

# Annual Report

# 2021



شركة جرير للتسويق  
Jarir Marketing Co.



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2021



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# About Jarir

Jarir Marketing Co. was established as a general partnership in Riyadh in 1979, and then was turned into a Saudi Joint-stock company. Then, Jarir was listed in the Saudi stock exchange since 2003, under the commercial register No.1010032264 with a paid-up capital of 1.200 million Saudi Riyals. The company works with its operational sectors in the retail, wholesale and e-commerce within the Kingdom of Saudi Arabia in addition to entering the Gulf Cooperation Council countries.

Jarir operates through two divisions, retail (including online sales), under the Jarir Bookstore brand name, and the wholesale division. Our activities include selling stationary, school supplies, toys, educational aids, books, English and Arabic publications, art and craft materials, computer accessories, software, mobile phones and their accessories, audio visual tools, photography tools, smart televisions, and the maintenance of computers and electronic gadgets.



JARIR BOOKSTORE

مكتبة جرير



# Our Charter



## Mission

To enable our Customers to Grow and Learn through Best Products and Service delivered with pleasurable experience and Best Value.



## Values

- Exceeding customers' expectations.
- Quality.
- Integrity
- Simplicity.
- Humility.
- Respect and recognition.
- Unity and collaboration.
- Loyalty.



## Objectives

- To Maintain leadership regarding the quality of the services provided to our customers.
- To provide our customers with products at reasonable prices and with superior quality.
- To be a market leader in office supplies, IT products and books.
- To build a superior and effective management team.
- To Encourage individual initiative and providing personal development opportunities to our employees.
- To Serve and give back to the community, as we believe this to be our social responsibility.

# Our business strategy

Jarir's overall objective is to become the preferred source of knowledge and entertainment and production tools for its customers. Our business strategy involves enhancing our position as a leader in large scale retail by providing innovative products and services with high quality and reasonable prices. Jarir's success depends on working collaboratively with customers, business partners, investors, government and organizational authorities and other stakeholders.

The execution of our business strategy is customer-centric along with a simple organisational structure focusing on investing in the competitive products and reducing costs.

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**Mohammed Bin Abdulrahman Al-Agil**

Chairman

### Messrs., shareholders of Jarir Marketing Co.

**Peace be upon you,**

It is my pleasure to welcome you through the annual report of the board of directors for the fiscal year 2021, and I would like to share with you the results achieved by Jarir thanks to God and the efforts of its employees, outlining the most prominent transformations in Jarir's journey and its financial position during the year ended on 31/12/2021.

Thanks to God and the effort exerted by its employees, and despite the persistence of some effects of the emerging corona virus (Covid-19) pandemic which casts its shadows on the 2021 year, Jarir has managed to keep the same pace of development which preceded the extraordinary development occurred during 2020; since Jarir's sales amounted to 9,088.3 million riyals in 2021 against 9,305.8 million riyals last year, a decline of 2.33%. The declining of sales during 2021 was due to a decline in sales in some divisions especially, Computers and

their accessories and videogames, since the sales performance had been affected with the lack of supplies, and in order to maintain the expansion plans we opened six showrooms during 2021.

In conclusion, I would like to thank you for your trust in Jarir administration, in addition I would like to thank the members of the board of directors for their persistent guidance and their efforts in drawing Jarir strategy. Moreover, I would like to thank the colleagues in the executive department and all of Jarir departments a lot for their sincere efforts hoping for more success during 2022. I hope to meet you during the annual meeting of the shareholders general assembly to answer your inquiries regarding the contents of this report.



**Abdulkarim Ben Abdulrahman Al-Agil**

Vice Chairman,  
CEO

### Messrs., shareholders of Jarir Marketing Co.

Greetings, I am glad to meet you through the annual report of the board of directors for the fiscal year 2021 in order to inform you of the most prominent transformations in Jarir's operational performance during 2021, and what it achieved of results during this year which we are going to explore throughout this report respectively.

Despite the challenges, Jarir went through during the year 2021, because of some Corona Virus pandemic (Covid-19) implications, Jarir was able, thanks to God and its employees efforts to maintain the growth rate as before the exceptional year 2020, since Jarir's sales during the past year amounted to 9,088.3 million riyals against 9,305.8 million riyals it achieved last year, a decline of 2.33%, whilst the net profit reached to 991.9 million riyals against 1,003 million riyals during the last year.

Moreover, Jarir managed to maintain its announced expansion plans, as six showrooms has been opened during the year 2021. Jarir also seeks to continue its plan of reserving its pioneering position locally and regionally as a result of the efforts and experiences of all of its employees and those who are responsible for it. In addition to the policies followed in exploiting its competitive advantage, and its powerful presence in the local and regional markets where it operates.

Finally, I would like to thank the distinguished board of directors' members and all of Jarir employees and shareholders.

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# About Jarir



# Jarir's Activity

JARIR BOOKSTORE مكتبة جرير

According to its statute, Jarir's activities are as follows:

- Office and school supplies.
- Publications, books and teaching aids.
- Computer software.
- Selling mobile phones and their accessories.
- Selling and maintenance of computers.
- Engineering, Spatial, sports, scouting, audio and visual tools and photography gadgets.
- Paper, computer paper, decorating tools, decorating materials, hand tools and drawing devices.
- Bags and leather crafts.
- Children toys and travel supplies.
- Buying residential and commercial lands, and lands to establish buildings and invest them by buying or leasing for Jarir.
- General contracting for buildings, electrical and electronic works contractors, buildings and warehouses maintenance, in addition to loading, unloading, transporting, and delivering goods and buildings cleanness.
- Establishing, organizing and managing conferences and the temporary and permanent showrooms.
- E-commerce.

Jarir operates through the following sectors:



### 1. Wholesale

Customers of this sector are buying to resell their procurements.



### 2. Retail

This sector works through Jarir's showrooms, which holds the trade name "Jarir Bookstore" with its well-known slogan. Moreover, such sector includes Jarir sales to its customers of companies and governmental sectors, which bought with the aim to use it internally not to resell it.



### 3. E-commerce

This sector includes B2C Ecommerce, and B2B Ecommerce and EBook.

## 2- Subsidiaries

Jarir owns several subsidiaries, and some ownership shares of these subsidiaries are registered under the name of entrusted, who assigned their shares to Jarir. The following is a list of those companies and their ownership shares:

Serial	Name	State of incorporation	The state of activity	Main activity	Capital	Percentage of ownership
1	United Bookstore	United Arab Emirates	United Arab Emirates	Jarir's same activity	50,000 AED	100%
2	Jarir Trading Company LLC	United Arab Emirates	United Arab Emirates	Jarir's same activity	150,000 AED	100%
3	Jarir International Central Market Company for non-food items	Kuwait	Kuwait	Jarir's same activity	10,000 Kuwaiti dinars	100%
4	Jarir Egypt Financial Leasing Co SAE	Egypt	Egypt	Real Estate investment	80,000,000 EGP	100%
5	Jarir Marketing Co. LLC	Bahrain	Bahrain	Jarir's same activity	5,000 Bahraini dinars	100%
6	Jarir United Company for Office Supplies and Stationeries	Qatar	Qatar	Jarir's same activity	200,000 Qatari riyals	100%



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# Operational Performance



## Firstly, The Retail Sector (Jarir Bookstore)

Retail sector sales reached during 2021 to

**8,896** million riyal

with a decline of

**-2%** against 2020

The profits before Zakat and income tax reached to

**1,004.08** million riyal

with a decline of

**-3.4%** against 2020

The following highlights the performance of the most important departments of the retail sector (Jarir Bookstore), and summarize the work of these sections and their most important achievements and objectives as follows:

### 1- Showrooms:

Jarir Bookstore has (67) showrooms inside and outside the Kingdom of Saudi Arabia. Six of them opened during 2021, one located at the road of Abdullah Sulieyman in Al Thaghr neighbourhood in Jeddah as a substitute for its showroom in Al-Gammaa neighbourhood. As well as, another one located at the road of King Abdullah in the Naseem neighbourhood in Al Hofuf. An showroom located at the road of King Abdulaziz in Salahaddin neighbourhood

in Riyadh, and another showroom located at the south of Al Aziziyah neighbourhood in Mecca, beside an showroom located at King Fahad Road in Ar Rass province, an showroom in Najran, and one in Al Majma'ah province. Whilst the showroom located at Cornish Road in Nation Galleria Abu Dhabi has been closed.

The following table shows the distribution of Jarir's owned and leased Showrooms inside and outside the Kingdom:

	Riyadh	Buraydah	Unayzah	Al-Kharj	Hail	Al Duwadimi	Jeddah	Taif	Mecca	Medina	Yanbu	Tabouk	Damam	Khobar	Dhahran	Al Jubail	Sakaka	Al Hofuf	Hafar Al Batin	Khamis Mushait	Jazan	Qatar	Abu Dhabi	Kuwait	The total (according to the owned and the leased)
Owned	6	0	0	0	0	1	0	0	1	0	0	0	2	2	0	0	0	2	0	0	0	0	0	0	14
Leased	12	1	1	1	1	7	1	3	1	1	1	1	1	1	1	1	0	1	2	1	3	1	4	53	
Total by city	18	1	1	1	1	8	1	3	3	1	1	3	3	1	1	1	2	1	2	1	3	1	4	67	
Total	The total is 67 showrooms (inside and outside the Kingdom)																								

As an extension to Jarir's real estate activity, the leased area (showrooms, offices and residential) reached (82,832) Square meters by the end of the fiscal year 2021, compared to (84,638) square metres in 2020, and it is expected that the leased area shall increase during 2022 by adding the area of (16,226) square meters.

During the fiscal year 2022, Jarir aims to expand by opening more seven showrooms.



### 2- Company sales:

Thanks to God and despite the effect of the Corona pandemic, which continued, with the change of the school system to remote learning, Jarir managed through the company's sales during 2021 to achieve a growth in its government and corporate sales, especially In the sale of electronic certificates, papers, electronics, smart phones, stationery, and school supplies, where the sales in the middle region grew at the rate of 28% compared to the last year. Moreover, the sales in the western region grew at the rate of 5% compared to last year. Whilst the sales of the eastern region was at the near to the last year sales due to the shift of many government agencies to the electronic market, which is only available for the customers of the middle region.

Jarir seeks during 2022 to continue with including new customers, and achieving best results by increasing the number of the varieties in the market from (100) items to (280) items through its continuous contact with Expenditure & Projects Efficiency Authority in order to get its approval in this regard with the objective of covering all of the requirements of governmental authorities and new companies in the Kingdom, which will reflect on the growth of Jarir sales for the governmental sector and the companies.

In addition, work is currently underway to conclude a new contract with Al-Rajhi Bank in order to supply all of its branches in the Kingdom with stationery.

### 3- Procurements:

During 2021 the effect of Corona Virus pandemic on the global supplies chains continued, as the global market generally, not the Saudi market only, had a lack of supplies especially the electronic chips supplies due to the suspension of work in some factories because of the pandemic, which its consequences extended during 2021, since the world was incapable of replenish the supplies. So, Jarir as a part of the local and global community continued to be affected with such lack of supplies especially in desktop computers, laptops and tablets with their different types and categories.

However, Jarir, based on its market share and its close and strong relations with all of the suppliers, managed to reduce these effects by intensifying its calls with the suppliers in order to get the biggest share of the supplies during the year 2021. Jarir efforts regarding maintain the supplies without stoppage continued in an attempt to meet its customers' requirements.

### 4- Marketing:

During the year 2021, the pioneering role of our rational government continued in reducing the impact of the Corona pandemic on public life, and it returned to normal life after completing the immunization of more than 70% of the community. Jarir Bookstore continued with its marketing approach in attracting the publics in order to visit its showrooms and website through implementing the various advertising campaigns and promotions, including the Electronic Games Festival campaign, the back-to-school campaign and the end-of-year discount festival, in addition to promotional campaigns that included the National Day offers.

The one-day offers, such as the exclusive Jarir online store 11/11, the World Book offer, Mother's Day offer and the Father's Day offer, had a good impact and received excellent responses from Jarir customers.

In addition to exclusive promotions for Jarir store, including those related to developing children's skills and abilities, drawing tools and hobby works, and other school supplies and stationery, and the last promotion for Arabic and English books.

In the year 2021, the Marketing Department Kept pace with regard to advertising and promotions- with the latest electronic products in the field of smart phones, smart watches, mobile devices and tablets. Pre-order campaigns supported by advertising campaigns on social

In conjunction with the easing of preventive and precautionary measures, especially the closing procedures, the improvement began in supplies, especially computers of various types, and Jarir still does not expect to return to the normal status before August 2022, as it is still suffering from a shortage in supplies of the latest devices that were launched in 2020.

During the year 2022, Jarir will focus on supporting the supplies and consolidating the relationship with all suppliers in an effort to obtain the largest possible number of supplies from different brands and price categories, in addition to continuing the periodic and continuous review of the stock of stationery and school supplies, especially with the gradual return of life as it was before the Corona pandemic.

media were implemented, along with promotional support to interact with demand campaigns by providing a set of benefits to the initiators of the pre-order.

The promotional campaigns supported by environmental sustainability goals in the year 2021 also had a large share, as five campaigns were launched to replace old devices with newer ones, and they included smart phones, smart watches, computers and printers; Which contributed to preserving the environment by preventing old devices from reaching the landfill and recycling them, which benefits the company and the economy as a whole.

In the year 2021, the marketing department supported the loyalty programs at Jarir Bookstore through a series of campaigns directed to Jarir card holders, which included offering higher discount rates than the card gives on the usual days, as well as many exclusive offers for electronic devices and accessories, as well as additional benefits when pre-ordering selected products of the latest electronics.

With the cautious return to normal life, Jarir returned in the year 2021 to participate more effectively in the Gulf and Arab book fairs and had a great role as a co-sponsor in the Riyadh Book Fair for the year 2021. On the sidelines of the showroom, the participants in the Jarir Storytelling Competition, which gained great popularity and an exceptional number of entries, were honoured. In addition, novels and stories by novice writers won in the same competition.

Jarir was graced to honour these winners and to print and display the winning entries in the Arabic Books section at Jarir Bookstore showrooms. Jarir is currently working on launching the second campaign of a Storytelling Competition for the year 2021/2022.

Moreover, Jarir contributed during 2021 in the book fairs in the region including, Cairo, Alexandria, Amman, Baghdad, Irbil, Abu Dhabi, Sharjah, Casablanca, Tunisia, and Sweden.

In the context of Jarir quest to serve its customers of whom want to benefit from the financial solutions of post payment in affordable monthly installs, Jarir expanded during the year 2021 in the purchase Instalments service to its customers and allowing them to pay later in many means in cooperation with the institutions specialised in individuals financing, as a number of instalment campaigns were launched at the cash price with a group of specific banks.

Several partnerships were signed with local banks to support the sales of the Jarir website and online store by offering special discounts to holders of special cards from participating banks.

The purchase instalment service had its share of advertising campaigns and special promotions aimed at increasing consumers' awareness of the availability of this service.

Jarir's sales through the purchase instalment service have grown significantly since the start of the service in late 2019 on a trial basis until the full launch in 2020, which bore fruit through achieving sales representing about 5% of total Jarir sales in 2021.

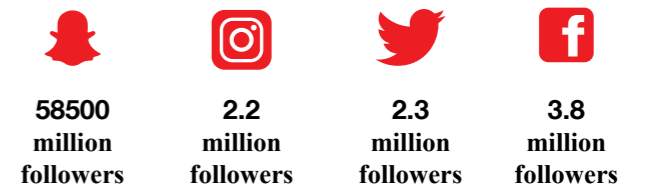
As part of Jarir's interest in the purchase instalment service for its customers, Jarir signed, during the fourth quarter of 2021, a cooperation agreement with one of the largest providers of the purchase instalment service in Saudi Arabia, and its services will be launched through this project during the first quarter of 2022, where the procurement instalment process will be fully automated, as this service will enable Jarir customers to purchase through Jarir's website without the need to visit the showroom.

During 2022, Jarir will continue its relentless efforts with its partners to develop the mechanism for submitting financing applications and obtaining approval in the shortest possible period and with an ideal customer experience.

With regard to the e-marketing department, which is

managed by a specialized Saudi women team, Jarir has continued to update and continuously develop the pages of Jarir Bookstore on social networking sites to keep pace with the tremendous developments in the world of digital marketing, using the latest digital tools to support the sales of the Jarir e-store, and continue to activate social media platforms which led Jarir Bookstore channels on social networking sites to achieve record numbers in the number of followers and interaction rates.

This contributed to achieving record numbers in the number of followers and interaction rates, as the number of followers on the communication channels was as follows:



Jarir occupied a pioneering position in the video content industry through the YouTube channel, as it ranked first in the retail sector in the region, with the number of followers reaching 265,000, and the total number of views exceeding about 189 million views.

In addition, in 2021, e-marketing strengthened Jarir's leadership in the areas of mobile and smart devices, games and all their accessories, and expanded campaigns related to targeting customers in digital channels, using targeted re-promotion methods in order to increase Jarir's own share of total customer expenses in all Jarir divisions.

Strategic work will also continue to improve the customer base, increase direct marketing, and target specific categories of customers, in cooperation with our digital marketing partners. Joint efforts will also continue to provide an adequate supply of modern products, and work to provide them, regardless of the difficulties related to supply chains and the crisis of silicon chips.

In addition, work will be completed on Jarir's loyalty program and several strategic projects that will improve loyalty, retention and customer preference for Jarir compared to its competitors.

In addition to all Jarir's efforts during the year 2021, all Jarir openings, whether for new or alternative stores, were accompanied by exclusive advertising campaigns and opening offers targeting residents of geographically defined areas, and coordination with influencers specific to each region, and this included (6) new showrooms.

## 5- Human resources and the development of the human cadre:

Jarir attracts and employs talents, and Jarir is keen to attract Saudis and train them to improve their skills and practical capabilities and establish Jarir's values and production standards.

As the total number of employees in Jarir reached 5,697 employees by the end of 2021, they are a mixture of 24 different nationalities, and the percentage of Saudis in Jarir reached about 60% of the total employees, and the percentage of Saudis in some showrooms reaches 70% of the showrooms' employees, and Jarir is classified within the platinum scope according to the program Ministry of Labour and Social Development "Nitaqat" (Scopes).

During the year 2021, 2095 individuals were employed, including 1853 Saudi employees. Within the framework of Jarir's keenness to involve women in the labour market in line with the Kingdom's 2030 vision, Jarir paid attention to employing the female component, as the number of female employees reached 584 by the end of 2021.

## 6- Information Technology:

In 2021, Jarir continued its path of upgrading the technological infrastructure and cybersecurity by achieving a conscious level that keeps pace with the tremendous developments in technology or cybersecurity.

During the year 2021, Jarir paid full attention to providing more protection for servers and devices by operating the (EDR Endpoint Detect Responds server), which enabled Jarir to provide better protection for servers and devices and to confront and stop many advanced cyber-attacks.

Jarir was also able during 2021 to activate the (Managed Detect Responds MDR) service, which provided Jarir with the required protection for servers and devices through a team of cybersecurity specialists and experts that scrutinize all notifications and conduct a deep examination and Forensic Analysis around the clock, seven days a week.

As a continuation of Jarir's efforts in the field of cybersecurity and information protection, a new system has been installed to protect servers and computers through which vulnerabilities are identified in each device or server, and it enters the known communication channels that have been identified and prevents the hacker or malicious software from accessing them.

In the field of training and qualifying during 2021, Jarir continued to establish a culture of customer service through the program to exceed customer expectations, where Jarir supervised 31 showroom managers under training within the future managers program, and several training courses were held that benefited 11,559 employees in all Jarir showrooms. More than 4,136 direct orientations for showroom staff were conducted by Jarir trainers, focused on raising the efficiency and performance of employees in serving Jarir customers.

Jarir also continued to train university students, out of its belief in the corporate social responsibility, and some trainees were recruited after graduation.

During the year 2022, Jarir aims to continue to attract distinguished Saudi cadres, intensify training courses to raise the level of Jarir employees, and focus on developing showroom managers.

Since most of the cyber attacks are via electronic messages; Email protection came as one of the most important projects implemented during the year 2021, as the cyber security system for email was enhanced, which enabled Jarir to upgrade to better protection that enabled it to stop many targeted electronic attacks. Email protection also included activating the authentication system for all external messages through the application of the (DMARC V SPF) service on many of Jarir's domains.

During the year 2021, Jarir managed to enhance the infrastructure of the main servers in two phases, the first of which was to upgrade the main server to a more powerful server in terms of processor and random memory, which falls within Jarir's plan to upgrade the infrastructure to keep pace with the growth it is achieving.

The second stage was to change the critical server infrastructure to an Operating System based on IBM Aix and IBM Power Servers, all of which provide high performance and integrated cyber protection.

The storage systems were also upgraded within this project, as new devices based on (NVME) and (Fiber Channel) technology were operated at a speed of (32 GB/S), which in turn enabled Jarir to improve server performance and access information more quickly.

In the scope of information protection, Immutable Backup technology has been adopted, which provides for storing backup copies in systems that are unchangeable and inaccessible, as they are always separated from the main networks. Jarir comprehensively protect all systems through additional applications aimed at providing more protection for servers and devices, and will also activate the (Automation) to address security incidents.

While Jarir, in the context of information protection, has activated a user behaviour analysis system, which enables us to find out if the user is performing unusual actions, attempting to store data, or other unusual actions.

And throughout the year 2022, Jarir Company aims to continue its plan to improve cybersecurity systems and introduce new solutions that enable it to better and

Within the framework of the same plan, Jarir aims during the year 2022 to activate the (SOC-as-a-Service), which will provide comprehensive monitoring and protection for all Jarir domains, including the website (Jarir.com).

Jarir also expects that 2022 will witness a digital transformation, as (Microsoft 365) and (Work force Management) will be adopted in order to improve communication channels between all showrooms and departments, which will be reflected in the improvement of the service provided by Jarir on many levels.

## Secondly, Wholesale Sector

Jarir works through this sector to provide new school, technical and stationery products, in addition to meeting the needs and the requirements of the customers of this sector whose aim is to buy with the purpose of resell.

Wholesale sector sales reached during 2021 to

**192,1** million riyal

declined by

**-14.5%** against 2020

The profits before Zakat and income tax reached to

**14,96** million riyal

declined by

**-18.8%** against 2020

### 1- Procurement :

The year 2021 was a challenge for supply chain management; due to the continuing impact of the emerging Corona Virus (Covid-19) pandemic and the resulting price hike due to the lack of materials at suppliers, and the high value of freight. Since such thing is forming a challenge to Jarir, it worked and coordinated with suppliers early to manage product supply chains, avoid shortages and maintain stability supplies.

A risk management plan for slow-moving products has also been prepared, and has been sorted to determine and ascertain the rate of sales movement for each of them in preparation for taking the most appropriate decision for each of them separately.

In addition, the procurement department has been restructured to be under single administration in order

### 2- Sales:

During the year 2021, the stationery sector was greatly affected by the pandemic, due to the change in the study pattern from in-person to remote study for some of the educational stages most in demand for school products, which led to a significant decrease in the demand for school and stationery supplies.

From the first moment, Jarir sought to provide all school supplies suitable for the new study style, with a focus on selling all necessary school supplies and supplies for teachers, students and their families for their offices and home classrooms.

A plan was also worked out to achieve a balance between the

to consolidate the measures for all the suppliers and to standardize the orders.

During the year 2022, Jarir will work hard to continue to monitor market changes and develop plans and products to meet the needs of its customers, especially new ones, and strive to bring the best products with high quality and competitive prices.

Furthermore, work will be done to manage inventory with mechanisms and periodic reviews that will adapt to market requirements and price changes through a financial plan for the periodic review of item prices to match the fluctuations related to raw material prices and shipping prices and to maintain competitive and appropriate prices for customers.

high prices of products globally and the selling price, while maintaining the provision of incentive offers to customers and providing high quality products at competitive prices that meet the aspirations of our customers while maintaining Jarir's market share.

With regard to export, it continued to be affected during the year 2021 due to the repercussions of Corona and the continued suspension of some distributors from purchasing in some countries such as Kuwait and Lebanon, whose dealings were affected due to their economic conditions. While the increase in sales and the expansion of the assortment of products continued in the State of Sudan, and for the State of Iraq, a new customer was added in

Baghdad and another customer in Basra to whom products were shipped directly from factories in China.

It also participated in the Dubai Stationery Exhibition (PAPER WORLD), and within its activities, a large group of customers from various Gulf and Arab countries were met.

Jarir will seek, in 2022, to focus on the market in a broader way through continuous follow-up with customers and reviewing the facilities provided to them (making specific growth incentives with specific goals for customers). In addition to this, the focus and expansion will be in diversifying items with wholesale and retail customers, and focusing on the hypermarkets departments more.

With regard to exports, Jarir has a plan to double the sales achieved from exports during the past year, and work to increase the number of customers in the countries targeted for export, especially Djibouti and Somalia, while maintaining existing customers. In addition, work will be done to end the relevant import procedures and re-deal with all customers who stopped buying due to the exceptional circumstances of the last year.

### 3- Marketing:

During the year 2021, the Back to School campaign for Roco products was launched for the first time on all social media sites, and it was the first time that Jarir targeted the 12-24 year old group. Roco brand identity and development of covers and label designs. Work has also been done to review the items offered for sale to create a greater focus on the most important products and to re-review the list of items with continuous demand.

In view of the exceptional circumstances during the year 2021, when it was scheduled to work on creating marketing plans represented in launching special pages for Roco on powerful electronic stores such as (Amazon, Ali Express and Noon) to further consolidate the Roco brand in all major platforms and provide all Roco products in various

Based on the recent developments regarding the revitalization of international exhibitions, Jarir intends to participate in the Dubai exhibition, as usual annually, as well as visit the Nairobi Expo in Kenya, which is expected to reach new markets in the African market.

Jarir's goals during 2022 also include automating the export procedures in the system, especially direct shipping procedures from factories to the current and target countries, so that the department can increase productivity and focus on raising sales and opening new markets with the aim of achieving more sales opportunity, while working on restructuring Jarir's contracts with Hypermarkets, adding new incentive offers, increasing the number of items, as well as appointing representatives for Jarir in hypermarkets and marketers to follow up on the sales movement on an ongoing basis and to provide the hypermarkets with products upon completion. Jarir will also seek during 2022 to add new customers in line with Jarir products.

Jarir will also add new items to them, modify the display method, and allocate space for them in the market. Furthermore, Jarir will continue to participate in international exhibitions once they are activated again, in order to find outlets in new markets and strengthen relations with existing distributors.

markets, it was decided to postpone work on this project for a later time.

During 2022, Jarir will complete its strategic plan for the Roco brand, which includes various projects such as establishing a new Roco website for the Roco brand update project, updating product designs, in addition to a long-term replacement plan.

## Thirdly, Ecommerce Section

This section includes:

1

B2C Ecommerce

2

B2B Ecommerce

3

E-Book

### 1- B2C Ecommerce:

During the year 2021, the e-commerce sector for individuals (B2C Ecommerce) achieved a growth in the number of customers by 10%, and a remarkable development in the repurchase rate, as Jarir continued its efforts to develop the e-commerce sector in general and e-commerce for individuals (B2C Ecommerce) in particular, as the implementation of the e-commerce systems development project has been completed to keep pace with the company's future plans to ensure the continuity of supporting the company's growth and expansion plans.

The customer delivery experience was also developed and improved by reducing the time required to process customer requests by 60%, and this was accompanied by a growth in the delivery of requests to customers' addresses on the same day (Same Day Delivery) by 300%, which had a great impact on the growth of the proportion of requests received from Jarir Bookstore showrooms (Click & Collect) of the total requests by 130%.

Jarir was keen during the year 2021 to improve the customer experience in ordering by providing an integrated ordering experience; which helped in retaining former customers, as their requests constituted about 50% of the total requests.

As a continuation of Jarir's efforts to provide a distinguished service that exceeds the expectations of its customers, the reliability of the smartphone application has improved, by achieving a percentage of 99% of customers who did not suffer from any problem, which had a great impact on the increase in the number of requests.

As for the Jarir website, many exclusive promotional campaigns have been implemented for the site, and this was reflected in Jarir maintain of the usual growth rate of its sales under normal conditions without any exceptional measures such as those taken by governments to address the spread of the new Corona virus (Covid-19) including closures, curfews and other measures. Thus, Jarir achieved during the year 2021 a growth in its sales through the website with a growth rate of 107%, an increase in the number of orders by 94%, a growth in the number of new customers by 54%, and an increase

in the number of visits to the website and application by 10% compared to 2019, with a noticeable development in browsing rates and interaction with the application.

In 2022, Jarir aims to continue developing the user experience for the website and smart phone application by conducting a full review of the current experience and personalization of the experience.

Jarir also aims during 2022 to gradually launch the international shipping service in terms of the type of products that will be shipped outside the Kingdom and the available countries, according to the readiness of the work team and the regulations and policies related to cross-border trade, in addition to working on preparing a plan to ensure business continuity in cases of force majeure and exceptional circumstances.



### 2- B2B Ecommerce:

The official launch of the e-commerce system for companies that serves major companies and hundreds of branches and users in the Kingdom during the year 2018.

During the year 2021, e-commerce for companies (B2B E-commerce) achieved a remarkable development, represented by an increase in the number of customers listed in the system by 21%.

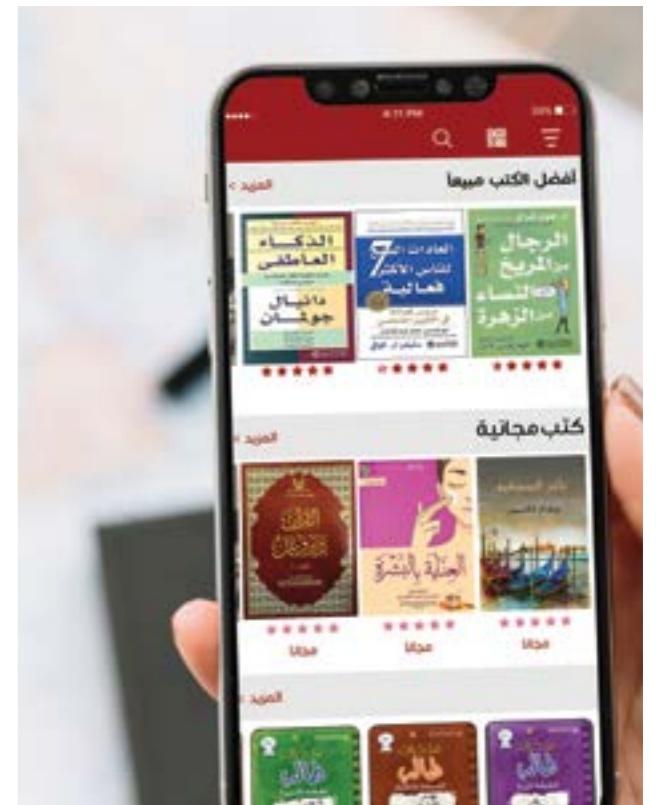
During the year 2021, Jarir provided its services to more than 900 branches of one of the largest retail companies in the Kingdom. In order to complete its efforts to improve the services provided to its customers listed in the corporate e-commerce sector, Jarir began working in 2021 to fully modernize the system to achieve the aspirations of its customers for the services provided to them.



### 3- E-Book:

An E-Book project called (Jarir Reader) was launched during the year 2013, and during the year 2021, Jarir managed to maintain the sales rate achieved during the exceptional year 2020, and the number of customers grew by more than 19%, and the number of e-books increased by 15%, including audio books. Furthermore, contracts with local and Arab publishing houses grew by 13%.

Work will be done during 2022 to increase the growth rates achieved during the year 2021 in sales and the number of books published on the Jarir Reader platform, and publishing Jarir Bookstore books on more global platforms such as Google and Apple, and continuing to produce and launch the audio version of more than 50% of the most prominent publications of Jarir Bookstore. In addition, work will be done on the projects that were intended to be implemented during the year 2021, which were postponed due to the exceptional circumstances of the Corona pandemic, which is the launch of the subscription system in the Jarir Reader platform, which allows customers to subscribe for a monthly amount and read a larger number of books as well as studying and implementing a system for clients from the category of companies, schools and universities to provide the opportunity for reading and research for employees and students.



3

# Sustainability and Social Responsibility



## Leading with Purpose is Jarir's Approach to Achieve Sustainability

Jarir is aware of the importance of community service as it is one of the important pillars of life and a means of progress of societies, and stresses the responsibility of sustainability on companies, where Jarir works to create a positive social impact through social responsibility initiatives that are closely related to the growth and prosperity of society, and Jarir's commitment to community service is embodied through its programs and its regular participation in non-profit endeavours.

In order to achieve such thing, Jarir commits to the highest standards followed regarding corporate responsibility and the contribution in the sustainable development despite all standoffs; in its quest to achieve the growth on the long term and enhance Jarir's value and the value of the stakeholders and the whole world. We as Jarir work team seeks to interact with the main sustainability issues, which emerges through different approaches including:

- Sustainability Team-which directs Jarir's sustainability strategy and its performance, and is responsible for advancing Jarir's sustainability agenda.
- A set of policies that incorporate appropriate and relevant principles and requirements into Jarir's daily operational processes, including, but not limited to, the Jarir Code of Business Conduct.
- Corporate Strategy that guides Jarir to the strategic direction to achieve its vision.

## Leading with purpose is Jarir's approach to achieve sustainability



**Committing to the sustainability approach**

Jarir is well-known for its corporate transparency, so Jarir is always adhering to right things. The issue of sustainability is vital for Jarir, and it stresses on its commitment to contributing in the sustainable development.



**Responsible operations based on deep-rooted business traditions to shape the future**

Jarir focuses on owning and implementing the right organizational structures, policies, and procedures to ensure that it practices good governance with a solid foundation. Jarir also focuses on upholding the highest levels of ethical behaviour to create trust and cohesion between the company and its stakeholders.



**Working together to produce knowledge and innovations**

Jarir embraces the latest digital capabilities and challenges traditional business models to produce knowledge by modifying the ways in which it presents its products and services in the digital world. It also plays an active role in generating a positive social impact that contributes to the social and economic development of local communities.



**Prioritizing our customers in everything we do**

Jarir focuses on prioritizing the interests of customers, helping them thrive and grow and making products and services more available to them across its community, while placing the privacy of customer information at the forefront of its priorities.



**Recognizing, inspiring and rewarding talent**

Jarir values the efforts of its employees and inspires them to reach their full potential and achieve strategic goals.



**Environmental Impact Management**

Jarir is committed to minimizing the environmental impact of its operations and supply chains

## Engaging Stakeholders

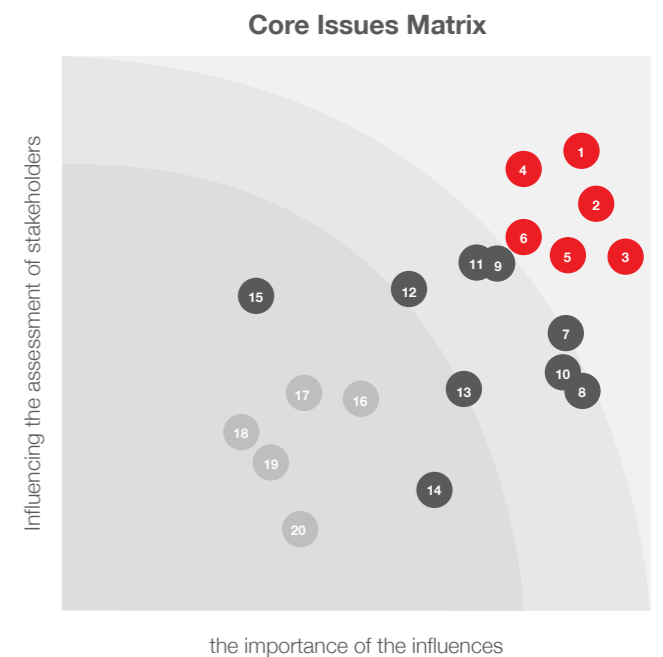
The process of engaging Jarir's relevant stakeholders is on-going. Our stakeholder groups are determined by their ability to influence or be affected by our operational and/or decision-making processes. Accordingly, we have identified six major stakeholder groups.



## The Most Important Issues

The outbreak of the Corona pandemic had a clear impact on the local and global economy and the change in consumer behaviour and the way companies operate. Therefore, the issues were reclassified and reconstructed according to what will be presented below, as issues of customer safety and employee stability were among the most important factors that aligns to the basis of Jarir's strategy, program, and communications to achieve sustainability before and after the crisis, bearing in mind that the current crisis may be prolonged. The process of assessing the core issues increased two important factors to become 20 main topics instead of 18, all 18 of which are related to environmental, social, and governance factors to measure sustainability.

- 1 Governance, Business Ethics and Compliance.
- 2 Achieving operational and financial goals.
- 3 Quality.
- 4 Customer privacy and security.
- 5 Customer safety.
- 6 Employee stability.
- 7 Customer's experience.
- 8 Packing and sorting.
- 9 Energy and climate change.
- 10 Responsible relationship with the customers.
- 11 Innovation.
- 12 Responsibility of supply chain.
- 13 Attracting, developing and retaining talents.
- 14 Recycling.
- 15 Community investment and socio-economic development.
- 16 Prohibition of anti-competitive practice.
- 17 Diversity and inclusion.
- 18 Sustainable procurement.
- 19 Sustainable technology.
- 20 Environmental impact of operational processes.



● Very important    ● Relatively important    ● Less important



## Alignment with National and International Goals

Jarir aims to measure and report on its environmental, social and economic performance against the pioneering standards to achieve the sustainable development and the national and international goals to ensure sustainable development.



### Frameworks of Preparing and Presenting Reports.

**Global Reporting Initiative**

Preparing and presenting Jarir's non-financial reports in the annual sustainability reports in accordance with the Global Reporting Initiative-a major option.



### National Goals

**Kingdom of Saudi Arabia 2030 vision**

Jarir seeks to support the goals of the National Vision 2030, and the three main themes underpinning the vision, a vibrant society, a thriving economy, and an ambitious nation, are closely aligned with our strategy and direction to achieve sustainability.

### Human Resources and Social Development



### National Goals

**Corporate Social Responsibility Strategy in the Kingdom of Saudi Arabia**

The implementation of the corporate social responsibility strategy in the Kingdom of Saudi Arabia is one of the goals of Jarir Bookstore, as it seeks to create a sustainable impact for the development of society, the economy and the environment.



### National Goals

**National Standards for Sustainability**

In conjunction with the launch of the National Standards for Corporate Sustainability Reporting, Jarir Bookstore seeks to prepare and submit sustainability reports in accordance with these standards.



### International Goals

**Global Reporting Initiative**

As a socially responsible national organization, Jarir seeks to align its sustainability endeavours with the priority sustainable development goals relevant to its work, so that it can achieve the greatest impact.

## Aspects of the 2021 Sustainability Report

Jarir aims to measure and present the reports regarding its environmental, social and economic performance against the pioneering standards to achieve the sustainable development and the national and international goals to ensure the achievement of the sustainable development. This includes the issuance of independent sustainability reports. Here are some statistics and figures related to the sustainability report:



Paper recycling increased by 378,395 kg, an increase of 6.3% compared to the previous year.



Replacing advertising media in showrooms with electronic screens to reduce the level of paper consumption by the equivalent of 3,300 billboards



19,459,976 SAR worth of electronics was recycled and prevented from reaching the landfill.



By the end of 2021, the number of female employees reached (584).



2095 male and female employees joined the Jarir family by the end of 2021.



65,734 hours of training provided to employees.



60% is the Saudization rate



10% growth in the number of localized Jarir publications compared to the previous year



Printing and publishing 3 novels and 3 stories through the Jarir Storytelling Competition initiative, which is concerned with empowering writers and enriching Arabic content.

## Social Responsibility

In light of the increasing interest in social responsibility in the Kingdom, the Arab world and the world as a whole, and based on Jarir's belief in the importance of the corporate role in supporting and improving the social and economic life of individuals and society, Jarir, during the year 2021 supported many community initiatives, which can be summarized as follows:

### • Jarir Initiatives to Enrich Arabic Content

#### Translation and Publishing

In Jarir's support to spread knowledge of the Arabic language in scientific fields, and in cooperation with the Saudi Social Studies Society, Jarir met the needs of those belonging to and interested in social studies from academics, social researchers and professionals, through a collaboration agreement between Jarir and the Society to produce selected books in the field of social studies under the scientific supervision of a specialized team formed by the Society led by the Chairman of the board of directors of the Saudi Social Studies Society.

This joint initiative comes as part of Jarir's social responsibility and one of its basic and original objectives to support and enrich Arabic content, closely related to Jarir's activity, as Jarir has been transferring knowledge to the Arabic language by translating and publishing books in Arabic, which enabled it to gain great confidence from international publishing houses.

Based on the agreement, the first translated book entitled "Modern Theories in Sociology" was launched, co-authored by two senior authors in social theory, George Ritzer and



One of Jarir's initiatives to enrich Arabic content

Jeffrey Stebinsky-which provides a comprehensive summary of theorists and major theoretical schools and has been scientifically scrutinized and reviewed by the Committee of Saudi Social Studies Society; It was written by Dr. Theeb Muhammad Al-Dosari, Prof. Dr. Omar Abdul-Jabbar Ahmed, and Dr. Khalid bin Omar Al-Radayan. It is expected that (4) other books will be launched in 2022

#### The comprehensive encyclopaedia of disability

In 2021, Jarir, in partnership with the King Salman Centre for Disability Research, printed the comprehensive encyclopaedia on disability, which is one of the projects of the King Salman Centre for Scientific Disability Research, which reflects the plans and strategy of that the centre was keen to implement with a group of experts, authors and arbitrators in the field of disability, making it distinguished and specialized scientific reference for workers in this field, academic institutions, graduate students, researchers, and those interested in developing areas of disability according to the highest international scientific standards.



### Jarir Writing Contest

In its quest to enrich the Arabic content and empower novice writers; Jarir Writing Contest launched which included two courses of writing, the novel's course starting from 22 thousand word and more, and the story's course starting from 12 thousand word and more. The winners of the award list included six authors from both courses.

In the novel's course, the author/ Walaa Abu Ghandar won first place for her novel "Do not commit suicide in a library," and author/ Ghada Al Marzouki won second place for her novel "I Live My Memories Upside Down," while author/ Shurooq Kamel won third place for her novel "The Throat of Silence."

In the story course, the author / Shaima Gad won first place for the story "A Transit Meeting", and the author / Sarah Al-Quzi won the second place for the story "The Grand Prize", while the author / Amani Batarfi won the third place for the story "Kharnov Amasha".

Thus, the competition provided an opportunity to publish the winning books, as the prize for the first three places in the novel's course was the printing and publishing of novels in the branches of the Jarir Bookstore, and throwing an inauguration and signing of books ceremony, in addition to publishing them electronically on the Jarir Reader App.

### • Jarir's Initiatives to Support Education

#### Back to School Initiative

Since the beginning of the pandemic, Jarir has contributed by supporting the "Back to School" initiative, which includes projects that support the targeted male and female students, which was launched by His Excellency the Minister of Education and Chairman of the Board of Trustees of the Takaful Charitable Foundation, Dr. Hamad bin Mohammed Al Al-Sheikh; as an incentive for them to embark on a new stage in their academic life. The initiative was launched in cooperation between the Takaful Foundation and the Ministry of Education, and with the support of SABIC, the strategic partner of the initiative.

The initiative includes the "School Bag" project, which aims to secure schoolbags and supplies for the targeted primary school students.

The prize for the first three places in the story course was to collect the three winning stories in one volume and publish them in the Jarir Bookstore, in addition to publishing the stories electronically on the Jarir Reader platform.



• Jarir's Program to support local/social activities

**The National Campaign for Charity**

In continuation of Jarir's endeavour to serve the community, it donated one million riyals to the national campaign for charitable work through the "Ehsan platform", which was launched as an integrated technical portal for charitable work. This donation comes from Jarir as a sense of its social responsibility, stressing the importance of charitable work and its social culture in the Kingdom, which is evident in the Kingdom's keenness to activate and promote charitable work in all fields. In addition to, the continuation of the Ehsan platform to play its role in promoting the values of charitable work for members of society through urging and encouraging donations as well as activating the complementary role with the various government agencies in their various sectors. plus enabling the non-profit sector and expanding its impact, activating the role of social responsibility in the private sector and contributing to raising the level of reliability and transparency for charitable and development work.



There were many initiatives that show Jarir's keenness to play its role towards the community, in compliance with its social responsibility, it has supported several activities represented in the following:

Firstly, Supporting Suplift in the hobbies camp.

Secondly, a marketing campaign for the youngest writer of a novel series in the world, according to Guinness World Records, Ritaj Al-Hazmi.



• The partnership between Jarir and Ministry of Culture

This year has witnessed opportunities and means of cooperation between Jarir Bookstore and Ministry of Culture including:

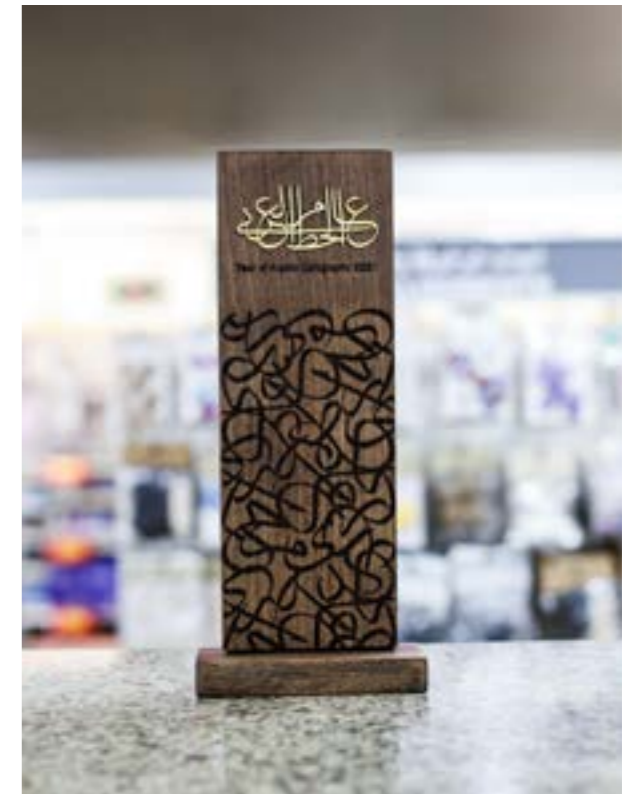
**Sponsoring Riyadh International Book Fair of 2021**

Jarir sponsored the Riyadh International Book Fair for the year 2021, in an effort to achieve the goals of social responsibility towards readers, writers, researchers and those interested in enriching Arabic content. The sponsorship also included more than (500) books for activities related to the book fair, which varied between the Children's Corner and Al-Mutanabbi Café, as well as strengthening the Ministry's library with a selection of legal books.



**Year of Arabic Calligraphy Initiative**

Jarir supported the Year of Arabic Calligraphy Initiative, which is one of the initiatives of the Ministry of Culture, which is concerned with the interest in Arabic calligraphy and includes several programs, one of which is the Calligrapher Platform, which enables anyone who has the desire to learn the art of Arabic calligraphy for free at the hands of the most skilled calligraphers by providing bags for calligraphy tools (Al-Raq'ah and Diwani calligraphy - calligraphy) Naskh - Thuluth Calligraphy). In addition to, raising awareness about the initiative through a diversified advertising campaign in Jarir's publishing channels to reach the largest number of audience and to facilitate training on Arabic calligraphy skill.



**The project of transferring paper books into digital books to support digital publication**

Alongside the digital publishing initiative under the auspices of the Ministry of Culture, which aims to support the e-book industry to ensure easy access to the book to beneficiaries, enhance diversity in publishing vessels, contribute to enriching Arabic content from digital books, and support and improve the business model of the Saudi publisher, Jarir had its role in this initiative through a process of transferring books from paper to digital and handed over to publishers applying for them, as it was agreed between the authority and Jarir to convert 2,000 books from paper to digital.

• Jarir's Programs of Recycling

**Electronic Devices Recycling**

Jarir looks forward to maximize the impact of many targeted programs and redoubling its efforts to save old electronic devices from landfill through electronics replacement and recycling programs, which are closely related to the growing global issue of e-waste.

Among Jarir's initiatives to address this problem, Jarir is working on an electronics-recycling program, where the program saves discarded electronic parts to be extracted by specialized recycling companies.

With the launch of the Jarir Electronics Recycling Program in 2018, Jarir was able to transfer 10 million Saudi riyals of electronics from the landfill and return it to the economy, and in 2019, it was able to recycle electronic devices worth 18 million Saudi riyals.

In light of Jarir's interest in this program, the value of the electronics recycled during the year 2020 increased, reaching 22,322,500 Saudi riyals of electronics.



4

# Financial Performance



# 1 Summary of Processes and Operating Results

The results of the operations and processes in Jarir was summarised as follows:

Million riyals

Statement	The year ended in (31 December 2021)		The year ended in (31 December 2020)		Variability
	Amount	Sales percentage %	Amount	Sales percentage %	
Sales	9,088.3		9,305.8		-2.3 %
Gross profit	1,229.3	13.5 %	1,328.6	14.3 %	-7.5 %
Profit of the activity from the main processes	1,061.4	11.7 %	1,100.9	11.8 %	-3.6 %
Net profit before Zakat and income tax	1,019.0	11.2 %	1,052.4	11.3 %	-3.2 %
Net profit	991.9	10.9 %	1,003.0	10.8 %	-1.1%

The retail sector sales in Jarir declined during the fiscal year 2021 by about 2%, while wholesale sales declined by 14.5% compared to the previous year 2020.

Regarding the overall performance, Jarir's sales inside and outside Saudi Arabia declined by 2.3% against last year, and the gross profit declined by 7.5%, and the gross profit rate was 13.5% against 14.3% last year.

The decline in sales is due to the decline in sales of some departments, especially the computer and accessories divisions and video games, where the sales performance was affected by the lack of supplies.

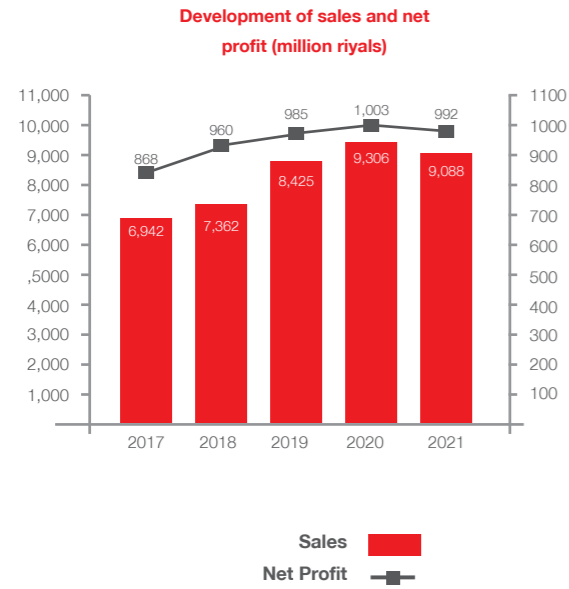
**Despite the decline in sales by only 2.3%, the total profit declined by 7.5%, as these sales were achieved through a greater number of showrooms compared to last year, which means an increase in the total cost of operating the showrooms at a time when sales declined by 2.3%.**

**However, despite the decrease of the total profit by 7.5%, the net profit decreased by 1.1% only due to:**

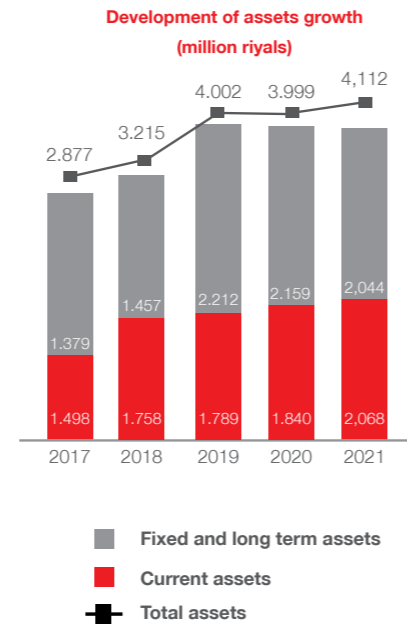
- Increase in other revenues, which included (among other factors) a capital gain of 38 million from the sale of a plot of land.
- The decrease in general and administrative expenses that included in the previous year the company's support for government initiatives by about 25 million riyals.
- The decrease of financing cost.
- The decrease of Zakat expenditure.

## 2 Reviewing the Elements of Income and Balances lists

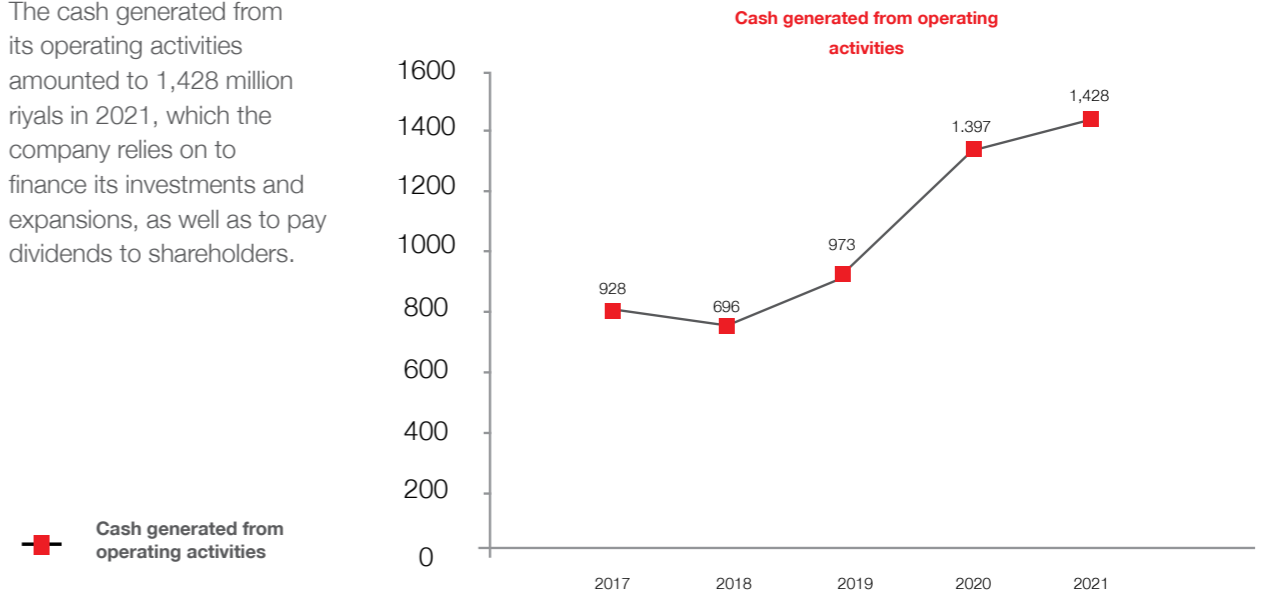
Thanks to God, the company has achieved during 2021 sales and net profit of 9,088.3 and 991.9 million riyals respectively.



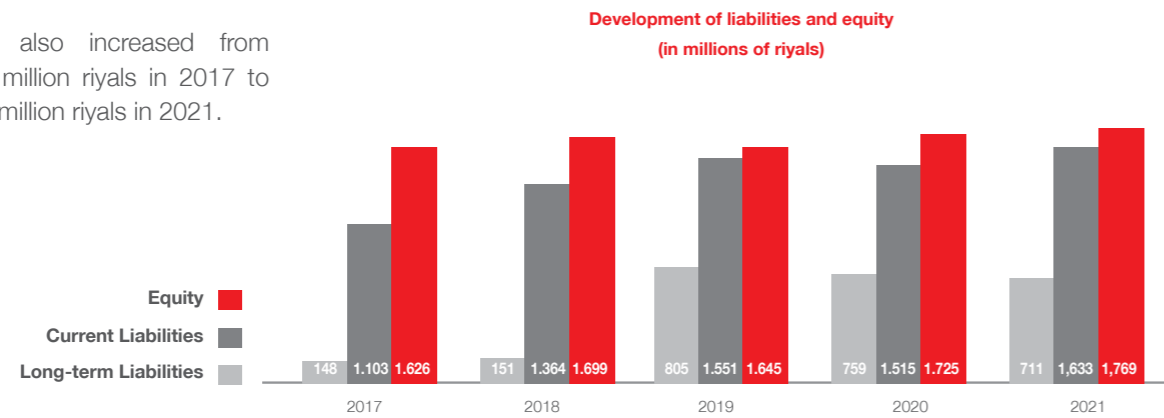
Jarir's assets have grown over the past five years from 2,877 million riyals in 2017 to 4,112 million riyals in 2021.



The cash generated from its operating activities amounted to 1,428 million riyals in 2021, which the company relies on to finance its investments and expansions, as well as to pay dividends to shareholders.



Equity also increased from 1,626 million riyals in 2017 to 1,769 million riyals in 2021.



The compound growth rate of earnings per share and dividends per share over the past five years was 3.4% and 3.5%, respectively.



All earnings per share and dividend per share figures are based on the current number of shares of 120 million shares.

### 3- Geographical Analysis of Jarir's Activities



The following table shows the sales and the net profit of Jarir's activity inside and outside the Kingdom:

In million Saudi riyals

Geographic Region	2021		2020	
	Sales	Net profit	Sales	Net profit
Kingdom of Saudi Arabia	8,596.3	936.3	8,818.5	956.6
Egypt and other Gulf countries	492.0	55.6	487.3	46.4
<b>Total</b>	<b>9,088.3</b>	<b>991.9</b>	<b>9,305.8</b>	<b>1,003.0</b>

### 4- Borrowing

The following table shows the details of the existing loans at the end of the year:

In million Saudi riyals

#	The granting authority	Loan type	Loan	Balance at the beginning of the year	Additions	Payment	Balance at the end of the year	Method of payment
1	The Saudi British Bank	Many securitization facilitating	Working Capital Financing	100	0	100	0	
<b>Total</b>				100	0	100	0	

The list shows the cash flows of the net movements on these loans, as loans that will be due within three months or less.

### 5- Regulatory Payments, Penalties and Sanctions

Jarir subjects to Zakat according to the laws of Zakat and Income Authority. The outstanding Zakat amount is charged to Jarir's Consolidated income statement. Moreover, Jarir submitted and paid its zakat declaration until 31/12/2020, as well as paying the differences resulted from the final zakat assessment till the end of 2010. During 2019, the company received from General Authority of Zakat & Taxes a zakat assessment for the years from 2011 to 2015, claiming the zakat differences at the total of 25.6 million riyals compared to what had been paid for these years.

According to laws, the company objected to these assessment and filed the objection to the General Secretariat of Zakat, Tax and Customs Committees in March 2021. The Tax Committees for Resolution of Tax Violations and Disputes ("the Committee") decided to reject the most of the objections submitted by the company. Consequently, the company escalated its objection on the Committee decision to the Appeal Committee for Tax Violations and Disputes within the prescribed period.

In addition, the company received zakat assessments from the authority for the years from 2016 to 2018, claiming zakat differences at the amount of 35.9 million Saudi Riyals compared to the zakat paid for these years. The company objected to these assessments according to the laws and paid around 10% of the value of the assessments the subject matter of objection according to laws, (which requires the payment of 10% to 25% of the value of the disputed assessments). The authority refused the submitted objection, so the company filed an objection to the General Secretariat of Zakat, Tax and Customs Committees within the legal period, and the objections is still under consideration.

In 19 August 2021, the company received a zakat assessment from the authority for the years 2019 and 2020, claiming the zakat differences of 19.8 million Saudi Riyals compared to the amounts paid for these years. The company objected to these assessments according to the laws and paid around 25% of the value of the disputed amounts as per the requirements of the Zakat regulation. The authority refused the submitted objection, so the company filed an objection to the General Secretariat of Zakat, Tax and Customs Committees within the legal period, and the objections is still under consideration.

These paid amounts will be recoverable if the company managed to solve its dispute with the authority for the company, otherwise the payments will be deemed as a part of the settlement amount decided at the end of the dispute.

The main reason beyond these zakat differences is that the Zakat, Taxes and Customs Authority in its assessments did not allow to deduct the dividends for shares that exceed the opening balance of the retained profits. The company has consistently adopted the policy of generous profits distributions with its regular conduct of the quarterly dividends. The company has been maintaining a relatively low retained profits at the end of the year due to the policy of dividends, also due to many of the remained profits capitalisation in the past. Subsequently, in all of these abovementioned years, the overall of the dividends exceeded the retained profits of the opening balance. From the perspective of the company, the dividends are completely deductible, since they are already distributed during the zakat year where the company deducted these

dividends. The remained profits of the opening balance shouldn't be used as an obstacle before the dividends deduction which legally performed, announced and paid as per applicable regulations.

Whilst the company believes that it applied the Islamic Sharia Principles properly by deducting these dividends, from the zakat pool, it keep an efficient zakat provision in order to face the probable zakat differences that may rise from such disputes.

In the following a statement of the payments to the regulatory authorities:

In thousand riyals

Statement	2021		A brief description of it	Reasons
	Paid	Outstanding till the end of the annual fiscal period		
Customs authority	18,651	0	Customs clearance	Import
Zakat	24,007	26,600	Zakat of income	The annual zakat declaration and the company's objections which is still under consideration
Tax	10,687	6	Deduction tax	The dividends of the non-resident shareholders as well as the foreign and non-resident services
Value added tax	1,298,798	36,760	Value added tax	Value added tax of the commodities and services supplies.
The General Organization for Social Insurance	43,241	3,643	Social insurance	The outstanding monthly insurances for the Saudi and non-Saudis employees
Passports and visas costs	221	0	Staff visas	Recruitment of labour and exit and return visas for employees
The labour office fees	18,774	0	Staff residence	Issuing and renewing employees' residence permissions.

\* The amount of zakat amounting to 26,600 thousand riyals due until the end of the annual financial period and has not been paid is the zakat provision for the year 2021, except for additional provisions made during previous years to meet the potential zakat differences resulting from the dispute with the General Authority for Zakat and Income for the years after 2010.

The total fines or penalties imposed on the company during the fiscal year amounted to (425,996) riyals, and their details are as follows:

Penalty/fine/precautions/precautionary attachment	Reasons of violation	The authority imposed the violation	Total amount (Riyals)	Treatments and ways of avoiding its occurrence in the future
Fine	Labour violations	Labour office	170,687	Following the regulatory requirements
Fine	Not displaying the tax certificate	Zakat, Taxes and Customs Authority	20,000	Following the regulatory requirements
Fine	Violations of licensing requirements	Ministry of Municipal and Rural Affairs	172,250	Following the regulatory requirements
Fine	Civil defence violations	The General Directorate of Civil Defence	26,100	Following the regulatory requirements
Fine	Traffic violations	Ministry of Interior-Traffic	4,450	Following the regulatory requirements
Fine	Violations to Ministry of Media	Ministry of Media	10,700	Following the regulatory requirements
Fine	Violations to Ministry of Commerce	Ministry of Commerce	21,809	Following the regulatory requirements
<b>Total</b>			<b>425,996 Riyals</b>	

## 6- Social Institutions Support



## 7- Dividends for the fiscal year 2021

An amount of 99,186 thousand riyals has been allocated from the net profit to form the statutory reserve.

Jarir distributed cash dividends for the fiscal year 2021 according to the following table:

Period	Dividends total (in million riyals)	per share (Riyal)	Announcement date	Maturity date	Distribution date
First quarter	252.0	2.10	27/05/2021	31/05/2021	09/06/2021
Second quarter	168.0	1.40	11/08/2021	16/08/2021	25/08/2021
Third quarter	246.0	2.05	04/11/2021	08/11/2021	17/11/2021
Fourth quarter	234.0	1.95	08/03/2022	14/03/2022	23/03/2022
<b>Total</b>	<b>900.0</b>	<b>7.50</b>			



5

# Capital, Investors and Equity Notifications



## 1- Capital

The following table summarizes Jarir's capital:

Statement	Value in riyals/number of shares
Authorized capital	1,200,000,000 riyals
Number of issued shares (all are ordinary shares)	120,000,000 shares
Paid capital	1,200,000,000 riyals
Nominal value per share	10 riyals
Paid value per share	10 riyals

## 2- Main Shareholders and Change in Ownership Shares

In the following table, a list of the names, numbers and percentage of ownership of main shareholders who own 5% or more and its change during the year 2021:

Millions of shares

Investor	Number of shares at the beginning of 2021	Ownership percentage at the beginning of 2021	Number of shares at the end of 2021	Ownership percentage at the end of 2021
Jarir Commercial Investments Company	26,206,408	%21.8386	26,205,904	%21.8382

## 3- Ownership Structure for Individuals and Organisations by the end of 2021

Type of Investors:

Type	Number of investors	Number of shares	Ownership percentage (%)
Companies and organisations	734	76,529,574	63.774
Individuals	20,912	43,470,426	36.226
<b>Total</b>	<b>21,646</b>	<b>120,000,000</b>	<b>100%</b>

Investors according to the proportion of the ownership:

Ownership proportion (shares)	Number of investors	Number of shares	Ownership percentage
More than million	16	64,874,151	54.07
From 500 thousand: less than million	21	14,122,595	11.69
From 100 thousand: less than 500 thousand	89	17,131,577	14.28
From 50 thousand: less than 100 thousand	98	6,768,071	5.65
From 10 thousand: less than 50 thousand	446	9,389,589	7.85
From 5 thousand: less than 10 thousand	392	2,701,575	2.26
From one thousand: less than 5 thousand	1,543	3,343,489	2.8
Less than one thousand	19,041	1,668,953	1.4
<b>Total</b>	<b>21,646</b>	<b>120,000,000</b>	<b>%100</b>

• According to the investors' ownership report dated 31/12/2021.

Investors according to their categories:

Category	No.	Number of shares	Ownership percentage (%)
Saudi individual investors	19,834	43,237,534	36.031
Foreigner resident investors	1072	232,386	0.193
Saudi companies and organisations	92	38,124,712	31.770
Governmental and semi-governmental organisations	13	6,055,610	5.046
Saudi investment funds	75	13,371,568	11.142
Barter agreements	7	197,650	0.164
Foreign non-resident investors	537	18,424,038	15.353
Charitable and endowment organizations	16	356,502	0.297
<b>Total</b>	<b>21,646</b>	<b>120,000,000</b>	<b>%100</b>

• According to the investors' ownership report dated 31/12/2021.

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# Dividends Policy



## Dividends Policy

The dividend distribution process in general depends on the net profits achieved, cash flows, and future expectations of capital investments, and although Jarir has been disbursing quarterly dividends to shareholders, there are no guarantees for future distributions, and the dividend policy may change from time to time depending on performance of Jarir and the vision of the Board of Directors.

According to Article (44) of Jarir's Bylaw, the annual net profits are distributed after deducting all public expenses and other costs as follows:

- Saving 10% of the net profits to form a statutory reserve, bearing in mind that the Ordinary General Assembly may stop this saving when the reserve reaches the statutory ratio.
- The Ordinary General Assembly may, based on a proposal from the Board of Directors, set aside a percentage not exceeding 20% of the net profits to form a consensual reserve and allocate it for a specific purpose or purposes.
- After that, a down payment to shareholders equivalent to at least 5% of the paid up capital shall be distributed.
- After the foregoing, a percentage not exceeding 10% of the remainder shall be allocated to the remuneration of the Board of Directors, provided that it does not, in all cases, exceed the maximum permissible limits in accordance with the official decisions and instructions issued by the competent authorities in this regard.
- The Ordinary General Assembly may deduct 10% of the net profits to establish social institutions for Jarir employees or to use it to grant Jarir employees shares in Jarir as a reward to them.
- The rest is then distributed to the shareholders as an additional share of the profits.

**Jarir expects that the distribution ratio will be between 80% - 100% of the net profit, unless this contradicts the financial, operational and investment needs.**

**A separate item is included in the agenda of the annual general assembly, which states: "Approval of authorizing the Board of Directors to distribute quarterly dividends to shareholders, with defining the eligibility and distribution date, taking into account the relevant regulations."**

The following table shows the historical development of the cash dividends of Jarir till now:

Year	Net profit (in million riyals)	Share profitability (riyals)	Distributed profit (riyals)	The total amount of distribution	The percentage of the distributed amount from the net profit (%)
2016	737,9	6,15	5,48	657	89.03
2017	867,7	7,23	6,53	783	90.24
2018	The capital was increased from 900 million to 1200 million by granting one bonus share for every three shares.				
	960	8,0	7,85	942	98.12
2019	984,7	8,21	8,00	960	97.49
2020	1,003	8,36	7,85	942	93.92
2021	992	8,27	7,50	900	91.9

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# Risks & Future Outlook



## 1- The Risks Jarir Might Face

Risk management in Jarir is carried out by senior management in accordance with policies approved by the Board of Directors, where the board identifies and evaluates risks, and takes precautions against them through close cooperation between Jarir's departments. In addition to, evaluating the possibilities of risks occurrence and estimating the effects that may result from them, and then the necessary measures are taken to reduce these risks, avoid them and contain them as much as possible to avoid any damage they may cause in the event their occurrence.

**There are many risks related to Jarir's activities, including:**

### **Economic risks:**

The risks to which the economy is exposed in general, whether inside or outside the Kingdom, which have an impact on spending for individuals and institutions, and what have an impact on suppliers and manufacturers.

### **Strategic risks:**

Not being aware of the economic variables, making the wrong strategic decisions, or applying the strategies incorrectly, and Jarir is keen to be aware of the economic variables through studying the market and the economic situation, and using distinguished expertise to avoid any strategic risks.

### **Operational risks:**

All shortcomings and failures facing the operational processes and the ability to work in a competitive environment. These risks include:

#### **1- Currency risks:**

It is the risk of change in the value of financial instruments due to the change in currency exchange rates, as most of Jarir's transactions are in Saudi riyals, US dollars and euros, and subsidiaries are exposed to currency conversion risks.

#### **2- Credit risks:**

It is the inability of one party of a financial instrument to meet its obligations, which leads to the other party incurring a financial loss. To avoid credit risks, cash is deposited with banks with a high credit rating, and receivables are restricted after deducting the provision for doubtful debts.

#### **3- Cash risks:**

It is the risk of difficulty in securing the cash necessary to meet its obligations, and cash risk is managed by ensuring periodically that sufficient cash is available to meet any future obligations.

#### **4- Human resources risks:**

The ability to attract and retain qualified and distinguished human cadres, and Jarir continuously recruits and trains national cadres, and develops an incentive reward to support the continuity and efficiency of its employees.

#### **5- Legal risks:**

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

#### **6- Technical risks:**

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

## 2 The Outlook

Despite the foregoing and the changes that Saudi Arabia witnessed in consumer behaviour, and the exceptional circumstances of the year 2020 represented by the emerging Corona Virus pandemic (Covid-19), Jarir followed a new strategy based on reducing the profit margin sometimes to gain a larger market share in the light of these economic conditions, and seeking to obtain competitive prices from suppliers, Jarir will continue on the same strategy, and will maintain its expansion plans, and expansion plans will include new areas in Saudi Arabia, Kuwait, the UAE, and Bahrain, and studying expansion in other countries.

During the year 2021, Jarir opened six showrooms, as the number of Jarir Bookstores became (67) showrooms inside and outside the Kingdom. Jarir intends to open seven showrooms during 2022, and to continue developing the Jarir website. The wholesale and distribution sector will continue to grow by doubling existing distribution network and entering new markets.

The future of Jarir looks promising in light of our continuous quest to reach the largest possible segment of customers and serve them in new ways and methods. We are committed to improving Jarir's performance and achieving the desired growth, improving product display services in addition to providing the highest levels of customer service and the best value.

Jarir is fully aware that achieving these goals depends on a strong and qualified team, and therefore it continues to invest in human capital and attract qualified human cadres to provide the best value to its customers and investors.

Based on these data and plans, and in light of the current and expected market conditions, and in light of the challenges surrounding the sector in which we operate, Jarir expects to achieve positive growth in the range of 5% in the fiscal year 2022 compared to the fiscal year 2021.



# Governance



## 1- Board of Directors' Formation

The board of directors consists of eight members according to Article No. (16) of the bylaw of Jarir. Moreover, the board of directors' formation complies with the instructions stated in Article (17) of corporate governance regulations issued by the Capital Market Authority.



**Mohammed ben Abdulrahman Alagil**  
Chairman (Non-Executive)

### Current Positions

Chairman of Jarir Marketing Co.

### Qualifications

- Master degree in engineering from University of California/ Berkeley.
- A bachelor in Civil Engineering from King Fahd University of Petroleum & Minerals.
- The certificate of OPM from University of Harvard.

### Experience

- The chairman of Jarir Marketing Co. since its foundation until now.
- The foundation of Jarir Marketing Co.
- The foundation and the management of Jarir Investments.
- A former member of the board of directors in a number of companies.
- A former member of Centennial Board of Trustees
- A member of the executive committee of the National Centre of Family Businesses (in the board of the chambers).
- A former member in the Duke University Middle East Advisory Board.
- A former member in the committee of Board of Trustees of King Abdul Aziz and his men for the care of the gifted.



**Nasser ben Abdulaziz Alagil**  
chief operating officer (Executive)

### Current Positions

chief operating officer

### Former Positions

Worked in the information technology department in the Saline Water Conversion Corporation.

### Qualifications

- Bachelor of Computer Science from Eastern Washington University
- Joined many programs of management development.

### Experience

- Worked in the information technology department in the Saline Water Conversion Corporation.
- A former member of many of board of directors in a number of companies.
- A member of the board of director of Jarir Marketing Co. since its foundation until now.
- Chief operating officer in Jarir Marketing Co.



**Abdulkareem ben Abdulrahman Alagil**  
CEO  
The vice chairman (Executive)

### Current Positions

- The CEO
- The Vice Chairman

### Former jobs

- Assigned lecturer in Institute of Public Administration.

### Qualifications

- The certificate of OPM from University of Harvard.
- Joined many programs of management development.

### Experience

- Jarir Bookstore foundation.
- One of Jarir Marketing Co. founders.
- A member of the board of director of Jarir Marketing Co. since its foundation until now.
- The head of retail sector (Jarir bookstore) and the CEO of the company.
- The vice chairman of Jarir Marketing Co, since 2019 until now.



**Fahad ben Abdullah Al-Qasem**  
(Independent)

### Current Positions

### Former Positions

- The CEO of Amwal Financial (2001:2011).
- The general manager of Al Othaim Trading Establishment (2000:2001)
- A partner and manager in KPMG International (1995:1999).
- The executive manager of Dallah Hospitals (1991:1995).
- A partner in ALKassim CPA's and Consultants (1990-1991).

### Qualifications

- Bachelor of Administrative Science, Accounting department from King Saud University.
- AMLP program for management and advanced leadership from Oxford University.

### Experience

- Financial and administrative advices and auditing (25 years).
- Executive management- Health Foundation (5 years).
- Executive management-Wholesale and retail (one year).
- A member of the board of directors in a number of companies.
- A member in many committees (investment-auditing-governance-recommendations and rewards).



**Abdullah ben Abdulrahman Alagil**  
Managing Director (Executive)

### Current Positions

Head of the wholesale sector of Jarir Marketing Co., the managing director of the company.

### Qualifications

Bachelor of management from King Saud University.

### Experience

- One of Jarir Marketing Co. founders.
- A member of the board of director of Jarir Marketing Co. since its foundation until now.
- Establishing the wholesale processes in Jarir.
- The head of the wholesale in Jarir Marketing Co., the vice chairman and the managing director of the company



**Bader ben Hamed Aujan**  
(Independent)

### Current Positions

membership in board of directors in many companies.

### Former Positions

- The managing director and the CEO of Savola Foods.
- The managing director of AL-MUHAIIDIB FOODS.
- The managing director of Aujan Industries.
- The General Manager of Aujan Coca-Cola Beverages Company.

### Qualifications

- Bachelor of Mechanical Engineering from King Saud University.
- The international program for the boards of directors in University of INSEAD.
- Various training courses in Harvard and IMD and others.

### Experience

- A member of the board of directors and CEO of Savola Foods.
- The managing director of AL-MUHAIIDIB FOODS.
- The managing director of Aujan Industries
- A member in the board of directors of United Sugar Company.
- A member in the board of directors of Afia International Company.
- A member of the board of directors of Savola Group in Egypt.
- A member of board of directors of Savola Foods in Morocco, Algeria, The Sudan and Turkey.



**Nasser ben Abdulrahman Alagil**  
(Non-Executive)

### Current Positions

Head of Kite Arabia Company Limited.

### Former positions

- The marketing and sales manager of Jarir Bookstore.
- Supervised the maintenance of the industrial zone in Al Jubail and Yanbu.

### Qualifications

- Bachelor of Engineering from University of Colorado, Boulder.
- Many of courses of business management, marketing and sales.

### Experience

- One of Jarir Marketing Co. founders.
- The manager of marketing and sales in Jarir Bookstore
- The head of Kite Arabia Company Limited.
- Working on the designs of Jarir Bookstore and Riyadh Najed Schools.



**Basel ben Mohammed ben Gabr**  
The representative of the General Organization for Social Insurance  
(Independent)

### Current Positions

Investment counsellor

### Former Positions

- The CEO of MASIC
- The CEO of INTERACTIVE Saudi Arabia LTD.
- The CEO MALAZ CAPITAL COMPANY.
- The General Secretary of the permanent committee of ecommerce.

### Qualifications

- MA degree in Business Administration from University of Detroit in USA.
- Bachelor of Business Administration from King Saud University.
- The CEO program of Harvard University.
- The leadership program of London Business School.

### Experience

- A member of the board of directors and the head of risks committee of Riyadh Capital Company.
- A member of the board of directors and a member of the committees of audit and recommendations in MALAZ CAPITAL COMPANY.
- Member of the Board of Directors and member of the Executive Committee and the Investment Committee of the Technical Investment Company.
- Member of the Board of Directors and a member of the investment and nomination committees at Taiba Holding Company.
- Member of the Board of Directors and member of the Executive Committee of Al-Tayseer Finance Company.
- Member of the Board of Directors and Chairman of the Risk Committee, and a member of the Investment Committee of Allianz Saudi Fransi Company.



In the following table is a list of the companies in which a member of the company's board of directors is a member of its current and previous boards of directors or one of its managers

Member	Companies in which a board member is a member of their current board of directors or one of their managers			Companies in which a board member is a member of their previous board of directors or one of their managers				
	Company name	Legal entity	Inside/ outside the Kingdom	Company name	Legal entity	Inside/ outside the Kingdom		
<b>Mohammed ben Abdulrahman Alagil</b>	Alkhorayef Group	Unlisted Joint stock	Inside the kingdom	Al-Andalus Property Company SJSC	Listed joint stock	Inside the Kingdom		
				Al Faisaliah Group	Unlisted Joint stock			
				Tawuniya for Insurance				
				Riyadh Najd Schools				
				NAFFCO				
				Jarir Trading LLC				
				Horma International Company				
				Horma National Company				
				Nourah National Company				
				Sanabel Saudi Company				
				Hamat Holding				
				Imtiaz Al Arabia Co				
				Middle East TV. "mbc"			Private company	Outside the Kingdom
				<b>Abdullah bin Abdulrahman Al-Agil</b>			Jarir Real Estate Company	Unlisted joint stock
Jarir Company for Commercial Investments								
Jarir Trading Development Company								
Kite Arabia Co								
Labab Horma Company								
Wadi Horma Company								
Imtiaz Al Arabia Co								
<b>Nasser bin Abdulrahman Al-Agil</b>	Jarir Real Estate Company	Unlisted joint stock	Inside the Kingdom	Riyadh Najd Schools	Unlisted joint stock	Inside the Kingdom		
				Horma Projects Company				
				Kite Arabia Co				
<b>Abdulkarim bin Abdulrahman Al-Agil</b>	Jarir Real Estate Company	Unlisted joint stock	Inside the Kingdom	Horma National Company	Listed joint stock	Inside the Kingdom		
				Kite Arabia Co				
				Labab Horma Company				
				Horma Projects Company				
<b>Nasser bin Abdulaziz Al-Agil</b>	Riyadh Najd National Schools Company	Unlisted joint stock	Inside the Kingdom	Horma National Company	Listed joint stock	Outside the Kingdom		
				Horma Projects Company				
				Factor Car Outlet (American				
				Nourah National Company				
	Riyadh Najd National Schools Company	Unlisted joint stock	Inside the Kingdom		Listed joint stock	Outside the Kingdom		
				Sanabel Horma Company				

Member	Companies in which a board member is a member of their current board of directors or one of their managers			Companies in which a board member is a member of their previous board of directors or one of their managers			
	Company name	Legal entity	Inside/ outside the Kingdom	Company name	Legal entity	Inside/ outside the Kingdom	
<b>Fahd bin Abdullah Al Qassem</b>	Savola Group	Listed joint stock	Inside the Kingdom	Albilad Bank	Listed joint stock	Inside the Kingdom	
	Dur Hospitality Company						
	Dallah Healthcare Company						
	Riyadh Development Company						
	Dr. Mohammad Bin Rashed Al Faqih & Cos Company	Unlisted joint stock		Abdullatif Alissa Group Holding Co	Unlisted joint stock		
	Alrajhi united investments holding (executive)						
	Argan Projects company			Naqel Company			
	Fahd Bin Abdullah bin Abdula ziz Al Qasim & Sons for Trading & Investment Company	Unlisted joint stock		Al Rajhi Alfa Investment Holding Company	Limited liability		
	Arez Commercial Investment, Ltd.						
	Abdullah bin Ibrahim Al-Subaie Holding Company (AIMS)						
	Gulf Baseqat Group						
	Twenty First Century company & its partner for real estate evaluation	Limited liability		Raj Real Estate Company	Limited liability		
	Rakeen Najd International Company						
	Fincorp Investment Holding Company	Egyptian Closed shareholding company		Outside the Kingdom	The Saudi Heritage Hospitality Co.		Limited liability
					National General Automotive Company		
	<b>Badr bin Hamed Al-Aujan</b>	Abdullah AlOthaim Markets		Listed joint stock	Inside the Kingdom		ARASCO
Al Jouf Agricultural Development Co SJSC							
Al Safi Danone Ltd		Limited liability	United Sugar Company				
International Company for Food Industries							
National Biscuits Confectionery Company Co.							
Technical Investment Company	Unlisted joint stock	Mohammed & Abdullah Al-Subaie Investment Company	Unlisted joint stock				
Tayseer Finance Company							
Taiba Holding Company	Listed joint stock	Al-Malaz Technical Investment Company	Limited liability				
Allianz Saudi Fransi Company							
<b>Basil bin Mohammed bin Jabr</b>		Listed joint stock	Inside the Kingdom	interactive Saudi Arabia Ltd.	Limited liability	Inside the Kingdom	

The names and data of the members of the executive management are as follows:

Serial No.	Member	Current positions	Previous positions	Qualifications	Experience
1	<b>Abdullah bin Abdulrahman Al-Agil</b>	Previously defined as a member of the board of directors			
2	<b>Abdulkarim bin Abdulrahman Al-Agil</b>	Previously defined as a member of the board of directors			
3	<b>Nasser bin Abdulaziz Al-Agil</b>	Previously defined as a member of the board of directors			
4	<b>Faisal bin Anbar Al-Anbar</b>	Financial Manager	<ul style="list-style-type: none"> <li>Chief Financial Officer of Jarir Marketing Company.</li> <li>Operation manager.</li> <li>Director of accounting Department.</li> <li>Budget and treasury manager.</li> <li>Accountant</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Accounting from Imam Mohammed Bin Saud Islamic University</li> </ul>	<ul style="list-style-type: none"> <li>Financial and administrative management (26 years) at Jarir Marketing Company.</li> </ul>

## 2-Board of Directors' Meetings Attendance Record for the Fiscal year 2021

Record of the attendance of board meetings for the fiscal year 2021. The following are their dates and the record of attendance of board members:

	Name	The date of the board of directors meeting					Total of attendance
		05/05/2021	10/08/2021	03/11/2021	23/01/2022	08/03/2022	
1	Mohammed Bin Abdulrahman Al-Agil.	√	√	√	√	√	5
2	Nasser Bin Abdulrahman Al-Agil.	√	√	√	√	√	5
3	Abdullah Bin Abdulrahman Al-Agil.	√	XX	√	√	√	4
4	Abdulkarim Bin Abdulrahman Al-Agil.	X	√	√	√	√	5
5	Nasser bin Abdulaziz Al-Agil.	√	√	√	√	√	5
6	Fahd bin Abdullah Al Qassem.	√	√	√	√	√	5
7	Badr bin Hamed Al-Aujan .	√	√	√	√	√	5
8	Basil bin Mohammed bin Jabr.	√	√	√	√	√	5

The date of the last meeting of the General Assembly 26/05/2021  
 √ - in person    X – by proxy by another board member    XX- absence

## 3-The General Assembly of Shareholders' Meetings Attendance record.

Record of the attendance of assembly meetings for the fiscal year 2021. The following are their dates and the record of attendance of board members:

	name	attendance record
		ordinary general assembly 26/05/2021
1	Mohammed Bin Abdulrahman Al-Agil.	√
2	Abdullah Bin Abdulrahman Al-Agil.	√
3	Nasser Bin Abdulrahman Al-Agil.	√
4	Abdulkarim Bin Abdulrahman Al-Agil.	√
5	Nasser bin Abdulaziz Al-Agil	√
6	Fahd bin Abdullah Al Qassem.	√
7	Badr bin Hamed Al-Aujan	√
8	Basil bin Mohammed bin Jabr.	√

√ - attendance    XX- absence

## 4-Company's Applications for the Register of Shareholders

Statement of the number of Jarir applications for the shareholders register during 2021:

Number of the Jarir application for shareholders registre	Date of application	Reasons for application
1	24/01/2021	Company procedures
1	22/03/2021	Profits file
1	22/04/2021	Others
1	26/05/2021	General Assembly
1	31/05/2021	Profits file

## 5- Committees

### 1- Audit Committee:

The audit committee was established in accordance with Article (54) of the Corporate Governance Regulations issued by the Capital Market Authority, and in accordance with Article (2) and the work regulations of the audit committee approved by the ordinary general assembly at its meeting on 25/12/2017 and amended by the extraordinary general meeting on 28/10/2018, and the ordinary general assembly meeting dated: 26/05/2021.

The committee shall study the subjects that are assigned to it or referred to it by the board of directors, submit its recommendations to the board for decision, or take decisions if authorized by the board. The committee shall inform the board of its findings, decisions or recommendations.

The committee is also responsible for monitoring the Jarir's operations and verifying the validity and integrity of the reports, financial statements and internal control systems. The committee's functions include the following:

#### Financial Reports:

1. Studying the preliminary and annual financial statements of the company prior to presenting them to the board of directors, and providing its opinion and recommendation on them in order to ensure their integrity, fairness and transparency.
2. At the request of the board of directors, providing the technical opinion on whether the board 's report and the financial statements of the Company are fair, balanced and understandable, and include information that enables shareholders and investors to evaluate the Company's financial position, performance, work model and strategy.
3. Studying any important or unusual issues at financial reports.
4. Thorough investigation of any matters raised by Jarir's CFO, or their deputies, the Compliance Officer of the Company or the auditor.
5. Verification of accounting estimates on principal issues in the financial reports.
6. Studying the accounting policies followed in the company, and providing the board with opinions and recommendations on them.

#### Internal Audit:

1. Studying and reviewing the internal control, financial and risk management systems of Jarir.
2. Studying the internal audit reports, and following up the implementation of corrective measures of the notes contained therein.
3. Supervising and controlling the performance and activities of the internal auditor and the internal audit department of the company, in order to verify the availability of the necessary resources and their effectiveness in the performance of the tasks and tasks entrusted to them.
4. Recommending to the board of directors to appoint the director of the internal audit unit or department or the internal auditor, and proposing their remuneration.

#### Auditor:

1. Recommending to the board of directors the nomination and dismissal of auditors, determining their fees and evaluating their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.
2. Verifying the independence, objectivity and fairness of the auditor, and the effectiveness of the audit, taking into account the relevant rules and standards.
3. Reviewing the plan and work of company's auditor, making sure that they don't provide technical or administrative works beyond the scope of the audit work, and making comments thereon.
4. Answering the inquiries of the company auditor.
5. Making sure that the auditor is able to perform their work, and that information is not withheld from them.
6. Studying the auditor's reports and observations on the financial statements, and following up on actions taken on them.

#### Commitment Guarantee:

1. Reviewing the results of the reports of the regulatory bodies, and verifying that the company has taken the required procedures upon them.
2. Verifying the company's compliance with relevant systems, regulations, policies and instructions.
3. Reviewing the contracts and transactions proposed by the company with the related parties, and submitting their views thereon to the board of directors.
4. Referring the issues it deems necessary to the board of directors to take action on them, and recommending the actions to be taken.

The names and date of the members of the Committee are as follows:

no	Name	Current positions	Previous positions	Qualifications	Experience
1	<b>Abdulsalam bin Abdulrahman Al-Agil</b> Chairman of Committee	<ul style="list-style-type: none"> <li>Chairman of of Asala Holding Company, Imtiaz Al Arabia Co, Riyadh Najd school, Horma national Company).</li> <li>Managing Director of Jarir Company for Commercial Investments, Jarir Trading Development Company).</li> <li>CEO of Jarir Company for Commercial Investments.</li> <li>General Manager of Burooj International Co Ltd., Future Markets Co Ltd., Advanced Markets Co Ltd., Afrass arabia Co Ltd., Jarir Union Company).</li> <li>Chairman of Future Houses Company.</li> <li>Chairman of the Investment Committee at Kinan International for Real Estate Development).</li> <li>Member of the Audit Committee at the General Authority for Investment.</li> <li>Chairman of the Audit Committee at Jarir Markeing Company).</li> </ul>	<ul style="list-style-type: none"> <li>Financial analyst at Cresscot Inc -New York -USA. (1989-1990 )</li> <li>Facilities official for major companies at Banque Saudi Fransi- Saudi Arabia (1991-1993).</li> <li>Member of the Advisory Committee - Capital Market Authority (2013-2016).</li> <li>Board member of the General Authority for Investment (2015-2018).</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Science in Industrial Management from King Fahd University of Petroleum and Minerals - Kingdom of Saudi Arabia.</li> <li>CPE course from the Family Establishments Office - United States of America.</li> <li>Certificate in Strategic Finance from Harvard University - USA</li> <li>Certificate in Private Wealth Management - Wharton Education Program - Pennsylvania, USA.</li> <li>Certificate of passing the CME test from the Institute of Banking - Riyadh.</li> <li>A course in Corporate Governance, Compliance, Anti-Money Laundering and Combating Terrorism from Al-Jazira Bank in Riyadh.</li> </ul>	<ul style="list-style-type: none"> <li>(Former) Member of the Advisory Committee at Capital Market Authority.</li> <li>(Former) board member of Malath Insurance and Reinsurance Company.</li> <li>Board member of Herfy Food Services Company.</li> <li>(Former) member of Jarir Holding Company (liquidated).</li> </ul>
2	<b>Fahd bin Abdullah Al Qassem</b>	He has already been identified in the names and data of the members of the board of directors			
3	<b>Medhat Farid Abbas Tawfik</b>	Executive partner at Irsaa Al Jazira Group for Business Solutions.	<ul style="list-style-type: none"> <li>Samba Financial Group</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Science majoring in Chemistry from Belmont University, Tennessee.</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Audit Committee of the Saudi Telecom Company Stc.</li> <li>Chairman of the Audit Committee of AWJ Holding Company. d</li> <li>Independent Boar Member of Rana Investment Company.</li> </ul>

Five meetings of the Committee were held in 2021. The attendance record is as follows:

no	Name	Position	Date of meeting					Total of attendances
			04/05/2021	09/08/2021	22/09/2021	02/11/2021	07/03/2022	
1	<b>Abdulsalam bin Abdulrahman Al-Agil</b>	Committee Chairman	√	√	√	√	√	5
2	<b>Fahd bin Abdullah Al Qassem</b>	Member	√	√	√	√	√	5
3	<b>Medhat Farid Abbas Tawfik</b>	Member	√	√	√	√	√	5

√ - in person      X – by proxy by another Audit Committee member      XX- absence

In the light of the work done by the committee during 2021 the audit committee considers that there is no material deficiency or change in the internal control systems ,that they are effective to prevent and detect material errors ,and that there has been no material breach of the internal control systems during 2021.

## 2-Rewards and Nominations Committee:

The Committee for Rewards and Nominations was established in accordance with Article (60), Article (64) and Article (50) of the Corporate Governance Regulations issued by the Capital Market Authority. In accordance with Article (2) of the work regulations of the Rewards and Nominations Committee approved by the ordinary general assembly at its meeting on 25/12/2017.

The committee shall study the subjects that are assigned to it or referred to it by the board of directors, and submit its recommendations to the board for decision or take decisions if authorized by the board. The Committee shall inform the board of its findings, decisions or recommendations.

### In respect of rewards, the Committee shall:

1. Clarify the relationship between the granted rewards and the applicable rewards policy, and indicate any significant deviation.
2. Conduct a periodic review of the reward policy, and evaluate its effectiveness in achieving its objectives.
3. Recommend to the board of directors the rewards of the members of the board, its subordinate committees and senior executives in accordance with the approved policy.

### In relation to nominations, the Committee shall:

1. Propose clear policies and criteria for membership in the board of directors and executive management.
2. Recommend to the board of directors to nominate and re-nominate members in accordance with the approved policies and standards.
3. Prepare a description of the abilities and qualifications required for membership of the board of directors and occupying the jobs of executive management.
4. Determine the time a member should allocate to the work of the board of directors.
5. Conduct an annual review of the necessary skills or experience for board membership and executive management jobs.
6. Review the structure of the board and executive management, and make recommendations on possible changes.
7. Annually verify the independence of independent members and the absence of any conflict of interest if the member is a board member of another company.
8. Develop a functional description for executive members, non-executive members, independent members and senior executives.
9. Establish special procedures in case of a vacancy in the board of directors or senior executives.
10. Evaluate the performance of the board of directors, its committees and executive management annually, and submit its findings to the board of directors, recommending a plan to address the aspects that need to be developed.
11. Identify weaknesses and strengths in the board of directors, and propose solutions to address them in line with the company's interests.

### The following is a list of the names and record of the attendance of the members of the Committee during the fiscal year 2021:

no	Name	Current positions	Previous positions	Qualifications	Experiences
1	Fahd bin Abdullah Al Qassem	He has already been identified in the names and data of the members of the board of directors			
2	Mohammed Bin Abdulrahman	He has already been identified in the names and data of the members of the board of directors			
3	Basil bin Mohammed bin Jabr	He has already been identified in the names and data of the members of the board of directors			

### Two meetings of the Committee were held in 2021. The attendance record is as follows:

	Name	Position	Date of meeting			Total of attendances
			10/03/2021	21/01/2021	08/03/2022	
1	Fahd bin Abdullah Al Qassem	Committee Chairman	√	√	√	3
2	Mohammed Bin Abdulrahman	Member	√	√	√	3
3	Basil bin Mohammed bin Jabr	Member	√	√	√	3

√ - in person      X - by proxy by another Audit Committee member      XX- absence

## 3-Governance Committee:

The Governance Committee was formed in accordance with Articles (94), (95) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority under Resolution No. (8-16-2017) and dated 5/16/1438 AH, corresponding to 2/13/2017, as amended by the resolution of the board of The Capital Market Authority on 9/15/1440 AH, corresponding to 2/13/2017, as amended by Resolution of the Capital Market Authority Board No. (3 - 57 - 2019), dated 9/15/1440 AH, corresponding to 5/20/2019, and by the decision of the Board of Directors at its meeting held on 7/3/1440 AH, corresponding to 10/3/2019.

In accordance with Article (2) of the Corporate Governance Regulations, which is approved by the Board of Directors in its decision dated 3/9/1441 AH, corresponding to 11/6/2019, the committee studies matters that are pertaining to it or referred to it by the board of directors, and submits its recommendations to the board to take a decision regarding them, or it takes decisions if the board delegates to it to do so. The committee informs the board of directors of the results it reaches or the decisions it takes or recommends.

### The committee is responsible for the following:

1. Verifying that the company adheres to the governance rules stipulated in the Corporate Law, the Corporate Governance Regulations and other regulations issued by the Authority or by the competent authorities
2. Reviewing and updating the rules in accordance with legal requirements and best practices.
3. Reviewing and developing the rules of professional conduct that represent the company's values, and other internal policies and procedures to meet the company's needs and conform to best practices.
4. Informing members of the board of directors of developments in the field of corporate governance and best followed practices.

### The following is a list of the names and record of the attendance of the members of the Committee during the fiscal year 2021:

no	Name	Current positions	Previous positions	Qualifications	Experiences
1	Fahd bin Abdullah Al Qassem	He has already been identified in the names and data of the members of the board of directors			
2	Badr bin Hamed Al-Aujan	He has already been identified in the names and data of the members of the board of directors			
3	Medhat Farid Abbas Tawfik	He has already been identified in the names and data of the members of the board of directors			

### Two meetings of the Committee were held in 2021. The attendance record is as follows:

	Name	Position	Date of meeting		Total of attendances
			14/03/2021	14/12/2021	
1	Fahd bin Abdullah Al Qassem	Committee Chairman	√	√	2
2	Badr bin Hamed Al-Aujan	Member	√	√	2
3	Medhat Farid Abbas Tawfik	Member	√	√	2

√ - in person      X - by proxy by another Audit Committee member      XX- absence

## 6-Remuneration Disclosure

Jarir has prepared "The reward policy of the members of Jarir Marketing Company's board, its subordinate committees and executive management" pursuant to the provisions of paragraph (1) of Article (61) of the Corporate Governance Regulations issued by the Capital Market Authority Board and approved by the general assembly of the Company on 25/12/2017, and had been amended by the Ordinary General Assembly on 26/05/2021. The rewards granted to directors and senior executives is consistent with the approved policy. The Company also affirms that there is no significant deviation from this policy.

**Hereinafter we state the mechanic of the reward policy of the members of board of directors, its subordinate committees and executive management as per policy is as follows:**

### General criteria for rewards:

1. Their consistency with the company's strategic plans; long-term and short-term objectives; its activities; the sector in which it operates; the skills required to manage it; and the size, nature and degree of risk in the company.
2. Urging members of the board, its committees and executive management to ensure the company's success and long-term development, and linking the variable segment of rewards with long-term performance.
3. Rewards should be determined based on the level of the job, the tasks and responsibilities assigned to the employer; and the level of performance, in addition to the objectives set by the board to be achieved during the fiscal year.
4. Taking into account the practices of other companies in determining rewards, while avoiding any unnecessary rise of rewards and compensation arising out of that.
5. They aim at attracting, maintaining and motivating professional competencies, yet they shall not pass acceptable limits.
6. To be Prepared in coordination with the Rewards and Nominations Committee in the company upon the new appointments.
7. Suspension or refund of the rewards if it turned out that it has been determined on the basis of inaccurate information provided by a member of the board or executive management; in order to prevent the exploitation of the career status to obtain undue rewards.

**The policy stipulates that the rewards of the members of the board and its subordinate committees shall be as follows:**

The rewards of the members of the board and its subordinate committees shall consist of a certain amount and attendance allowance for meetings or expenses, not exceeding the provisions of the Corporate Law, its regulations and the company's statute, as follows:

- An annual bonus of (300,000) three hundred thousand Riyals for each member of the board.
- In addition to the rewards to be paid to the board members, an additional annual bonus shall be paid to the Chairman of the board, which amounts to (250,000) Two hundred and fifty thousand riyals.
- An annual bonus of (50,000) fifty thousand riyals for each member of the subordinate committees of the board.
- Session attendance allowance of (3000) three thousand riyals per session for each member either in the board or in one of its subordinate committees.
- Other allowances and benefits such as travel expenses and others are added as per company policy.

**The policy also stipulates that the rewards of executive management shall be as follows:**

The company gives senior executives financial advantages based on the salary scale and policy adopted in this regard.

Executive management rewards include:

- Annual bonus determined according to performance.
- Long-term incentive reward.

**Following is a breakdown of the rewards paid to board members and senior executives during fiscal year 2021:**

### Rewards for Board Members:

A breakdown of rewards paid to board members during fiscal year 2020 (in their capacity as board members):

(In thousand Saudi riyals)

	Fixed rewards					Variable rewards					Grand total	expenses allowance
	Certain amount	Attendance allowance for board sessions	Total of Attendance allowance for board sessions	In-kind benefits	Technical, administrative and consulting reward of the chairman of the board, the managing	percentage of profits	Periodic bonuses	Short - term incentive plans	long - term incentive plans	Granted shares		
<b>First: independent members</b>												
<b>Fahd bin Abdullah Al Qassem</b>	300	12										<b>312</b>
<b>Badr bin Hamed Al-Aujan</b>	300	12										<b>312</b>
<b>Basil bin Mohammed bin Jabr</b>	300	12										<b>312</b>
<b>total</b>	900	36										<b>936</b>
<b>Second: non-executive members</b>												
<b>Mohammed Bin Abdulrahman Al-Agil</b>	300	12		250								<b>562</b>
<b>Nasser Bin Abdulrahman Al-Agil</b>	300	12										<b>312</b>
<b>total</b>	600	24		250								<b>874</b>
<b>Third: executive members</b>												
<b>Abdullah Bin Abdulrahman Al-Agil</b>	300	9										<b>309</b>
<b>Abdulkarim Bin Abdulrahman Al-Agil</b>	300	9										<b>309</b>
<b>Nasser Bin Abdulaziz Al-Agil</b>	300	12										<b>312</b>
<b>total</b>	900	30										<b>930</b>

In this regard, the company affirms the following:

- There is no arrangement or agreement whereby a board member or a senior executive waives any salary or compensation.
- There are no arrangements or agreements whereby a shareholder of Jarir waives any rights in profits.
- There are no other investments or reserves created for Jarir's employees.

## Senior Executive Rewards

Following is a breakdown of rewards paid to five senior executives who received the highest rewards, including the CEO and the chief financial officer during the fiscal year 2021:

In thousand Saudi riyals

Fixed rewards	
Salaries	10,691
Allowances	3,343
In-kind benefits	207
<b>Total</b>	<b>14,241</b>
Variable rewards	
Periodic rewards	19,447
Profits	0
Short-term incentive plans	0
Long-term incentive plans	0
Granted shares (value)	0
<b>Total</b>	<b>19,447</b>
Severance pay	2,138
<b>Total of executives' rewards</b>	<b>900</b>
<b>Grand total</b>	<b>36,726</b>

Jarir is committed to disclosing the incentives granted to senior executives in total according to the statutory requirements contained in subparagraph (4/b) of Paragraph (a) of Article No. (93) of the Corporate Governance Regulations, without disclosing them in detail. To protect the interests of the company and prevent the damages that may befall the company if it is mentioned in detail, which is the creation of a climate of competition and job instability, and might reflect on the performance of the company and consequently on the shareholders.

## Rewards of members of committees

Following is a breakdown of rewards paid to members of committees during the fiscal year 2021:

In thousand Saudi riyals

	Fixed rewards (except for session attendance allowance)	Session attendance allowance	Total
Members of Audit Committee			
Abdelsallam bin Abdulrahman Al-Agil	180	12	192
Fahd bin Abdullah Al Qassem	130	12	142
Medhat Farid Abbas Tawfik	180	12	192
<b>Total</b>	<b>490</b>	<b>36</b>	<b>526</b>
Members of Rewards and Nominations Committee			
Fahd bin Abdullah Al Qassem	50	3	53
Mohammed bin Abdulrahman Al-Agil	50	3	53
Basil bin Mohammed bin Jabr	50	3	53
<b>Total</b>	<b>150</b>	<b>9</b>	<b>159</b>
Members of Governance Committee			
Fahd bin Abdullah Al Qassem	50	3	53
Badr bin Hamed Al-Aujan	50	3	53
Medhat Farid Abbas Tawfik	50	3	53
<b>Total</b>	<b>150</b>	<b>9</b>	<b>159</b>

## 7- Employee Incentive Programs

Jarir established a number of employee incentive programs. The following is a summary of these programs:



### Employee Incentive Programs

According to this program, Jarir Management grants its senior employees the right to receive cash incentive compensation at the end of the maturity period if specific conditions are met. The calculation of these rewards is linked to the growth achieved by Jarir in its annual profits, which is determined in accordance with the Company's preliminary consolidated financial statements.



### Housing Finance Program

It's granted to Saudi employees under certain terms and conditions. Jarir grants good loan to its Saudi employees with outstanding performance to buy their own homes through loans repayable in installments for ten years, with the aim of enhancing loyalty for national competencies as well as attracting new Saudi competencies.



### Sales Staff Rewards

They include annual rewards and sales bonuses, and are largely related to performance.



### Rewards of Employees

It is an incentive annual reward, which is linked to employee performance during the year according to an annual assessment.

## 8-Equity Share and its Change for Board Members and Senior Executives, and their Spouses and Minor Children in 2021

### Board members, their spouses and minor children

The following table shows the number of shares of Jarir owned by the board of directors in 2021:

	Members	Beginning of 2021	End of 2021	Change during the year	Percentage of change	Debt tools
1	Mohammed Bin Abdulrahman Al-Agil	2,688,338	2,643,568	(44,770)	(1.66)%	None
2	Abdulkarim Bin Abdulrahman Al-Agil	3,840,000	3,840,000	0	0%	None
3	Abdullah Bin Abdulrahman Al-Agil	2,657,844	2,657,844	0	0%	None
4	Nasser bin Abdulaziz Al-Agil	3,840,000	3,840,000	0	0%	None
5	Nasser bin Abdulaziz Al-Agil	481,237	481,237	0	0%	None
6	Fahd bin Abdullah Al Qassem	2,000	2,000	0	0%	None
7	Badr bin Hamed Al-Aujan	1,500	1,500	0	%0	None
8	Basil bin Mohammed bin Jabr	0	0	0	%0	None

### Senior executives, their spouses and minor children:

The following table shows the number of shares of Jarir owned by senior executives in 2021:

	Members	Beginning of 2021	End of 2021	Change during the year	Percentage of change	Debt tools
1	Faisal bin Anbar Al - Anbar	860	860	0	% 0	None

## 9- The Related Parties Transactions

During the fiscal year 2021, some of the contracts in which Jarir was a party and from which some board members benefit, continued. Some of these contracts were agreed upon from previous years and are an extension of the continuous relations that started before the fiscal year 2021.

These contracts are summarized in the table below:

	Contract parties	Contract nature	Amount of transaction during the year (Riyals)	Contract term (annual)	Contract conditions	Member/senior executives or any party related to them
1	Kite Arabia Co.	Business contract Implementation, design and technical consultation for the company, which started on 01/01/2011	36,494,512	Five years, automatically renewed	No special terms	Mohammed bin Abdulrahman Al-Agil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Al-Agil Abdulkarim bin Abdulrahman Al-Agil
2	Kite Arabia Co.	Office lease contract that was held at Jarir Building (Riyadh), and started on 15/11/2012	196,020	Five years, automatically renewed	No special terms	Mohammed bin Abdulrahman Al-Agil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Al-Agil Abdulkarim bin Abdulrahman Al-Agil
3	Jarir Company for Commercial Investments	office Lease contract in Jarir Building (Riyadh), which started on 15/11/2012	444,840	Five years, automatically renewed	No special terms	Mohammed bin Abdulrahman Al-Agil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Al-Agil Abdulkarim bin Abdulrahman Al-Agil
4	Jarir Company for Commercial Investments	office Lease contract in Jarir Building (Riyadh), which started on 15/11/2012	145,860	Five years, automatically renewed	No special terms	Mohammed bin Abdulrahman Al-Agil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Al-Agil Abdulkarim bin Abdulrahman Al-Agil
5	Amwaj Dhahran Company Limited	Showroom Lease contract in Dhahran, which started on 15/12/2008	1,653,750	Twenty two years	No special terms	Mohammed bin Abdulrahman Al-Agil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Al-Agil Abdulkarim bin Abdulrahman Al-Agil
6	Future Markets Company for Trading	Showroom Lease contract in Riyadh Panorama (Al-takhosisi St), which started on 01/12/2005	2,556,696	Twenty two years	No special terms	Mohammed bin Abdulrahman Al-Agil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Al-Agil Abdulkarim bin Abdulrahman Al-Agil
7	Jarir Real Estate Company	office Lease contract in Jarir Building (Riyadh), which started on 14/10/2015	171,625	two years automatically renewed	No special terms	Mohammed bin Abdulrahman Al-Agil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Al-Agil Abdulkarim bin Abdulrahman Al-Agil
8	Robin Arabia Co.	showroom lease contract in Riyadh - Northern Ring Road (Rubin Plaza Complex) which started at 01/05/2017	2,368,800	Twenty five years renewable	No special terms	Mohammed bin Abdulrahman Al-Agil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Al-Agil Abdulkarim bin Abdulrahman Al-Agil
9	Reef Tabuk Limited	showroom lease contract in Tabuk (Tabuk Plaza Complex) which started at 10/04/2018	1,803,600	Twenty years	No special terms	Mohammed bin Abdulrahman Al-Agil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Al-Agil Abdulkarim bin Abdulrahman Al-Agil
10	East Medical Company Ltd.	The lease contract for the residential building located in Al-Rakah Al-Janoubia district in Khobar Governorate which began on 01/09/2019	8,000,000	Twenty years	No special terms	Mohammed bin Abdulrahman Al-Agil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Al-Agil Abdulkarim bin Abdulrahman Al-Agil

11	Robin Arabia Co.	Contract to provide management operation and maintenance services (not including rental-relation services) in Rubin Plaza Complex which started from 01/07/2019	783,800	One year renewable	No special terms	Mohammed bin Abdulrahman Al-Agil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Al-Agil Abdulkarim bin Abdulrahman Al-Agil
12	Jarir Real Estate Company	Contract of sale of a plot of land located in Al-Yasmeeen district in Riyadh dated 08/11/2021	97,925,699	-	No special terms	Mohammed bin Abdulrahman Al-Agil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Al-Agil Abdulkarim bin Abdulrahman Al-Agil

## 10- Jarir Auditors

Jarir asserts that the financial statements were prepared in the fiscal year 2021 according to the International Accounting Standards for financial reporting approved by the board of directors of the Saudi Organization for Certified Public Accountants.

Proposals had been received from major auditing offices for auditing Jarir during the fiscal year 2022, which were presented to the Audit Committee. After discussion, the Committee settled on the nominations that are to be presented to the next general assembly for shareholders to consider the selection Price water house Coopers (PWC) as the company's auditor from among the candidates based on the recommendation of the Audit Committee of the auditor for the Company from among the candidates based on the Audit Committee's recommendation. The appointed auditor shall examine, review and audit the second, third, and fourth quarter and annual financial statements, of the fiscal year 2022 G., and the first quarter of the fiscal year 2023 G., and the determination of the auditor's remuneration.

## 11- Board of Directors' Disclosures

The board of Jarir acknowledges the following:

- The accounting records have been prepared correctly.
- The internal control system has been properly prepared and implemented effectively.
- There is no doubt about the company's ability to continue its activity.

Jarir's Board also affirms:

- There is no penalty, sanction or reserve imposed on Jarir by the Capital Market Authority or any supervisory, regulatory or judicial body – except as mentioned in this report.
- There are significant differences in operating results from the results of the previous year or any projections previously announced by Jarir, as indicated in the financial results.
- There is no difference from the international accounting standards. There are no material observations from the chartered accountant on the annual financial statements of Jarir during 2021. The board of directors is obliged to provide the Capital Market Authority with any additional information required at any time, in the event that the auditor makes any reservations About Jarir's annual financial statements.

## 12- Corporate Governance

Jarir issued the company's bylaw, which some of its Articles has been amended and approved by the ordinary general assembly dated 28/10/2018 in order to be in conformity with the last amendments of the companies' statute and the regulations of Capital Market Authority.

Jarir issued its company governance rules, which were approved by the general assembly held on 10/03/2008 and re-approved by the general assembly held on 13/03/2012, then some of them were re-approved by the General Assembly on 03/13/2012, then some of them were re-approved by the General Assembly on 28/02/2019 following some modifications of some of its provisions in line with the new regulations promulgated by the Capital Market Authority.

### The Company continuously reviews and updates these policies in accordance with relevant rules and regulations, which they are:

1. Regulations of the Audit Committee.
2. Regulations of the Rewards and Nominations Committee.
3. Regulations of the governance Committee.
4. Policies, criteria and procedures for membership in the board of directors.
5. The reward policy of the member of the board, its subordinate committees and executive management.
6. Jarir governance guide.
7. Dividend Policy.
8. Policy of the working procedures of the board of directors.
9. Policies and procedures regulating the discharge of Jarir debtors (Debt Execution).
10. Disclosure policy and procedures.
11. Policy to address conflicts of interest.
12. Policy and procedures for regulating relationship with stakeholders.
13. Policy of professional conduct and ethical values.

The company's policies and regulations are reviewed annually.

### It is worth mentioning that some items do not apply to Jarir and include the following:

- Jarir did not provide any cash loan of any kind to any of the members of its board nor did it secure any loan that a member of its board held with others.
- Jarir does not have convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by Jarir during 2021.
- No rights of transfer or subscription under convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by Jarir in 2021.
- Jarir has no redemption, purchase or cancellation of any redeemable debt instruments.
- Jarir has no preference shares or shares of special interest, especially in voting, whether for shareholders or directors. All Jarir shares are ordinary shares of equal nominal value, equal voting rights and other equal rights according to the statute.
- Jarir is subject to zakat according to the regulations of the General Authority for Zakat and Income in the Kingdom of Saudi Arabia. Jarir registers the annually due Zakat allocation, and charges it to the income statement. The modifications that occur during the final assessment of zakat – if any - are recorded in the period in which the assessment is made.
- During the fiscal year 2021, the company's external auditor did not provide any advisory services to the Company and received no fees in this respect.

### The company applies all the provisions of Corporate Governance Regulations issued by the Capital Market Authority, except as follows:

Article/ Paragraph No	Article/ Paragraph provision	Reasons for non-application
<b>Forty one</b>	<p><b>Evaluation</b></p> <p>The board of directors shall, upon the proposal of the Nominations Committee, establish the necessary mechanisms to evaluate the performance of the board, its members, committees and executive management annually through appropriate performance indicators related to the achievement of the company's strategic objectives, quality of risk management, adequacy of internal control systems and others. They shall determines strengths and weaknesses, and propose addressing them in line with the Jarir's interests.</p>	<p>Guidance article.</p> <p>The board considers available options for selecting an independent body to develop mechanisms for evaluating the board, its members, committees and executive management.</p>
<b>Seventy</b>	<p>Formation of the Risk Management Committee.</p>	<p>Guidance article.</p> <p>The company believes that it does not need an independent risk management committee and that its work is entrusted to other committees and Departments.</p>
<b>Eighty-five</b>	<p><b>Staff Motivation</b></p> <p>Jarir establishes programs to develop and motivate participation and performance of the company's employees, including, in particular, the following:</p> <ol style="list-style-type: none"> <li>1. Forming committees or holding specialized workshops to listen to the opinions of the employees of the company and discuss them in matters and topics related to important decisions.</li> <li>2. Programs to grant employees shares in the company or a portion of the profits achieved by it, retirement programs, and an independent fund to finance those programs.</li> <li>3. Establishing social institutions for the company staff.</li> </ol>	<p>Guidance article.</p> <p>The company has incentive programs (already mentioned in the report.</p>
<b>Eighty-eight</b>	<p><b>Social Work initiatives</b></p> <p>The board of directors sets out the programs and identifies the means to launch the company's social work initiatives including the following:</p> <ol style="list-style-type: none"> <li>1. Developing measurement indicators that link the performance of the company to its social work initiatives, and comparing that to other companies with similar activity.</li> <li>2. Disclosing the social responsibility objectives adopted by the company to its employees and, and raising their awareness and knowledge of them.</li> <li>3. Disclosing the plans to achieve social responsibility in periodic reports related to the activities of the company.</li> <li>4. Developing awareness programs for the community to order to clarify corporate social responsibility.</li> </ol>	<p>Guidance article.</p> <p>The company has some initiatives, but it hasn't developed specific programs or benchmarks, Etc. (Review the social responsibility at the Report)</p>



# 9

## Shareholders' Rights and Communication Mechanism



## 1-Shareholders' Suggestions and Observations Regarding the Company and its Performance

The board approved the policy and procedures of disclosure, which included procedures that guarantee shareholders the right to inquire, request information and get answers to their inquiries in a manner that does not harm the interests of the company. The board also confirms that during 2021, its members, especially non-executive members, were informed of all inquiries received from shareholders. No proposals were received from shareholders about the company's performance.

## 2- Communication Mechanism with our Shareholders

In line with Jarir's concern and interest in the rights of its shareholders, Jarir has incorporated all the rights to shareholders and stakeholders in the Company's statute. These rights have been highlighted in detail in the principles and policies of Jarir's governance and procedures, and all these documents are found on [www.jarir.com](http://www.jarir.com). In addition, there is a special department at Jarir to follow up the affairs of the shareholders, which is dedicated to Jarir shareholders through continuous communication, response to queries and follow-up of any potential problems that may face shareholders regarding the distribution of dividends among other things. Shareholders affairs department can be contacted directly through:

The company's website  
[www.jarir.com/contactinvestor](http://www.jarir.com/contactinvestor)

Or by email  
[jmir@jarirbookstore.com](mailto:jmir@jarirbookstore.com)

Or by Phone  
 +966112018131  
 extension 1613

## 3- The most important events and developments during the year

During 2021, Jarir witnessed a number of events and developments that are illustrated in the following table:

Date	Event or development
03/01/2021	Jarir Marketing Company has opened a new showroom in Jeddah on the road Abdullah Suleiman in the neighbourhood of Al-Thaghar in Jeddah, (an alternative to its current exhibition in the University district).
08/03/2021	Jarir Marketing Company announces the opening of a new showroom on King Abdullah Road in Al-Naseem District in Hofuf.
12/04/2021	Jarir Marketing Company announces the opening of a new showroom on King Abdulaziz Road in Salah El-Din District in Riyadh.
10/05/2021	Jarir Marketing Company announces the opening of a new showroom in the South Aziziyah district in the city of Makkah.
11/07/2021	Jarir Marketing Company announces the opening of a new showroom on King Fahd Road in Al-Rass Governorate.
22/03/2021	Jarir Marketing Company announces the signing of a contract for the sale of a plot of land to a related party "Jarir Real Estate Company".

## 4- Important dates for shareholders

The following table shows the expected dates for the most crucial events and occasions, which are important to the shareholders during 2022:

Expected date	Event
10/05/2022	The meeting of the general assembly for the fiscal year 2021.
09/05/2022	The meeting of the board of directors for the first quarter.
10/05/2022	Publication of the results of the first quarter.
10/05/2022	Declaring the resolution of the board regarding the dividend of the first quarter, due date and disbursement of profits.
04/08/2022	The meeting of the board of directors for the second quarter
04/08/2022	Publication of the results of the second quarter.
04/08/2022	Declaring the resolution of the board regarding the dividend of the second quarter, due date and disbursement of profits.
08/11/2022	The meeting of the board of directors for the third quarter
09/11/2022	Publication of the results of the third quarter.
09/11/2022	Declaring the resolution of the board regarding the dividend of the third quarter, due date and disbursement of profits.
15/03/2022	The meeting of the board of directors for the fourth quarter
16/03/2023	Publication of the results of the fourth quarter.
16/03/2023	Declaring the resolution of the board regarding the dividend of the fourth quarter, due date and disbursement of profits.
26/04/2023	The meeting of the general assembly for the fiscal year 2022.

- The proposed dates for the meetings are initial and not final and may be changed as required by the concerned authorities and the engagements of the members of the Board of Directors.

## Closing Statement

In accordance with the results reviewed in this report and in the final accounts for the fiscal year 2021, which were published at Local newspapers, your company has continued to achieve remarkable growth and development in its activities and the results of its work. This has been accompanied by financial and administrative steps taken to reduce operating costs, adding and developing Jarir products while maintaining their quality and competitive prices, as well as continue to strengthen Jarir's management with competent staff.

In conclusion, Jarir's board members thank Jarir's staff, suppliers, shareholders, customers, banks and government agencies for their continued support and cooperation. Your company will continue to achieve its goals and plans to expand and grow sales.

**Abdullah bin  
Abdulrahman Al-Agil**  
Vice Chairman, CEO

**Abdulkarim bin  
Abdulrahman Al-Agil**  
Managing Director

**Mohammed bin  
Abdulrahman Al-Agil**  
Chairman



شركة جرير للتسويق  
Jarir Marketing Co.