08/2021	SAUDI GROUND SERVICES COMPANY'S ANNOUNCEMENT OF PRELIMINARY FINANCIAL RESULTS FOR THE YEAR ENDING 30-06-2021
11.	31/10/2021	THE SAUDI GROUND SERVICES COMPANY ANNOUNCES THE OPENING OF CANDIDACY FOR MEMBERSHIP OF THE BOARD OF DIRECTORS
12.	07/11/2021	SAUDI GROUND SERVICES COMPANY ANNOUNCES ITS PRELIMINARY FINANCIAL RESULTS FOR THE PERIOD ENDING ON 30-09-2021 (9 MONTHS)
13.	25/11/2021	SAUDI GROUND SERVICES ANNOUNCES SIGNING CONTRACT WITH SAUDI AIRLINES CATERING COMPANY.

23. OWNERSHIP OF VOTING SHARES

The Board declares that there is no interest in the class of shares having voting right attributed to persons (except for the Board members, senior executives and their relatives). Such rights are notified thereby to the Company by virtue of Article (٤٠) of the Registration and Listing Rules.

24. EQUITY OWNERSHIP OF BOARD MEMBERS, CEOS AND THEIR RELATIVES

The tables below declares the contractual securities and subscription rights of the Board members, senior executives of the Company and their relatives to the shares or debt instruments of the Company or any of the affiliates thereof as well as and any change in such interest or rights during the last fiscal year

24.1 OWNERSHIP OF BOARD MEMBERS AND THEIR RELATIVES

NAME	BEGINNING OF YEAR		END OF YEAR		NET CHANGE	CHANGE RATIO
	NUMBER OF SHARES	DEBT INSTRUMENTS	NUMBER OF SHARES	DEBT INSTRUMENTS		
ENG. KHALID QASSIM AL-BUAINAIN	-	-	-	-	-	-
DR. OMAR BIN ABDULLAH JEFRI	1000	-	1000	-	-	%0
MR. MANSOUR ABDULAZIZ AL-BOSAILY	1000	-	1000	-	-	%0
MR. MOHAMMED ALI AL-YEMENI	30566	-	30566	-	-	%0
ENG. SALEH AHMED HEFNI	-	-	-	-	-	-
MR. CON KORFIATIS	-	-	-	-	-	-
MR. PER UTNEGAARD	-	-	-	-	-	-
MR. ONNO BOOTS	-	-	-	-	-	-
MS. MANSOUR AL-BOSAILY	3990	-	3990	-	-	%0

24.2 OWNERSHIP OF CORPORATE DEBT SHARES OR INSTRUMENTS BY SENIOR EXECUTIVES AND THEIR RELATIVES

The Board acknowledges that no senior executives or their relatives hold shares or instruments of the company's debt.

24.3 OWNERSHIP BY BOARD MEMBERS AND THEIR RELATIVES OF SHARES OR INSTRUMENTS OF THE SUBSIDIARY COMPANY'S DEBT

The Board of Directors recognizes that there is no interest, contractual papers and subscription rights of members of the Board of Directors and their relatives in the shares or instruments of the debt of the subsidiary company.

24.4 OWNERSHIP BY CEOS AND THEIR RELATIVES OF THE SUBSIDIARY COMPANY'S DEBT SHARE OR INSTRUMENTS

The Board of Directors recognizes that there is no interest, contractual securities or subscription rights of the chief executives and their relatives in the shares or instruments of the debt of the affiliate company



25. LOAN INFORMATION ON THE COMPANY

FUNDING ENTITY	FUNDING AMOUNT (THOUSAND) SAR	WITHDRAWAL AMOUNT (THOUSAND) SAR	PAYMENT AMOUNT (THOUSAND) SAR	LOAN AS OF 31 DECEMBER 2021 (THOUSAND)	DATE OF OBTAINING	DATE OF WITHDRAW	PAYMENT ON REQUEST	DURATION
SABB	500,000	500,000	—	500,000	2020	2020	NO	THREE YEARS
SAUDI NATIONAL BANK	750,000	500,000	62,500	437,500	2020	2021	NO	THREE YEARS
AL BILAD BANK	750,000	250,000	—	250,000	2020	2021	NO	THREE YEARS
TOTAL	2,000,000	1,250,000	62,500	1,187,500	2020	2020/2021	NO	THREE YEARS

26. CONVERTIBLE DEBT INSTRUMENTS

- 1-The Board declares that the Company neither issued nor granted during the fiscal year any transferable class or debt instruments and any contractual securities, subscription right memos or similar rights.
- 2- The Board declares that there is no transfer or subscription rights by virtue of the transferable debt instruments, contractual securities, subscription right memos or similar rights issued or granted by the Company.

27. RECOVERY, PURCHASE OR CANCELLATION OF THE RECOVERABLE DEBT INSTRUMENTS

The Board declares that there is no recovery, purchase or cancellation by the Company or affiliates of the recoverable deb instruments.



28. SHAREHOLDER RECORDS

The Company requested the register of shareholders through Tadawulaty website for the following procedures:

NUMBER OF COMPANY REQUESTS FOR THE SHAREHOLDERS' RECORD DURING 2021		
NUMBER OF COMPANY REQUESTS	REQUEST DATE	REASONS FOR REQUEST
1	31-03-2120	CORPORATE ACTIONS
2	03-06-2120	GENERAL ASSEMBLY
3	30-09-2021	OTHERS

29. CONTRACTS AND WORKS CONCLUDED WITH RELATED PARTIES

RELATED PARTY	TYPE OF RELATIONSHIP WITH THE COMPANY	TYPE OF CONTRACTS AND WORKS	TERM	AMOUNT OF TRANSACTIONS (SAR)	WORK OR CONTRACT CONDITIONS
1- SAUDI AIRLINES AIR TRANSPORT COMPANY	OWNED TO SAUDI ARABIAN AIRLINES CORPORATION BY 100%.	SERVICES PROVIDED	SEVEN YEARS, AUTOMATICALLY AND ANNUALLY RENEWED	951,730,827	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
2- SAUDI AIRLINES CARGO COMPANY	OWNED TO SAUDI ARABIAN AIRLINES CORPORATION BY 70%.	SERVICES PROVIDED	TWO YEARS, AUTOMATICALLY AND ANNUALLY RENEWED	801,727	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
3- SAUDIA AEROSPACE ENGINEERING INDUSTRIES COMPANY	OWNED TO SAUDI ARABIAN AIRLINES CORPORATION BY 100%.	SERVICES PROVIDED	UNFIXED TERM TRANSACTIONS	108,146,359	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
4- SAUDI AIRLINES CATERING COMPANY	OWNED TO SAUDI ARABIAN AIRLINES CORPORATION BY 35.7%.	SERVICES PROVIDED	ONE YEAR, AUTOMATICALLY AND ANNUALLY RENEWED	2,118,550	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
5- SAUDIA PRIVATE AVIATION	OWNED TO SAUDI ARABIAN AIRLINES CORPORATION BY 100%.	SERVICES PROVIDED	THREE YEARS, AUTOMATICALLY AND ANNUALLY RENEWED	14,150,760	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
6- SAUDIA ROYAL FLEET	OWNED TO SAUDI ARABIAN AIRLINES CORPORATION BY 100%.	SERVICES PROVIDED	ONE YEAR, AUTOMATICALLY AND ANNUALLY RENEWED	73,124,921	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
7- FLYADEAL	OWNED TO SAUDI ARABIAN AIRLINES CORPORATION BY 100%.	SERVICES PROVIDED	UNFIXED TERM TRANSACTIONS	100,329,337	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
8- SAUDI AMAD FOR AIRPORT SERVICES AND TRANSPORT SUPPORT COMPANY	50% OWNERSHIP OF SAUDI GROUND SERVICES	SERVICES PROVIDED	UNFIXED TERM TRANSACTIONS	5,873,023	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
9- SAUDI ARABIAN AIRLINES CORPORATION	IT IS A FOUNDER SHAREHOLDER OF THE COMPANY BY 52.5%.	SERVICES PROVIDED	UNFIXED TERM AGREEMENT	67800	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.

RELATED PARTY	TYPE OF RELATIONSHIP WITH THE COMPANY	TYPE OF CONTRACTS AND WORKS	TERM	TRANSACTION AMOUNT (IN SAR)	WORK OR CONTRACT CONDITIONS
10- SAUDI ARABIAN AIRLINES CORPORATION	IT IS A FOUNDER SHAREHOLDER OF THE COMPANY BY 52.5%.	VAT RECEIVABLE	UNFIXED TERM AGREEMENT	41,820,094	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
11- SAUDI AIRLINES AIR TRANSPORT COMPANY	OWNED TO SAUDI ARABIAN AIRLINES CORPORATION BY 100%.	TICKET ADVANCES	UNFIXED TERM AGREEMENT	5,000,000	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
12- SAUDI AMAD FOR AIRPORT SERVICES AND TRANSPORT SUPPORT COMPANY	50% OWNERSHIP OF SAUDI GROUND SERVICES	AGREEMENT OF OPERATIONAL VEHICLE LEASE SERVICES	UNFIXED TERM TRANSACTIONS	7,206,776	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
13- SAUDI AIRLINES AIR TRANSPORT COMPANY	OWNED TO SAUDI ARABIAN AIRLINES GENERAL CORPORATION BY 100%.	TICKET BOOKING SERVICES, TRAINING AND OTHER MISCELLANEOUS SERVICES	UNFIXED TERM TRANSACTIONS	6,671	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
14- SAUDI AIRLINES CATERING COMPANY	OWNED TO SAUDI ARABIAN AIRLINES CORPORATION BY 35.7%.	PENSION SERVICE TO THE EMPLOYEES OF THE COMPANY	SEVEN YEARS, AUTOMATICALLY AND ANNUALLY RENEWED	25,757,581	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
15- SAUDI AMAD FOR AIRPORT SERVICES AND TRANSPORT SUPPORT COMPANY	50% OWNERSHIP OF SAUDI GROUND SERVICES	PAYMENTS RECEIVED ON BEHALF OF THE JOINT VENTURE	UNFIXED TERM TRANSACTIONS	26,029,704	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
16- SAUDI AIRLINES AIR TRANSPORT COMPANY	OWNED TO SAUDI ARABIAN AIRLINES CORPORATION BY 100%.	TRANSACTIONS ON BEHALF OF THE COMPANY FOR MEDICAL INSURANCE	UNFIXED TERM TRANSACTIONS	18,713,533	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
17- TLD ARABIA EQUIPMENT SERVICES	50% OWNERSHIP OF SAUDI GROUND SERVICES	SERVICES PROVIDED	UNFIXED TERM TRANSACTIONS	145,705	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
18- SAUDI LOGISTICS SERVICES COMPANY	OWNED TO SAUDI ARABIAN AIRLINES CORPORATION BY 70%.	SERVICES PROVIDED	UNFIXED TERM TRANSACTIONS	14,965,594	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PFERENTIAL TERMS.
19- SAUDI AMAD FOR AIRPORT SERVICES AND TRANSPORT SUPPORT COMPANY	50% OWNERSHIP OF SAUDI GROUND SERVICES	FUEL AND OTHER EXPENSES	UNFIXED TERM TRANSACTIONS	14,080,952	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
20- SAUDI AMAD FOR AIRPORT SERVICES AND TRANSPORT SUPPORT COMPANY	50% OWNERSHIP OF SAUDI GROUND SERVICES	DIVIDENDS	UNFIXED TERM TRANSACTIONS	21,589,441	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.
21- TLD ARABIA EQUIPMENT SERVICES	50% OWNERSHIP OF SAUDI GROUND SERVICES	EQUIPMENT MAINTENANCE	AS PER CONTRACT	108,941,522	SAME TERMS AND STANDARDS ADOPTED WITH THIRD PARTIES WITHOUT PREFERENTIAL TERMS.

28.WAIVER OF MEMBERS OR EXECUTIVES

No board or committee member has waived special remunerations.

29.SHAREHOLDER WAIVER

The Board of Directors recognizes that there is no arrangement or agreement whereby a shareholder of a company waives any rights to profits.

30.INVESTMENT PROGRAMS FOR COMPANY EMPLOYEES

The Board of Directors recognizes that there are no investments or reserves established for the benefit of the company's employees.

31. REGULAR PAYMENTS

The company is obliged to pay the regular payments due to it to government agencies, such as Zakat due and tax, and the amounts due to the General Social Insurance Corporation in exchange for employee contributions. The following table shows the data of such payments:

STATEMENT (AMOUNTS IN SAR)	PAID 2021	DUE UNTIL THE END OF THE ANNUAL FINANCIAL PERIOD AND HAS NOT BEEN PAID 2021	BRIEF DESCRIPTION	STATEMENT OF REASONS
*ZAKAT	7,502,237	158,799,843	AS REGULATED	AS REGULATED
TAXES	2,181,040	152,244	AS REGULATED	AS REGULATED
GENERAL SOCIAL INSUR- ANCE INSTITUTION	124,688,658	12,590,660	AS REGULATED	AS REGULATED
VISA AND PASSPORT COSTS	1,844,088	-	AS REGULATED	AS REGULATED
LABOR OFFICE FEE	14,367,072	-	AS REGULATED	AS REGULATED
GACA FEES	2,509,780	-	AS REGULATED	AS REGULATED

The numbers mentioned as per the Financial Statements. However, there are amounts appealed and the status is still ongoing.

32. RESERVATIONS TO FI-
NANCIAL STATEMENTS

The Board declares that there is no notes submitted by the chartered accountant to the financial statements of the Company according to the report thereof for 2021. The board shall provide the Capital Market Authority with any additional information required in case the auditor submits any notes to the financial statements.

33. CHANGE OF AUDITOR

The Board declares that it did not recommend the replacement of the chartered accountant before the end of the appointment term thereof. KPMG was appointed to audit the annual and quarterly accounts of 2021. It was not replaced throughout the year.

34. TREASURY SHARES

The Board declares that there is not treasury stock reserved by the Company

35. OTHER DECLARATIONS

- a-The Board declares that the account registers are properly prepared.
- b- The Board declares that the internal control system is prepared based on solid basis and effectively implemented.
- c- The Board declares that there is not any doubt of the ability of the Company to continue the business thereof.

36. CONCLUSION

The Board of Directors is pleased to extend its thanks and appreciation to all the shareholders of the Saudi Ground Service Company for their contribution to the continuation of its work. It is also pleased to thank the company's management and employees for their efforts to operate the company, which was successful.

In conclusion, the Board of Directors would like to thank all the company's customers for granting them confidence. They affirm the Saudi Ground Services Company's commitment to developing the relationship and continuing to provide the best services and to adhere to the quality of standards and performance towards its customers. The Board also affirms that it is confident that these achievements during the year, especially in light of the covid-19 pandemic, will be a strong motivation for 2022 to achieve our strategic goal and achieve further successes in the coming future.



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