

TOURISM ENTERPRISE COMPANY

Shams

SAUDI JOINT-STOCK COMPANY- LISTED- CONSUMER SERVICES- COMPANY CODE 4170.  
ESTABLISHED UNDER MINISTERIAL RESOLUTION NO 819 DATED ON 23/09/1411 AH  
CORRESPONDING TO 31/07/1991 AD

2025



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# 01

Vision, mission and organization strategy



# Company vision

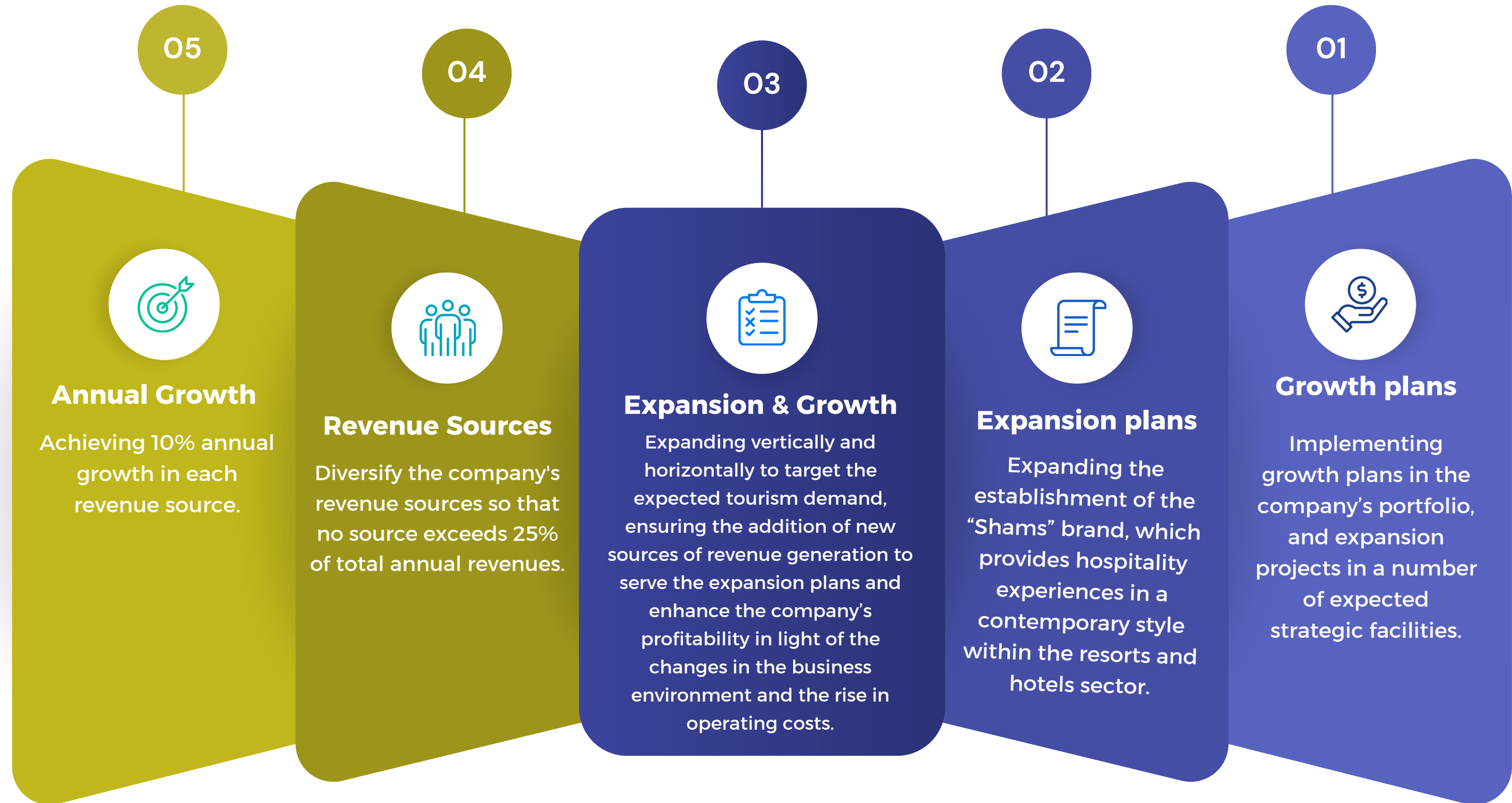
Effective contribution to achieving sustainable development of hospitality and accommodation activity through investment in projects with a national reach.

# Company message

That the Tourism Enterprises Company (Shams) be at the forefront of the leading companies in the tourism business sector in the Kingdom and a pioneer in the hospitality, accommodation, and travel services sector in accordance with international standards and a local spirit.



# COMPANY STRATEGY





# 02

Chairman's Message  
Board of Directors

In the name of God, and peace and blessings be upon the Messenger of God.

It is my pleasure, on my own behalf and on behalf of my fellow members of the Board of Directors of Tourism Projects Company (Shams), to present to you the Board of Directors' report for the year 2025, which reflects the efforts exerted and the achievements realized during the eleventh term of the Board.

The year 2025 was full of challenges and opportunities, and it was distinguished by achieving positive results on various levels. The company continued to achieve the required financial performance and is pursuing its investments in tourism projects that keep pace with changes and meet the needs of the growing tourism market. This includes a closed-end private equity investment fund licensed by the Capital Market Authority and managed by SEDCO Capital, which aims to develop a five-star hotel in Al-Khobar, in the Ajdan waterfront area on the Al-Khobar Corniche, to be operated under the Fairmont brand.

In line with our commitment to the principles of transparency and disclosure, we are keen to present this report in accordance with the highest governance standards, ensuring that our

valued shareholders are fully informed of the company's developments with complete clarity and transparency. Through its integrated strategies, Shams Company has demonstrated its ability to adapt to the ever-changing tourism sector, which has helped strengthen its position and increase its market share.

Throughout the year, the Board of Directors spared no effort in realizing the company's vision of leading the tourism market and achieving the highest levels of satisfaction for our valued guests, investors, and shareholders. We worked to improve operational performance, expand our services, and enhance the company's ability to expand into new markets. We also developed effective working and operating capital management strategies to achieve the highest levels of efficiency and profitability.

The company's Board of Directors continuously strives to meet the requirements of the Saudi Stock Exchange (Tadawul) to safeguard shareholders' rights and interests. This includes recommending a reversal of the par value of the share, based on Tadawul's notification, to maintain the minimum closing price. The General Assembly of Shareholders approved this



## Chairman's Message



recommendation to ensure that the share is not traded outside the official trading platform.

In conclusion, on my own behalf and on behalf of my fellow Board members, I would like to express my sincere gratitude to our esteemed shareholders for their continued trust and unwavering support of the company. I also extend my deepest thanks and appreciation to the executive management team at Shams and all company employees for their dedication and tireless efforts, which have been instrumental in strengthening the company's position and advancing its progress.

**May God grant us success.**

**Khalid bin Abdulaziz Al-Bowardi**

**Chairman of the Board of Directors**

I would like to express my gratitude for the trust you have placed in us on the Board of Directors. This trust is a great motivation for us to work diligently and with dedication to achieve the company's goals and enhance the interests of our shareholders.

As we begin 2025, Shams Tourism Projects Company continues its journey towards leadership in the tourism sector. The year witnessed a phase of growth and expansion in the tourism sector, driven by global market trends and the renewed opportunities the future offers.

2025 was a significant year in strengthening the position of tourism in the Kingdom of Saudi Arabia, thanks to the Kingdom's Vision 2030, which focuses on developing infrastructure and enhancing the tourism sector as part of its economic diversification strategy. The Kingdom witnessed remarkable progress in tourism projects, both through the development of new tourist destinations and the implementation of programs and initiatives aimed at attracting tourists from around the world.

Among the most prominent events that make 2025 a significant starting point is the ongoing preparation for the Kingdom of Saudi Arabia to host the 2034 FIFA World Cup, the largest sporting event, which will place the Kingdom at the center of global attention. The 2034 FIFA World Cup presents a tremendous opportunity to showcase the Kingdom as a leading tourist destination and provides a strong impetus for developing all components of the tourism sector, including hotels, sports facilities, and entertainment centers. At Shams Company, we are working to capitalize on these

unique opportunities offered by the 2034 World Cup through our investments in tourism, entertainment, and hospitality projects. We are also focused on enhancing the quality of services we provide to meet the needs of anticipated visitors from around the world.

We have begun working on our project roadmap and have already completed several tasks, including pursuing investment in a closed-end private equity fund licensed by the Capital Market Authority. We continue to develop and implement this roadmap with precision and commitment, despite the challenges and difficulties we face.

Our ambition to invest and acquire in the tourism sector is part of our strategy to expand and diversify our revenue streams. We are currently studying numerous projects and are continuously developing and investing through our Development and Investment Committee, which is working according to promising future plans, God willing. The year 2026 is expected to mark a new phase in the development of the company's projects and its leadership in the Eastern Province's tourism market, thanks to the unwavering support of our beloved Kingdom.

Undoubtedly, the support the tourism sector receives from our wise government, under the leadership of the Custodian of the Two Holy Mosques and His Royal Highness the Crown Prince, as well as the General Entertainment Authority, the Ministry of Tourism, and all other government entities that actively contribute to the tourism development process and provide direct support to Shams Company and its projects, will contribute to the activation and growth of the company's future investments.



## Speech of the Vice Chairman and Managing Director of the Board of Directors



Your valued trust in the Board of Directors is a source of support and inspiration for us and our executive management in our continuous efforts to redevelop and build, and to prepare your company's projects in a way that contributes to increasing its revenues, achieving your aspirations for profit growth, and enhancing shareholder value.

It is my honor to reiterate my thanks and appreciation, on behalf of myself and all members of the Board of Directors, for the great trust you have placed in us, which has been a motivating factor for us to achieve accomplishments and implement ambitious projects in record time during 2025. This trust has been a strong pillar in realizing our shared aspirations. I also extend my sincere thanks to my fellow members of the Board of Directors and all members of the Board's subcommittees, both within and outside the Board, for their dedicated and continuous efforts. I would also like to express my special gratitude to the executive management team and all company employees, who have exerted tremendous effort and spared no time or energy in order to complete our projects and implement our ambitious plans.

**May God grant us success.**

**Abdullah bin Omar Al-Suwailem**

**Vice Chairman and Managing Director, Chief Executive Officer,  
Chairman of the Development and Investment Committee**

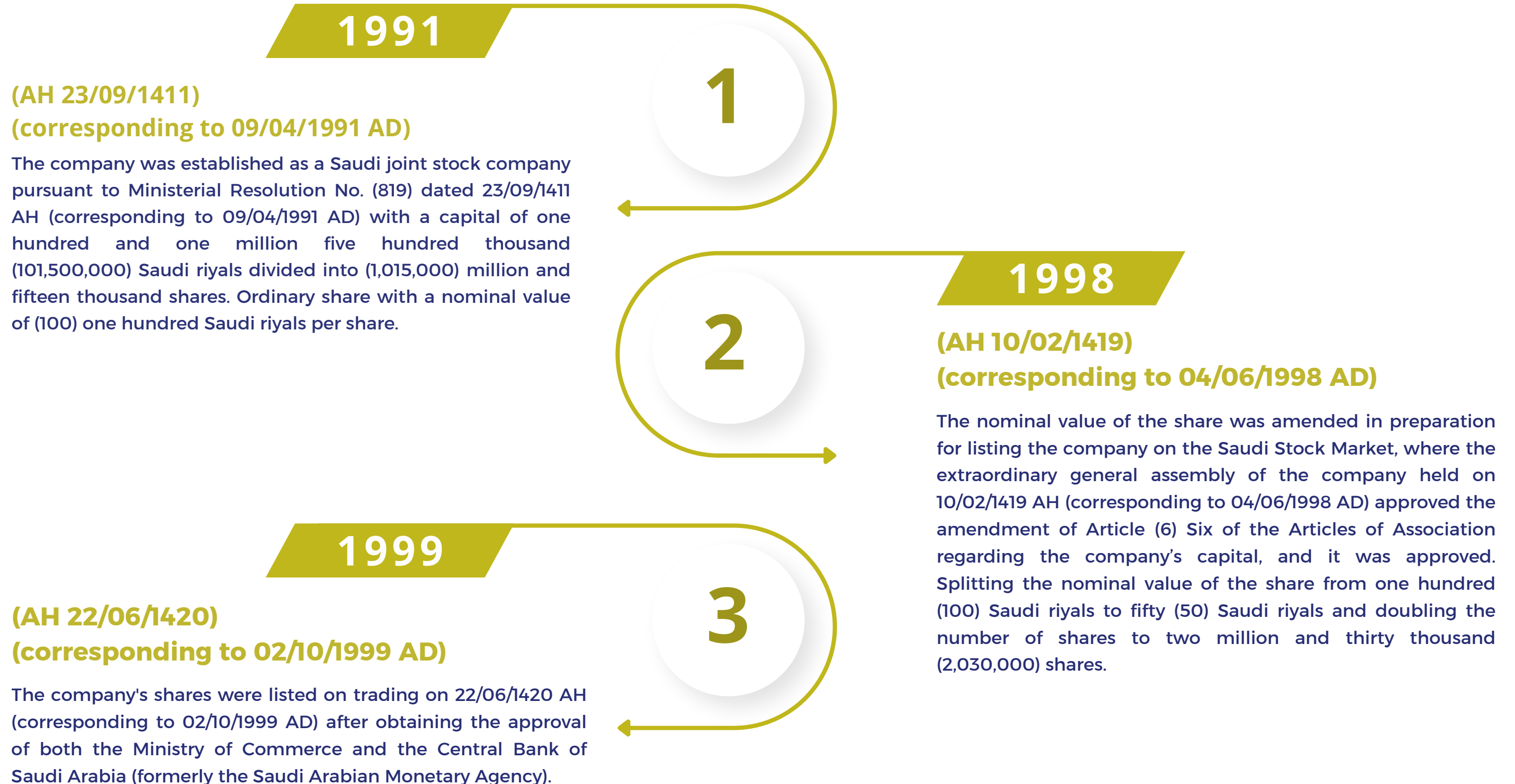


# 03

A Brief History of the  
Company's Capital  
Development

## A BRIEF HISTORY OF THE COMPANY'S CAPITAL DEVELOPMENTS

THE CURRENT CAPITAL AFTER INCREASING THE AUTHORIZED CAPITAL OF THE COMPANY IS (1,200,000,000) AND THE ISSUED CAPITAL IS (578,236,230) SAUDI RIYALS DIVIDED INTO (1,156,472,460) SHARES WITH A NOMINAL VALUE OF (0.50) SAUDI RIYALS PER SHARE, FULLY PAID. THE FOLLOWING IS THE DEVELOPMENT OF THE COMPANY'S CAPITAL SINCE ITS ESTABLISHMENT:



**2006**

**4**

**(27/02/1427AH)  
(Corresponding to 27/03/2006AD)**

Based on the decision of the Council of Ministers dated 27/02/1427AH (corresponding to 27/03/2006AD) stipulating that the nominal value of the share of the joint stock company be ten (10) Saudi riyals, the nominal value of the share was divided from fifty (50) Saudi riyals to (10) Ten Saudi riyals, so that the total number of shares listed in Tadawul is ten million one hundred and fifty thousand (10,150,000) with an nominal value of (10) ten Saudi riyals per share, all of which are cash shares.

**2021**

**5**

**(AH 27/03/1443)  
(Corresponding to 02/11/2021 AD)**

The company obtained the approval of the Capital Market Authority on the capital reduction request on (27/03/1443AH) corresponding to (02/11/2021AD), and this approval was announced on the Capital Market Authority's website and Tadawul's website on (02/11/2021AD) .Corresponding to (27/03/1443 AH)

**2021**

**6**

**( AH 13/04/1443)  
(Corresponding to 18/11/2021 AD)**

The company called for this extraordinary general assembly and announced it on the Tadawul website on 13 /04 /1443 AH (corresponding to 18 /11/ 2021AD),and a copy of this circular .was included in the announcement

**2021**

**7**

**(AH 1443\5\5)  
(Corresponding to 9\12\ 2021 AD)**

The Extraordinary General Assembly (the second meeting) was held at and the extraordinary General Assembly agreed to reduce the 19:30, company capital by a reduction of 48.21% of the company's the capital after the reduction became 52,566,930 Saudi riyals capital. So,



**2022**

**(AH 24/03/1444)  
(Corresponding to 20/10/2022 AD)**

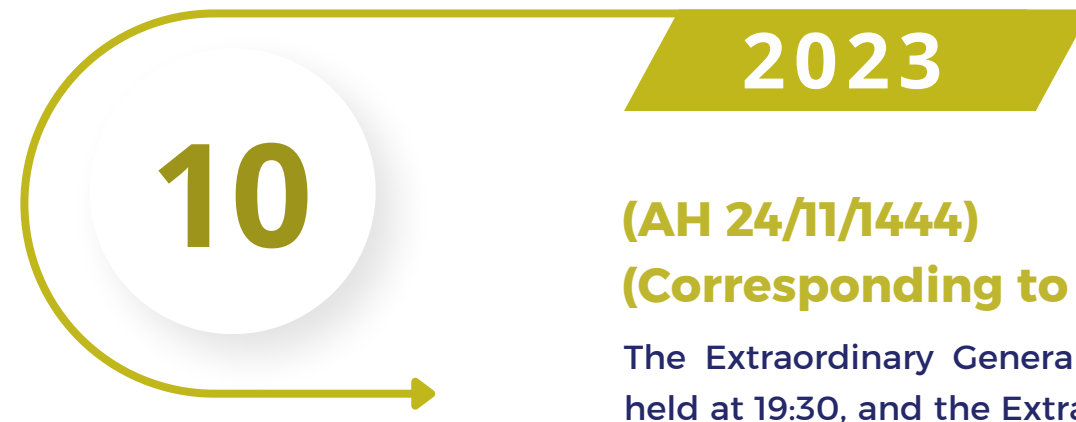
The company obtained the approval of the Capital Market Authority on the request to increase the capital by offering rights issue on (24/03/1444AH) corresponding to (20/10/2022AD). This approval was announced on the Capital Market website and (20/10/2022 AD) website. corresponding to (24/03/1444 AH), on the date of Tadawul.



**2022**

**(AH 26/04/1444)  
(Corresponding to 20/11/2022 AD)**

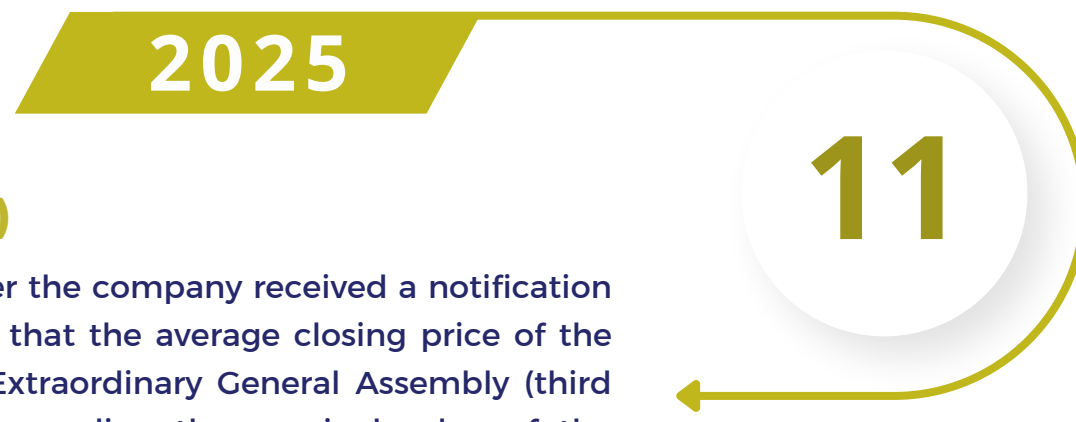
The Extraordinary General Assembly (second meeting) convened at 19:30, and the Extraordinary General Assembly approved an increase in the company's capital by an increase of 1000% of the company's capital so that the capital after the increase becomes Saudi riyals 578,236,230



**2023**

**(AH 24/11/1444)  
(Corresponding to 13/06/2023 AD)**

The Extraordinary General Assembly (second meeting) was held at 19:30, and the Extraordinary General Assembly agreed to amend the authorized capital to 1,200,000,000 Saudi Riyals, split the company's shares, and amend the nominal value to 0.50 Saudi Riyals.



**2025**

**(AH 24/11/1444)  
(Corresponding to 13/06/2023 AD)**

The Extraordinary General Assembly convened after the company received a notification from the Saudi Stock Exchange (Tadawul) stating that the average closing price of the share had fallen below the minimum limit. The Extraordinary General Assembly (third meeting) convened at 6:30 PM and approved amending the nominal value of the company's shares from SAR 0.50 (1,156,472,460 shares) to SAR 10 (57,823,623 shares).



# 04

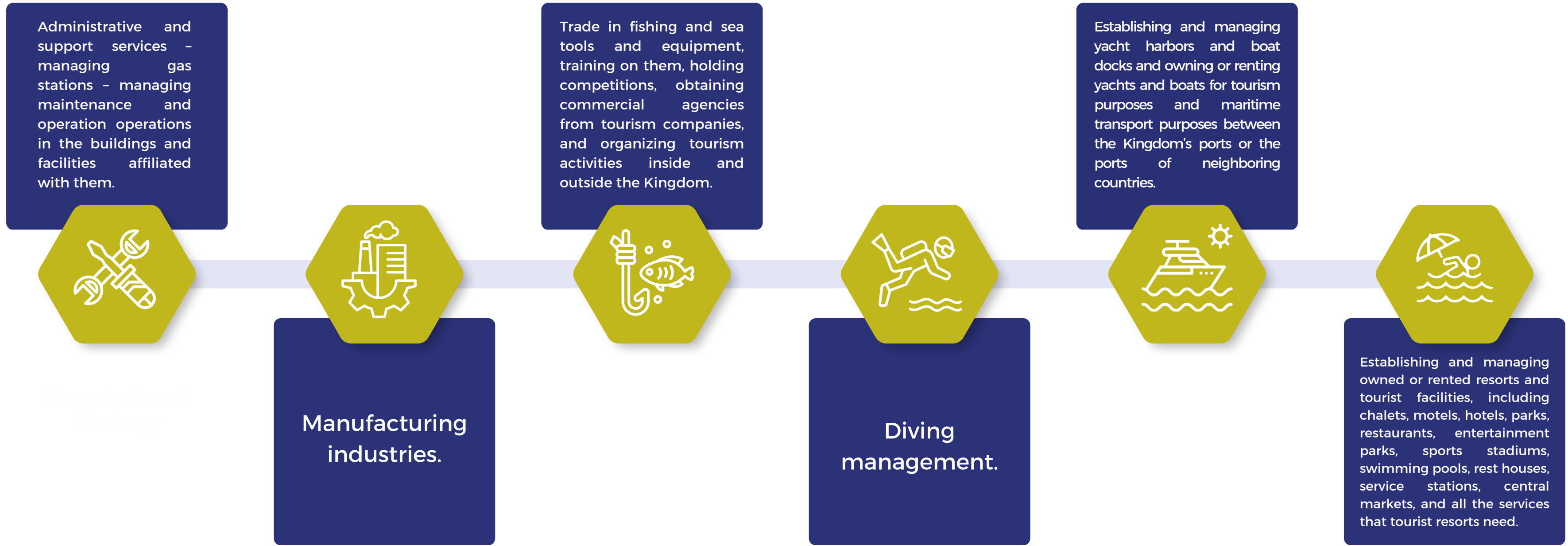
A Brief History of the  
Company's Purposes  
and Activities

## Overview of The Company's Activities and Objectives

First: The company's activities consist of developing, managing and operating tourist destinations and integrated entertainment experiences, including resorts and tourist facilities, tourist accommodation facilities such as hotels and lodges, parks and amusement parks, entertainment centers and facilities, and event hosting sites, in addition to designing and organizing marine and sports entertainment events that enhance the visitor experience and contribute to revitalizing tourism. Furthermore, the company specializes in efficient and high-quality operation and management of event facilities, providing a comprehensive suite of services and activities designed to attract tourists and enrich their experience.



## The company's activities include practicing and implementing the following purposes:



## The company's activities include practicing and implementing the following purposes:



The company carries out its activities in accordance with applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

## Overview of The Company's Activities and Objectives

The company's activity is establishing and managing resorts and tourist facilities including chalets, motels, hotels, parks, restaurants, entertainment parks, sports stadiums, swimming pools, rest houses, central service stations, and all the services that tourist resorts need.

The company's main activity is the tourism project, the Palm Beach Resort, which is located on land leased from the Municipality of Dammam for a period of 40 years from 01/01/1410 AH, corresponding to 03/08/1989 AD, and ending on 30/12/1450 AH, corresponding to 14/05/2029 AD. The Palm Beach Resort consists of 232 chalets on a total area of 550,000 square meters, in addition to a restaurant, celebration and meeting halls, three entertainment centers, three sports centers and several retail centers, in addition to a marina for boats and yachts and a center for marine sports and diving.

## The Tourism Enterprises Company "Shams"

Second: The Tourism Enterprises Company "Shams" was established as a Saudi joint stock company pursuant to Ministerial Resolution No. (819) dated 23/09/1411 AH corresponding to 09/04/1991 AD and with commercial registration No. 2050021572 issued by the city of Dammam on 20/01/1412 AH corresponding to 31/07/1991 AD, with its main headquarters in the city of Khobar in the Kingdom of Saudi Arabia.



## Developing a 5-star hotel in Al-Khobar!

The fund aims to develop a five-star hotel in Al-Khobar, located in the Ajdan waterfront area on the Al-Khobar Corniche, to be operated under the international Fairmont brand. The hotel is expected to open in the near future.

This investment is part of the company's long-term investment strategy and is expected to contribute to a positive financial impact. It also supports the Board of Directors' plans to build strategic partnerships and alliances with international companies, which will enhance the company's future growth and maximize returns for its shareholders.

## Investment of more than 243 million riyals

In addition to an investment tower in the Olaya area in Al-Khobar Governorate, which consists of five floors and contains 22 residential units and 4 commercial halls.

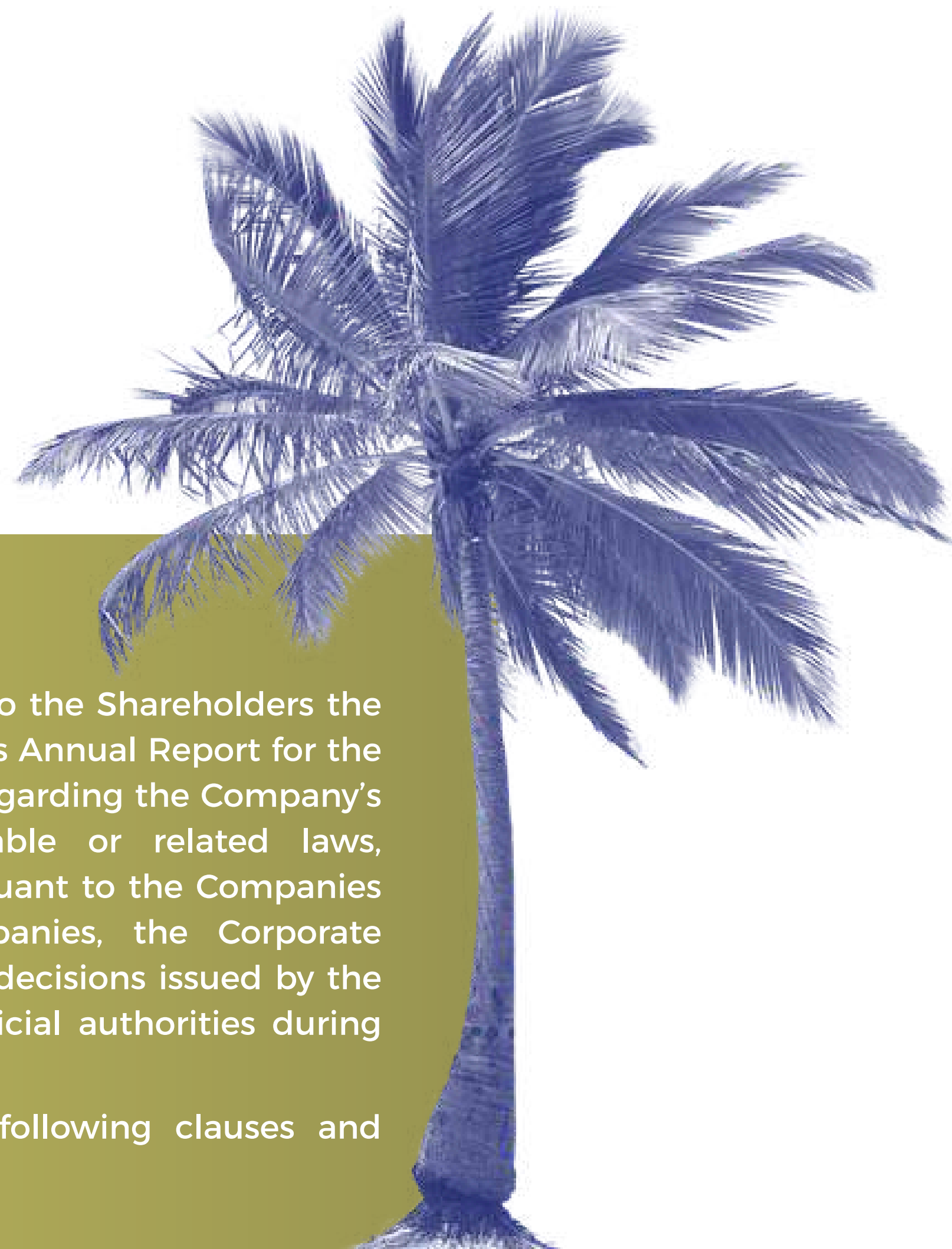
In line with the company's strategic direction to capitalize on opportunities in the tourism sector, and consistent with the objectives of the Kingdom's Vision 2030 aimed at developing and growing the tourism sector, the company invested SAR 243,800,000 in 2024 through participation in a closed-end private equity fund licensed by the Capital Market Authority and managed by SEDCO Capital.





# 05

Presentation and Disclosure  
Requirements in the Board  
Report 2025



The Board of Directors is pleased to present to the Shareholders the Disclosures, Presentation and Declaration in its Annual Report for the year 2025, which includes all effective facts regarding the Company's activities in accordance with the applicable or related laws, regulations, rules and procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies, the Corporate Governance Regulation, and all circulars and decisions issued by the Capital Market Authority and all relevant official authorities during the year 2025.

The presentation is provided through the following clauses and paragraphs:



**(1) The applied and not applied provisions of the Companies' Governance Charters, along with the relevant reasons:**

Tourism Enterprises Co. (Shams) acted in line with the developments and changes in relation to the laws and regulations issued by the Capital Market Authority. Tourism Enterprises Co. (Shams) shall carry out the necessary updates of the governance rules at the Company in order to be in line with all the updates affecting the Corporate Governance Regulations issued by the Board of the Capital Market Authority under its Resolution No. 8-16-2017 dated 16/05/1438 AH corresponding to 13/02/2017 AD and its revised version by the order of the Board of the Capital Market Authority No. (8-5-2023), dated 25/06/1444 AH corresponding to 18/01/2023 AD.

The Company committed itself to apply all obligatory Articles provided for under the Corporate Governance Regulations. Further, the Company applies several Articles deemed to be constituting guiding Articles. However, there are several guiding Articles which the Company is working to satisfy the requirements of as follows:

## Guidance paragraphs that were not implemented and the reasons for non-application

Article\Par. No	Article title	Text	Reasons for non-implementation
37	Training	The company must pay sufficient attention to the training and development of board members and executive management, and put in place the necessary programs for this..	The Nominations and Remuneration Committee has drafted a training and development plan for members of the Board of Directors and the Executive Management, including the necessary programs, to be implemented in 2026 after approval by the Board of Directors.
39	The evaluation.	The Board of Directors, based on the proposal of the Nominations Committee, sets the necessary mechanisms to annually evaluate the performance of the Board, its members, committees, and the Executive Management through appropriate performance indicators related to the extent to which the company's strategic objectives are achieved.	Guiding article, The Nominations and Remunerations Committee also uses some means in its annual evaluation of the Board's performance.
67 68 69	Formation of the risk committee and its terms of reference and its meetings.	By a decision of the company's board of directors, a committee called (Risk Management Committee) will be formed, whose chairman and most of its members are non-executive members of the board of directors, and its members are required to have an appropriate level of knowledge of risk management and financial Affairs.	This paragraph is a guiding one. The company's management is constantly reviewing the risk management policies and approved programs to reduce the risks that the company may face.
80	Regulating the relationship with the stakeholders Regulating the relationship with the stakeholders.	The Board of Directors shall set clear and written policies and procedures to regulate the relationship with stakeholders.	guiding article: the company's articles of association and the company's corporate governance regulations ensure the organization of the relationship with stakeholders.

## Guidance paragraphs that were not implemented and the reasons for non-application

Article\Par. No	Article title	Text	Reasons for non-implementation
82	Motivating the personnel.	<p>The company sets programs to develop and motivate the participation and performance of the company's employees, provided that they include - in particular - the following:</p> <ol style="list-style-type: none"> <li>1) Forming committees or holding specialized workshops to listen to the opinions of the company's employees and discuss with them the issues and topics the subject of important decisions.</li> <li>2) Programs for granting employees shares in the company or a share of the profits it achieves, retirement programs, and establishing an independent fund to spend on those programs.</li> <li>3) Establishment of social institutions for the company's employees.</li> </ol>	To be partially implemented. Only Paragraph (1) is implemented. A guiding article 13.
84 85	Social liability Initiatives of the social work.	The Ordinary General Assembly - based on the proposal of the Board of Directors - sets a policy that ensures a balance between its goals and the goals that society aspires to achieve.... The Board of Directors sets the programs and determines the necessary means to present the company's initiatives in the field of social work.	A guiding article the company is working on developing a mechanism and multiple programs that include social responsibility programs. The company also contributes to many social initiatives, whether in general or specifically for its employees.
92	Formation of the Corporate Governance Committee.	In the event that the Board of Directors forms a committee specialized in corporate governance, it shall delegate to it the competencies stipulated under Article Ninety-Four of these Regulations. This committee shall follow up on any issues related to corporate governance applications, and provide the Board of Directors, at least annually, with the reports and recommendations it reaches.	Guidance material The company also applies the governance regulations and adheres to them in all its dealings and follows up on this through the company's governance department, which applies effective governance and submits periodic reports on the extent of compliance.

## **2,3) THE NAMES AND DETAILS OF THE MEMBERS OF THE BOARD OF DIRECTORS, MEMBERS OF THE COMMITTEES ,AND THE EXECUTIVE MANAGEMENT**

Names of the members of the Board of Directors, members of the committees and the executive management, their current and previous positions, qualifications and experience, and the names of companies inside and outside the Kingdom for which a member of the Board of Directors is a member of their current and previous boards of directors or one of their managers, according to the requirements of paragraphs (2) and (3) of Article 87 of the Corporate Governance Regulations.



## Previous positions

- ◀ **2002-2019**  
 Branch Manager - Individual  
 Facilities Manager - Deputy  
 General Manager of  
 Compliance  
 - (Saudi Investment Bank).
- ◀ **1992-2001**  
 Branch Manager - Area  
 Manager  
 - (British Bank).
- ◀ **1992-1998**  
 Assistant Branch Manager -  
 (American Bank)

## Mr. Khalid bin Abdulaziz bin Abdulrahman Al-Buwardi

Chairman of the Board of Directors

### Experience and current positions

- ◀ 2024: Chairman of the Board of Directors -  
 Tourism Projects Company (Shams)

### Qualifications:

- ◀ Bachelor of Business Administration and Economics -  
 University of Houston

### Position at "Shams" Company

- ◀ Chairman of the Board of Directors

### Membership of committees at Shams Company:

- ◀ Member of the Development and Investment Committee

The name of the company in which he is a member of the board of directors in the current or previous period, or one of its directors:

Current company name	Inside / outside The Kingdom	Legal entity	Previous company name	Inside / outside the Kingdom	Legal entity
Tourism Enterprises Company (Shams)	Inside	Public Joint Stock			
Enaam international Holding Group	Inside	Public Joint Stock			



## Eng. Abdullah bin Omar bin Abdulaziz Al-Suwailem

Vice Chairman of the Board of Directors - Managing Director - Chief Executive Officer

### Previous positions

- ◀ **2000 - 2007**  
administrator manager, vice General Manager Saudi Japanese Company.
- ◀ **1992 - 1993**  
investment management - Al Mawarid Holding Company.
- ◀ **1990- 1992**  
Territorial Administration (inventory). Saudi American Bank.

### Experience and current positions:

- ◀ 2025: CEO/ Managing Director/Representative of the Tourism Enterprises Company at the Capital Market Authority, the Saudi Stock Exchange "Tadawul" and the Depository Center -Tourism Enterprises Company (Shams)

### Position at "Shams" Company

- ◀ Vice Chairman of the Board of Directors
- ◀ Managing Director
- ◀ Chief Executive Officer

### Qualifications:

- ◀ Master's degree: International Management University of Bridgeport, USA
- ◀ Bachelor's degree: Management Engineering University of Bridgeport, USA

### Membership of committees

#### at Shams Company:

- ◀ Member of the Development and Investment Committee

The name of the company in which he is a member of the board of directors in the current or previous period, or one of its directors:

Current company name	Inside / outside The Kingdom	Legal entity	Previous company name	Inside / outside the Kingdom	Legal entity
Tourism Enterprises Company (Shams)	Inside	Public Joint Stock			



## Mr. Rashid bin Suleiman bin Rashid Al Rashid Member of the Board of Directors

### Previous positions

- ◀ **2018-2020**  
Ashmore Financial Saudi Arabia Chief Financial Officer and Chief Risk Officer
- ◀ **2015-2017**  
Deutsche Bank and Deutsche Saudi Financial Investment Chief Financial Officer

### Experience and current positions:

- ◀ 2020 - to date: Bank of New York Mellon Saudi Arabia Financial Company - Chief Financial Officer

### Qualifications:

- ◀ Bachelor of Accounting - King Saud University

### Position at "Shams" Company

- ◀ Member of the Board of Directors

### Membership of committees at Shams Company:

- ◀ Chairman of the Audit Committee
- ◀ Member of the Nominations and Remuneration Committee

The name of the company in which he is a member of the board of directors in the current or previous period, or one of its directors:

Current company name	Inside / outside The Kingdom	Legal entity	Previous company name	Inside / outside the Kingdom	Legal entity
Bank of New York Mellon Saudi Arabia Financial Company	Inside	Public Joint Stock	Ashmore Financial Saudi Arabia	Inside	Closed contribution
Tourism Enterprises Company (Shams)	Inside	Public Joint Stock	Deutsche Bank and Deutsche Saudi Financial Investment	Inside	Closed contribution
Qassim Holding investment Company	Inside	Public Joint Stock			
Al Saqr Cooperative Insurance Company	Inside	Public Joint Stock			
Global Textile Company	Inside	Public Joint Stock			



## Dr. Wael bin Saad bin Abdulaziz Al Rashid

### Member of the Board of Directors

### Previous positions

- ◀ **2017-2018**  
President of Al-Suraie Commercial and Industrial Group.
- ◀ **2015-2017**  
Vice President of Aslak Company (listed joint stock company).
- ◀ **2008-2012**  
Member of the Contractors Committee at the Riyadh Chamber of Commerce.
- ◀ **2003-2015**  
CEO of a number of companies, institutions and commercial groups.

### Experience and current positions:

- ◀ 2017 – Present: Co-Founder, Board Member and Executive Committee Member of Saudi Bio Acids Company.

### Qualifications:

- ◀ Bachelor of Computer Science and Information Systems - King Saud University
- ◀ Bachelor of Sharia and Law - Imam Muhammad bin Saud University
- ◀ Master of Business Administration - University of Hull - Britain
- ◀ PhD in Change Management - Information Systems - University of Salford - Manchester (Britain)

### Position at "Shams" Company

- ◀ Member of the Board of Directors

### Membership of committees at Shams Company:

- ◀ Chairman of the Nominations and Remuneration Committee

The name of the company in which he is a member of the board of directors in the current or previous period, or one of its directors:

Current company name	Inside / outside The Kingdom	Legal entity	Previous company name	Inside / outside the Kingdom	Legal entity
- Saudi Bioacids Company Non-Executive Member (Executive Committee)	Inside	Private Joint Stock			
Aldrees Trading & Industry Company - Non-Executive Member (Executive Committee)	Inside	Private Joint Stock			
Tourism Enterprises Company (Shams)	Inside	Public Joint Stock			
Naseej International Trade	Inside	Public Joint Stock			



## Mr. Badr bin Hamad bin Abdullah Al-Qadi Member of the Board of Directors

### Previous positions

- ◀ **2011-2018**  
Executive Director of Sponsorships, Media and Marketing at Mobily.
- ◀ **2008-2011**  
Director of Sponsorships and Events at Zain.

### Experience and current positions:

- ◀ 2018 - Present: General Manager of Facilities Support Centers at Monshaat

### Qualifications:

- ◀ BA in English Language - King Saud University
- ◀ MA in Public Relations and Communication - University of Westminster (UK)

### Position at "Shams" Company

- ◀ Member of the Board of Directors

### Membership of committees at Shams Company:

- ◀ Member of the Development and Investment Committee

The name of the company in which he is a member of the board of directors in the current or previous period, or one of its directors:

Current company name	Inside / outside The Kingdom	Legal entity	Previous company name	Inside / outside the Kingdom	Legal entity
- Qassim Holding Company Independent Member (Audit Committee - Investment Committee)	Inside	Public Joint Stock			
- Rawom Trading Company Independent Member (Audit Committee)	Inside	Public Joint Stock			
Tourism Enterprises Company (Shams)	Inside	Public Joint Stock			



## Mr. Wael bin Abdulrahman Al-Bassam

### Member of the Board of Directors

### Previous positions

- ◀ **2019-2022**  
 Vice President of Human Resources (and Acting Head of Human Capital Group) - Bank Aljazira.
- ◀ **2006-2018**  
 Several private sector companies – Vice President of Human Resources.
- ◀ **1997-2006**  
 BAE Systems – Senior Training Specialist.

### Experience and current positions:

- ◀ 2022-present: Ministry of Human Resources and Social Development - Senior Advisor to His Excellency the Minister

### Position at "Shams" Company

- ◀ Member of the Nominations and Remuneration Committee. (From 05/28/2024 to date)

### Qualifications:

- ◀ Bachelor's degree in English Literature - Imam Muhammad bin Saud Islamic University
- ◀ Master of Business Administration (Human Resources) - University College of Bahrain (Bahrain).
- ◀ Professional License – Certified Human Resources Manager – Meirc Training & Consulting (UAE).
- ◀ Executive Course – Emerging Leaders in the Digital Age – World Business School (France).
- ◀ Executive Course – Digital Transformation Race – International Institute for Management Development (Switzerland).

The name of the company in which he is a member of the board of directors in the current or previous period, or one of its directors:

Current company name	Inside / outside The Kingdom	Legal entity	Previous company name	Inside / outside the Kingdom	Legal entity
Saudi Paper Manufacturing Company - Independent Member (Nominations and Remuneration Committee)	Inside	Public Joint Stock			
Salama Cooperative Insurance Company - Independent Member (Nominations and Remuneration Committee)	Inside	Public Joint Stock			
Tourism Enterprises Company (Shams)	Inside	Public Joint Stock			



## Previous positions

### ◀ 2021-2023

Head of the Advisory Services Department at the Industrial Fund.

### ◀ 2018-2021

Strategic Analysis Consultant at the Strategic Management Office at the Council of Economic and development Affairs and working as the Director of Strategic Planning at the G20 Secretariat.

### ◀ 2013-2018

Analyst in the Investment Department of the Treasury at SABIC.

## Mr. Ziad bin Ibrahim Al-Afaleq Member of the Board of Directors

### Experience and current positions:

- ◀ 2023-present: Executive Director of Business Development at the Industrial Fund.

### Qualifications:

- ◀ Bachelor of Finance and Accounting – Bentley University – (UK).
- ◀ Master of Financial Management – Bentley University – (UK).
- ◀ Training Certificate – Financial Analysis – JP Morgan Bank – (New York).
- ◀ Training Certificate – Leadership Development Program – INSEAD University – (France).

### Position at "Shams" Company

- ◀ Member of the Board of Directors

### Membership of committees at Shams Company:

- ◀ Member of the Audit Committee.

The name of the company in which he is a member of the board of directors in the current or previous period, or one of its directors:

Current company name	Inside / outside The Kingdom	Legal entity	Previous company name	Inside / outside the Kingdom	Legal entity
Ibrahim Al-Afaleq & Sons Holding Company - Non-Executive Member of the Board of Directors	Inside	Private Joint Stock			
Al Hussein & Al Afaleq Ready Mix -Concrete Company - Non Executive (Audit Committee)	Inside	Private Joint Stock			
Tourism Enterprises Company (Shams)	Inside	Public Joint Stock			

**Members of the Audit Committee who are not members of the Board of Directors**

**Mr. Saad bin Saud bin Nasser Al-Tayyar**  
Member of the audit committee Director



**Position at "Shams" Company**

- Member of the audit committee Director

**Membership of committees at Shams Company:**

- Member of the Audit Committee

**Previous positions:**

- Saudi Authority for Industrial Estates (MODON) - Executive Vice President of Finance
- The Saudi Investment Bank - Assistant General Manager for Financial Reporting
- Tawuniya Insurance - Financial Controller
- Al Rajhi Bank - Director of Financial and Regulatory Reports
- National Air Services - Financial General Manager

**Qualifications:**

- Bachelors in accounting King Saud University
- Masters in accounting , University of Adelaide (Australia)
- Saudi Organization for Certified Public Accountants (SOCPA)

The name of the company in which he is a member of the board of directors in the current or previous period, or one of its directors:

Current company name	Inside / outside The Kingdom	Legal entity	Previous company name	Inside / outside the Kingdom	Legal entity
Tourism Enterprises Company (Shams) Audit committee member	Inside	Public Joint Stock			



**Members of the Audit Committee who are not members of the Board of Directors**

**Mr. Yasser bin Suleiman bin Saleh Al-Aqil**  
Member of the audit committee

**Position at "Shams" Company**

- Member of the audit committee

**Membership of committees at Shams Company:**

- Member of the Audit Committee

**Experience and Current Positions:**

- Board Member of Saudi Arabian Refineries Company (SARCO-Masafi).
- Board Member of Tabuk Agricultural Development Company (TADCO).
- Committee Member of Afaq Food Company Limited.
- Board Member of Thimar Development Holding Company.
- Project Management Officer of Sanad Technology Company.

**Qualifications:**

- Bachelor of Management Information Systems - College of Business Administration - Bowie State University.
- Master of Management Information Systems - University of Hail College of Computer Science and Engineering.
- Master of Project Management - George Washington University.

**The name of the company in which he is a member of the board of directors in the current or previous period, or one of its directors:**

Current company name	Inside / outside The Kingdom	Legal entity	Previous company name	Inside / outside the Kingdom	Legal entity
Saudi Arabian Masafi Company - Board Member (Chairman of the Audit Committee - Member of the Investment Committee Member of the Nominations and Remuneration Committee	Inside	Public Joint Stock			
- Tabuk Agricultural Development Company - Board Member Member of the Nominations and Remuneration Committee	Inside	Public Joint Stock			
Afaq Food Company - Member of the Nominations and Remuneration Committee	Inside	Public Joint Stock			
Thamar Development Holding Company - Board Member	Inside	Public Joint Stock			
Tourism Enterprises Company (Shams) Member of the Audit Committee	Inside	Public Joint Stock			



**Members of the Nomination and Remuneration Committee from outside the members of the Board of Directors**

**Mr. Fahd bin Abdullah Ali Al Samih**

Member of the Nominations and Remuneration Committee

**Position at "Shams" Company**

◀ Member of the Nominations and Remuneration Committee.

**Experience and current positions:**

◀ 2019 - 2024: Tabuk Agricultural Development Company - CEO, Member of the Executive Committee

**Qualifications:**

◀ Bachelor of Chemistry - King Saud University

**The name of the company in which he is a member of the board of directors in the current or previous period, or one of its directors:**

Current company name	Inside / outside The Kingdom	Legal entity	Previous company name	Inside / outside the Kingdom	Legal entity
Tabuk Agricultural Development Company	Inside	Public Joint Stock			
Tourism Enterprises Company (Shams)	Inside	Public Joint Stock			

## Eng. Abdullah bin Omar bin Abdulaziz Al-Suwailem

Vice Chairman of the Board of Directors - Managing Director - Chief Executive Officer



### Previous positions

- ◀ **2000 - 2007**  
administrator manager, vice General Manager -Saudi Japanese Company.
- ◀ **1992 - 1993**  
investment management Al Mawarid Holding Company.
- ◀ **1990- 1992**  
Territorial Administration (inventory). Saudi American Bank.

### Experience and current positions:

- ◀ 2025: CEO/ Managing Director/Representative of the Tourism Enterprises Company at the Capital Market Authority, the Saudi Stock Exchange "Tadawul" and the Depository Center -Tourism Enterprises Company (Shams)

### Position at "Shams" Company

- ◀ Vice Chairman of the Board of Directors
- ◀ Managing Director
- ◀ Chief Executive Officer

### Qualifications:

- ◀ Master's degree: International Management University of Bridgeport, USA
- ◀ Bachelor's degree: Management Engineering University of Bridgeport, USA

### Membership of committees

#### at Shams Company:

- ◀ Member of the Development and Investment Committee

**Executive Management - Senior Executives and Company Representatives at the Capital Market Authority and Tadawul**

## **Mr. Mohammed bin Saleh Al-Shtiw**

**Vice Chief Executive Officer - Secretary of the Board of Directors**



### **Previous positions:**

- ◀ Director of Marketing at the Touristic Enterprises Company from 2010 to 2011.
- ◀ Director of Human Resources at the Tourism Enterprises Company from 2011 to 2013.
- ◀ Director of Administrative Affairs at the Tourism Enterprises Company from 2013 to 2015.
- ◀ Executive Vice President of Tourism Enterprises Company 2018 to date.

### **Experience and current positions:**

- ◀ Executive Vice President.
- ◀ Secretary of the Board of Directors and the committees emanating from the Board.
- ◀ The representative of the company at the Capital Market Authority and the Saudi Stock Exchange (Tadawul) from 2012 AD to date

### **Qualifications:**

- ◀ Bachelor of Business Administration

## Professor / Muhammad bin Mahmoud bin Jalal Al-Hajri

Financial Manager



### Previous positions:

- ◀ 2017: Financial Controller, Al Fahad Investment Company.
- ◀ 2018-2020: Finance Manager, Millennium Makkah Al Naseem Hotel.
- ◀ 2020-2022: Finance Manager, Mövenpick Hotel.
- ◀ 2022-2024: Group Finance Manager for several hotels and resorts - Egypt.

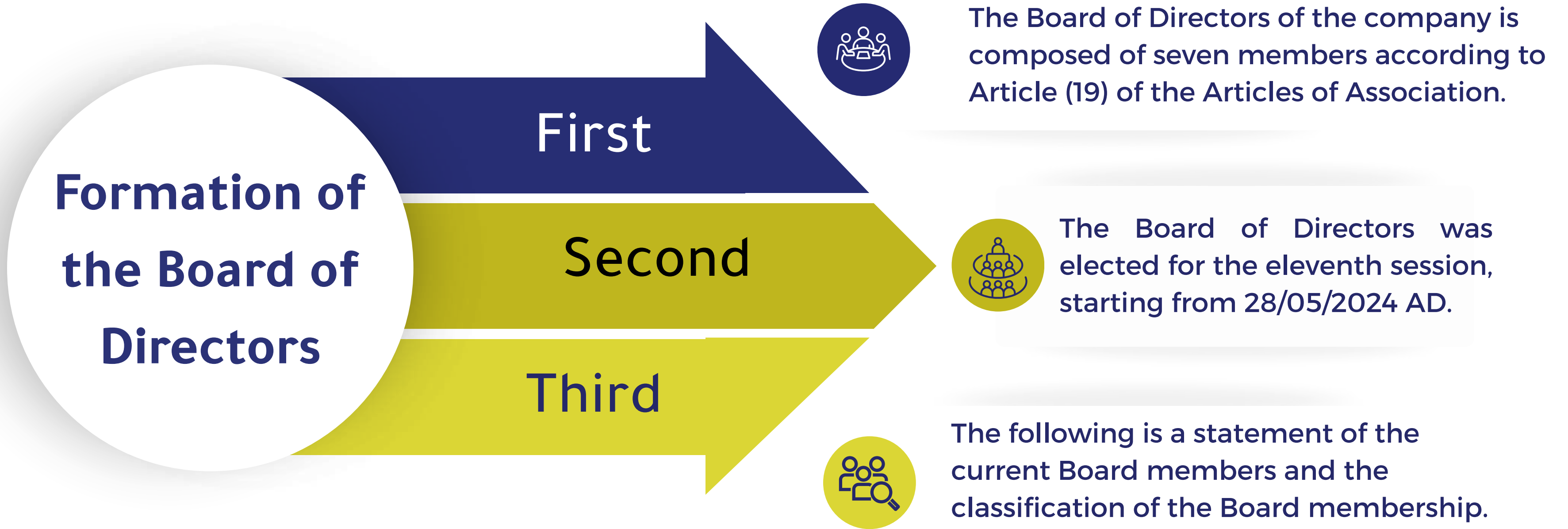
### Experience and current positions:

- ◀ Financial Manager - Tourism Projects Company (Shams).

### Qualifications:

- ◀ 1992: Bachelor of Commerce - Cairo University.
- ◀ 1997: Membership in Accounting and Auditing - Egyptian Society of Accountants and Auditors.
- ◀ 1997: Certified Public Accountant from the Egyptian Society of Accountants and Auditors.

## 04) The Formation of the Board of Directors and the classification of its members:



### The Formation of the Board of Directors and the classification of its members

N	Name	Position	Membership Status
1	Mr. Khalid bin Abdulaziz Al-Buwardi	Chairman of the Board of Directors	Independent
2	Eng. Abdullah bin Omar bin Abdulaziz AlSuwailem	Vice-Chairman of the Board of Directors - Managing Director Chairman of the Development and Investment Committee Chief Executive Officer	Executive
3	Mr. Rashid bin Suleiman Al Rasheed	Member of the Board of Directors Chairman of the Audit Committee	Independent
4	Dr. Wael bin Saad Al Rashid	Member of the Board of Directors - Chairman of the Nominations and Remuneration Committee	Independent
5	Mr. Badr bin Hamad Al-Qadi	Member of the Board of Directors	Independent
6	Mr. Wael bin Abdulrahman Al-Bassam	Member of the Board of Directors	Independent
7	Mr. Ziad bin Ibrahim Al-Afaleq	Member of the Board of Directors	Independent

Secretary of the Board of Directors: Mr. Mohammed bin Saleh Al-Shtiwi

### Classification of Board Members Based On:



## 5) The actions taken by the Board of Directors are briefed to its members; Especially non-executives, taking note of the shareholders' suggestions and observations regarding the company and its performance.

### First

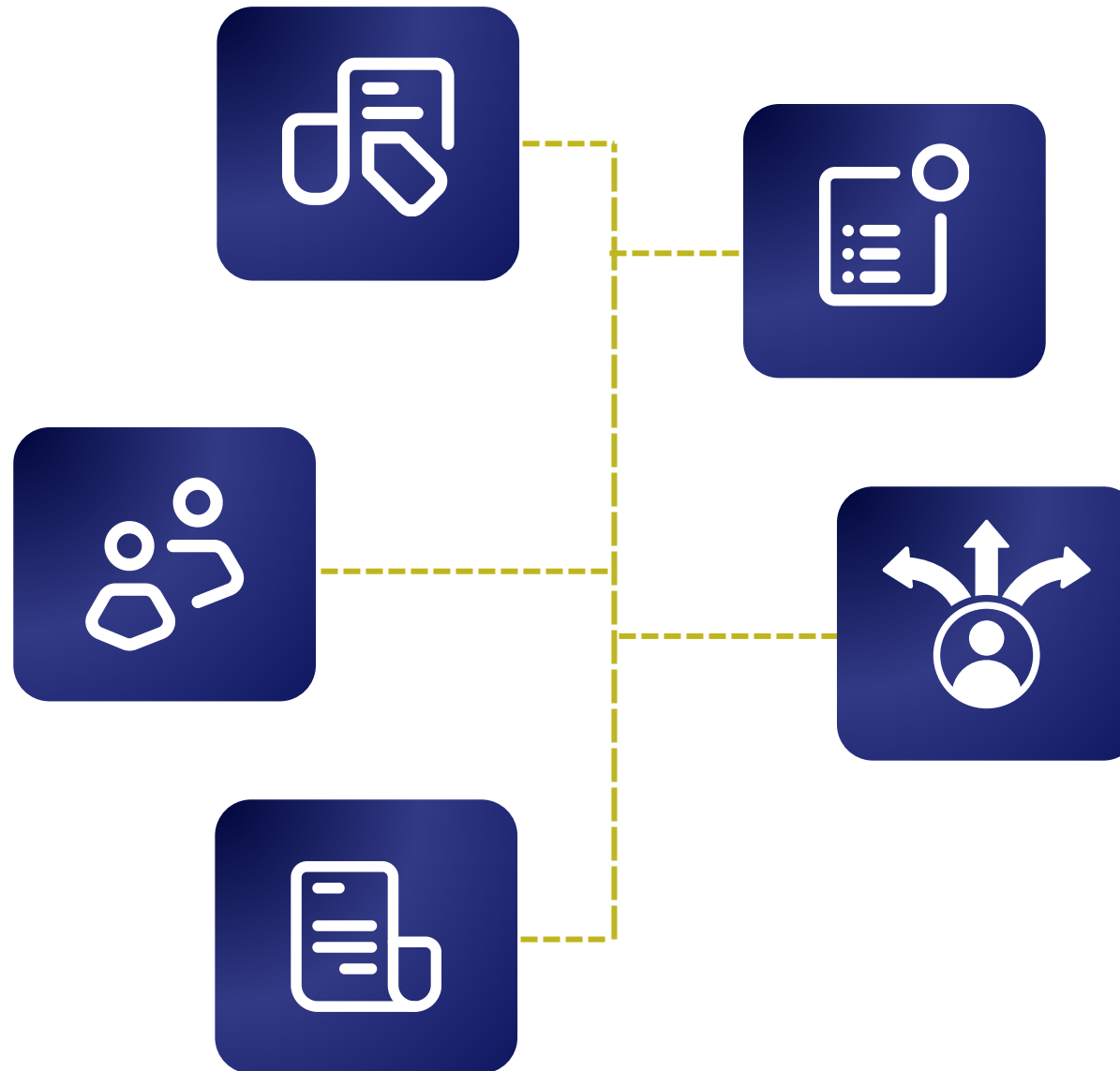
The Governance Department was responsible for communicating with investors through various channels, including phone calls and email. It received a number of inquiries, suggestions, comments, and complaints, which were addressed and responded to within the limits of regulatory disclosure and in accordance with what was published and disclosed on the Saudi Stock Exchange (Tadawul) website. Accordingly, the Board of Directors was aware of the opinions and comments received from investors during 2025.

### Second

Shareholders' questions during 2025 focused on the company's future directions and plans, in addition to their interest in investing in the SEDCO Capital - Ajdan Fairmont Fund.

### Third

The Board of Directors is committed to following up on shareholder comments and inquiries. These were reviewed and discussed during the Board meeting held in December 2025, reflecting the Board's interest in shareholder opinions regarding announcements published on the Saudi Stock Exchange (Tadawul) website.



### Fourth

The company encourages its shareholders to actively participate in general assembly meetings, where they are given the opportunity to directly voice their opinions and inquiries. The Board of Directors listens to and responds to these questions and comments, documenting them in the meeting minutes and taking them into consideration.

### Fifth

Shareholder suggestions and comments regarding the company's performance and activities are circulated to all members of the Board of Directors, both executive and non-executive, ensuring that shareholders' views are fully considered and supporting the decision-making process.

**6) BRIEF DESCRIPTION OF THE FUNCTIONS AND TASKS OF THE COMMITTEES, STATEMENTS OF THE NAMES OF THE COMMITTEES AND THEIR CHAIRMAN, MEMBERS, NUMBER OF MEETINGS AND DATES OF HOLDING THE SAME AND STATEMENTS OF ATTENDANCE OF BY THE MEMBERS AT EACH MEETING:**

**(01) DEVELOPMENT AND INVESTMENT COMMITTEE:**

THE DEVELOPMENT AND INVESTMENT COMMITTEE (FOR THE ELEVENTH SESSION) AS OF 28/05/2024 AD - 27/05/2028

<b>N</b>	<b>Name</b>	<b>Position</b>
<b>1</b>	<b>Abdullah bin Omar Al-Suwailem</b>	Chairman
<b>2</b>	<b>Khalid bin Abdulaziz Al-Buwardi</b>	Member
<b>3</b>	<b>Badr bin Hamad Al-Qadi</b>	Member

Secretary of the Board of Directors Mr. Mohammed bin Saleh Al-Shtiwi

**6) BRIEF DESCRIPTION OF THE FUNCTIONS AND TASKS OF THE COMMITTEES, STATEMENTS OF THE NAMES OF THE COMMITTEES AND THEIR CHAIRMAN, MEMBERS, NUMBER OF MEETINGS AND DATES OF HOLDING THE SAME AND STATEMENTS OF ATTENDANCE OF BY THE MEMBERS AT EACH MEETING:**

**TERMS OF REFERENCE AND RESPONSIBILITIES OF THE COMMITTEE**

**With regard to the company's financial planning and dividend policy**

- 1- Prepare and review recommendations to the Board of Directors regarding annual and long-term financial objectives and strategies, as well as related performance indicators.
- 2- Review important financial matters of the company and its subsidiaries, such as matters related to the company's capital, the company's credit rating, cash flows, borrowing activities, and investment deposits.
- 3- Prepare and review recommendations submitted to the Board of Directors regarding the company's dividend policy and how to implement it.
- 4- Periodically review actual capital expenditures and review them with previously approved budgets.

**With regard to investment activities the committee shall:**

- 1- Assist the Board of Directors in carrying out its tasks related to reviewing investment policies and standards.
- 2- Study investment opportunities and their compatibility with the company's strategy.
- 3- Search for investment opportunities with the highest returns, including but not limited to (contracting to manage local stock portfolios - purchasing units in local stock funds - purchasing units in real estate funds - entering into subscriptions in new companies and initial public offerings - purchasing and selling real estate .... etc.).

**With regard to the company's strategy and objectives, the committee shall:**

- 1- Review the company's strategic planning procedures and processes.
- 2- Ensure that the company's strategic plans have been translated into actual actions and work aimed at achieving the company's objectives.
- 3- Review the company's estimated operating and capital budget before submitting it to the Board of Directors, which represents part of the company's plans and submit recommendations to the Board regarding it.
- 4- Review the Board's recommendations regarding the distribution of the company's resources aimed at achieving consistency between the company's strategic plans and its long-term operational objectives.
- 5- Periodically review the company's strategic plans and its subsidiaries and operational objectives to ensure their consistency with the company's mission and objectives.

### **With regard to existing and future investments**

1- Follow up and evaluate the company's existing and future investments and supervise advisory work related to the committee's work.

### **With regard to the company's operational priorities**

1- the committee shall review and prepare recommendations to the Board of Directors regarding strategic decisions related to operational priorities, including expansion into new markets and countries or exit from current markets and countries.

### **With regard to evaluating the company's long-term productivity**

1- productivity and the effectiveness of its operations, the committee shall review and prepare recommendations to the Board of Directors regarding strategic decisions related to opportunities before the company that aim to improve the quality of the products and services provided by the company and rationalize the costs related thereto.

### **With regard to the committee's work**

1- he committee submits a periodic report on its work at each meeting of the Board of Directors and informs the Board of Directors in the event of the existence or emergence of any conflict of interest as a result of the decisions taken by the committee.

### **With regard to performance**

1- Monitor the performance of executive management and senior management and submit recommendations in this regard.

### **With regard to approval**

1- Approve the company's work policies and procedures and recommend submitting them to the Board of Directors.

### **With regard to amendments to items**

1- The committee approves amendments to budget items and final approval of capital expenditure items according to the committee's powers stipulated in the financial and administrative powers table.

**6) Brief Description of the Functions and Tasks of the Committees, Statements of the Names of the Committees and their Chairman, Members, Number of Meetings and Dates of Holding the Same and Statements of Attendance of by the Members at each Meeting:**

**DEVELOPMENT AND INVESTMENT COMMITTEE MEETINGS (FOR THE ELEVENTH SESSION)  
DURING THE PERIOD FROM 01/01/2025 TO 31/12/2025:**

N	Name	position	Meeting	
			1	2
			2025/09/08	2025/12/31
1	Abdullah bin Omar Al-Suwailem	chairman	✓	✓
2	Khalid bin Abdulaziz Al-Buwardi	member	✓	✓
3	Badr bin Hamad Al-Qadi	member	✓	✓

**6) Brief Description of the Functions and Tasks of the Committees, Statements of the Names of the Committees and their Chairman, Members, Number of Meetings and Dates of Holding the Same and Statements of Attendance of by the Members at each Meeting:**

**(02) AUDIT COMMITTEE:**

THE AUDIT COMMITTEE FOR THE ELEVENTH SESSION OF THE BOARD OF DIRECTORS WAS FORMED ON 28/05/2024 AD AND ENDS ON 27/05/2028 AD, AND WAS FORMED OF THE FOLLOWING GENTLEMEN:

N	name	Position
1	Rashid bin Suleiman Al-Rasheed	Chairman
2	Ziad bin Ibrahim Al-Afaleq	Member
3	Saad bin Saud Al-Tayyar	External Member
4	Yasser bin Suleiman Al-Aqil	External Member

Secretary of the Audit Committee Mohammed bin Saleh Al-Shtiwi

**6) Brief Description of the Functions and Tasks of the Committees, Statements of the Names of the Committees and their Chairman, Members, Number of Meetings and Dates of Holding the Same and Statements of Attendance of by the Members at each Meeting:**

## **FUNCTIONS AND RESPONSIBILITIES OF THE COMMITTEE:**



### **Accounts auditor**

- 1- Recommending to the Board of Directors to nominate auditors, dismiss them, determine their fees, and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of contracting with them.
- 2- Verifying the independence, objectivity and fairness of the auditor, and the effectiveness of the audit work, taking into account the relevant rules and standards.
- 3- Reviewing the company's auditor's plan and work, verifying that he does not submit technical or administrative work that falls outside the scope of audit work, and expressing his views on that.
- 4- Answering the company's auditor's inquiries.
- 5- Studying the auditor's report and his comments on the financial statements and following up on what was taken regarding them.



### **Financial Reports**

- 1- To study the Company's initial and Annual Financial Reports before raising the same to the Board of Directors and to express its opinion and give recommendations in that regard in order to ensure such reports' honesty, fairness and transparency.
- 2- To express a technical opinion, upon the Board of Directors request, whether the Board of Director's report and the Company's Financial Statements are fair, balanced, and understandable, and include such information as may be necessary to enable the Shareholders and investors to evaluate the Company's financial position, performance, work method and strategy.
- 3- To study any important unfamiliar issues involved in the Financial Reports.
- 4- To study carefully any issues raised by the Company's Financial Manager or whomever undertaking his job, or the compliance officer in charge at the Company or the Auditor To verify the accounting estimates affecting material issues contained in the Financial Reports.
- 5-To study the accounting policies followed at the Company and to express the opinion and recommendations to the Board of Directors in that regard.



## **Ensuring compliance**

- 1- Reviewing the results of the regulatory authorities' reports and verifying that the company has taken the necessary measures in this regard.
- 2- Verifying the company's compliance with relevant laws, regulations, policies and instructions.
- 3- Reviewing the contracts and transactions proposed to be conducted by the company with related parties and submitting its views in this regard to the Board of Directors.
- 4- Raising the issues it deems necessary to take action on to the Board of Directors and making recommendations for the actions to be taken.



## **Internal audit**

- 1- Study and review the company's internal and financial control and risk management systems.
- 2- Study internal audit reports and follow up on the implementation of corrective measures for the observations contained therein.
- 3- Monitoring and supervising the performance and activities of the internal auditor and the internal audit department in the company - if any - to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to them. If the company does not have an internal auditor, the committee must submit its recommendation to the Board regarding the need to appoint one.
- 4- Recommending to the Board of Directors to appoint the director of the internal audit unit or department or the internal auditor and proposing his remuneration.

**6) Brief Description of the Functions and Tasks of the Committees, Statements of the Names of the Committees and their Chairman, Members, Number of Meetings and Dates of Holding the Same and Statements of Attendance of by the Members at each Meeting:**

## **POWERS OF THE COMMITTEE:**

THE COMMITTEE SHALL HAVE THE FOLLOWING POWERS:

- 1) TO REQUEST FROM THE MEMBERS OF THE BOARD OF DIRECTORS, EXECUTIVE MANAGERS AND OTHER OFFICERS IN CHARGE OF THE COMPANY TO PROVIDE IT WITH DOCUMENTS, RECORDS, REPORTS, CLARIFICATIONS, AND ANY OTHER APPROPRIATE INFORMATION.
- 2) TO CALL THE EXECUTIVE MANAGERS, OFFICERS IN CHARGE, AND EMPLOYEES AT THE COMPANY TO MEETINGS OF THE COMMITTEE TO ANSWER SUCH INQUIRIES AS MAY BE RAISED BY THE COMMITTEE.
- 3) TO REQUEST THE BOARD OF DIRECTORS TO CALL THE COMPANY'S GENERAL ASSEMBLY FOR A MEETING IF THE BOARD OF DIRECTORS OBSTRUCTS ITS OPERATION OR IF THE COMPANY IS EXPOSED TO SUBSTANTIAL DAMAGE OR LOSSES.
- 4) TO SEEK THE ASSISTANCE OF EXPERTS, ADVISORS AND PROFESSIONALS FROM OUTSIDE THE COMPANY WHEN PERFORMING ITS TASKS.
- 5) TO CARRY OUT ANY DUTIES ASSIGNED THERETO BY THE BOARD OF DIRECTORS WITHIN THE LIMITS OF THE COMMITTEE'S POWERS.
- 6) TO CARRY OUT A REVIEW AND EVALUATION OF THE PROVISIONS OF THE REGULATIONS AND TO PREPARE RECOMMENDATIONS FOR THE BOARD OF DIRECTORS REGARDING AMENDING ANY PART THEREOF IF CIRCUMSTANCES SO REQUIRE.
- 7) TO PREPARE QUARTERLY REPORTS FOR THE BOARD OF DIRECTORS ON A PERIODIC BASIS, AND THE COMMITTEE SHALL SUBMIT SUCH REPORTS TO THE BOARD OF DIRECTORS IMMEDIATELY UPON CONCLUDING THE MEETING OF THE COMMITTEE.
- 8) TO DETERMINE THE MONTHLY SALARIES, BONUSES AND OTHER REMUNERATION OF THE INTERNAL REVIEW DEPARTMENT OR THE INTERNAL AUDITOR IN COMPLIANCE WITH THE COMPANY'S INTERNAL CHARTERS AS APPROVED BY THE BOARD OF DIRECTORS.

**6) Brief Description of the Functions and Tasks of the Committees, Statements of the Names of the Committees and their Chairman, Members, Number of Meetings and Dates of Holding the Same and Statements of Attendance of by the Members at each Meeting:**

**AUDIT COMMITTEE MEETINGS (FOR THE ELEVENTH SESSION) DURING THE PERIOD FROM 01/01/2025 AD TO 31/12/2025 AD:**

N	Name	position							
			1	2	3	4	5	6	7
			2025/ 03/ 25	2025/ 05/ 14	2025/ 06/ 01	2025/ 07/ 20	2025/ 07/ 31	2025/ 10/ 29	2025/ 11/ 11
1	Rashid bin Suleiman AlRasheed	chairman	✓	✓	✓	✓	✓	✓	✓
2	Ziad bin Ibrahim Al-Afaleq	member	✓	✓	✓	✓	✓	✓	✓
3	Saad bin Saud Al-Tayyar	member	✓	✓	✓	✓	✓	✓	✓
4	Yasser bin Suleiman Al-Aqil	member	✓	✓	✓	✓	✓	✓	✓

**6) Brief Description of the Functions and Tasks of the Committees, Statements of the Names of the Committees and their Chairman, Members, Number of Meetings and Dates of Holding the Same and Statements of Attendance of by the Members at each Meeting:**

### **(03) NOMINATIONS AND REMUNERATIONS COMMITTEE**

THE NOMINATIONS AND REMUNERATION COMMITTEE, DURING THE ELEVENTH SESSION THAT BEGAN ON 28/05/2024 AD, CONSISTS OF:

<b>N</b>	<b>Name</b>	<b>position</b>
<b>1</b>	<b>Wael bin Saad Al Rashid</b>	<b>chairman</b>
<b>2</b>	<b>Rashid bin Suleiman Al Rashid</b>	<b>member</b>
<b>3</b>	<b>Wael bin Abdulrahman Al Bassam</b>	<b>member</b>
<b>4</b>	<b>Yasser bin Suleiman Al-Aqil</b>	<b>External Member</b>

SECRETARY OF THE NOMINATIONS AND REMUNERATIONS COMMITTEE: MOHAMMED BIN SALEH AL-SHTEIWI

**6) Brief Description of the Functions and Tasks of the Committees, Statements of the Names of the Committees and their Chairman, Members, Number of Meetings and Dates of Holding the Same and Statements of Attendance of by the Members at each Meeting:**

## **FUNCTIONS AND RESPONSIBILITIES OF THE COMMITTEE:**

### **1- Competences related to nominations:**

- To propose clear policies and criteria of the membership of the Board of Directors and Executive Management.
  - To recommend to the Board of Directors nomination and re- nomination of its members pursuant to the approved policies and criteria, taking into consideration that there shall not be nominated any person convicted in a crime affecting honesty.
  - To prepare a description of the capabilities and qualifications required for the membership of the Board of Directors and occupying Executive Management positions.
  - To Determine the time that should be devoted by a member to the activities of the Board of Directors.
  - To carry out an annual review of the required needs of skills or appropriate experience for the membership of the Board of Directors and the Executive Management positions.
  - To review the structure of the Board of Directors and the Executive Management and to present recommendations in connection with any changes that should be made.
  - To amend the starting date of the Board of directors' term in a way that make the Board responsible for the fiscal year and avoiding any overlap between two Boards Directors, provided that such amendment to the term shall not extend the term for more than two months or decrease it for two months.
  - To determine the corresponding between the Board term to be in connection with the appointment of the Audit Committee for the Audit Committee power to be valid in approving the annual financial statements.
- subsequent to the start date of the council session - and presenting them to the subsequent council for approval.
- To verify annually the independence of the independent members and the non-existence of any conflict of interest if

## **6) Brief Description of the Functions and Tasks of the Committees, Statements of the Names of the Committees and their Chairman, Members, Number of Meetings and Dates of Holding the Same and Statements of Attendance of by the Members at each Meeting:**

- Raising all the decisions of the previous council - in the event that any decision was taken during an extension period subsequent to the start date of the council session - and presenting them to the subsequent council for approval.
  - To verify annually the independence of the independent members and the non-existence of any conflict of interest if the member acts as member of the Board of Directors of another Company.
  - To set a job description for the executive and non-executive members, independent members, and senior executive officers.
  - To set up the special procedures in case the office of a member of the Board of Directors or a senior executive officer becomes vacant.
- To determine the points of weakness and strength at the Board of Directors, and to propose solutions for handling the same in accordance with the Company's interest.

### **2- Functions relating to Remuneration:**

-To prepare a clear policy for the remuneration of the members of the Board of Directors, the Committees thereof, and the Executive Management, and to raise such policy to the Board of Directors to consider it in preparation for having it approved by the General Assembly, provided that, in such policy, there shall be observed the following performance-related criteria, disclosing the same and verifying the implementation thereof. The remuneration policy shall be prepared without prejudice to the provisions of the Companies Regulations, the Capital Market Law, and the Implementing Rules thereof, so that it shall satisfy and include the following:

Functions relating to Remuneration:

**6) Brief Description of the Functions and Tasks of the Committees, Statements of the Names of the Committees and their Chairman, Members, Number of Meetings and Dates of Holding the Same and Statements of Attendance of by the Members at each Meeting:**

- A) IT SHALL BE COMPLIANT WITH THE COMPANY'S STRATEGY AND OBJECTIVES.
- B) REMUNERATION SHALL BE GIVEN IN ORDER TO URGE THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT TO REALIZE THE COMPANY'S SUCCESS AND IMPROVEMENT IN THE LONG-TERM, E.G.: THE POLICY SHALL LINK THE VARIABLE PART OF THE REMUNERATION TO PERFORMANCE IN THE LONG-TERM.
- C) IT SHALL DETERMINE THE REMUNERATION BASED ON THE OFFICE LEVEL, THE TASKS AND RESPONSIBILITIES TO BE BORNE BY THE MEMBER, THE EDUCATIONAL QUALIFICATIONS, THE PRACTICAL EXPERIENCE, SKILLS AND PERFORMANCE LEVEL.
- D) THE POLICY SHALL BE CONSISTENT WITH THE RISKS VOLUME, NATURE AND LEVEL OF THE COMPANY.
- E) THE POLICY SHALL CONSIDER THE PRACTICES OF OTHER COMPANIES AS TO DETERMINING THE REMUNERATION, WHILE AVOIDING ANY UNNECESSARY INCREASE IN THE REMUNERATION AND REMUNERATION.
- F) THE POLICY SHALL TARGET ATTRACTING, MAINTAINING, AND ENCOURAGING PROFESSIONAL EFFICIENT MEMBERS, WITHOUT EXAGGERATION.
- G) THE POLICY SHALL CONSIDER THE REMUNERATION PROVIDED FOR UNDER THE CONTRACTS OF THE SENIOR EXECUTIVE OFFICERS WHEN CONCLUDING NEW APPOINTMENTS.
- H) THE POLICY SHALL HANDLE SUSPENSION OR RECOVERY OF REMUNERATION ALREADY PAID IF IT IS FOUND THAT IT HAS BEEN DECIDED BASED ON INACCURATE INFORMATION PROVIDED BY A MEMBER OF THE BOARD OF DIRECTORS OR THE EXECUTIVE MANAGEMENT, TO PREVENT MAKING USE OF THE JOB POSITION TO GAIN UNDUE REMUNERATION.
- I) THE POLICY SHALL REGULATE GRANTING SHARES IN THE COMPANY TO THE MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT, WHETHER UNDER NEW ISSUES OR IN THE FORM OF SHARES PURCHASED BY THE COMPANY.
- J) TO CLARIFY THE LINK BETWEEN THE REMUNERATION SO GRANTED AND THE REMUNERATION POLICY IN FORCE, AND TO CLARIFY ANY MAJOR DEVIATION FROM SUCH POLICY.
- K) TO CARRY OUT A PERIODIC REVIEW OF THE REMUNERATION POLICY AND TO EVALUATE HOW IT IS EFFECTIVE IN REALIZING THE OBJECTIVES THEREOF.
- L) TO RECOMMEND TO THE BOARD OF DIRECTORS THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS, THE COMMITTEES THEREOF, AND THE SENIOR EXECUTIVE OFFICERS AT THE COMPANY BASED ON THE APPROVED POLICY.

**6) Brief Description of the Functions and Tasks of the Committees, Statements of the Names of the Committees and their Chairman, Members, Number of Meetings and Dates of Holding the Same and Statements of Attendance of by the Members at each Meeting:**

Nominations and Remuneration Committee meetings (for the eleventh session) during the period from 01/01/2025 AD to 31/12/2025 AD:

N	Name	position	Meeting			
			1	2	3	4
			2025/04/27	2025/05/26	2025/09/15	2025/12/23
1	Wael bin Saad Al Rashid	chairman	✓	✓	✓	✓
2	Rashid bin Suleiman Al Rashid	member	✓	✓	✓	✓
3	Wael bin Abdulrahman Al Bassam	member	✓	✓	✓	✓
4	Fahd bin Abdullah Al Samih	member	✓	✓	✓	✓

**(7) MEANS RELIED UPON BY THE BOARD OF DIRECTORS TO EVALUATE ITS PERFORMANCE AND THE PERFORMANCE OF ITS COMMITTEES AND MEMBERS, AND THE EXTERNAL BODY UNDERTAKING THE EVALUATION, AND ITS RELATIONSHIP WITH THE COMPANY:**

**(1) UNTIL THE DATE OF THIS REPORT, THE BOARD OF DIRECTORS RELIES ON INTERNAL FORMS FOR EVALUATING THE MEMBERS OF THE BOARD AND ALL COMMITTEES EMANATING FROM THE BOARD UNTIL THE NOMINATIONS AND REMUNERATION COMMITTEE FINISHES PREPARING A PROGRAM AND EVALUATION FORMS.**

**(2) THERE IS NO EXTERNAL PARTY THAT PERFORMS THE EVALUATION, AND THE COMPANY BELIEVES THAT THERE IS NO NEED AT THE PRESENT TIME TO SEEK THE HELP OF AN EXTERNAL PARTY, ESPECIALLY SINCE ALL MEMBERS OF THE NOMINATIONS AND REMUNERATIONS COMMITTEE ARE INDEPENDENT MEMBERS.**

**(3) THE NOMINATIONS AND REMUNERATIONS COMMITTEE SUBMITS TO THE BOARD OF DIRECTORS THE STANDARDS AND POLICIES FOR DISBURSING ANNUAL REMUNERATIONS TO MEMBERS OF THE BOARD IN ACCORDANCE WITH THE POLICY OF REMUNERATION FOR MEMBERS OF THE BOARD OF DIRECTORS, ITS COMMITTEES AND THE EXECUTIVE MANAGEMENT APPROVED BY THE GENERAL ASSEMBLY OF THE COMPANY ON 1/8/2021 AD, AND THE RESULTS OF THE ANNUAL EVALUATION ARE ATTACHED TO IT.**

**THE NOMINATIONS COMMITTEE FOLLOWS UP THE PERFORMANCE OF THE BOARD AND THE COMMITTEES ACCORDING TO THE FOLLOWING MECHANISM:**

- ✓ ENSURING THAT THE DESCRIPTION OF THE CAPABILITIES AND QUALIFICATIONS REQUIRED FOR MEMBERSHIP OF THE BOARD OF DIRECTORS AND FILLING EXECUTIVE MANAGEMENT POSITIONS IS MATCHED.**
- ✓ ENSURE THAT THE TIME THAT THE MEMBER IS REQUIRED TO DEVOTE TO THE WORK OF THE BOARD OF DIRECTORS.**

**(7) MEANS RELIED UPON BY THE BOARD OF DIRECTORS TO EVALUATE ITS PERFORMANCE AND THE PERFORMANCE OF ITS COMMITTEES AND MEMBERS, AND THE EXTERNAL BODY UNDERTAKING THE EVALUATION, AND ITS RELATIONSHIP WITH THE COMPANY:**

- ✓ ANNUAL REVIEW OF THE NECESSARY SKILLS OR EXPERIENCE REQUIREMENTS FOR BOARD MEMBERSHIP AND EXECUTIVE MANAGEMENT POSITIONS.
- ✓ REVIEWING THE STRUCTURE OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT AND MAKING RECOMMENDATIONS REGARDING CHANGES THAT CAN BE MADE.
- ✓ VERIFYING ANNUALLY THE INDEPENDENCE OF THE INDEPENDENT MEMBERS, AND THE ABSENCE OF ANY CONFLICT OF INTEREST IF THE MEMBER IS A MEMBER OF THE BOARD OF DIRECTORS OF ANOTHER COMPANY.
- ✓ DEVELOP JOB DESCRIPTIONS FOR EXECUTIVE MEMBERS, NON-EXECUTIVE MEMBERS, INDEPENDENT MEMBERS AND SENIOR EXECUTIVES.
- ✓ DEVELOPING SPECIAL PROCEDURES IN THE EVENT OF A VACANCY IN THE POSITION OF A MEMBER OF THE BOARD OF DIRECTORS OR A SENIOR EXECUTIVE.
- ✓ IDENTIFYING STRENGTHS AND WEAKNESSES IN THE BOARD OF DIRECTORS AND PROPOSING SOLUTIONS TO ADDRESS THEM IN LINE WITH THE COMPANY'S INTEREST.
- ✓ ENSURE THAT THE FORMATION OF THE COMMITTEES MATCHES THE REQUIREMENTS OF THE CORPORATE GOVERNANCE REGULATIONS IN TERMS OF MEMBERSHIP CLASSIFICATION AND NUMBER OF MEMBERS.
- ✓ ENSURE THAT EACH COMMITTEE CARRIES OUT THE TASKS ENTRUSTED TO IT AND SET OUT IN THE CORPORATE GOVERNANCE REGULATIONS, THE COMPANIES' SYSTEM, AND THE IMPLEMENTATION PROCEDURES FOR THEM.

**(8) Disclosure of the remuneration of members of the Board of Directors and Executive Management in accordance with what is stipulated in Article (90) of the Corporate Governance Regulations.**

## **8-1 DISCLOSURE OF THE REMUNERATION POLICY**

Remuneration policy for members of the Board of Directors, its committees, and members of executive management Tourism Enterprises Company (Shams)

### **Article One: Preface**

- This policy has been prepared based on the recommendation of the Remuneration and Nominations Committee to comply with the provisions contained in the Corporate Governance Regulations and the regulations, decisions and instructions issued by the Board of the Capital Market Authority, considering the provisions of the Company's Articles of Association and all regulations and instructions issued by other relevant regulatory authorities.
- This policy aims to define clear and fair standards for the remuneration of members of the Board of Directors, its committees and senior executives in light of the requirements of the Companies Law and the rules and regulations of the Capital Market Authority, and to attract individuals with appropriate competence and experience, motivate them and keep them in order to work in the Board of Directors, committees and executive management, taking into account the activity of the company and the skill necessary to manage it. This contributes to improving the company's performance and achieving the interests of its shareholders.

**(8) Disclosure of the remuneration of members of the Board of Directors and Executive Management in accordance with what is stipulated in Article (90) of the Corporate Governance Regulations.**

## **Article Two: Remunerations criteria and controls**

- The remunerations shall be fair and commensurate with the member's competencies, business and responsibilities undertaken and borne by the members of the Board of Directors, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year and based on a recommendation from the Nominations and Remunerations Committee.
- Compatibility of the remunerations with the company's strategy and objectives and with the size, nature and degree of risks it has, and to urge the members of the Board of Directors, members of the committees and the executive management to make the company successful and its development in the long term.
- The remuneration shall be determined based on the job level, the tasks, the responsibilities assigned to the employees, the educational qualifications, the practical experience, the skills and the level of performance.
- Taking into consideration the practices of other companies and what is prevalent in the labour market in determining remunerations, while avoiding the unjustified rise in remuneration that may result.
- The remunerations for the members of the Board of Directors and members of the committees may be of varying amounts, reflecting the member's experience, competencies, tasks entrusted to him, his independence, the number of sessions he attends, and other considerations.
- A member of the Board of Directors and any of the members of the committees shall be entitled to annual remuneration if he attends 75% of the total number of meetings of the Board of Directors / annual committee meetings.

**(8) Disclosure of the remuneration of members of the Board of Directors and Executive Management in accordance with what is stipulated in Article (90) of the Corporate Governance Regulations.**

- The member shall be entitled to remuneration from the date of joining the board or committee according to the term of his membership.
- In the event that the remuneration defined for the members of the Board is a percentage of the profits, the relevant provisions contained in the Companies Law and the bylaws, decisions and instructions issued by the Board of the Capital Market Authority and other regulatory bodies shall be taken into consideration, provided that the entitlement to this remuneration shall be proportional to the number of sessions attended by the member, and every estimate is to the contrary shall be deemed as invalid.
- The remuneration for the independent board members shall not be a percentage of the profits achieved by the company or be based directly or indirectly on the company's profitability, in order to preserve the independence of their decisions and ensure it is not linked to the amount of the remuneration.
- In the event of developing a program for granting shares in the company to the executive management and its employees, whether it is a new issue or shares purchased by the company, this shall be done under the supervision of the Nominations and Remunerations Committee and in accordance with the company's articles of association and the relevant Capital Market Authority regulations and systems and in accordance with the share grant plan approved by the extraordinary General Assembly.
- The remuneration shall be based on correct information provided by the member or the executive management, and in the event otherwise, and that the remuneration is decided based on incorrect information, the remuneration will be suspended and refunded to prevent the exploitation of the job position to obtain undeserved remunerations.

**(8) Disclosure of the remuneration of members of the Board of Directors and Executive Management in accordance with what is stipulated in Article (90) of the Corporate Governance Regulations.**

### **Article three: remunerations for the board of directors' members**

- The remuneration for the members of the Board of Directors for the work of the Board shall consist of a certain amount, allowance for attending the sessions, expenses allowance, benefits in kind, or a percentage of profits. It is also permissible to combine two or more of these bonuses and benefits, in accordance with the provisions contained in the Companies Law. The Corporate Government Regulations and the rules and standards set by the Capital Market Authority in this regard.
- The remuneration for the members of the board shall be as follows:
  - Allowance for attending meetings of the Board of Directors is an amount of (5000) riyals for each member for each meeting and the secretary of the Board. The company shall bear the travel and accommodation expenses for members from outside the city of Dammam.
  - An annual remuneration for the Chairman of the Board of (150000) one hundred and fifty thousand Saudi riyals, which is due to the Chairman of the Board when he attends 75% of the Board of Directors' meetings.
  - An annual remuneration for a board member of (100,000) one hundred thousand Saudi riyals, which is due to a board member when the member attends 75% of the board of directors' meetings.
- The annual remuneration and the attendance allowance for the Board of Directors' meetings shall be paid as specified in these regulations, except for the remunerations related to profits, the amount of which shall be approved by the General Assembly, in a manner that does not conflict with the provisions of the company's articles of association and Article (76) of the Companies Law.

**In all cases, the total sum of the remunerations and financial or in-kind benefits received by a member of the Board of Directors shall not exceed (500,000) five hundred thousand Saudi riyals in accordance with the regulations set by the relevant competent authorities. A member of the Board of Directors shall not be entitled to vote on the remuneration for the members of the Board at the meeting of the General Assembly, in order not to prejudice the independence of the decision issued by the General Assembly of the company regarding the item of remuneration for the members of the Board.**

**(8) Disclosure of the remuneration of members of the Board of Directors and Executive Management in accordance with what is stipulated in Article (90) of the Corporate Governance Regulations.**

#### **Article four: remunerations for the board chairman\ the vice-chairman**

Upon the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, it may

- Grant the Chairman of the Board a monthly remuneration of 10,000 riyals in addition to the remuneration prescribed for the members of the Board.
- Grant the Vice Chairman of the Board a monthly remuneration of 5000 riyals in addition to the remuneration determined for the members of the Board.

#### **Article Five: Remuneration for technical, administrative, and advisory work**

Based on the recommendation of the Nominations and Remunerations Committee and the approval of the Board of Directors, a member of the Board may get sums in return for the technical, administrative, or advisory work assigned to him, in addition to the remuneration determined for the members of the Board of Directors.

#### **Article six: Remunerations for the committee members**

1- Members of the Nomination and Remuneration Committee

- The allowance for attending the meetings of the committee is (3000) Saudi riyals for each member and the secretary of the committee for each meeting.  
The company shall bear the travel and accommodation expenses for members from outside the city of Dammam.
- An annual remuneration for the head of the committee of (150,000) one hundred and fifty thousand Saudi riyals, and it shall be due to the head of the committee when he attends 75% of the committee's meetings.

## **(8) Disclosure of the remuneration of members of the Board of Directors and Executive Management in accordance with what is stipulated in Article (90) of the Corporate Governance Regulations.**

- An annual remuneration for a committee member of (100,000) one hundred thousand Saudi riyals, which shall be due to a committee member when he attends 75% of the committee's meetings.

### ● Auditing Committee members

- The allowance for attending the meetings of the committee is (3000) Saudi riyals for each member and the secretary of the committee for each meeting. The company shall bear the travel and accommodation expenses for members from outside the city of Dammam.
- An annual remuneration for the committee chairman of (150000) one hundred and fifty thousand Saudi riyals, which shall be due to the committee chairman when he attends 75% of the committee's meetings.
- An annual remuneration for a committee member of (100,000) one hundred thousand Saudi riyals, which shall be due to a committee member when he attends 75% of the committee's meetings.

### ● Investment Committee members

- An allowance for attending meetings, an amount of (3000) Saudi riyals for each member and the secretary of the committee for each meeting. The company shall bear the travel and accommodation expenses for members from outside the city of Dammam.
- An annual remuneration for the chairman of the committee shall be (150000) one hundred and fifty thousand Saudi riyals, and it shall be due to the committee chairman when he attends 75% of the committee's meetings.
- An annual remuneration for a committee member shall be (100,000) one hundred thousand Saudi riyals, which shall be entitled to a committee member when he attends 75% of the committee's meetings.

## **(8) Disclosure of the remuneration of members of the Board of Directors and Executive Management in accordance with what is stipulated in Article (90) of the Corporate Governance Regulations.**

### Other committees.

- When other committees emanating from the Board of Directors are created other than what is mentioned in this regulation, the nature and amount of their members' remunerations from the Board of Directors shall be determined and approved in their formation resolution based on the recommendation of the Nominations and Remunerations Committee, and such remunerations shall be disposed of as specified in this regulation.

### Remuneration for the annual committee members, except for the audit committee

- The provisions contained in the above items shall be determined on the remuneration of committee members from outside the Board of Directors participating in the work of the committees emanating from the Board of Directors.

### Remuneration for members from outside the Board.

- The provisions contained in the above items apply to the remuneration of members of committees outside the Board of Directors who participate in the work of committees emanating from the Board of Directors.

## **Article Seven: Remunerations of the executive management**

The Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, shall depend on:

- The number of remunerations for senior executives according to the planned target of the company.
- The remuneration specified in the work contracts of senior executives or those related to performance indicators and evaluation.
- The nature and amount of remuneration for the efforts exerted (extraordinary / seasonal) for senior executives that contribute to achieving the company's goals.

## **(8) Disclosure of the remuneration of members of the Board of Directors and Executive Management in accordance with what is stipulated in Article (90) of the Corporate Governance Regulations.**

In all cases, the remuneration for executives and senior executives shall include the following:

- Monthly basic salary.
- other allowances such as housing allowance, transportation allowance and telephone allowance. o Medical and work-related injuries and disability insurance.
- in addition, incentive plans and programs related to performance indicators shall be developed according to the annual evaluation.

provided that these plans and programs are approved by the Remuneration and Nominations Committee, and the managing director of the company shall be responsible for implementing the policy of remuneration for the executives and senior executives.

### **Article Eight: Disbursement of remunerations and benefits**

- ⦿ All remunerations and benefits shall be disbursed by the competent department in accordance with the disbursement mechanism followed in the company after it has been determined and approved by the Board of Directors, except for the remuneration for a member of the Board associated with a percentage of the profits, which shall be disbursed after approval by the General Assembly.
- ⦿ Remunerations and benefits may be disbursed in monthly, quarterly, or annual payments

### **Article Nine: Disclosure of Remunerations**

The report delivered by the Board of Directors to the Ordinary General Assembly about the remunerations shall be disclosed in accordance with the provisions contained in the Companies Law and the regulations, decisions and instructions issued by the Board of the Capital Market Authority, taking into account the provisions of the company's articles of association and all the rules, regulations and instructions issued by other relevant supervisory authorities, so that the Board of Directors' report to the Ordinary General Assembly shall include a comprehensive statement of all that the Board

## **(8) Disclosure of the remuneration of members of the Board of Directors and Executive Management in accordance with what is stipulated in Article (90) of the Corporate Governance Regulations.**

members obtained in their capacity as employees or administrators, or what they received in return for technical or administrative work or consultancy, and it shall also include a statement of the number of Board sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.

### **Article 10: Verification the implementation of the remuneration policy**

The CEO shall submit a semi-annual report to the Nomination and Remuneration Committee that includes the amount and types of remunerations that have been disbursed during the fiscal year for examining them and verifying the implementation of the approved policy.

### **Article Eleven: Suspension of the remuneration's disbursement and their redemption**

The Nominations and Remunerations Committee shall recommend to the Board of Directors to stop the payment of remuneration or to claim their refund in the following cases:

- Failure to carry out responsibilities and duties, which would result in harm to the company's interests.
- If it turns out that the remunerations were decided based on inaccurate information that was presented to the General Assembly or included in the annual report of the Board of Directors, to prevent the exploitation of the job position to obtain an undue remuneration.
- If the General Assembly decides to terminate the membership of a member of the Board of Directors due to his failure to attend three consecutive meetings of the Board without a legitimate excuse. In this case, the member shall not be entitled to any remuneration for the period following the last meeting he attended, and he shall return all the remunerations that were paid to him for that period.

### **Twelve: Publication and Enforcement**

- This policy shall be effective from the date of its approval by the General Assembly.

**(8) Disclosure of the remuneration of members of the Board of Directors and Executive Management in accordance with what is stipulated in Article (90) of the Corporate Governance Regulations.**

- This regulation shall be published on the company's website to enable shareholders, the public and stakeholders to view its provisions. The Nominations and Remunerations Committee shall be responsible for periodic review of this policy and assessment of its effectiveness in achieving its objectives in motivating senior executives and attracting qualified and experienced individuals, and it shall be amended – as needed - based on the Board's recommendation, provided that any amendment thereto is presented to the General Assembly at its first meeting for approval.

## **2-8 RELATION BETWEEN THE REMUNERATION SO GRANTED AND THE APPLICABLE REMUNERATION POLICY, AND STATEMENT OF ANY MAJOR DEVIATION FROM SUCH POLICY:**

Shams company shall comply with the remuneration policy in accordance with the laws and regulations, and ensure that there is no deviation from this policy as stated in the paid remuneration schedule in paragraph 3-8 below:

## **3-8 REMUNERATIONS PAID TO MEMBERS OF THE BOARD OF DIRECTORS, MEMBERS OF COMMITTEES AND SENIOR EXECUTIVES:**

# Bonuses and allowances for members of the Board of Directors for the tenth session from 01/01/2025 – 31/12/2025:

All amounts are in riyals

	A certain bonus amount for the Chairman and members of the Council.	Instead of attending council sessions	Fixed remuneration						Variable remuneration						End of services bonus	Grand Total	Expenses
			Committee Chairmanship and Membership Bonus	Total allowance for attending committee sessions	What the members of the Council receive in return for work as workers or administrators or in return for technical or administrative consultations	Special bonus for the Chairman of the Board of Directors; Managing Director and Secretary	Benefits in kind	Total	percentage of profits	Periodic bonuses	Short-term incentive plans	Long-term incentive plans	Granted Shares (Value)	Total			
<b>First: Independent Members</b>																	
Khaled bin Abdulaziz Al-Buwardi	150,000	20,000	100,000	6,000	-	-	-	276,000	-	-	-	-	-	-	-	276,000	-
Rashid bin Suleiman Al-Rashid	100,000	20,000	250,000	33,000	-	-	-	403,000	-	-	-	-	-	-	-	403,000	-
Wael bin Saad Al-Rashid	100,000	20,000	150,000	12,000	-	-	-	282,000	-	-	-	-	-	-	-	282,000	-
Badr bin Hamad Al-Qadi	100,000	20,000	100,000	6,000	-	-	-	226,000	-	-	-	-	-	-	-	226,000	-
Wael bin Abdulrahman Al-Bassam	100,000	20,000	100,000	12,000	-	-	-	232,000	-	-	-	-	-	-	-	232,000	-
Ziad bin Ibrahim Al-Afaleq	100,000	15,000	100,000	12,000	-	-	-	236,000	-	-	-	-	-	-	-	236,000	-
<b>Total</b>	<b>650,000</b>	<b>115,000</b>	<b>800,000</b>	<b>90,000</b>	-	-	-	<b>1,655,000</b>	-	-	-	-	-	-	-	<b>1,655,000</b>	-
<b>Second: Non-Executive Members</b>																	
none																	
<b>Third: Executive Members</b>																	
Abdulla bin Omar AlSuwailem	100,000	20,000	150,000	6,000	-	-	-	276,000	-	-	-	-	-	-	-	276,000	-
<b>Total</b>	<b>100,000</b>	<b>20,000</b>	<b>150,000</b>	<b>6,000</b>	-	-	-	<b>276,000</b>	-	-	-	-	-	-	-	<b>276,000</b>	-

## **Notes:**

1. Managing Director – executive member – dedicated to managing the company, and accordingly, the salary and benefits of the job were included among the senior executives by virtue of the position he holds.
2. The Board of Directors decided, in accordance with the powers granted to it by the General Assembly, and according to the remuneration policy approved by the Assembly, to pay a remuneration to the members of the Board of Directors at the rate of one hundred thousand riyals (according to the due period) for each member for the fiscal year 2025 AD out of the original amount of the remuneration stipulated in accordance with Article Three of the Remuneration Policy. Members of the Board of Directors and its committees, and members of the executive management of the company, which is determined by a periodic reward of one hundred thousand riyals.

Rewards and allowances for committee members for the tenth session from 01/01/2025 AD to 31/12/2025 AD:

Name	Fixed remuneration except Attending Meetings) Allowance	attending meetings allowance	Expenses	Total
<b>Members of the audit committee</b>				
Rashid Suleiman Al Rashid	150,000	21,000		171,000
Ziad Ibrahim Al Afaleq	100,000	21,000	–	121,000
Saad Saud Al Tayyar	100,000	21,000	–	121,000
Yasser Suleiman Al Aqeel	100,000	21,000	–	121,000
<b>Total</b>	<b>450,000</b>	<b>84,000</b>	<b>–</b>	<b>534,000</b>
<b>Nomination and Remuneration Committee members</b>				
Wael Saad Al Rashid	150,000	12,000	–	162,000
Rashid Suleiman Al Rashid	100,000	12,000	–	112,000
Wael Abdulrahman Albassam	100,000	12,000	–	112,000
Fahd Abdullah Al Samih	100,000	12,000	–	112,000
<b>Total</b>	<b>450,000</b>	<b>48,000</b>	<b>–</b>	<b>498,000</b>
<b>Development and Investment Committee Members</b>				
Abdullah Omar Al-Suwaillem	150,000	6,000	–	156,000
Badr Hamad Al-Qadi	100,000	6,000	–	106,000
Khaled Abdulaziz Al-Buwardi	100,000	6,000	–	106,000
<b>Total</b>	<b>350,000</b>	<b>18,000</b>	<b>–</b>	<b>368,000</b>

## 2) Remuneration for senior executives during the period from 01/01/2025 to 31/12/2025:

	Variable rewards						Fixed rewards				End of Services Reward	Grand total	expenses
	Salaries	Allowances	Benefits	Total	Periodic bonuses	Profits	Short-term incentive plans	long-term incentive plans	Granted Shares is (inserted)	Total			
Senior Executives: (Managing Director, Chief Executive Officer, Executive Vice President and Chief Financial Officer)	2,346,678	884,329	-	3,231,007	-	-	-	-	-	-	-	3,231,007	-
total	2,346,678	884,329	-	3,231,007	-	-	-	-	-	-	-	3,231,007	-

(9) Any punishment, penalty, precautionary measure or standby restriction imposed on the Company by the Authority or any other supervisory, regulatory or judicial body, and statement of the reasons of violation and the body imposing the penalty, together with the means of rectification and avoiding occurring of the same in future.

**There are no penalties or sanctions imposed on Shams Company during the year of 2025:**

Fine amount in riyals	reasons for the violation	issuing authority	ways to address and prevent future occurrences
15000	Failure to disclose accommodation fees	Ministry of Municipalities and Housing	The violation was appealed, and a preliminary ruling was obtained canceling the fine.
20000	Failure to disclose accommodation fees	Ministry of Municipalities and Housing	The violation was appealed, and a preliminary ruling was obtained canceling the fine.
3750	Failure to complete licensing requirements	Ministry of Municipalities and Housing	Completion of all required documents and regulatory obligations
3000	Failure to comply with kitchen operating requirements	Ministry of Municipalities and Housing	Contracting with a qualified operator and ensuring compliance with all requirements
2000	Lack of a health practitioner card for employees	Ministry of Municipalities and Housing	Appointment of a qualified operator who meets all licensing and regulatory requirements
90000	Operating the business without a tourism license	Ministry of Tourism	Issuance of the official tourism license
25000	Note regarding field inspector visit procedures	Ministry of Municipalities and Housing	The circumstances of the incident were explained to the competent authority, and it was clarified that what happened was beyond the establishment's control. Emphasis was placed on strengthening internal organizational mechanisms to ensure the smooth operation of inspectors in the future.

## (10) Results of the Annual Review of the Effectiveness of the Internal Control Procedures at the Company, in addition to the Opinion of the Review Committee as to the Efficiency of the Internal Control System at the Company:

### FIRST: BASES OF INTERNAL CONTROL AND APPLICATION OF THE CONTROL SYSTEM WITHIN THE COMPANY:

In the basic functions of the Board of Directors stated by the Corporate Governance regulation and the Company's corporate governance related to the internal control system, the Board of Directors has adopted the provisions of the Company's corporate governance in accordance with the related laws and regulations, establish clear standards of responsibilities in all executive levels.

And in accordance with the provisions of the Companies Law, the Company's Bylaws, and the Company's corporate governance include the responsibilities of the Audit Committee. The Audit Committee shall review all the Company's activities and ensure the integrity of all reports, financial statements, and internal control systems. The Audit Committee shall follow up and review the financial reports, internal audit, auditors, and the compliance systems.

In this context, the previous and current Audit Committee did not see, up to the date of issuing such resolution, a need for the Internal Audit Department or the appointment of an internal auditor, which will be applied whenever it is an important requirement and considering the expansion of the company's activities and investments.

#### **Reviewing the implementation of the internal control system:**

The Audit Committee also performs periodic tasks - within the framework of the tasks and powers entrusted to it stipulated in the Corporate Governance Regulations and the Governance System approved by the General Assembly - according to the following principles:

- Study the accounting policies followed in the company and express an opinion and recommendation to the Board of Directors regarding them.
- Verifying accounting estimates on material matters contained in financial reports.
- Study and review the company's internal control, financial and risk management systems.
- Verifying the company's compliance with relevant laws, regulations, policies, and instructions.
- Reviewing the contracts and transactions proposed to be conducted by the company with related parties and presenting its views regarding that to the Board of Directors.

**(10)** Results of the Annual Review of the Effectiveness of the Internal Control Procedures at the Company, in addition to the Opinion of the Review Committee as to the Efficiency of the Internal Control System at the Company.

## **SECOND: THE AUDIT COMMITTEE'S OPINION ON THE ADEQUACY OF THE COMPANY'S INTERNAL CONTROL SYSTEM AS OF 31/12/2025:**

The Audit Committee reviewed the procedures of the internal control system included in the corporate governance system, within the limits of the planned and defined tasks and works that were approved and tested by the members of the Audit Committee. After discussions with the external auditor and executive management on the quarterly and annual business results for the year 2025 AD, the Audit Committee can provide reasonable assurance regarding the internal control systems in the company.

The Audit Committee did not find anything that should be referred to, or that would indicate the existence of any weakness or fundamental defect in the systems and policies of the internal control system. However, it is not possible to provide absolute confirmation of the effectiveness of any system and its policies for control and internal audit to a degree of complete reliability.

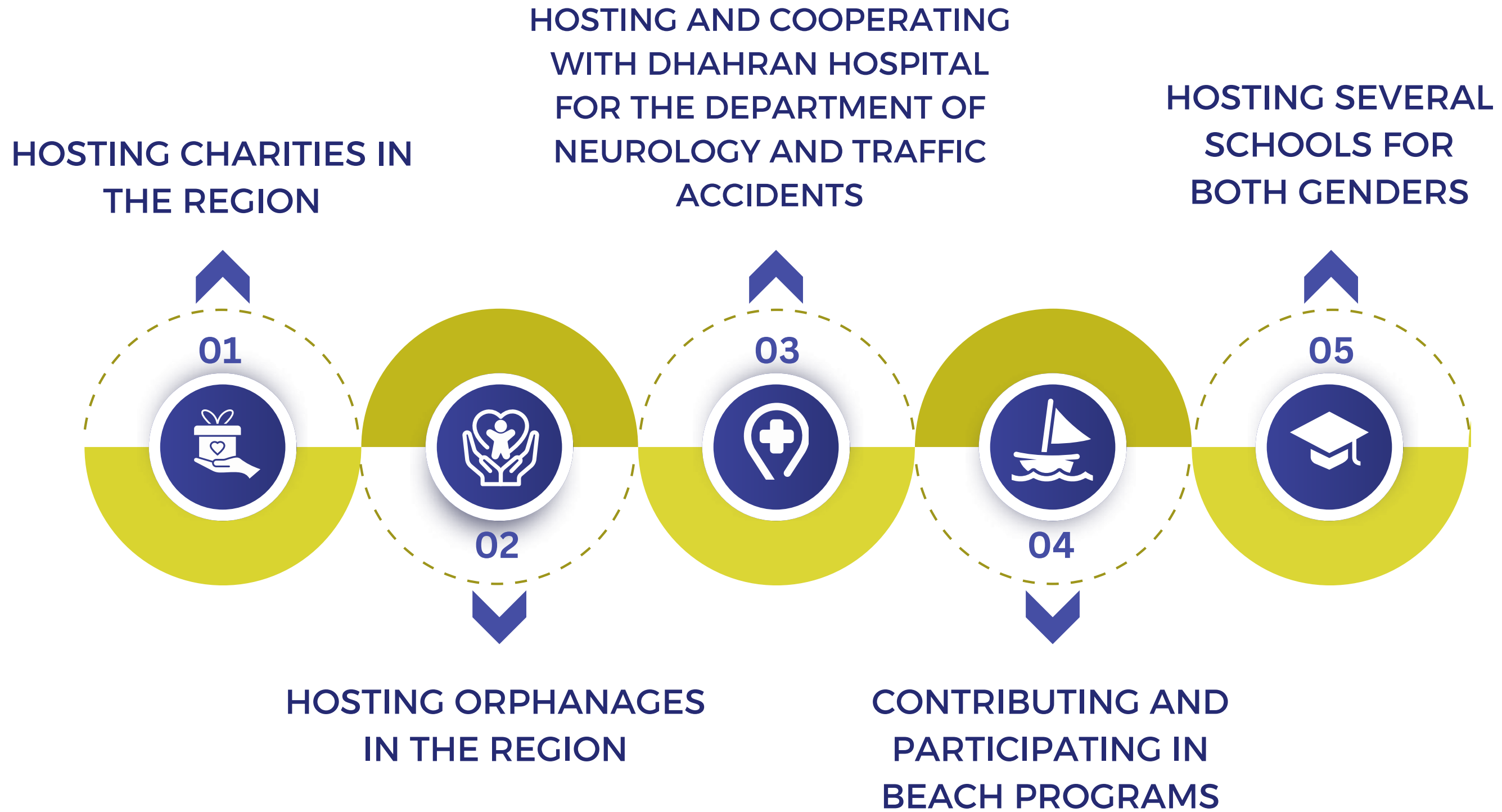
**(11)** The Audit Committee's recommendation to appoint an internal auditor in the company if it recommended his appointment during the last fiscal year.

- An internal auditor was appointed for the company according to the recommendation of the Audit Committee with the company's future expansions and projects.
- The annual summary was presented by the internal auditor to the Audit Committee and the Board and reviewed.

**(12)** The recommendations of the Audit Committee between which there is a conflict with the decisions of the Board of Directors or which the Board refused to take into account regarding appointing the company's auditor, dismissing him, determining his fees, evaluating his performance, or appointing the internal auditor, and the justifications for those recommendations and the reasons for not taking them into account.

-There is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors.

### (13) Details of social contributions



**(14) A STATEMENT OF THE DATES OF THE GENERAL ASSEMBLIES OF SHAREHOLDERS HELD DURING THE FISCAL YEAR 2025, AND THE NAMES OF THE SHAREHOLDERS MEMBERS OF THE BOARD OF DIRECTORS ATTENDING THESE ASSEMBLIES:**

**THE GENERAL ASSEMBLY MEETINGS OF SHAMS COMPANY DURING THE YEAR 2025**

N	Name	position	meeting 1	meeting 2	meeting 3
			Ordinary General Assembly 2025/06/22 AD	Extraordinary General Assembly 2025/09/18 AD	Extraordinary General Assembly 2025/10/16 AD
1	Mr. Khalid bin Abdulaziz Al-Buwardi	Chairman of Board of Directors	✓	✓	✓
2	Eng. Abdullah bin Omar Al-Suwailem	Vice Chairman Managing Director	✓	✓	✓
3	Mr. Rashid bin Suleiman Al-Rashid	Member of the Board of Directors	✓	✓	✓
4	Dr. Wael bin Saad Al-Rashid	Member of the Board of Directors	✓	✓	✓
5	Mr. Badr bin Hamad Al-Qadi	Member of the Board of Directors	✓	✓	✓
6	Mr. Wael bin Abdulrahman Al-Bassam	Member of the Board of Directors	✓	✓	✓
7	Mr. Ziad bin Ibrahim Al-Afaleq	Member of the Board of Directors	✓	✓	✓

**(15) A DESCRIPTION OF THE MAIN TYPES OF ACTIVITY OF THE COMPANY AND ITS SUBSIDIARIES. IF TWO OR MORE TYPES OF ACTIVITY ARE DESCRIBED, A STATEMENT MUST BE ATTACHED TO EACH ACTIVITY AND ITS IMPACT ON THE VOLUME OF THE COMPANY'S BUSINESS AND ITS CONTRIBUTION TO THE RESULTS:**

Summary of the main activities of the company:

The company's activities as of 31/12/2025 AD include operating the Palm Beach Resort and its recreational facilities, as well as real estate investment for the residential tower owned by the company, consisting of showrooms and residential apartments, in line with the company's objectives, which include:

1. Establishing and managing owned or rented resorts and tourist facilities, including chalets, motels, hotels, parks, restaurants, entertainment parks, sports stadiums, swimming pools, rest houses, service stations, central markets, and all services required by tourist resorts.
2. Establishing and managing yacht harbors and boat docks, and owning or renting yachts and boats for tourism purposes and maritime transport between the Kingdom's ports or the ports of neighboring countries.
3. Diving management.
4. Trading in fishing and sea tools and equipment, providing training on their use, holding competitions, obtaining commercial agencies from tourism companies, and organizing tourism activities inside and outside the Kingdom.
5. Manufacturing industries.
6. Administrative and support services, including managing gas stations and managing maintenance and operational activities in buildings and related facilities.
7. Medical services and the establishment of medical and emergency centers and hospitals by ownership or lease.
8. Real estate activities, including the management and leasing of owned or rented residential and non-residential properties.
9. Wholesale and retail trade, as well as the repair of motor vehicles and motorcycles.

**(15) A DESCRIPTION OF THE MAIN TYPES OF ACTIVITY OF THE COMPANY AND ITS SUBSIDIARIES. IF TWO OR MORE TYPES OF ACTIVITY ARE DESCRIBED, A STATEMENT MUST BE ATTACHED TO EACH ACTIVITY AND ITS IMPACT ON THE VOLUME OF THE COMPANY’S BUSINESS AND ITS CONTRIBUTION TO THE RESULTS:**

10. Accommodation and food services, including hotel management and ownership activities.

11. Transportation and storage.

12. Information technology activities.

The company conducts its activities in accordance with applicable regulations and after obtaining the necessary licenses from the competent authorities, where required.

N	Statement	Activity Revenues	
		Revenues	The Percentage
1	Palm Beach Resort	9,155,144	%37.8
2	Real Estate Investment	180,000	%0.7
3	Revenue Financial returns	14,870,945	%61.4
Total		24,206,089	%100

## **(16) Description of the Company's Important Plans and Decisions (including the Company's Structural Changes, Expansion of its Activities or Suspension of its Operations and Future Forecasts Affecting the Company's Works:**

### **FIRST: THE COMPANY'S FUTURE PLANS AND STRATEGY:**

**A-** SHAMS SEEKS TO DEVELOP THE COMPANY'S CURRENT STRATEGY AIMED AT FOCUSING AND EXPANDING IN THE DOMESTIC TOURISM SECTOR (RESORT TOURISM AND MARINE TOURISM).

**B-** SHAMS PLANS TO PARTNER WITH LOCAL COMPANIES IN TOURISM TO EXPAND THE SCOPE OF OPERATIONS, LEAD IN THIS GROWING SECTOR, AND INCREASE THE COMPANY'S REVENUES.

**C-** SHAMS ENJOYS EXTENSIVE EXPERIENCE THAT ENABLES THE COMPANY TO ACHIEVE OPERATIONAL EFFICIENCY AND CONTINUOUSLY DEVELOP ITS CAPABILITIES IN THE FIELD OF DOMESTIC TOURISM. THE COMPANY ALSO AIMS TO INCREASE ITS SHARE IN LOCAL MARKETS AND ENHANCE ITS FINANCIAL RESULTS IN THE INTEREST OF ITS SHAREHOLDERS AND THE NATIONAL ECONOMY.

**D-** TO ACHIEVE THE OBJECTIVES OF ITS STRATEGY, SHAMS CONTINUALLY FOCUSES ON RESEARCH AND DEVELOPMENT ACTIVITIES, WHICH REPRESENT THE CORNERSTONE OF DEVELOPMENT AND ENHANCE ITS REPUTATION IN THE MARKET.

**E-** SHAMS ALSO SEEKS TO DEVELOP ITS EXISTING RESORT AND INFRASTRUCTURE TO KEEP PACE WITH THE LATEST DEVELOPMENTS IN THE TOURISM SECTOR, CREATING NEW JOB OPPORTUNITIES AND ACHIEVING THE HIGHEST PERCENTAGE OF JOB LOCALIZATION, AND BECOMING ONE OF THE LEADING COMPANIES IN ITS FIELD.

**F-** SHAMS' POLICIES IN DEALING WITH ITS EMPLOYEES, CUSTOMERS, AND SUPPLIERS ARE THE PRIMARY FACTOR BEHIND ITS SUCCESS. THESE TRANSACTIONS ARE BASED ON THE PRINCIPLES OF TRANSPARENCY, HONESTY, MUTUAL INTEREST, TEAMWORK, PROFESSIONAL CONDUCT, AND OTHER FUNDAMENTAL PILLARS UPON WHICH THE COMPANY'S STRATEGIC GOALS, PLANS, AND FUTURE EXPECTATIONS ARE BUILT.

**G-** SHAMS COMPANY DEVELOPS ITS INTERNAL ADMINISTRATIVE SYSTEMS AND TECHNOLOGY PROGRAMS AND STRENGTHENS GOVERNANCE SYSTEMS TO RAISE THE LEVEL OF CONTROL, ACHIEVE TRANSPARENCY, ENSURE THE ABSENCE OF CONFLICTS OF INTEREST, PRESERVE RIGHTS, ENHANCE WORK EFFICIENCY, SUSTAINABILITY AND CONTINUITY, AND STRENGTHEN CONFIDENCE BETWEEN THE BOARD OF DIRECTORS, STAKEHOLDERS, SHAREHOLDERS, AND INVESTORS.

**(16) Description of the Company's Important Plans and Decisions (including the Company's Structural Changes, Expansion of its Activities or Suspension of its Operations and Future Forecasts Affecting the Company's Works:**

## **SECOND: IMPORTANT DECISIONS AND FUTURE EXPECTATIONS:**

- A. FOLLOW UP ON THE COMPANY'S INVESTMENT IN THE SEDCO AJDAN FAIRMONT FUND, WHICH AIMS TO DEVELOP A FIVE-STAR "FAIRMONT" HOTEL TO BE LOCATED IN THE CITY OF KHOBAR OVERLOOKING THE CORNICHE WATERFRONT IN THE AJDAN WATERFRONT PROJECT.
- B. SEARCHING FOR NEW INVESTMENT OPPORTUNITIES IN THE FIELD OF HOTEL AND HOSPITALITY AS PART OF THE COMPANY'S EXISTING ACTIVITY.
- C. ADDING INVESTMENT OPPORTUNITIES IN THE FIELD OF MARINE TOURISM.
- D. CONTINUOUS DEVELOPMENT OF INFRASTRUCTURE AND SUPPORT SERVICES.
- E. CONTINUING TO TAKE SEVERAL MEASURES TO REDUCE DIRECT AND INDIRECT COSTS.
- F. DEVELOPING INTERNAL CONTROL SYSTEMS AND PROCEDURES THROUGH STRENGTHENING INTERNAL AUDITING, COMPLIANCE, RISK MANAGEMENT, AND LEGAL AFFAIRS IN A WAY THAT ENHANCES THE ROLE OF GOVERNANCE IN THE COMPANY.

**(16) Description of the Company's Important Plans and Decisions (including the Company's Structural Changes, Expansion of its Activities or Suspension of its Operations and Future Forecasts Affecting the Company's Works:**

**THIRD: ASPECTS OF STRENGTH AND COMPETITIVE ADVANTAGES OF THE COMPANY:**

- 01 Strong opportunities to keep pace with economic and recreational growth
- 02 Long-term attractions for tourism and entertainment projects
- 03 Management team with extensive experience in event management
- 04 Diversifying tourism hotel, and resort businesses
- 05 Strong relations with major tourism companies inside and outside the Kingdom
- 06 Mutual benefit and interdependence between companies in the same field.
- 07 Using the latest entertainment and tourism programs and attracting visitors
- 08 Appropriate market share in the Eastern Region market
- 09 Long and stable relationships with clients and resort visitors
- 10 Government support for the development of domestic tourism
- 11 Providing government funding
- 12 The company's experience of more than 30 years in the sectors of tourism hospitality, and entertainment

**(17) Information related to any risks faced by the company (whether operational risks, financing risks or market risks) and the policy for managing and monitoring these risks.**

In light of the external circumstances and variables, and considering that Shams is a tourism investment company listed within the consumer services sector, the company's activity, financial position, results of operations and cash flows may be affected in a fundamentally negative way in the event of the occurrence or realization of any of the risks referred to in this report or the occurrence of any other risks that could not be determined, or which is considered immaterial, or if the latter has become a material risk.

The following are the types of risks that the company may face according to its operational operations and the nature of its activity, which include operational risks, financing risks, as well as market risks. The report also includes the company's management and control policy for those risks. The following are the risks related to the company's activities and operations.



## **RISKS RELATED TO THE INABILITY TO IMPLEMENT THE STRATEG**

The company's ability to increase its revenues and improve its profitability depends on the extent to which it successfully implements its business plans and achieves its strategy. This includes, but is not limited to, improving the current activities in which the company operates or entering new activities.

The company's ability to expand its business in the future also depends on its ability to continue implementing and improving operational and administrative information systems in an efficient and timely manner, as well as on its ability to increase, train, motivate, and maintain its workforce.

The company may not be able to increase its revenues according to its plans and within the appropriate timeframe, which may negatively affect the achievement of the company's plans, sales, and financial performance.

**(17)** Information related to any risks faced by the company (whether operational risks, financing risks or market risks) and the policy for managing and monitoring these risks.



## LIQUIDITY RELATED RISKS

LIQUIDITY RISK IS THE POSSIBILITY OF THE COMPANY'S INABILITY TO MEET ITS SHORT-TERM FINANCIAL OBLIGATIONS WHEN THEY FALL DUE. THE COMPANY'S SHORT-TERM OBLIGATIONS CONSIST OF ACCOUNTS PAYABLE, ACCRUED EXPENSES, LEASE OBLIGATIONS, AND ZAKAT DUES. THE COMPANY'S LIQUIDITY RATIO REACHED 10.3 TIMES, WHICH EXPRESSES THE COMPANY'S ABILITY TO MEET OBLIGATIONS AT A RATE EXCEEDING 10 TIMES THEIR VALUE.



## CREDIT-RELATED RISKS

CREDIT RISK ARISES WHEN ONE PARTY FAILS TO FULFILL A FINANCIAL OBLIGATION TO THE OTHER PARTY. THE COMPANY MAY FACE CREDIT RISK IN SEVERAL TEMPORARY OR PERMANENT CASES, INCLUDING THE EXISTENCE OF DEBIT BALANCES FROM CUSTOMERS, THE FAILURE OF OTHER PARTIES FROM THE DEBTOR TO FULFILL THEIR OBLIGATIONS TO THE COMPANY, AND OTHER CASES IN WHICH THE COMPANY IS EXPOSED TO CREDIT RISK. IF THE COMPANY'S CUSTOMERS ARE UNABLE TO PAY THEIR DEBTS, THIS WILL INCREASE THE POSSIBILITY OF AN INCREASE IN THE VALUE OF THE PROVISION FOR RECEIVABLES, WHICH AMOUNTED TO 83% ON DECEMBER 31, 2024. IN SUCH CASES, THE COMPANY WILL EITHER RESORT TO THE JUDICIARY OR WILL INCREASE THE VALUE OF THE PROVISIONS THAT IT MUST SET ASIDE TO COVER THE DECREASE IN THE VALUE OF RECEIVABLES. THIS MAY NEGATIVELY AFFECT THE COMPANY'S FINANCIAL PERFORMANCE.

**(17)** Information related to any risks faced by the company (whether operational risks, financing risks or market risks) and the policy for managing and monitoring these risks.



## RISKS RELATED TO RELIANCE ON KEY EMPLOYEES AND EXECUTIVE MANAGEMENT

Credit risk arises when one party fails to fulfill a financial obligation to the other party. The company may face credit risk in several temporary or permanent cases, including the existence of debit balances from customers, the failure of other parties from the debtor to fulfill their obligations to the company, and other cases in which the company is exposed to credit risk. If the company's customers are unable to pay their debts, this will increase the possibility of an increase in the value of the provision for receivables, which amounted to 83% on December 31, 2024. In such cases, the company will either resort to the judiciary or will increase the value of the provisions that it must set aside to cover the decrease in the value of receivables. This may negatively affect the company's financial performance.

**(17)** Information related to any risks faced by the company (whether operational risks, financing risks or market risks) and the policy for managing and monitoring these risks.



## RISKS RELATED TO OPERATING SYSTEMS AND INFORMATION TECHNOLOGY

The company relies on information technology systems to manage its business and facilities (such as the main information system) (System ERP) and electronic reservation systems, which exposes the company to the risks of disruption of these systems, such as system collapse, failure of protection systems, penetration of company systems, electronic viruses, natural disasters, fires, communication errors, or unavailability of skilled labor to operate and manage these systems. If the company fails to maintain and develop information technology systems, or in the event of any malfunctions in its functions, major malfunctions or frequent failures, this will negatively affect the company's business and its financial and operational results.



## RISKS RELATED TO THE PRESENCE OF THE COMPANY'S ASSETS ON LEASED LANDS

The terms of the lease contract are subject to the optimum utilization of the space on which the resort is located. The failure of the management to implement the lease clause may lead to the non-renewal of the contract at the expiry of the contract term, or if the company is unable to maintain the continuity of this contract or renew it, whether with the same current terms or preferential terms. This will adversely affect the company's business and the results of its operations.

**(17)** Information related to any risks faced by the company (whether operational risks, financing risks or market risks) and the policy for managing and monitoring these risks.



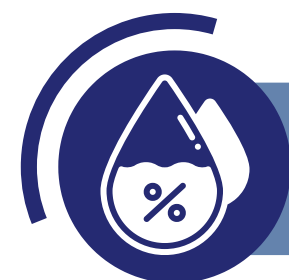
## RISKS RELATED TO THE ECONOMIC PERFORMANCE OF THE KINGDOM

The expected future performance of the company depends on several factors related to the economic conditions in the Kingdom in general, including, but not limited to, inflation rates, GDP growth, and average per capita income.

The Kingdom's macro and micro economy relies largely on oil and oil-related industries, which still account for a significant share of the gross domestic product. Therefore, any unfavorable fluctuations in oil prices may have a direct and fundamental impact on the Kingdom's economic plans and growth, as well as on government spending rates. This may negatively affect the company's financial performance, given that its operations are conducted within the Kingdom's economic system and are influenced by government spending levels.

The continued growth of the Kingdom's economy also depends on several additional factors, including sustained population growth and investments in infrastructure by both the public and private sectors. Accordingly, any negative change in these factors may have a significant impact on the economy.

**(17)** Information related to any risks faced by the company (whether operational risks, financing risks or market risks) and the policy for managing and monitoring these risks.



## RISKS RELATED TO SEASONAL FACTORS AND CLIMATIC CONDITIONS

The company's operational operations are affected by seasonal factors during the summer period, climatic conditions and vacation periods, and that climate change directly affects the increase or decrease in the number of visitors to the company's resorts, which may force the company to significantly reduce its prices to compete in the hospitality sector, whether with reductions in room rates or grants Free additional nights and free services to ensure targeted occupancy rates, which may negatively affect the company's business and results of operations.



## RISKS RELATED TO HEALTH AND SAFETY REQUIREMENTS

There are risks related to health and safety in the company's entertainment sector, as the company has recreational games that are considered exciting games, water games and various marine entertainment facilities, and there are risks associated with these games that may result in accidents or injuries, God forbid, in any of the company's entertainment sites. These accidents may cause a decrease in visits to the company's entertainment sites, in addition to subjecting the company to legal claims, which may have a negative and material impact on the company's future business. It is worth noting that the company's business is subject to supervision and inspection by the Civil Defense Department responsible for the safety aspects of public property, and by the Border Guard Department responsible for marine entertainment facilities. If the company violates any of the health and safety requirements for its entertainment sites, it will be subject to fines and legal action against it, which may negatively affect its results.

**(17)** Information related to any risks faced by the company (whether operational risks, financing risks or market risks) and the policy for managing and monitoring these risks.



## COMPETITION AND MARKET RISKS

Competition risks are represented by the possibility of the emergence of competitors with high competitive capabilities represented by the modernity and quality of their products, which negatively affects the company's share of the market, in addition to the possibility of the company's inability to keep up with this modernity, renewal and development as a result of the company's assets being located on rented land.



## FORCE MAJEURE RISKS

These are represented by the health and environmental risks surrounding the region, and regional or political conflicts that may affect tourism activity in the vicinity of the activity and the Middle East as a whole.

**(17)** Information related to any risks faced by the company (whether operational risks, financing risks or market risks) and the policy for managing and monitoring these risks.



## THE IMPACT OF THE INITIATIVE TO IMPROVE THE CONTRACTUAL RELATIONSHIP BETWEEN THE WORKER AND THE EMPLOYER:

During the month of November 2020, the Saudi Council of Ministers issued decrees indicating the work to abolish the sponsorship system and limit the relationship between the employer and the worker to the work contract, which defines the rights and duties between the two parties.” According to what was announced, the new rules, which entered into force on March 14 2021 and applies to all foreign workers in the private sector regardless of salaries, this may lead to the transfer of a number of technical and skilled workers (Saudi or non-Saudi) to other companies on the date of expiry of their contract without referring to the company’s management, and the company may not be able to replace (Saudi or non-Saudi) at the appropriate time, which may negatively affect the company’s production, sales and financial performance.

**(17)** Information related to any risks faced by the company (whether operational risks, financing risks or market risks) and the policy for managing and monitoring these risks.



## CLAIMS AND DISPUTES

While practicing its activities, the Group may be exposed to lawsuits and claims affecting its operations. The Company cannot guarantee the non-occurrence of disputes between it and other parties it deals with, such as suppliers, distributors, clients, and others. This may result in raising legal actions at competent courts. Therefore, the Group is exposed to claims at judicial and quasi-judicial committees. Naturally, the Company cannot expect the results of such claims once they occur; and the Company cannot guarantee that such claims shall have no substantial impact on its works, financial position, and results of operations. The company cannot accurately predict the size of the cost of the lawsuits, especially since a new system has been issued to start applying financial fees to be paid to the court upon filing the lawsuit, which shall be borne by the losing party, and through reconciliation will be borne equally by the two parties, which represents a fee of 5% of the value of the claim and a maximum of one million riyals, which will start to be applied as of March 13, 2022, and the company cannot be sure of the judicial proceedings which it may file, or which may be filed against it, nor the final results of such claims or the judgment that may be passed in connection therewith, as well as the compensation and penalties involved therein. Consequently, any negative results of such cases shall adversely impact the Company.

**(17)** Information related to any risks faced by the company (whether operational risks, financing risks or market risks) and the policy for managing and monitoring these risks.



## RISKS RELATED TO COVID-19 PANDEMIC

Since the world faced the pandemic of the novel coronavirus (COVID-19) during the first months of 2020, which had an impact on most countries of the world that closed upon itself, including applying home quarantine, banning movement, and stopping the appearances and activities of most businesses and companies, which created real crisis in various aspects of life. Despite the efforts made by the Kingdom of Saudi Arabia to provide the necessary vaccine to protect citizens and residents, and set high health requirements for those coming from abroad, which helped limit the spread of the epidemic and reduced infection rates in a way that restored working life, the risk of the epidemic emerging in its mutated form has caused an increase in precautions to avoid the crisis that occurred in the year 2020, with the provision of additional refresher doses and the state's continuous directives to adhere to the precautionary measures to preserve society and the business sector and not to return to what happened in the year 2020. However, the emergence of mutated species, which appear from time to time and spread and led to an increase in numbers of infected persons, may create a re-crisis that results in many risks that can rearrange societies according to what will be built in the future on methods of dealing with risks and the variables that this crisis will create, which may fundamentally affect the company's business and outcomes.

**(17)** Information related to any risks faced by the company (whether operational risks, financing risks or market risks) and the policy for managing and monitoring these risks.



## **RISKS RELATED TO INDIVIDUAL EMPLOYEES**

The risk of infection and the consequences of such matters as home quarantine have altered employees' psychological responses to their normal interactions, and the control of the idea of fear of the risk of disease transmission because of direct social contact. Accordingly, the continuation of Covid 19 with these psychological pressures may negatively affect the performance and productivity of the employees in all fields and have immediate effects on the company's financial results.



## **RISKS RELATED TO MARKETING ROOMS, ACTIVITIES, AND EVENTS**

The continued consequences of the pandemic may cause the closure of tourist and visit visas from time to time to limit the spread of the epidemic. It may cause a reduction in the number of visitors to the company's resorts and may put the company in non-compliance with the terms of the contract with the operators and tenants despite the force majeure circumstances that the operator or tenant may not acknowledge due to his loss as a result. Failure to operate and collect its revenues on the specified dates. The continuation of the epidemic with these closures, the company's failure to adhere to operating contracts, and the failure to achieve the targeted.

**(17)** Information related to any risks faced by the company (whether operational risks, financing risks or market risks) and the policy for managing and monitoring these risks.



## INFORMATION TECHNOLOGY RISKS

The continued spread of the pandemic and its consequences and the increasing reliance on the Internet will increase many reservations and regulatory measures that prevent the company's and its employees' information from being hacked. It will also increase the establishment of high-level information security methods and increase additional costs to resist these hacks - and the company may not guarantee hackers' innovations of professional methods that may lead to hacking. The company's direct systems or companies that provide technology systems to the company, which may cause financial losses to the company if this happens.



## RISKS RELATED TO ECONOMIC CONDITIONS

It may currently be difficult to predict the extent of the impact of the spread of the new and mutated Corona virus during the year 2021 on the economic conditions in the Kingdom and the world as a whole, but several relevant factors can be pointed out that were affected by the continued consequences of the spread of the pandemic, including (continuity of adjustment to consumer culture, and continuity of cost reduction - The continued restriction of some imports and exports due to the large restrictions imposed by some countries on borders and customs ports and the closure of some ports and airports. This may lead Shams Company to have negative effects on its financial results as a result of the decrease in the company's revenues, and that the continuation and increase of the epidemic may cause significant damage to the tourism, entertainment, and events sectors. Parties and all occasions in general.

**(17)** Information related to any risks faced by the company (whether operational risks, financing risks or market risks) and the policy for managing and monitoring these risks.

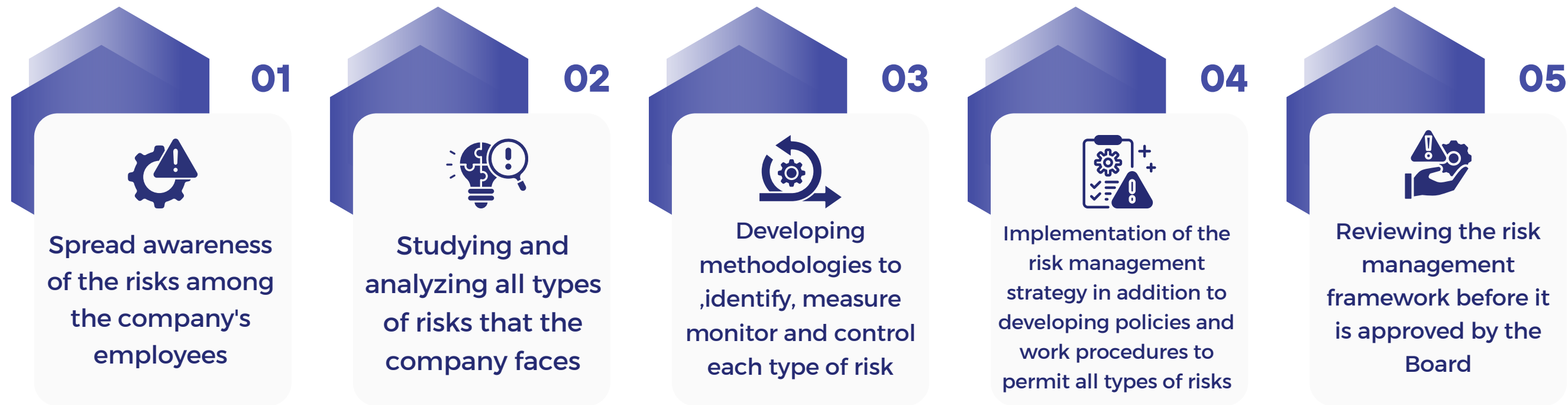
## **SECOND: THE COMPANY'S RISK MANAGEMENT AND MONITORING POLICY**

Given the great importance of risk management and monitoring, and the Board of Directors and its committees' awareness of their importance, the Board of Directors follows up, through the Audit Committee, the evaluation of risk operations so that the necessary policies and procedures for risk management in the company are subsequently approved by the Board of Directors.

The objectives of the transparency risk policy are to highlight the risks and ensure their clarity and understanding, develop recommendations to determine the size and type of each of the main risks accepted by the Board of Directors, and ensure that the existing risks are compatible with the planned ones. The process of identifying, evaluating, and managing risks is a shared responsibility that begins with the company's various departments and units, depending on their location and tasks, and is considered the first line of defense. The Audit Committee coordinates with the relevant department to assess and control risks, recommend ways to mitigate them, and submit the necessary reports in this regard to the Development and Investment Committee as part of the second line of defense.

**(17)** Information related to any risks faced by the company (whether operational risks, financing risks or market risks) and the policy for managing and monitoring these risks.

## THE RISK MANAGEMENT POLICY IS SUMMARIZED AS FOLLOWS



THE RISK MANAGEMENT POLICY IS AN INTEGRAL PART OF THE CORPORATE GOVERNANCE SYSTEM, AND THE COMPANY HAS AN UPDATED CORPORATE GOVERNANCE SYSTEM THAT MATCHES THE REQUIREMENTS OF THE CAPITAL MARKET AUTHORITY'S RULES AND REGULATIONS, APPROVED, AND APPROVED BY THE BOARD OF DIRECTORS.

**(18) Conclusion in the form of Table or Diagram of the Company’s Assets and Liabilities and Results of its Operations in the Last Five Years or since incorporation, whichever is shorter.**

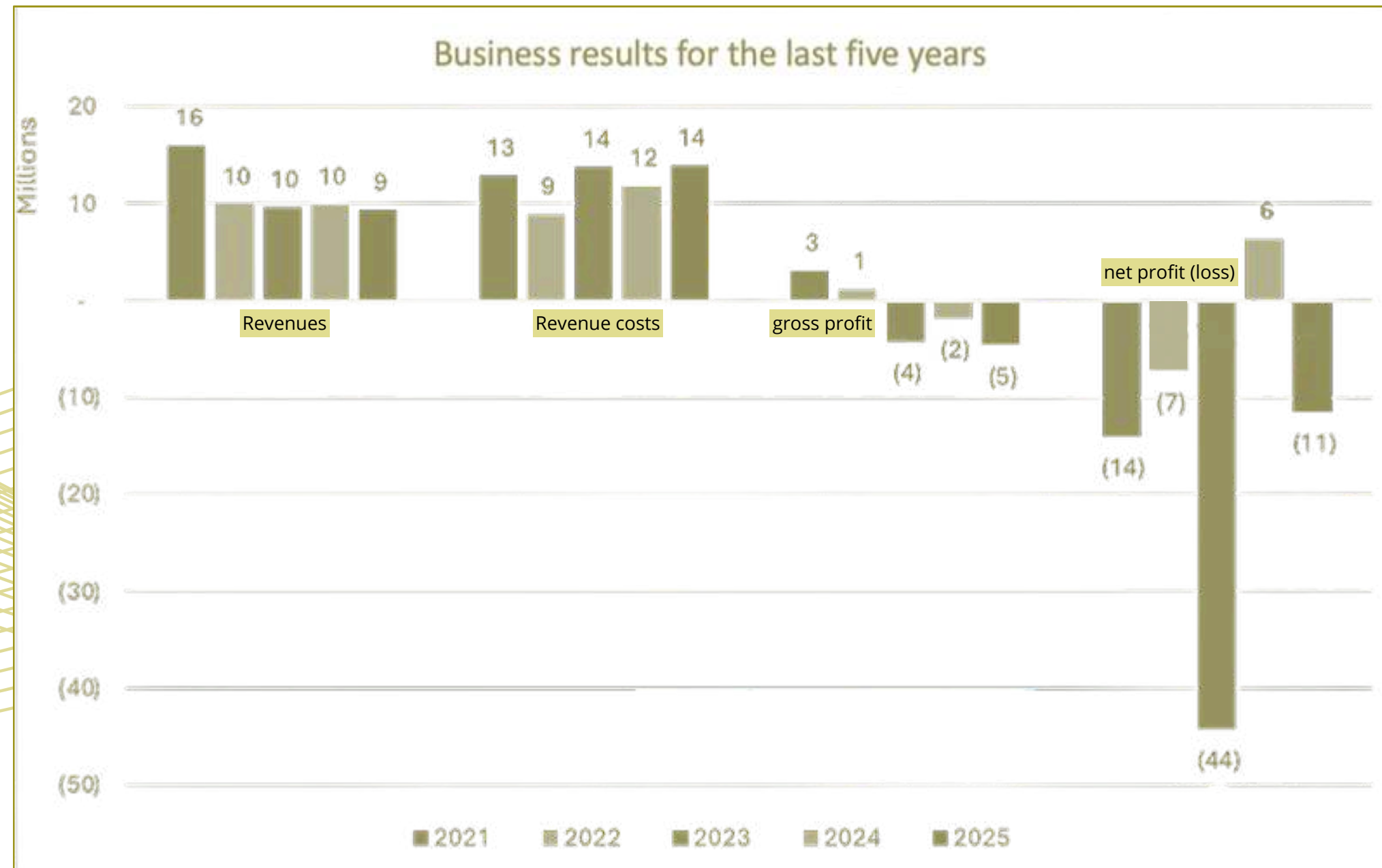
The following is a statement of the assets, liabilities, and financial results of the company for the last five years:

**THE LAST FIVE YEARS OR SINCE INCORPORATION, WHICHEVER IS SHORTER**

<b>Years</b>					
<b>Statement</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Revenues</b>	<b>15,975,723</b>	<b>10,000,914</b>	<b>9,606,648</b>	<b>9,977,550</b>	<b>9,335,144</b>
<b>Revenue costs</b>	<b>12,892,512</b>	<b>8,893,182</b>	<b>13,771,903</b>	<b>11,844,861</b>	<b>13,890,305</b>
<b>gross profit</b>	<b>3,083,211</b>	<b>1,107,732</b>	<b>(4,165,255)</b>	<b>(1,867,311)</b>	<b>(4,555,161)</b>
<b>net profit (loss)</b>	<b>(14,036,427)</b>	<b>(7,232,908)</b>	<b>(44,196,274)</b>	<b>6,367,340</b>	<b>(11,484,632)</b>

**(18)** Conclusion in the form of Table or Diagram of the Company's Assets and Liabilities and Results of its Operations in the Last Five Years or since incorporation, whichever is shorter.

**BUSINESS RESULTS FOR THE LAST FIVE YEARS:**



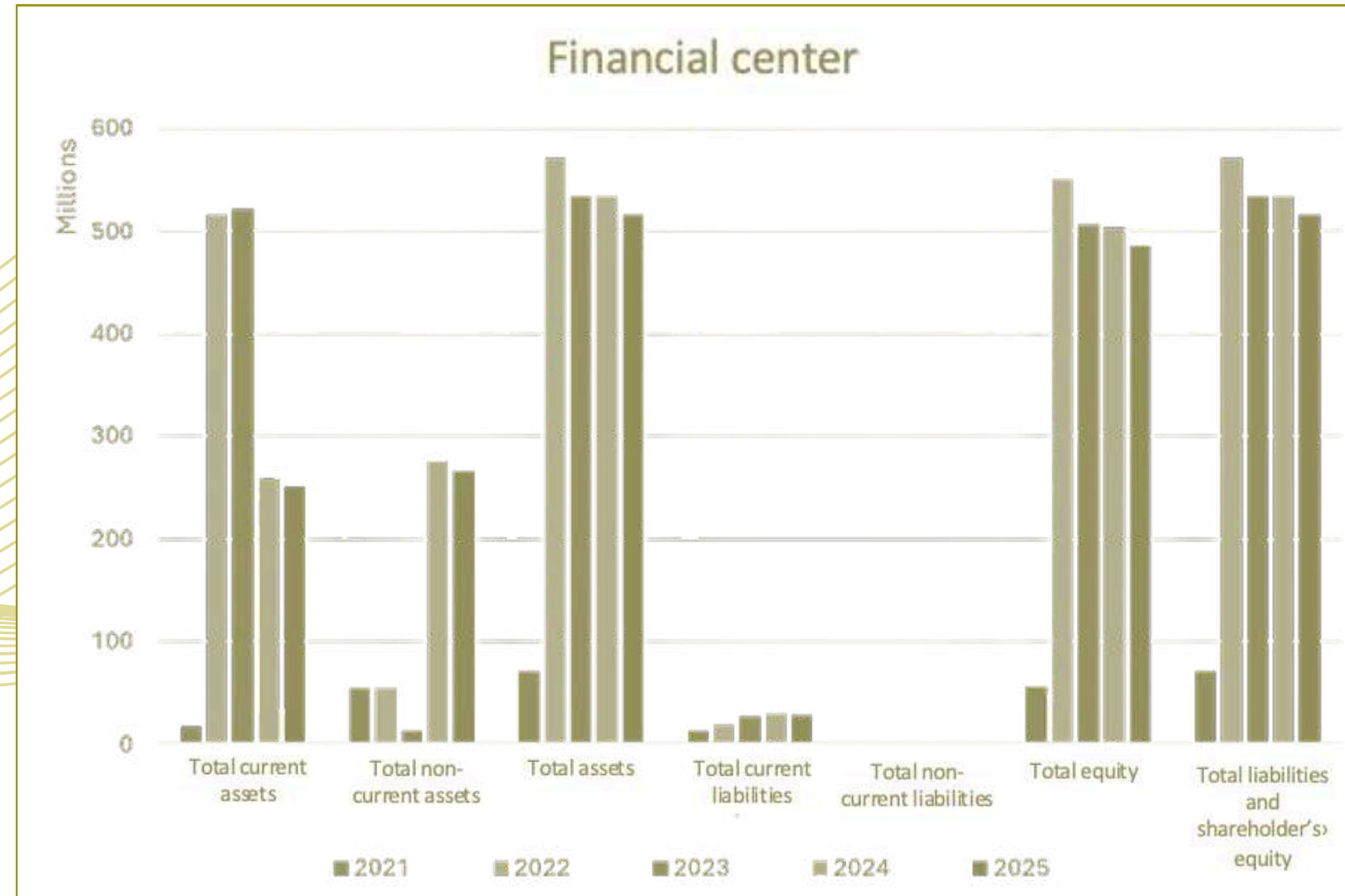
**(18) Conclusion in the form of Table or Diagram of the Company's Assets and Liabilities and Results of its Operations in the Last Five Years or since incorporation, whichever is shorter.**

**FINANCIAL POSITION (ASSETS AND LIABILITIES) FOR THE LAST FIVE YEARS**

Statement	Years				
	2021	2022	2023	2024	2025
<b>Total current assets</b>	<b>16,632,321</b>	<b>515,658,987</b>	<b>521,039,736</b>	<b>258,837,210</b>	<b>250,453,809</b>
<b>Total non-current assets</b>	<b>53,851,588</b>	<b>55,056,817</b>	<b>13,321,315</b>	<b>275,479,563</b>	<b>265,211,470</b>
<b>Total assets</b>	<b>70,483,909</b>	<b>570,715,804</b>	<b>534,361,051</b>	<b>534,316,773</b>	<b>515,665,279</b>
<b>Total current liabilities</b>	<b>13,701,559</b>	<b>18,652,305</b>	<b>26,412,586</b>	<b>29,102,435</b>	<b>28,749,647</b>
<b>Total non-current liabilities</b>	<b>1,342,866</b>	<b>1,253,650</b>	<b>1,448,669</b>	<b>1,509,593</b>	<b>1,606,139</b>
<b>Total equity</b>	<b>55,439,484</b>	<b>550,809,849</b>	<b>506,499,796</b>	<b>503,704,745</b>	<b>485,309,493</b>
<b>Total liabilities and shareholder's equity</b>	<b>70,483,909</b>	<b>570,715,804</b>	<b>534,361,051</b>	<b>534,316,773</b>	<b>515,665,279</b>

**(18) Conclusion in the form of Table or Diagram of the Company’s Assets and Liabilities and Results of its Operations in the Last Five Years or since incorporation, whichever is shorter.**

**FINANCIAL POSITION (ASSETS AND LIABILITIES) FOR THE LAST FIVE YEARS:**



**(19) GEOGRAPHIC ANALYSIS OF THE TOTAL REVENUES OF THE COMPANY AND ITS SUBSIDIARIES:**

F THE TOTAL REVENUES OF THE CONSOLIDATED COMPANY FROM 31/12/2025 UP TO DATE, WHICH ARE IN ONE GEOGRAPHICAL AREA TO DATE” THE EASTERN PROVINCE

**(20) MAJOR DIFFERENCES OF THE OPERATIONAL RESULTS FROM THE RESULTS OF THE FORMER YEAR, OR ANY FORECASTS ANNOUNCED BY THE COMPANY:**

	<b>2024</b>	<b>2025</b>	<b>Change - + or-</b>	<b>Change percentage</b>
<b>Revenues</b>	<b>9,977,550</b>	<b>9,335,144</b>	<b>(642,406)</b>	<b>-6.4%</b>
<b>Less: Cost of Revenues</b>	<b>11,844,861</b>	<b>13,890,305</b>	<b>2,045,444</b>	<b>17.3%</b>
<b>Gross Profit</b>	<b>(1,867,377)</b>	<b>(4,555,161)</b>	<b>(2,687,850)</b>	<b>143.9%</b>
<b>Selling and Marketing Expenses</b>	<b>(1,141,617)</b>	<b>(723,131)</b>	<b>418,486</b>	<b>-36.7%</b>
<b>General and Administrative Expenses</b>	<b>(9,429,409)</b>	<b>(9,069,403)</b>	<b>360,006</b>	<b>-3.8%</b>
<b>Expected Credit Loss Provision</b>	<b>(304,467)</b>	<b>380,459</b>	<b>684,926</b>	<b>-225.0%</b>
<b>Operating Profit (Loss)</b>	<b>(12,742,804)</b>	<b>(13,967,236)</b>	<b>(1,224,432)</b>	<b>9.6%</b>
<b>Other Revenues</b>	<b>6,087</b>	<b>22,261</b>	<b>16,174</b>	<b>265.7%</b>
<b>Provision for Legal Claims</b>	<b>(433,624)</b>	<b>-</b>	<b>433,624</b>	<b>-100.0%</b>
<b>Interest Income from Bank Deposits</b>	<b>30,995,489</b>	<b>14,870,945</b>	<b>(16,124,544)</b>	<b>-52.0%</b>
<b>Loss on Fair Value Changes of Financial Investments</b>	<b>(1,285,970)</b>	<b>(2,658,089)</b>	<b>(1,372,119)</b>	<b>106.7%</b>
<b>Net Profit (Loss) Before Zakat</b>	<b>16,539,178</b>	<b>(1,732,119)</b>	<b>(18,271,297)</b>	<b>-110.5%</b>
<b>Zakat</b>	<b>(10,171,838)</b>	<b>(9,752,513)</b>	<b>419,325</b>	<b>-4.1%</b>
<b>Net Profit (Loss)</b>	<b>6,367,340</b>	<b>(11,484,632)</b>	<b>(17,851,972)</b>	<b>-280.4%</b>

**OPERATIONAL RESULTS FOR THE YEAR 2025 COMPARED TO THE PREVIOUS YEAR -**

**(All amounts are in riyals)**

## **Explanation of the reasons based on the announcement of the annual financial statements upon publication**

### **The reason for the increase in net profit for this year compared to the previous year is due to:**

- The decrease in revenue this year compared to the previous year is due to a slight decrease in operating revenues due to market volatility.
- The decrease in net profit this year compared to the previous year is due to the decrease in the Islamic profit rate for the bank deposit, which decreased by about half after the investment in the "SEDCO Capital-Agdan Fairmont" fund.

### **(21) CLARIFICATION OF ANY DISCREPANCY FROM THE ACCOUNTING STANDARDS APPROVED BY THE SAUDI ORGANIZATION FOR AUDITORS AND ACCOUNTANTS:**

THERE IS NO DIFFERENCE IN THE PROCEDURES FOR PREPARING THE COMPANY'S FINANCIAL STATEMENTS FROM THE ACCOUNTING STANDARDS APPROVED BY THE SAUDI ORGANIZATION FOR CERTIFIED PUBLIC ACCOUNTANTS. THE COMPANY HAS COMMITTED TO PREPARING THE FINANCIAL STATEMENTS FOR THE YEAR ENDING ON 31/12/2025 AD IN ACCORDANCE WITH THE STANDARDS APPROVED BY THE SAUDI ORGANIZATION FOR CERTIFIED PUBLIC ACCOUNTANTS.

### **(22) The name of each subsidiary company, its capital, percentage of the company's ownership therein, its main activity, the country of its main operations, and the country of incorporation:**

- DO NOT APPLY

### **(23) Details of shares and debt instruments issued for each subsidiary:**

- DO NOT APPLY

## **(24) Description of the Company's Policy as to the Distribution of Profits:**

Articles (51) and (53) of the company's Articles of Association stipulate the following:

### **Article Fifty-One: Entitlement to Profits**

A shareholder is entitled to their share of the profits in accordance with the resolution issued by the General Assembly in this regard. The resolution specifies the entitlement date and the distribution date. Entitlement to profits is for shareholders registered in the shareholders' register at the end of the specified entitlement date. The Board of Directors must implement the General Assembly's resolution regarding the distribution of profits to shareholders.

### **Article Fifty-Three: Distribution of Profits**

The distribution of the company's annual net profits, after deducting all general expenses and other costs, shall be determined by the Ordinary General Assembly as follows:

- When determining the share of the net profits, the General Assembly may decide to establish reserves to the extent that serves the company's interests or ensures the distribution of consistent profits, to the extent possible, to shareholders.
- The General Assembly shall determine the percentage to be distributed to shareholders from the net profits after deducting reserves, if any.
- The General Assembly shall determine the distribution of any reserves previously set aside by the shareholders, including any reserves set aside in accordance with any regulatory requirements predating the adoption of these Articles of Association.
- The Company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis by a resolution of the Board of Directors, in accordance with applicable regulations and the controls established by the competent authority.

## **(25) Description of any Interest in a Class of Shares Having the Right to Vote, Belonging to Persons (other than the Members of the Company's Board of Directors, the Senior Executive Officers and Their Relatives), which Rights are Reported to the Company Under Article (85) of the Registration and Listing Rules and any Change in such Rights in the Last Fiscal Year:**

-None during the 2025 AD fiscal year

**(26)** Description of any Interest, Contractual Securities and Subscription Rights held by the Company's members of the Board of Directors, Chief Executive Officers and their Relatives, in connection with Shares or Debt Instruments of the Company or any of its Subsidiaries and any Change in such Rights in the last Fiscal Year:

**APPOINTED COUNCIL (FOR THE ELEVENTH SESSION) FROM 28/05/2024 TO 27/05/2028 AD**

THE FOLLOWING TABLE SHOWS THE NUMBER OF SHARES OWNED BY BOARD MEMBERS, SENIOR EXECUTIVES, AND THEIR RELATIVES IN THE COMPANY:

<b>BOARD AND SENIOR EXECUTIVES' MEMBERS</b>						
<b>NAME</b>	<b>THE NUMBER OF SHARES AT THE BEGINNING OF THE PERIOD</b>	<b>THE OWNERSHIP PERCENTAGE AT THE BEGINNING OF THE PERIOD</b>	<b>NET CHANGE DURING THE PERIOD</b>	<b>THE PERCENTAGE CHANGE DURING THE PERIOD</b>	<b>THE NUMBER OF SHARES AT THE END OF THE PERIOD</b>	<b>THE OWNERSHIP PERCENTAGE AT THE END OF THE PERIOD</b>
KHALED BIN ABDULAZIZ AL-BUWARDI	-	-	-	-	-	-
ABDULLAH BIN OMAR AL-SUWAILEM	5687	%0.0098	-1	%0.02	5686	%0.0098
RASHID BIN SULEIMAN AL-RASHID	5	%0.000009	-	-	5	%0.000009
Wael Bin Saad Al-Rashid	50	%0.00009	-50	%100	0	-
BADR BIN HAMAD AL-QADI	17300	%0.03	-	-	17300	%0.03
Wael Bin Abdulrahman Al-Bassam	8000	%0.014	-8000	%100	0	-
ZIAD BIN IBRAHIM AL-AFALEQ	-	-	-	-	-	-

Except for what was mentioned above, there are no interest, contractual securities, or subscription rights belonging to members of the company's board of directors, senior executives, and their relatives in the company's shares or debt instruments during the year 2025.

**(27)** Information related to any loans owed by the company (whether repayable on demand or otherwise), a statement of the total indebtedness of the company and its subsidiaries, any amounts paid by the company in repayment of loans during the year, the principal amount of the loan, the name of the donor, its duration, and the remaining amount and in the event that there are no loans. The company must submit a declaration to that effect:

- The Board of Directors of Shams Company declares that there are no loans on the Tourism Enterprises Company "Shams" (whether due to be repaid on demand or not) as of 12/31/2025 AD.

**(28)** A description of the categories and numbers of any convertible debt instruments and any contractual securities or memorandums of subscription rights or similar rights issued or granted by the company during the fiscal year ending on 31/12/2025 AD, with an explanation of any compensation obtained by the company for that:

-Except for what the company disclosed, the company did not grant or issue during the year 2025 AD any convertible debt instruments, any contractual securities, subscription right notes or similar rights, and the company did not obtain any compensation for that.

**(29)** A description of any transfer or subscription rights under transferable debt instruments, contractual securities, memorandums of subscription rights or similar rights issued or granted by the company:

- With the exception of what the company disclosed, the company did not grant or issue during the year 2025 AD any convertible debt instruments, any contractual securities, subscription rights notes or similar rights.

**(30)** Description of any redemption, purchase or cancellation by the company of any redeemable debt instruments, and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries:

-There are no refunds, purchases, or cancellations by the company of any redeemable debt instruments during the year 2025 AD.

**(31)** The number of Board of Directors meetings held during the year 2025, their dates, and the attendance record for each meeting, showing the names of those present:

MEETINGS (ELEVENTH SESSION) DURING THE PERIOD FROM 01/01/2025 AD TO 31/12/2025 AD:

Members of the Board of Directors	position	Meeting				Attending Percent- age
		1	2	3	4	
		27/03/2025	15/05/2025	21/07/2025	02/11/2025	
Mr. Khalid bin Abdulaziz Al-Buwardi	Chairman of Board of Directors	✓	✓	✓	✓	100%
Eng. Abdullah bin Omar Al-Suwailem	Vice Chairman Managing Director	✓	✓	✓	✓	100%
Mr. Rashid bin Suleiman Al-Rashid	Member of the Board of Directors	✓	✓	✓	✓	100%
Dr. Wael bin Saad Al-Rashid	Member of the Board of Directors	✓	✓	✓	✓	100%
Mr. Badr bin Hamad Al-Qadi	Member of the Board of Directors	✓	✓	✓	✓	100%
Mr. Wael bin Abdulrahman Al-Bassam	Member of the Board of Directors	✓	✓	✓	✓	100%
Mr. Ziad bin Ibrahim Al-Afaleq	Member of the Board of Directors	✓	✓	✓	✗	75%

**(32) NUMBER OF REQUESTS BY THE COMPANY FOR THE SHAREHOLDERS REGISTER, AND DATES AND REASONS FOR SUCH REQUESTS:**

Number of Company's Requests for the Shareholders Register	Request Date	Request Reasons
1	2025/01/21	Other
2	2025/05/19	Corporate Procedures
3	2025/06/22	General Assembly
4	2025/07/24	Corporate Procedures
5	2025/09/17	General Assembly
6	2025/10/13	Other
7	2025/10/17	General Assembly
8	2025/11/06	Other
9	2025/12/09	Other

**(33) Description of any transaction between the company and a related party:**

-There are no business deals or transactions with related parties with the company

**(34) Information related to any business or contracts to which the company is a party, or in which there was an interest of a member of the board of directors of the company, senior executives, or any person related to any of them, including the names of those involved in the business or contracts, the nature of these works or contracts, their conditions, duration, and amount:**

-The Board of Directors of the Tourism Enterprises Company “Shams” declares that there are currently no commercial transactions with any of its board members, executive managers, major shareholders of the company, or any of their relatives who have or have a direct or indirect material interest in these dealings, nor any powers that give any of them the right to vote on these transactions.

This is in accordance with the text of Article (71) of the Companies Law and in line with the policy of disclosing conflicts of interest adopted by the company in regulating the relationship between the company and members of its Board of Directors and senior executives, as clarified in Article (43) of the Governance Regulations for Tourism Enterprises Company (Shams).

**(35) A statement of any arrangements or agreement under which a member of the Board of Directors of the company or a senior executive waived any remuneration:**

-None

**(36) Description of any arrangements or agreement under which a shareholder of the company waived any rights to profits:**

- There are no arrangements or waiver agreements during the year 2025 AD.

**(37) Statement of the Value of Regular Payments made and due for the Settlement of any Zakat, Taxes, Charges or any Other Dues which are not Paid as at the end of the Annual Financial Period, in addition to a Brief Description thereof and the Reasons Therefor:**

Statement	2025		Brief Description	Statement of the Reasons
	Paid	Amount due up to 31/12/2025		
Zakat for the year 2023	13,529,795	14,436	Outstanding balance due to capital increase; SAR 13.5M was paid in 2025	Paid in January 2026
Zakat for the year 2024	1,673,416	8,352,655	Under a monthly installment plan during 2026	SAR 822,271.47 paid in January 2026
Value Added Tax (VAT)	18,595	0	All returns have been settled and submitted	-
General Organization for Social Insurance (GOSI)	618,522	48,205	Amount due for December 2025	Paid in January 2026
Labor Office Fees	268,875	-	Payments related to foreign labor	-
Saudi Stock Exchange (Tadawul)	598,668	-	Subscription and trading fees	-

**(38) A statement of the value of any investments or reserves established for the benefit of the company's employees**

There are no investments or reserves created for the benefit of employees during 2025.

**(39) Company Declarations:**

The Board of Directors of the Tourism Projects Company "Shams" acknowledges the following:

- A) The account records were prepared correctly.
- B) The internal control system was prepared on sound foundations and implemented effectively.
- C) There is no significant doubt about the company's ability to continue its activity.

**(40) The certified public accountant's report did not include any reservations on the annual financial statements for the fiscal year ending on 31/12/2025 AD.**

**(41) There is no recommendation from the Board of Directors to change the auditor before the end of the period for which he was appointed.**

**(42) None of the members of the Board of Directors shall engage in any business that competes with the company or any of the branches of activity it engages in.**

The Board of Directors would like to extend its sincere thanks and gratitude to the Custodian of the Two Holy Mosques and His Highness the Crown Prince, our wise government, and to all state institutions that contribute effectively to the wheel of economic development of our dear Kingdom through the support and assistance they provide to tourism development projects, of which Shams Company is one of them.

The Board of Directors is also pleased to extend its thanks to all the company's shareholders and investors for the trust they have placed in us to serve the company, and thanks are extended to all the company's employees for their sincere efforts that they have made in performing their duties and duties.

**GOD BLESS,  
BOARD OF DIRECTORS**

**SHAMS**



**شمس**