



This annex contains the following:

Sn.	Attachment	Item No. as per the agenda/weblink
1	Agenda of Extraordinary General Assembly Meeting.	-
2	Consolidated Financial Statements for the fiscal year ended 31 December 2020 including the external auditors report.	Financial Statements weblink 1 & 2
3	Board of Directors Report for the fiscal year ended 31 December 2020.	Board of Directors Report weblink 3
4	Audit Committee recommendation to the Board of Directors regarding the nomination of External Auditors of the Company.	6
5	Solvency report related to Company's shares buyback.	8
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11	Audit Committee Report.	-



**The Agenda of Extraordinary General Shareholders Assembly Meeting (No. 33) for the Savola Group's,
which will be held on Wednesday at 10:00 PM, 28th April 2021 corresponding of 16th Ramadan 1442H
(as per Umm al-Qura calendar)**

1	Voting on the Auditors Report for the fiscal year ended 31 December 2020.
2	Voting on the consolidated Financial Statements for the fiscal year ended 31 December 2020.
3	Voting on the Board of Directors Report for the fiscal year ended 31 December 2020.
4	Voting on the absolving the Board of Directors from their liabilities pertaining to the management of the Company for the fiscal year ended 31 December 2020.
5	Voting on the payment of SAR 2,200,000 as remuneration to the Board of Directors for the fiscal year ended 31 December 2020.
6	Voting on the appointment of the External Auditors for the Company's from the nominees, and determine their fees based on the Audit Committee (AC) recommendation to the Board of Directors in this regards, to review and audit the Company's Interim Financial Statements for the second, third and fourth quarters of the fiscal year 2021 and full year as well as the first, second, third and fourth quarters of the fiscal year 2022 and the full year, in addition to the interim financial statements for the first quarter of the year 2023;. (AC Committee Recommendation Attached)
7	Voting on the recommendation of the Board of Directors to distribute cash dividends to the Shareholders for the year 2020 with total amount of SAR 400.5 Million at SAR 0.75 per share, which represent 7.5 % of the par value; where the eligibility will be to the Shareholders owning shares on the Extraordinary General Meeting date, and those whose registered in the Company's share registry at the Depository Center at the end of the second trading day following the due date. The date of dividends distribution will be announced later.
8	Voting on the Share buy-back of 1,200,000 Shares of the Company's ordinary shares to be retained as Treasury Shares to cover the new shares required for the second and third tranches of the current approved Employees Long Term Incentive Program (LTIP) in line with the timeframe for each tranche and the approved criteria ,terms, and the policies that govern the Program; and authorize the Board to finalize the buy-back transaction within a maximum period of twelve (12) months from the date of the Extraordinary General Assembly's resolution, with the Board right to delegate others and determine the terms and conditions of the program and its implementation including the allocation of the price for each share offered to employees if

	<p>offered for consideration. The purchase of these shares will be funded through the Company internal resources. The maximum time period during which the Company may retain its Treasury Shares without selling or allocating them to LTIP program shall not exceed five years from the date the EGM approval. (Solvency report Attached)</p>
9	<p>Voting on the Board of Directors resolution to appoint Mr. Tareq Abdullah Al-Garaawy, as a member of the Group Audit committee (from outside the Board of Directors) effective from 6/10/2020 until the end of the current office term of the Audit Committee (i.e. September 30th, 2022) The appointment of Mr. Tareq Al-Garaawy comes to fill the vacant seat after the resignation of Dr. Amr Kurdi (from outside the Board of Directors). This appointment is in line with the Audit Committee charter. (CV Attached)</p>
10	<p>Voting on the Company`s policy of the Social Responsibility. (policy Attached)</p>
11	<p>Voting on the transactions and contracts of purchasing consumer foods goods which will be executed between Panda Retail Co. (a subsidiary of Savola) and Almarai Co. (in which Savola Group owns 34.52%.) and its subsidiaries in which two of Savola Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Bader Abdullah Al Issa) have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 801.08 Million. Those are continuing and existing contracts in the normal course of business, and general commercial terms executed without any preferential treatment (Attached).</p>
12	<p>Voting on the transactions and contracts of selling sugar which will be executed between United Sugar Company (a subsidiary of Savola foods Co.) and Almarai Co (in which Savola Group owns 34.52%) and its subsidiaries, where two of Savola Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Bader Abdullah Al Issa) have indirect interest. Noting that last the year 2020 transactions and contracts were amounted to SAR 39.19 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment (Attached).</p>
13	<p>Voting on the transactions and contracts of selling specialty fats and margarine products which will be executed between the International foods Industries Co. (a subsidiary of Savola food Co.) and Almarai Co. (in which Savola Group owns 34.52%.) where two of Savola Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Bader Abdullah Al Issa) have indirect interest. Noting that the last year 2020 transactions and contracts were amounted to SAR 38.18 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment (Attached).</p>
14	<p>Voting on the transactions and contracts of purchasing products which will be executed between Afia International for Marketing and Distribution Co. (a subsidiary of Savola food Co.) and Almarai Co.(in which</p>

	Savola Group owns 34.52%.) where two of Savola Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Bader Abdullah Al Issa) have indirect interest. Noting that the last year 2020 transactions and contracts were amounted to SAR 8.89 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment (Attached).
15	Voting on the transactions and contracts of purchasing food products which will be executed between Panda Retail Co. (a subsidiary of Savola) and Mayar Foods Co. (a subsidiary of Abdulkader Al-Muhaidib & Sons Co. which owns 8.23% of Savola shares) where two of Savola Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam A. Al-Muhaidib) have indirect interest. Noting that the last year 2020 transactions and contracts were amounted to SAR 105.88 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment (Attached).
16	Voting on the transactions and contracts of purchasing food products which will be executed between Panda Retail Co. (a subsidiary of Savola) and Del Monte Saudi Arabia (a subsidiary of Abdulkader Al-Muhaidib & Sons Co. which owns 8.23% of Savola shares) where two of Savola Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam A. Al-Muhaidib) have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 131.64 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)
17	Voting on the transactions and contracts of leasing spaces for selling foods products inside Panda Shopping Centers which will be executed between Panda Retail Co. (a subsidiary of Savola) and Del Monte Saudi Arabia (a subsidiary of Abdulkader Al-Muhaidib & Sons Co.) which owns 8.23% of Savola shares and, where two of Savola Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam A. Al-Muhaidib) have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 555 thousand. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)
18	Voting on the transactions and contracts of purchasing food products which will be executed between Panda Retail Co. (a subsidiary of Savola) and Nestle Saudi Arabia Ltd. and its subsidiaries (in which Abdulkader Al-Muhaidib & Sons Co. owns major stake which in turn owns 8.23% of Savola shares) in which two of Savola Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam A. Al-Muhaidib) have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 345.21 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)
19	Voting on the transactions and contracts of purchasing food products which will be executed between Panda Retail Co. (a subsidiary of Savola) and Manhal Water Factory Co. Ltd. (in which Abdulkader Al-Muhaidib &

	Sons Co. owns major stake which in turn owns 8.23% of Savola shares) in which two of Savola Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam A. Al-Muhaidib) have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 5.83 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)
20	Voting on the transactions and contracts of leasing sites which will be executed between Panda Retail Co. (a subsidiary of Savola) and Abdulqader Al-Muhaidib & Sons Co. which owns 8.23% of Savola shares) in which two of Savola Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam A. Al-Muhaidib) have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 7.20 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)
21	Voting on the transactions and contracts of leasing spaces for selling food products inside Panda Shopping Centers which will be executed between Panda Retail Co. (a subsidiary of Savola) and Almehbaj Alshamiyah Trading Co. (a subsidiary of Abdulkader Al-Muhaidib & Sons Co. which owns 8.23% of Savola shares) where two of Savola Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam A. Al-Muhaidib) have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 34.31 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)
22	Voting on the transactions and contracts of scrap sales which will be executed between Panda Retail Co. (a subsidiary of Savola) and Waste Collection & Recycling Company, where two of Savola Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam A. Al-Muhaidib), have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 5.49 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)
23	Voting on the transactions and contracts of Leasing spaces for selling products inside Panda Shopping Centers which will be executed between Panda Retail Co. (a subsidiary of Savola) and Zohoor Alreef Co. ,where two of Savola Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam A. Al-Muhaidib), have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 335 Thousand. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)
24	Voting on the transactions and contracts of purchasing food products which will be executed between Panda Retail Co. (a subsidiary of Savola) and AL Jazirah Dates & Food Factory in which two of Savola Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam A. Al-Muhaidib), have indirect interest. Noting that the last year 2020

	transactions and contracts amounted to SAR 32 Thousand. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)
25	Voting on the transactions and contracts of leasing shops and retail purchases of food products which will be executed between Panda Retail Co. (a subsidiary of Savola) and Herfy Food Services Co. in which Savola Group owns 49% (directly and indirectly); where two of Savola Directors (Mr. Essam A. Al-Muhaidib, and Eng. Mutaz Q. Alazawi) have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 43.1 Million. Those are continuing contracts and existing in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)
26	Voting on the transactions and contracts of selling edible oil products which will be executed between Afia International (a subsidiary of Savola) and Herfy Food Services Co. in which Savola Group owns 49% (directly and indirectly); where two of Savola Directors (Mr. Essam A. Al-Muhaidib, and Eng. Mutaz Q. Alazawi) have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 2.59 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)
27	Voting on the transactions and contracts of selling sugar which will be executed between United Sugar Company (a subsidiary of Savola food Co.) and Herfy Food Services Co. in which Savola Group owns 49% (directly and indirectly); where two of Savola Directors (Mr. Essam A. Al-Muhaidib, and Eng. Mutaz Q. Alazawi) have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 2.26 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)
28	Voting on the transactions and contracts of selling specialty fats and margarine products which will be executed between International Foods Industries Co. (a subsidiary of Savola food Co.) and Herfy Food Services Co. in which Savola Group owns 49% (directly and indirectly); where two of Savola Directors (Mr. Essam A. Al-Muhaidib, and Eng. Mutaz Q. Alazawi) have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 3.39 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)
29	Voting on the transactions and contracts of shop leasing which will be executed between Panda Retail Co. (a subsidiary of Savola) and Dur Hospitality Co. where one of Savola Directors (Mr. Bader Abdullah Al Issa), have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 10.50 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)

- 30 Voting on the transactions and contracts of shop leasing which will be executed between Panda Retail Co. (a subsidiary of Savola) and Kinan International for Real Estate Development Co. in which Savola Group owns 29.99% where one of Savola Directors (Mr. Mohammed Ibrahim Al-Issa), have indirect interest. Noting that the last year 2020 transactions and contracts amounted to SAR 33.33 Million. Those are continuing and existing contracts in the normal course of business and general commercial terms executed without any preferential treatment. (Attached)

Date: 28/03/2021
Corresponding to: 15/08/1442

Savola Group Audit Committee's Recommendation to the Shareholders' General Assembly (EGM) Regarding Nominating an External Auditor for Auditing the Company's Records.

The Audit Committee (the Committee) of Savola Group (the Group), after the deliberations at its meeting on 15th March, 2021, and based on its authorities articulated in its charter approved by the Shareholders' General Assembly; the Committee has reviewed and assessed the proposals submitted by the nominated external audit firms to audit the interim and year-end financial statements as recommended below:

Recommendation:

After examining and conducting the technical and professional assessment for the nominated audit firms that submitted their proposals to the Group, the Audit Committee recommends to the EGM the selection of one of the external audit firms listed below to carry out the external audit engagements to, review and audit the interim and year-end financial statements as follows:

1. For the, second, third and fourth quarters of 2021.
2. For the first, second, third and fourth quarters of 2022.
3. Annual financial statements for the years 2021 and 2022, and
4. First quarter of 2023.

No	Nominated Audit firms	Fees in SAR		
		2021(Three Quarters and year end)	2022 (Four Quarters and year end)	Q1 2023
1	KPMG	475,000	530,000	55,000
2	PWC	480,000	540,000	60,000

As KPMG office is one of the Big 4 external audit firms in the area of assurance and has met the required criteria and has ability to provide the required services to the Group according to the law and regulations. Further, the Committee took into consideration that, the Group has multiple activities and a wide geographical spread inside and outside the Kingdom and in light of the circumstances and restrictions of the COVID-19 pandemic, engaging a new audit firm would be challenging for the Group, and due to the professional experience and reputation of this firm and the presence of its offices in the countries where the Group companies operate which added additional comfort on the ability, wide experience and relevancy of the firm to perform the audit services of the financial statements for the aforementioned periods. The Committee therefore recommends to the EGM the appointment of KPMG office as the external auditor of Savola Group with the amount indicated and for the periods mentioned above in light with the recent exception provided by regularity authorities.


Aly A. Barakat
Committee Secretary


Fahad A. Al Kassim
Committee Chairman

Solvency Report



KPMG Al Fozan & Partners
Certified Public Accountants
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License No. 46/11/323 issued 11/3/1992

The Board of Directors
Savola Group Company
Savola Tower, The Headquarter Business Park,
Prince Faisal Bin Fahad Street
Jeddah 23511
Kingdom of Saudi Arabia

Dear Sir,

AGREED UPON PROCEDURES

Scope of work

In accordance with our Engagement Letter dated March 18, 2021 we have performed the procedures agreed with you and enumerated below. Our engagement was conducted in accordance with the International Standard on Related Services (ISRS) (4400) "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" endorsed in the Kingdom of Saudi Arabia.

The procedures were performed solely to assist the management of Savola Group Company (referred as "the Company") and its subsidiaries (collectively referred as "the Group") in determining the Group's compliance with the solvency requirements as specified in Article 12, Part 4 of "Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies" (the "Regulations") for share buy-back transaction which the Group intends to execute during the Fiscal year 2021.

The sufficiency of these procedures is solely the responsibility of the Group. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose of this engagement or for any other purpose.

Procedures performed

We obtained the annexed report prepared by the management setting out the status of Group's solvency requirements prior to the date of the proposed share buy-back transaction (referred to as the "Management Report") and performed the following procedures:

1. With respect to working capital details included in the Management Report we obtained an approved working capital forecast which is determined by the management on the basis of net operating working capital (referred to as the "Approved Working Capital Forecast") as follows:
 - All current assets (excluding cash and cash equivalents); less
 - All current liabilities (excluding short-term borrowings, current portion of long-term borrowings and lease liabilities)

The Approved Working Capital Forecast covers the period from the expected date of the completion of share buy back transaction (i.e. December 2021) till the end of 12 months after the completion date and we agreed the net operating working capital as per the Management Report with the Approved Working Capital Forecast.



2. With respect to the details of assets, liabilities and contingent liabilities outstanding as at December 31, 2020 and the purchase price of the shares included in the Management Report, we:
 - a. Agreed the assets, liabilities and contingent liabilities as disclosed in the Management Report with the audited consolidated financial statements of the Group for the year ended December 31, 2020;
 - b. Agree the number of shares proposed for buy back as per the Management Report with the minutes of the Board of Directors meeting held on March 10, 2021 and with the agenda to be presented for shareholder's approval in the annual general meeting scheduled on April 28, 2021; and
 - c. Agreed the estimated cash outflow required for the buy back of Company's shares with the quoted market price of the Company's shares as quoted on Tadawal at the closing rate of March 18, 2021.
 - d. Checked the arithmetical accuracy of the computation of the Surplus Assets as reported in the Management Report (being the amount of assets remaining after the deduction of liabilities, contingent liabilities and estimated purchase cost of shares).
3. Checked the Arithmetical accuracy of the Management Report.

Our Findings

We report our findings below:

1. With respect to item 1, we noted that the working capital details included in the Management Report to be in agreement with the Management's Approved Working Capital Forecast which covers the period from the expected date of the completion of share buy back transaction till the end of 12 months after the completion date.
2. With respect to item 2, we noted that:
 - a. the assets, liabilities and contingent liabilities agreed with the audited consolidated financial statements of the Group for the year ended December 31, 2020 without exception;
 - b. the number of shares proposed for buy back as mentioned in the Management Report agreed to the minutes of the Board of Directors meeting held on March 10, 2021 and with the agenda to be presented for shareholder's approval in the annual general meeting scheduled on April 28, 2021 without exception;
 - c. the estimated cash outflow required for the buy back of Company's shares agreed with the quoted market price of the Company's shares as quoted on Tadawal at the closing rate of March 18, 2021 without exception;
 - d. the arithmetical accuracy of the computation of the Surplus Assets as reported in the Management Report (being the amount of assets remaining after the deduction of liabilities, contingent liabilities and estimated purchase cost of shares) was correct.
3. With respect to item 3, we noted that Management Report was arithmetically correct, and no exceptions were noted.

Since the above-mentioned procedures do not constitute either an audit or a review made in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia or International Standard on Review Engagements as endorsed in the Kingdom of Saudi Arabia, we do not express any assurance on the Management Report. Had we performed additional procedures or had we performed an audit or review of the Management Report, other matters might have come to our attention that would have been reported to you.



Our report is solely for the purpose set forth in the second paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the Management Report specified above and does not extend to and financial statements of the Company and its subsidiaries, taken as a whole. We will not be responsible for the consequences of sharing this report with any party other than the addressee of this report. Thus, we will not be liable for any damages or to indemnify the Company and its subsidiaries for any other charges that they may incur as a result of use of our report.

Yours sincerely,

For KPMG Al Fozan & Partners
Certified Public Accountants

Ebrahim Oboud Baeshen
Office Managing Partner, Jeddah
License No. 382



Jeddah, March 21, 2021
Corresponding to Shaban 8, 1442H



Form (1) – CV

1-Nominee's Personal Information						
Full	Tareq Abdullah Hamad Al Garaawy					
National	Saudi	Date of Birth	01/07/1391			
2-Nominee's Academic Qualifications						
No.	Education	Major	Date of Award	University		
1	Master	Accountancy	2002	George Washington		
2	Bachelor	Accountancy	1996	King Saud		
3-Nominee's Experiences						
Period		Field				
1996 until present		Expertise in the field of finance, accounting and compliance in addition to working with several banks including the Saudi Investment Bank, the Saudi British Bank and Albilad Bank.				
4-Current Memberships at the boards of directors of other joint-stock companies (listed or unlisted) or any other type of companies Board or its Committees:						
No.	Company Name	Activity	Membership Status	Membership Nature	Committees' Membership	Legal Entity
1	Savola Foods Co.	Foods	Independent external member	personal	Audit Committee	Unlisted
2	Riyad Bank	Banking	Independent external member	personal	Audit Committee	Listed
3	Ebtikar for Information Technology	Information Technology	Independent external member	personal	Board member	Limited Liability

English	عربي
<p>Savola Group Corporate Social Responsibility (CSR) Policy Draft</p> <p>Recommendation by the Board of Directors for approval by the Savola Group Shareholders General Assembly at its meeting to be held on 28 April 2021 corresponding to 16 Ramadan 1442H</p> <p>DISCLAIMER: This English version of the policy is a translation of the original Arabic document for information purposes only. In case of any discrepancy or misinterpretation, the Arabic document will prevail.</p>	<p>مسودة سياسة المسؤولية الاجتماعية لمجموعة صافولا</p> <p>التوصية من قبل مجلس الإدارة لاعتمادها من قبل الجمعية العامة لمساهمي مجموعة صافولا في اجتماعها المقرر عقده بتاريخ ٢٨ ابريل ٢٠٢١م الموافق ١٦ رمضان ١٤٤٢هـ</p>

English	عربي
<p>First: Introduction:</p> <p>The Savola Group "Corporate Social Responsibility Policy was prepared to comply with articles (87) and (88) of the Corporate Governance Regulations (CGR) issued by the Capital Market Authority's (CMA) Board pursuant to resolution No. (8-16-2017) dated 13/2/2017, which stipulated that the Ordinary General Assembly, based on the Board recommendation, to establish a policy that guarantees a balance between its objectives and those of the community for the purposes of developing the social and economic conditions of the community.</p> <p>Second: Objective</p> <p>This policy is aiming to:</p> <ol style="list-style-type: none"> 1- Achieve a balance between Savola Group's objectives and the goals that the society is aiming to achieve. 2- Behaving responsibly towards our employees, customers, shareholders, and the society in which the Group and its subsidiaries operate. 3- Embodying a mental image and presenting a role model by behaving responsibly towards society, customers and stakeholders. 4- Establish values aimed at contributing to the building of the society and the future generations. 5- Establishing the principle of sustainability in all aspects of the Group's operations and community work. 6- Adopt local relevant standards, international standards and best practices 	<p>أولاً: مقدمة:</p> <p>تم إعداد "سياسة المسؤولية الاجتماعية" لمجموعة صافولا بهدف التوافق مع المادتين (٨٧، ٨٨) من لائحة حوكمة الشركات الصادرة من مجلس هيئة السوق المالية بموجب القرار رقم (٨-٢٠١٧-١٦) وتاريخ ١٦/٥/١٤٣٨ هـ الموافق ١٣/٢/٢٠١٧ م التي تقتضي بأن تضع الجمعية العامة لمساهمي الشركة - بناءً على اقتراح من مجلس الإدارة - سياسة تكفل إقامة توازن بين أهداف الشركة والأهداف التي يصبو المجتمع إلى تحقيقها، بغرض تطوير الأوضاع الاجتماعية والاقتصادية للمجتمع.</p> <p>ثانياً: الأهداف:</p> <p>تهدف هذه السياسة إلى ما يلي:</p> <ol style="list-style-type: none"> ١. تحقيق التوازن بين أهداف مجموعة صافولا والأهداف التي يصبو المجتمع إلى تحقيقها. ٢. التعامل بمسؤولية تجاه الموظفين والعملاء والمساهمين والمجتمع الذي تعمل فيه المجموعة وشركاتها الفرعية. ٣. تجسيد الصورة الذهنية وبلورة نموذج يحتذى به باتجاه سلوك مسؤول تجاه المجتمع والعملاء وأصحاب المصالح. ٤. ترسيخ قيم تهدف إلى المساهمة في بناء المجتمع والأجيال القادمة. ٥. ترسيخ مبدأ الاستدامة في جميع جوانب عمليات المجموعة والعمل المجتمعي. ٦. تبني المعايير المحلية ذات العلاقة والمعايير الدولية وأفضل الممارسات في مجال المسؤولية الاجتماعية والاستدامة مثل أهداف التنمية المستدامة في رؤية المملكة ٢٠٣٠، والمعايير الوطنية للاستدامة، وأهداف الأمم المتحدة للتنمية المستدامة، ومبادئ إعداد تقارير الاستدامة التي أقرتها

in the field of CSR and Sustainability such as: adopting the Sustainable Development Goals (SDGs) in Saudi Vision 2030, the National Sustainability Standards, the United Nation Sustainable Development Goals, the Sustainability Reporting Principles endorsed by the Global Reporting Initiative (GRI), and Standard and Poor's agency for transparency and disclosure Index.

- 7- Disclosure of CSR objectives, plans, programs, and initiatives adopted by the company through relevant periodic reports.

Third: General Policy

Savola Group carries out its corporate social responsibility and sustainability work through Savola World Foundation — a non-profit organization - that was established and funded by the Group with an annual allocated budget to support its programs and activities based on a resolution of Savola Board of Directors. Savola World Foundation is subject to the regulations of the Ministry of Human Resources and Social Development based on the Charity and Non-profit Organizations Law. Whereas, the Foundation is a sperate legal entity represented by a Board of Trustees in accordance with the authorities and responsibilities set out in its Articles of Association that were approved by the competent authorities. The Group aims, through the establishment of Savola World Foundation, to achieve the following:

- Launch and develop effective initiatives and programs in the field of social responsibility and sustainability that ensure a balance between the goals of the Group and the goals the society aspires to achieve.

المبادرة العالمية لإعداد التقارير (GRI)، ومعايير وكالة "ستاندرد آند بورز" للشفافية والإفصاح".

٧. الإفصاح عن أهداف المسؤولية الاجتماعية وخططها وبرامجها ومبادراتها التي تتبناها الشركة من خلال التقارير الدورية ذات العلاقة.

ثالثاً: السياسة العامة:

تقوم مجموعة صافولا بممارسة أعمالها المتعلقة بالمسؤولية الاجتماعية والاستدامة من خلال مؤسسة عالم صافولا – مؤسسة أهلية غير ربحية - تم تأسيسها من قبل المجموعة وتخصص لها المجموعة ميزانية سنوية لدعم برامجها وأنشطتها بموجب قرار من مجلس الإدارة، علماً بأن المؤسسة تخضع لأنظمة وزارة الموارد البشرية والتنمية الاجتماعية بموجب نظام الجمعيات والمؤسسات الأهلية، حيث إن للمؤسسة شخصية اعتبارية يمثلها مجلس الأمناء وفقاً للاختصاصات الواردة في اللائحة الأساسية للمؤسسة والمعتمدة من قبل الجهات المختصة، حيث تهدف المجموعة من خلال تأسيسها لمؤسسة عالم صافولا إلى تحقيق ما يلي:

- إطلاق مبادرات وبرامج فعالة في مجال المسؤولية الاجتماعية والاستدامة تكفل إقامة توازن بين أهداف المجموعة والأهداف التي يصبو المجتمع الى تحقيقها.
- تطوير وعمل برامج توعوية وتثقيفية للمجتمع بالشراكة مع القطاعين الحكومي والخاص تماشياً مع رؤية المملكة ٢٠٣٠.

- Develop and implement awareness and educational programs for the community in partnership with the government and private sectors according to the Saudi Vision 2030.
 - Applying global best practices in social responsibility and sustainability.
 - Conducting research and field studies to propose new programs and solutions to societal issues
 - Training and rehabilitation of youth to proper integrate them to the labor market.
 - To build and promote for a culture of volunteering among the employees of the Group and its subsidiaries and encourage their participation in volunteer work to support the national efforts to achieve one of the most important aspects of Saudi Vision 2030.
- Share Savola Group CSR experience and success stories with interested entities.

Fourth: Overview of Savola World Foundation Strategy:

Vision:

The Group aspires Savola World Foundation to be a leading development foundation aiming to make a sustainable social impact.

Savola World aspires to be a leading

Mission:

The Group aims, through its CSR arm, Savola World Foundation - a specialized non-profit community development Foundation - to build strategic partnerships with different sectors and to develop programs and sustainable solutions corresponding to local community needs and requirements.

Areas of Focus, and Long-term Program Portfolio:

- a) The Group's sustainable development priorities, through Savola World Foundation,

- تطبيق أفضل الممارسات العالمية في مجال المسؤولية الاجتماعية والاستدامة.
- إعداد الدراسات البحثية والميدانية بهدف اقتراح الحلول للقضايا المجتمعية من خلال برامج جديدة.
- تدريب وتأهيل الشباب لتمكينهم في سوق العمل.
- نشر ثقافة العمل التطوعي لدى موظفي المجموعة وشركاتها التابعة وتحفيز مشاركتهم في الأعمال التطوعية وذلك دعمًا للجهود الوطنية الرامية إلى تحقيق أحد أهم محاور رؤية المملكة ٢٠٣٠.
- مشاركة تجربة مجموعة صافولا وقصص نجاحها في مجال المسؤولية الاجتماعية مع الجهات المهتمة بهذا الجانب.

رابعاً: لمحة عن استر ليجية مؤسسة عالم صافولا: الرؤية:

تطمح المجموعة أن تكون عالم صافولا مؤسسة تنموية رائدة تسعى لتحقيق أثر اجتماعي مُستدام.

الرسالة:

تسعى المجموعة من خلال ذراعها في مجال المسؤولية الاجتماعية مؤسسة عالم صافولا - وهي مؤسسة تنمية مجتمعية (غير ربحية) في مجالات متخصصة - لبناء الشراكات الاستراتيجية مع القطاعات المختلفة وصناعة البرامج التنموية وإيجاد الحلول المُستدامة التي تلامس احتياجات وقضايا المجتمع المحلي.

مجالات التركيز ومحفظة البرامج طويلة المدى:

أ) تم تحديد أولويات المجموعة من خلال عالم صافولا في مجال التنمية المُستدامة عن طريق إجراء المقابلات المتعمقة مع أصحاب المصلحة الرئيسيين وتطوير فريق

have been identified by conducting an in-depth interviews with key stakeholders to develop the Operating Strategic Positioning Matrix that will be executed by the foundation team of experts. This Matrix aimed at identifying the areas of work that intersects between community's needs/priorities and the foundation's capabilities and positioning. This exercise enabled the Group in selecting the fields of work most needed. The long-term program portfolio of Savola World includes:

1) Preserving Environment Field through Waste Reduction:

- Support, developing and adopting programs & initiatives to reduce waste within community and supply chain including food-waste reduction.
Support, developing and adopting programs and initiatives for waste reduction in general and food waste reduction in particular within Savola Group Companies.
- Support and develop programs and initiatives to raise awareness on sustainable waste reduction targeting Business Sector.

2) Enabling People with Disabilities Field:

- Support, develop, and adopt programs and initiatives to enable people with disabilities through employment and training Such initiatives include; applying accessibility code, promoting the culture and awareness of how to deal with people with disabilities, and other initiatives within the Group or for others.
- Participate in research and workshops related to issues of employment, development, and training and rehabilitation of people with disabilities within the Group or for others.

3) Youth Skills Field:

الخبراء لمصفوفة تحديد النطاقات الاستراتيجية للعمل فيها، والتي تهدف إلى تحديد مجالات العمل التي تتقاطع بين احتياجات المجتمع وقدرات المؤسسة ومكانتها. وقد مكنا هذا الإجراء من اختيار مجالات التركيز الأكثر احتياجاً وتشتمل محفظة المجالات والبرامج طويلة المدى للعالم صافولا على ما يلي:

(١) مجال المحافظة على البيئة عبر تقليل الهدر:

- دعم وتطوير وتبني برامج ومبادرات لتقليل الهدر ضمن سلاسل الإمداد والمجتمع ومنها الهدر الغذائي.
- دعم وتطوير وتبني برامج ومبادرات لإدارة الهدر عموماً والهدر الغذائي خصوصاً في شركات مجموعة صافولا.
- دعم وتطوير برامج ومبادرات للتوعية بالاستدامة حول الهدر تستهدف قطاعات الأعمال.

(٢) مجال تمكين الأشخاص ذوي الإعاقة:

- دعم وتطوير وتبني برامج ومبادرات لتمكين الأشخاص ذوي الإعاقة عن طريق التدريب والتوظيف وتشمل المبادرات تطبيق معايير الوصول الشامل في بيئة العمل ونشر ثقافة فن التعامل مع الأشخاص ذوي الإعاقة في بيئة العمل وغيرها من المبادرات سواء على مستوى مجموعة صافولا أو خارجها.
- المشاركة في الأبحاث وورش العمل المتعلقة بقضايا التوظيف والتأهيل والتدريب للأشخاص ذوي الإعاقة سواء على مستوى مجموعة صافولا أو خارجها.

(٣) مجال مهارات الشباب

- دعم وتطوير برامج ومبادرات لتنمية المهارات المهنية والفنية للشباب في المجالات ذات العلاقة بأعمال

- Support and develop programs and initiatives for the development of vocational & technical skills for youth in areas related to the operations of the Group aiming to increase their abilities to cope with the market needs also their ability to establish their own businesses.

4) Business Assistance Field:

- Support and develop programs and initiatives to help small and medium-sized enterprises (SMEs) and look at the possibility of benefiting from their products/services within the Group, as well as, raising their ability to communicate with larger companies to support with increasing their production.
Benchmark international standards in this field and use that to identify the most relevant goals for SMEs operations and harmonize that with programs and initiatives thereon.
- b) The abovementioned programs to be reviewed and assess periodically by the Group and Savola World Foundation teams to measure their impact on the society, results, and evaluate feasibility to continue with the programs or replace them with other initiatives that better serve the goals of the Group and the society.

Fifth: Final Provisions (for publications, and Amendments)

This policy to be implemented and complied with by the Company starting from the date it is approved by the AGM. This policy to be published in the Company's website (as part of the Corporate Governance Policies) to enable shareholders, stakeholders, and the public to view it. The content of this policy shall be reviewed - as needed - upon the recommendation of the board, provided that, any recommended changes are presented to the AGM in the next meeting for approval.

المجموعة لرفع تأهيلهم لمواكبة احتياجات السوق والقدرة على تأسيس أعمالهم الخاصة.

٤) مجال دعم منشآت الأعمال

- دعم وتطوير برامج ومبادرات لدعم المنشآت الصغيرة والمتوسطة والنظر في إمكانية الاستفادة من مخرجاتها داخلياً ورفع قدرتها على التواصل والتعاون مع الشركات الكبرى بهدف المساهمة في رفع مستوى انتاجهم.

- الاستهداء بالمعايير المحلية والدولية في هذا المجال ومن ثم تحديد الأهداف الأقرب إلى أعمال المنشآت الصغيرة والمتوسطة وموائمة البرامج والمبادرات عليها.
- ب) المجالات المذكورة أعلاه يتم مراجعتها دورياً من قبل المجموعة ومؤسسة عالم صافولا وتقييمها باستمرار وذلك لتحديد أثرها على المجتمع ونتائجها وجدوى استمرارها أو وقف العمل بها واستبدالها بمجالات أو برامج جديدة تخدم أهداف المجموعة والمجتمع بشكل أفضل في حينه.

خامساً: أحكام ختامية (النشر والتعديل)

يُعمل بما جاء في هذه السياسة ويتم الالتزام بها من قبل الشركة اعتباراً من تاريخ اعتمادها من قبل الجمعية العامة للمساهمين كما يجب نشرها على موقع الشركة الإلكتروني - ضمن سياسات الحوكمة - لتمكين المساهمين وأصحاب المصالح العامة من الاطلاع عليها. يتم مراجعة محتوى هذه اللائحة حسب الحاجة بناءً على توصية من مجلس الإدارة على أن يتم تقديم هذه التعديلات للجمعية العامة للمساهمين لاعتمادها في أقرب اجتماع لها.

Jeddah on :09/08/1442
Corresponding: 22/03/2021

جدة في: ١٤٤٢/٠٨/٠٩
الموافق: ٢٠٢١/٠٣/٢٢

Dear respected Savola Group Shareholders,

السادة/ مساهمي مجموعة صافولا
الموقرين
السلام عليكم ورحمة الله وبركاته،

Subject: Notification from the Chairman of the Board of Directors to the General Assembly Meeting regarding the transactions with related parties.

الموضوع: تبليغ من رئيس مجلس الإدارة إلى الجمعية العامة للمساهمين حول تعاملات الأطراف ذات العلاقة.

With reference to article (71) of the Companies' law and item (9) of article (27) of the Corporate Governance Regulations issued by the Capital Market Authority, I would like to inform you that during the fiscal year 2020, the Group, through its subsidiaries, has entered into a number of business transactions and contracts in which some of the Board members have an interest (whether directly or indirectly) as per the attached report, such contracts and transactions were executed in accordance to the relevant regulations.

The said contracts and transactions were also disclosed in the 2020 Annual Directors' Report as per to the statutory requirements, knowing that the Group follows the contracts and transactions the same conditions and principles, it takes in dealing with such type of transactions with third parties with no preference.

In this regard, the Board recommends approving the continuation of these transactions as per the details included in the attached agenda items of the General Assembly Meeting.

Also, as per the relevant regulations, we have requested the Group's External Auditor to issue a report on those transactions to be presented to the Shareholder General Assembly. (attached)

Sincerely



سليمان عبد القادر المهيدب

Sulaiman A. Al Muhaidib

رئيس مجلس الإدارة

Chairman

وتفضلوا بقبول وافر التحية والتقدير،



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Independent Limited Assurance Report

To the Shareholders of Savola Group Company

Upon request of the management of Savola Group Company (the "Company"), we have carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter detailed below ("Subject Matter"), has not been prepared, in all material respects, in accordance with the applicable criteria ("Applicable Criteria") below.

Subject Matter

The Subject Matter for our limited assurance engagement is related to the Chairman's declaration enclosed in the attached Appendix 1 (the "Declaration") prepared by the Management in accordance with the requirements of Article 71 of the Regulations for Companies and presented by the Chairman of **Savola Group Company** (the "Company"), which comprises the transactions carried out by the Company during the year ended December 31, 2020 in which any of the members of Board of Directors of the Company had direct or indirect personal interest.

Applicable Criteria

We have used the requirements of Article 71 of the Saudi Arabian Regulations for Companies issued by MOC (1437H -2015) as the Applicable Criteria.

Management Responsibility

The Management and the Chairman of the Company are responsible for the preparation and appropriate presentation of the Subject Matter in accordance with the Applicable Criteria. Further, the Company's management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on our limited assurance engagement conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" endorsed in the Kingdom of Saudi Arabia and the terms and conditions for this engagement as agreed with the Company's management.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion, and, as such, do not provide all of the evidence that would be required to provide a reasonable level of assurance. The procedures performed depend on the assurance practitioner's judgment including the risk of material misstatement of the Subject Matter, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.



Independent Limited Assurance Report

To the Shareholders of Savola Group Company (continued)

Independence and quality controls

We are independent of the Company in accordance with professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our assurance engagement and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Procedures

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject matter, nor of the underlying records or other sources from which the Subject matter was extracted. Accordingly, we do not express such an opinion

Our procedures included, but are not limited to:

- Obtaining the BOD chairman's schedule that includes all kind of business and contracts performed by any of the BOD members of the Company either directly or indirectly in the favor of the Company during the year; (Appendix 1);
- Reviewing of the BOD's minutes of meetings that indicate member notification to the BOD on the business and contracts performed by the BOD member; and further that the concerned Board Member did not vote on the resolution issued in this regard at the meetings of the BOD and shareholders assembly;
- Obtaining the required approvals on the transactions included in the Chairman's declaration (Appendix 1); and
- Ensuring the total transactions amounts included in the list prepared by the BOD chairman agrees to the total transactions amounts included in the note 28 to the annual audited consolidated financial statements of the Company as at and for the year ended December 31, 2020.

Limited Assurance Conclusion

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been prepared in all material respects, in accordance with the Applicable Criteria.



Independent Limited Assurance Report

To the Shareholders of Savola Group Company (continued)

Restriction of Use of Our report

Our report is prepared upon the request of the Company's management to be presented to the shareholders in their ordinary General Assembly Meeting in accordance with the requirements of Article (71) of the Saudi Arabian Regulations for Companies and should not be used for any other purpose.

KPMG Professional Services

Ebrahim Oboud Baeshen
License No: 382



Jeddah, March 28, 2021
Corresponding to: Shaban 15, 1442H

Value Built on Values

**Summary of related party transactions for
2020 in which some of the Board members
have a direct or indirect interest**



Summary of related party transactions for 2020 in which some of the Board members have a direct or indirect interest
(this report was issued based on the chairman notification in this regards)

Introduction:

During 2020, the Group carried out transactions with related parties in the ordinary course of business. The Group follows the same conditions and principles, with no preference in dealing with such type of transactions with third parties. These transactions include the transactions and contracts in which some of the Board members have an interest (whether directly or indirectly) and they are subject to AGM ratification, in according to CMA regulations and relevant MOCI laws and the CG guide. Below is a summary of these transactions:

1) Transactions and contracts with a direct or indirect interest between the Company and Abdulkader Al Muhaidib & Sons Co. and their subsidiaries or any person related to any of them:

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2020	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
a. Savola and Al Muhaidib:					
Business or contract in which Abdulkadir Al Muhaidib & Sons Co. and its subsidiaries or any person related to any of them has direct or indirect interest, the total amount of the transactions is SAR 636.78 million.					
1.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Mayar Foods Co.	SAR 105.88 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including product quality, payment method, pricing, delivery, delay penalties, etc.)	Annually	Mr. Sulaiman Abdulkadir Al Muhaidib who is the chairman of Abdulkadir Al Muhaidib & Sons Co. as well as Chairman of Savola, in addition to, Mr. Essam Abdulkadir Al Muhaidib who is the Managing Director of Abdulkadir Al Muhaidib & Sons Co. as well as a board member in Savola.
2.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Del Monte Saudi Arabia	SAR 131.64 million			
3.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Nestle Group and its subsidiaries.	SAR 345.21 million			
4.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Manhal Water Factory Co. Ltd.	SAR 5.83 million			
5.	Leasing spaces by Panda Retail Co. (a subsidiary of Savola) from Abdulkadir Al Muhaidib & Sons Co.	SAR 7.20 million	In the ordinary course of business and general commercial terms		
6.	Leasing spaces to sell its products along with trading foods	SAR 34.31			

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2020	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
	products inside Panda Shopping Centers by Panda Retail Co. (a subsidiary of Savola) to Almehbaj Alshamiyah Trading Co.	million	worked without any preferential treatment (including renewal, payment methods, maintenance, insurance, etc.)		Business and commercial contracts between Abdulkadir Al Muhaidib & Sons Co. and its subsidiaries are executed with some of Savola subsidiaries in the Food and Retail Sectors. Also, Abdulkadir Al Muhaidib & Sons Co. owns 8.23% of Savola shares.
7.	Leasing spaces to sell its products inside Panda Shopping Centers by Panda Retail Co. (a subsidiary of Savola) to Del Monte Saudi Arabia	SAR 555 thousand			
8.	Scrap Sales by Panda Retail Co. (a subsidiary of Savola) to Waste Collection & Recycling Company	SAR 5.49 million			
9.	Leasing spaces to sell its products inside Panda Shopping Centers by Panda Retail Co. (a subsidiary of Savola) to Zohoor Alreef Co.	SAR 335 thousand			
10.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from AL Jazirah Dates & Food Factory	SAR 32 thousand			
Total		SAR 636.78 million			

2) Transactions and contracts with a direct or indirect interest between the Company and Almarai Co.:

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2020	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
b. Savola and Almarai Co:					
Business or contract in which Almarai Co. and its subsidiaries, or any person related to any of them, has a direct or indirect interest, the total amount of the transactions is SAR 887.34 million.					
1.	Purchasing consumer foods goods by Panda Retail Co. (a subsidiary of Savola) from Almarai Co. and its subsidiaries	SAR 801.08 million	In the ordinary course of business and general commercial terms worked without any preferential	Annually	Almarai, a listed company in which Savola Group owns 34.52%. Three of Savola Directors are members of Almarai's
2.	Selling sugar by United Sugar Company (a subsidiary of Savola Foods Co.) to Almarai Co. and its subsidiaries	SAR 39.19 million			

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2020	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
3.	Selling specialty fats products by International Foods Industries Co. (a subsidiary of Savola Foods Co.) to Almarai Co.	SAR 38.18 million	treatment (including product quality, payment method, pricing, delivery, delay penalties, etc.		Board (Mr. Sulaiman Abdulkadir Al Muhaidib, Mr. Bader Abdullah Al Issa) as well as Eng. Anees Ahmad Moumina Ex-Group CEO until 31 st Dec. 2020.
4.	Purchasing products by Afia International Distribution and Marketing Co. (a subsidiary of Savola Foods Co.) from Al Marai Co.	SAR 8.89 million			
Total		SAR 887.34 million			

3) Transactions and contracts with a direct or indirect interest between the Company and Herfy Food Services Co.:

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2020	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
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c. Savola and Herfy Co:

Business or contract in which Herfy Food Services Co. and its subsidiaries or any person related to any of them has direct or indirect interest, the total amount of the transactions is SAR 51.34 million.

1.	Leasing shops and retail purchases of food products by Panda Retail Co. (a subsidiary of Savola) to/from Herfy Food Services Co.	SAR 43.1 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including renewal, payment methods, maintenance, insurance, etc.)	Annually	Herfy Food Services Co., a listed company, in which Savola Group owns 49% (directly and indirectly); Savola has (3) representatives on Herfy's Board: Mr. Essam Abdulkadir Al Muhaidib, who is the chairman of Herfy Board, and Eng. Mutaz Qusai Alazawi who are also Board members of Savola Group, as well as Eng. Anees Ahmad
2.	Selling edible oil products by Afia International (a subsidiary of Savola Foods Co.) to Herfy Food Services Co.	SAR 2.59 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including product quality, payment method, pricing, delivery, delay penalties, etc.)		
3.	Selling sugar by United Sugar Co.(a subsidiary of Savola Food Co.) to Herfy Food Services Co.	SAR 2.26 million			

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2020	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
4.	The sale of specialty fats products by the International Foods Industries Co. (a subsidiary of Savola Foods Co.) to Herfy Food Services Co.	SAR 3.39 million			Moumina Ex-Group CEO until 31 st Dec. 2020.
Total		SAR 51.34 million			

4) Transactions and contracts with a direct or indirect interest between the Company and other companies:

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2020	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
1.	Leasing of shops by Panda Retail Co. (a subsidiary of Savola) from Kinan International for Real Estate Development Co.	SAR 33.33 million	In the ordinary course of business and general commercial terms worked without any preferential treatment including renewal, payment methods, maintenance, insurance, etc.	Annually	Kinan International for Real Estate Development Co., of which Savola owns 29.99%, and Savola has two members on Kinan's Board: Mr. Mohammed Ibrahim Al-Issa a Savola Board member, and Eng. Anees Ahmad Moumina Ex-Group CEO until 31 st Dec. 2020.
2.	Leasing of shop by Panda Retail Co. (a subsidiary of Savola) from Dur Hospitality Co.	SAR 10.50 million			Dur Hospitality Co., where Mr. Badr Abdullah Al-Issa is a board member and he is also a Board member of Panda Retail Co. (a subsidiary of Savola)

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Savola Group Audit Committee Report

for the year ended 31 December 2020

Introduction

The Audit Committee of Savola Group was formed and its charter was adopted by a resolution issued from the General Assembly of shareholders according to the requirements of Articles (101) and (104) of the Companies Law. In line with article (104) of the Companies Law which states that, "The audit committee shall review the company's financial statements and the auditor's reports and notes and give its comments thereon, if any. Further, the audit committee must prepare a report including its opinion regarding appropriateness of the company's internal control system as well as the tasks it has carried out to the extent of its powers. The board of directors shall file sufficient copies of such reports at the company's head office at least twenty-one days before the scheduled meeting of the general assembly with a view to deliver a copy of such report to those shareholders who desire to obtain the same. The report shall be recited at the meeting of the assembly".

We are pleased to share with you Savola Group Audit Committee Report for the year 2020, prepared in line with the requirements of the Companies Law, the Regulations and Rules of the Capital Market Authority and the Committee's charter, and will be glad to answer any questions in this regard after reciting the summary of the report during the General Assembly Meeting.

1. Appointment

Savola Group Audit Committee was appointed at the Extraordinary General Assembly Meeting No. (31), held on Wednesday, 8 May 2019 corresponding to Ramadan 3, 1440H, in line with the Companies Law Article No (101), which approved the formation of the Audit Committee and the charter describing its functions, responsibilities and guidelines, as well as remuneration of selected members for the new office term, beginning from 1 July 2019 to 30 September 2022. The Audit Committee includes in its membership Mr. Fahad Abdullah Al Kassim (Independent Board member), Dr. Abdul Raouf Banaja (Independent External member), Dr. Ammr Khaled Kurdi (Independent External member), Mr. Mohammed Ibrahim Al Issa (Non-Executive Board member) and Mr. Bader Hamad Al Rabiah (Independent Board member). In addition, the Board appointed Mr. Tareq Abdullah Al Garaawy based on the Remuneration Nomination Committee recommendation (as an Independent External member) effective from 6 October 2020 until the end of the current office term of the Audit Committee, which ends on 30 September 2022. The appointment of Mr. Tareq Abdullah Al Garaawy comes in the vacant seat after the resignation of Dr. Ammr Kurdi from the Audit Committee on 1 May 2020 due to his business commitments. However, Mr. Tareq Al Garaawy's appointment is not final until presented to the nearest General Shareholders Assembly Meeting for approval as per the regulations.

2. Meetings

In line with its charter, the Audit Committee will convene periodically based on Chairman invitation, at least 4 times per year, and as may be necessary, and majority attendance of members constitute a quorum whether in person or by proxy. The Committee held 6 meetings during 2020 and the quorum for each meeting was reached. (All Audit Committee meetings held after the Pandemic spread in March 2020 were through video conference due to the precautionary measures to limit the spread of COVID-19).

3. Savola Group operating model

The organizational structure "Operating model" adopted by the Group as a strategic investment holding company reflects the independence of the operational aspects of the Group's subsidiaries.

Conversely, all interaction between the Group's Audit Committee on one hand and its subsidiaries' Audit Committees on the other hand are governed by the Group's representation membership at the Audit Committees of the subsidiaries.

4. Audit Committee members' qualifications:

The schedule below describes current and previous positions, qualifications and experience of the Audit Committee members as follows:

No.	Member name	Current positions	Previous positions	Qualifications	Experience
Audit Committee members:					
1.	Mr. Fahad Abdullah Al Kassim				
2.	Mr. Mohammed Ibrahim Al Issa	Current and previous positions, qualifications and experience were mentioned earlier in the Director's Report.			
3.	Mr. Bader Hamad Al Rabia				

Directors' Report

Savola Group Audit Committee Report *continued*

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No	Member name	Current positions	Previous positions	Qualifications	Experience
4.	Dr. Abdul Rauf Suliman Banaja	Holds number of memberships on boards and committees such as Audit Committee member in Herfy and other Joint Stock Companies.	Advisor to the Deputy Governor, the Saudi Arabian Monetary Agency (SAMA) Economic Advisor, Ministry of Finance	PhD in Economics, University of California, Santa Barbara, United States, 1981	Assumed several positions in a number of local and regional banks.
5.	Mr. Tareq Abdullah Al Garaawy	He is currently a member of several joint stock companies' Audit Committees.	Worked in several companies like Idfa Management & Financial Consultants, and Tatweer Buildings Company.	- Bachelor's degree in Accountancy from King Saud University in 1996. - Master's degree in Accountancy from George Washington University, United States in 2002. - A Certified Management Accountant, and a member of the Institute of Management Accountants (USA) as well as a member of Institute of	Has more than 22 years' practical experience in financial, accountancy, compliance and consultancy gained from working with several banks such as, Saudi Investment Bank, Saudi British Bank and Bank Albilad.

Ex-member of Savola Group Audit Committee until May 1, 2020:

-	Dr. Ammr Khaled Kurdi	CEO of Business Services at Saudi Industrial Investment Co. (Dusar)	<ul style="list-style-type: none"> Chief Financial Officer at Saudi Arabian Amiantit Company. Chief Audit Executive at King Fahd University of Petroleum & Minerals. 	<ul style="list-style-type: none"> Bachelor's degree in Accounting from King Fahad University of Petroleum and Minerals in 2001. Master's degree in Accounting from the University of Arizona, United States, 2004. Ph.D. in Accounting, University of North Texas, United States, 2010. Certified Management Accountant (CMA), and member of Global Board of Directors of the Institute of Management Accountants, United States. 	Has extensive experience in a number of areas, including accounting, auditing, financial management, corporate governance, and risk management. In addition, he is an Audit Committee member for several Joint Stock Companies.
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5. Audit Committee attendance:

The Audit Committee members' attendance for the meetings of the Audit Committee held during the year 2020 is listed below.

Sr.	Name	29 Jan	16 Mar	29 Apr	24 Jun	12 Aug	28 Oct	Total
1	Mr.Fahad Abdullah Al Kassim (Chairman) (Independent, Savola Board member)	√	√	√	√	√	√	6 of 6
2	Mr. Mohammed Ibrahim Al Issa (Non-Executive, Savola Board member)	√	√	√	√	√	√	6 of 6
3	Mr. Bader Hamad Al Rabia (Independent, Savola Board member)	√	√	√	√	√	√	6 of 6
4	Dr. Abdul Raouf Suliman Banaja (Independent, external member)	√	√	√	√	√	√	6 of 6
5	Mr. Tareq Abdullah Al Garaawy* (Independent, external member)			N/A			√	1 of 1
-	Mr. Aly Asim Barakat (Committee Secretary)	√	√	√	√	√	√	6 of 6
Ex-member of Savola Group Audit Committee until 1 May 2020:								
-	Dr. Ammr Khaled Kurdi (Independent, external member)	√	√	√		N/A		3 of 3

Note: * Mr. Tareq Abdullah Al Garaawy was appointed by the Group Board as a member of the Audit Committee of the Savola Group (as an Independent external member) effective from 6 October 2020 until the end of the current office term of the Audit Committee, which ends on 30 September 2022. The appointment of Mr. Al Garaawy comes in the vacant seat after the resignation of Dr. Ammr Kurdi from the Audit Committee as of 1 May 2020 due to his business commitments.

6. Audit Committee remuneration for 2020 (SAR):

Sr.	Name	Title	Fixed Remuneration (Except for the allowance for attending meetings)	Allowance for attending meetings	Total	Other expenses
1	Mr. Fahad Abdullah Al Kassim (Independent, Savola Board member)	Chairman	150,000	30,000	180,000	Mentioned in the Board remuneration table
2	Mr. Mohammed Ibrahim Al Issa (Non-Executive, Savola Board member)	Member	150,000	30,000	180,000	
3	Mr. Bader Hamad Al Rabia (Independent, Savola Board member)	Member	150,000	30,000	180,000	
4	Dr. Abdul Raouf Suliman Banaja (Independent, external member)	Member	150,000	30,000	180,000	-
5	Mr. Tareq Abdullah Al Garaawy (Independent, external member)	Member (as of 6 October 2020)	35,462	5,000	40,462	-
Ex-member of Savola Group Audit Committee until 1 May 2020:						
-	Dr. Ammr Khaled Kurdi (Independent, external member)	Ex- Member until May 2020	50,000	15,000	65,000	2,435
Total			685,462	140,000	825,462	2,435

Directors' Report

Savola Group Audit Committee Report continued

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7. Summary of Audit Committee duties, responsibilities and achievements executed in 2020

a. Financial reporting

- Review and recommend to the Group's Board of Directors the approval of the preliminary quarterly results and year-end consolidated financial statements focusing particularly on the reliability of the information disclosed therein, changes in accounting policy, significant and unusual events, reasonableness of accounting estimates for significant issues, as well as compliance with accounting standards and other legal requirements.

b. Internal audit

- Review and approve the Group's internal audit department charter, plan and outputs and ensure whether the function has the necessary authority and resources to carry out its work while maintaining its independence.
- Review and assess Savola Group internal audit reports and monitor the tracking and follow-up of implementation process determining whether or not appropriate actions are taken in respect of the internal audit recommendations therein.

c. External audit

- Review the External Auditors service delivery plan, scope of work, the results of the financial audits, the relevant audit reports and management letter together with management responses or comments to the audit findings.
- Ensure that appropriate assistance was given by the Group's Executive Management team to the External Auditors and that no difficulties were encountered during the course of the audit, including any restrictions on the scope of activities or access to required information.

d. Related party transactions

- Review the results of External Auditors limited review of Savola related party transactions for 2020 included in the related party transactions report prepared by the Chairman of Board of Directors in relation to the related party transactions executed by the Company during the year and provide any recommendation to the Board based on the results, if any.
- Ensure that related party transactions are properly disclosed in the Board of Directors report and audited financial statements.

e. Impact of COVID-19

The spread of novel coronavirus (COVID-19) was confirmed in early 2020 which was characterized by the World Health Organization (WHO) as a pandemic causing disruptions to businesses and economic activities in the geographies where the Group operates. In response to that, the Audit Committee is closely monitoring any material impact on the continuity of business activities and operations relating to any potential risks associated with interruptions to production facilities, supply of material, availability of inventory, and safety of employees to ensure the Group's management of an effective and timely response, as well as ensure adherence to the precautionary measures imposed by the respective authorities. Further, the Audit Committee reviewed the outcome of COVID-19 which had a limited impact on the Group's results for the year ended 31 December 2020.

f. Savola Integrity Hotline

Oversee the Savola Group whistleblowing reporting facility "Integrity Hotline" which captures and records matters raised by any stakeholders, including the Executive Management team, senior managers and employees (permanent, temporary and part-time), shareholders, trainers, clients, individuals, agency staff, consultants, suppliers and vendors.

8. Internal control mechanisms and its results at the Group:

The Executive Management of the Group and its subsidiaries certifies on an annual basis their responsibility for establishing and maintaining internal control procedures designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws and regulations. The reasonable assurance provided by the signed internal control certifications is supported by the results of a questionnaire completed by all heads of functions across the Group and subsidiaries designed in line with the Internal Control-Integrated Framework published by Committee of Sponsoring Organization (COSO) of the Treadway Commission. The signed internal control certificates for 2020 were handed over and filed with the Group's legal counsel.

The Internal Audit Department at the Group and its subsidiaries execute the annual audit plan approved by the Audit Committee at the Group and its subsidiaries to evaluate the existing condition of internal control procedures focusing on the assessment of the control environment, organization's structure, risks, policies and procedures, segregation of duties and information systems. A random sample of activities within the planned audit area is selected with the objective of testing the effectiveness and efficiency of internal control procedures design and operation. All internal control recommendations resulting from the execution of annual audit plans are communicated to concerned management parties and followed-up by internal audit departments at the Group and its subsidiaries to support maintaining effective internal control procedures.

The Group's External Auditors conducted their audit in accordance with international auditing standards adopted in Saudi Arabia which require that they plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. This resulted in providing an unqualified opinion on the Group's consolidated financial statements for the year ended on 31 December 2020.

Based on the results of the above mentioned procedures, the Group's Audit Committee believes that reasonable assurance was provided regarding the effectiveness of internal control procedures.

However, we emphasize that due to the geographical spread of the Group's operations locally and regionally we cannot conclude exclusively on the comprehensiveness of the internal control procedures, as these procedures in substance, rely on selecting random samples as mentioned above.

Accordingly the Audit Committees', at the Group and its subsidiaries, efforts are focused continuously to develop and improve the effectiveness and efficiency of the internal control procedures review mechanism in place across the Group and its subsidiaries.

Conclusion:

This report was prepared by the Audit Committee during the year 2020 in line with the regulatory requirements and the charter of the Committee and will be submitted to the General Assembly when the Board of Directors issue its invitation. The meeting will be held during the first half of 2021 (according to the dates approved by the regulatory authorities). The Committee is glad to answer all inquiries and questions of the shareholders - as stated in this report - during the General Assembly meeting of shareholders, and ALLAH is the guardian of success.