



الشركة السعودية لإنتاج الأنابيب الفخارية
Saudi Vitrified Clay Pipe Co.



Board of Directors report
Saudi Vitrified Clay Pipe Company
Submitted to the General Assembly 2025

The Board of Directors of The Saudi Vitrified Clay Pipe Company is pleased to present to the shareholders its annual report for the fiscal year ended 31/12/2025 accompanied by audited financial statements, including the most important developments, results, and activities.

About The Company

The Saudi Vitrified Clay Pipe Company was established in 1397H, 1977AD for the purpose of producing clay pipes, as a limited liability company that was transformed in 2007 into a joint stock company with a capital of 150 million riyals.

Products:

The company produces a wide range of products covering the needs of the wholesale and water and wastewater projects sectors, throughout the Kingdom and abroad. These products include clay pipes and concrete formwork.

Sales channels:

The company has multiple sales channels on a large scale, including projects, wholesale sales and exports to many countries of the world.

Modern technologies:

The company is committed to using modern and advanced technologies in the field of manufacturing, which ensures its continued leadership and obtaining more quality certificates.

Company Policy

- Production and Supply of high stable quality clay pipes according to the requirements of international specifications and client requirements.
- Application and Maintaining of the Quality System ISO 9001:2015
- Work on continuous development in all active areas of the company.
- Maintaining the leading position for the production and distribution of clay pipe products in the Middle East.

Company Strategy:

Saudi Clay Pipe Production Company seeks to become the leader in the manufacture of glazed clay pipes and their connections, cement pipes, cement box Culvert, cement manholes, and high-density polyethylene pipes and their connections, both in the local and international market. Through the continuous expansion of production and continuous development of operations, the company aims to meet the needs of various



projects in the sewage sector and the drainage Stormwater with high efficiency, with a focus on quality and innovation.

The Company's main activity.

The company's activity includes the production, manufacture, import, export, and sale of Clay pipes and their connections and accessories of complementary and rubber connections and others in different sizes from 100 mm to 1200 mm, where the company is keen to provide integrated solutions of high quality and conform to international standards and applied specifications in the company's various projects for all services to create sewage network lines and household connections both inside and outside the Kingdom.

Subsidiaries

Saudi Land Factory Company (Limited Liability)

On 06/02/2024, Saudi Clay Pipes Company acquired Saudi Land Factory Company by 100%. With a capital of 14,700,000 Saudi riyals.

It is worth mentioning that the company practices the production, manufacture, export and sale of cement pipes, cement box Culvert, cement manholes, etc. in different sizes from 300 mm to 3500 mm. The company's main operational headquarters is located in the Kingdom of Saudi Arabia, and it is also incorporated in the Kingdom of Saudi Arabia.

Laffan Company (Limited Liability)

Laffan Pipe Company (LLC) Laffan Pipes Company was established on 26/11/1445H With a capital of 500,000 Saudi riyals.

Activity includes production, manufacture, export and sale of HDPE pipes and accessories, etc. in different sizes from 100 mm to 3000 mm.

The company's main operational headquarters is located in the Kingdom of Saudi Arabia, and it is also incorporated in the Kingdom of Saudi Arabia.

*Commercial production at Laffan Pipes Company is expected to start in 2026.



Company Name Manufacturer

Company Name	Factory	Capacity
SVCP	First Factory	100,000
SLF	Concrete Pipes	45,000
	Concrete Manholes	45,000

Production

The company's production was **25,108.5** tons for 2025 compared to **24,389.6** tons for 2024, with increase of 2.95%.

The production of Saudi Land Factory Company reached **72,327.5** tons for the year 2025 compared to **20,152** ton for 2024 with increase of 259%.

First: Financial results and company performance

1. Summary of the company's assets, liabilities, and results for the last five fiscal years

A. Financial Position Statement

(Thousands of riyals)

Statement	Following international standards applied in Saudi Arabia				
	2025	2024	2023	2022	2021
Current assets	72,004	73,671	116,320	121,452	129,049
Non-current assets	80,626	81,285	121,872	177,974	184,367
Total assets	152,630	154,956	238,192	299,426	313,416
Current Liabilities	46,269	30,588	12,056	14,652	18,470
Long-term loans	-	-	-	-	-
Non-current Liabilities	37,291	22,332	15,945	16,072	18,012
Total Liabilities	83,560	52,919	28,001	30,724	36,482
Share Capital	150,000	150,000	150,000	150,000	150,000
Statutory Reserve	-	-	75,000	75,000	75,000
Retained Earnings	(80,930)	47,963	14,809	43,702	51,934
Total shareholders' equity	69,070	102,037	256,605	268,702	276,934
Total liabilities and shareholders' equity	152,630	154,956	238,192	299,426	313,416

B. Income Statement

(Thousands of riyals)

Statement	Following international standards applied in Saudi Arabia				
	2025	2024	2023	2022	2021
Sales	68,269	58,487	75,675	76,350	88,715
Cost of sales	(83,817)	(62,699)	(68,337)	(71,935)	(67,215)
Gross profit	(15,548)	(4,212)	7,338	4,415	21,500
Other income	-	-	-	-	-
Selling and Marketing expenses	(7,219)	(3,078)	(5,034)	(6,251)	(5,097)
General and Administrative expenses	(23,052)	(17,328)	(15,610)	(18,178)	(17,479)
Operating profit	(45,819)	(24,618)	(13,306)	(20,014)	(1,075)
Impairment Loss	(5,343)	(80,238)	(46,414)		
Other income (expense)	20,191	(2,144)	4,249	14,293	1,418
Net profit before zakat	(30,971)	(106,999)	(55,471)	(5,721)	342
Zakat	(1,521)	(1,446)	(3,519)	(3,042)	(2,397)
Net Profit/Loss	(32,492)	(108,445)	(58,990)	(8,763)	(2,055)
Earnings per share from net profit	(2.17)	(7.23)	(3.93)	(0.58)	(0.14)

C- Retained Earnings Statement

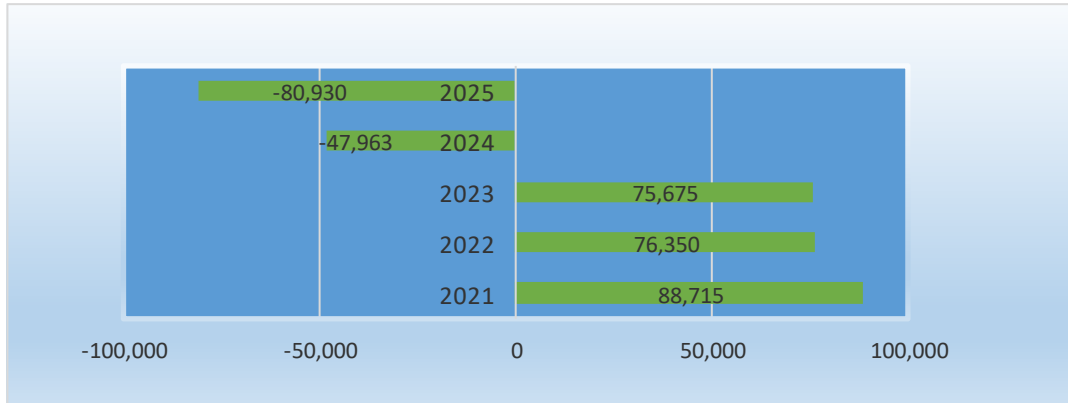
(Thousands of riyals)

Statement	SR
Balance of cumulative losses as of 01/01/2025	(47,963)
Added net profit/loss for 2025	(32,493)
Statutory Reserve	-
Other comprehensive Loss items for 2025 are deducted	(474)
Balance of cumulative losses as of 31/12/2025	(80,930)

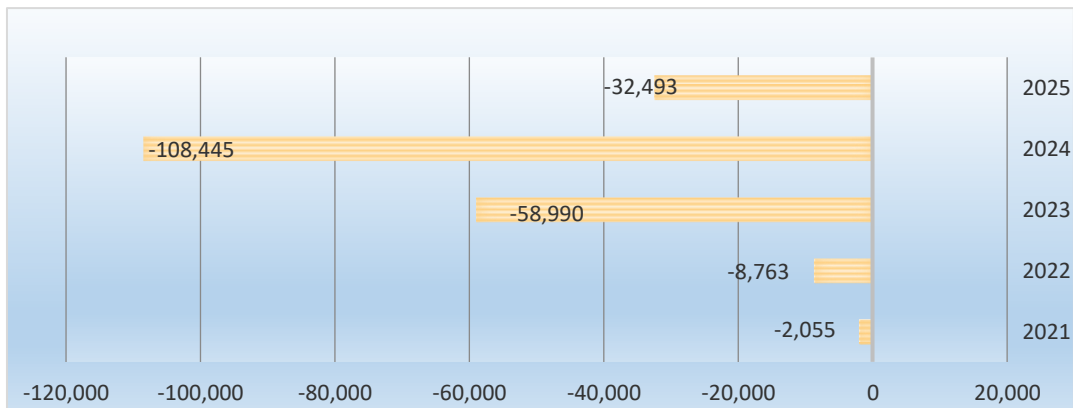
D- Accumulated loss

The balance of cumulative losses as of 31/12/2025 is SAR 80,930,321

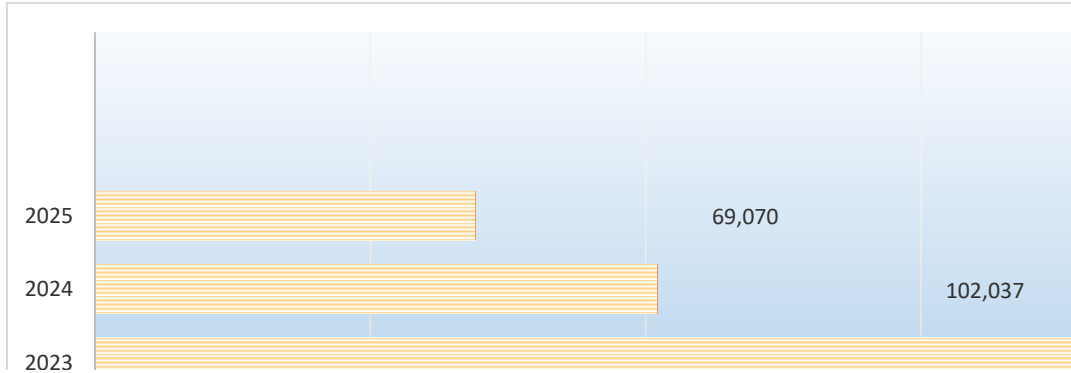
Revenue growth for five years (2021-2025)
(Thousands of riyals)



Net profit growth for five years (2021-2025)
(Thousands of riyals)



Shareholders' Equity Change in Five Years (2021-2025)
(Thousands of riyals)



2- Geographical analysis of the revenues of the company for 2024 and 2025

Statement	2025	2024	Change
Central Region Sales	29,663,466	41,027,318	%28-
Northern Region Sales	687,214	238,574	%188
Southern Region Sales	10,303,514	3,061,028	%237
Eastern Region Sales	2,732,214	1,194,528	%129
Western Region Sales	20,215,316	8,067,779	%151
Total domestic sales	63,601,725	53,589,227	%19
Overseas Sales (GCC and Europe)	4,666,780	4,897,787	%5-
Total	68,268,505	58,487,014	17%

3. Any Material differences in the operational results compared to the previous year's results or any expectations announced by the company:

(Thousands of riyals)

Statement	2025	2024	Changes	Percentage of change
Sales	68,269	58,487	9,782	%16.73
Cost of sales	(83,817)	(62,699)	(21,118)	%33.68
Gross profit	(15,548)	(4,212)	(11,336)	%269.14
Operating expenses	(30,271)	(20,406)	(9,865)	%48.34
Operating Profit/Loss	(45,819)	(24,618)	(21,201)	%86.12

1. Profits

- The company's net loss before zakat amounted to SAR 30,971,416 while the net loss before zakat for the previous year was SAR 106,999,242 and the reason for the decrease in losses was due to the increase in other revenues and the decrease in the provision for impairment losses in the value of equipment and machinery.
- The provision of Zakat and income tax for the year 2025 is SAR 2,726,849.
- The company generated an operating loss for the year 2025 amounting to SAR 45,818,605 while the operating loss for the previous year was equal to SAR 24,617,592, with losses increasing by 86% due to the increase in the cost of sales

▪ Information on loans:

1. Short-term loans: The Company obtained a short-term loan from The Saudi Investment Bank in 2025 in the amount of SAR 5 million to support the operations of the Saudi Land plant.
2. Long-term loans: The SVCP obtained a long-term loan of 20 million SAR to build the Laffan Company factory (a subsidiary company).
3. Saudi Land Factory Company (subsidiary) has a long-term loan of SAR 15.9 million and SAR 3.1 million was repaid during the year 2024 after the acquisition of the company.

Also, The Company acknowledges that it does not have any loans from Shareholders during the year 2025.

Company name	Loan provider	Beginning-of-year balance	Loan term	Loan principal paid during the year	Balance as of December 31, 2025
SVCP	the Saudi investment bank	5,000,000	months 6	5,000,000	5,000,000
SVCP	the Saudi investment bank	-	6 Years	-	20,000,000
SLF (Subsidiary company)	The Saudi Industrial Development Fund	12,800,000	5 years	-	12,800,000

A Statement of the value of any paid and outstanding statutory payments on account:

Description	2025		Brief description	Reasons
	Paid amount	Outstanding amount until the end of the annual financial period		
Zakat	1,361,947	-	Zakat paid during 2025, zakat for the year 2024	Zakat paid during 2025, zakat for the year 2024
Taxes	5,995,689	624,125	Tax paid for 2025	Provision for December 2025
GOSI	1,688,478	131,259	The company is obliged to pay social insurance fees in compliance with the law	Provision for December 2025
Visas and Passports costs	153,462	-	The company is obliged to pay visa and passport fees without delay	The company is obliged to pay visa and passport fees without delay
Labor Office fees	503,832	-	The company is obliged to pay the labor office fees without delay	The company is obliged to pay the labor office fees without delay
Quarry fees	145,140	-	The company is obliged to pay a rental fee and for the quantities consumed from the quarries to the "Modon" authority	The company is obliged to pay a rental fee and for the quantities consumed from the quarries to the "Modon" authority
Customs Duties	655,269	-	The company is obliged to pay customs duties for goods imported from abroad	The company is obliged to pay customs duties for goods imported from abroad

A Statement as to the value of any investments made or any reserves set up for the benefit of the employees of the company.

The company is keen to secure the future of its employees and achieve job security for them. The following is a table showing the value of the provision during the year 2025 for the benefit of the company's employees.

(Thousands of riyals)

Item	Balance as of 01/01/2025	Provision during 2025	Paid amount	Actuarial remeasurement Profit	Balance as of 31/12/2025
End-of-service Indemnity	11,629	2,037	(1,707)	474	12,433

A Description of the activities of any debt instruments

There are no transferable debt instruments convertible into shares, contractual securities, any option rights, subscription right notes, or similar rights, and there are no transfer or subscription rights under debt instruments convertible into shares, contractual securities, option rights, or subscription right notes. Or similar rights issued or granted by the company, and there is no refund, purchase, or cancellation by the company of any recoverable debt instruments during the year 2025.

Any inconsistency with the standards approved by the Saudi Organization for Certified Public Accountants

There is no inconsistency in the accounting standards issued by the Saudi Organization of Certified Public Accountants (SOCPA) regarding the review of the company's financial statements.

A Description of any transaction between the Company and any Related Party

The Company acknowledges that there are no transactions or contracts in it or there was a substantial interest in it for one of the members of the board of directors, the general manager, the financial manager, or any person related to any of them.

Auditors' report and financial statements

The auditors' report shows that financial statements present fairly, in all material respects, the financial position of the company as of December 31, 2025, and its financial performance and cash flows for the year that ended following the International Financial Reporting Standards that



are endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Certified Public Accountants.

Company External Auditors

The General Assembly approved in its meeting held on 23/11/1446H corresponding to 21/05/2025G the appointment of **Alzoman, Alfahad & Alhajjaj Professional Services** as auditor of the company from among the candidates based on the recommendation of the Audit Committee to examine, review, and verify the financial statements for the second, third quarters and annual of fiscal year 2025 and the first quarter of fiscal year 2025 and determine its fees.

Board's Declarations

According to the board's role and responsibilities in protecting the company's assets, The Board of Directors, based on the information available to it, the auditor's report, the results of current market requirements and future indicators, confirms the following:

1. Records of accounts have been properly prepared.
2. The internal control system is built on a sound basis and is effectively implemented.
3. There are no significant doubts concerning the Company's ability to continue carrying out its activity.

Recommendations of the Audit Committee, which are conflicted with the board's decisions, or which the Board has refused to adopt on the appointment and dismissal of the company's auditor, the determination of its performance, the evaluation of its performance, or the appointment of the internal auditor, the justifications for those recommendations, and the reasons for not taking them.

There are no recommendations from the audit committee that conflict with the board's decisions, which the Board has refused to take on the appointment and dismissal of the company's auditor, the determination of its fees, the evaluation of its performance, or the appointment of an internal auditor.

A Description of the Company's significant plans and decisions and Future expectations

Significant Plans and Decisions

At present, the Management has no intention of restructuring the Company or discontinuing its operations.

Future Expectations

We expect sales of clay pipes to remain stable in 2026 compared to 2025, provided that liquidity continues to be injected into ongoing projects at current levels. However, in the event of reduced funding from project owners, we anticipate a decline in 2026 sales compared to 2025.

As for Saudi Land Factory Company, sales are expected to increase in 2026 compared to 2025. This growth will be driven by the completion and commissioning of equipment and machinery



supplied by the Qatari partner during 2025, in addition to the delivery of a new production line within the same year. The operational impact of these investments is expected to be positively reflected in 2026 sales performance.

Commercial production at Lafan HDPE Pipes Factory is also expected to commence in 2026, contributing to product diversification and enhanced production capacity for the Group. Furthermore, strategic partnerships with Qatari companies are anticipated to come into effect during the first quarter of 2026, supporting the Group's expansion and future growth plans.

International Financial Reporting Standards

The company applied the international standards for financial reports from 01/01/2017 which became mandatory for listed companies as of 01/01/2017. The company has prepared its initial and annual financial statements for the fiscal year 2025 accordingly and during the specified regular periods.

Value Added Tax

The company applies VAT in line with regulations in Saudi Arabia from 01/01/2018. The company has been registered for VAT with the General Authority for Zakat and Income, although VAT will not have a substantial impact on the company's results.

Information on any risks facing the company and the policy of managing and monitoring these risks.

The risks described below do not include all the risks that the Company may face, but there may be additional risks that are not currently known to the Company or may be considered insignificant by the Company, that may hinder its operations.

A- The company's market is influenced by economic factors affecting the economy in general, and related to the financial situation and income level, where the oil sector is the most influential sector of the Saudi economy and where the volatility of oil prices affects the level of expenditure in general.

B- Since its inception, the company has relied on an experienced management team in management and operation, and the approval of these leaders is one of the most important elements affecting the development and progress of the company's performance.

Commission rate risk.

The risk of commission rates represents the risks of a financial instrument's fluctuation because of changes in the prevailing commission rates in the market. The company manages its cash flows by monitoring the time between the cash flow collected and the cash flow used. However, the risk of commission rates in this regard is not considered substantial. The company is subject to the risk of commission rates on its commission-related liabilities including term loans.



Currency risk

Currency risk resulting from fluctuations in the value of financial instruments due to changes in foreign exchange rates. The management monitors the volatility of foreign exchange rates and believes that the company is not subject to the risk of exchange rate change significantly except the Euro since the official currency of the company is the Saudi riyal, which is the main currency that the company deals with, and its price is currently fixed and by a small margin against the US dollar. The company also deals in the Euro currency according to the prevailing exchange rates in the market, and the company also uses derivative financial instruments to reduce exchange rate risk.

Credit risk

Credit risk represents the inability of one party to meet its Liabilities, resulting in the other party incurring a financial loss. Financial instruments that may expose the company to debt concentration risks consist mainly of balances with banks, cash in the fund, and debtors' accounts. The Company deposits its cash balances in several financial institutions with high credit capabilities and embarks on a policy to reduce the size of its holdings deposited in each financial institution. The company does not believe that there is a significant risk of inefficiency from these financial institutions. The company does not believe that it is subject to debt risk about debtors' accounts due to its client base directly or indirectly linked to government contracts.

Liquidity risk

The difficulties faced by the company are in providing funds to fulfill pledges related to financial instruments. The Company manages liquidity risk by ensuring that funds are available to meet any future Liabilities. The Company does not consider that it is subject to substantial liquidity risks.

Dividends distributing policy

The distribution of dividends is the prerogative of the Ordinary General Assembly of the Company based on the recommendation of the Board of Directors, where the Company's dividend policy stipulates: Determining the criteria governing the distribution of the company's profits, in a way that contributes to achieving a balance between the distribution of sustainable profits to investors and enhancing the company's ability to achieve its goals, and develop its business in the long term by investing in the proposed investment opportunities. Subject to the provisions of the Company's Articles of Association, Companies Law, Capital Market Law and their Implementing Regulations. Considering the provisions governing dividends stipulated in the Companies Law, the Corporate Governance Regulations, and the Company's Articles of Association, how the regulatory controls and procedures are issued in the good implementation of the Companies Law for Listed Joint Stock

Companies, the distribution of profits shall be in accordance with the following principles and rules:

The Ordinary General Assembly may, when determining the share of shares in the net profits, decide to form reserves, to the extent that it is in the interest of the Company or ensures the distribution of fixed dividends, to the extent possible, to the shareholders.

1. The said association may also deduct from the net profits sums for the social purposes of the company's employees. The General Assembly shall determine the percentage to be distributed to shareholders from the net profits after deducting reserves, if any.
2. The Ordinary General Assembly may, upon the proposal of the Board of Directors, decide to distribute the remainder after the above (if any) to the shareholders as an additional share of the profits.
3. The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis in accordance with the regulations issued by the competent authorities, based on an authorization issued by the ordinary general assembly of the Board of Directors to distribute interim dividends. The shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued in this regard, and the resolution shall indicate the date of maturity and the date of distribution.
4. Dividends shall be eligible for shareholders registered in the shareholders' registers at the end of the day fixed for maturity.

The Board of Directors shall implement the resolution of the General Assembly regarding the distribution of dividends to the registered shareholders within 15 working days from the maturity date.

Implemented and non-implemented provisions of the Corporate Governance Regulations, and justifications thereof

In accordance with the Corporate Governance Regulations issued by the Capital Market Authority on 16/05/1438H corresponding to 13/02/2017G and amended by the CMA Board Resolution dated 25/06/1444H corresponding to 08/05/2023G, the company has adopted an internal governance system that covers most of the articles of the governance system issued by the Capital Market Authority, and in a manner that does not conflict with the regulations and rules issued by the relevant authorities, and the company's general assembly and the board of directors approved most of the regulations and policies emanating from the corporate governance regulations, thus the company has fulfilled the requirements of the corporate governance regulations. Issued by the Capital Market Authority in terms of the number of committees, their composition, members and many other articles of the system, the following table shows the company's position on the application of the Saudi Corporate Governance Regulations issued by the Capital Market Authority: The Company shall apply all the provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority, except for some of the guiding provisions set out below:

Article/ Paragraph No.	Article/Paragraph text	Reasons for non- implementation
Article 39: The Assessment	<p>a) The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</p> <p>b) The procedures of performance assessment shall be in writing and clearly stated and disclosed to the Board members and parties concerned with the assessment.</p> <p>c) The performance assessment shall entail an assessment of the skills and experiences of the Board, identification of the weaknesses and strengths of the Board and shall attempt to resolve such weaknesses using the available methods, such as nominating competent professional staff able to improve the performance of the Board. The performance assessment shall also entail the assessment of the mechanisms of the Board's activities in general.</p> <p>d) The individual assessment of the Board members shall consider the extent of effective participation of the member and his/her commitment to performing his/her duties and</p>	It is a Guiding Article and when it becomes compulsory, the company will apply it.

Article/ Paragraph No.	Article/Paragraph text	Reasons for non- implementation
	<p>responsibilities, including attending the Board and its committee's meetings and dedicating adequate time thereof.</p> <p>e) The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.</p> <p>f) Non-Executive Directors shall carry out a periodic assessment of the performance of the chairman of the Board after getting the opinions of the Executive Directors, without the presence of the chairman of the Board in the discussion on this matter, provided that weaknesses and strengths shall be identified, and a solution shall be proposed for the same in the best interests of the Company.</p>	
Article 67: Composition of the Risk Management Committee	<p>The Company's Board shall, by resolution therefrom, form a committee to be named the "risk management committee."</p> <p>Chairman and majority of its members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge in risk management and finance.</p>	It is a Guiding Article and when it becomes compulsory, the company will apply it.
Article 68: Competencies of the Risk Management Committee- No. 2- 12	<p>The competencies of the risk management committee shall include the following:</p> <p>2) determining and maintaining an acceptable level of risk that may be faced by the Company and ensuring that the Company does not go beyond such a level.</p> <p>3) Ensuring the feasibility of the Company continuation, the successful continuity of its activities, and determining the risks that threaten its existence during the following twelve (12) months.</p> <p>4) overseeing the Company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company in order to determine areas of inadequacy therein.</p> <p>5) Regularly reassessing the Company's ability to take risks and be exposed to such risks (through stress tests as an example).</p> <p>6) preparing detailed reports on the exposure to risks and the recommended measures to manage such risks and presenting them to the Board.</p> <p>7) Provide recommendations to the Board on matters related to risk management.</p> <p>8) ensuring the availability of adequate resources and systems for risk management.</p>	It is a Guiding Article and when it becomes compulsory, the company will apply for it.

Article/ Paragraph No.	Article/Paragraph text	Reasons for non- implementation
	<p>9) reviewing the organizational structure for risk management and providing recommendations regarding the same before approval by the Board.</p> <p>10) verifying the independence of the risk management employees from activities that may expose the Company to risk.</p> <p>11) ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk, and 12) reviewing any issues raised by the audit committee that may affect the Company's risk management.</p>	
Article 69: Meetings of the Risk Management Committee	The risk management committee shall convene periodically at least once every six months, and as may be necessary.	It is a Guiding Article and when it becomes compulsory, the company will apply it.
Article 82: Employee Incentives	<p>The Company shall establish programs for developing and encouraging the participation and performance of the Company's employees. The programs shall particularly include the following:</p> <p>1) forming committees or holding specialized workshops to hear the opinions of the Company's employees and discuss the issues and topics that are subject to important decisions.</p> <p>2) establishing a scheme for granting Company shares or a percentage of the Company profits and pension programs for employees, and setting up an independent fund for such programs; and</p> <p>3) establishing social organizations for the benefit of the Company's employees.</p>	It is a Guiding Article and when it becomes compulsory, the company will apply it.
Article 84: Social Responsibility	The Ordinary General Assembly, based on the Board's recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for the purpose of developing the social and economic conditions of the community.	It is a Guiding Article and when it becomes compulsory, the company will apply it.
Article 85: Social Initiatives	<p>The Board shall establish programs and determine the necessary methods for proposing social initiatives by the Company, which include:</p> <p>1) establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities.</p> <p>2) disclosing the objectives of the Company's social responsibility to its employees and raising their awareness and knowledge of social responsibility.</p> <p>3) disclosing plans for achieving social responsibility in the periodical reports on the activities of the Company's, and</p> <p>4) establishing awareness programs to the community to familiarize them with the Company's social responsibility.</p>	It is a Guiding Article and when it becomes compulsory, the company will apply it.

Article/ Paragraph No.	Article/Paragraph text	Reasons for non- implementation
Article 92: Formation of a Corporate Governance Committee	If the Board forms a corporate governance committee, it shall assign to it the competencies stipulated in Article (91) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually.	It is a Guiding Article and when it becomes compulsory, the company will apply it.

Ownership of board members

Description of any interest, contractual securities, rights issued for the Board members, Senior Executives, and their relatives on the shares or debt instruments of the company or its affiliates, and any change on such interest or rights during the last fiscal year:

S	Names of the persons of interest, contractual securities, or rights issue	Beginning of the year		End of the year		Net change	Change ratio
		Number of shares	Debt Instruments	Number of shares	Debt Instruments		
1	Prince Faisal bin Abdulaziz bin Faisal Al Saud	416,000	-	416,000	-	0	%0
2	Dr. Saad Saud AlSayari - Managing Director	50,000	-	50,000	-	0	%0
3	Riyadh Investment Co.	230,300	-	230,300	-	0	%0
4	Abdullah Suleiman AlDabaan	1,000	-	1,000	-	0	%0
5	Dr. Moayyed Issa Alqurtas	1,000	-	1,000	-	0	%0
6	Sulaiman Naser Alhatlan	10	-	10	-	0	%0
7	Suliman Ali Aldakheel	190	-	190	-	0	%0
8	Dr. Ahmed Othman Abdullah AL-Qasabi	0	-	0	-	0	%0

* Senior executives and their wives and minor children have no shares in the company except in the interest of the Managing Director.



Waivers of salaries, compensation and profits

There are no arrangements or agreements under which the company's shareholders waive their rights to the company.

Disclosures:

1. All board members are not involved in any loan or guarantee of any of the board members for any loan or obligation of any kind.
2. There are no other investments or investments created for the benefit of any of the company's employees.

Board of Directors and committees emanating from it

Board of Directors

A) Composition of the Board and the classification of its members:

The Board of Directors consists of seven (7) members, and the following table shows the classification of board members:

Member Name	Post	Member Classification
Prince Faisal bin Abdulaziz bin Faisal Al Saud	Chairman	Non-executive.
Dr. Saad Saud AlSayari - Managing Director	Member	Executive
Abdullah Suleiman AlDabaan	Member	Non-executive.
Dr. Moayyed Issa Alqurtas *	Member	Non-executive.
Sulaiman Naser Alhatlan	Member	Independent
Suliman Ali Aldakheel	Member	Independent
Dr.Ahmed Othman Abdullah AL-Qasabi	Member	Independent

***During the fiscal year, the Board of Directors witnessed the resignation of Dr. Muayyad Issa Al-Qurtas on 27/12/2025 due to personal and health reasons, and the necessary procedures regarding this were completed in accordance with the regulatory requirements.**

The Procedures taken by the Board to inform its members, Non-Executive Directors in particular, of shareholders' suggestions and remarks on the Company and its performance.

At the first meeting of the Board of Directors, especially non-executive members, the Chairman of the Board shall inform the shareholders of their suggestions and observations about the company and its performance.

B) Four board meetings were held in 2024 as follows:

Name	20/05/2025	13/09/2025	15/11/2025	27/12/2025	Attendance
Prince Faisal bin Abdulaziz bin Faisal Al Saud	√	√	√	√	%100
Dr. Saad Saud AlSayari - Managing Director	√	√	√	√	%100
Abdullah Suleiman AlDabaan	√	✗	√	√	%75
Dr. Moayyed Issa Alqurtas	√	✗	√	✗	%50
Sulaiman Naser Alhatlan	√	√	√	√	%100
Suliman Ali Aldakheel	√	√	√	√	%100
Dr. Ahmed Othman Abdullah AL-Qasabi	√	√	√	√	%100

-The Company affirms that none of the members of the Board of Directors has engaged in any business that competes with the Company, nor engaged in such business during the financial year ended 31 December 2025.

- The Company affirms that there were no contracts or transactions to which the Company was a party and in which any member of the Board of Directors, any senior executive, or any related party had a direct or indirect interest during the financial year ended 31 December 2025.

C. Current and past positions of board members, qualifications and experience

Name	For current jobs	Previous posts	Qualifications	Experiences
Prince Faisal bin Abdulaziz bin Faisal Al Saud	<ul style="list-style-type: none"> - Chairman of the board of directors of Al YUSR INDUSTRIAL CONTRACTING CO. - Chairman of the board of directors of ALASIMAH LLC - Chairman of the board of directors and chairman of the executive committee of SAUDI VITRIFIED CLAY PIPE CO. - Chairman of the board of directors of WATER PROJECTS SAUDI Arabia LTD 	<ul style="list-style-type: none"> - Deputy Chairman of the board of directors - Tasnee - Member of the board of directors of United Saudi Bank - Chairman of the board of directors of Ramah Aluminium Company - Assistant Deputy Minister of Education for Cultural Affairs. - Director General of external relations and missions at the Ministry of Education - Chairman of the board of directors of Saudi Turf Company 	<ul style="list-style-type: none"> - Bachelor of Business Administration from the University of California, Berkeley - Mater of Business Administration from Michigan State University (America) 	<ul style="list-style-type: none"> - Assistant Deputy Minister of Education for Cultural Affairs - Director-General of external relations and missions at the Ministry of Education - Planning department director at the Ministry of Transportation



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Dr. Saad Saud ALSayari - Managing Director	CEO of Saudi Vitrified Clay Pipe Co.	<ul style="list-style-type: none">- Board member of ALSalam Aircraft Co., Ltd.- Vice Chairman of Saudi Advanced Industries Co.- Board member of the Saudi Military Garment Industry Co.- Board member of Saudi Cairo Bank- Associate Professor and Head of The Department of Earth Sciences at King Fahd University of Petroleum and Minerals- Lecturer at Princeton University (USA)- Board member of the Institute of Applied Geology (Jeddah)- Member of the Planning Committee of King Faisal University (Dammam)- Member of the Saudi Geological Committee for Cooperation with UNESCO- Member of the Industrial Committee of the Chamber of Commerce and Industry in Riyadh- Board member of the Water and Sanitation Authority in Riyadh	Ph.D. in Geology, University of Stuttgart (Germany) - Master of Geology, University of Stuttgart (Germany)	<ul style="list-style-type: none">- 38 years of experience as a Board Member of companies- 9 years professor and head of the Department of Petroleum and Minerals at King Fahd University of Petroleum and Minerals
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<p>Abdullah Suleiman AlDabaan</p>	<ul style="list-style-type: none"> - Chairman of Riyadh Investment Holding Company - Chairman of AlMakateb Co. Ltd. - Chairman of Ramah Aluminium & Metal Catling Factory Co. Ltd. - Chairman of Riyadh Aluminium Products Co. Ltd. - Managing Director of Saudi Turf Co. Ltd. - Board member of Saudi Vitrified Clay Pipe Co. - Chairman of Riyadh Metal Industries Company Ltd. 	<ul style="list-style-type: none"> - General Manager of Preparatory Programs at the Institute of Public Administration in Riyadh - Former Board member of The Saudi Investment Bank - Former Board member of Tasnee Co. 	<ul style="list-style-type: none"> - Bachelor's degree in political sciences from Washington University USA 1966 - Master's degree in administration and government policies from Wisconsin State University USA_1969 	<ul style="list-style-type: none"> - 51 years of experience in the Public Sector, Contracting, entrepreneur and industrial Sector
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<p>Dr. Moayyed Issa Alqurtas</p>	<ul style="list-style-type: none"> - Board member Saudi Vitrified Clay Pipe Company - Board member of the National Industrial Development Center 	<ul style="list-style-type: none"> - Board Director AlRajhi Bank - Board Director AlRajhi Takaful - Vice Chairman and Managing Director, Tasnee - Chairman, Maadaniyah - Board Director, Cristal - Board Director, Taqa - Vice Chairman, Tasnee and Sahara Olefins Co. - Member Director, Ebn Khaldoun Optics - Chairman, National Batteries Co. - Chairman, Lead Smelting Co. - Chairman, Khadamat Co. - Director General R&D, SABIC and President of one of its affiliates - Board Director, Riyadh Cables Companies 	<ul style="list-style-type: none"> - BSc of Chemical Engineering, University of Baghdad - Ph.D. Management, University of Bradford, UK 	<p>CEO and Vice Chairman, National Industrialization Co. Tasnee</p> <ul style="list-style-type: none"> - Director General R&D, SABIC, and President of one of its affiliates - Member of the Advisory Board for Economic Affairs of the Supreme Economic Council
<p>Suliman Ali Al Dakheel</p>	<ul style="list-style-type: none"> - Board member Saudi Vitrified Clay Pipe Company - Pipe consultant 	<ul style="list-style-type: none"> - Founder and Managing Director of Arabian Water Pipe Industry Co., Ltd. - General Manager of Al-Namal Holding Company 	<p>Bachelor of Civil Engineering from King Fahd University of Petroleum and Minerals - 1985</p>	<p>Engineer Suleiman Al Dakheel enjoys a distinguished career and over 31 years in several areas, the</p>

		<ul style="list-style-type: none"> - General Manager of Sales and Marketing at Amiantit Saudi Arabia - Vice President of Sales and Marketing at Al Mustaqbal Pipe Industry Company 		<p>most important of which are sales, marketing, and factory construction, and has held leadership positions in all the companies in which he worked</p>
Sulaiman Naser Alhatlan	Chief Administrator, Al Hilal Club Company	<ul style="list-style-type: none"> - Member of the training staff at the Institute of Public Administration (Finance Sector) - Financial Advisor, Partner and CEO of National Consulting House - Managing Director, Maharah Human Resources Company - Chief Executive Officer, Growth Path Investment Company 	<ul style="list-style-type: none"> - Bachelor's degree in accounting, King Saud University- 1994 - Master's degree in accounting, San Diego State University- 1998 	<ul style="list-style-type: none"> - Investment Banking - Mergers, Acquisitions and Business Structuring - Company Valuation - Internal Audit and Governance
Dr.Ahmed Othman Abdullah AL-Qasabi	<ul style="list-style-type: none"> - Deputy CEO of Al Qasabi Contracting Company (closed JSC) 	<ul style="list-style-type: none"> - Assistant Professor of Civil Engineering - College of Engineering - King Saud University 	<ul style="list-style-type: none"> - Ph.D. in Civil Engineering, University of Colorado - Boulder, 1998 - M.Sc. in Civil Engineering, 	<ul style="list-style-type: none"> - Faculty Member at King Saud University 1999-2006 - Director of Al Qasabi

	<ul style="list-style-type: none"> - Board Member Jabal Omar Company (Listed Co) - Board Member Thakher Real Estate Development Company (closed JSC) - Member of the Executive Committee of Thakher Real Estate Development Company (closed JSC) - Vice Chairman - Madr Real Estate Investment Company (closed JSC) - Chairman of the Audit Committee - Madr Real Estate Investment Company (closed JSC) - Board Member - Geotech 	<ul style="list-style-type: none"> - Member of the Structural Committee Saudi Building Code - Member of the Sub-Committee for Soil and Foundations Saudi Building Code - Chief Executive Officer - Al Aqeeq Real Estate Development Company - the investment arm of Taiba Holding Company (listed shareholding) - General Supervisor of Registration at the College of Engineering - King Saud University - Chairman of the Correction Committee - Qiyas Center 2004 	<p>Ohio State University, 1988</p> <ul style="list-style-type: none"> - Bachelor of Civil Engineering - King Saud University 1983 	<p>Contracting Company since 2006</p> <ul style="list-style-type: none"> - Engineering and project management consulting work exceeding 10 years - Keynote Speaker at Riyadh Economic Forum 2013 - Consultant – Ministry of Labor and Social Development – to study soil problems and foundations for the launch of the Comprehensive Center for the Disabled in Tabuk - Consultant – General Organization for Technical Education and Vocational Training – to study the problems of soil and foundations for the launch
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	<p>Overseas Project Engineering (closed JSC)</p> <ul style="list-style-type: none"> - Member of the Audit Committee - Binladin Group International Company (closed JSC) - Member of the Audit Committee for the DC2 Digital City Project - Member of the Saudi-Algerian Business Council 	<ul style="list-style-type: none"> - Chairman of the Advisory Committee for the Prince Turki Al-Sudairy Mosque Project in Al-Ghat - Supervisor of the National Center for Education Statistics - Ministry of Higher Education (2006) 		<p>of the training center in Al-Qunfudhah</p>
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Current and past positions of committee members, qualifications, and experience

Name	For current jobs	Previous posts	Qualifications	Experiences
Saleh Bader Alsanie	<ul style="list-style-type: none"> - Deputy Chief of Staff in Alhilal Club Company from Jan 2024- now - Manager in Griffin Financial Advisors from Nov 2021- now - Board Secretary General in Alhilal Club Members Foundation from July 2023 - now 	<p>Financial Planning Manager in Alhilal Club Company (4 years and 4 months)</p> <p>Assistant Consultant in House of National Consulting (8 months)</p>	<ul style="list-style-type: none"> - Bachelor's degree in finance from Prince Sultan University <p>Other Certificates:</p> <ul style="list-style-type: none"> - CME-1 - FMVA 	<p>-Mr. Saleh bin Badr Al-Sanea possesses extensive experience in operations, financial planning, governance, and strategic leadership. He has a proven track record in building strong organizational structures, enhancing performance, and providing board-level support. He currently serves as Deputy Chief Executive Officer – Operations at Al Hilal Club, where he oversees multiple departments including strategy and project management, human resources, legal affairs, other sports, support services, facilities, governance and risk management, and procurement. He also contributes to the development of the Company's strategic roadmap. Previously, he held the position of Financial Planning Director, where he supervised the annual operating budget and</p>



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				<p>prepared reports and materials to support Board decision-making. He also serves as a Member of the Audit Committee at Saudi Vitrified Clay Pipe Company, Secretary General of the Board of the Al Hilal Club Members Foundation, Co-Founder and Board Member of Innova Arabia Medical, and Managing Partner at Griffin Financial Advisors, where he leads mergers and acquisitions advisory and investor relations activities.</p>
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Executive Management

Name	For current jobs	Previous posts	Qualifications	Experiences
Dr. Saad Saud AlSayari - Managing Director	CEO of Saudi Vitrified Clay Pipe Co.	<ul style="list-style-type: none"> - Board member of ALSalam Aircraft Co., Ltd. - Vice Chairman of Saudi Advanced Industries Co. - Board member of the Saudi Military Garment Industry Co. - Board member of Saudi Cairo Bank - Associate Professor and Head of The Department of Earth Sciences at King Fahd University of Petroleum and Minerals - Lecturer at Princeton University (USA) - Board member of the Institute of Applied Geology (Jeddah) - Member of the Planning Committee of King Faisal University (Dammam) - Member of the Saudi Geological Committee for Cooperation with UNESCO - Member of the Industrial Committee of the Chamber of Commerce and Industry in Riyadh - Board member of the Water and Sanitation Authority in Riyadh 	<ul style="list-style-type: none"> Ph.D. in Geology, University of Stuttgart (Germany) - Master of Geology, University of Stuttgart (Germany) 	<ul style="list-style-type: none"> - 36 years of experience as a Board Member of companies - 8 years professor and head of the Department of Petroleum and Minerals at King Fahd University of Petroleum and Minerals

Engr. Ali Saeed Alqahtani	General Manager	Plant Engineer at Saudi Aramco Contract Engineer at Saudi Aramco Staff Engineer at Saudi Aramco	Bachelor's degree in Mechanical Engineering from KFUPM	6 years in Saudi Aramco 16 years as technical manager in SVCP A member of "Saudi Council of Engineers"
Mr. Saud Saad Al-Sayari	Deputy Chief Executive Officer	- Administrator in Samba banking credit department - Deputy Chief Executive Officer at Saudi Vitrified Clay Pipe Company	- bachelor's in business from King Saud University	- 3 years experience in bank credit - 18 years experience in managing cooperations
Mr. Haitham Al shaer	Production and Maintenance Manager	- Project Manager at Saudi Binladin Group - Quality Department Manager at the current company	-Bachelor's Degree in Industrial Engineering. -IRCA-Certified Lead Auditor in ISO 9001, ISO 45001, and ISO 14001 Management Systems. -Certified Six Sigma Black Belt (CSSBB) from the American Society for Quality (ASQ).	- 4 years of field experience as a Site Engineer at Saudi Binladin Group. -11 years of experience in quality and production management at Saudi Vitrified Clay Pipe Company.
Mr. AbdulKhalig Abdulla Babkeir	CFO	- Financial manager of GlobeMed Saudi company - Chief Accountant of Middle East Factory for Machine Company - Accountant and Chief Accountant of Al-Olia Investment Company	- Bachelor of Cost & Management Accounting, Omdurman Ahlia University, Sudan - Diploma of Business and Finance Sciences from Al-Mudther Institute for Business Studies, Sudan - Certified Management Accountant (CMA) from the Institute of Management Accountants (USA)	19 years as Finance Manager - Six years as an accountant and Chief Accountant

The names of companies inside and outside the Kingdom in which a Board member is a member of their current or previous board or directors.

Member's name	Names of companies in which a board member is a member of their current board or manager	Inside / Outside the Kingdom	Legal entity (listed joint stock/non-listed joint stock /limited liability/...)	Names of companies in which a board member is a member of their previous board or manager	Inside / Outside the Kingdom	Legal entity (listed joint stock/non-listed joint stock /limited liability/...)
Prince Faisal bin Abdulaziz bin Faisal Al Saud	<ul style="list-style-type: none"> - ALAsimah LLC - Heckett Multiserv Saudi Arabia LTD. - Saudi Vitrified Clay Pipe Co. 	<ul style="list-style-type: none"> - Inside the Kingdom - Inside the Kingdom - Inside the Kingdom 	<ul style="list-style-type: none"> -Company Limited liability - Limited liability - Listed Joint Stock Company 	<ul style="list-style-type: none"> - Tasnee - United Saudi Bank - Ramah Aluminum Company - Saudi Turf Co. -AL Yusr Industrial Contracting Co. -Water Projects Saudi Arabia LTD. 	<ul style="list-style-type: none"> - Inside the Kingdom - Inside the Kingdom - Inside the Kingdom - Inside the Kingdom - Inside the Kingdom 	<ul style="list-style-type: none"> - Listed Joint Stock Company - Unlisted Joint Stock Company - Limited liability Company - Limited liability - Limited liability
Dr. Saad Saud AlSayari	<ul style="list-style-type: none"> - Saudi Vitrified Clay Pipe Co. 	<ul style="list-style-type: none"> - Inside the Kingdom 	<ul style="list-style-type: none"> - Stock Joint Company 	<ul style="list-style-type: none"> - AlSalam Aircraft Co. Ltd. - Saudi Advanced Industries Co. - Saudi Military Garment Industry Co. 	<ul style="list-style-type: none"> - Inside the Kingdom - Inside the Kingdom - Inside the Kingdom 	<ul style="list-style-type: none"> - Limited liability - Stock Joint Company - Limited liability

				- Saudi Cairo Bank	- Inside the Kingdom	- Closed Stock Joint Company
Abdullah Suleiman AlDabaan	- Riyadh Investment Holding Co. - AlMakateb Co. - Ramah Aluminium & Metal Catling Factory Co. - Saudi Turf Co. Ltd. - Riyadh Aluminium Products Co. Ltd. - Saudi Vitrified Clay Pipe Co.	- Inside the Kingdom - Inside the Kingdom - Inside the Kingdom - Inside KSA - Inside the Kingdom - Inside the Kingdom	- Closed Stock Joint Company - Limited liability - Limited liability - Limited liability - Limited liability - Stock Joint Company	- Saudi Investment Bank - Tasnee Co. - Riyadh Metal Industries Co.Ltd. - National Athath Company Ltd.	- Inside the Kingdom - Inside the Kingdom - Inside the Kingdom - Inside the Kingdom	- Stock Joint Company - Stock Joint Company - Limited liability - Limited liability
Suliman Ali Al Dakheel	- Saudi Vitrified Clay Pipe Company	- Inside the Kingdom	- Listed joint stock company	Saudi Arabian Amiantit Co - Arab Water Pipe Industry Co., Ltd.	- Inside the Kingdom - Inside the Kingdom	- Listed joint stock company - Limited liability
Dr. Moayyed Issa Alqurtas	- Saudi Vitrified Clay Pipe Company	Inside the Kingdom	- Listed Stock Joint Co.	- Board Director AlRajhi Bank - Board Director AlRajhi Takaful - Vice Chairman and Managing Director, Tasnee - Chairman, Maadaniyah	- Inside the Kingdom - Inside the Kingdom - Inside the Kingdom - Inside the Kingdom	

				<ul style="list-style-type: none"> - Board Director, Cristal - Board Director, Taqa - Vice Chairman, Tasnee and Sahara Olefins Co. - Member Director, Ebn Khaldoun Optics - Chairman, National Batteries Co. - Chairman, Lead Smelting Co. - Chairman, Khadamat Co. - Board Director, Riyadh Cables Companies 	<ul style="list-style-type: none"> - Inside the Kingdom - Inside the Kingdom - Inside the Kingdom - Inside the Kingdom - Inside the Kingdom - Inside the Kingdom - Inside the Kingdom - Inside the Kingdom 	
Sulaiman Naser Alhatlan	Member of the Board of Directors of Maharah Company for Human Resources	Inside the Kingdom	Listed Joint Stock Company	Member of the Board of Directors and Chairman of the Audit Committee of Arabian Shield Cooperative Insurance Company	Listed Joint Stock Company	Inside the Kingdom
	Member of the Board of Directors and Chairman of the Audit Committee of the Saudi	Inside the Kingdom	Listed Joint Stock Company	Member of the Board of Directors and Chairman of the Audit Committee of	Closed Joint Stock Company	Inside the Kingdom

Company for the Production of Clay Pipes				Maalem Finance Company		
Member of the Board of Directors and Chairman of the Audit Committee of Riyadh Development Company	Inside the Kingdom	Listed Joint Stock Company		Vice Chairman of the Board of Directors of Shifa Arabia Medical Company – Representative of Maharah Company	Limited Liability Company	Inside the Kingdom
Member of the Board of Directors and Chairman of the Audit Committee of Lumi Leasing Company	Inside the Kingdom	Listed Joint Stock Company		Member of the Audit Committee of Bank Albilad (9 years)	Listed Joint Stock Company	Inside the Kingdom
Chairman of the Board of Directors of the Saudi Health Systems Company – Representative of Maharah Company	Inside the Kingdom	Closed Joint Stock Company		Member of the Audit Committee of the Saudi Research and Marketing Group	Closed Joint Stock Company	Inside the Kingdom
Member of the Board of Directors of Al Hilal Club Company	Inside the Kingdom Outside the Kingdom	Unlisted contribution		Member of the Audit Committee of Mohammed Ibrahim Al-Subaie & Sons Company (MASIC)	Closed Joint Stock Company	Inside the Kingdom
Vice Chairman of the Board of Directors of Al Hilal Sports Club Members Foundation	Inside the Kingdom	Non-profit		Member of the Audit Committee of Bupa Arabia Insurance Company	Listed Joint Stock Company	Inside the Kingdom

	Member of the Board of Directors of the University Higher Education Fund and Chairman of the Audit Committee (representative of the private sector)	Inside the Kingdom	Government Entity	Member of the Audit Committee of Sulaiman Al Habib Medical Group	Listed Joint Stock Company	Inside the Kingdom
	Member of the Board of Directors of Care Shield Holding Company (Kingdom Hospital) – Representative of Maharah Company	Inside the Kingdom	Closed Joint Stock Company	Chairman of TPH Support Services (Dubai) – Representative of Maharah Company	Limited Liability Company	Inside the Kingdom
Dr.Ahmed Othman Abdullah AL-Qasabi	Board Member Jabal Omar Company	Inside the Kingdom	Listed Co			
	Board Member Thakher Real Estate Development Company	Inside the Kingdom	closed JSC			
	Board Member - Geotech Overseas Project Engineering	Inside the Kingdom	closed JSC			
	Saudi Vitrified Clay Pipe Company	Inside the Kingdom	Listed Co			

Second: Board committees

The Board of Directors has three committees:

1- Executive Committee

Is a subsidiary committee of the Board of Directors, consisting of three (3) members, appointed by the Board of Directors, and whose membership is determined so that this period does not exceed the term of the Board of Directors.

The committee's functions and responsibilities:

- Holding periodic meetings to study the new work and obstacles, and to propose appropriate solutions to them, and they should present to the Board of Directors issues that require a decision by the Board.
- Field visits to the factory whenever the requirements of the work are required.
- Review the studies, reports, and presentations received by the Committee, and make suggestions and recommendations to the management of the company and the Board of Directors to improve and develop the work.
- Guide sales and marketing and explore ways to activate them.
- Carrying out the tasks and competencies which the Board of Directors considers to be mandated by the Committee.
- Exercising the powers vested in it under the Directory of Powers approved by the Board of Directors.

Schedule of attendance of executive committee meetings for 2025

	Name	Nature of Membership	First meeting	The second meeting
			08/07/2025	09/09/2025
1	Prince Faisal bin Abdulaziz bin Faisal Al Saud	Chairman	√	√
2	Dr. Saad Saud AlSayari - Managing Director	Member	√	√
3	Abdullah Suleiman AlDabaan	Member	√	√

Audit Committee

The review committee was formed by the decision of the General Assembly of the company, consisting of three (3) members whose membership and remuneration are determined in accordance with the regulations of the Review Committee approved by the General Assembly.

The Committee's functions and responsibilities:

The audit committee is responsible for monitoring the company's business and verifying the integrity and integrity of its reports, financial statements and internal control systems, the committee's duties include, in particular, the following:

a) Financial reports:

- 1) Study the initial financial statements and the company's financial statements before submitting them to the Board of directors to express their opinion and recommendations to ensure their integrity, fairness, and transparency.
- 2) To express the technical opinion – on the request of the Board of Directors - whether the report of the Board's report and the company's financial statements is fair, balanced, and understandable and includes information that allows shareholders and investors to evaluate the financial position of the company and its performance, business model and strategy.
- 3) Examine any important or unfamiliar issues involving financial reports.
- 4) Thoroughly examine any matters raised by the company's CFO, its duties, the company's compliance officer, or the auditor.
- 5) Verification of accounting estimates in the core issues contained in the financial reports.
- 6) Study the accounting policies applied in the company and express opinions and recommendations to the Board of Directors in this regard.

B) Internal Audit:

- 1) Study and review the internal control, financial, and risk management systems in the company.
- 2) Study the internal audit reports and follow up on the corrective procedures for the notes contained in them.
- 3) Monitoring and supervising the performance and activities of internal auditors and internal audit management in the company to verify the availability of the necessary resources and their effectiveness in the performance of the work and tasks assigned to it.
- 4) Recommending the Board of Directors to appoint a director of the internal audit unit or department or internal auditor and suggesting his remuneration.
- 5) Preparing a report on its opinion regarding the adequacy of the internal control system in the company and the other activities it has performed within the scope of its competence. The Board of Directors must deposit sufficient copies of this report in the company's head office at least ten days before the date of the general assembly meeting, to provide everyone with Shareholders who wanted a copy of it. The report is read during the assembly.

c) External Auditor:

- 1) Recommend to the administration to nominate, dismiss, and isolate the auditors, determine their fees, and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.
- 2) Verifying the auditor's independence, objectivity, and fairness, and the effectiveness of the audit work, considering relevant rules and standards.
- 3) Review the company's audit plan and e-business, verify that it does not provide any administrative or administrative work that is outside the scope of the audit work, and provide its views on it.
- 4) answer the company's auditor's inquiries.
- 5) Study the auditor's report and his observations on the financial statements and follow up on what has been taken on them.

d) Commitment compliance:

- 1) Review the results of the regulatory reports and verify that the company takes the necessary action on them.
- 2) Verify the company's compliance with the relevant laws, regulations, policies, and instructions.
- 3) Review the contracts and transactions proposed by the company with the relevant parties and submit its views on it to the Management Journal.
- 4) Raise the issues it deems necessary to act in their regard to the Board of Directors and make recommendations on the measures to be taken.

Schedule of Attendance of Audit Committee meetings for 2025

Serial No.	Name	Nature of Membership	First meeting	Second Meeting	Third Meeting	Fourth Meeting	Fifth Meeting
			03/02/2025	26/08/2025	12/05/2025	06/08/2025	10/11/2025
1	Sulaiman Naser Alhatlan	Chairman	√	√	√	√	√
2	Dr. Moayyed Issa Alqurtas *	Member	√	√	√	√	√
4	Saleh Bader Alsanie	Member	√	√	√	√	√



3. Remunerations and Nominations Committee

The Awards and Nominations Committee was formed by the decision of the Company's Board of Directors and consists of three (3) members whose membership and remuneration are determined in accordance with the regulations of the Remunerations and Nominations Committee approved by the General Assembly.

The Committee's functions and responsibilities:

The Remunerations and Nominations Committee specializes in:

- 1) Preparing a clear policy for the remuneration of members of the Board of Directors and the committees emanating from the Board and the Executive Management and submitting them to the Board of Directors of consideration in preparation for approval by the General Assembly, provided that this policy considers the following standards related to performance, disclosure, and verification of their implementation.
- 2) Clarify the relationship between rewards and the applicable rewards policy and indicate any fundamental deviation from this policy.
- 3) Periodic review of the remuneration policy, and evaluation of its effectiveness in achieving the objectives envisaged.
- 4) Recommend to the Board of Directors the rewards of the members of the Board of Directors and the committees that are subsidiary about it and the senior officials of the company in accordance with the policy adopted.
- 5) Proposing clear policies and standards for membership in the Board of Directors and Executive Management.
- 6) Recommend the Administration's summary of nominations and re-nomination of members in accordance with the policies and standards adopted, considering that no one who has been convicted of a breach of trust has been nominated.
- 7) Prepare a description of the capabilities and qualifications required for membership of the Board and the positions of the Senior Executives.
- 8) Determine the time that the member should allocate to the work of the Board of Directors.
- 9) Review the necessary skills or expertise requirements for board membership and management functions.
- 10) Review the structure of the Board and Management and make recommendations on the changes that can be made.
- 11) Verify in a way that independent members are independent, and that there is no conflict of interest if the member is a member of the Board of Directors of another company.
- 12) Establish job descriptions for executive members, non-executive members, independent members, and senior executives.
- 13) Setting up special procedures in case the position of a member of the Board of directors or a senior executive becomes vacant.
- 14) Identify weaknesses and strengths in the board of directors and propose solutions to address them in accordance with the company's interest.

Schedule of Attendance of Remunerations and Nominations Committee meetings for 2025

	Name	The nature of membership	First meeting	Second meeting
			20/04/2025	27/12/2025
1	Prince Faisal bin Abdulaziz bin Faisal Al Saud	Member	√	√
2	Sulaiman Naser Alhatlan	Chairman	√	√
3	Abdullah Suleiman AlDabaan	Member	√	√

Disclosure of board members' bonuses and executive management

The remuneration policy for members of the board of directors and the committees emanating from the board and the executive management aims to define clear criteria for remuneration of members of the board of directors, its committees, and senior executives considering the requirements of the companies' system and the rules and regulations of the Capital Market Authority. The policy also aims to attract individuals with a degree of competence, ability, and talent to work on the Board of Directors, committees, and executive management by adopting incentive plans and programs for rewards that are linked to performance, which contributes to improving the company's performance and achieving the interests of its shareholders.

General Remunerations criteria:

The Remuneration and Nominations Committee is responsible for recommending to the Board the rewards of board members, committee members, and senior executives of the company, in accordance with the approved criteria as follows:

- 1- The rewards should be commensurate with the company's activity and the skills needed to manage it.
2. Consider linking the changing portion of rewards to long-term performance.
- 3- The company considers the compatibility of the rewards with the company's strategy and objectives and with the size, nature, and degree of risk.
- 4- The company considers the practices of other companies and what prevails in the labor market in determining rewards while avoiding the resulting unjustified rise in rewards and compensation.
- 5- It is prepared in coordination with the Remuneration and Nominations Committee in relation to new appointments.



- 6- The rewards are determined by the level of the job, the tasks and responsibilities of the incumbent, the scientific qualifications, practical experience, skills, and the level of performance.
- 7- The rewards should be fair and proportionate to the members' terms of reference and the actions and responsibilities performed and borne by the members of the Board of Directors or committees, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.
- 8- Considering the sector in which the company operates, its size, and the experience of the members of the Board of Directors.
- 9- The reward should be reasonably sufficient to attract, motivate, and retain competent board members.
- 10- The remuneration of members of the Board of Directors, its subsidiary committees, and senior executives are disclosed in the annual report of the Board of Directors in accordance with the Corporate Governance Regulations.

Remuneration of board members and its subsidiary committees:

- 1- The board member is entitled to an annual bonus of SAR 200,000 for his membership of the Board and an attendance allowance for each meeting of SAR 3,000.
- 2- The member of the audit committee is entitled to an attendance allowance for each session of SAR 5,000.
- 3- A member of the Remuneration and Nominations Committee is entitled to an attendance allowance for each session of SAR 5,000.
- 4- The Remunerations and Nominations Committee recommends the remuneration of the members of the Executive Committee annually based on their performance, and the recommendation is made to the Board of Directors for approval.
5. The company has the right to claim compensation for the damage to its reputation and to recover the rewards, compensation, and any other costs incurred by the company, if:
 - (a) The member's commission of an act that violates honor and trust, or by forgery or by violating laws and regulations in the Kingdom of Saudi Arabia or another country.
 - (B) If he fails to carry out his responsibilities, tasks, and duties, which will result in harm to the interest of the company.
 - (C) Termination of membership - by decision of the General Assembly - due to the absence of three consecutive meetings within one year without a legitimate excuse accepted by the Board of Directors.

Executive Management Bonus:

Executive Management Rewards include:

- Basic salary (paid monthly at the end of each calendar month)
- Allowances including but not limited to (housing allowance and transportation allowance)
- Medical insurance benefits for him and his family
- Life insurance policy

- An annual reward associated with performance indicators in accordance with the annual assessment carried out in this regard
- Other benefits include but are not limited to (annual leave, annual travel tickets, and end-of-service benefits according to the work system and human resources policy approved by the company).

The following are tables showing the rewards of board members, committee members, and senior executives:

Board Members Remunerations

Name	Fixed Remuneration						Variable Remuneration					End of service rewards	Grand Total	Expences Allowances	
	Specific amount	Allowance for attending the Board sessions	Total allowance for attending committee sessions	In Kind Benefits	A Statement of the Board members remuneration as workers or managers or payments received for technical administrative and consultancy works	Remuneration of the Board chairman, managing director or secretary, if they are committee members	Total	Profit share	Periodic remunerations	Short-term incentive plans	Long-term incentive plans				Equity (values to be entered)
First: Independent Members															
Sulaiman Naser Alhatlan	200,000	12,000	-	-	-	-	212,000	-	-	-	-	-	-	212,000	-
Sulaiman Ali Aldakheel	200,000	9,000	-	-	-	-	209,000	-	-	-	-	-	-	209,000	-
Dr.Ahmed Othman Abdullah AL-Qasabi	200,000	9,000	-	-	-	-	209,000	-	-	-	-	-	-	209,000	-
Total	600,000	30,000	-	-	-	-	630,000	-	-	-	-	-	-	630,000	-
Second: Non-executive Members															
Prince Faisal bin Abdulaziz bin Faisal Al Saud	200,000	12,000	-	-	-	-	212,000	-	-	-	-	-	-	212,000	-
Abdullah Suleiman Al-Dabaan	200,000	12,000	-	-	-	-	212,000	-	-	-	-	-	-	212,000	-
Dr. Moayyed Issa Alqurtas	200,000	12,000	-	-	-	-	212,000	-	-	-	-	-	-	212,000	-
Total	600,000	36,000	-	-	-	-	636,000	-	-	-	-	-	-	636,000	-
Third: Executive Members															
Dr. Saad Saud AlSayari	200,000	12,000	-	-	-	-	212,000	-	-	-	-	-	-	212,000	-
Total	200,000	12,000	-	-	-	-	212,000	-	-	-	-	-	-	212,000	-

Committee members' Remunerations

Description	Fixed remuneration (except attending sessions)	Allowances for attending sessions	Total
Audit Committee Members			
Sulaiman Naser Alhatlan	-	25,000	25,000
Dr. Moayyed Issa Alqurtas	-	25,000	25,000
Saleh Bader	-	25,000	25,000
Total	-	75,000	75,000
Remuneration & Nomination Committee Members			
Prince Faisal bin Abdulaziz bin Faisal Al Saud	-	15,000	15,000
Sulaiman Naser Alhatlan	-	15,000	15,000
Abdullah Suleiman AlDabaan	-	15,000	15,000
Total	-	45,000	45,000
Executive Committee Members			
Prince Faisal bin Abdulaziz bin Faisal Al Saud	268,000	-	273,000
Dr. Saad Saud AlSayari	50,000	-	50,000
Abdullah Suleiman AlDabaan	50,000	-	50,000
Total	368,000	-	373,000

Senior Executives Remuneration

	Fixed Remuneration				Variable Remuneration						End of service rewards	Board Remunerations	Total remuneration for executives in the Board	Grand Total
	Salaries	Allowances	In Kind Benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Equity (values to be entered)	Total				
Five Senior Executives (including CEO & CFO)	4,896,000	-	382,500	5,278,500	-	-	-	-	-	-	3,302,102	262,000	5,278,500	8,842,602
Total	4,896,000	-	382,500	5,278,500	-	-	-	-	-	-	3,302,102	262,000	5,278,500	8,842,602

A statement of the dates of the General Assembly meetings held during the last fiscal year and the names of the board members who attended them

Name	20/05/2025	Attendance
Prince Faisal bin Abdulaziz bin Faisal Al Saud	He did not attend.	0%
Dr. Saad Saud AlSayari - Managing Director	√	100%
Sulaiman Naser Alhatlan	√	100%
Abdullah Suleiman AlDabaan	√	100%
Dr. Moayyed Issa Alqurtas	√	100%
Suliman Ali Al Dakheel	√	100%
Dr. Ahmed Othman Abdullah AL-Qasabi	√	100%

The number of company requests for the shareholders' register, dates and reasons for those requests:

Number of company requests for shareholders' register	Order date	Reasons for the request
1	2025/01/13	Corporate procedures
2	2025/05/13	Corporate procedures
3	2025/05/26	Corporate procedures
4	2025/10/27	Corporate procedures
5	2025/10/29	Corporate procedures

Sanctions and penalties imposed on the company:

No fine imposed on the company during the year 2025.

Results of the annual review of the effectiveness of internal control procedures of the company and the opinion of the audit committee concerning the adequacy of the company's internal control system

The results of the annual audit of the effectiveness and consequences of internal control showed the absence of any substantial observations affecting the company's activity, and the company's internal audit department carries out ongoing operational audits to verify the effectiveness of the internal control system in protecting the company's assets, assessing business risks and measuring the performance efficiency, as part of its audit of the company's final financial statements. By evaluating the internal control system and providing the company with a report containing weaknesses in the system and how to address them, as well as being able to see all the minutes of the audit committee for the financial period under examination, the results of the annual review have shown the effectiveness of internal control procedures during the year 2020, and that the internal control system applied by the company was prepared on sound bases and implemented efficiently and effectively.

Shareholders

Achieving the shareholders' expectations and taking care of them is the company's main strategy and the company is constantly seeking to communicate effectively with the shareholders and to make them aware of the important developments of the company through a trading site, its website and other means of communication. In accordance with the policy of disclosure, which the company is keen to pay through compliance with the executive regulations of the CMA system and the systems in force in Saudi Arabia. The Company



considers the application of the guidelines contained in the Corporate Governance Regulations that are related to the company's employees and activities, particularly with regard to shareholders' rights and compliance with the instructions and the actions of disclosure and transparency.

Manpower and training

The company has continued to develop a program (incentives and performance) to achieve many of the positive results of linking each employee's disease with the company's goal scorer, as of December 31, 2024 (445) employees.

Recommendations of the Board of Directors to the General Assembly of Shareholders

1. Voting on the report of the Board of Directors for the fiscal year ended 31/12/2025
2. Voting on the financial statements for the fiscal year ended 31/12/2025.
3. Voting on the external auditor report for the fiscal year ended 31/12/2025.
4. Voting on the assignment of external auditor from nominated offers based on the recommendation of the audit committee, to examine, review and audit the financial statements for the second, third and annual quarter of fiscal year 2026 and the first quarter of the fiscal year 2027 and determine his fees.
5. Voting on the Board of Directors membership policy.
6. Voting on the Audit Committee Regulations.
7. Voting on the list of the Nomination and Remuneration Committee.
8. Voting on the remuneration policy of the members of the Board of Directors, its committees and the executive management.

Thanks, and appreciation

The Board of Directors extends its thanks and gratitude to the honorable shareholders for their valuable support and trust, and to the company's employees for their fruitful efforts.