

سيرا
SEERA

Annual Report
2018



**Imagine where
travel could take us.**

About the Group

Seera Holding Group is a specialized agency providing travel and tourism services for individuals. The Group operates in a number of key sectors: travel, tourism, hospitality and online travel services, as well as support services like car rental and investment.

Contents

02	Chairman's statement
04	CEO's statement
06	Board of Directors
07	Executive Management
08	About the Group
09	The Group's new principles
12	Operational summary
13	The historical growth of 5 year financial performance
14	General directions and new strategic plan
16	The Group's competitive advantages
17	Financial performance indicators 2018
23	Group subsidiaries and investments
26	Board of Directors and Governance
26	The Board of Directors, Committees and Executive Management
27	Board of Directors Meetings
28	The Most Important Strategic Resolutions during 2018
28	Board Members' Shares Ownership
32	Remunerations of the Board of Directors
33	Membership of the Board of Directors in other companies
35	Board of Directors Committees
40	Executive Management
41	The Company's Compliance with the Corporate Governance Regulations
42	Rights of Shareholders and General Assembly
43	The interests of the Company's Board of Directors
44	Undertakings of the Board of Directors
45	Lawsuits against the group
45	Related Party Transactions and Balances
50	Social responsibility
50	Risk management
51	Statutory payments
54	The Group's strategic operations in 2019
55	Concluding statement



**Board of Directors
and Governance**

**Operational
summary**

12



26



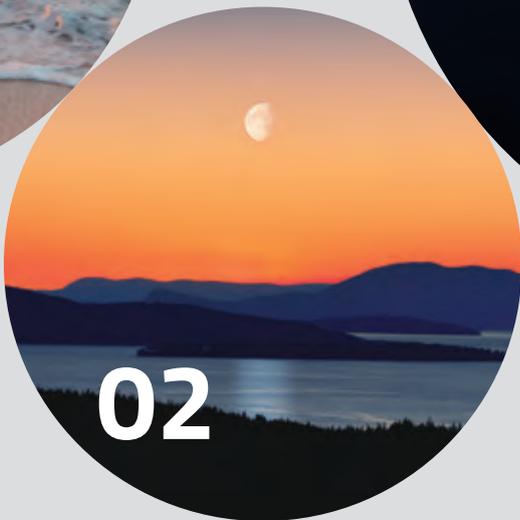
**Social responsibility
and risk management**

50



02

**Chairman's
statement**



**The Group's strategic
operations in 2019**

54



Chairman's statement

Ready to tackle challenges and maximise opportunities

Seera Holding Group moved through a significant period of change in 2018, including a shift in strategic focus and investment in a new division. The year closed with a healthy balance sheet and a more diversified revenue stream in travel, hospitality and car rental services.



Managed growth

During the year, the Group recorded a net loss of SAR 142 million. Excluding the impact of impairment loss on equity-accounted investments, net profit was SAR 276 million. The Group has been able to end the year with a healthy and robust balance sheet, which enabled it to make substantial cash payments for the Group's short- and long-term liabilities.

These cash payments were self-financing, coming from the positive cash flows of the operational activities. On the other hand, the higher education contract was amended in September 2018 based on the government pricing system. Despite these challenges, the subsequent losses have been offset by the growth in revenue in the travel sector, online platforms and other support services.

Investing for the future

In 2018, the Group maintained its focus on capital investment with the announcement of six mid-market hotels in Jeddah and Riyadh, adding another 1,000 rooms to its portfolio. The strategic shift towards investing in mid-market hotels reflects a growing demand for affordable rooms and services in the national, regional and international markets, particularly for business travellers.

In the context of these varied factors, the Group has implemented a more diversified revenue model, reducing the risk profile and creating more resilient business units that will enable the weathering of future potential losses or economic storms. The Hospitality Division continued to provide the Group with steady cash flow and by year end had a book value of SAR 79 million.

Strategic sales partnerships also served the Group well in 2018. An agreement was signed with Marriot International and a subsequent promotional partnership with Dubai Tourism. These represent the Group's commitment to building its international presence by forming high-quality partnerships with industry-leading brands and destinations. Agreements were also signed with 21 airlines in Saudi Arabia and 25 in the UAE.

Leadership and vision

The wise leadership of the Government of the Custodian of the Two Holy Mosques and its visionary decision to issue tourist visas starting in April 2018 has had a positive impact on the Kingdom's tourism industry and the Saudi Vision 2030 goal of building a more diversified economy. The government hopes to attract 30 million visitors a year to religious, tourist and cultural sites that enhance the tourism offerings in Saudi Arabia.

The success of our Group, and of course the success of any business, is based on the staff's efforts. We would not have achieved this financial performance without the commitment and the perseverance demonstrated by our team, which consist of more than 2,700 employees. They are doing their utmost to provide our customers with unique experiences to achieve their aspirations.

We also need to thank our travel agent partners who are supporting our brands at an international level. Nevertheless, the combined effort of our employees and partners is the pillar of the Group's continued profitability.

Future success

This annual report highlights the Group's detailed information on the performance of the operations and strategic sectors, its risk management procedures and the consolidated financial statements prepared in accordance with international standards.

Looking ahead, the World Travel and Tourism Council forecasts that there will be 1.8 billion international tourists by 2030, and the International Air Transport Association expects 7.8 billion passengers to travel in 2036, nearly double the number of air travellers in 2017.

We believe that Seera Group will be able to meet the challenges it faces by providing high-quality services and at best prices for its customers in 2019 and beyond, while pursuing an ambitious strategy of growth and expansion at the domestic, regional and international levels.

Engineer Mohammed Bin Saleh Al-Khalil

Chairman of the Board

CEO's statement

2018 was a year of great transition for the Group, which saw qualitative changes in internal procedures, external relations and business management. This has left the Group with a smarter and significantly more diversified model. This new expanded model was adopted to keep pace with the changing nature of the Saudi market and the world travel market, as they became increasingly complex and sophisticated, and to meet the evolving needs of tourists and business travellers alike.

57%

The Group's online travel platforms achieved over 57% market share in the Kingdom in 2018

51%

Ratio of returning customers using online platforms

40%

Growth rate of car rental sector



Internal transformation

Within the Group, a number of major structural and strategic changes took place in 2018, announced as part of the transformation program at the end of 2017. This was done to enhance the technical side and the business efficiency of the Group, to be more outward looking and to reflect positively on the financial aspects.

The internal structures of the organisation were significantly changed, leaving the Group with leaner and centralised support functions. A new Centre of Excellence has been placed at the heart of the organisation, which is responsible for negotiating and signing off commercial agreements. In addition, Treasury has been integrated within finance, optimizing cash management and debt financing. The Group also launched the data platform. This allows for greater capture and understanding of data, enabling the Group to leverage a greater understanding of customer behaviours across the business.

Moreover, the Group implemented a powerful technological backbone, allowing it to automate and standardise its policies and processes. These include SAP for finance, SuccessFactors for HR and a new CRM tool for the Group's online and leisure businesses. Future key enablers for the business were also launched. Technologies including a new data platform and a centre of excellence platform that enables internal stakeholders to connect with the mass market while bringing down the cost of infrastructure.

The Group maintained its commitment to Saudisation across the business sector in line with the Saudi's Vision 2030, reaching 40% of the total workforce in 2018. The majority of the new senior management team was hired in 2018, demonstrating our commitment to bringing fresh talent to the business. We partnered with Jadarah programme – an incubator for university graduates in the Middle East – which has helped attract highly-talented graduates to the Group.

We invested heavily in business-critical infrastructure and efficiency measures, with the relocation and scaling of defined functions such as online customer service centres and selected finance roles. Initiatives and measures to reduce payroll and increase the effectiveness and the efficiency of the Group's operations were also introduced.

Strategic business sectors

During the year, the Group recorded a net loss of SAR 142 million. Excluding the impact of the loss in the equity investment "Dakhar Investment and Real Estate Development Company". The decision to sell this investment was in the interest of the Group. The transaction will result in a cash dividend of SAR 377 million, which will strengthen our strategic business.

On the other hand, we do not expect to have to continue recognising Careem's loss, though the value of this investment now exceeds the value at the time of acquisition.

The Group's online travel platforms achieved over 57% market share in the Kingdom in 2018, with Almosafer reaching its SAR 2bn target. Almosafer is now the largest online travel agent in Saudi Arabia. Over the year, the Group's online travel platforms experienced over 90 million sessions and Almosafer's share of recurring customers grew by 31% to reach a total of 51% of all returning customers. This contributes to long-term profitability.

Regarding the Group's car rental business, Seera moved into significant profitability in 2018 even after ending 2017 at break-even point. The business provides long- and short-term car leasing to companies and individuals across all car categories, in addition to car-with-driver services for conferences, events and inter-city travel. Significant profit was reported with a 40% compound annual growth rate in revenue that saw the car rental business reach SAR 190 million in 2018. The car rental business also saw a 50% expansion in fleet size, reaching 7,000 vehicles by the end of the year.

Hajj and Umrah

With regard to our Hajj and Umrah operations, we have worked on integrating a strategy in alignment with Saudi Vision 2030. This is to take advantage of the opportunities available in this market, which is forecast to be worth more than SAR 200 billion by 2030. To implement this strategy, we have dedicated all the necessary resources, establishing a highly-qualified professional team and developing a market-oriented strategy that will allow us to strengthen our market share in this sector.

Investing in the future

The Group invested heavily in its technological and human capital capabilities in 2018. This includes the recruitment of industry experts to drive our business, including new vice-presidents for HR, Leisure, Leisure Retail and Sales, and Marketing.

These specialist hires reflect the Group's strategy of investing in highly capable people to meet the market's challenges. The decision to employ individuals with specialist sectoral experience also reflects the commitment to building expert business units and services Group-wide. The launch of the Hajj and Umrah Consumer Travel division is an example of this strategy.

Accelerating talent

Seera Group's passion for investing in youth saw it launch the Jadarah Talent Accelerator in 2018. The Group cooperated with industry giants including Google, Twitter, Amadeus, Facebook, Careem, Dubai Future Foundation and Udacity, teaming up with the Group's Strategic Online Business Unit to offer a six-month talent accelerator to 30 young Arab nationals. The project ran from September 2018 to February 2019.

Post-programme opportunities included working at the Seera Group as a full-time employee or working on start-up ventures led by Seera employees and alumni. Graduates from the programme were also provided with access to partner companies' job openings.

Global partnerships

At the heart of the Group's future growth strategy is the development of new partnerships with global standard hotel chains, airlines and other international players in the travel and leisure industry. In 2018, partnerships were completed with Marriott, Emaar, Jumeirah, Starwood and Rotana. Deals in the pipeline include Accor, Hyatt, IHG and Hilton.

These partnerships establish direct connectivity between Seera Group and the hotels, allowing the Group to pull inventory and rates in real time from the hotels' own reservation systems. These deals are enabled by the Group's significant investments in technologies and payment platforms. These and future partnerships will play a significant value-added role in accelerating the growth of the company. In addition, these developments are helping the Group to deliver on its transformation strategy of being a leading, omnichannel online travel agency and holiday advisor in MENA.

Mr. Abdullah Bin Nasser Al Dawood
Chief Executive Officer

Board of Directors



**Engineer Mohammed Bin
Saleh Al Khalil**
Board Chairman



**Ahmed Samer Bin
Mohammed Hamdi Al Zaim**
Vice Chairman



**Abdullah Bin Nasser
Al Dawood**
Board Member
Group CEO



**Abdullah Abdulrahman
Al Ayadhi**
Board Member



**Majed Bin Ayed
Al Nifiei**
Board Member



**Mazen Bin Ahmed
Al Jubeir**
Board Member



**Dr. Sulaiman
Ali Alhudaif**
Board Member



**Yazeed Khalid
Al Muhaizaa**
Board Member



**Ibrahim Bin Abdulaziz
Alrashed**
Board Member

Executive Management



**Abdullah Bin Nasser
Al Dawood**

Board Member
Group CEO



**Saud Bin Mohammed
Al Arifi**

Executive Vice President
Travel Management



Yousef Mousa Yousef

Executive Vice President
Group CFO



**Abdulrahman Bin
Abdulaziz Bin Mutrib**

Executive Vice President
Group CTO



Muzzammil Ahussain

Executive Vice President
Consumer Travel



Saeed Bin Hussain Al Furaih

Vice President
Corporate & Government
Travel



**Syed Mohammed
Azfar Shakeel**

Vice President
Car Rental



**Alwaleed Bin Abdulaziz
Al Nasser**

Vice President
Legal



Moataz Mohammed Safwat

Senior Director
Internal Audit



Abdulaziz Al Owais

Vice President
Human Resources



Redmond Walsh

Executive Vice President
Portman Travel Group

About the Group

Seera Holding Group is a specialized agency providing travel and tourism services for individuals. The Group operates in a number of key sectors: travel, tourism, hospitality and online travel services, as well as support services like car rental and investment.

Mission

Helping people search for the best destinations and options for tourism, and helping organizations search for efficient and reliable travel services to meet their business needs.

Vision

To be a leading company in the travel and tourism sector, backed by a strong portfolio of trusted brands, and known for its outstanding services that consistently provide the best to its customers.

Operational efficiency

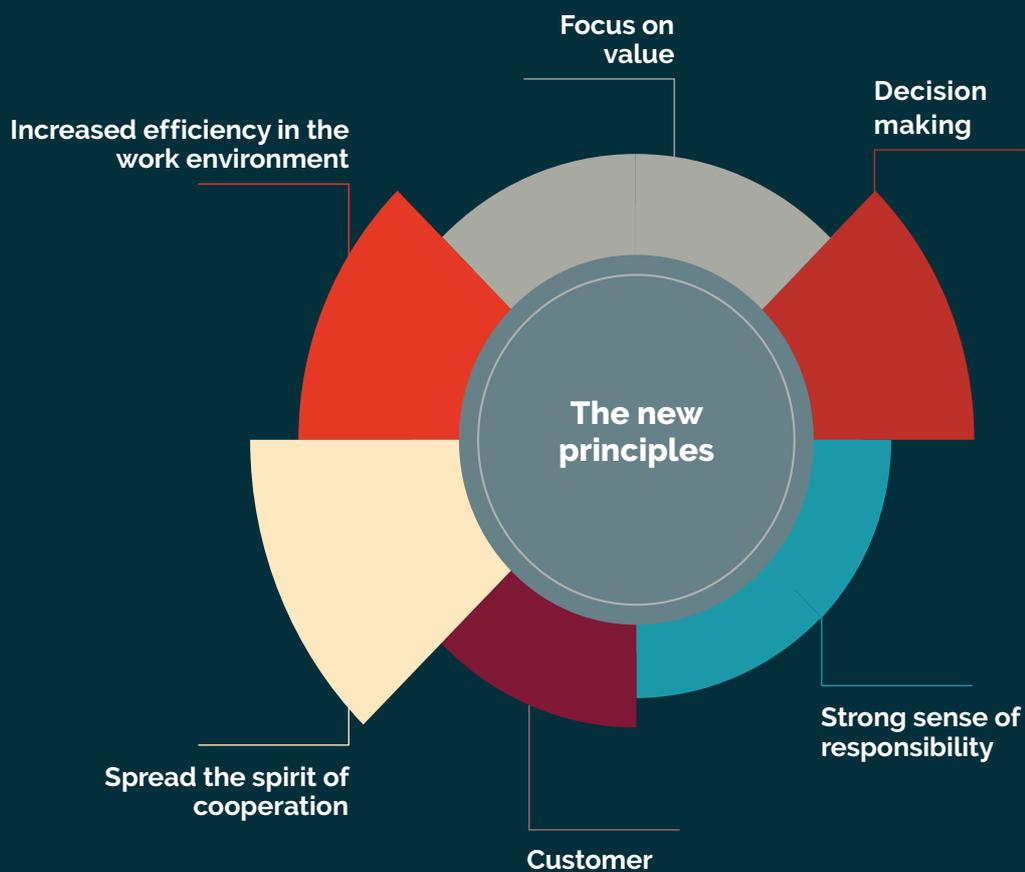
To increase operational efficiency by implementing the highest international standards in the operational management, rationalization of expenses and flexibility of procedures in all business sectors of the Company.

Governance

Maintaining the highest governance standards as a key tool for protecting shareholders and maximizing their long-term investment value. As well as strengthening the monitoring mechanisms by activating the role of the Board of Directors and the related committees and implementing our mission and vision.

The Group's new principles

Seera follows six new principles that help to continuously develop our performance.



Operational summary and key financial indicators





Operational summary

Travel

Online travel services

Following the growth of our online travel services sector in 2017 to meet customer demand for online travel and tourism services, 2018 saw outstanding achievements in this sector. For instance, the booking value in our three online travel sectors exceeded SAR 2 billion. This is the result of the development of our services on the Group's websites, applications, strategic development of online travel sector's infrastructure and successful marketing campaigns.

This achievement is a significant boost to the Group's cash flow, and we are moving in the right direction to achieve our objective of increasing bookings to SAR 3.75 billion by 2020.

The business unit of the online travel services saw several achievements through the implementation of initiatives that delivered integrated products for all our customer requirements. This is done through practical sales platforms over advanced sites and smart-device applications, and through our unique and carefully designed hotel offers. More advanced payment options have been made available, significantly increasing the volume of flight sales through our online travel platform Almosafer and Tajawal by 50% compared to last year.

The provision of the payment service 'Mada' and the 'instalment sales' service through bank cards have increased the sales volume on our online platforms in Saudi Arabia.

Internal flight bookings through Almosafer have increased by 200%, reflecting the growth of the domestic travel sector to different locations within Saudi Arabia.

Our online platforms now feature 'Analyse Customer Opinions and Experiences' where our customers can easily choose their preferred destinations and accommodations. This service provides them with optimal choices that correspond with their personal and family experiences.

We are confident the online travel services will always be one of our substantial growth activities, which will help us to increase our market share by targeting new markets in the Middle East and launch well-established brands that enhance customers' entertainment experience.

We will continue to invest heavily in the online business unit, which will ultimately turn into an integrated travel services agency that is able to seize efficient opportunities in our main markets.

Travel services

The travel and tourism service sectors for individuals have seen substantial sales growth. No effort will be spared in maintaining our relationship with government and institutional customers and in expanding our business with the Ministry of Health. Meanwhile, we continue focusing on the application of our corporate services strategy that includes over 200 clients and 33 institutional representatives.

We will continue to provide services to the Saudi Railways Organization, Public Transportation Authority, General Authority for Meteorology and Environmental Protection, and Saudi Electricity Company.

Seera currently has 79 branches and 47 authorisations in 55 cities, including all 13 regions in Saudi Arabia and in the main airports in the Kingdom. Agreements were also ratified with 21 airline companies in Saudi Arabia and 25 airline companies in the United Arab Emirates.

Hospitality

In addition to what has been achieved in the hospitality sector in 2017, Sheraton Makkah Jabal Al Kaaba Hotel continued to grow in 2018. The hotel managed to achieve substantial outcomes despite the challenges faced by religious tourism in 2018 and the incomplete Makkah expansion operations which affected the hospitality sector in the city. Although the hotel opened in August 2017, it witnessed significant growth in occupancy rate during 2018.

Movenpick Hotel City Star Jeddah continued to achieve positive outcomes as it attained stable cash flows. The hotel maintains excellent ratings and guest reviews among a number of international websites, such as Booking.com and Trip Advisor.

Complementing the Group's strategic plan, we began developing hotels under the international trademark, Quality and Comfort. In the first stage, three hotels in Riyadh and three in Jeddah will be created through the contribution and the use of lands owned by the Group in strategic locations. Such lands will become assets that will generate future income and revenue for the Group.

An agreement was ratified with Marriott International that reflects the Group's commitment to strengthening its international presence by signing unique partnerships with significant trademark businesses.

Car rental services

Car rental services returned an outstanding performance in 2018, with a 40% increase in net revenue compared to last year. The year also saw the arrival of a vehicle fleet of more than 7,000 cars.

We focus on managing the fleet and the revenue, in addition to actively seeking efficiency in operations and cost despite the challenges faced.

Car rental services are now available in all the main airports in KSA, with our new branch opened in King Fahd International Airport in Dammam.

During the year, we were proud to achieve a 100% Saudisation figure across all our 27 branches.

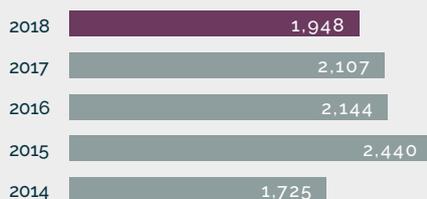
Our success this year goes back to long-term agreements with the government and corporate sectors, which are achieved by our team with more than 3,700 cars, valued at more than SAR 300 million. The Group's success also resulted from the outstanding expansion of our sales network.

We look to consolidate these efforts to achieve ongoing success in the coming years.

The historical growth of 5 year financial performance



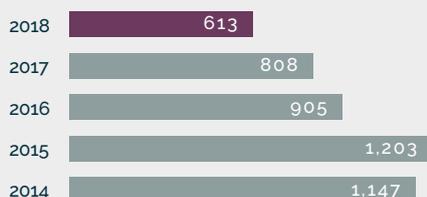
Income (SAR million)



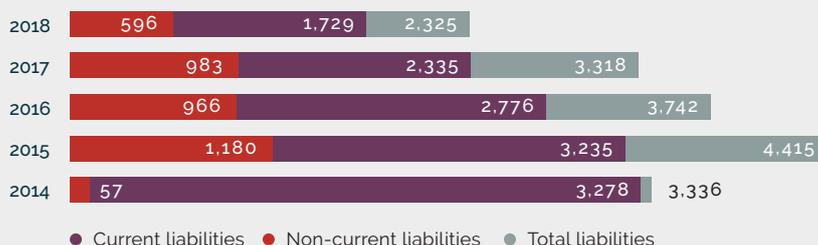
Assets (SAR million)



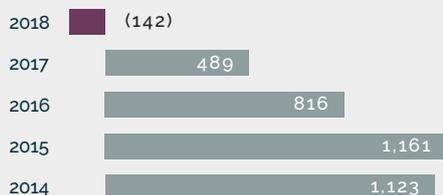
Operating profit (SAR million)



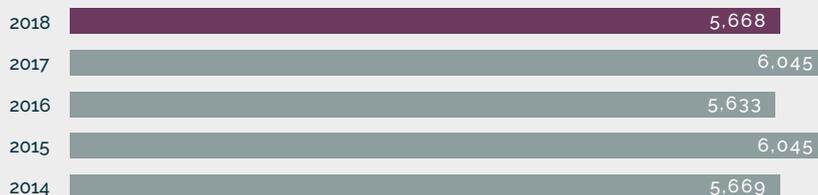
Liabilities (SAR million)



Net loss/profit (SAR million)



Shareholders' equity (SAR million)



General directions and new strategic plan

Seera Holding Group has set a clear path to keep up with the emerging trends and maintain its leading position in the travel industry in the Middle East. In light of this, we are reshaping our operational environment and implementing new strategies that enable us to diversify revenue sources and direct investments into other growth areas, as well as managing costs more efficiently while continue to deliver high-quality services and products to our customers.

General directions: the need for change

The Saudi market, especially the travel sector, is seeing fast-paced change. Thus, the market has seen positive developments that have changed the operational environment of the travel sector. The Saudi market has also enhanced the potential for increased growth and opportunities in the hospitality sector with Hajj and Umrah services in particular.

The Kingdom has spent two years in an economic transformation process, which introduced a new approach to the private sector's role in accelerating economic growth. For us, opportunities lie in two different areas. First, in developing domestic tourism and investing in mid-range hotel services in line with increased demand. Second, meeting the demands of the growing numbers of pilgrims during Hajj and Umrah, as well as all relevant opportunities in Makkah and the region.

The government has committed to developing the local tourism sector and hosting more pilgrims, especially during the Hajj season. Along with the national transformation, the government is looking forward to receiving 40 million pilgrims annually by 2030.

We expect that pilgrims' spending will reach SAR 250 billion within 12 years. As a result, the demand for hotels and accommodations will increase. However, the mid-range hotel sector in the Kingdom lacks the services that meet its needs. Therefore, this sector offers valuable opportunities for substantial growth.

Within the Hajj and Umrah market, the government is restructuring the current operational system to fill the gaps and solve the weaknesses of the sector. The infrastructure is being improved to meet the demands of the increasing number of pilgrims, to enhance the efficiency of the regulatory framework, to ensure equal opportunities and provide a foundation for fair competition. We believe the Hajj and Umrah's regulatory framework will see improvements that enhance its efficiency and meet market requirements. These will enable the government to achieve its objectives.

The travel sector is witnessing a major shift at the global level, which has changed the traditional role played by the travel agency through the exceptional rise in the use of online travel platforms. Technology has had a major impact in our operating sectors – travel and tourism services for individuals, services provided to ministries and government agencies in the Kingdom – which means that long-term success will only be for companies with sophisticated technological platforms.

Today, travellers are looking for inspirational holiday destinations, seeking advice from tourism agencies, and are ready to pay for innovative and integrated tourism and leisure packages. Although the share of traditional travel agencies is shrinking in favor of online travel agencies, it still equal to two-thirds of the regional travel market in the Middle East.

However, the online travel service sector continues to grow rapidly internationally and in the Middle East. Its value is estimated at SAR 50 billion in 2019 and is expected to grow up to SAR 70 billion by 2021.

Our strategy and operational model – strengthen our core business for long-term gains

We are in the process of implementing the Strategic Transformation Program, which we established in 2016. Based on a rigorous analytical study of the external environment, and our institutional and operational environment, the Group's activity has now been reorganised into five key business areas: Travel, Hajj and Umrah, Hospitality, Supporting Businesses, and Investments.

1. Travel

The travel service and the online travel facility are the main drivers for the Travel sector's growth. The sector aims to provide more efficient services in three key activities: travel and tourism services for individuals, government agencies, and companies.

The value of the tourism market for individuals in the Kingdom, including domestic and international destinations, is estimated at SAR 50 billion. To increase our market share in this area, the Group is implementing a multi-channel sales strategy to transform from an agency that handles customers' bookings to a travel consulting agency.

We are convinced that the joy of traveling starts with the thinking and planning stage. To complement this new approach, we plan to refurbish a series of our branches in 2019, among them the travel offices throughout the Kingdom.

We are making several changes to maintain and increase our share in the government services market and the corporate services market. Although we have a leading position in these markets, valued at SAR12 billion, we recognise that the needs of these important customers are changing over time. Therefore, we need to upgrade our offer to public sector employees to provide them with cost-effective travel solutions. We are also accelerating our presence in the mid-cost service sector. This is done by providing cost conscious companies with travel solutions at competitive prices and excellent service. In addition, our online travel platforms, we offer a fast 24- hour service.

The online travel services sector received and will continue to receive a large portion of the Group's capital expenditure to enhance its efficiency and to provide global-level solutions to meet different customers' needs. The Group is looking to increase the total value of its bookings to SAR 3.75 billion by 2020, where our online travel platform driven by AlMosafer will play a key role.

AlMosafer online platform has achieved great success in a short time, becoming the premier travel service in KSA. Through our focused marketing campaigns and our significant investment in the best technical solutions, we have been able to enhance the activity of AlMosafer and attract a record number of travellers. AlMosafer acquired 40.7% of the airline market in December 2018, becoming the leading online travel service in Saudi Arabia.

Therefore in 2019 we will focus on targeted marketing campaigns and on improving the quality of service. We will also enhance AlMosafer to meet customers' demands. The online travel service will see developments in design and user experience. This includes inspiring content to capture the attention of our target customers before they embark on their travel experience.

2. Hajj and Umrah

Regarding our services in the Hajj and Umrah sector, to benefit from the available opportunities we developed an integrated strategy where its objectives are in line with Vision 2030. To implement the strategy, we dedicated the resources, prepared a highly qualified professional team, and created a targeted marketing strategy that will allow us to strengthen our market share in this sector.

3. Hospitality

The hospitality sector will focus on the mid-range hotel services and management. The Group owns five hotels managed in two main cities with more than SAR 3 billion book value. These assets offer consistent cash flow to finance other Group sectors.

We develop and operate the mid-range hotels in the Gulf market through our partnership with Choice Hotels who run international business brands such as Comfort Inn, Quality Inn and Clarion. We aim to operate 6,000 hotel rooms by 2020. To achieve this goal, we began developing six hotels that will work with Choice Hotels' international brands.

4. Supporting services

Supporting Services now consists of car rental activity. Through market research, we found that company rentals had a faster growth rate than leisure rentals. This is estimated to account for half of the market by end-2019, valued at SAR 2.7 billion. Therefore, we will focus our efforts on company car rental services by initiating operating centres in the main cities in the Kingdom, as well as collaborating with one of the international specialised car rental companies.

We have a presence in three main airports – Riyadh, Jeddah and Dammam – which will allow us to provide car rental services for the increasing number of visitors.

In line with this growth, we doubled the vehicle fleet to reach more than 7,000 vehicles over the past two years. It has become a profitable business unit that provides a consistent income to the Group.

5. Investment

We are still one of the main investors in Careem; a leading taxi booking services over smart phone's applications across the MENA region. We still have strong services in the UK, as the booking value is about SAR 2.4 billion.

Nevertheless, our strategy consists of improving and modernizing our online platforms and developing our employees' skills in all main sectors. This will enrich our customers' experience and help us solidify our leading position in the market. We will be seen as a role model to be emulated to achieve a high level of customer satisfaction and to enhance our services in all sectors.

The Group's competitive advantages

Seera Holding Group has more than 40 years' experience in travel and tourism, which helps the Group sustain its unique position within the GCC and the wider Middle East and strengthens its market share in different fields. Several competitive advantages acquired over the years help the Group stand out. These include: developing operations, increasingly efficient products and services, and improving relationships with customers and suppliers. Furthermore, the Group has strong financial capabilities that enable investment and expansion of activities to include new sectors and to seize opportunities at the right time. These include:

1. A distinguished Arab company, established in Saudi Arabia, serving the region and the Islamic world

- We are proud of our contribution to the development and the efficient enhancement of the travel sector in Saudi Arabia since 1979.
- We are the only travel company listed on Tadawul, the Saudi stock market.
- We are the largest travel and tourism group in the GCC and the Middle East regions.
- We have the largest branch network in Saudi and have presence at all airports in the country.
- Our portfolio contains online travel services, which it is the fastest-growing sector in the region.

2. Strong business relationships and a large network of customers and suppliers

- We have established relationships with the tourist authorities in the favoured destinations for local customers.
- We have 57% market share of the online travel platforms in Saudi Arabia.

- We have a third of the travel market in the government and corporate sectors.
- The number of customers visiting our online travel platforms exceeded 90 million in 2018.
- Our suppliers' network has more than 200 airlines and we also have strong business relationships with most international airline companies and work closely with all national airlines.
- We are the only local company in the region with a direct technical connection to international hospitality companies such as Marriot, Starwood, Emaar, Accor, and others, which ensures the best prices for our customers.

3. Commitment to excellence, enriching customer experience

- We understand the needs of our different types of customers because of our extensive experience. We offer a wide range of products, such as; airline tickets, hotel reservations, holiday package offers and designing integrated holidays that meet our customers' requirements.
- We employ and invest in the best technology platforms and use advanced data analysis to improve our services by predicating customers' preferences, designing special services for each segment and improving our marketing operations' efficiency.
- We place our customers' requirements at the top of our operational and business priorities, therefore gaining their confidence and have succeeded in attaining the highest customer retention rates. The percentage of customers returning to use our online platforms accounted for half of the total number of customers.
- We have a round-the-clock dedicated customer support team to respond quickly to queries.

4. Balanced financial position – enhanced asset efficiency

- We are diversifying our revenue streams by expanding into business areas with significant potential for sustainable growth.
- We are working on a new tourism idea and a new role for branches to work jointly with online travel platforms to create a unique customer experience and to enhance the efficiency and the value of the tourism sector to the Group.
- We have been working on an integrated strategy to expand the Hajj and Umrah tourism market, which is estimated to be worth more than SAR 200 billion by 2030. The strategy aims to increase the Group's sources of income by leveraging our vast resources, expertise and supplier networks, in addition to enhancing the Group's asset performance in the hospitality sector.

5. A highly qualified and experienced management team

- We have competent leadership in all positions and we continue to attract highly-qualified industry professionals.
- We are keen to identify, attract and select the best talents, based on their enthusiasm to stand out. This is achieved through the support of the youth development programs such as Jedara and Qemam.
- The Group is underpinned by a work culture based on outstanding performance and providing the best customer service possible.
- We are committed to develop and train our staff to ensure their tasks are performed with excellence and efficiency.

Financial performance indicators 2018

1. Cash flows

The Group recorded net change in cash balances and cash equivalents of SAR 734 million resulting from changes in the statement of cash flows items as follows:

Table (1): Changes in Cash Flows:

Statement	2018	2017
Net cash from (used) operating activities	750	(93)
Net cash used in investing activities	(697)	(373)
Net cash from (used) in financing activities	(787)	180
Net change in cash and cash equivalents	(734)	(286)

The change in cash flows items from the operating activities is mainly due to material improvement in collection of receivables from some government agencies, which have been used for settling some of the Group's debts and promoting the Company's financial position, liquidity and capability for execution of its strategies.

The change in cash flows items from the financing activities is mainly due to the increase of repayment of loans than the previous year, as the Group made early payments of the long-term loan of SAR 838 in 31 March 2018, and due to decrease in proceeds of Islamic Murabaha of SAR 467 million during 2018 compared to 2017. Dividend distribution of SAR 111 million was paid to the shareholders.

The change in cash flows items from the investment activities; the most important of which are:

- The Group's investments of SAR 400 million in Islamic Murabaha for a period of four months with local banks.
- The Group's investments of SAR 103 million in security portfolio.
- The Group's investments of SAR 236 million in property and vehicle fleet of the Group (SBU)/Car Rental.

2. Material differences in operating results

The material differences in operating results for the financial year ended in 31 December 2018 reflect the market variables, especially the government sector and the Group's business plan for increasing the sales and market share, which has been achieved through its individuals travel and tourism services online platform. Below is the material differences in the statement of income items:

A. Material differences in net revenue and gross profit

Table (2): Changes in net revenue and gross profit

Statement	2018	2017	Change	
			Amount	%
Revenue	1,947,609,663	2,107,018,325	(159,408,662)	(8%)
Cost of revenues	(522,613,860)	(503,935,095)	(18,678,765)	4%
Gross profit	1,424,995,803	1,603,083,230	(178,087,427)	(11%)

The net revenue for 2018 was SAR 1,948 million compared to net revenue of SAR 2,107 million for the previous year, a slight decrease of SAR 159 million by 8%, reflecting the changes impact as follows:

- Decrease in average commissions and revenue margins for the local travel and tourism sector, especially the government sector, which witnessed a decrease in commissions due to the companies and government sectors are going for spending rationalization, which primarily has a direct relation to the travel sector.
- Change to the articles of the contract signed with the Ministry of Higher Education and transfer the contract to a governmental system-based contract. However, in consideration thereof, the other rapid-growing operational sectors, especially the online travel sector, have been increased.

Most competitive prices offered for some services, aiming to protect and increase the market share, which affected the profit margins.

- Change in the terms and conditions of the contracts signed with some key clients.
- Change in mix of products with variable margins in the United Kingdom, which have lower profit margin compared to the other sectors within the Group.

It is worth noting that the Group's bookings made through its online platform have been raised during the current year by 44% compared to the previous year (from SAR 1,387 million to SAR 2,004 million). This sector is rapidly growing; therefore, the Group's strategy is to concentrate on the sales via its online platform.

Financial performance indicators 2018 continued

B. Material differences in the results of operational profits

Table (3): Material Differences in the Results of Operational Profits:

Statement	2018	2017	Change	
			Amount	%
Gross profit	1,424,995,803	1,603,083,230	(178,087,427)	(11%)
Selling expenses	(373,678,249)	(332,858,133)	40,820,116	12%
Administrative expenses	(472,563,395)	(494,794,534)	(22,231,139)	(4%)
Impairment of trade and other receivables	70,295,537	(17,477,308)	(87,772,845)	502%
Other operational expenses/revenues (net)	(35,961,349)	50,232,187	(86,193,536)	(172%)
Operating profit	613,088,347	808,185,442	(195,097,095)	(24%)

During 2018, the Group generated Operating profit of SAR 613 million compared to SAR 808 million for the previous year, a decrease of SAR 195 million representing 24%. This decrease mainly accounts for the following:

- Increase in sale and marketing expenses as a result of the marketing campaigns for the Group's online sale platforms and increase in marketing expenses for the Group's hotels (Movenpick and Sheraton), which commenced its operations at the end of the fourth quarter of 2017.
- Decrease in general and administrative expenses as a result of control and rationalization of the costs of the employees in addition to structuring the Group's Strategic Business Units and strategic business sectors.
- Increase in other expenses due to the changes by increase or decrease; the most important of which is as follows:
 - Reversal of decrease of the trade receivables by SAR 70 million as per the forecasted credit losses in light of the requirements of the IFRS 9 "Financial Instruments".
 - Increase in losses resulting from sale of assets and property of the Group by SAR 44 million.

C. Material differences in net (loss)/profit of the year

Table (4): Net (Loss)/Profit of the Year

Statement	2018	2017	Change	
			Amount	%
Operating profit	613,088,347	808,185,442	(195,097,095)	(24%)
Finance income	11,453,922	22,632,673	(11,178,751)	(49%)
Finance costs	(65,461,265)	(57,821,030)	7,640,235	13%
Gain/(loss) on disposal of subsidiaries	190,654	(607,355)	798,009	(131%)
Recognized foreign currency loss on disposal of subsidiaries	(286,255)	(1,535,132)	(1,248,877)	(81%)
Losses on disposal of equity – accounted associated	(420,523,381)	-	(420,523,381)	100%
Impairment loss	(129,447,425)	(122,834,332)	(6,613,092)	5%
Share of loss of equity – accounted investess, net of tax	(67,073,502)	(127,838,764)	(60,765,26)	(48%)
Zakat and income tax	(84,019,724)	(30,982,132)	53,037,592	171%
Loss/profit of the year	(142,078,628)	489,199,370	(631,277,998)	(129%)

The Group's net loss for the financial year ending on 31 December 2018 amounted SAR (142) million compared to the net profit of SAR 489, by 129% decrease for the financial year ended on 31 December 2017 to reflect effects of the changes by increase or decrease as detailed below:

- The financing revenues from Islamic Murabaha have been dropped in amount of SAR 11 million due to decrease in size of Islamic Murabaha held with the banks during 2018, as Islamic Murabaha of SAR 400 million has been tied up by the end of the fourth quarter of 2018.

- The financing charges from Murabaha and short-term financing have been increased by 13% to SAR 76 million, due to registration of Sheraton Hotel's financing charges after completion of capitalization of borrowing costs and commencement of its operations at the end of fourth quarter of 2017.
- Losses of SAR 420 million from disposal of investes companies using equity method have been recognized. This is due to the Group sold its holding of 30% in Zakhr Investments and Real Estate Development Co. to Mohamed Ibrahim AlSubeaei Co. (MASIC) in consideration for SAR 377 million, resulting into recognition of a book loss within the accounting records of SAR 420 million. It is non-recurring loss. If such losses are disposed, it will resulted into net profit of SAR 278 million.
- Losses from equity investments of SAR 67 million have been recognized for the financial year ending on 31 December 2018, which mainly account for the following:
 - Seera Holding Group's share in the losses of SAR 9 million incurred by Careem Company.
 - Seera Holding Group's share in the losses of SAR 51 million incurred by Wadi Company.

It is worth noting that the current market value of the Group's investment in both Careem and Wadi exceeds the investment value at the time of acquisition. In addition, the losses are non-recurring and we do not believe that it will continue during 2019.

- Zakat provision expenses have been increased from the previous year to SAR 53 million to support Zakat provision for the years under Zakat investigation and final assessment for the years from 2008 to 2018. It is worth noting that Zakat investigation works for the years from 2008 to 2013 were completed in January 2019.

3. (Loss)/earning per share during the year

Table (5): (Loss)/Earning per Share during the year

Statement	2018	2017	Change	
			Amount	%
(Loss)/Earning per Share	(0.69)	2.37	(3.06)	(129%)

The Group recorded a reduction of share by 129%, as the loss per share of (0,69) has been calculated out of the net loss of the year for the financial year ending on 31 December 2018. This reflects the effect of reduction of the Group's net revenue, operational profit and other changes in the different items of the statement of income.

4. Murabaha and other Islamic financing facilities

A. Short-term Murabaha

Table (6): Short-term Murabaha

S.N.	Issuer of Murabaha	Murabaha category	Murabaha principal	Murabaha term	Paid during the year	Balance of Murabaha at the end of the year	Securities given for obtaining Murabaha
1	Banks and Financial Institutions (1)	Short term	363,303,199	3 months	199,997,190	163,306,009	Promissory notes
2	Banks and Financial Institutions (2)	Short term	366,310,852	1 to 6 months	366,310,852	--	Promissory notes
3	Banks and Financial Institutions (3)	Short term	284,916,666	5 to 12 months	284,916,666	--	Promissory notes
4	Banks and Financial Institutions (4)	Short term	334,994,661	2 to 3 months	334,994,661	--	Promissory notes
5	Banks and Financial Institutions (5)	Short term	161,028,019	1 to 3 months	161,028,019	--	Promissory notes
6	Banks and Financial Institutions (6)	Short term	250,000,000	3 to 6 months	250,000,000	--	Promissory notes

Murabaha investments materially account for one-year short banking agreements to finance some of the working capital requirements of the Group's foreign and local subsidiaries, which are made through Islamic Murabaha and Shariah-complaint securitization (Tawarruq) agreements. In addition, all banking transactions are subject to agreed commissions and rates as per prices published by all local banks operating in the Kingdom of Saudi Arabia or other banks located in jurisdictions in which foreign subsidiaries are operating.

Financial performance indicators 2018 continued

B. Long-term Murabaha

Table (7): Long-term Murabaha - Seera Holding Group and Its Subsidiaries:

No.	Murabaha Source	Murabaha Category	Murabaha Principal	Murabaha Period	paid during the year	Murabaha balance at End of the year	Guarantees provided For Murabaha
1	Banks and Financial Institutions (1)	Long term	550,000,000	7 years	-	550,000,000	Guarantee of Sheraton Makkah Jabal Al Kaaba Hotel
2	Banks and Financial Institutions (2)	Long term	861,000,000	11 years	816,000,000	-	-
3	Banks and Financial Institutions (3)	Long term	90,713,416	2 years	90,713,416	-	promissory notes

During 2015, a long-term financing (Tawarruq) of SAR 1.2 billion was obtained from a local bank in the Kingdom of Saudi Arabia to finance the acquisition on Sheraton Makkah Jabal Al Kaaba Hotel. Murabaha was obtained at an interest rate agreed upon in accordance with the rates announced by the local banks (SAIBOR) in addition to the margin specified in the Murabaha Agreement.

On 31 March 2018, the Group paid early payments amounted to SAR 838 million of long-term financing due for 2019/2020 and the first half of 2021. The Remaining amount of the financing was also scheduled with a local bank in Saudi Arabia at less financing rates to reduce the financing burden.

C. Other Islamic facilities

The nature of the item is the value of Murabaha (Tawarruq) to finance working capital requirements, which is mainly obtained from the banks of the countries of the subsidiaries at an agreed interest rate of SAR 31 million as compared to SAR 10.4 million.

5. Service Sectors

The Group aims to maintain the development process in all its service sectors and optimize the utilization of all material, technical and strategic capabilities, which have achieved the highest operating rates for these sectors. With the Group's interest in the development of electronic platforms and applications covering all sectors, the Group has achieved outstanding results in electronic sales through the Group's online sale platforms.

5.1 Travel services

Table (8): Revenue from travel services:

Description	2018	2017	%
Revenue from travel services	1,111,142,040	1,324,415,795	-16%

During 2018, revenue from travel services amounted to SAR 1.1 billion as compared to SAR 1.3 billion, at a decrease of 16% as compared to the previous year performance.

5.2 Tourism services

Table (9): Revenue from tourism services:

Description	2018	2017	%
Revenue from tourism services	536,658,920	547,882,600	-2%

During 2018, revenue from tourism services amounted to SAR 536 million as compared to SAR 548 million, at a decrease of 2% as compared to the previous year performance.

5.3 Transport services

Table (10): Revenue from transport services:

Description	2018	2017	%
Revenue from transport services	190,163,701	146,069,978	30%

During 2018, revenue from transport services amounted to SAR 190 million as compared to SAR 146 million, at an increase of 30% as compared to the previous year performance.

5.4 Hospitality services

Table (11): Revenue from hospitality services:

Description	2018	2017	%
Revenue from hospitality services	79,031,171	62,854,519	26%

During 2018, revenue from hospitality services amounted to SAR 79 million as compared to SAR 63 million, at an increase of 26% as compared to the previous year performance.

5.5 Property rental services

Table (12): Revenue from property rental services:

Description	2018	2017	%
Revenue from property rental services	7,337,744	2,312,850	217%

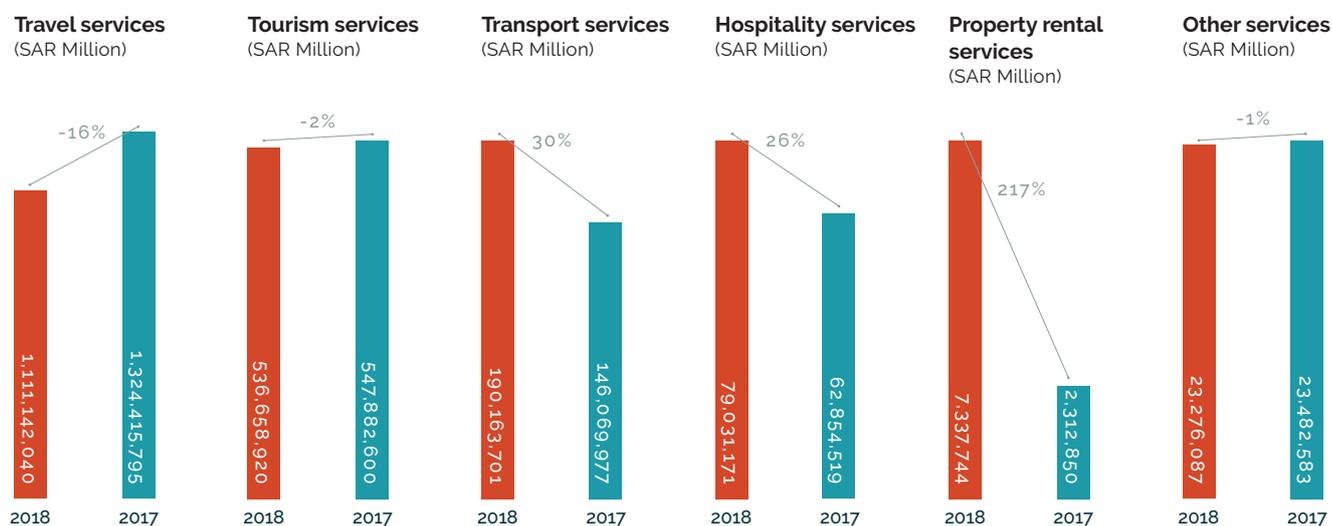
During 2018, revenue from property rental services amounted to SAR 7 million as compared to SAR 2 million, at an increase of 217% as compared to the previous year performance.

5.6 Other services

Table (13): Revenue from other services:

Description	2018	2017	%
Revenue from other services	23,276,087	23,482,583	-1%

During 2018, revenue from other complementary services, such as organizing conferences, events, visa services and other services amounted to SAR 23.2 million as compared to SAR 23.4 million, at a decrease of 1% as compared to the previous year performance.



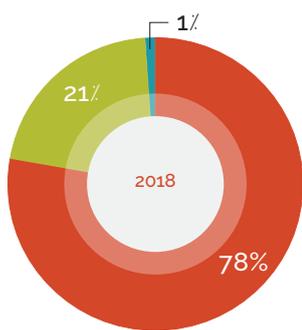
Financial performance indicators 2018 continued

5.7 The geographical analysis of the Group's key activities

Table (14): The Geographical analysis of the Group's Key Activities:

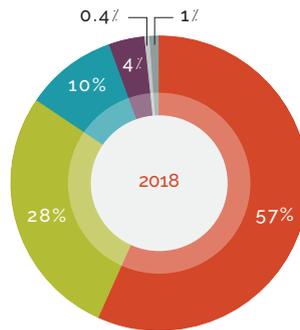
Revenues according to country	2018	2017
Kingdom of Saudi Arabia	1,518,796,540	1,613,198,378
United Kingdom	411,750,006	446,954,610
Egypt	23,954,633	16,625,780
Other	(6,891,516)	30,239,556
Total	1,947,609,663	2,107,018,325

The Group's net revenue during the year ended 31 December 2018 amounted to SAR 1.9 billion and internal investments contributed to the Group's net revenue as reported in the table.



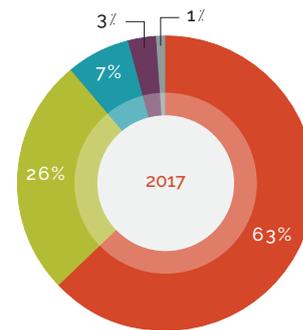
The geographical analysis of the Group's key activities

- 78% Kingdom of Saudi Arabia
- 21% United Kingdom
- 1% Egypt
- -4% Other



Sectors' contribution to total revenue for the year 2018

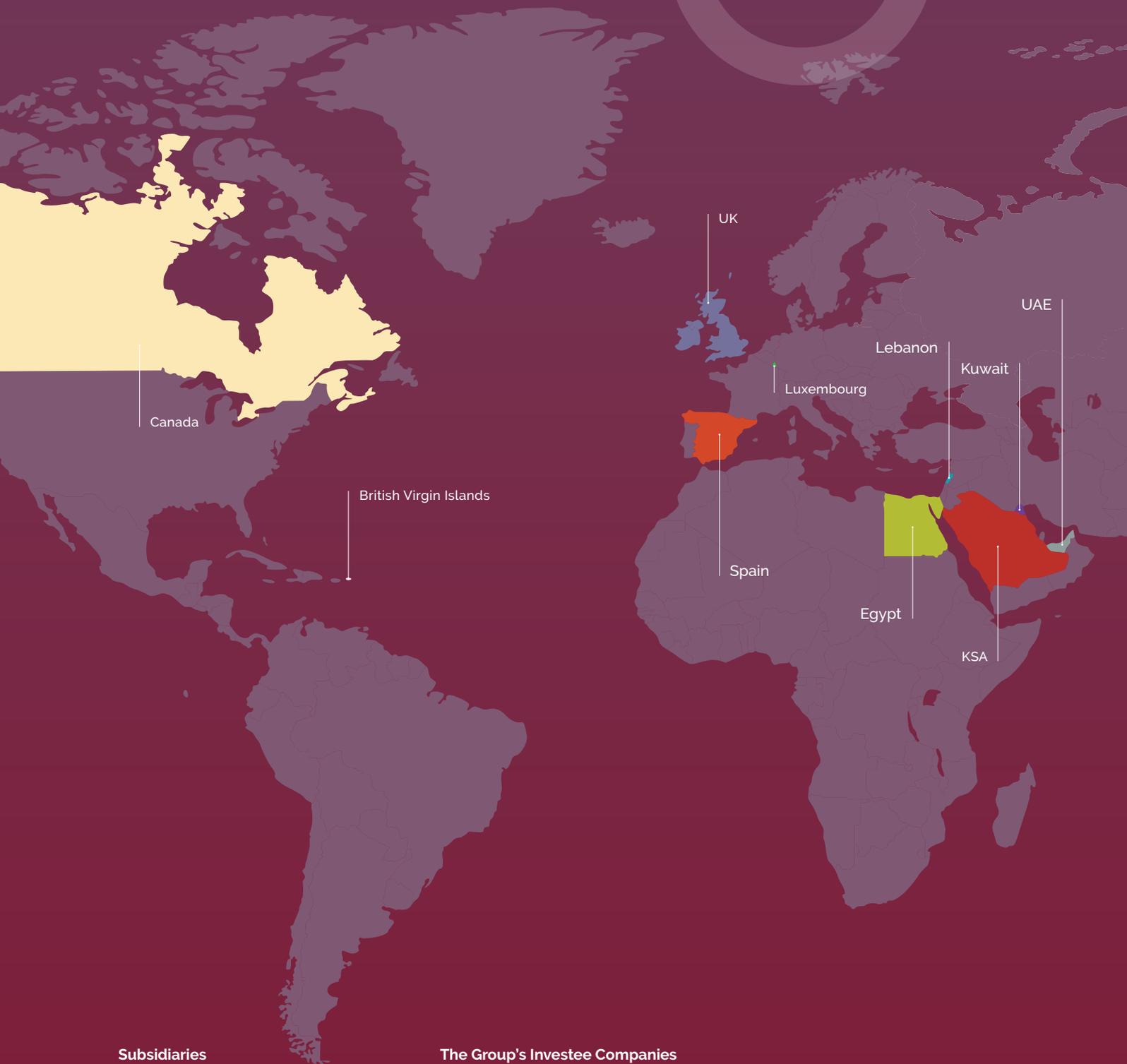
- 57% Revenue from travel services
- 28% Revenue from tourism services
- 10% Revenue from transport services
- 4% Revenue from hospitality services
- 0.4% Revenue from property rental services
- 1% revenue from other services



Sectors' contribution to total revenue for the year 2017

- 63% Revenue from travel services
- 26% Revenue from tourism services
- 7% Revenue from transport services
- 3% Revenue from hospitality services
- 0% Revenue from property rental services
- 1% revenue from other services

Group subsidiaries and investments



Subsidiaries

- KSA 23 Companies
- Egypt 8 companies
- Lebanon 2 companies
- UK 4 companies
- UAE 2 companies
- Spain 1 company

The Group's Investee Companies

- KSA 3 companies
- Kuwait 1 company
- Canada 1 company
- UAE 4 companies
- British Virgin Islands 1 company
- Luxembourg 1 company

Board of Directors and Governance





Board of Directors and Governance

1. The Board of Directors, Committees and Executive Management

A. The Board of Directors

Seera Holding Group is managed by board of directors comprising of (9) board members, who shall be appointed by the Ordinary General Assembly "AGM" every 3 years. Currently, 9 board members were appointed by the AGM convened on 28 March 2018. The Board shall have all necessary powers and authorities to manage the Company. The Board of Directors' responsibilities are clearly defined in the Company's by-laws and its regulations titled "Board Membership Policies, Standards and Procedures".

A.1 Table (17): Board Members' names for the current term expiring on 28 March 2021G*:

S.N.	Name	Current positions	Former positions	Qualification	Experiences
1	Eng. Mohammed Bin Saleh Al Khalil	Chairman of the Board of Directors of Alujain Corp.	Board Member of Riyadh Chamber of Commerce, and Committees Member at Riyadh Chamber of Commerce and Council of Saudi Chambers	- Bachelor of Engineering - MBA	Chairman and Board Member at several companies in the areas of real estate, investment, industry, tourism and charitable and social sector.
2	Mr. Ahmed Bin Samer Al-Zaim	- Deputy Chairman of the Board of Directors of Seera Holding Group - Chairman of the Board of Directors of Saudi Modern Company for Minerals, Cables and Plastics	Committee Member at Riyadh Chamber of Commerce and Council of Saudi Chambers	- Bachelor of Economics - Bachelor of Business Administration	Board Memberships at several companies
3	Dr. Sulaiman Ali AlHudaif	General Manager, Alinma Bank	- Executive Manager Human Resources and Development at Al Rajhi Bank - CEO of Elite World for Administrative and Organizational Consulting Co.	- Bachelor of Administration - Master in International Relations - Master in Management - DBA	General Manager, Alinma Bank
4	Mr. Majed Bin Ayed Al Nefaie	CEO of Mawasim Company "MWT"	- Deputy Head of Revenue Department at Makka Construction & Development Co.	- Bachelor of Accounting - Advanced Diploma in Hotels Management	- CEO of Mawasim Company "MWT" - Director of Makkah Hilton Towers Hotel
5	Mr. Mazen bin Ahmed Al-Jubeir	Managing Director of Jawaris CO.	- Deputy CEO of Amwal AlKhaleej Co. - Advisor to McKinsey Co.	- MBA	- Deputy CEO of Amwal AlKhaleej Co. - Offer advisory to McKinsey Co. - Board Memberships at several companies
6	Mr. Abdullah Bin Ahmed Al Ayadi	Deputy CEO (Acting) of King Abdullah International Foundation for Humanitarian Works	Legal Counsel at several companies	- Bachelor of Law - Master in International Commercial Law	Legal Counsel at several companies
7	Mr. Ibrahim Bin Abdulaziz Al Rashed	Chief Director of Colliers International	Advisor at several companies	- Bachelor of Accounting - Bachelor of Business Administration - SOCPA Primary Fellowship - SOCPA Secondary Fellowship	Advisor at several companies
8	Mr. Yazeed Khalid Al Muhaizaa	Assistant GM and Head of General Global Markets at Hassana Investment Company	Head of General Global Markets at Hassana Investment Company	- MBA	Board Member of Seera Holding Group
9	Mr. Abdullah Bin Nasser Al Dawood	CEO of Seera Holding Group	Deputy Head of Corporate & Investment Banking MENA, Deutsche Bank	- MBA - Master in International Politics	- Deputy Head of Corporate & Investment Banking MENA, Deutsche Bank - CEO of Seera Holding Group

* The Former Board of Directors managed the Company till the expiry of its term on 28 March 2018. The Former Board of Directors comprised of eight members as follows: 1. Eng. Mohammed Bin Saleh Al Khalil (Chairman), Non-Executive Director

2. Mr. Mazen bin Ahmed Al-Jubeir (Board Member), Independent
3. Dr. Abdulrahman Bin Hassan Al Sheikh (Board Member), Independent
4. Mr. Anass Bin Mohammed Serafi (Board Member), Independent
5. Mr. Ahmed Bin Samer Al-Zaim (Deputy Chairman), Non-Executive Director

6. Mr. Majed Bin Ayed Al Nefaie (Board Member), Non-Executive
7. Mr. Abdullah Bin Nasser Al Dawood (CEO and Board Member of the Group), Executive
8. Mr. Yazeed Khalid Al Muhaizaa (Board Member), Independent

The Composition of Board of Directors and classification of its members is as follows:

Table (18): Composition of Board of Directors and classification of its members

S.N.	Name	Title	Classification
1	Eng. Mohammed Bin Saleh Al Khalil	Chairman	Non-Executive
2	Mr. Ahmed Bin Samer Al-Zaim	Deputy Chairman	Non-Executive
3	Dr. Sulaiman Ali AlHudaif	Board Member	Independent
4	Mr. Majed Bin Ayed Al Nefaie	Board Member	Non-Executive
5	Mr. Mazen bin Ahmed Al-Jubeir	Board Member	Non-Executive
6	Mr. Abdullah Bin Ahmed Al Ayadi	Board Member	Independent
7	Mr. Ibrahim Bin Abdulaziz Al Rashed	Board Member	Independent
8	Mr. Yazeed Khalid Al Muhaizaa	Board Member	Independent
9	Mr. Abdullah Bin Nasser Al Dawood	CEO and Board Member of the Group	Executive

Board of Directors Meetings

The Board Members dedicated sufficient time for undertaking their responsibilities and well preparation for the board meetings and were very keen to attend the meetings. There was no any board member who submitted a written request for convening emergency board meetings during the financial year ended on 31 December 2018. Also, there was no any board member who rejected the board agendas and resolutions. The Board was keen to schedule its meetings at specific dates, regularly prepare for the board meetings before convention, ensure adherence by all board members to attend the meetings and discuss all agenda items introduced to the meeting, record the results of the meeting in minutes by the Company Secretary, and follow up execution of contents of the minutes with the Company's Executive Management.

Furthermore, the Board paid due attention to follow up the functions entrusted to each board member, ensure execution of the functions in accordance with the decisions taken by the board during the meetings, follow up the board sub-committees and its periodic meetings, make sure that the members performed their duties and responsibilities, and execute the contents of the minutes of the meetings.

In order to streamline the course of business, the Company's by-laws authorized the Board to take resolutions by circulation which shall be presented to the Board in its first following meeting for final approval. During 2018, number of resolutions taken by circulation were issued after prior deliberation thereon and were presented to the Board of Directors pursuant to paragraph (4) under Article (17) of the Company's by-laws.

2.1 Table (19): 2018 Board Meetings Attendance Register, total number of meetings (8):

S.N.	Name	Number of Meetings (8)								Total	Attend- ance %
		First 08.02.2018	Second 28.03.2018	Third 30.04.2018	Fourth 30.04.2018	Fifth 19.05.2018	Sixth 12.09.2018	Seventh 15.11.2018	Eight 19.12.2018		
1	Eng. Mohammed Bin Saleh Al Khalil	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	8	100%
2	Mr. Ahmed Bin Samer Al-Zaim	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	8	100%
3	Dr. Sulaiman Ali AlHudaif	●	⊙	○	⊙	⊙	⊙	⊙	⊙	6	86%
4	Mr. Majed Bin Ayed Al Nefaie	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	8	100%
5	Mr. Mazen bin Ahmed Al-Jubeir	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	8	100%
6	Mr. Abdullah Bin Ahmed Al Ayadi	●	⊙	⊙	⊙	⊙	⊙	⊙	⊙	7	100%
7	Mr. Ibrahim Bin Abdulaziz Al Rashed	●	⊙	⊙	⊙	⊙	⊙	⊙	⊙	7	100%
8	Mr. Yazeed Khalid Al Muhaizaa	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	8	100%
9	Mr. Abdullah Bin Nasser Al Dawood	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	8	100%
10	Dr. Abdulrahman Bin Hassan Al Sheikh	⊙	X	X	X	X	X	X	X	1	100%
11	Eng. Anass Bin Mohammed Serafi	⊙	X	X	X	X	X	X	X	1	100%

⊙ Attended ○ Not attended ● Membership doesn't start X Not attended due to expiry of membership

Board of Directors and Governance



The Most Important Strategic Resolutions during 2018

- On 8 October 2018, the Board of Directors approved the sale of the Group's holding in Zakhr Investments and Real Estate Development Company. The Group sold its holding of 30% to Mohamed Ibrahim AlSubeaei Co. (MASIC) for obtaining cash consideration of SAR 377,374,632 million.
- Approval on giving a security by Seera Holding Group for obtaining the loan offered by Barclays Bank for the purpose of supporting the working capital of Group's companies in United Kingdom, of GBP 20,000,000.
- Approval on signing an agreement with Albilad Investment Company "Albilad Capital" for the purpose of setting up a private real estate investment fund managed by Albilad Capital and contributed by six Group-owned properties in both Riyadh and Jeddah as an in-specie contribution for development of mid-class hotels. The agreement shall be valid for 24 months.
- Approval on execution of the business strategy to commence in setting up business units specialized in Hajj and Umrah tourism.

Board Members' Shares Ownership

Table (20): The shares owned by board members in the Company at the beginning and end of 2018 and their percentage out of the total number of the Company's shares inclusive of the Board Membership Shares.

S.N.	Board Member Name	Owned Shares				Note
		No. of Shares at the beginning of 2018	% out of the total no. of shares	No. of Shares at the end of 2018	% out of the total no. of shares	
1	Eng. Mohammed Bin Saleh Al Khalil	601,873	0.29%	601,873	0.29%	Personal Ownership
2	Mr. Ahmed Bin Samer Al-Zaim	-	-	2,917	0.0014%	Personal Ownership
		7754,726	0.36%	7754,726	0.36%	The shares are owned by Gulf International Contracting Co. managed by him and in which he owned shares
3	Dr. Sulaiman Ali AlHudaif	66,403	0.0317%	66,403	0.0317%	Personal Ownership
4	Mr. Majed Bin Ayed Al Nefae	7,000	0.003%	7,000	0.003%	Personal Ownership
5	Mr. Mazen bin Ahmed Al-Jubeir	1,333	0.0006%	1,333	0.0006%	Personal Ownership
6	Mr. Abdullah Bin Ahmed AlAyadi	1,000	0.0005%	-	-	Personal Ownership
7	Mr. Ibrahim Bin Abdulaziz Al Rashed	-	-	1,000	0.0005%	Personal Ownership
8	Mr. Abdullah Bin Nasser Al Dawood	1,666	0.0008%	1,666	0.0008%	Personal Ownership
9	Mr. Yazeed Khalid Al Muhaizaa	-	-	-	-	Representative of GOSI which owns 8,231,332 shares representing 3.93% out of the total number of the Group's shares



The methods on which the Board of Directors relied in assessment of performance of the Board, Committees, Members and Executive Management

The Board of Directors followed diverse methods to enable it to evaluate performance of the Board and its members and committees based on the KPIs approved in "Board and Sub-Committees Members and Executive Management Performance Evaluation Policy and Procedures" proposed by Remuneration and Nomination Committee. The Board observes, while defining thereof, its fairness, suitability and consistency with the Company's activity, strategies and objectives, in addition to the extent of interaction by board member and his ability to offer creative and innovative ideas. The Policy consisted of several elements; the most important of which are:

A. Board and Sub-Committees KPIs

1. Effectiveness of discussions of board and committees members to achieve the company's objectives and strategy plan, and its reflection on the matters introduced during the year.
2. Compliance by board and committees members with the procedures to be applied in the meetings.
3. Compliance by the board sub-committees with the functions entrusted thereto by the Board of Directors.
4. Having clear and open communication channels during the board and sub-committees' meetings to introduce constructive participations and decisions.
5. Receiving a written agenda in advance by board members and a briefed notification about the meeting's matters and time with sufficient period before the meeting.
6. Accuracy of board members in reviewing the annual financial statements and monitoring the cash flows, profitability, revenues and other financial indicators to ensure that the company operates within achievement of its approved objectives.
7. Efficiency of board members in monitoring the company's performance and comparing information and data relevant to the industry in which the company operates.
8. Effectiveness of board members in discussing the matters which affect the company in the long term.
9. Recognize the difference between the board's role in preparing policies and CEO's role in managing the company.
10. The role played by board members in assisting CEO in developing clear and understandable policy.
11. The Board's effectiveness in developing Executive Management Succession Plan, in case of vacancy.

B. Board and Committees Members KPIs

1. Dedicate time for the matters and needs of the company to be able to take proper decisions. Understand the technical matters by the board and committees members.
2. Spend sufficient time with CEO to understand the long-term plans. Ability of board and committee member to communicate with Chairman of the Board of Directors, if necessary; and understanding and assimilation by member of the company's industry and field operating therein.
3. Ability of board member to offer opinion on the company's strategy and approach, where necessary.
4. Objectivity of board member in confronting difficult decisions and his ability to express his own opinion during the meeting, even if his point of view is different than other board members.
5. Ability of board member to gather necessary information in order to have enough knowledge, in case he doesn't attend a meeting.
6. The initiative taken by board and committee member, when being appropriate, in order to obtain relevant information about the company.
7. Reaction and acceptance of board member for participations of other board and committees members; his ability to introduce creative and innovative ideas; his reservation about confidential information he receives.
8. Sufficient experience to evaluate strategies, policies, market developments and characteristics of the company's industry over the long term.

C. Executive Management (CEO and Senior Executives) KPIs

The performance of CEO and Senior Executives are assessed for reviewing the company's strategic objectives and operation objectives to be in alignment with job objectives to be accomplished and for defining objectives that must be developed periodically and as per the following criteria:

1. **Strategic Planning:** work to ensure development of a long-term strategy, set up objectives and plans which fulfil the needs of the shareholders, clients, employees and every stakeholder; also, ensure consistent, appropriate and timely progress towards achievement of the strategic objectives; in addition, get and allocate resources in a way that aligns with the strategic objectives; submit regular reports to CEO and Board of Directors on progress which is achieving towards the milestones of the strategy plan.
2. **Leadership:** develop and propose clear and coherent view about the company's values and objectives and ensure that they are completely understood and obtain wide support and effective implementation across the company; also, enhance a culture across the company that works to encourage and remunerate for the leadership, excellency and creativity; ensure the concepts that promote the ethical norms, individual straightness and collaboration which build values.

Board of Directors and Governance

3. **Financial Results:** set and achieve appropriate long-term and annual financial performance objectives and also ensure development and maintenance of appropriate systems to safeguard the company's assets, and make sure that effective control over operations is in place.
4. **Operations Management:** ensure that the company has high-level management with appropriate cost to conduct daily business of the company; encourage continuous improvement of quality, value and comparativeness of the company's products and business systems; also, encourage and remunerate for innovative solutions introduced to the business and administrative challenges faced by the company.
5. **Management Development and Executives Succession Planning:** develop, attract, retain and motivate a group of senior executives and ensure their efficiency and unity; also, ensure that management development schemes and executives succession plans have required resources and directives so that future leadership can rise.
6. **Human Resources:** ensure creating and developing effective programs for employment, training, compensation, continuity and motivation of employees; also, ensure provision of necessary human resources to achieve the company's objectives; set up and monitor workplace diversity programs and give appropriate recognition and appreciation for achievements made by individuals and groups.
7. **Communication:** serve as an official speaker of the company and effectively communicate with shareholders, investors, employees, clients and vendors; also, effectively represent the company in business relations among the company, government agencies and financial institutions.
8. **Board of Directors Relations:** works closely with board members to ensure that board members are aware of the company's status, its business and relevant key matters, and are also aware of the company's progress towards achievement of the operating plan and milestones of the strategy plan.

Board and Sub-Committees Members and Executive Management Remuneration

The Board of Directors determined remunerations of the board and sub-committees members and executive management depending on the KPIs approved in "Board and Sub-Committees Members and Executive Management Performance Evaluation Policy and Procedures" and "Board and Sub-Committees Members Remuneration and Compensation Policy" proposed by Remuneration and Nomination Committee. The Board considers that the remunerations should be consistent with the company's strategy and objectives, taking into account the industry in which the company operates and the experience of board and sub-committees members, and also should be in light of the applicable laws and regulations. The remuneration policy is divided into three parts as follows:

A. Board Members Remuneration

1. The board members remuneration includes certain amount, meeting attendance allowance, travel expenses allowance, in-kind benefits or certain percentage of net profits. Two or more of these benefits may be given together.
2. If the remuneration is a certain percentage of the company's profits, then such percentage may not exceed 10% of net profits after deducting reserves approved by the AGM in compliance with the provisions of law and the company's by-laws and after dividend distribution to shareholders of not less than 5% of the paid capital of the company. The entitlement for such remuneration should be in line with the number of meetings attended by the member.
3. In all circumstances, total amount received by the board member including remuneration, financial or in-kind benefits must not exceed SAR 500,000 per annum in accordance with Companies Law and controls placed by the competent authorities.
4. The annual Board of Directors Report presented to the AGM must include comprehensive statement showing every amount received by the board member during the financial year including remuneration, travel expenses allowance and other benefits. It should also include a statement showing the amounts paid to the board members as employees or executives or the amounts paid in consideration for technical, administrative or consulting business (if any). Furthermore, the Report include number of the board meetings and number of meetings attended by each member from the date of the last AGM.

B. Committees Members, Company Secretary and Committees Remuneration

1. The Board of Directors approve the sub-committees remuneration – except Audit Committee –, attendance allowance and other entitlements based upon the recommendation of Remuneration and Nomination Committee.
2. The board sub-committees membership remuneration consists of annual remuneration and meeting attendance allowance.
3. Audit Committee members remuneration is approved by the AGM based upon the recommendation of the Board of Directors.
4. On composition of the committees, the number of memberships that a board member can assume should be considered, provided that the total payment received by a member including remuneration for board and committees membership should not exceed the maximum payment provided for in Companies Law applicable in the Kingdom of Saudi Arabia.



The board determined the board and sub-committees members remuneration as follows:

1. The Chairman's annual remuneration is SAR 400,000.
2. The board member's annual remuneration is SAR 300,000.
3. The board sub-committees' annual remuneration, except Audit Committee, is SAR 50,000 per each member.
4. The Audit Committee's members remuneration was determined by the AGM held on 28 March 2018.
5. Executive Management remuneration was determined as per the principles followed in the company's Human Resources Policy and performance assessment methods.

The Board and Sub-Committees meetings attendance allowance is detailed as follows:

Statement	Period from 1 January 2018 till 27 March 2018	Period from 27 March 2018 till 31 December 2018
Board meetings attendance allowance	SAR 6000	SAR 5000
Audit Committee meeting attendance allowance	SAR 2000	SAR 4000
Executive Committee meeting attendance allowance	SAR 4000	SAR 4000
Investment Committee meeting attendance allowance	SAR 4000	None

C. Executive Management Remunerations

1. According to the Remuneration and Nomination Committee's recommendation, the Board of Directors (BoD) approves the types of remunerations granted for the senior executives of the Company, as instance: fixed bonuses, performance-related bonuses, incentive bonuses, so as to not interfere with regulations and regulated procedures issued for joint-stock companies.
2. Remunerations of senior executives shall be consistent with the strategic objectives of the Company and convenient with its activity and the required skills to manage it, taking into consideration the sector and volume of the Company.
3. The Remuneration and Nomination Committee shall continuously review the incentives plans of the senior executives and submit a recommendation to the BoD to approve it.
4. Remunerations aim to offer the competitive environment required to attract and retain qualified and competent staff and assure a high level of skills needed by the Company.
5. The Chief Executive Officer (CEO) shall implement the remuneration policy for staff and senior executives in the light of the plans and programs the Remuneration and Nomination Committee recommends.
5. Annual performance-related bonuses shall be determined by the Remuneration and Nomination Committee. According to the recommendations and reports of the CEO and department managers.
6. Plans, incentive programs, salaries adjustment and other benefits of senior executives shall be approved by the Remuneration and Nomination Committee (if any).
7. Some allowances are determined as a percentage of the basic salary, such as housing allowance at 25% of the basic salary and transportation allowance at 10% maximum.
8. Some employees of the Company, based on the nature of their work, receive in-kind benefits such as providing a car in accordance with the conditions and standards set by the management of the Company in this regard; and the CEO shall approve this. In case any of the executive employees receives a car, he/she does not deserve a transportation allowance.
9. Some other allowances such as fuel and telephone allowances could be provided, according to a clear internal policy set by the human resources department.
10. Non-Saudi employees (contracted by the Company with family privileges) and their families (one wife and two children maximum) shall be granted airline tickets once a year on the economy or business classes. Concerning the employee contracted by the Company without any family privileges, he/she deserves one airline ticket only.

While the remunerations of the employees of the Company are determined according to the following criteria:

1. Abilities, professional performance and history of the employee of the company; in addition to his serving period in the Company shall be taken into consideration when determining and adjusting his/her basic salary.
2. Salaries of newly/recently hired executives of the Company shall be determined by a decision taken by the CEO of the Company, according to the policy of the Company and the salary structure adopted in accordance with the functional grades.
3. Concerning fixed bonuses, whether they are a lump sum or certain commission from sales, they shall be determined and approved by the CEO, according to internal incentives regulations.
4. The Remuneration and Nomination Committee shall annually review the salaries of the executives and submit its recommendations to the CEO of the Company.
11. Achieving financial results and profits for smart departments and units.
12. Accomplishing the results of the strategic transformation programs.
13. Achieving annual results of the management in operations assigned according to the tasks of the concerned department.
14. Assessment of departments for each other regarding common tasks and level of cooperation.
15. The quality of the results of the concerned department.
16. The contribution share in developing the Company in general aside from the tasks of the concerned department.

Board of Directors and Governance



Remunerations of the Board of Directors

Table (21): Remunerations of the Board of Directors in 2018:

Board Member	Fixed Bonuses							Variable Bonuses								
	Board Members Bonus	Total Attendance Allowance	Total Attendance Allowance for Committee Meetings	In-kind Benefits	Technical, Administrative and Consultant works bonus	Remuneration of the Chairman, Managing Director or Secretary, if he/she is one of the members	Total	Profit Share	Periodic Remunerations	Short-term Incentive Plans	Long-term Incentive Plans	Granted Shares (value to be entered)	Total	Indemnity	Grand Total	Expense Allowance
First: Independent Members																
Dr. Sulaiman Ali Al-Hudaif	225,000	30,000	8,000	-	-	-	263,000	-	-	-	-	-	-	-	263,000	-
Ibrahim Bin Abdulaziz Al-Rashed	225,000	35,000	8,000	-	-	-	268,000	-	-	-	-	-	-	-	268,000	-
Yazeed Khalid Al-Muhaizaa	300,000	41,000	10,000	-	-	-	351,000	-	-	-	-	-	-	-	351,000	-
Abdullah A. Al-Ayadhi	225,000	35,000	20,000	-	-	-	280,000	-	-	-	-	-	-	-	280,000	-
Abdulrahman Hassan Al-Shaikh (1)	75,000	6,000	-	-	-	-	81,000	-	-	-	-	-	-	-	81,000	-
Anas Bin Mohamad Al-Serafy (1)	75,000	6,000	-	-	-	-	81,000	-	-	-	-	-	-	-	81,000	-
Total	1,125,000	153,000	46,000	-	-	-	1,324,000	-	-	-	-	-	-	-	1,324,000	-
Second: Non-executive Members																
Engineer Mohammed Bin Saleh Al-Khalil	400,000	41,000	8,000	-	-	-	449,000	-	-	-	-	-	-	-	449,000	-
Ahmed Samer Bin Mohammed Hamdi Al-Zaim	300,000	41,000	18,000	-	-	-	359,000	-	-	-	-	-	-	-	359,000	-
Mazen Bin Ahmed Al-Jubeir	300,000	41,000	8,000	-	-	-	349,000	-	-	-	-	-	-	-	349,000	-
Majed Bin Ayed Al-Nifiei	300,000	41,000	8,000	-	-	-	349,000	-	-	-	-	-	-	-	349,000	-
Total	1,300,000	164,000	42,000	-	-	-	1,506,000	-	-	-	-	-	-	-	1,506,000	-
Third: Executive Members																
Abdullah Bin Nasser Al-Dawood	300,000	41,000	8,000	-	-	-	349,000	-	-	-	-	-	-	-	349,000	-
Total	300,000	41,000	8,000	-	-	-	349,000	-	-	-	-	-	-	-	349,000	-
Total	2,725,000	358,000	96,000	-	-	-	3,179,000	-	-	-	-	-	-	-	3,179,000	-

(1) Their membership had expired at the last session held on 28/03/2018.

Membership of the Board of Directors in other companies

Table (22): Membership of the Board of Directors members in other companies.

No.	Member Name	Name of companies where BoD member is a member in their existing BoD or manager	In/outside the KSA	Legal Entity	Name of companies where BoD member is a member in their former BoD or manager		
					In/out KSA	Legal Entity	
1	Engineer Mohammed Bin Saleh Al-Khalil	Alujain	Inside the KSA	Listed joint-stock company	Thakher Investment and Real Estate Development Co.Ltd	Inside the KSA	Limited Liability Company
		Cannoli Food Industries	Inside the KSA	Limited Liability Company	-	-	-
		Cementra Cement	Outside the KSA	Private joint-stock company	-	-	-
		Tatweer Buildings	Inside the KSA	Limited Liability Company	-	-	-
2	Ahmed Samer Bin Mohammed Hamdi Al-Zaim	Al-Rajhi Takaful Insurance Co.	Inside the KSA	Listed joint-stock company	-	-	-
		Riyadh Cables Group of Companies	Inside the KSA	Closed joint-stock company	-	-	-
		Saudi Modern Company for Metals and Plastic industry	Inside the KSA	Closed joint-stock company	-	-	-
		Saudi Modern Company for Specialized Cables & Wires Industry	Inside the KSA	Closed joint-stock company	-	-	-
		Modern Company for Cables Ltd.	Inside the KSA	Closed joint-stock company	-	-	-
		Riyadh Cables Company	Inside the KSA	Closed joint-stock company	-	-	-
		Saudi Modern Company for Telephone Wires Manufacturing and Lightech Company	Inside the KSA	Limited Liability Company	-	-	-
		Gulf International Company for Contracting Real Estate Investment	Inside the KSA	Limited Liability Company	-	-	-
		International Ceramic and Building Materials Trading Co	Inside the KSA	Limited Liability Company	-	-	-
		Gulf Int'l For Home Furnishings	Inside the KSA	Limited Liability Company	-	-	-
		Lighting Technology Co., Ltd.	Inside the KSA	Limited Liability Company	-	-	-
3	Dr. Sulaiman Ali Al-Hudaif	Al Andalus Property Company	Inside the KSA	Listed joint-stock company	-	-	-
		Alinma Bank	Inside the KSA	Public joint-stock company	-	-	-
4	Majed Bin Ayed Al-Nifiei	Mawasim Investment	Inside the KSA	-	-	-	-
		Al-Mawasim Hajj and Umrah Services Company	Inside the KSA	-	-	-	-
		Mawasim Sports	Inside the KSA	-	-	-	-
		Al Tayyar Travel Group Holidays Company Ltd	Outside the KSA	-	-	-	-
		Al-Hanove Travel Company	Outside the KSA	-	-	-	-

Board of Directors and Governance

No.	Member Name	Name of companies where BoD member is a member in their existing BoD or manager			Name of companies where BoD member is a member in their former BoD or manager		
		In/outside the KSA	Legal Entity	In/out KSA	Legal Entity		
5	Mazen Bin Ahmed Al-Jubeir	Bawan Metal Industries	Inside the KSA	Listed joint-stock company	National Metal Manufacturing and Casting Company (MAADANIYAH)	Inside the KSA	Listed joint-stock company
		Diyar AlKhozama	Inside the KSA	Closed joint-stock company	Al Sagr Insurance	Inside the KSA	Listed joint-stock company
		LAFANA Holding Company	Inside the KSA	Closed joint-stock company	National Medical Care Company	Inside the KSA	Listed joint-stock company
		Northern Trust Company of Saudi Arabia	Inside the KSA	Closed joint-stock company	SaudiMed Investment Company	Inside the KSA	Closed joint-stock company
		Careem Incorporation	Inside the KSA	Closed joint-stock company	Capital Bank	Outside the KSA	Listed joint-stock company
		The National Agricultural Development Company (Nadec)	Inside the KSA	Listed joint-stock company	Derayah Financial	Inside the KSA	Closed joint-stock company
		Public Pension Agency	Inside the KSA	Governmental institution	-	-	-
		Maxis Communications Bhd. (Malaysia)	Outside the KSA	Closed joint-stock company	-	-	-
		Mohammed I. Alsubaei & Sons Investment Company	Inside the KSA	Closed joint-stock company	-	-	-
		Riyadh Airports Company	Inside the KSA	Limited Liability Company	-	-	-
		Fund of Funds	Inside the KSA	Closed joint-stock company	-	-	-
		Al Ra'idah Investment Company	Inside the KSA	Closed joint-stock company	-	-	-
		SABIC Investment and Local Content Development Company	Inside the KSA	Closed joint-stock company	-	-	-
6	Abdullah A. Al-Ayadhi	Food Industries & Packing Complex - FIPCO	Inside the KSA	Public joint-stock company	-	-	-
		Alujain	Inside the KSA	Public joint-stock company	-	-	-
7	Ibrahim Bin Abdulaziz Al-Rashed	Sleep High Company	Inside the KSA	Limited Liability Company	-	-	-
8	Yazeed Khalid Al-Muhaizaa	-	-	-	-	-	-
9	Abdullah Bin Nasser Al-Dawood	Saudi Entertainment Projects Company	Inside the KSA	Closed joint-stock company	Thakher Investment and Real Estate Development Co.Ltd	Inside the KSA	Limited Liability Company
		Alraedah Finance Company	Inside the KSA	Closed joint-stock company	Muthmerah Real Estate Investment Company (MREIC)	Inside the KSA	Closed joint-stock company
		Saudi Stock Exchange (Tadawul)	Inside the KSA	Closed joint-stock company	Hanay Trading Co. LTD	Inside the KSA	Closed joint-stock company
		Rou'a Al Madinah	Inside the KSA	Closed joint-stock company	Careem Incorporation	Inside the KSA	Closed joint-stock company

B. Board of Directors Committees

1. Composition of Committees

In compliance with the system of the Company and its corporate governance and optimal management of Company affairs, the Board of Directors, in its meeting held on 28 March 2018, restructured the committees as follows:

A. Executive Committee

Table (23) Executive Committee:

No.	Name	Current Position	Former Positions	Qualifications	Experience
1	Engineer Mohammed Bin Saleh Al-Khalil	Chairman of both Seera Holding Group and Alujain	Member of the Real Estate Committee, Chamber of Commerce and Industry in Riyadh	He received a master's degree in business administration and Bachelor of Science and Engineering in Computer Engineering	Chairman and member of the Board of Directors of several companies in real estate, investment, industry, tourism, charitable and social sectors
2	Mazen Bin Ahmed Al-Jubeir	Managing Director at Jawaris Ltd	Executive Vice President for the Amwal AlKhaleej's Company	Master of Business Administration (MBA)	- Executive Vice President for the Amwal AlKhaleej's Company - Advisor at the "McKinsey & Company" - Member of BoD in several companies
3	Yazeed Khalid Al-Muhaizaa	Assistant General Manager and Head of International Markets at Hassana Investment Company	Head of International Markets at Hassana Investment Company	Master of Business Administration (MBA)	Member of the Board of Directors of Seera Holding Group
4	Abdullah Bin Nasser Al-Dawood	CEO of Seera Holding Group	Vice President of Investment Banking at Deutsche Bank in the Middle East and North Africa	Master's degree in Political Science and International Relations as well as a master's degree in Business Administration with honors	- Vice President of Investment Banking at Deutsche Bank in the Middle East and North Africa - CEO of Seera Holding Group
5	Ibrahim Bin Abdulaziz Al-Rashed*	Co-founder of Colliers International – Saudi Operations	Consultant in several companies	- Bachelor's degree in Business Administration, where he majored in Accounting - Master of Business Administration in Finance and Accounting - Initial fellowship of the Saudi Organization for Certified Public Accountants (SOCPA) - Secondary fellowship of the Saudi Organization for Certified Public Accountants (SOCPA)	Consultant in several companies

*He was appointed on 19 December 2018 as a member of the Executive Committee.

B. Remuneration and Nomination Committee

Table (24) Remuneration and Nomination Committee:

No.	Name	Current Position	Former Positions	Qualifications	Experience
1	Dr. Sulaiman Ali Al-Hudaif	General Manager Human Capital at Alinma Bank	- Head of Human Resources and Development Al Rajhi Bank - CEO of Elite World Co for Professional Recruitment and Human Resource Services	- Doctoral degree in Business Administration (DBA) - MS degree in Administration Science - MS in International Relations.	General Manager Human Capital at Alinma Bank
2	Majed Bin Aayed Al-Nifei	CEO of the Al-Mawasim Hajj and Umrah Services Company	Deputy Head of Revenue section at Makkah Construction and Development Company	- Bachelor of Accounting - Advanced Diploma in Hotel Management	- CEO of the Al-Mawasim Hajj and Umrah Services Company - Hotel Manager at the Hilton Towers
3	Ibrahim Bin Abdulaziz Al-Rashed*	Co-founder of Colliers International – Saudi Operations	Consultant in several companies	- Bachelor's degree in Business Administration, where he majored in Accounting - Master of Business Administration in Finance and Accounting - Initial fellowship of the Saudi Organization for Certified Public Accountants (SOCPA) - Secondary fellowship of the Saudi Organization for Certified Public Accountants (SOCPA)	Consultant in several companies

Board of Directors and Governance

C. Audit Committee

Table (25) Review Committee:

No.	Name	Current Position	Former Positions	Qualifications	Experience
1	Ahmed Samer Bin Mohammed Hamdi Al-Zaim	- Vice Chairman of Seera Holding Group - Board Chairman in Saudi Modern Company for Metals and Plastic industry	Member of the Chamber of Commerce and Industry in Riyadh and Council of Saudi Chambers	- Bachelor's degree in Economics - Bachelor's degree in Business Administration	Member of BoD in several companies
2	Abdullah A. Al-Ayadhi	CEO (Acting) at the King Abdullah foundation	Legal Consultant in several companies	- Bachelor's degree in Law. - Master's degree in International Business Law (LLM)	Legal Consultant in several companies
3	Dr. Saleh Hamad Al-Shenefy	Associate Professor – Faculty of Business Administration – King Saud University	Assistant Professor – Faculty of Business Administration – King Saud University	PhD in Business Administration, major Accounting – University of Florida Atlantic	Membership of the Audit Committee in several companies and BoD member of the Saudi Organization for Certified Public Accountants (SOCPA)
4	Abdullah S. Alanizi	Chief Internal Audit – Saudi Telecom Company	General Manager, Network & IS Audit – Saudi Telecom Company	Master of Business Administration – King Fahd University of Petroleum & Minerals	He held several positions in the Auditing and Accounting fields in Samba Financial Group and Saudi Telecom Company

D. Investment Committee

The Investment Committee was canceled after the appointment of the Board of Directors for the new session on 28 March 2018.

2. Tasks of committees and attending meetings

A. Executive Committee

The Executive Committee comprises of five members according to the statement shown in Table 26 of this report. During 2018, the Committee held two meetings. The Committee performs its functions through the authority granted to it by the Board of Directors, which includes the following points:

- Submitting recommendations to the BoD to set and approve the financial and strategic objectives of the Company.
- Recommending the approval of the annual budget of the Company.
- Approval of investing in projects or acquisition of companies in which the Group or any of its subsidiaries is a party and which does not exceed a value of SAR 500m.
- Appointment, termination of services and acceptance of resignations of senior executives.
- Appointing lawyers, consultants (of all types), agents and representatives; renewing their contracts and dismissing them, according to the authority granted for them.
- Approval of the contracts of establishing and acquisition of companies, purchasing stocks and shares inside the Kingdom of Saudi Arabia (KSA), and selling stocks and shares owned by the Company inside the KSA.
- Giving approval on participations in investment projects, new partnerships or projects aiming to enhance and develop the existing activities of the Group, buying assets and selling or buying property in favor of the Company.

Table (26): Executive Committee member names and Committee meetings attendance rate.

No.	Name	Designation	Number of Meetings (2)		Attendance Rate
			19.05.2018	13.12.2018	
1	Engineer Mohammed Bin Saleh Al-Khalil	Committee President	⊙	⊙	100%
2	Mazen Bin Ahmed Al-Jubeir	Committee Member	⊙	⊙	100%
3	Ibrahim Bin Abdulaziz Al-Rashed*	Committee Member	-	-	-
4	Yazeed Khalid Al-Muhaizaa	Committee Member	⊙	⊙	100%
5	Abdullah Bin Nasser Al-Dawood	Committee Member/CEO	⊙	⊙	100%

⊙ Attended ○ Not attended

*He was appointed on 19 December 2018 as a member of the Executive Committee.

B. Remuneration and Nomination Committee

The Remuneration and Nomination Committee shall be comprised of three members, two independent members and one non-executive member, according to the statement indicated in Table (27) of this report, and the Committee held two meetings during 2018. The Remuneration and Nomination Committee issued numerous decisions through passing them to members. The Committee fulfills its role and authority through the regulations of the Remuneration and Nomination and Governance Committees. Functions and responsibilities of the Committee include the following:

- Submitting a recommendation to the BoD to nominate for the membership of the BoD, according to approved policies and procedures; taking into consideration not to nominate any person previously convicted with a crime of dishonor or dishonesty.
- Annual review of required needs of convenient skills for the BoD membership and preparation of a description of the capabilities and qualifications required for its membership including determination of the time a member would need to devote to the BoD affairs.
- Review the structure of the BoD and Executive Management and submit recommendations on possible changes and determine weaknesses and strengths aspects in the BoD while proposing solutions for them, according to the benefit of the Company.
- Annually assuring the independency of independent members.
- Assuring that there is no conflict of interest; since the member is in the BoD of another company.
- Setting clear policies with regards to the compensations and remunerations of the BoD members and senior executives, taking into consideration using performance-related standards when setting these policies.

Table (27): Remuneration and Nomination Committee members names and Committee meetings attendance rate:

No.	Name	Designation	Number of Meetings (2)		Attendance Rate
			16.04.2018	13.11.2018	
1	Dr. Sulaiman Ali AL-Hudaif	Committee President	⊙	⊙	100%
2	Majed Bin Ayed AL-Nifiei	Committee Member	⊙	⊙	100%
3	Ibrahim Bin Abdulaziz AL-Rashed	Committee Member	⊙	⊙	100%

⊙ Attended ○ Not attended

C. Audit Committee and Internal Audit

Audit Committee

The Audit Committee comprises of four members, as mentioned in Table 28 of this report, two members from the BoD and two independent members out of the BoD; they are Dr. Saleh Hamad AL-Shenefy, Financial and Accounting Specialist, and Mr. Abdullah S. Alanizi, Internal Audit and Technical Risk Specialist. The Committee held six meetings in 2018; and it performs its duties according to its authority approved by the Audit Committee, which is approved by the Extraordinary General Meeting (EGM) of the Company held on 28 March 2018, and the functions and responsibilities of the Committee include the following:

Initial and Annual Financial Statements

- Considering the initial and annual financial statements of the Company before submitting them to the BoD and giving their opinions on them; and recommending them to ensure their integrity, fairness and transparency.
- Giving technical opinion whether the report of the BoD and the financial statements are fair, balanced and clear; and includes data that allows shareholders and investors to assess the Company's financial position, performance, business model and strategy.
- Considering any significant or unusual issues included in the financial reports.
- Considering any issues raised by the Financial Manager (or who covers him/her), Compliance Officer, or External Auditor of the Company.
- Reviewing accounting estimates of significant issues included in the financial reports.

- Overseeing accounting policies and principles followed in the Company and its subsidiaries; depending on the nature of their work; and submitting opinion and recommendation to the BoD on them.

Internal Audit

- Monitoring and supervising the performance and activities of the Internal Audit department of the Company; to ensure availability of the necessary resources and their effectiveness in performing the tasks and functions assigned to them.
- Overseeing Internal Audit reports and following up the implementation of the corrective measures of the notes included therein.
- Considering and auditing the internal and financial control systems of the Company.
- Submitting recommendation to the BoD on hiring and proposing the remuneration of the Internal Audit Manager.
- Activation of the informing policy mechanism for the employees of the Company; in order to provide their comments on any deviation in the financial reports or other items in a confidential way.
- Approving the Internal Audit regulations, including policies and procedures.
- Approving the annual internal audit plan proposed by the Internal Audit Manager.
- Ensuring the independency of the Internal Audit department and its effectiveness, according to the relevant standards
- Reviewing the results of the reports of the regulatory authorities and ensuring taking the required procedures thereon.

Board of Directors and Governance

External Review

- Reviewing the work plan of the Company's auditor and its works, making sure that the auditor does not carry out technical or administrative works outside the scope of the audit work, and giving its views thereon.
- Ascertaining the independence, objectivity and fairness of the auditor and the effectiveness of the audit works, taking into account the relevant rules and standards.
- Examining the auditor's report and its observations on the financial statements and following up on what has been taken in this regard.

Compliance Review

- Reviewing the contracts and transactions proposed to be entered by the Company with the related parties and presenting its views thereon to the Board of Directors.
- Checking the Company's compliance with the relevant regulations, instructions and policies.
- Raising such matters as it considers necessary for action to the Board of Directors and making recommendations on the actions to be taken.

Table (z8): Names of the members of the Audit Committee and the Committee meetings attended:

No.	Name	Capacity	08.02.2018	26.04.2018	07.05.2018	08.08.2018	21.10.2018	06.11.2018	Attendance %
1	Mr. Abdullah Al Ayadhi	Committee Chairman	●	⊙	⊙	⊙	⊙	⊙	100%
2	Mr. Ahmed Samer Al Zaim	Committee member	⊙	⊙	⊙	○	⊙	⊙	83%
3	Dr. Saleh Al Shanifi	Committee member	⊙	⊙	⊙	⊙	⊙	⊙	100%
4	Mr. Abdullah Al Enazi	Committee member	●	⊙	⊙	⊙	⊙	⊙	100%
5	Mr. Yazeed Al Muhaizaa	Committee member	⊙	X	X	X	X	X	100%

⊙ Attended ○ Not attended ● No Membership at that time X Did not attend due to the end of his membership

Findings of the internal review and evaluation of the effectiveness of the internal control system

In accordance with the Capital Market Authority's instructions and the registration and listing rules, to verify the adequacy and effectiveness of the Group's internal control system, the Internal Audit Department reviews the internal control procedures to assess the control systems of all the Group's departments and the various businesses as well as the subsidiaries in accordance with an annual risk-based audit plan approved by the Audit Committee. The plan includes the assessment of the adequacy and effectiveness of the control systems in order to enhance the effectiveness of the governance, risk management and internal control operations so as to achieve the objectives of the Group and protect its assets. In addition, the plan includes the review and evaluation of all policies, practices and procedures applicable in the Group's departments and affiliated companies with a focus on the high-risk internal audit activities and functions.

A set of internal audit procedures are implemented. They include procedures designed to evaluate the effectiveness of the control systems with a view to arrive at findings to be directly reported to the executive management for corrective action which are to be reported to the Audit Committee in accordance with the annual audit plan approved by the Audit Committee.

The Internal Audit Department submits its quarterly report to the Audit Committee. The report includes all findings and recommendations.

The Chairman of the Committee regularly presents an executive summary of the findings of the audit plan to the Group's Board of Directors for necessary action on the internal audit observations, the auditor's observations on the financial statements and any other material matters.

During the year 2018, the Audit Committee met with the Chief Executive Officer of the Internal Audit Department and the Auditor by holding (6) regular meetings to discuss the internal audit management reports and the auditors' observations on the financial statements.

To ensure the independence of the Internal Audit Department, the Chief Executive Officer of the Internal Audit directly reports to the Audit Committee in accordance with the Internal Audit Regulations adopted by the Audit Committee.

During the year 2018, there are no material matters, deficiencies or violations which might have a significant impact, and which are required to be disclosed in relation to the integrity of the financial, accounting and internal control systems as well as the financial reporting. Actions have been taken by the executive management to correct all observations. These corrective actions are continuously reviewed, monitored and verified by the Internal Audit Department and are recorded in the periodic follow-up report.

External Audit

At its meeting held on 28 March 2018, the Extraordinary General Assembly of the Company approved the appointment of the Dr. Mohamed Al Amri & Co., from other candidates, as the Company's auditor for the financial year ended 31 December 2018 in consideration of a remuneration of SAR 950,000.

Various proposals were obtained from major audit firms for auditing the Company's accounting records for the financial year 2018. Having been presented to the Audit Committee and after discussion, the Committee decided on the list of nominations which was reviewed by the Board of Directors and the General Assembly. Accordingly, the Company's auditor for the financial year 2018 was appointed.

3. Remuneration and Allowances of the Board Committees

Table (29): Remuneration and allowances of the Board Committees during the year 2018:

No.		Fixed remuneration (except attendance allowance)	Attendance allowance	Total
Members of the Executive Committee				
1	Eng. Mohammed bin Saleh Al Khalil	50,000	8,000	58,000
2	Mr. Mazen bin Ahmed Al Jubeir	37,500	8,000	45,500
3	Mr. Ibrahim bin Abdulaziz Al Rashed	0	0	0
4	Mr. Yazeed bin Khalid Al Muhaizaa	37,500	8,000	45,500
5	Mr. Abdullah bin Nasser Al Dawood	50,000	8,000	58,000
6	Mr. Ahmed bin Samer Al Zaim (1)	12,500	0	12,500
Total		187,500	32,000	219,500
Members of the Nomination and Remuneration Committee				
1	Dr. Sulaiman bin Ali Al Hudaif	37,500	8,000	45,500
2	Mr. Majed bin Ayed Al Nifiei	50,000	8,000	58,000
3	Mr. Ibrahim bin Abdulaziz Al Rashed	37,500	8,000	45,500
4	Dr. Abdulrahman bin Hassan Al Sheikh (2)	12,500	0	12,500
5	Mr. Anas Bin Mohammed Serifi (2)	12,500	0	12,500
Total		150,000	24,000	174,000
Members of the Investment Committee (3)				
1	Mr. Abdullah bin Nasser Al Dawood	12,500	0	12,500
2	Mr. Mazen bin Ahmed Al Jubeir	12,500	0	12,500
3	Mr. Yazeed bin Khalid Al Muhaizaa	12,500	0	12,500
4	Mr. Majed bin Ayed Al Nifiei	12,500	0	12,500
5	Mr. Anas bin Mohammed Serifi	12,500	0	12,500
Total		62,500	0	62,500
Members of the Audit Committee				
1	Mr. Ahmed bin Samer Al Zaim	75,000	18,000	93,000
2	Mr. Abdullah bin Abdulrahman Al Ayadhi	75,000	20,000	95,000
3	Dr. Saleh bin Hamad Al Shanifi	170,000	22,000	192,000
4	Mr. Abdullah bin Sayel Al Enezi	150,000	20,000	170,000
5	Mr. Yazeed bin Khalid Al Muhaizaa (4)	0	2,000	2,000
Total		470,000	82,000	552,000
Grand Total		870,000	138,000	1,008,000

* He was appointed as a member of the Executive Committee on 19.12.2018.

(1) His membership in the Committee ended by the end of the previous session on 28.03.2018.

(2) His membership in the Committee ended by the end of the previous session on 28.03.2018.

(3) The Investment Committee was cancelled after the appointment of the Board of Directors for the new session on 28.03.2018.

(4) His membership in the Committee ended by the end of the previous session on 28.03.2018.

Board of Directors and Governance

C. Executive Management

1. Positions, Qualification and Experience of the Senior Executives

Table 30: Positions, Qualification and Experience of the Senior Executives:

No.	Name	Current Positions	previous Positions	Qualifications	Experience
1	Mr. Abdullah Nasser Al Dawood	- Chief Executive Officer, Seera Holding Group	- Vice President of Investment Banking - MENA, Deutsche Bank	- Master's degree in Business Administration - Master's degree in Political Science and International Relations	- Vice President of Investment Banking - MENA, Deutsche Bank - Chief Executive Officer, Seera Holding Group
2	Mr. Yousef Mousa Yousef	- Executive Vice President – Group CFO	- Audit Manager, Al Rashed Chartered Accountants Office - Internal Audit Supervisor, Verizon Communications, Virginia, USA	- Certified Public Accountants (CPA) - The Membership of Virginia Society of Certified Public Accountants, Virginia, USA	- Audit Manager, Al Rashed Chartered Accountants Office - Riyadh 2000 – 1995 - Deputy Controller, Marriott Group, Virginia, USA 2003-2000
3	Mr. Saud Mohammed Al Arifi	- Executive Vice President of Travel Management	- Vice President, Eastern Region and Kingdom of Bahrain - Vice Chief Operating Officer, Seera Holding Group - Various positions throughout 25 years in Airlines Saudi Arab	- Bachelor of Business Administration, the USA, 1980	- Arab Airlines Saudi Arabia for 25 years from 1981 – 2006. He assumed various Positions Seera Holding Group from 2007 until now. He held the following: - Vice President of the Eastern Region and the Kingdom of Bahrain from 02.04.2007 to 30.06.2016 - Vice Chief Operating Officer from 01.07.2012 to 01.07.2018
4	Mr. Abdulrahman Mohamed Al Mutrib	- Executive Vice President – Group CTO - Member of the Board of Directors, Almosafer - Member of the Board of Directors, other companies - Member of the Board of Directors, Tabadul	- Technical advisor, Atheeb Group - Founder of Atheeb Telecommunications - Member of the Board of Directors, Intergraph Saudi Company	- Bachelor of Computer Science, American University, Washington DC - Diploma of Financial Management, IRR Institute, London	- Experience of more than 28 years in the field of Information technology, technical transformation, communications, and investment in information technology
5	Mr. Abdullah bin Akil Al Tayyar	- Head of Department	- Ministry of Education	- Secondary	- Experience in procurement and administrative services

2. Remuneration and Rewards Paid to the Senior Executives

The total disbursements paid to the senior executives are 10.3 million Saudi Riyals for the year 2018 including, salaries, allowances, periodic and annual compensation and travel and accommodation allowances until 31 December 2018 as follows:

Table (31): Remuneration of the Senior Executives:

Fixed Remunerations		Amount
salaries		5,832,000
Allowances		1,622,652
In-kind benefits		0
Total		7,454,652
Variable Remunerations		
Regular bonuses		1,986,000
Profits		0
Short - term incentive plans		0
Long - term incentive plans		0
Shares awarded (value entered)		0
Total		1,986,000
End of service gratuity		547,456
Total remuneration of the Board's Executives, if any		411,500
Grand Total		10,399,608

3. Shares held by the Senior Executives

The shareholding of senior executives and the ratio of their shareholding to the total shares of the Company at the end of 2018 compared to their shareholding at the beginning of 2018:

Table (32): shares held by the Senior Executives:

No.	Name of the Senior Executive	Shares held			
		Shares held at the beginning of 2018	Ratio to Total shares	Shares held at the end of 2018	Ratio to Total shares
1	Mr. Abdullah bin Nasser Al Dawood	1666	%0.008	1666	%0.008
2	Mr. Yousef Mousa Yousef	Nil	Nil	Nil	Nil
3	Mr. Saud Mohammed Al Arifi	Nil	Nil	Nil	Nil
4	Mr. Abdulrahman Mohamed Al Mutrab	5400	%0.0025	5400	%0.0025
5	Mr. Abdullah bin Aqil Al Tayyar	Nil	Nil	Nil	Nil

Disclosure: According to acknowledgments made by the senior executives, there were no shares held by any of the spouses or children of the senior executives during the year 2018.

2. The Company's Compliance with the Corporate Governance Regulations

The management of Seera Holding Group is committed to implement all the provisions of the Corporate Governance Regulations issued by the Capital Market Authority (CMA) on 23 April 2017 and approved by the Board of Directors, except for the guidance articles as described below:

No.	Article/Paragraph Number	Case	Provision of the Article/Paragraph	Reasons for non-application
1	70	Guidance article	The Company's Board shall, by resolution therefrom, form a committee to be named the "risk management committee.". Chairman and majority of its members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge in risk management and finance.	Under consideration by the Board of Directors
2	95	Guidance article	If the Board forms a corporate governance committee, it shall assign to it the competences stipulated in Article (94) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.	Under consideration by the Board of Directors

Board of Directors and Governance

3. Rights of Shareholders and General Assembly

Shareholders' Rights

The Company is keen in enabling all shareholders to exercise their own lawful rights so that they receive their share of the distributed profits and a share of the company's assets in case of liquidation, attend shareholders' assembly meetings, participate in its discussions, vote on its resolutions, dispose of the shares, monitor the work of the Board of Directors, file a liability case against a member of the Board of Directors, and request information, provided that it may not prejudice the interest of the Company or conflict with the financial market system and its executive regulations and that it shall be in line with the provisions of the Board of Directors approved by the Board on 12 December 2017.

Information to Shareholders

The Company shall make all information available to all shareholders in accordance with the policies of disclosure of significant developments, financial statements and performance reports in accordance with the applicable legal requirements and regulations and the instructions received from the competent authorities without discrimination amongst the shareholders, to enable them to exercise their rights to the fullest extent. Such information is required to be accurate, complete and updated in a regular and timely manner on the website of the Capital Market Authority (Tadawul), the Company's website and daily newspapers.

Dividend Policy

The Company's policy as to distributing the net annual profits is based on Article 37 of the Company's Articles of Association after deducting all general expenses and other costs as follows:

- 10% of the net profit shall be set aside to form of a statutory reserve. The Ordinary General Assembly may cease such withholding once the said reserve reaches 30% of the paid-up capital.
- The Ordinary General Assembly, based on the Board of Directors' proposal, may set aside a percentage of the net

profits to form a consensual reserve to be allocated for certain purpose(s).

- The Company may distribute interim dividends to the shareholders on a semi-annual or quarterly basis after fulfilling the following requirements:
 - a. The General Assembly shall authorize the Board to distribute interim dividends under a resolution to be renewed annually.
 - b. The Company shall maintain good and regular profits.
 - c. The Company shall have reasonable cash flow and can reasonably predict its level of profitability.
 - d. The Company shall have available sufficient distributable profits according to the latest audited financial statements to cover the proposed dividends, after deducting the distributed and capitalized part of such profits after the date of these financial statements.
- The Board of Directors shall implement the General Assembly's resolution regarding the distribution of profits to the registered shareholders within 15 days from the date whereon such profits become due as specified in the General Assembly's resolution.
- The General Assembly may withhold 10% of the net profit for establishing social institutions for the Company's employees or for granting reward shares in the Company to the employees of the Company.
- The profits to be distributed to shareholders shall be paid in such time and place as may be determined by the Board of Directors in accordance with the instructions issued by the Ministry of Commerce and Industry or any competent authority.
- On Sunday, 25 February 2018, the Company distributed cash dividends to the shareholders at the rate of 5% of the nominal value per share, in an amount of SAR 0.5 per issued share. The total dividends paid to the shareholders recorded in the Company's shareholders register reached SAR 104,825,000 for the second half of the year 2017.

Group's applications for shareholders' register

No.	application date	Reasons for the request
1	01.01.2018	Updating the Shareholder's Register
2	03.02.2018	Procedures for the meeting of the General Assembly
3	27.08.2018	Updating the Shareholder's Register
4	25.11.2018	Updating the Shareholder's Register
5	31.12.2018	Updating the Shareholder's Register

Actions taken by the Board of Directors to inform its members of the Shareholders' proposals and their comments on the Company and its performance

The Company took a number of measures to inform members of the Board of Directors, particularly the non-executive directors, of shareholders' proposals as follows:

1. The Company has assigned a specialized department to receive the shareholders' proposals, namely, the Investor Relations Department. These proposals are then submitted to the Board of Directors during the Board meetings for the appropriate decision.
2. For years, the Company has been providing the shareholders with opinion and proposal cards at the General Assembly, so that each shareholder can record his observations on the Company and its performance as well as his own proposals.
3. The Company also allowed its shareholders to question the member of the Board of Directors about the performance of the Company during the AGM.

General Assembly

The Company's shareholders were convened to the General Assembly on 28 March 2018. The quorum was present and the members of the Board of Directors were present according to the following schedule:

Table (33): Statement of the General Assembly Meeting attended by the members of the Board of Directors.

No.	Name	Attendance at the General Assembly meeting held on 28 March 2018
1	Eng. Mohammed bin Saleh Al Khalil	⊙
2	Mr. Ahmed Samer bin Hamdi Al Zaim	○
3	Dr. Abdulrahman bin Hassan Al Sheikh	⊙
4	Mr. Abdullah bin Nasser Al Dawood	⊙
5	Mr. Mazen bin Ahmed Al Jubeir	⊙
6	Mr. Anas bin Mohammed Saleh Sirafi	⊙
7	Mr. Majed bin Ayed Al Nifiei	⊙
8	Mr. Yazeed bin Khalid Al Muhaizaa	⊙

⊙ present ○ absent

Disclosure Policies and Procedures

The Board of Directors has developed written disclosure and transparency policies and procedures to ensure the fair provision of appropriate information in a timely manner to assist investors in making investment decisions based on correct and adequate information and to ensure no information is disclosed to some investors and not to the others.

The Company is committed to comply with the policies and procedures developed by the Board of Directors based on the relevant regulations and the instructions issued by the Capital Market Authority and the competent authorities in order to enhance the level of transparency and disclosure.

4. The interests of the Company's Board of Directors

Table (34): List of interests of some members of the Company's Board of Directors:

No.	Statement	Nature of relationship	Nature of contract	Contract Value	Contract Terms and Conditions	Contract Term
1	Gulf International Trading & Real Estate Investment Limited Company	Mr. Ahmed Samer Al Zaim, Board Member, holds 30% of its shares	Provision of travel services	SAR 200,000 per month	No specific conditions	Annual contract, automatically renewed
2	Riyadh Cables Company	Mr. Ahmed Samer Al Zaim, Board Member, holds 5% of its shares	Provision of travel services	SAR 50,000 per month	No specific conditions	Annual contract, automatically renewed
3	Cream Incorporation	Mr. Abdullah bin Nasser Al Dawood, Board Member, holds 1.5% of its shares and Mr. Mazen bin Ahmed Al Jubeir is member of its board	Provision of car services	On demand	No specific conditions	On demand
4	National Agricultural Development Company (NADEC)	Mr. Mazen bin Ahmed Al Jubeir, Board Member, holds 0.001% of its shares	Provision of travel services	SAR 600,000 per month	No specific conditions	Annual contract, automatically renewed
5	Riyadh Airports Co.	Mr. Mazen bin Ahmed Al Jubeir, Board Member – related party	Provision of travel and tourism services	SAR 1,000,000 per month	No specific conditions	Annual contract, automatically renewed

Board of Directors and Governance

5. Undertakings of the Board of Directors

The Board of Directors affirms and acknowledges that:

1. The consolidated financial statements were prepared in accordance with the conceptual framework of the International Accounting Standards Board (IASB).
2. The accounting records were prepared correctly.
3. The internal audit system was duly developed and effectively implemented.
4. There is no doubt about the Company's ability to continue its activities.
5. The company always complies with the requirements of the Corporate Governance Regulations, including all disclosure and transparency policies and procedures.
6. The General Assembly did not convene during the last fiscal year and the Company received no request from the legal auditor to this effect.
7. The General Assembly did not convene during the last fiscal year and the Company received no request from any of the shareholders holding 5% or more of the capital to this effect.
8. None of the shareholders holding 5% or more of the company's capital requested to add an item or more to the agenda of the General Assembly upon its preparation.
9. No penalty, sanction or conservatory constraint has been imposed on the Company by CMA or any other supervisory, regulatory or judicial body.
10. Except as disclosed in this report, the company has no loans with over 3-year maturity, none of the Company's properties were sold or mortgaged, and the Company's debtors were not discharged from any obligations towards the Company during 2018.
11. No action has been taken that may hinder a shareholder's ability to exercise his voting rights.
12. Except as disclosed in this report, the Company is not a party to any contract, which involves or involved a substantial interest for a member of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer or any person related to any of them during the fiscal year 2018.
13. There is no waiver agreement or arrangement under which any of the shareholders of the company has waived rights in profits during the fiscal year 2018.
14. The audit report on the annual financial statements for the fiscal year 2018 included no substantive reservations or observations.
15. There is no recommendation from the Board of Directors to replace the auditor before three consecutive fiscal years.
16. Except as disclosed in this report, none of the members of the Board of Directors, senior executives, their wives or minor children has interests, contractual securities or subscription rights in the Company's shares, debt instruments or subsidiaries.
17. Except as disclosed in this report, no convertible or redeemable debentures, option rights, warrants or similar rights were issued or granted by the Company or its subsidiaries during 2018.
18. The company did not redeem, purchase or cancel any redeemable debt instrument.
19. There is no waiver agreement or arrangement whereby a board member or a senior executive waived any salary or remuneration.
20. The Company's subsidiaries issued no shares or debt instruments.
21. There are no rights of transfer or subscription under convertible debt instruments, option rights, warrants or similar rights issued or granted by the Company.
22. The Company did not offer any cash loan of any kind to members of its Board of Directors, nor did it guarantee any loan made by any of them with a third party.
23. None of the members of the Company's Board of Directors owns any share in the capital of the Company's subsidiaries; and the Company has not entered into any business or contract that involves any interest for any of its Board members, senior executives or any person related to any of them or the Company's employees, except as disclosed in this report. The Company does not have preferred shares or shares of special interest in voting (for shareholders, directors or any of their employees) and all shares of the Company are ordinary shares of equal nominal value and have equal voting rights and other rights according to the by-law.
24. The Company is subject to zakat in accordance with the regulations of the General Authority of Zakat and Tax. A provision for zakat is charged to the consolidated statement of income. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.
25. The Company's external auditor provided no advisory services to the Company during the fiscal year 2018 and received no fees related thereto.

6. Lawsuits against the group

1. The Board of Directors assures that no cases were filed during the fiscal year 2018 by or against the Company exceeding 5% of the net assets of the Company.
2. The Board of Directors assures that no cases were filed during the fiscal year 2018 against a member of the Board of Directors or a partner in our subsidiaries or against any of the Company's senior executives.

Table 30: Fines and penalties imposed on the company during 2018

No.	Penalty	The Violation	The authority that imposed the penalty	Measures to avoid the violation in the future	Financial impact
1	Financial	A violating billboard at a retail branch	Riyadh Municipality	Corrective measures have been taken to avoid such violations in the future	Low
2	Financial	Expiration of a real estate license	Riyadh Municipality	The license has been renewed and corrective measures have been taken to avoid such violations in the future	Low
3	Financial	A violation to the shipping regulations (shipping a flammable material) during an inspection visit	General Authority of Civil Aviation	Corrective measures have been taken to avoid such violations in the future	Low

7. Related Party Transactions and Balances

No.	Related Party	Relationship with the Company	Nature of the Transaction	Transaction/Contract Value					Contract Duration
				Sales	Purchases	Collections	Payments	Other Costs/(Income)	
1	Voyage Amro Travel	Equity Investments	Providing Travel Services	-	33,849	-	-	78,194,289	Automatically Renewable Annual Contract
2	Shamel International Holding Co.	Equity Investments	Providing Travel Services	7,734	6,895,241	-	6,393,243	477,692	Automatically Renewable Annual Contract
3	Wadi Middle East S.A.R.L.	Equity Investments	Group's share in capital increase	-	-	37,501,685	-	-	Automatically Renewable Annual Contract
4	National Agricultural Development Company	The Company's Member of the Board of Directors/ Mazen Al-Jubeir is a Member of its Board of Directors	Providing Travel Services	7,515,885	-	6,454,346	-	-	Automatically Renewable Annual Contract
5	Majid bin Aziz Al Nufaie	Board Member (Non-controlling interest)	Non-controlling interest	-	-	-	-	9,735,250	Automatically Renewable Annual Contract
6	Forbes Middle East	Ownership interest by a majority shareholder	Providing Advertising Services	-	-	-	-	(1,234,549)	Automatically Renewable Annual Contract
7	Nile Air	Ownership interest by a majority shareholder	Providing Travel Services - Agent	282,180	12,125,279	3,007,580	8,132,307	3,841,488	Automatically Renewable Annual Contract
8	Saudi Batal Design Company	Ownership interest by a majority shareholder	Providing Travel Services	606,701	-	565,016	-	-	Automatically Renewable Annual Contract
9	Al-Tayyar Real-Estate Investment & Development Co.	Ownership interest by a majority shareholder	Providing Travel Services	-	-	-	-	(326,866)	Automatically Renewable Annual Contract
10	Riyadh Cables Group Company	The Company's Member of the Board of Directors/ Ahmed Samer Al Zaeem is a Member of its Board of Directors	Providing Travel Services	91,187	-	79,344	-	-	Automatically Renewable Annual Contract
11	Muhaidib Ali Muhaidib	Non-controlling interest	Non-controlling interest	-	-	-	-	138,921	Automatically Renewable Annual Contract



Board of Directors and Governance

No.	Related Party	Relationship with the Company	Nature of the Transaction	Transaction/Contract Value				Other Costs/(Income)	Contract Duration
				Sales	Purchases	Collections	Payments		
12	Careem Inc.	Equity Investments	Providing Travel Services	-	-	-	-	(164,505)	Automatically Renewable Annual Contract
13	Abdullah Al Ajlan	Non-controlling interest	Non-controlling interest	-	-	-	-	64,176	Automatically Renewable Annual Contract
14	Equinox Group Limited	Equity Investments	Providing Travel Services	156,680	-	167,963	-	194,000	Automatically Renewable Annual Contract
15	Gulf International Trading Co.	The Company's Member of the Board of Directors/ Ahmed Samer Al Zaeem is a Member of its Board of Directors	Providing Travel Services	319,399	-	309,272	-	(3,795)	Automatically Renewable Annual Contract
16	Jan Abboud	Non-controlling interest	Non-controlling interest	-	-	-	-	(806,100)	Automatically Renewable Annual Contract
17	Riyadh Airports Company	The Company's Member of the Board of Directors/ Mazen Ahmed Al-Jubair is a Member of its Board of Directors	Providing Lease Services	-	-	-	-	-	Automatically Renewable Annual Contract

8. Related Parties Transactions and Balances for the fiscal year 2017

No.	Related Party	Relationship with the Company	Nature of the Transaction	Transaction/Contract Value				Other Costs/(Income)	Contract Duration
				Sales	Purchases	Collections	Payments		
1	Voyage Amro Travel	Equity Investments	Providing Travel Services	-	3,445,124	-	6,727,099	-	Automatically Renewable Annual Contract
2	Shamel International Holding Co.	Equity Investments	Providing Travel Services	12,559	611,187	-	1,939,114	(402,668)	Automatically Renewable Annual Contract
3	Thakher Investment and Real Estate Company	Equity Investments	Group's share in capital increase	-	-	-	89,855,831	-	Automatically Renewable Annual Contract
4	Wadi Middle East S.A.R.L.	Equity Investments	Group's share in capital increase	-	-	-	37,501,685	-	Automatically Renewable Annual Contract
5	National Agricultural Development Company	The Company's Member of the Board of Directors/ Mazen Al-Jubeir is a Member of its Board of Directors	Providing Travel Services	7,350,799	-	8,301,084	-	2,960,165	Automatically Renewable Annual Contract
6	Ahmed Al Tigani Ahmed	Non-controlling interest	Non-controlling interest	-	-	-	-	351,500	Automatically Renewable Annual Contract
7	Majid bin Ayed Al Nufae	Non-controlling interest	Non-controlling interest	-	-	-	-	(10,801,092)	Automatically Renewable Annual Contract
8	Farouk Al Jerisy	Non-controlling interest	Non-controlling interest	-	-	-	5,000,000	15,137	Automatically Renewable Annual Contract

No.	Related Party	Relationship with the Company	Nature of the Transaction	Transaction/Contract Value				Other Costs/ (Income)	Contract Duration
				Sales	Purchases	Collections	Payments		
9	Bonyan Al Madaen Company	Ownership interest by a majority shareholder	Providing Travel Services	-	-	-	-	(156,621)	Automatically Renewable Annual Contract
10	2share Emerging Technology Co.	Ownership interest by a majority shareholder	Providing Travel Services	27,930	-	-	229,187	(1,323,518)	Automatically Renewable Annual Contract
11	Forbes Middle East	Ownership interest by a majority shareholder	Providing Advertising Services	-	-	-	-	(74)	Automatically Renewable Annual Contract
12	Nile Air	Ownership interest by a majority shareholder	Providing Travel Services - Agent	41,373	13,738,235	46,376,871	39,887,414	7,009,339	Automatically Renewable Annual Contract
13	Saudi Batal Design Company	Ownership interest by a majority shareholder	Providing Travel Services	743,795	-	764,000	-	(1,744,420)	Automatically Renewable Annual Contract
14	Al-Tayyar Real-Estate Investment & Development Co.	Ownership interest by a majority shareholder	Providing Travel Services	-	-	-	236,718,920	182,408	Automatically Renewable Annual Contract
15	Riyadh Cables Group Company	The Company's Member of the Board of Directors/ Ahmed Samer Al Zaeem is a Member of its Board of Directors	Providing Travel Services	239,377	-	286,186	-	-	Automatically Renewable Annual Contract
16	Al Intiaz Food Company	Ownership interest by a majority shareholder	Providing Travel Services	-	-	-	-	(67,500)	Automatically Renewable Annual Contract
17	Muhaidib Ali Muhaidib	Non-controlling interest	Non-controlling interest	-	-	-	-	(67,662)	Automatically Renewable Annual Contract
18	Careem Inc.	Equity Investments	Providing Travel Services	-	-	-	-	176,371	Automatically Renewable Annual Contract
19	Abdullah Al Ajlan	Non-controlling interest	Non-controlling interest	-	-	-	-	1,118,252	Automatically Renewable Annual Contract
20	Equinox Group Limited	Equity Investments	Providing Travel Services	201,037	6,293,637	194,856	6,099,637	-	Automatically Renewable Annual Contract
21	Gulf International Trading Co.	The Company's Member of the Board of Directors/ Ahmed Samer Al Zaeem is a Member of its Board of Directors	Providing Travel Services	594,380	-	639,255	-	-	Automatically Renewable Annual Contract

Social responsibility and risk management





Social responsibility

1 Social solidarity fund

Seera Holding Group provide special care for its employees and human resources based on its social responsibility. The Group established a social solidarity fund in which it offers humanitarian aid and financial support for employees with marriage, death or emergency situations. The Fund is also provided for cultural, social and sport activities, as well as establishing a social club for the employees. The social solidarity fund's balance amounted to SAR 87.5 million by the end of 2018.

2 The Group's obligations toward the society

Based on the Group's national commitment to serve the community's needs, it continued its efforts to implement several community service programs in the fiscal year 2018. This is registered within the Group's missions and values, through a special social responsibility committee that look to establish a relationship with the community. The Group contributed SAR 11 million to the social responsibility programs, resulting with a balance of SAR 24 million by the end of 2018.

3 Jaddarah program for attracting and developing young talents

Based on the Group's enthusiasm for developing human resources, it launched the Jaddarah program to develop young talents and provide them with opportunities to gain experience in the fields of technology and entrepreneurship. This is achieved through an intensive 6-month program, designed in cooperation with international companies such as Google, Careem, and Twitter. The aim of the program is:

- a. Enhancing the Group's social responsibility role by investing in the development of local initiatives in line with the Saudi vision of 2030.
- b. To strengthen the Group's position in the information technology sector by building major partnerships in this field.
- c. Attracting outstanding young talent and enhancing the Group's image as a stand out business environment.

Risk management



Risk management is an integral part of the Group's activity. Risk is managed on an ongoing basis by identifying the risk, evaluating it based on the probability, and determining its impact on the financial and non-financial activities. In general, the Group management classifies risks into external and internal risks, whether it is related to operational, financial or human resources. The Group management initiates mechanisms to reduce, prevent and contain such risks through a set of preventive policies and measures.

The various risks associated with the Group's activities are:

- The Group's performance is based on the economic situation and political stability, which may affect the overall demand for travel and tourism services.
- The services require qualified individuals, who are aware of the travel and tourism activities and familiar with the airlines' booking system or the international reservation systems.
- Seera has a heavy computer usage and relies on technology and smart phones applications in its operational activities. Therefore, the continued success of the Group's performance is highly related to the efficiency of such systems.
- The Group's growth is linked to its ability to launch new branches in distinct locations to expand new distribution channels. The Group therefore conducts activities related to sites, licenses, rental rates and establishing sites with reservation systems, linked to Headquarters. The Group's growth is related to the completion of these activities.

Credit risk

Credit risk is the inability of a party to meet its obligations, leading the other party to suffer from a financial loss. There is no significant concentration on credit risks within the Group. All cash and its equivalents were deposited in local and international banks with high credit ratings. Account receivables are mainly due from local customers – Government sectors and related companies and parties – and have been shown at their recoverable estimated value.

Fair value risks and the commission rates cash flow

This is the exposure to multiple risks as a result of the changes in the prevalent market commission rates and the Group's cash flows.

Such risks are mainly related to short term bank deposits and loans. All deposits and loans are subject to regular re-pricing. The Management monitors changes in commission rates and believes that the impact of fair value and the commission rates' cash flow on the Group is insubstantial.

Liquidity risk

This is the inability of the Group to provide the necessary funds to meet its financial obligations. Liquidity risk arises from the incapability to sell a financial asset quickly and at an approximate fair value. Liquidity risk is monitored to ensure there is sufficient funds available to meet the Group's future obligations.

Technical risks

Risks arising from a technical malfunction that affect the continuity of the operations associated with the Group's technical programs and applications. The Group always seek to develop, support, and protect its technical and backup platforms.

Currency risks

Represent risks arising from the fluctuations in the financial instruments' value due to changes in foreign exchange rates. The Group's transactions are carried out mainly in Saudi Riyals and US Dollars. Hence, other foreign currency transactions are not substantial. Currency risks are managed on a regular basis.

VAT risks

VAT has been in place in Saudi Arabia since January 2018. It is imposed on most of the company's services with some exceptions. Therefore, the risk of applying VAT exists, particularly in the services sector, such as, in aviation, hospitality and car rental services within the Kingdom. In turn, VAT risks impact the customers' demand and consequently the Group's sales volume.

The compliance with government legislations and regulations risk

Risks arising from non-compliance with the governmental legislation and regulations issued by official bodies or governmental agencies to the Capital Market Authority instructions regarding the obligation, disclosure and application of accounting standards issued by the Saudi Organization for Certified Public Accountants, Ministry of Commerce and Industry, Ministry of Labor, General Authority of Civil Aviation, General Authority of Zakat and Income, and etc. The Group review all obligations and requirements to provide the necessary for the concerned parties.

Statutory payments

The following are the regular payments made during the financial year ended 31 December 2018.

Table (36) Zakat and Regular Payments:

Statements	2018		Description	Reasons
	Paid	Outstanding until the end of 2018 (not paid)		
Zakat and VAT	35,952,161	94,618,609	Zakat Provision	Based on the legislation requirements and existing regulations
The General Organization for Social Insurance	29,819,890	728,754	Social insurance for the Group's employees	Based on the legislation requirements and existing regulations
Visa Fees and Office Fees	19,707,880	None	Ministry of Labor Cost	Based on the legislation requirements and existing regulations

The Group's strategic operations in 2019





The Group's strategic operations in 2019

Our focus in 2019 will be on further implementing our strategic transformation plan, whereas each sector will continue to achieve their own objectives.

Travel sector

Online travel services

We look forward to the future of the online travel industry, and we are confident that it will be one of our main growth activities. Therefore, we continue to invest heavily in this sector so that it will become an integrated online travel agency capable of securing high-quality opportunities in our main markets.

We will focus on targeted marketing campaigns and improving the quality of our services in the online travel platforms in 2019, in order to meet our targeted customers' requirements and open up new online platforms market for trademarks like Almosafer and Tajawal, as well as to expand Tajawal trademark in the UAE and Almosafer in Kuwait.

Travel services

As we seek to become a travel consulting and holiday planning agency, we will continue to develop the role of our branches across the Kingdom operating alongside the online travel industry. We will enhance and refine the sales team's skills and employ enthusiastic nationals from both genders.

For government services, we will focus on providing travel services at competitive prices to various governmental agencies and ministries. Furthermore, we will focus on signing new contracts and renewing existing ones. For corporate services, we look forward to introducing a new travel management plan supported by global technological solutions.

With regards to the Hajj and Umrah services sector, we will work closely with the relevant government agencies to help serve the increasing numbers of pilgrims. We will also work hard on developing a marketing strategy that enables us to increase our market share in this sector, as its mentioned in the Saudi Vision 2030.

Hospitality

In 2019, our focus will be on implementing and finishing our plan of developing mid-range hotels in the largest two cities in the Kingdom; Riyadh and Jeddah. This plan will be managed by Choice Hotels under the prestigious trademarks Comfort and Quality.

Regarding Sheraton Makkah and Movenpick City Star Jeddah, we will continue to provide high quality services to our customers. Our goal is to reach 100% occupancy rate during the Hajj season, considered the most crowded period of the year.

Other supporting services

After the profitability achieved in 2018, the Group's car rental sector will be focusing on ratifying rental agreements with major companies, as well as providing premium services for business travelers. We will also upgrade and expand our vehicle fleet, while reducing the number of branches and focusing on the main locations.

Concluding statement

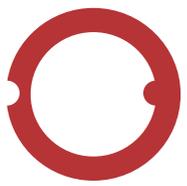
We hope that the financial results of the year ended 31 December 2018 presented in Seera Holding Group's annual report have met your expectations. We have been very thankful for the hard work of the Board of Directors, Executive Council, and the cooperation of the Group's employees in achieving the consolidated results featured in the report. In regards to the Group's activities, with God's grace we will continue to maintain a high level of growth and prosperity.

In conclusion, the members of the Board of Directors are pleased to express their thanks and appreciation to each person contributing to the Group's achievements. We also thank our distinguished shareholders, for your continued support. Our gratitude is also extended to all our partners for their constant support. We would not have achieved this success without God's grace, and your understanding of the Group's process and general strategy. We hope that 2019 will be a good year for you and the group.

We are committed to exert every effort to ensure the transformation plan contributes to a brighter future for the company, maximizes the investment value, and maintains the precious trust that our customers have placed in our brands for more than 39 years.

Engineer Mohammed Bin Saleh Al-Khalil
Chairman of the Board





سيرا
SEERA