



Annual Report

2023

www.obeikanglass.sa





Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

God save him



My first goal is to be a successful and pioneering model in the world at all levels, and I will work with you to achieve this.



His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al Saud

Crown Prince, Prime Minister and Minister of Defense

God save him

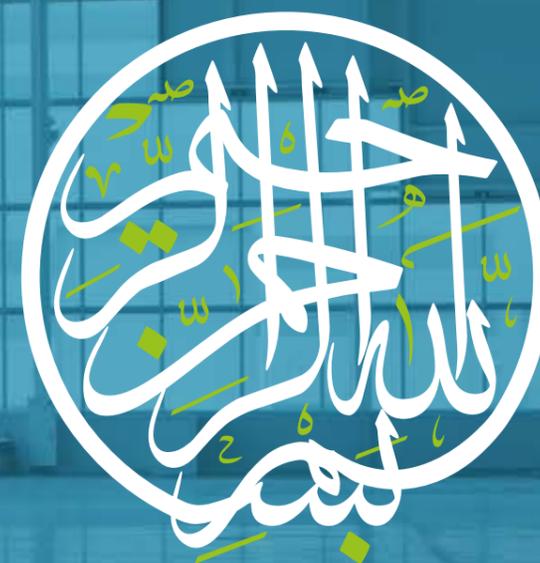


I am pleased to present to you the vision of the present for the future, which we want to start working today for tomorrow, so that it expresses all of our aspirations and reflects the capabilities of our country.





With deep market knowledge, superior data, and proprietary technology, our multi-dimensional perspective helps to invest with us to transform your business and find greater success.



The Board of Directors of Obeikan Glass Company is pleased to present to you the annual report on the company's business and performance for the fiscal year ending on 31 December 2023, along with the financial statements and accompanying notes.

Board of Directors of Obeikan Glass Company



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Chairman Message

Sirs/Shareholders of Obeikan Glass Company

Greetings,

On behalf of my fellow members of the Board of Directors of Obeikan Glass Company and myself, I am pleased to present our annual report for the fiscal year ending on 31 December 2023.

I would like to take this opportunity to express my sincere gratitude and appreciation to our former CEO, Engineer Fayez Jameel Abdulrazzaq. His wise and successful leadership, as well as his close collaboration with all members of the Board of Directors, the executive management, and the committees, played a significant role in the growth, success, and prosperity that Obeikan Glass Company has achieved today.

I would also like to welcome the new CEO of the company, Mr. Ibrahim Mohammed Al-Hammad, who joined us last July. We have confidence that his extensive experience, spanning over 25 years in executive leadership, strategic direction, and a distinguished track record with SABIC, will be a real asset to the company's journey of contribution and growth. His expertise will positively impact the development of the company's performance and the growth of its business, complementing the achievements and real successes that the company has already accomplished.

We take pride in the exceptional achievements and accomplishments we have made during the year 2023. One of the highlights was the capitalization of 80 million Saudi Riyals from retained earnings, with the aim of distributing free shares to the shareholders. As a result, shareholders received one free share for every three shares they owned.

In line with the company's strategy of expansion and growth, significant strategic decisions were made during the past year, including entering into a partnership agreement in a project for aluminum casting, as well as entering the main market.

In conclusion, I would like to express gratitude to our esteemed shareholders for their trust in our company and their continuous investment in it. Their ongoing support motivates us to continue our journey of continuous improvement and provide sustainable value to them. As we look to the future with optimism and confidence, we are committed to continuing our efforts to achieve growth and development for the company, striving for the best, and we ask for the blessings of Allah Almighty upon all of us.

Regards,

Eng. Abdallah Abdulrahman Al-Obeikan

Chairman of Board of Directors



CEO Message

Sirs/Shareholders of Obeikan Glass Company

Greetings,

In line with its progressive journey, the company has achieved a series of remarkable accomplishments during the year 2023. It gives me great pleasure to review them with you in the pages of this annual report, highlighting a collection of promising facts and figures that we hope will lay the foundation for further significant future successes. Through these achievements, we aspire to enhance our position and pioneering presence in the Saudi market.

In this context, the company took the initiative to increase its capital as an advanced step towards strengthening its financial capacity and viability. This move aims to expand its financial resources, enabling the company to enlarge its project base and future activities. This, in turn, will contribute to achieving real growth rates, resulting in profitable returns for all shareholders and partners alike.

Furthermore, the company has succeeded in increasing and diversifying its investment project portfolio by signing an ownership and operation agreement for an advanced aluminum casting and manufacturing facility. This represents an opportunity for development and growth, leveraging our extensive expertise and deep understanding of the growing needs of the manufacturing industry in the Saudi market as a whole.

The company remains committed to its strategic direction of sustaining value maximization and benefits for all shareholders, as evidenced by the distribution of dividends for the second half of 2023.

In a promising strategic move, the company's Board of Directors decided to transition from the parallel market "Nomu" to the primary Saudi stock Market "Tasi". This aligns with its sustainable development vision, aiming for further growth, development, and prosperity. This decision underscores the company's commitment to transparency and governance, instilling great confidence in fulfilling its ongoing promise of value maximization and profitable returns for all partners and stakeholders.

We are filled with hope to continue achieving more promising accomplishments and successes, fostering growth in all areas of the company's operations. This is made possible by the unlimited support of the Board of Directors, their wise guidance, and their cherished trust in our hearts, as well as the efforts of all our employees at every level and in every role. We are driven by integrated institutional values of dedication, passion, giving, and success.

In conclusion, I am delighted to express our sincere gratitude to the company's shareholders and success partners, including customers, government entities, and suppliers. We deeply appreciate their continuous support and valuable contributions to the company's achievements. Our thanks also extend to everyone who has contributed to our journey towards excellence, as we look forward to a future full of remarkable successes. May Allah grant us success.

Regards,

Mr. Ibrahim Mohammad Alhammad

Chief Executive Officer



01

**Mission and
Vision**



Vision

To gain superiority and leading position in the float glass industry.



Values

Values that lead to Leadership



Mission

To provide excellent glass quality products and superior customer services through value chain processes and innovation by highly qualified human resources.



FAIRNESS

We treat all our employees equally and develop and promote them with fairness.



INTEGRITY

We believe in integrity in business and trust our employees to be ethical and honest



RESPECT

We respect our customers, our employees & our partners. We respect the environment, our duty to society and the law.

02

About the Company



2.1 Company's Capital

Obeikan Glass Company was established in 2006. The company's capital is 320 million Saudi Riyals, divided into 32 million equal nominal shares, with a nominal value of 10 Saudi Riyals per share, all of which are ordinary shares.

2.2 Company's Activities

Obeikan Glass Company is one of the largest companies in the Middle East with a production capacity of 800 tons per day of glass panels and an annual production rate of 250,000 tons with thicknesses ranges from 3 mm to 12 mm, and glass panels sizes up to 6.50 meters in length and 2.66 meters in width.

The factory was designed using the latest technologies in the float glass industry. The factory is located in Yanbu industrial city (the Royal Commission for Jubail and Yanbu) on an area of 375,000 m².



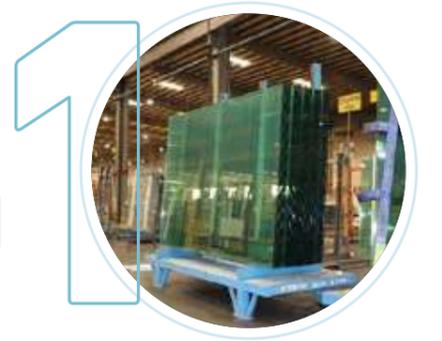
The company manufactures a variety of products, including:

Float Glass

A sheet of glass with different sizes, thicknesses and specifications, according to the end use, manufactured by the floating technique.

Uses:

Float glass is used in the construction sector, automobiles, solar panels, the furniture industry and other industries.

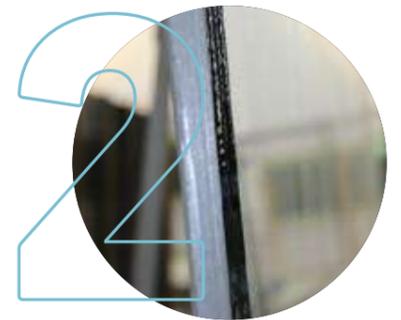


Safety Glass

It is the merging of two or more layers of glass using a film of polyvinyl butyl plastic. The thickness of the glass used, the number of layers used, and the thickness of the plastic film vary according to the performance required for the final product.

Uses :

This glass is used to increase the level of security, safety and noise isolation in buildings.



Mirrors

Sheets of float glass that are coated with a layer of silver and one or more layers of protective paint.

Uses :

Mirrors are mainly used in the construction and furniture industries.



Since its establishment, the company has sought to be among the leaders in the glass industry, not only in the Middle East, but also at an international level. The Company continues in its efforts to develop and preserve the quality of its products, improving operational capabilities and reducing production costs so as to meet or exceed the needs of our customers while improving profit margins and achieve the highest returns for its shareholders. The company has a main production line for the manufacture of transparent float glass, which began its commercial operation in the middle of 2011.

In 2020, the laminated glass (Safety Glass) factory, which is 100% owned by Obeikan Glass Company, was opened. The new factory represents an important addition to the expansion and introduction of value-added products to meet the new standards in specifications, standards and building codes in the Kingdom of Saudi Arabia and around the world, and to be in line with the latest technologies related to environmental sustainability.

The company makes all efforts to apply the highest standards in maintaining the quality of its products and their conformity to all international specifications recognized in the glass industry.

That is why the company has received many of the required quality certificates such as the ISO 9001:2015, CE Marking certificate. Obeikan Glass has also received two awards in quality and institutional excellence, the King Abdul Aziz Award for Quality for the year 2020 and the Arab Award for Quality in 2021.

On the same context, OGC was nominated for the Future Factories Program by the Ministry of Industry and Mineral Resources which aims to develop the industrial sector in the Kingdom, with a focus on smart manufacturing and the adoption of Fourth Industrial Revolution technologies, assessed through the Siri methodology (Smart Industries Readiness Index). We take great pride in achieving the advanced level in the Siri assessment, which showcases our commitment to digital transformation and staying at the forefront of global industry trends.

The company prides itself to have a very wide customer base, inside and outside the Kingdom of Saudi Arabia, backed by the excellence of its products and outstanding customer service, as the company exports to more than 45 countries around the world, including the continents of Asia, Europe, Africa and North and South America.

2.3 Investments

#	Company Name	Company headquarters	Company activity	(Capital in (Millions SR	Type	Ownership
1	Obeikan AGC	Yanbu Industrial City	Coated Glass Production	70	Limited Liability Company	19%
2	Saudi Alucast	Al Madinah al Munawara	Aluminum Casting and manufacturing	73	Limited Liability Company	60%

And following is a summary of these companies:

1 Obeikan AGC:

The coated (reflective) glass factory was opened in 2016 and is a partnership with one of the international companies specialized in this field (AGC Europe, a subsidiary of the Asahi International Group) and other local partners. Obeikan Glass Company owns 19% of its capital.

The production capacity of the factory is 5 million square meters. The factory produces coated glass, which is painted with chemical agents in the form of thin layers (100 nanometers to 1000 nanometers). Thus, the coating consists of different layers of sub-coatings of different types and thicknesses.

Among the advantages of coated glass is the reduction of ultraviolet rays, and many other advantages, including: Higher levels of comfort, reduce radiant heat, and potential savings in energy bills and reduced dependence on heating and cooling systems.

2 Saudi Alucast:

The Saudi Aluminum Foundry was established in Medina. It is a joint venture with Al-Israa Aluminum Company and aims to cast and manufacture high-quality aluminum materials and manufactured parts for the defense, aerospace, automotive and industrial sectors. It was created in line with the Kingdom of Saudi Arabia's Vision 2030 to meet the growing demand for cast parts in the local, regional and global markets.

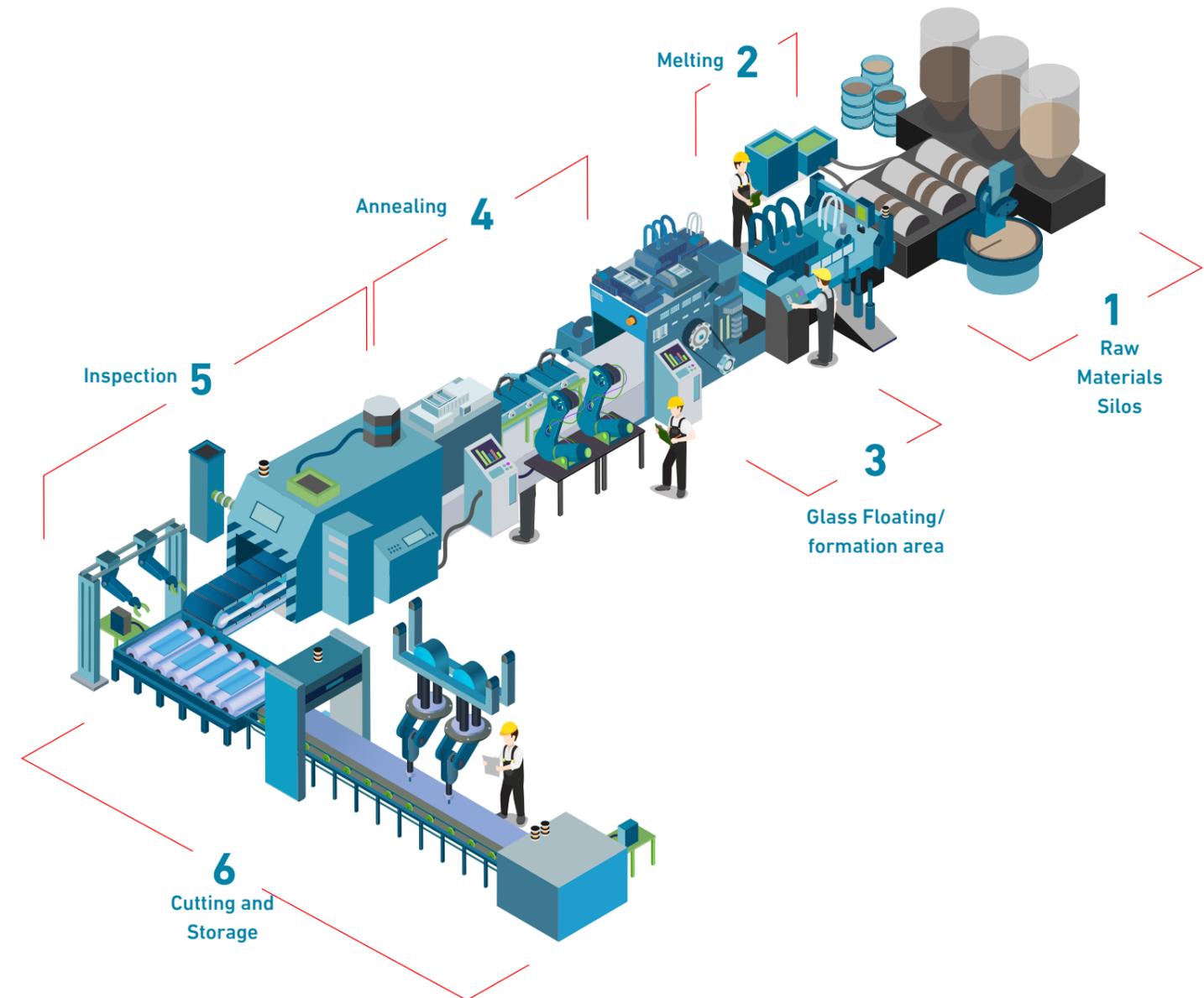
The factory is located in Medina on an area of 30,000 square meters. The factory will be equipped with the machines and resources necessary to manufacture and cast aluminum and produce high-quality products with a production capacity of approximately 15,000 tons annually serving the industrial and defense sectors, the aircraft and automobile industries, and the energy fields.

This investment came in line with the objectives of Obeikan Glass Company to expand and diversify their investment portfolio, and most importantly, to benefit from their expertise and industrial excellence in manufacturing. There are several factors that contributed to strengthening this partnership, the most important of which is the compatibility of the business model as they both follow a similar business model that serves the building and construction sectors and different industrial applications.

2.4 Obeikan Glass's Strengths and Competitive Advantages

- One of the leading companies in the glass industry in the Kingdom of Saudi Arabia and the Middle East.
- The maximum annual production capacity of the factory is 250,000 tons of glass.
- The company's management has highly qualified and competent employees.
- The company has a diverse client base inside and outside the Kingdom.
- Ease of importing raw materials because the company's factory is near to King Fahad Industrial Port overlooking the Red Sea, as well as Yanbu Commercial Port.
- The company's ability to export its products outside the Kingdom through Jeddah Islamic Port in Jeddah and King Abdullah Port in King Abdullah Economic City.
- The company has received ISO 9001:2015 certificate for its commitment to international standards for the production of clear float glass.
- The Company received King Abdulaziz Quality Award for the year 2020.
- The Company received the Arab Quality Award for the year 2021.
- The company received the advance level in SIRI assessment

2.5 Glass Production Phases



1. Raw materials are checked, weighed, and mixed
2. The raw materials for glass are melted in a furnace
3. The melted glass floats on the molten tin in a tin bath, and the forming stage begins to be ready for annealing.
4. The glass strip begins to cool slowly inside the annealing furnace to control permanent and temporary stress
5. The glass strip is automatically checked for defects
6. The glass is cut automatically

03

Financial Results for 2023, and the material Differences Compared to the Previous Year



3. Financial Results for 2023, and the material Differences Compared to the Previous Year

	2022 (Million Saudi Riyal)	2023 (Million Saudi Riyal)	Change	Change %
Sales/Revenues	502.18	393.98	(108.20)	(21.55)
Gross Profits (Losses)	256.2	149.70	(106.50)	(41.57)
Operational Profit (Loss)	189.18	75.13	(114.05)	(60.29)
Net Profit (Loss) After Zakat and Tax	177.65	64.03	(113.62)	(63.96)
Total Comprehensive Income	166.05	62.50	(103.55)	(62.36)
Total Shareholders Equities Excluding minority rights	535.86	601.99	66.13	12.34
Earnings (Loss) per Share	7.4	2.58	(4.82)	(65.14)

The reason for the decline in net profits in year 2023 compared to year 2022 is primarily due to:

1. The decrease in the average selling prices of the company's products due to global decline in prices.
2. The increase in general and administrative expenses by SAR 13.3 million due to the company entering into a new investment and bearing the company's share of the founding costs and pre-operational expenses for its investment in the subsidiary (Saudi Aluminum Casting Foundry) due to the accounting treatment of this investment (consolidation of financial statements), which resulted in additional expenses reflected on the company's income statement in the fourth quarter.

Total Shareholders Equities

Excluding minority rights

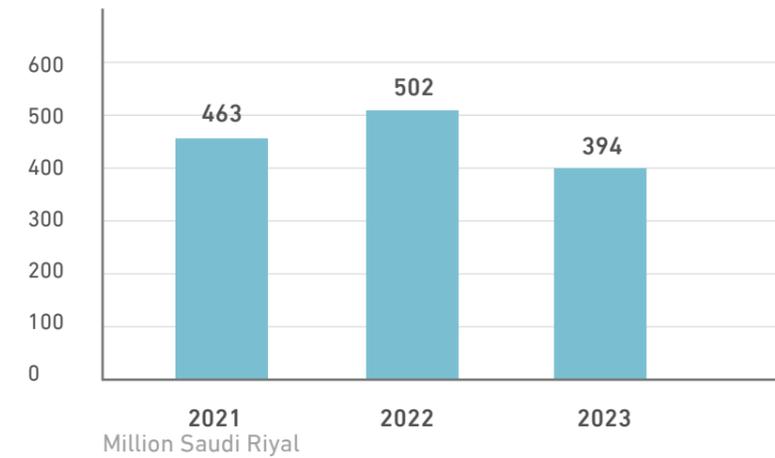
Percentage of change

12.34%

3.1 Operational Revenues

The total operating revenues amounted to 394 million Saudi Riyals for the year 2023, compared to a total operating revenue 502 million Saudi Riyals for the year 2022, a decrease of 21.6%.

- The reason for the decline in revenues during 2023 compared to 2022 was the decrease in the average selling prices of the company's products.
- Despite the decline in the company's revenue during 2023, it still maintained its market share and the volume of sales achieved.



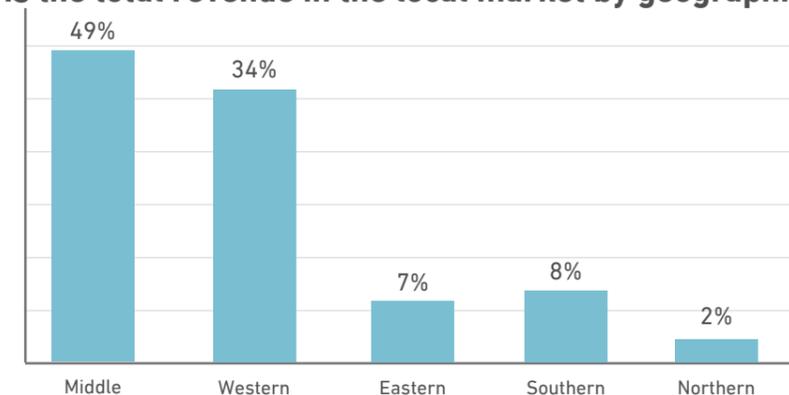
Geographical Distribution of Revenues

The company sells its products in the local market and exports more than 30% of the products to global markets.

The details of local/ global sales for the year 2023 were as follows:

Region	Gross Sales (Million Saudi Riyal)	Percentage
Local	258.40	65.6%
Global	135.58	34.4%
Total	393.98	100%

Below is the total revenue in the local market by geographic region:

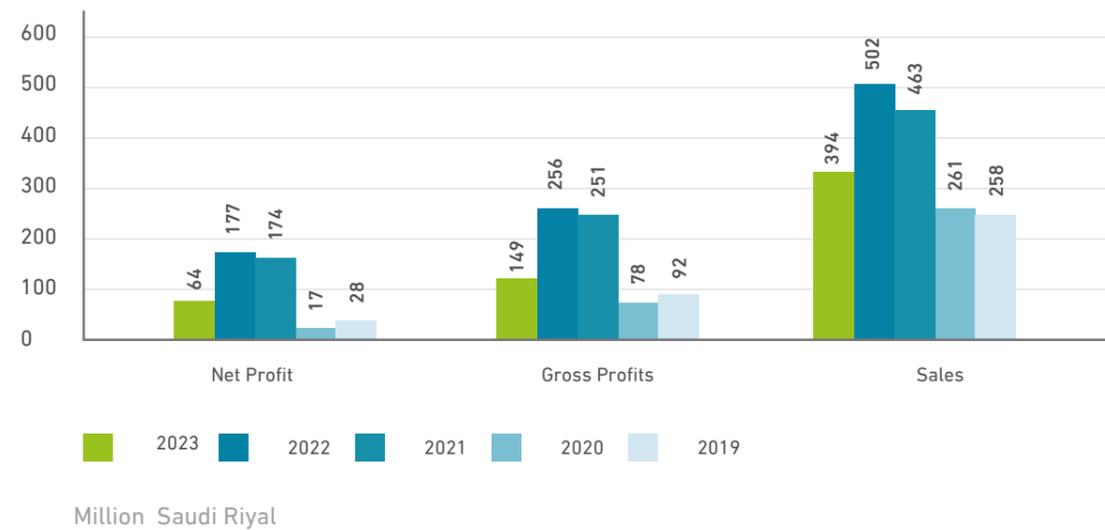


We would also like to point out that there are no revenues for the subsidiary company, Saudi Aluminum Foundry Company, because the factory has not yet started operating.

3.2 Operating results (sales) for the last five years

Sales Details (Million Saudi Riyal)

	2019	2020	2021	2022	2023	% change of 2023 with 2022
Sales	258	261	463	502	394	(21.6%)
Gross profits	92	78	251	256	150	(41.6%)
Net profit	28	17	174	177	64	(63.7%)
Profit margin	11%	7%	38%	35%	16%	(54%)



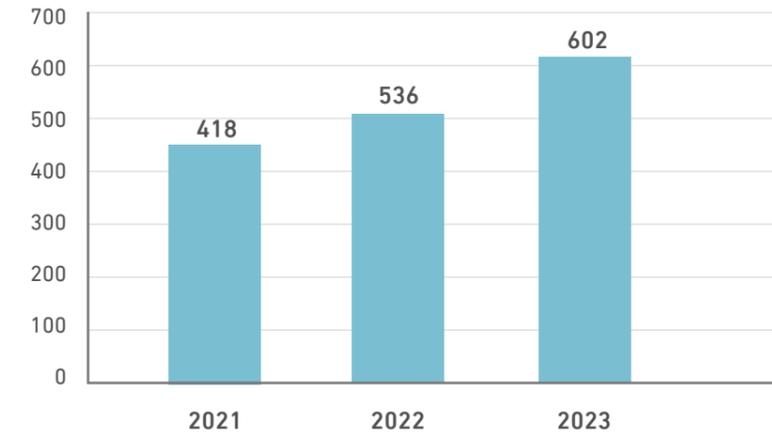
3.3 General & Administrative Expenses

The general and administrative expenses of the company amounted to 35.82 million Saudi Riyals for the year 2023, compared to expenses amounting to 22.53 million Saudi Riyals for the year 2022.

	2022G	2023G
General & Administrative Expenses	22.53	35.82

3.4 Shareholders' Equities

Shareholders' equity for the fiscal year 2023 increased by 66 million Saudi Riyals to 602 million Saudi Riyals from 536 million Saudi Riyals in the year 2022. This 12.3% increase was mainly due to the company continuing its outstanding performance in achieving annual profits amounting to 64 million Saudi Riyals.

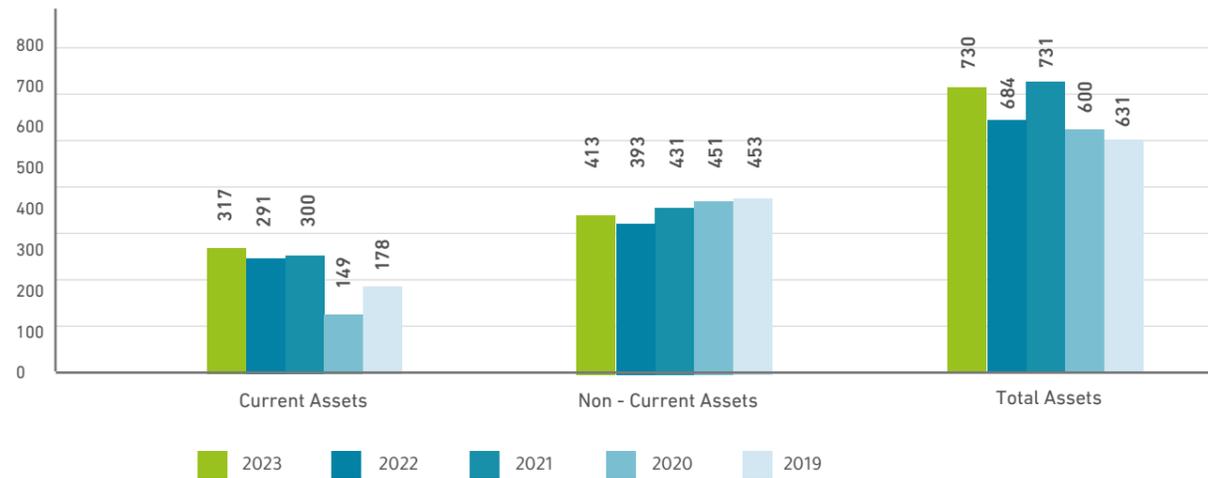


3.5 The Assets and Liabilities of The Company and The Results of Its Operations for The Last Five Fiscal Years

The following table shows the assets and liabilities of the company and results of its operations for the last five fiscal years (Millions SAR):

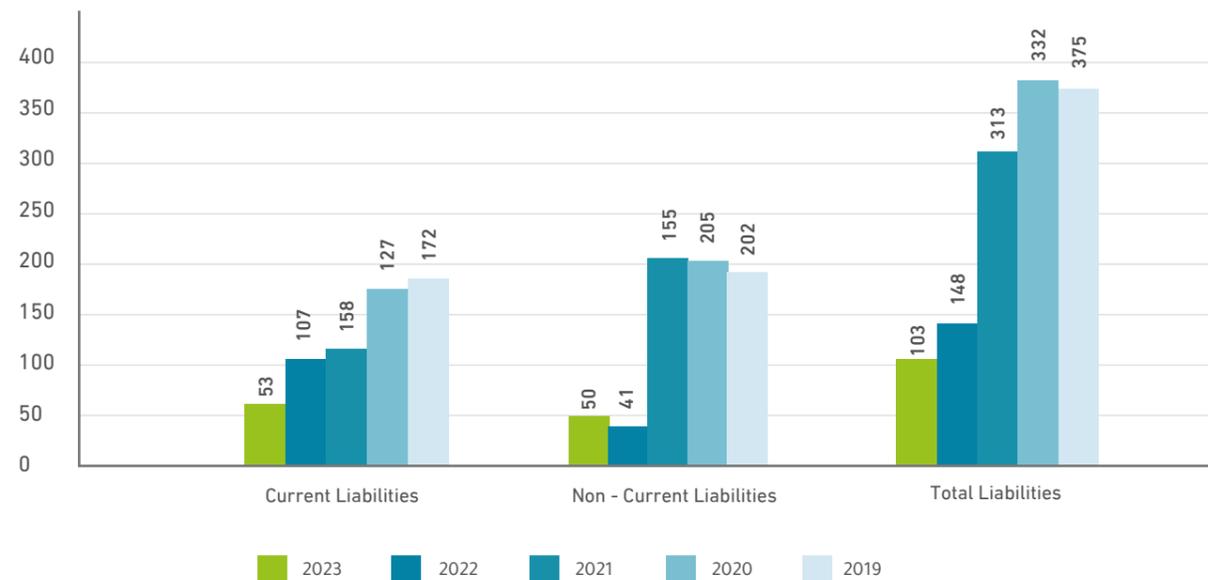
	2023G	2022G	2021G	2020G	2019G
Total Assets	730	684	731	600	631
Non-Current Assets	413	393	431	451	453
Current Assets	317	291	300	149	178
Total Liabilities	103	148	313	332	375
Non-Current Liabilities	50	41	155	205	202
Current Liabilities	53	107	158	127	172
Revenues	394	502	463	261	258
Revenues Costs	244	246	212	184	166
Gross Profit	150	256	251	78	92
Net profit (loss)	64	178	174	17	28

The Assets Of The Company For The Last Five Fiscal Years



Million Saudi Riyal

The Liabilities Of The Company For The Last Five Fiscal Years



Million Saudi Riyal

A statement of each activity of the company and its subsidiaries and its impact on the volume of the company's business and its contribution to the results:

Products	December 31, 2021		December 31, 2022		December 31, 2023	
	Value	Percent-age	Value	Percent-age	Value	Percent-age
Flat glass	432,370,851.55	93%	488,978,802.00	97%	382,586,554	97%
Safety Glass	22,143,336.85	5%	9,824,053.00	2%	6,812,042	2%
Mirrors	8,721,836.60	2%	3,376,687.75	1%	4,583,541	1%

3.6 Payables and Accruals

Movement of Zakat Provision for Fiscal Year 2023G:

	Million Saudi Riyal
Balance at the beginning of the year	5.4
Paid during the year	6.6
Generated during the year	6
Balance at the end of the year	4.8

3.7 Zakat, Tax and Legal Payments

Description	Reason	2023	
	Paid (Million Saudi Riyal)	Paid (Million Saudi Riyal)	Due unpaid until the end of the annual fiscal period (Million Saudi Riyal)
Zakat, Tax and Customs Authority	Government Requirement	30.8	1.9
GOSI	Government Requirement	2.5	0.2
Total (Million Saudi Riyal)		33.3	2.1

3.8 Penalties and Fines

Obeikan Glass Company has not been subjected to any penalties or sanctions during year 2023G by any supervisory, regulatory or judicial authority.

3.9 Loans Details

Issued by	Total Loan Value (Million Saudi Riyal)	Total amount of the withdrawn loan (Million Saudi Riyal)	Outstanding balance(unpaid) until 31/12/2023	% Of the remaining balance until 31/12/2023
a) long term loans Industrial Fund	22	11	9.7	88%
a) Short term loans International Islamic Trade Finance	34	34	6.2	18%
Total Loans (A+B)	56	45	16	-

3.10 Description of Debt Instruments

In 2023G, the Company did not issue or grant any convertible debt instruments into shares or to any options or subscription memorandum or any similar rights.

3.11 Risks that the Company encounters and mitigation methods

The Company may encounter a number of risks such as:

- 1) The Red Sea crisis continues: With the ongoing crisis in the Red Sea, maritime shipping companies are canceling most of their regular trips to the region's ports. This has resulted in a significant increase in shipping costs, making it more difficult to compete in global markets. Consequently, there may be a need to reduce prices to maintain competitiveness.
- 2) Despite the clear healthiness of local and Gulf demand in general, we may need to increase supplies to regional markets that are shipped by land. With production surpluses due to the presence of five glass factories in the Gulf region, an increase in quantities in these markets may have a negative impact on price levels.
- 3) Demand for glass continues to decline in many global markets, such as European markets, due to the Ukrainian war, inflation, and competition from Chinese companies resulting from changes in the Chinese government's policies after the real estate developers' crisis. This has led Chinese glass companies to significantly increase their exports, thereby reducing global glass prices.

- 4) Due to the local economic conditions in some countries (Iran, Egypt, and Pakistan), which have led to a decline in demand in these markets, glass factories in these countries have turned to international markets to offload their growing production surpluses beyond the capacity of their local markets. This situation has resulted in our exit from the competition circle in African markets in general.
- 5) Despite the decrease in soda ash prices and its almost return to historical levels, the increase in gas and diesel prices at the beginning of the year will have a reflection in increasing production costs by approximately **\$7-10 per ton.**

The Board of Directors is responsible for overseeing risk management in the company as a whole. Its role is to:

Determine the company's risk management culture.

- Determine appropriate policies and procedures for dealing with risks and determine the optimal level of exposure to risks in line with the company's overall strategy.
- Approve material decisions related to risks that may have a direct impact on the company's performance and sustainability, especially in the areas of risk management and identifying potential risks.

Role of the Audit Committee on behalf of the Board of Directors. The Committee is responsible for:

- Ensuring that there are appropriate arrangements to accurately identify, assess and effectively manage the risks that the company may face.
- Monitoring risks that may significantly impact the achievement of the company's strategic objectives, by monitoring the management of major risks that may impact the company's overall performance.
- Ensuring that there are dedicated review plans to examine the efficiency and effectiveness of risk management processes within the company, and providing an annual periodic assessment of these arrangements and updating them when necessary.

- Supervising internal and external audit processes according to performance requirements and ensuring that internal controls are reviewed to ensure that the company complies with best practices and applies appropriate governance policies.

Regarding the company's commitment to disclose of the risks facing it in the annual Board of Directors' report, the company presents below the most material risks to which the company may be exposed, noting that there may be additional risks that are not currently known or that the company may consider immaterial.

0.0.1. Risks related to the inability to implement the company's strategic plan

The company's future performance depends on its ability to successfully implement its objectives and achieve its current strategies. The company's ability to implement its current strategies is subject to various factors, including those related to its internal procedures and policies, such as increasing the number of employees, training and motivating them, and those outside its control, such as changes in the regulatory environment and local and global economic performance.

If the Company is unable to achieve its objectives and strategies for any reason, this will have a material adverse effect on the Company's business, financial position, results of operations and future prospects. There is also no guarantee that the Company's successful implementation of its strategy will have a positive impact on its operational results. The Company may incur additional costs, including recruiting qualified employees and assigning additional tasks to an external party (specialized consultants) to work on preparing the necessary studies to reach alternative plans and develop new strategies, which will have a material adverse effect on the Company's business, financial position, results of operations and future prospects.

0.0.2. Risks related to inventory management

The company's inventory consists of raw materials, finished goods, spare parts and consumables, work in progress, packaging materials and custom goods. The company seeks to maintain the optimal level of inventory to control inventory holding and increase working capital efficiency, while ensuring timely delivery of products to customers and maintaining their quality by calculating the amount of inventory that must be available in line with supply and demand periods. If the company is unable to maintain optimal inventory levels and monitor inventory periodically, this will lead to a severe decrease or excess in inventory levels, which may cause the company to incur losses due to its inability to meet customer requirements in the first case, or to dispose of inventory in the second case. In the event of poor inventory management by the company, this will negatively affect the company's business operations, financial position and future prospects.

The selling prices include the cost of shipping the products to the customer's warehouse in the case of land transport or the port specified by the customer in the case of sea transport. In the event of damage, most of the cost will be borne by the shipping companies according to the agreements signed with them.

0.0.3. Risks related to the shipment of the Company's products

The Company ships its products to its customers through shipping companies (third parties with whom the relationship is based on direct orders), noting that the customers bear the full shipping costs. In the event that the delivery of products to customers is delayed or is damaged in part or all during transportation, the Company may lose the confidence of its customers or the customers will refuse to receive the shipment or request compensation from the Company for the damage to the shipment, whether by reproducing it or deducting its financial value, and thus the Company will bear additional costs. In the event that any of these factors occur, it will have a material and negative impact on the Company's business, financial position, results of operations and future prospects.

0.0.4. Risks related to the company's machinery, equipment and tools

The company depends on the continuity of its operations on the operation and effectiveness of production lines, which include machines, equipment and machinery.

Industrial facilities are exposed to significant operational risks resulting from several factors, including malfunctions of machinery, machines and equipment resulting from their age, misuse or unexpected accidents that may occur, such as power outages or fires, which will result in the disruption of the company's operations and incur additional costs. Therefore, any unexpected malfunction of the company's machinery, machines and equipment or any prolonged maintenance thereof may disrupt the company's production and weaken its ability to produce sufficient quantities of products on an ongoing basis or the quality of products in a manner that meets the demands of its customers or adheres to its contractual requirements, or if the company wants to replace machinery, machines and equipment due to their obsolescence or inability to exploit them due to lack of benefit from them, the company does not guarantee the replacement of old machinery, machines and equipment with machinery, machines and equipment of the same efficiency and at a cost that suits the company, which may negatively and fundamentally affect the company's business, results of its operations and future expectations.

In the event of production defects, they are usually limited to a limited percentage of the shipment, and the customer is compensated for the defective quantities exclusively.

0.0.5. Risks related to manufacturing defects

The company's business revolves around the production and sale of flat glass and safety glass. These operations are exposed to some risks related to defects that may occur during the production process or during the process of shipping products to customers or defects resulting from errors due to misconduct or misbehavior of the company's employees. The company's annual manufacturing defect rate is estimated at less than (0.5%) of the cost of sales. It is worth noting that any defects in the products manufactured by the company or their failure to comply with the specifications required by customers may expose it to the risk of its customers refusing to receive its products, thus negatively and materially affecting the company's reputation, in addition to the company incurring any costs or compensations resulting from remanufacturing the product for the customer or reducing the value of the products sold to the customer or issuing

any judgments against the company related to any claims regarding the company's liability for manufacturing defects, which will have a negative and material impact on the company's business, results of operations, financial position and future prospects.

0.0.6. Risks related to the availability of raw material supplies and their rising prices

The company relies on continuous supplies of raw materials used in the production process.

The availability and prices of raw materials are subject to fluctuations, which may be due to factors including, but not limited to: the timing of obtaining raw materials, the Company's negotiating power, or increases in raw material prices due to factors related to supply and demand or any other influences. If the Company becomes unable to obtain these supplies in sufficient quantities, on time and on appropriate terms, or if the cost of these supplies increases, this will have a material adverse effect on the Company's business, results of operations, financial condition and future prospects.

0.0.7. Risks related to natural disasters

Any damage from natural disasters to the Company's facilities, such as floods, fires, earthquakes and other natural events for which there is no adequate insurance coverage or that are not available on commercially reasonable terms, may result in the Company incurring significant and significant costs and may materially affect the Company's ability to perform and conduct its operations and thus reduce its operating results. In the event of natural disasters and damage to the Company's facilities and assets, this will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

0.0.8. Risks related to operation and unexpected business interruption

The Company depends on the continuity of its operations on the operation and effectiveness of its production lines and work systems. Industrial facilities are exposed to significant operational risks due to several factors, including natural disasters, sudden breakdowns of major equipment, malfunctions or stoppages of production lines and computers, or interruptions in the supply of energy and electricity. These risks may cause significant damage to the facilities of industrial facilities or their workforce, or cause disruption to the production process and the Company's ability to deliver its products. If these risks occur, they may result in the Company incurring losses, thus negatively and materially affecting the Company's business, results of operations, financial position, and future prospects.

0.0.9. Risks related to non-compliance with quality standards and specifications required by customers

The company seeks to maintain customer satisfaction by continuing to provide the same level of quality of its products. However, if the company is unable to continue to provide its products with the same level of quality, this will negatively affect its reputation with its customers, and thus they may refrain from dealing with it, which will negatively and fundamentally affect the company's sales and consequently its results of operations, financial position and future prospects. The company strives to apply the highest standards in maintaining the quality of its products and their compliance with all recognized international specifications in the glass industry. This is confirmed by the company obtaining many of the required quality certificates, such as the «ISO» 9001:2015 Quality Certificate and the CE-Marking Certificate. It also received two awards in quality and institutional excellence, namely the King Abdulaziz Quality Award for 2020 and the Arab Quality Award in 2021.

0.0.10. Risks related to failure to obtain or renew licenses, permits and certificates

The Company is subject to many systems and regulations that require it to obtain a number of licenses, permits and approvals necessary from the competent regulatory authorities in the Kingdom to practice its activity. The

Company, as (the license holder), must abide by the terms and conditions of each license and certificate it has obtained. If the Company is unable to do so, it may not be able to renew these licenses and certificates or obtain other new licenses that it may require from time to time for the purposes of expanding its activities, which may result in the suspension or stumbling of the Company's business or the imposition of financial penalties on it by government agencies, and thus will negatively and materially affect the Company's business, financial position, results of operations and future prospects.

To avoid risks, licenses are closely monitored by the company's stakeholders, ensuring that licenses are obtained and renewed well in advance of their expiration date.

0.0.11. Risks related to any member of the Board of Directors engaging in business that competes with the company's business.

Some of the Company's Board of Directors or Senior Executives may compete with the Company, either through their membership on the Board of Directors or through ownership of businesses that fall within the scope of the Company's business and that are similar to the Company's business or compete with it directly or indirectly. In the event of a conflict of interest between the Company's business on the one hand and the business of the Board of Directors or Senior Executives on the other hand, this will have a material adverse effect on the Company's business, financial position, results of operations and future prospects.

Some members of the Board of Directors and senior executives may have access to the Company's internal information and may use such information for their own benefit or in a manner that conflicts with the Company's interests and objectives. If members of the Board of Directors and senior executives who have interests that conflict with the Company's interests have a negative impact on the Company's decisions, or if they use information available to them about the Company in a manner that harms its interests, this will have a material adverse effect on the Company's business, financial condition, results of operations and future prospects.

0.0.12. Risks related to transactions with related parties

The Company has dealings with related parties and in the event that the General Assembly of the Company does not approve the renewal of contracts concluded with related parties, the Company will be forced to search for other parties to contract with to carry out the work currently assigned to related parties. Also, if the Company is unable to find a suitable alternative to the currently contracted related parties within a reasonable period of time or the Company is forced to conclude alternative contracts on terms that may not be consistent with its strategic plan and objectives, this may incur additional costs for the Company to conclude these contracts, which will have a material and negative impact on the Company's business, financial position, results of operations and future prospects.

This is avoided by monitoring contracts with related parties and ensuring that their terms are in the company's best interest in the first place and ensuring that there are ready alternatives to ensure the continuation of these businesses through other parties.

0.0.13. Risks related to financing and credit facilities

The Company has loans as described in this report, and if the Company does not make any payments on time or in the future breaches its obligations under the agreements, this will negatively affect the Company's reputation and creditworthiness, which may result in fines and cancellation of the facilities granted or part thereof or confiscation of the guarantees provided by the Company, which will negatively and materially affect the Company's business, financial position, results of operations and future prospects.

This is avoided by monitoring contracts with related parties and ensuring that their terms are in the company's best interest in the first place and ensuring that there are ready alternatives to ensure the continuation of these businesses through other parties.

0.0.14. Risks related to mortgage on company assets

The loan concluded with the Saudi Industrial Development Fund includes a mortgage on all buildings constructed or to be constructed on the land rented by the company, along with the entire factory, its machinery, equipment, and all its accessories and fixtures. If the company is unable to fulfill its repayment obligations under the agreement signed with the Saudi Industrial Development

Fund, or is unable to provide any other guarantees that the Fund may request, or fails in the future to comply with any of the obligations or commitments related to the loan owed to it, the Fund may request immediate repayment of the loan and initiate judicial enforcement procedures on the assets mortgaged in favor of the Fund, sell them, and collect the value of the loans from the proceeds of the sale of the assets. Any of these factors will have a material adverse effect on the Company's business, financial position and future prospects.

0.0.15. Risks related to the provision of future financing

The company may need to obtain loans and bank facilities to finance future expansion plans. It is worth noting that obtaining financing depends on the company's capital, financial position, cash flows, guarantees provided, and credit record. The Company does not provide any assurance or guarantee that it will obtain appropriate financing if necessary. Therefore, the Company's inability to obtain the financing it needs from financing entities, or financing on acceptable preferential terms that suit the Company, will have a negative and material impact on the Company's performance, operational processes, and future results of operations.

0.0.16. Credit Risks

It is the risk that arises as a result of the failure of one party to fulfill an obligation, which causes the other party to incur a financial loss. Credit risk is considered on bank balances, trade receivables and other receivables, as the company's cash balances are deposited with banks with good ratings and trade receivables and other receivables are shown net of impairment allowance.

0.0.17. Liquidity Risks

Liquidity risk is the inability of the Company to meet its obligations related to financial liabilities when they fall due. The Company's financial liabilities consist of loans, accounts payable and accrued expenses. The Company may not be able to meet its current or future obligations on their due dates, especially short-term ones. Accordingly, if the Company is unable to manage accounts payable effectively and pay them on time, it will be exposed to financial distress, which will negatively affect the Company's business, assets, financial position, results of operations and future prospects.

0.0.18. Risks related to Zakat differences and potential Zakat obligations

Some potential obligations may arise for the Company, such as costs related to zakat, taxes and lawsuits, in addition to any other obligations or costs related to the Company's activity. If these obligations are realized, they will negatively affect the Company's financial position, financial position, results of operations and future prospects.

0.0.19. Risks related to changes in accounting standards or the application of new standards

The Company's financial statements and accompanying notes are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Certified Public Accountants (SOCPA), and the Company is obligated in this case to apply the amendments or changes that occur to these standards from time to time. Accordingly, any changes to these standards or the obligation to apply some new standards may adversely affect the financial statements and consequently the Company's financial results and financial position.

0.0.20. Risks related to the outbreak of infectious, transmissible or malignant diseases, epidemics or pandemics

The outbreak of infectious or deadly diseases, epidemics or pandemics, such as COVID-19 in the past, or the emergence of other public health concerns, whether in the Kingdom of Saudi Arabia or elsewhere, may adversely and materially affect the economy, financial markets and business activities locally and globally. In the event of an outbreak of any such disease, the Company will be required to take the preventive measures imposed by the World Health Organization and the government, which may lead to disruptions in the course of its business and commercial activity. The spread of the COVID-19 virus, which began in December 2019, has negatively affected global economies, financial markets, global demand for oil and its prices, and the general environment in which the Company operates due to the precautionary measures taken to prevent the

spread of the virus, as strict decisions were imposed in this regard, resulting in, but not limited to, the imposition of a partial or total curfew in some cities and governorates of the Kingdom during 2020, the closure of airports, the partial closure of shopping malls and all activities except for grocery stores and pharmacies, reducing the number of working hours for some sectors and obligating others to work remotely. All these restrictions have caused damage to all economic sectors and consequently to the company's business and operational processes.

Since there is no guarantee that this virus or any other disease or epidemic will not spread again, the company cannot estimate the extent of the losses resulting from it if it occurs. The company does not guarantee that there will be no consequences in the future that will negatively and materially affect the company's business, financial position, results of operations and future prospects.

0.0.21. Risks related to leases

The leases entered into by the Company are for a fixed term and are renewed at the request of the parties to the contract or automatically. Any rental increase imposed by the lessors on the Company upon renewal will result in the Company incurring additional unexpected obligations, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects. In addition, the Company may not be able to renew all leases, or these contracts may be renewed under different terms and conditions that may not be consistent with the Company's plan and strategic objectives. If the Company decides to vacate any of its leased sites due to the termination of leases under these contracts or the failure to renew these contracts, or due to the inconsistency of the renewal terms with the Company's plan, the Company will incur additional costs to select new suitable locations for lease, which may have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

0.0.22. Risks related to insufficient insurance coverage

The Company maintains various types of insurance contracts to cover its business and assets, which are represented in the following documents: medical insurance, vehicle insurance, property insurance against all risks, general liability insurance and marine transportation insurance. These insurance

contracts include deductible amounts and factors excluded from insurance coverage, in addition to other restrictions related to insurance coverage that are negotiated with insurance companies. The Company's ability to obtain the compensation due to it from the relevant insurance company depends on its financial solvency and ability to meet the value of this compensation. Therefore, the insurance may not cover all losses incurred by the Company, and no guarantee is given that the Company will not incur losses exceeding the limits of the insurance policies or outside the scope of coverage contained in these policies. Cases may arise in which the value of the claim exceeds the value of the insurance held by the Company, or that the compensation claim submitted by the Company to the relevant insurance company is rejected, or that the claim and compensation period is prolonged, which will negatively affect the Company's business, future prospects, results of operations and financial position.

0.0.23. Risks Related to Claims and Litigation

In the ordinary course of business, the Company may file lawsuits or claims against third parties and may have lawsuits filed against it. The Company is not a party to any lawsuit, whether as a plaintiff or defendant, but like other companies, it remains exposed to lawsuits and complaints by virtue of the nature of its activities and dealings with third parties in the context of its commercial activities. These lawsuits may include, but are not limited to, zakat and tax issues, labor cases, and other damages resulting from negligence or fraud by persons or institutions in a manner beyond the Company's control. Therefore, the Company cannot accurately predict the cost of lawsuits or legal proceedings, if they occur in the future, which the Company or its subsidiary may file or be filed against it. The Company cannot also predict the final results of such lawsuits or the judgments issued therein and the compensation and penalties they include. Therefore, any negative results of such cases may adversely affect the Company and the results of its operations.

0.0.24. Risks related to Trademark and Intellectual Property Rights

In marketing its products and developing its business, the company relies on the use of its name, logo and trademark, which support its business and competitive position and give it a clear distinction in the market among customers. The

company has registered (1) trademark with the competent authority to grant it the necessary legal protection in accordance with the trademark system. The company has also committed to registering its website with the Saudi Network Information Center. The company may be forced, from time to time, to file a lawsuit to protect its intellectual property rights. If the company is unable to protect its intellectual property rights for any reason, or if a third party misuses, harms or violates the company's intellectual property rights, including the company's right to use the company's trademark, this will pose a risk to the value of the trademark and will have a material negative impact on the company's business, financial position, results of operations and future prospects. The company's reputation may be affected if its intellectual property rights are used by third parties in a manner inconsistent with the company's vision and aspirations, which may lead to a decrease in demand for its services or negatively affect its ability to attract new customers.

0.0.25. Risks related to the localization (nationalization) of jobs and foreign labor

The company falls within the «high green» range and is classified as a «medium category C» facility within the activity of «Industries - Manufacturing of primary glass products» according to the classification of the program to stimulate establishments to localize jobs «Nitaqat Al-Mutawwar». If the company does not continue to maintain these ratios or if the Ministry of Human Resources and Social Development decides to impose more stringent localization policies in the future, and the company is unable to comply with the requirements of the Ministry of Human Resources and Social Development, this will lead to the imposition of penalties on the company by government agencies, such as suspending work visa applications and transferring sponsorship for non-Saudi workers, which will have a material negative impact on the company's business, financial position, results of operations and future prospects.

0.0.26. Risks related to employee behavior and errors.

The Company may encounter errors or misconduct by employees, and the Company cannot guarantee the avoidance of misconduct or errors by its employees, such as fraud, intentional errors, embezzlement, fraud, theft, forgery, misuse of its property, and acting on its behalf without obtaining the required administrative authorizations. Accordingly, such actions may result in

consequences and responsibilities borne by the Company, or regulatory penalties, or financial liability, which will negatively affect the Company's reputation, financial position, results of its operations, and future prospects.

0.0.27. Risks related to reliance on main employees.

The company relies on the capabilities and expertise of its key employees, so the company's success in achieving its goals depends on maintaining its employees and attracting and employing qualified and experienced people to work for it. Therefore, the company is required to retain these employees or attract others with experience. To achieve this, the company will have to bear the costs of the financial fees for non-Saudi employees and their families and bear the increase in the cost of living or part thereof directly or indirectly by raising their wages. On the other hand, the company must attract and retain Saudi talent to ensure long-term continuity and adherence to the laws and regulations of the labor system in the Kingdom of Saudi Arabia. In addition, in the event of any change in the policies and regulations in force in the Kingdom, this may affect the company's ability to attract and retain talent. If the company is unable to achieve the above, this will negatively and materially affect the company's business, financial position, results of operations and future prospects.

0.0.28. Risks related to the company's inability to provide the workforce to meet the company's future expansion needs.

The Company's ability to expand its business and future performance depends on several factors, including the ability to provide the workforce to meet the Company's needs to implement its future plans. If the Company is unable to provide sufficient workforce to match its business and needs, this will have a material and negative impact on the Company's success in implementing future plans to expand its business and thus have a material and negative impact on its business results, financial performance and future prospects.

0.0.29. Risks related to lack of experience in managing companies listed on the main market

Although the Company's senior management members have experience in managing the Company as a public joint stock company listed on the parallel market for more than two years, their experience may be relatively limited due to the recent listing of the Company, and their experience may not be sufficient to

manage joint stock companies listed on the main market, and how to comply with the rules and regulations of joint stock companies listed on the main market, such as compliance with the continuous disclosure requirements to which companies listed on the main market are subject. Accordingly, the Company's senior management must make additional efforts to ensure its compliance with the rules and regulations imposed on companies listed on the main Saudi financial market. In the event that the Company fails to comply with these rules, or fails to meet governance and disclosure requirements, this will expose the Company to regulatory penalties and fines and their announcement, which in turn will have a material negative impact on its business, prospects and financial position.

0.0.30. Risks related to the financial market system and its implementing regulations

The Company is subject to all mandatory provisions and articles stipulated in the Capital Market Law and its implementing regulations and the circulars and guidelines issued by the Capital Market Authority, with the exception of provisions and articles that are advisory or do not apply to the Company. In the event that the Company is unable to comply with these regulations and rules to which it is subject, it will be subject to penalties such as temporary suspension of trading in shares or cancellation of the listing of the Company's shares, which will negatively affect the Company's business, results of operations, financial performance and profitability.

0.0.31. Risks related to the Companies Law

The Companies Law imposes some regulatory requirements that the company must adhere to. This requires the company to take measures and procedures to comply with the requirements of the Companies Law, which may affect its business plan or take a long time. The current Companies Law also imposes strict penalties for violating its provisions and mandatory rules, which reach five hundred thousand (500,000) Saudi riyals according to Article (262) thereof. Article (263) of the Companies Law stipulates that penalties shall be doubled in the event of repeated violations. Accordingly, the company may be subject to such penalties in the event of its failure to comply with these rules and provisions, which would negatively and materially affect the company's business, financial position and results of its operations.

0.1. Risks related to the market and sector in which the issuer operates

0.1.1. Risks related to the Kingdom's economic performance

The Company's expected future performance depends on a number of factors related to the economic conditions in the Kingdom in general, including, but not limited to, inflation factors, GDP growth, average per capita income, etc. The Kingdom's macro and micro economy is primarily dependent on oil and oil industries, which still control a large share of the GDP. Accordingly, any unfavorable fluctuations in oil prices will have a direct and substantial impact on the Kingdom's economic plans and growth in general and on government spending rates, which will negatively impact the Company's financial performance, given its work within the Kingdom's economic system and its impact on government spending rates.

The continued growth of the Kingdom's economy also depends on several other factors, including continued population growth and public and private sector investments in infrastructure. Therefore, any negative change in any of these factors will have a significant impact on the economy and will consequently have a negative and material impact on the company's business, financial results and future prospects.

0.1.2. Risks related to political and economic instability in the region and its impact on the company's operations

The Company's financial performance depends on the prevailing economic and political conditions in the Kingdom, in addition to the global economic conditions that in turn affect the Kingdom's economy. Many countries in the Middle East region are currently suffering from political or security instability, and there are no guarantees that the political, security and economic conditions in those countries or any other countries will not have a negative impact on the Kingdom's economy or foreign direct investment therein or on the Kingdom's financial markets in general. These factors may affect the Company's business, results of operations, financial position and future prospects.

Any major unexpected changes in the political or economic environment in the Kingdom or any other country in the Middle East, including, but not limited to: normal market fluctuations, economic recession, high unemployment rates,

technological transformations and other developments, may have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

0.1.3. Risks related to non-compliance with existing laws and regulations and/or changes in the regulatory environment

The Company is subject to the supervision of a number of government agencies in the Kingdom, including but not limited to: the Ministry of Commerce, the Zakat, Tax and Customs Authority, the Ministry of Industry and Mineral Resources, the Royal Commission for Jubail and Yanbu and the Capital Market Authority. Accordingly, the Company is subject to the risks of changes in the laws, regulations, circulars and policies in the Kingdom. The legislative and regulatory environment in the Kingdom witnesses the issuance of a number of laws and regulations that are subject to change and update. Any changes in this environment may result in the Company incurring costs to comply with them. In the event that any changes are made to the current laws or regulations, or new laws or regulations are issued, this may result in the Company incurring unexpected additional financial expenses for purposes related to compliance with those laws and meeting the requirements of those regulations, or the Company may be subject to penalties and fines imposed by the competent supervisory authorities in the event of its failure to comply with these laws and regulations on an ongoing basis, which may adversely affect its business, results of operations, financial position and future prospects.

0.1.4. Risks related to the company's operations being subject to environmental, health and safety systems and regulations.

The Company's operations are subject to a wide range of laws and regulations related to environmental protection, health and safety in the Kingdom, which increasingly impose strict standards that the Company must adhere to on an ongoing basis. The costs of compliance with these laws and regulations and the fines resulting from their violation may be significant, and compliance with new and strict standards requires incurring additional capital expenditures or the emergence of changes in operating practices. Environmental, health and safety incidents may arise. For example, the Company's operations may result in a number of pollutants being released which, if not properly controlled and managed or left untreated or unmanaged, could lead to a risk of environmental

pollution.

Failure to fully comply with environmental legislation and regulations may result in the closure of the company's industrial facilities and may expose the company to violations, fines or penalties that may be imposed by regulatory authorities, such as the withdrawal or suspension of permits under which the company operates. Examples of violations that may be committed in this context include, but are not limited to: failure to adhere to self-monitoring programs for emission sources, negligence in maintaining pollution control, monitoring and surveillance devices, or failure to adhere to procedures for dealing with emissions and leaks in emergency situations. In the event of a violation, the company may be subject to a fine not exceeding ten thousand (10,000) Saudi Riyals for each violation, which will negatively affect the company's operations, limiting the growth of its revenues or suspending its work or license. This will affect its ability to conduct its business and thus negatively and materially affect its financial position, the results of its operations and its future prospects.

0.1.5. Risks related to the cessation of government incentives supporting industrial development

The company has benefited from the incentives provided by the government to investors in order to support manufacturing in the Kingdom, support infrastructure, provide land, energy and water at reduced prices in industrial cities, and provide financing through the Saudi Industrial Development Fund, which provides soft loans to support the industrial sector, as the company has concluded a loan contract with the fund. These government incentives contribute to the success of the company's business, and any suspension or cessation of these incentives will have a negative and material impact on the company's business, financial position and future prospects.

0.1.6. Risks related to the competitive environment

The Company operates in a highly competitive environment, and there is no guarantee that the Company will continue to be able to compete effectively with other companies in the market. The pricing policies of the Company's competitors also significantly affect its financial performance, and the Company may be unable to continue to compete with those companies, which will lead to a reduction in the Company's market share and thus have a material negative impact on the Company's business, results of operations, financial position and

future prospects.

0.1.7. Risks related to energy, electricity and water products

The Council of Ministers issued its Resolution No. (95) dated 17/03/1437H (corresponding to 28/12/2015G) to raise the prices of energy products, electricity consumption tariffs, water sales pricing, and sewage services for the residential, commercial, and industrial sectors, as part of the policies related to raising the efficiency of government support in the Kingdom. The Ministry of Energy (formerly the Ministry of Energy, Industry and Mineral Resources) issued a statement on 24/03/1439H (corresponding to 12/12/2017G) regarding the financial balance program plan to correct energy product prices starting from 14/04/1439H (corresponding to 01/01/2018G), noting that energy product prices are adjusted on a monthly basis in accordance with the procedures for governing the adjustment of energy and water product prices.

The Company's operations depend on the availability of energy products, so any interruption or reduction in the supply of these products or any increase in their prices would affect the Company's operations, which would lead to a reduction in its profit margins and thus negatively and materially affect its business, financial position, results of operations and future prospects.

0.1.8. Risks related to fluctuations in supply and demand

The Company's sector, like any other sector, is affected by fluctuations in supply and demand in the market. Therefore, the failure of production levels to adapt to any future sharp decline in demand for glass will in turn affect the performance of the sector in general, and thus will affect the Company's performance, results of operations, financial position and future prospects.

0.1.9. Risks related to consumer spending due to poor economic conditions

Fluctuations in economic factors beyond the Company's control, including but not limited to: consumers' ability to borrow, interest rates, unemployment rates, salary levels, tax levels, water and electricity consumption costs, and the total or partial cessation of government support for certain items, may affect the level of disposable income negatively, leading to a decline in consumer spending levels and consequently a decline in demand for the Company's products. Any decline in the number of consumers or their spending levels will have a material

adverse effect on the Company's business, results of operations, financial condition and future prospects.

0.1.10. Risks related to adverse changes in interest rates

Interest rates may change due to any local or global economic, political or regulatory variables, which will lead to the possibility of increasing the Company's obligations under the Company's bank facilities, and consequently, this will lead to an increase in the financing costs that the Company needs for its operations, which will have a negative and material impact on the Company's financial position and cash flows, and on the Company's business, results of operations and future prospects.

0.1.11. Risks related to currency fluctuations

Some of the Company's transactions are subject to currencies other than the Saudi Riyal, particularly the US Dollar and the European Euro, in relation to the purchase of raw materials used in the production process or the export of products outside the Kingdom.

The Company is exposed to the risks of changes in foreign exchange rates in relation to its sales and obligations related to currencies other than the Kingdom's currency. The Kingdom adopts a policy of pegging the US Dollar at an exchange rate estimated at (3.75) Saudi Riyals for every (1) US Dollar. However, there is no assurance that the exchange rate of the Saudi Riyal against the US Dollar will remain stable. In contrast, the exchange rate of the Saudi Riyal against the European Euro is also subject to supply and demand factors and is therefore subject to fluctuations at any time. Accordingly, fluctuations in the value of the Saudi Riyal against foreign currencies (particularly the US Dollar and the European Euro) may adversely affect the Company's results of operations, financial position and future prospects.

0.1.12. VAT related risks

The Kingdom issued the Value Added Tax (VAT) system, which came into effect on January 1, 2018. This system imposes a value added tax of (5%) on a number of products and services, as stated in the system. The Kingdom's government decided to increase the VAT rate from (5%) to (15%), which came into effect in July 2020. Accordingly, relevant establishments must know the nature of VAT, the

method of its application, and how it is calculated. They will also have to submit their own reports to the relevant government agencies. Accordingly, the company must adapt to the changes resulting from the implementation of VAT, which include its collection and delivery, and the impact of the implementation of the VAT system on the company's business. The implementation of VAT in the Kingdom has led to an increase in the prices of most goods and services, including the company's products and services. There are currently no current claims or objections related to VAT. According to the Guidance Guide for the Provisions Related to Value Added Tax in Economic Activity (updated version in September 2021), fines and penalties are imposed on taxable persons in relation to violating the provisions and conditions of the Value Added Tax System. In this case, fines and penalties are borne by the company as the taxable person in the event of any violation or incorrect application of the tax system by the company's management. This may also damage its reputation, which will also increase operating costs and expenses, which may reduce the company's competitive position and the level of demand for its products and services, which will have a negative impact on the company, its financial position, results of operations and future prospects.

3.12 Expectations and Future Plans

The company continues to implement its strategy, prioritizing meeting the demand in the Saudi market, which absorbs about 70% of its production, and exporting the remaining quantities to key markets where the company maintains market share or strategic presence. The remaining production is sold to the most profitable markets. Therefore, the company aims to export its products to the Gulf Cooperation Council countries, the Middle East, North Africa, as well as countries in Southern Europe and North America primarily, while continuously monitoring and evaluating global market variables to achieve the best possible profitability. The improvement of domestic consumption of the company's production through increased sales of safety glass and, most importantly, the growing demand for the coating line will gradually reduce the available quantities for export.

Due to the increase in costs and the decline in global prices, profitability is expected to gradually decrease in 2024, but it will be higher than the levels achieved in the early years of the company's operation.

04

Corporate Governance Regulations

4 Corporate Governance Regulations

Obeikan Glass Company, represented by its Board of Directors and Executive Management, is keen to develop and follow up plans and controls that enhance the process of transparency and disclosure in order to comply with the rules and regulations of the Capital Market Authority, the Ministry of Commerce and other standards, as the company evaluated its compliance with the provisions of the Corporate Governance Regulations. Note that the corporate governance regulations approved by the company's general assembly in 2019 are consistent with all the requirements of the corporate governance regulations issued by the Capital Market Authority, and this regulation has authorized the company's board of directors to enforce the mandatory application of the guiding articles whenever required by the relevant authorities.

The following are the requirements of the regulation that have not been implemented so far and the reasons for not applying it:

Article No.	Paragraph/Text	Reasons and Details
Article (37) Training	<ol style="list-style-type: none"> 1. Preparing programs for the recently-appointed Board members, committee members, and Executive Management to familiarize them with the progress of the Company's business and activities 2. Developing the necessary mechanisms for Board members, committee members, and the Executive Management to continuously enroll in training programs and courses in order to develop their skills and knowledge in the fields related to the activities of the Company. 	The article is still a Guiding Article and will be adhered to when approved.
Article (39) The Assessment	<ol style="list-style-type: none"> 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. 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. 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. d. The individual assessment of the Board members shall take into account the extent of effective participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and its committees' meetings and dedicating adequate time thereof. e. The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years. 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. 	The article is still a Guiding Article and will be adhered to when approved.

Article No.	Paragraph/Text	Reasons and Details
Article (41) Conflict of Interests Policy	The Board shall develop an explicit and written policy to deal with actual and potential conflicts of interest situations which may affect the performance of Board members, a member of its committees, or the Executive Management or any other employees of the Company when dealing with the company or other stakeholders.	The company applies conflict of interest policies without a written policy at the moment, and it is in the process of preparing a written conflict of interest policy.
Article (55) Arrangements for Providing Remarks	The audit committee shall develop arrangements that enable the Company's employees to confidentially provide their remarks in respect of any inaccuracies in the financial or other reports. The audit committee shall ensure that such arrangements have been put into action through an adequate independent investigation in respect of the error or inaccuracy, and shall adopt appropriate follow-up procedures.	In the process of developing a method as stipulated in article (55).
Article (59) Remuneration Policy	9) regulating the grant of Company's shares to the Board members and the Executive Management, whether newly issued or purchased by the Company	Because the company's articles of association do not include the awards method to allocate shares to the members of the board of directors and executive management.
Article (67) Composition of risk management committee	Form a risk management committee (Guiding)	The article is still a Guiding Article and the company does not see the need to form it. The Audit Committee carries out the work of this committee currently
Article (68) Competencies of the risk management committee	Competencies of the risk management committee (Guiding)	
Article (69) Meetings of the risk management committee	Meetings of the risk management committee (Guiding)	
Article (70) Internal Control System	The Board shall approve an internal control system for the Company in order to assess the policies and procedures relating to risk management, implementation of the provisions of the Company's governance rules approved by the Company and compliance with the relevant laws and regulations.	Internal Control System is being prepared as per this article
Article (72) Duties of the Internal Audit Unit or Department	An internal audit unit or department assesses and monitors the implementation of the internal control system, and verifies that the Company and its employees comply with the applicable laws, regulations and instructions, and the Company's policies and procedures.	In the process of developing a method as stipulated in article (72).
Article (73) Composing an Internal Audit Unit/ Department	Composing an Internal Audit Unit/Department (Guiding)	The article is still a Guiding Article and will be adhered to when approved.
Article (80): Regulating The Relationship With Stakeholders	Regulating The Relationship with Stakeholders (Guiding)	The article is still a Guiding Article and will be adhered to when approved.
Article (84) Social Responsibility	Social Responsibility (Guiding)	The article is still a Guiding Article and will be adhered to when approved.
Article (85) Social Initiatives	(Guiding) Social Initiatives	The article is still a Guiding Article and will be adhered to when approved.
Article (86) Policies and Procedure of Disclosure	Without prejudice to the Rules on the Offer of Securities and Continuing Obligations, the Board shall set forth in writing the policies, procedures and supervisory rules related to disclosure pursuant to the disclosure requirements provided for in the Companies Law and the Capital Market Law, as the case may be, and their implementing regulations,	Various points are being applied, and written policies for disclosure are being prepared to be approved by the Board.
Article (92) Formation of Corporate Governance Committee	Formation of Corporate Governance Committee (Guiding)	The article is still a Guiding Article and will be adhered to when approved.

05

Board of Directors, its committees and the Executive Management

5.1 Board of Directors.



Eng. Abdallah Abdulrahman Al-Obeikan
Chairman



Mr. Yazeed Khalid Alshathre
Deputy Chairman



Mr. Abdulaziz Saleh Al-Rebdi
Director



Mr. Omran Abdulrahman Al-Obeikan
Director



Mr. Turki Mohammed Albaiz
Director



Mr. Ahmed Abdulaziz Alhakbani
Director

5.2 Duties and Competencies of the Board of Directors

The Board of Directors shall have the following duties and authorities:

- **Approving the strategic directions and main objectives of the Company and supervising their implementation, including:**
 - Develop, review and direct the Company's strategy, main business plans and risk management policy.
 - Determine the optimal capital structure for the Company, its strategy and financial objectives, and approving annual budgets.
 - Supervise the main capital expenditures of the Company and acquiring and disposing of assets.
 - Set performance goals and monitor implementation and overall performance in the Company.
 - Periodic review and approval of organizational and functional structures in the Company.
- **Establishing internal systems and controls and general supervision over them, including:**
 - Develop a written policy regulating conflict of interest, and dealing with potential conflict situations for members of the Board of Directors, executive management and shareholders, including misuse of the Company's assets and facilities, and misconduct resulting from dealings with related parties.
 - Ensure the integrity of the accounting financial systems, including those related to the preparation of financial reports.
 - Ensure the application of appropriate control systems to mitigate risks, by defining the general perception of the risks that the Company may encounter and presenting them in a transparent manner.
 - Annual review of the effectiveness of the Company's internal control procedures.
 - Preparing and approving the Company's authority matrix.
- **Establishing a corporate governance system, in line with the Companies laws and Company's bylaws.**

- **Develop clear and specific policies, standards and procedures for membership in the Board of Directors and put them into practice after approval by the General Assembly.**
- **Develop a written policy to organize the relationship with stakeholders in order to protect them and preserve their rights. This policy should specifically cover the following:**
 - Mechanisms for compensating stakeholders, in the event of a violation of their rights, which are recognized by the regulations and protected by contracts.
 - Mechanisms for settling complaints or disputes that may arise between the Company and stakeholders.
 - Appropriate mechanisms for establishing good relations with customers and suppliers and maintaining the confidentiality of information related to them.
 - Professional conduct Policy for managers and employees of the Company, in order to comply with sound professional and ethical standards and regulate the relationship between them and stakeholders, provided that the Board of Directors establish mechanisms to monitor the application and adherence to these rules.
 - Develop policies and procedures that ensure the Company's respect for laws and regulations and its obligation to disclose significant information to shareholders, creditors and stakeholders.

5.3 Composition of the Board of Directors and classification of its members and meetings

According to Article (17) of the company's Bylaw, the Board of Directors is composed of seven members, which is in accordance with Paragraph (a) of Article (17) of the Corporate Governance Regulations. The Ordinary General Assembly, held on April 1, 2021, elected the members of the Board of Directors for the current session based on the list of candidates. The Board of Directors members were elected using the cumulative voting system. Their meetings during the year 2023 were as follows:

Number of meetings in 2023: 4 meetings

#	Name	Nature of membership	1st Meeting 07/01/2023	2nd Meeting 30/03/2023	3rd Meeting 04/07/2023	4th Meeting 27/12/2023	% of attendance
1	Eng. Abdallah Abdulrahman Al-Obeikan	Non-Executive	✓	✓	✓	✓	100%
2	Yazeed Khalid Al-shathre	Independent	✓	✗	✓	✓	75%
3	Abdulaziz Saleh Al-Rebdi	Independent	✓	✓	✓	✓	100%
4	Omran Abdulrahman Al-Obeikan	Non-Executive	✓	✓	✓	✓	100%
5	Turki Mohammed Albaiz	Independent	✓	✓	✓	✓	100%
6	Ahmed Abdulaziz Alhakbani	Independent	✓	✓	✗	✓	75%

*The extraordinary general assembly held on May 18, 2023, approved the amendment of Article Seventeen of the bylaws concerning the management of the company. This amendment includes increasing the number of members from six to seven. This change will be effective from the next session of the board.

5.4 Names of current and previous companies, bodies and legal entities in which the member is a member of their boards of directors or managers

Eng. Abdallah Abdulrahman Al-Obeikan		Chairman	
Eng. Abdallah Al-Obeikan holds a Bachelor's degree in Electrical Engineering from King Saud University in the Kingdom of Saudi Arabia in 1986.			
Names of companies, establishments and entities	Period	Place	Legal form
Deputy Board Chairman at the Saudi Arabian Industrial Investments Company - Dussur	Current	Inside KSA	Closed Joint Stock
Member of the Board of Directors of Obeikan Investment Company	Current	Inside KSA	Closed Joint Stock
Chairman of the Board of Directors of Al-Obeikan AGC	Current	Inside KSA	Mixed Limited Liability
Member of the Board of Directors of the Arabian Shield Insurance Company	Current	Inside KSA	Public Joint Stock
Member of the Board of Directors of the National Water Company	Current	Inside KSA	Closed Joint Stock
Member of the Board of Directors of SIG Combiblock	Current	Inside KSA	Closed Joint Stock
Member of the Board of Directors at the National Industrial Development Center	Current	Inside KSA	Government Entity
Member of the Board of Directors of Yamama Cement Company	Current	Inside KSA	Public Joint Stock
Member of the Board of Directors of the Sulaiman Al-Rajhi Foundation	Current	Inside KSA	Charity Organization
Member of the Board of Directors of Omran Assoc.	Current	Inside KSA	Charity Organization

Eng. Abdallah Abdulrahman Al-Obeikan		Chairman	
Eng. Abdallah Al-Obeikan holds a Bachelor's degree in Electrical Engineering from King Saud University in the Kingdom of Saudi Arabia in 1986.			
Names of companies, establishments and entities	Period	Place	Legal form
Member of the Board of Directors of Abdul Rahman Bin Thunayan Al Obeikan Foundation	Current	Inside KSA	Charity Organization
Member of the Board of Directors of Social Development Bank	Previously	Inside KSA	Government entity
Member of the Board of Directors of the Saudi Authority for Industrial Cities and Technology Zones - MODON	Previously	Inside KSA	Government Entity
Member of the Board of Directors of Saudi Business Center	Previously	Inside KSA	Government Entity
Member of the Board of Directors of the Technical and Vocational Training Corporation	Previously	Inside KSA	Government Institution
Member of the Board of Directors at the General Authority of Customs	Previously	Inside KSA	Government entity
Member of the Board of Directors of the Industrial Council	Previously	Inside KSA	Government entity

Mr. Yazeed Khalid Al-Shathri		Deputy Chairman	
Mr. Yazeed Khalid Al-Shathri holds a Bachelor's degree in Human Resource Management from Dar Al-Uloom University in the Kingdom of Saudi Arabia in 2018.			
Names of companies, establishments and entities	Period	Place	Legal form
Chairman of the Board of Directors of Tabuk Cement	Current	Inside KSA	Public Joint Stock
Chairman of the Executive Committee at Tabuk Cement	Current	Inside KSA	Public Joint Stock
Member of the Governance Committee at Tabuk Cement	Current	Inside KSA	Public Joint Stock
Member of the Executive Committee at Deutsche Gulf Finance	Previously	Inside KSA	Closed Joint Stock
Chairman of the Credit and Risk Committee at Deutsche Gulf Finance	Previously	Inside KSA	Closed Joint Stock
Chairman of the Investment Committee of the Saudi Advanced Industries Company	Previously	Inside KSA	Public Joint Stock
Chairman of the Nomination & Remunerations Committee at the Saudi Advanced Industries Company	Previously	Inside KSA	Public Joint Stock
Several positions at Khalid Al-Shathri institution	Previously	Inside KSA	Institution
Chairman of the Board of Directors of the Saudi Advanced Industries Company	Previously	Inside KSA	Public Joint Stock
Deputy Chairman of the Board of Directors at the Saudi Advanced Industries Company	Previously	Inside KSA	Public Joint Stock
Deputy Chairman of the Board of Directors at Deutsche Gulf Finance	Previously	Inside KSA	Closed Joint Stock

Mr. Abdulaziz Saleh Al-Rebdi		Director	
Mr. Abdulaziz Al-Rabadi received Bachelor's degree in Industrial management from King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia in 1985.			
Names of companies, establishments and entities	Period	Place	Legal form
Chairman of the Board of Directors at the National Agricultural Development Company (NADEC)	Current	Inside KSA	Public Joint Stock
Chairman of the Board of Directors at Naseej	Current	Inside KSA	Closed Joint Stock
Chairman of NRC Committee and Member of the Audit Committee at The Family Office International Investment Co.	Current	Inside KSA	Closed Joint Stock
General Manager of Abdulaziz Saleh Al-Rebdi Financial Consulting Office	Current	Inside KSA	Single Establishment
Member of the Board of Directors and Member of the investment committee in the Saudi Investment Recycling Company	Previously	Inside KSA	Closed Joint Stock
Member of the Investment Committee of the Saudi Agricultural and Livestock Investment Company (SALIC).	Previously	Inside KSA	Closed Joint Stock
Member of the Audit Committee at Abdullah Al-Othaim Markets Company	Previously	Inside KSA	Public Joint Stock
Member of the Board of Directors of Abdullah Al-Othaim Markets Company	Previously	Inside KSA	Public Joint Stock
Member of the Audit Committee at Abdul Mohsen Al Hokair Group for Tourism and Development	Previously	Inside KSA	Public Joint Stock
Member of the Nominations and Remunerations Committee at Abdul Mohsin Al Hokair Group for Tourism and Development	Previously	Inside KSA	Public Joint Stock
Member of the Board of Directors of the Saudi Company for Agricultural Investment and Livestock Production (SALIC)	Previously	Inside KSA	Closed Joint Stock
Member of the Board of Directors of Al Hammadi Company for Development and Investment	Previously	Inside KSA	Public Joint Stock
Member of the Board of Directors of Takween Advanced Industries	Previously	Inside KSA	Public Joint Stock
Member of the Board of Directors of the Saudi United Cooperative Insurance Company (Walaa)	Previously	Inside KSA	Public Joint Stock
Managing Director of the National Agricultural Development Company (NADEC)	Previously	Inside KSA	Public Joint Stock
General Manager of L'azurde Company	Previously	Inside KSA	Public Joint Stock
Head of the Credit Unit of the Saudi Industrial Development Fund	Previously	Inside KSA	Governmental Entity

Mr. Omran Abdulrahman Al-Obeikan		Director	
Mr. Omran Al-Obeikan holds a Master's degree in Science - Packaging Technology from Rochester College of Technology in the United States of America in 1996. He also obtained a Bachelor's degree in Education from King Saud University in the Kingdom of Saudi Arabia in 1992.			
Names of companies, establishments and entities	Period	Place	Legal form
Member of the Board of Directors of Obeikan Investment Group	Current	Inside KSA	Closed Joint-Stock
Member of the Board of Directors of Obeikan AGC Glass Company	Current	Inside KSA	Mixed Limited Liability Company
Member of the Board of Directors, Obeikan Printing and Packaging Company	Current	Inside KSA	Closed Joint-Stock
Executive Vice President at Obeikan Investment Group	Current	Inside KSA	Closed Joint-Stock

Mr. Omran Abdulrahman Al-Obeikan		Director	
Mr. Omran Al-Obeikan holds a Master's degree in Science - Packaging Technology from Rochester College of Technology in the United States of America in 1996. He also obtained a Bachelor's degree in Education from King Saud University in the Kingdom of Saudi Arabia in 1992.			
Names of companies, establishments and entities	Period	Place	Legal form
Member of the Board of Directors of Obeikan Elo Pack	Previously	Inside KSA	Closed Joint-Stock
Member of the Board of Directors of Obeikan SIG Combibloc	Previously	Inside KSA	Closed Joint-Stock
General Manager at Obeikan Elo Pack	Previously	Inside KSA	Closed Joint-Stock
Deputy General Manager at Obeikan Printing and Packaging Company	Previously	Inside KSA	Closed Joint-Stock
Marketing and Sales Manager at Obeikan Printing & Packaging Company	Previously	Inside KSA	Closed Joint-Stock

Mr. Turki Mohammed Albaiz		Director	
Mr. Turki Mohammed Albaiz holds a Bachelor's degree in Management Information Systems from King Faisal University in the Kingdom of Saudi Arabia in 2001.			
Names of companies, establishments and entities	Period	Place	Legal form
Chairman of the Board of Directors at Ijarah	Current	Inside KSA	Closed Joint-Stock
Chairman of the Board of Directors at the Saudi company for the registration of financing lease contracts	Current	Inside KSA	Closed Joint-Stock
Member of the Board of Directors at the Arab Food and Dairy Factories Fadico	Current	Inside KSA	Public Joint-Stock
Member of the Board of Directors of Adeem Financial Company	Current	Inside KSA	Closed Joint-Stock
Member of the Board of Directors of the Saudi Company for Advanced Industries	Previously	Inside KSA	Public Joint-Stock
Member of the Board of Directors of Ekal Human Resources	Previously	Inside KSA	Closed Joint-Stock

Mr. Ahmed Abdulaziz Alhakbani		Director	
Mr. Ahmed Alhakbani holds a Master's degree in Business Administration from INSEAD University in France in 2009. He also obtained a Bachelor's degree in Information Systems from King Saud University, Kingdom of Saudi Arabia, in 2000.			
Names of companies, establishments and entities	Period	Place	Legal form
Member of the Board of Directors at Communications, Space & Technology Commission	Current	Inside KSA	Governmental Entity
Member of the Board of Director and NRC Chairman at The Nuclear and Radiological Regulatory Commission of Saudi Arabia	Current	Inside KSA	Governmental Entity
Member of the Board of trustees and the executive committee at National Museum	Current	Inside KSA	Governmental Entity
Deputy Board Chairman of the Board at Special Integrated Logistics Zones	Current	Inside KSA	Governmental Entity
Head of the Saudi Delegation at GCC Supreme Council Consultative Authority	Current	Inside KSA	Governmental Entity
Member of the Board of Directors, NRC Chairman, and Member of the Executive Committee at General Organization for Saudi Arabian Airlines	Current	Inside KSA	Governmental Entity
Chairman of the Board of Directors and Member of NRC at Siwar Food	Current	Inside KSA	Closed Joint-Stock
Deputy Board Chairman, Founder, and CEO at Alhulul Almobbassatah Financial Company (SIFI)	Current	Inside KSA	Closed Joint-Stock

Mr. Ahmed Abdulaziz Alhakbani	Director		
Mr. Ahmed Alhakbani holds a Master's degree in Business Administration from INSEAD University in France in 2009. He also obtained a Bachelor's degree in Information Systems from King Saud University, Kingdom of Saudi Arabia, in 2000.			
Names of companies, establishments and entities	Period	Place	Legal form
Member of the Board of Directors and NRC Chairman at ACWA power Company	Current	Inside KSA	Public Joint-Stock
Deputy Board Chairman at Azm Saudi Company for Information Technology	Current	Inside KSA	Closed Joint-Stock
Member of the Board of Directors and Member of NRC at Saudi Arabian Mining Company (Ma'aden)	Current	Inside KSA	Public Joint-Stock
Member of the Board of Trustees at Sulaiman AlRajhi Endowment	Current	Inside KSA	
Chairman of the Board of Directors at Uptown Jeddah Company	Previously	Inside KSA	Closed Joint-Stock
Member of the Board of Directors, Chairman of the Nominations and Remunerations Committee, and Member of the Executive Committee at Local Content and Government Procurement Authority	Previously	Inside KSA	Government Authority
Chairman of the Board of Directors, Chairman of the Nominations and Remuneration Committee, and Chairman of the Executive Committee at King Fahd Causeway Public Corporation	Previously	Inside KSA	Governmental Entity
Chairman of the Board of Directors and Chairman of the Executive Committee at Saudi Company for Electronic Information Exchange - Exchange	Previously	Inside KSA	Closed Joint-Stock
Member of the Board of Directors and a member of the Nominations and Remuneration Committee at Flyadeal Airlines	Previously	Inside KSA	Limited Liability
Member of the Board of Directors, Chairman of the Privatization Committee and Chairman of the Engineering Committee at General Authority of Customs	Previously	Inside KSA	Government Authority
Member of the Board of Directors and member of the Executive Committee at Food and Drug General Authority	Previously	Inside KSA	Government Authority
Member of the Board of Directors and member of the Nominations and Remunerations Committee at General Authority of Ports	Previously	Inside KSA	Government Authority
Member of the Board of Directors and a member of the Nominations and Remunerations Committee at National Gas and Industrialization Company	Previously	Inside KSA	Public Joint-Stock
Member of the Board of Directors at Natural Gas Distribution Company	Previously	Inside KSA	closed joint-stock
Governor at General Authority of Customs	Previously	Inside KSA	Government Authority
Undersecretary for Foreign Trade and General Supervisor of Foreign Trade Offices at Ministry of Foreign Affairs	Previously	Inside KSA	Government Ministry
Secretary General and member of the Board of Director at Export Development Authority	Previously	Inside KSA	Government Authority
General Supervisor of Information Technology and General Manager of the Ministry's Strategy Development Project at Ministry of Foreign Affairs	Previously	Inside KSA	Government Ministry
Advisor to the Undersecretary for Planning and Information Technology at Ministry of Education	Previously	Inside KSA	Government Ministry
Business Development Manager at Economic Cities Project at Cisco Systems	Previously	Inside KSA	Public Joint-Stock
Project Manager at e-Governmental Program - Yesser	Previously	Inside KSA	Government Program
Director of Technical Relations at Microsoft	Previously	Inside KSA	Public Joint-Stock

5.5 Board Committees

1 Audit Committee

The Audit Committee undertakes several tasks to ensure the independent evaluation of the effectiveness of the internal control system and to ensure confidence in the company's financial statements. The committee's responsibilities and powers include the following:

- Verification of accounting estimates in the material issues contained in the financial reports.
- Studying the accounting policies followed in the company and expressing an opinion and recommendation to the Board of Directors in this regard.
- Studying and reviewing the company's internal and financial control and risk management systems.
- Control and supervision of the performance and activities of the internal auditor and the internal audit department in the company.
- Recommending the General Assembly to nominate and dismiss External auditor, determine their fees and evaluate their performance after verifying their independence and reviewing the scope of their work and the terms of their contract. Reviewing the company's auditor's plan and business, expressing its views in this regard, and answering his inquiries.
- Studying the auditor's report and his notes on the financial statements and following up on what was taken in their regard.
- Reviewing the results of the reports of the regulatory authorities and verifying that the company has taken the necessary measures in this regard.
- Verifying the company's compliance with the 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 in this regard to the Board of Directors.
- Submitting the issues, the committee deems necessary to the Board of Directors for actions and expressing its recommendations.

Highlights on the activities of the Committee during 2023:



Financial Statements

- Studying the interim and annual financial statements prepared by the company's management.
- Discussing the company's investment status.
- Monitoring customer receivables and debts periodical



External Auditor

- Recommend to the General Assembly the nomination of the external auditor of the company and review its plan and work.
- Examining the external auditor's report and the management letter, which includes any observations on the internal control systems.



Compliance and risk management

- Follow-up of the zakat status with the management of the company periodically.
- Reviewing the coverage of the company's insurance contracts for the company's risks.
- Supervising the internal audit activity in the company.
- Proposing various recommendations to be followed by the company's management to improve the company's financial performance.
- Reviewing the regulations and matrix of authority of the various committees and submitting them to the Board of Directors for approval.
- Proposing various recommendations for follow-up by the company's management and improve the company's financial performance.

- Reviewing the periodic reports of the internal audit, including the most important observations and following up on corrective measures, in order to enhance the internal control environment in the company, noting that the management is responsible for designing and implementing the internal controls and the internal control system in the company and makes continuous improvements to raise the efficiency and effectiveness of the internal control system

The results of the annual audit of the effectiveness of the company's internal control procedures, in addition to the audit committee's opinion on the adequacy of the company's internal control system:

The internal audits did not show a fundamental weakness in the internal control system, in addition to the absence of any deficiencies in the internal control system and that the company's policies and procedures are appropriate.

Formation of the Audit Committee and the most important works and activities it carried out during 2023:

The Company's Audit Committee held **six** meetings during 2023, to implement the tasks entrusted to it, as follows:

#	Name	Nature of membership	1st Meeting 20-03-2023	2nd Meeting 06-04-2023	3rd Meeting 11-05-2023	4th Meeting 17-05-2023	5th Meeting 07-08-2023	6th Meeting 06-11-2023	of atten- % dance
.1	Mr. Abdulaziz Saleh Al-Rebdi	Chairman	✓	✓	✓	✓	✓	✓	100%
.2	Eng. Saeed Al-Moeather	Member	✓	✓	✓	✓	✓	✓	100%
.3	Mr. Abdulrahman Althunayan (Member From outside the Board)	Member	✓	✓	✓	✓	✓	✓	100%

Names of the members of the Audit Committee, their current and previous positions, qualifications and expertise:

Mr. Abdelaziz's details were previously presented under item 4.7. As for the other members, their details are as follows:

Eng. Saeed Abdallah Al-Moeather		Audit committee Member From outside the Board	
Eng. Saeed Abdallah Al-Moeather holds a master's degree in Chemical Engineering from Dalhousie University in Canada in 2009. He also obtained a Bachelor's degree in Chemical Engineering from King Saud University in Saudi Arabia in 1999.			
Names of companies, establishments and entities	Period	Place	Legal form
Member of the Audit Committee, and Member of the Nominations and Remunerations Committee at Naseej	Currently	Inside KSA	Public Joint-Stock
Member of the Board of Directors and Member of the Audit Committee at the Saudi Fisheries Company	Currently	Inside KSA	Public Joint-Stock
CEO at the Saudi Advanced Industries Company	Previously	Inside KSA	Public Joint-Stock
Member of the Executive Committee and Investment committee at the Saudi Advanced Industries Company	Previously	Inside KSA	Public Joint-Stock
Member of the Board of Managers of Obeikan AGC Glass Company	Previously	Inside KSA	Limited Liability Company
Multiple positions at the Saudi Basic Industries Corporation (SABIC)	Previously	Inside KSA	Public Joint-Stock
Member of the Board of Directors, Member of the Executive Committee and Member of the Nominations and Remunerations Committee at Deutsche Gulf Finance	Previously	Inside KSA	Closed Joint-Stock
Member of the Board of Directors, Member of the Audit Committee, and Member of the Nominations and Remunerations Committee at Alsalam Aerospace Industries	Previously	Inside KSA	Limited Liability Company
Member of the Board of Directors and Member of the Nominations and Remunerations Committee at Obeikan Glass Company	Previously	Inside KSA	Public Joint-Stock
Executive Vice President at the Saudi Company for Advanced Industries	Previously	Inside KSA	Public Joint-Stock

Mr. Abdulrahman Althunayan		Audit committee Member From outside the Board	
Mr. Abdulrahman Althunayan obtained a master's degree in total quality and performance management from the University of Bradford in the United Kingdom in 2005. He also obtained a bachelor's degree in education from King Saud University in the Kingdom of Saudi Arabia in 2002.			
Names of companies, establishments and entities	Period	Place	Legal form
Vice President of Customer Experience at Etihad Telecom	Current	Inside KSA	Public Joint-Stock
General Manager of Customer Experience at the National Water Company	Previously	Inside KSA	Closed Joint-Stock
Director of Operations and Regions Support Department at Saudi Telecom Company	Previously	Inside KSA	Public Joint-Stock
Executive Director of Senior Customer Services Accounts Department at Etihad Etisalat Company	Previously	Inside KSA	Public Joint-Stock
Sales Manager for the Central Region for Small and Medium Enterprises at Etihad Etisalat Company	Previously	Inside KSA	Public Joint-Stock
Senior customer account manager for the commercial sector at the Saudi Mobile Telecommunications Company	Previously	Inside KSA	Public Joint-Stock
Customer Service Support Specialist at Saudi Mobile Telecommunications Company	Previously	Inside KSA	Public Joint-Stock
Quality Assurance Specialist at CSC Arabia Ltd	Previously	Inside KSA	Limited Liability Company
Supervisor at Obeikan Bookstores Company	Previously	Inside KSA	Closed Joint-Stock



Nomination and Remuneration Committee

The Nominations and Remunerations Committee is concerned with preparing policies and criteria for membership in the Board of Directors and its committees and the Executive Management. This Committee also conducts an annual review of the necessary needs for skills or appropriate expertise for membership in the Board of Directors and committees emanating from the Board of Directors and executive management functions. It also prepares a policy for the remuneration of members of the Board of Directors and the committees emanating from the Board and the Executive Management and periodically reviewing them, and prepares special procedures in case the position of a member of the Board of Directors or senior executives becomes vacant. The Committee also reviews the structure of the Board of Directors and committees emanating from the Board of Directors and the Executive Management, and verify Annually of the independence of the independent members, and the absence of any conflict of interest. Among the committee's competencies are supervising the development of a clear strategy for governance, reviewing documents related to company governance, reviewing the rules of professional conduct that represent the company's values and development, and evaluating human resources programs. Highlights of the achievements of the committee during 2023:

Developing clear policies and standards for membership in the Board of Directors and committees emanating from the Board

One of the tasks of the Nominations and Remunerations Committee is to annually identify the weaknesses and strengths of the Board of Directors, and to propose correction methods in line with the interests of the company. The Board also evaluates and follows up on the work of its committees through periodic follow-up reports at each Board meeting.

Formation of the Nominations and Remunerations Committee and the most important works and activities it carried out during 2023:

The Company's Nominations and Remunerations Committee held two meetings during 2023, to implement the tasks entrusted to it, as follows:

Number of meetings in 2023: 2 meetings

ρ	Name	Nature of membership	1st Meeting 27-02-2023	2nd Meeting 30-10-2023	of % attendance
1	Mr. Abdallah Obaid Alharbi	Chairman	✓	✓	100%
2	Mr.Turki Mohammed Albaiz	Member	✓	✓	100%
3	Mr.Abdallah Abdulrahman Al-Obeikan	Member	✓	✓	100%

Names of the members of the Nomination and Remuneration Committee, their current and previous positions, qualifications and expertise:

All Member's details were previously presented under item 4.7. As for Mr, Abdallah Obaid Alharbi, his details are as follows:

Mr. Abdallah Obaid Alharbi	Chairman of the Nomination and Remuneration Committee from outside the board of directors		
Mr. Abdullah Al-Harbi obtained a diploma in air traffic control from the Institute of Civil Aviation. He also obtained a Managers Diploma from the Samba Group Academy in partnership with Citibank.			
Names of companies, establishments and entities	Period	Place	Legal form
Chief Human Resources Manager at Obeikan Investment Group	Current	Inside KSA	Closed Joint-Stock
Member of the Board of Directors at the Riyadh Polytechnic Institution	Current	Inside KSA	Governmental Entity
Member of the Nomination and Remuneration Committee at Obeikan Glass Company	Previously	Inside KSA	Public Joint-Stock
Several positions in Obeikan Investment Group	Previously	Inside KSA	Closed Joint-Stock
Regional Director for the Western and Southern Region in Samba Financial Group	Previously	Inside KSA	Public Joint-Stock

5.6 Executive Management



Mr. Ibrahim Mohammad
CEO



Eng. Nedal Ahmad Eshgi
General Manager



Mr. Ahmed Mohieldin Houchaimi
Marketing and Sales Director



Mr. Muhammad Abdul Nabi Shaaban
Chief Financial Officer

5.7 Information on the Executive Management

Ibrahim Mohammed Alhammad	CEO *was assigned on July 2023
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Mr. Ibrahim Alhammad holds a Master degree in Information Science from Clarion University of Pennsylvania In the United States of America in 1989.

Names of companies, establishments and entities	Period	Place	Legal form
Member of the Board of Managers of Saudi Alucast	Current	Inside KSA	Limited Liability Company
General Manager of SABIC Morocco & West Africa	Previously	Outside KSA	Public Joint Stock
Global Director - Chemical SBU at SABIC	Previously	Inside KSA	Public Joint Stock
Multiple leading positions at SABIC	Previously	Inside KSA	Public Joint Stock
Multiple board member positison at SABIC	Previously	Inside KSA	Public Joint Stock
Instructor at King Faisal Air Academy	Previously	Inside KSA	Educational Institution

Eng. Fayez Jameel Saleh Abdulrazzaq	CEO *resigned on June 2023
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Eng. Fayez Abdulrazzaq holds a Bachelor's degree in Chemical Engineering from King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia in 1987.

Names of companies, establishments and entities	Period	Place	Legal form
Chairman of the Board of Managers of Saudi Alucast	Current	Inside KSA	Limited Liability Company
Member of the Board of Directors of AGC Glass Company	Current	Inside KSA	Limited Liability Company
CEO and General Manager of Obeikan Glass Company	Previously	Inside KSA	Public Joint Stock
Operations Manager at Saudi Aramco Mobil Refinery Company Ltd. "SAMREF"	Previously	Inside KSA	Public Joint Stock

Eng. Nedal Ahmad Eshgi	General Manager *Chief Operating Officer
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Eng. Nedal Eshgi holds a Bachelor's degree in Mechanical Engineering from Metropolitan University in the United States of America in 1986.

Names of companies, establishments and entities	Period	Place	Legal form
General Manager of Obeikan Glass Company	previously	Inside KSA	listed joint-stock
Deputy Director of Operations and Maintenance at the National Petrochemical Industries Company "NATPET"	previously	Inside KSA	closed joint-stock
Operations Manager at Saudi Aramco Mobil Refinery Company Ltd. "SAMREF"	previously	Inside KSA	Limited Liability Company

Mr. Ahmed Mohieldin Houchaimi	Marketing and Sales Director General Manager for Business*
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Mr. Ahmed Houchaimi holds an MBA from the Lebanese American University in Lebanon in 1998. He also obtained a Bachelor's degree in Business Administration from Beirut University College, Lebanon, in 1992.

Names of companies, establishments and entities	Period	Place	Legal form
Director of Marketing and Sales Department at Obeikan Glass Company	previously	Inside KSA	listed joint-stock
Director of Marketing and Sales Department at United Industrial Investments Company - Uninvest	previously	Inside KSA	Limited Liability Company
Marketing Director and General Manager of Marketing and Sales at Al Watania Paper Industries	previously	Inside KSA	closed joint-stock

Mr. Muhammad Abdul Nabi Shaaban	Chief Financial Officer
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Mr. Mohamed Abdelnaby holds a Bachelor's degree in Commerce from Zagazig University in Egypt in 2005.

Names of companies, establishments and entities	Period	Place	Legal form
CFO at Obeikan Glass Company	Current	Inside KSA	listed joint-stock
Chief Accountant at Obeikan Glass Company	previously	Inside KSA	listed joint-stock
Senior Accountant at Kandil Industries Company	previously	Outside KSA	Limited Liability Company

* The organizational structure was updated and the job titles of Engineer Nedal and Mr. Ahmed were changed accordingly on July 1, 2023.

06

Remunerations, compensation and benefits of the Board Members



6 Remuneration Policy of the members of the Board of Directors, Board Committees and Executive Management

Introduction

The remuneration policy and standards have been prepared in accordance with the Companies Law, the Company's Articles of Association and the provisions of Corporate Governance Regulation. The regulations specify the controls and procedures for granting remuneration to members of the Board of Directors, members of the committees emanating from the Board and the Executive Management.

Policy Objectives

The objective of this policy is to set clear criteria for the remuneration of the members of the Board of Directors and its committee in the company in light of the requirements of the Companies Law and the rules and regulations of the Capital Market Authority.

General Provisions

The Nominations and Remuneration Committee is responsible for preparing a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board of Directors of the company, provided that this policy takes into account the adoption of standards related to performance, disclosing them, verifying their implementation, as well as clarifying the relationship between the granted remunerations and the applicable remuneration policy, and stating any material deviation from this policy, as well as periodically reviewing the remuneration policy, evaluating its effectiveness in achieving the objectives sought therefrom, and recommending to the Board of Directors the remuneration of the members of the Board of Directors and the committees emanating from the Board of Directors of the company in accordance with the policies prepared by the committee. Without prejudice to the provisions of the Companies Law, the Capital Market Law and their Implementing Regulations, the following must be taken into account in the remuneration policy:

- 1- The remunerations shall be commensurate with the company's activity and the skills required to manage it.
- 2- The company shall take into account the consistency of the remunerations with the company's strategy and objectives and with the size, nature and degree of its risks.
- 3- The remunerations shall be fair and commensurate with the member's competencies and the work and responsibilities carried out and borne by the members of the Board

of Directors or members of the committees in accordance with the objectives set by the Board of Directors to be achieved during the fiscal year.

- 4- 4. The company shall disclose the remunerations of the members of the Board and committees in the annual report of the Board of Directors in accordance with the controls and directives issued under the Companies Law and the regulations of the Capital Market Authority and their implementing regulations.

Board of Directors Remuneration

The remuneration for the Board members includes the following:

- 1- 1. An amount of SAR 200,000 is set as an annual remuneration for the Chairman of the Board of Directors according to the Companies Law and the Company's Articles of Association.
- 2- 2. An amount of SAR 150,000 is set as an annual remuneration for each member according to the Companies Law and the Company's Articles of Association.
- 3- 3. An amount of SAR 2,000 is disbursed to each member who attends the meeting as an allowance for attending the Board of Directors meeting.
- 4- 4. In the event that the member is delegated to a city outside the member's city of residence, the company shall cover the expenses of housing, living and transportation, in addition to a business class ticket (round trip) from the member's city to the city to which he/she is delegated inside or outside the Kingdom of Saudi Arabia.
- 5- 5. The annual fixed remuneration as in Clause No. (1) is disbursed based on the member's attendance rate at meetings.
- 6- 6. Allowances are disbursed for attending meetings after the minutes of the meeting are approved.
- 7- 7. A lump sum remuneration of SAR 30,000 is determined for the Secretary of the Board, and no allowance for attending Board meetings is disbursed and is not included in the end-of-service severance pay.

Remuneration of members of the Board committees

The remuneration of the members of the committees emanating from the Board of Directors includes the following:

- 1- An amount of SAR 75,000 is set as an annual remuneration for each committee chairman according to the Companies Law and the company's articles of association.
- 2- An amount of SAR 50,000 is set as an annual remuneration for each committee

member according to the Companies Law and the company's articles of association. This applies to all committees emanating from the Board of Directors, except for the Audit Committee, whose members are selected, and their remuneration is determined by the General Assembly.

- 3- An allowance for attending committee meetings, amounting to SAR 2,000 for every member per session.
- 4- In the event that a member is delegated to a city outside the member's city of residence, the company shall cover the expenses of housing, living and transportation, in addition to a business class ticket (round trip) from the member's city to the city to which he/she is delegated inside or outside the Kingdom of Saudi Arabia.
- 5- If more than one meeting is held on the same day and place, the company shall cover the above-mentioned expenses only once for each member.
- 6- The Board of Directors shall determine a lump sum remuneration of SAR 10,000 for the Committee Secretary. No allowance shall be paid for attending Committee meetings and shall not be included in the end-of-service reward.

Cases of claims for compensation and recovery

The company shall have the right to claim compensation for damage to its reputation and to recover any remuneration, compensations and any other costs incurred by the company in the event of:

- A- The member commits an act that violates honor and honesty, or forgery, or violates the rules and regulations in the Kingdom of Saudi Arabia.
- B- The member fails to carry out his/her responsibilities and duties, which results in harm to the interests of the company.
- C- Termination of membership - by a decision of the Assembly - due to absence from three consecutive meetings during one year without a legitimate excuse accepted by the Board of Directors, the member must return all remuneration paid for the period following the last meeting he attended.
- D- If it becomes clear that the remuneration paid to any of the members of the Board of Directors are based on incorrect or misleading information that was presented to the General Assembly or included in the annual report of the Board of Directors.

Executive Management Remuneration

The Executive Management Remuneration is disbursed based on criteria related to achieving performance indicators according to the results of an assessment conducted annually (short-term incentive plans linked to performance) as determined by the Nominations and Remuneration Committee.

Board Members Remuneration:

	Fixed remuneration						Variable remuneration									
	Specific amount	Allowance for attending Board sessions	Total allowance for attending committee sessions	In-kind benefits	Remuneration against technical, managerial and consulting work	Remuneration of the Chairman of the Board, the Managing Director or the Secretary if he is a member	Total	Percentage of profits	Periodic remuneration	Short term incentive plan	Long term incentive plan	Shares granted (enter value)	Total	Severance Pay	Grand total	Expense allowance
First: Independent members																
Mr. Yazid bin Khalid Al Shathri	150,000	6,000	0	0	0	0	156,000	0	0	0	0	0	0	0	156,000	0
Mr. Abdulaziz bin Saleh Al-Rabadi	150,000	8,000	112,000	0	0	0	270,000	0	0	0	0	0	0	0	270,000	0
Mr. Ahmed bin Abdulaziz Al-Haqbani	150,000	6,000	0	0	0	0	156,000	0	0	0	0	0	0	0	156,000	0
Mr. Turki bin Mohammed Al-Baiz	150,000	8,000	54,000	0	0	0	212,000	0	0	0	0	0	0	0	212,000	0
Second: Non-executive members																
Eng. Abdullah bin Abdul Rahman Al-Obeikan	200,000	8,000	54,000	0	0	0	262,000	0	0	0	0	0	0	0	262,000	0
Mr. Imran bin Abdul Rahman Al-Obeikan	150,000	8,000	0	0	0	0	158,000	0	0	0	0	0	0	0	158,000	0
Third: Executive members																
None																

Remuneration of committee members

	Fixed Remuneration (Except Session Attendance Allowance)	Sessions Attendance Allowance	Total
Audit Committee Members			
Mr. Abdulziz bin Saleh Al-Rabadi	100,000	12,000	112,000
Eng. Saeed bin Abdullah Al-Muayther	100,000	12,000	112,000
Mr. Abdul Rahman bin Thanyan Al-Thunayan	100,000	12,000	112,000
Total	300,000	36,000	336,000
Total			
Nominations and Remuneration Committee Members	75,000	4,000	79,000
Abdullah bin Obaid Al-Harbi	50,000	4,000	54,000
Eng. Abdullah bin Abdul Rahman Al-Obeikan	50,000	4,000	54,000
Mr. Turki bin Mohammed Al-Baiz	175,000	12,000	187,000
Total			



7 Executive Management Remuneration

	المكافآت الثابتة				Periodic remuneration	المكافآت المتغيرة					Severance Pay	Total Executive Remuneration for the Board, if any	Grand total
	Salaries	Allowances	Benefits in kind	Total		Profits	Short-term incentive plans	Long-term incentive plans	daiyarg serahs (eulav retne)	Total			
CEO	480,000	168,000	0	648,000	160,000	0	0	0	0	160,000	0	0	808,000
Former CEO	720,000	270,000	0	990,000	2,000,000	0	0	0	0	2,000,000	2,307,514	0	5,297,514
Chief Operating Officer	960,000	336,000	0	1,296,000	320,000	0	0	0	0	320,000	1,125,000	0	2,741,000
General Manager of Business	720,000	252,000	0	972,000	240,000	0	0	0	0	240,000	870,750	0	2,082,750
CFO	213,000	74,700	0	287,700	106,500	0	0	0	0	106,500	252,737	0	646,937
Plant Manager	383,244	134,124	0	517,368	100,440	0	0	0	0	100,440	276,654	0	894,462
Total	3,476,244	1,234,824	0	4,711,068	2,926,940	0	0	0	0	2,926,940	4,832,655	0	12,470,663

07

Compensations and Remuneration of Senior Executives

08

Ownership of the Board Members and Senior Executives

8 Ownership of the Board Members and Senior Executives

Shares owned by board members and senior executives

#	Name	Designation	Shares as at beginning of year 2023	Shares as at end of year 2023	Net Change
1.	Eng. Abdallah Abdulrahman Al-Obeikan	Chairman	0.54	0.54	0%
2.	Omran Abdulrahman Al-Obeikan	Board Member	0.41	0.41	0%
3.	Abdulaziz Saleh Al-Rebdi	Board Member	0.53	0.53	0%

09

Description of the Relationship Between the Company and Related Parties

9 Description of the Relationship Between the Company and Related Parties

The Company's conflict of interest policy addresses the cases of potential conflict of interests of Board Members, Executive Directors and Shareholders. The General Assembly shall be informed of any possible conflict of interest for the purpose of approval. During 2023, and within the framework of its usual activity, Obeikan Glass Company has carried out the following transactions with related parties as shown in the following table (as clarified in the audited financial statements for the year 2023, and it will be presented to the next General Assembly for approval):

Details of stakeholders and relationship in the Board of Directors:

Eng. Abdallah A. Al-Obeikan as the Chairman of the Board of Directors of Obeikan Glass Company and Mr. Omran Abdulrahman Al-Obeikan as a Board Member of Obeikan Glass Company where they have direct / indirect ownership in the following companies:

- Obeikan Investment Company
- Obeikan Digital Solutions Company
- Obeikan for Education Company
- Obeikan AGC Glass Company
- Saned Al Marafiq Company
- Al Obeikan Technical Fabrics Company
- Madar Digital Logistics Solution Company
- Obeikan Flexible Plastic Factory

Eng. Abdallah A. Al Obeikan also holds the position of Chairman of the Board of Directors of Al-Obeikan AGC Glass Company, and Mr. Omran Obeikan holds the position of a member of the Board of Directors of Al-Obeikan AGC Glass Company, and they are representatives of Obeikan Investment Company, which owns 18.6% of Obeikan AGC.

We would also like to point out that there are no revenues for the subsidiary company, Saudi Aluminum Foundry Company, because the factory has not yet started operating.

Related party	Nature of business and contracts	Total value of transactions	Value of Business and Contracts (Saudi Riyals)	Duration of works and contracts	Terms of Business and Contracts	Nature of business and contracts
with related party						
Obeikan Investment Company	Consulting and other services	No preferential terms	Continuing from 2007 until either party decides to leave	139,598	419,878	The members of the Board of Directors of Obeikan Glass Company, Eng. Abdullah Obeikan and Mr. Im-ran Obeikan, have a direct interest as they are the same members of the Board of Directors of Obeikan Investment Group Company.
Obeikan Digital Solutions Company	Consulting and other services	No preferential terms	Termination of Contract	776,972	1,897,688	The members of the Board of Directors of Obeikan Glass Company, Eng. Abdullah Obeikan and Mr. Im-ran Obeikan, have a direct interest as they are the same members of the Board of Directors of Obeikan Digital Solutions Company.
Obeikan Education Company	Consulting and other services	No preferential terms	Continuing from 2019 until either party decides to terminate the contract.	133,238	352,888	The members of the Board of Directors of Obeikan Glass Company, Eng. Abdullah Obeikan and Mr. Im-ran Obeikan, have a direct interest as they are the same members of the Board of Directors of Obeikan Education Company.
Sand Facilities Information Tech Company	Consulting and other services	No preferential terms	Continuing from 2010 until either party decides to terminate the contract.	79,460	241,631	The members of the Board of Directors of Obeikan Glass Company, Eng. Abdullah Obeikan and Mr. Im-ran Obeikan, have a direct interest as they are the same members of the Board of Directors of Sand Utilities Information Technology Company.
Obeikan IGC Company	Glass purchases	No preferential terms	Continuing from 2015 until either party decides to terminate the contract.	0	473,361	The members of the Board of Directors of Obeikan Glass Company, Eng. Abdullah Obeikan and Mr. Im-ran Obeikan, have a direct interest as they are the same members of the Board of Directors of Obeikan AGC.
Madar Digital Logistics Solutions Company	Consulting and services for transporting and shipping goods	No preferential terms		0	10,075,227	The members of the Board of Directors of Obeikan Glass Company, Eng. Abdullah Obeikan and Mr. Im-ran Obeikan, have a direct interest as they are the same members of the Board of Directors of Madar Digital Logistics Solutions Company.
Obeikan Flexible Plastic Factory	Buying Packaging Materials	No preferential terms	Continuing from 2010 until either party decides to terminate the contract.	166,750	166,750	The members of the Board of Directors of Obeikan Glass Company, Eng. Abdullah Obeikan and Mr. Im-ran Obeikan, have a direct interest as they are the same members of the Board of Directors of Obeikan Flexible Plastic Factory.
Due from a related party						
Obeikan AGC Glass Company	Glass Sales	No preferential terms	Continuing from 2015 until either party decides to terminate the contract.	91,685,726	70,983,113	The members of the Board of Directors of Obeikan Glass Company, Eng. Abdullah Obeikan and Mr. Im-ran Obeikan, have a direct interest as they are the same members of the Board of Directors of Obeikan IGC.
	Support expenses	No preferential terms	Continuing from 2015 until either party decides to terminate the contract	41,648,616	9,056,870	The members of the Board of Directors of Obeikan Glass Company, Eng. Abdullah Obeikan and Mr. Im-ran Obeikan, have a direct interest as they are the same members of the Board of Directors of Obeikan IGC.
Al-Israa Factory for Manufacturing and Casting Aluminum	Capital	No preferential terms	Continuing from 2023 until either party decides to terminate the contract	318,089	318,089	Mr. Ayman Samarin, a member of the Board of Directors of the subsidiary company (Saudi Aluminum Foundry), has an indirect interest as he is a member of the Board of Directors of Al-Israa Factory for Aluminum Manufacturing and Casting.



10

Dividend Policy

10 Dividend Policy

Based on Article (9) of the Companies Governance Regulations and related paragraphs, Article (47) of the Company's Bylaws addressed the distribution of the company's net profits as follows:

- The Ordinary General Assembly - when determining the share of shares in net profits - may decide to form reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits - as much as possible - to the shareholders. The aforementioned assembly may also deduct amounts from the net profits to achieve social purposes for the company's employees.
- The General Assembly determines the percentage that must be distributed to shareholders from the net profits after deducting reserves, if any.
- Annual or interim dividends may be distributed semi-annually or quarterly from the profits distributable to shareholders based on the proposal of the Board of Directors and in accordance with the Companies Law and the capital market and their regulations.
- Taking into account the controls specified by the Implementing Regulation of the Companies Law, and what is included in Article (19) of the Company's Articles of Association, the General Assembly determines the percentage that will be distributed from the net profits after deducting the reserves, if any, to reward the members of the Board of Directors.

The Ordinary General Assembly held on 28/10/1444H (corresponding to 18/05/2023G) agreed to delegate the Board of Directors to distribute interim dividends on a semi-annual or quarterly basis for the fiscal year 2023, in the event that the company achieved satisfactory results in line with the regulatory controls and procedures. On 14/06/1445H (corresponding to 27/12/2023G), the Board of Directors decided, based on the Assembly's authorization, to distribute cash dividends for the second half of the year 2023 to shareholders at the rate of 2 (Two) Riyal per share with total amount of (64,000,000) Saudi Riyals. The dividends will be distributed during the month of April 2024G.

11 General Assemblies

A statement of the dates of the general assemblies of shareholders held during the last fiscal year and the names of the members of the board of directors attending these assemblies:

Number of Meetings (2)

#	Name	Extraordinary General Assembly Meeting 18/05/2023G	Extraordinary General Assembly Meeting 23/11/2023G
.1	Eng. Abdullah Abdulrahman Al-Obeikan	✓	✓
.2	Yazeed Khalid Al-Shathri	✓	✓
.3	Abdulaziz Saleh Al-Rebdi	✓	✓
.4	Omran Abdulrahman Al-Obeikan	✓	✓
.5	Turki Mohammed Albaiz	✓	Apologized
.6	Ahmed Abdulaziz Alhakbani	Apologized	Apologized

11

General Assemblies



12

Number of the company's Requests of The Shareholders' Registry, Dates and reasons thereof

12 Number of the company's Requests of The Shareholders' Registry, Dates and reasons thereof

The company requested the shareholders' registry 15 times during 2023 as follows:

Number of the company's request of the shareholders' registry	Request Date	Request Reasons
(1)	23/11/2023	General Assembly
(2)	14/11/2023	Company's Procedures
(3)	08/11/2023	Company's Procedures
(4)	20/09/2023	Company's Procedures
(5)	27/08/2023	Company's Procedures
(6)	17/07/2023	Company's Procedures
(7)	03/07/2023	Company's Procedures
(8)	12/06/2023	Company's Procedures
(9)	18/05/2023	General Assembly
(10)	04/05/2023	General Assembly
(11)	23/03/2023	Company's Procedures
(12)	22/03/2023	Company's Procedures
(13)	21/03/2023	Company's Procedures
(14)	19/03/2023	Company's Procedures
(15)	16/01/2023	Company's Procedures



13

Social Responsibility Programs

13 Social Responsibility Programs

As the Company is keen to play an active role in society, the Company joined the membership of the Yanbu Voluntary Emergency Committee "Yama", which includes in its membership several government agencies and industrial companies operating in the city of Yanbu. The Company is working on participating in other programs that fall under the social responsibility.

Also, based on Obeikan Glass's keenness to play an active role in the society, the Company studied the programs that it can contribute to, the most prominent of which are the cooperative training programs, which aim to raise the efficiency of national resources in the business sector, public administrations, finance, business development, investment and engineering. A number of university and institute students were trained during 2023.

In order to attract competencies, Obeikan Glass participated in the 2023 Job Fair, which was organized by both Yanbu College of Applied Technology and the Technical College for Girls in Yanbu.

14

The company's commitment to what is stated in the indicative form in preparing the report of the Board of Directors issued by the Capital Market Authority

14 The company's commitment to what is stated in the indicative form in preparing the report of the Board of Directors issued by the Capital Market Authority

- a. Does the Company subject to any penalty, fine, precautionary measure or restriction imposed by the Authority or any supervisory, regulatory or judicial authority?
 - There is no fine or penalty imposed against the company.
- b. Recommendations of the Audit Committee has conflict of interests with the decisions of the Board of Directors or which the Board has refused to accept regarding the appointment and dismissal of the company's auditor, 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, and no recommendation has been rejected by the Board.
- c. Clarification of any difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA):
 - There is no difference.
- d. A description of any interest in the class of shares entitled to vote for persons (other than members of the company's board of directors, senior executives and their relatives) who have informed the company of those rights under Article 85 of the registration and listing rules, and any change in those rights during the last fiscal year:
 - There is no interest.
- e. A description of any interest, contractual securities and subscription rights belonging to the members of the company's board of directors, senior executives and their relatives) in the shares or debt instruments of the company or any of its subsidiaries, and any change in those rights during the last fiscal year:
 - There is no interest.
- f. Description of the classes and numbers of any convertible debt instruments and any contractual securities, memoranda of subscription right or similar rights issued or granted by the company during the fiscal year:
 - Nothing.

- g. A description of any transfer or subscription rights under convertible debt instruments or contractual securities, or subscription right memoranda, or similar rights issued or granted by the company:
- No.
- h. A description of any redemption, purchase or cancellation by the Company of any redeemable debt instruments, and the value of the remaining securities, distinguishing between the listed securities purchased by the Company, and those purchased by the affiliate:
- No.
- i. Information related to any business or contracts in which the company is a party or in which a member, senior executive or any other related party has an interest including the names of those involved in the business or contracts, the nature of such business or contracts, their conditions, duration and amount:
- Mentioned in section 09.
- j. A statement of any arrangement or agreement under which a member of the company's board of directors or a senior executive has waived any remuneration:
- No.
- k. A statement of any arrangement or agreement under which a shareholder of the company has waived any rights to profits:
- No
- l. A statement of the value of any investments or reserves established for the benefit of the company's employees:
- No.
- m. If the auditor's report contains reservations on the annual financial statements, the report of the board of directors shall clarify those reservations, their reasons and any information related to them:
- There are no reservations on the annual financial statements.
- n. In the event that the Board of Directors recommends to change the auditor before the end of the period for which it is appointed, the report shall state that in addition to the reasons of the change.
- There are no recommendations.

- o. Disclosure of details of the treasury shares held by the company and details of the uses of these shares:
- No.
- p. Clarify the relationship between the rewards granted and the applicable rewards policy, and that any material deviation from this policy:
- There is no material deviation from the applicable bonus policy.
- q. Details of the policy related to remuneration, the mechanisms for its determination, amounts and cash and kind remuneration paid to each member of the Board of Directors for any works, executive, technical, administrative or advisory positions:
- There is no business, executive, technical, administrative or advisory positions for the members of the Board of Directors, and there are no policies related to that.
- r. Actions taken by the Board of Directors to inform its members - especially non-executives - of the shareholders' proposals and comments regarding the company and its performance:
- No suggestions or comments were received from the shareholders during 2021 AD, and the comments or suggestions received during the company's general assembly are recorded in the minutes of the assembly and viewed by the stakeholders. In the event that there are observations outside the General Assembly, the Board of Directors shall be notified of them during its meeting, and this shall be documented in the minutes of the meeting.

15 Declarations of the Board of Directors

The company during 2023, and declares that:

1. There are no shares or debt instruments owned.
2. There is no fundamental conflict of interest during 2023.
3. We did not receive a request from the shareholders owning 5% or more of the company's capital to call for the General Assembly to assemble during 2023.
4. We did not receive a request from the external auditors to invite the General Assembly to convene during 2023.
5. We did not receive any recommendations or comments from shareholders about the company and its performance.
6. There are no procedures that may obstruct the shareholders' right to vote.
7. There are no material events that affect the company's financial position after the end of the fiscal year 2023, that require disclosure, other than the information already available and disclosed.
8. The company did not provide loans or credit facilities to any member of the Board of Directors.
9. The accounting records were prepared and updated properly.
10. The internal control system has been developed based on sound foundations.
11. There are no significant doubts about the ability of Obeikan Glass Company to continue its activities.
12. None of the members of the Board of Directors participate in businesses competing with the company or any of the branches of activity it practices.

15

Declarations of the Board of Directors

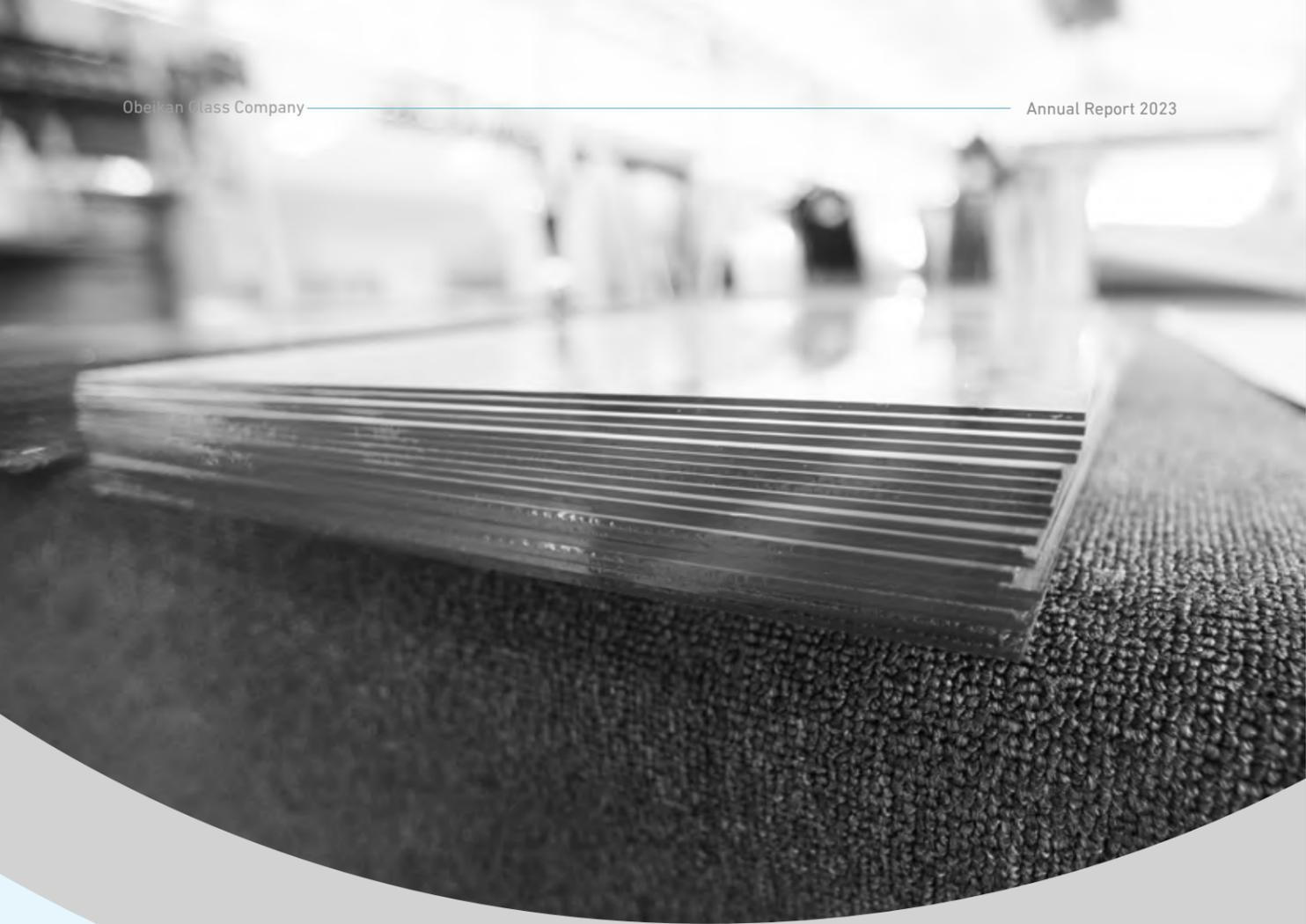
16 Recommendations to the General Assembly

After reviewing the most important operational and financial activities for the fiscal year 2023, we are pleased to attach the financial statements with the auditors' report (Appendix A), and the Board of Directors proposes to the shareholders that the General Assembly approve its report, the financial statements and the auditors' report.

The General Assembly's venue, date, and any other items on the agenda will be announced at a later date.

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Recommendations to the General Assembly



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Conclusion

At the end of our report, the Board of Directors of Obeikan Glass Company is pleased to thank the shareholders for their trust and continuous support to the company. We also extend our thanks to the company's management and employees for their fruitful efforts.

Regards,
Board of Directors
March 2023

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Annex (A) Financial Statement 2023





With deep market knowledge, superior data, and proprietary technology, our multi-dimensional perspective helps to invest with us to transform your

GLASS COMPANY