25 YEARS ANNIVERSARY

MEPACO

Middle East Paper Company
شركة الشرق الأوسط لصناعة وإنتاج الورق

BOARD OF DIRECTORS REPORT

FINANCIAL YEAR **2025**





The Custodian of the Two Holy Mosques

King Salman Bin Abdulaziz Al Saud



His Royal Highness Crown Prince

Mohammad Bin Salman
Bin Abdulaziz Al Saud

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Chairman of the Board Message

"Despite the volatility, the Company demonstrated resilience through disciplined operational execution, ongoing cost optimization, and a focus on efficiency across its value chain, to maintain its leadership position in the market."



Mr. Musaab Sulaiman Al Muhaidib
Chairman

Dear Shareholders of the Company
May God bless you all
May the peace, mercy and blessings of God be upon you

We are honored to present to you the MEPCO Board of Directors Report for 2025, highlighting our key achievements and showcasing our overall performance. It was a year that unfolded against a dynamic and evolving industry backdrop, where global and regional markets for recycled paper and packaging continued to reflect shifting demand patterns, cost pressures, and increasing emphasis on sustainability. These trends have been reinforced by strong policy support for localization, industrial diversification, and environmental stewardship.

MEPCO has continued to strengthen its role as a key enabler of the circular economy, transforming recovered paper into high-quality packaging solutions that support both domestic and international markets. Despite the volatility, the Company demonstrated resilience through disciplined operational execution, ongoing cost optimization, and a focus on efficiency across its value chain, to maintain its leadership position in the market.

The Company also underwent important leadership changes in 2025, with a new Executive Management Team being brought in, including a new CEO and CFO, who have set clear priorities focused on enhancing operational efficiency, strengthening financial discipline, and accelerating sustainability initiatives across the business. In parallel, efforts are underway to unlock growth opportunities through capacity optimization and deeper market penetration, ensuring that MEPCO remains at the forefront of the industry and well-positioned to respond to evolving market demands. It is worth noting that following this report, we will publish another more detailed Annual Report to provide you with a deeper understanding of the Company's current and near-term performance.

We would like to express our sincere extend our gratitude for the visionary leadership of the Custodian of the Two Holy Mosques and His Royal Highness Prince Mohammed bin Salman, whose Vision 2030 continues to drive transformation and unlock new opportunities for growth and prosperity.

In closing, I would also like to thank our shareholders for their continued trust and confidence in us, and our employees who have been an integral part of our success. Together, we remain focused on building a resilient and sustainable future for MEPCO. We also pray for the continued safety and security of our nation and wider region, wishing it to remain safe in light of recent regional developments.

I look forward to us continuing on this exciting journey together.

Mr. Musaab Sulaiman Al Muhaidib

Board of Directors



Elected by the General Assembly to fulfill its governance responsibilities, the Board of Directors plays a vital role in steering the Company's activities. Comprised of skilled leaders, the board is fully aware of its legal obligations and accountability to the Company's shareholders for effectively managing the company in a way that maximizes their interests. Our governance regulations and board operating guidelines clearly delineate the framework for forming the board and its committees, as well as their powers, responsibilities, meeting structures, and the rights and duties of each member. We firmly uphold the principles of effective participation in decision-making and rigorously manage any potential conflicts of interest among board members and the company. Honesty, integrity, care, and diligence are essential values that guide our board's work. The MEPCO's Articles of Association specify the composition of the board, including the number of members, their remuneration, their authority, the procedure for their appointment, and the conditions for terminating their membership. This structure is thoughtfully designed to fit the size and nature of our business, ensuring we have the right expertise in place.

Our board is comprised of eight members, including three independent directors, all elected by the general assembly in November 2025. The term of office for the board spans four calendar years, commencing on November 14, 2025.

Key roles and responsibilities of the Board include, but are not limited to the following:

- Develop plans, policies, strategies, and major objectives for the Company. To oversee and periodically review such items and their implementation, ensuring the availability of the required human capital and financial resources and establishing, as well as broadly supervising, systems and internal audit controls.
- Establishing and overseeing internal control systems and procedures.
- Verifying the company's compliance with corporate governance rules, and reviewing and updating these rules in accordance with regulatory requirements and best practices..
- Overseeing the company's financial management, cash flows, and financial and credit relationships with third parties.
- Preparing the company's interim and annual financial statements, including the proposed method for profit distribution, and approving the statements before publication.
- Preparing and approving the Board of Directors' report before publication.
- Establishing policies and procedures that ensure the company's compliance with regulations and its commitment to disclosing material information to shareholders and stakeholders, and verifying the executive management's adherence to these policies and procedures.
- Ensuring the accuracy and integrity of data and information that must be disclosed, in accordance with applicable disclosure and transparency policies and procedures.
- Establishing effective communication channels that allow shareholders to be continuously and periodically informed about the company's various activities and any material developments..

Composition and classification of the Board at the end of 2025

Name	Position	Membership
Mr. Musaab Sulaiman Al Muhaidib	Chairman	Non-Executive
Mr. Walid Ibrahim Shukri	Vice Chairman	Non-Executive
Mr. Farid Habib	Member	Non-Executive
Mr. Rakan Mohammed Abunayyan	Member	Independent
Mr. Robertus Johannes Renders	Member	Non-Executive
Dr. Ghazi Abdulrahim Alrawi*	Member	Independent
Eng. Majed Mosa Alesmail*	Member	Independent
Mr. Feras Samir Al Baiyat*	Member	Non-Executive
Mr. Waleed Abdulrahman AlMonie **	Member	Independent
Ms. Hawazen Nazih Nassief **	Member	Independent
Mr. Victor Sanz Martinez **	Member	Independent

* The board member's term in the new board session began on November 14, 2025.
** The board member's term ended at the end of the previous cycle on November 13, 2025.

Board Meetings and Attendance Record

Name	20th March	26th June	18th September	15th November	14th December	Attendance
Mr. Musaab Sulaiman Al Muhaidib	Present	Present	Present	Present	Present	5
Mr. Walid Ibrahim Shukri	Present	Present	Present	Present	Present	5
Mr. Farid Habib	Present	Present	Present	Present	Present	5
Mr. Rakan Mohammed Abunayyan	Present	Present	Present	Present	Present	5
Mr. Robertus Johannes Renders	Present	Present	Present	Present	Present	5
Dr. Ghazi Abdulrahim Alrawi*	-	-	-	Present	Present	2
Eng. Majed Mosa Alesmail*	-	-	-	Present	Present	2
Mr. Feras Samir Al Baiyat*	-	-	-	Present	Present	2
Mr. Waleed Abdulrahman AlMonie **	Present	Present	Present	-	-	3
Ms. Hawazen Nazih Nassief **	Present	Present	Present	-	-	3
Mr. Victor Sanz Martinez **	Present	Present	Present	-	-	3

* The board member's term in the new board session began on November 14, 2025.
** The board member's term ended at the end of the previous session on November 13, 2025.

The Company's Annual General Meeting for the fiscal year 2025 was held on June 26, 2025. 3 further board meetings were held after the general meeting as per the schedule mentioned herein.

Academic qualifications and work experience of the Board and Committee members as well as senior Executives

Board and Committee Members



Qualifications

Master's degree in Business Management, Liverpool University

Bachelor's degree in Business Management, Miami University

Experience, Current/Previous Positions

Mr. Musaab Al Muhaidib is a distinguished Board Member of Al Muhaidib Group, renowned for his extensive finance expertise and exceptional ability to cultivate businesses that achieve their strategic aspirations. His visionary outlook and talent for building strong relationships have been instrumental in the triumph of numerous projects.

In addition to his pivotal role as a Board Member, Mr. Musaab proudly chairs several prestigious companies within the Al Muhaidib Group, including Masdar Building Materials Company, MEPCO, and Seedra Ventures Company. He also serves as Vice Chairman of Hoshan Company and Shaker Group. Moreover, he actively contributes to various boards, such as the King Abdulaziz Royal Reserve and the National Industrialization Company (Tasnee).

Mr. Musaab Sulaiman Al Muhaidib
Chairman of the Board



Qualifications

Bachelor's degree in Accounting, King Fahd University of Petroleum and Minerals

Experience, Current/Previous Positions

Mr. Walid Shukri is the former Chief Executive Officer of PricewaterhouseCoopers (PwC). He also served as the Managing Partner at the same firm and was previously a Managing Partner at Deloitte in Portland, United States. He also served as a lecturer in the Industrial Management Department at King Fahd University of Petroleum and Minerals.

He currently serves as a member of the Board of Directors of Saudi Telecom Company (STC), the Saudi Agricultural and Livestock Investment Company (SALIC), the Middle East Paper Company (MEPCO), and the Saudi Electricity Company. In addition, he is a member of IBM's Middle East Advisory Council.

He has also previously served on the boards of several prominent companies, including Kanoo Group, Matbouli Group, Aurecon International, the Saudi Mechanical Industries Company, and Al Hokair Holding Group.

Mr. Walid Ibrahim Shukri
Vice Chairman of the Board of Directors

Qualifications

Bachelor's Degree in Business administration, Suffolk University

Experience, Current/Previous Positions

Mr. Rakan Abunayyan is currently the Chief Executive Officer of Mohammed Abdullah Abunayyan Investment Company, Chairman of Afaq Express Company and Kaizen Foods, as well as a Board Member of Al-Wasail Industrial Company.

Prior to that, Mr. Rakan held positions at Ru'ya Global Investment Company in the Asset Management Department, Abunayyan Holding Company as an Investment Analyst, and Abraaj Group as a Private Equity Analyst. He was also a Board Member of Advanced Pipe Solutions Company, the largest manufacturer of glass-reinforced pipes in the Eastern Province.



Mr. Rakan Mohammed Abunayyan
Board Member

Qualifications

Master's degree in Mechanical Engineering, University of Technology Eindoven

Experience, Current/Previous Positions

Mr. Robertus Johannes Renders is a business consultant with extensive Executive and Board experience. He was appointed as Acting Group President of MEPCO from April 2024 to February 2025, and he currently serves as a board member at MEPCO.

He was the Chairman of the Supervisory Board of Walki Group Oy based in Espoo (Finland), a company specializing in sustainable packaging and engineered material solutions from 2018 until April 2024. He was a board member of Duropack GmbH in Austria from 2012 until the end of May 2015, as well as CEO of Duropack from May 2013 until May 2015.

From 2006 to 2010, he served as Chairman of OTOR Société Anonyme, a leading packaging provider in France. Between 1989 and 2006, he held various positions at Svenska Cellulosa Aktiebolaget (SCA), a leading global producer of hygiene products and packaging solutions, including Mill Manager at SCA Packaging De Hoop, Managing Director of SCA Packaging De Hoop, President of SCA Packaging Containerboard, President of SCA Packaging Europe, and Senior Vice President Special Project Global Packaging for SCA Group. He has various consulting positions at several leading private equity firms (Carlyle, Blackstone, One Equity Partners Europe, 3i Netherlands). Since 2018 he is an Independent Director of the Board and a member of the Human Resources and Compensation Committee and Audit and Risk Committee in Sappi Limited South Africa, a multi-national diversified wood fiber group.



Mr. Robertus Johannes Renders
Board Member

Academic qualifications and work experience of the Board and Committee members as well as senior Executives

Board and Committee Members



Mr. Farid Habib
Board Member

Qualifications Bachelor of Finance,
American University of Beirut

Bachelor of Economics,
French School of Athens

Experience, Current/Previous Positions

Mr. Farid Habib is the Head of the Mining Investments Unit at the Public Investment Fund (PIF), which includes the Saudi Arabian Mining Company Maaden and Manara Minerals Investment Company (Manara).

Prior to his appointment at the Public Investment Fund he led M&A for Europe, North Africa, and the Middle East at Huhtamaki, London. Mr. Farid also worked as M&A Manager at ArcelorMittal, a multinational steel and mining company.

He was a Vice President of the Oil and Gas team at Barclays Capital in London, where he focused on oilfield services, and worked as an associate at Deloitte, Dubai.

He is currently a non-executive member of the Executive Committee of Manara Minerals Investment Company, a firm specializing in investing in mining companies and insuring metals internationally, and a Board Member and Member of the Nomination and Remuneration Committee of the Arab Geophysical and Surveying Company, a leading exploration company providing a range of geological and environmental services.



Dr. Ghazi Abdulrahim Alrawi (1)
Board Member

Qualifications Doctor of Philosophy in Electrical Engineering from Stanford University
Master's Degree in Electrical Engineering from Stanford University
Master of Science in Management Science and Engineering from Stanford University
Bachelor of Science in Electrical Engineering from King Abdulaziz University

Experience, Current/Previous Positions

Dr. Ghazi Al-Rawi is the founder and chairman of Valuegate Investments and Real Estate Development in Saudi Arabia, a firm focused on value-added investments both locally and internationally.

Dr. Al-Rawi currently holds several leadership positions, most notably as Chairman of the Board of Riyadh Airports Company, and as a board member of MEPCO, Matarat Holding Company, Qassim Cement Company, Rua Al Madinah Holding Company, and the Saudi Investment Bank. He is also a member of the Board of Trustees of the University of Prince Muqrin.

He possesses extensive experience in corporate relations, investments, senior management, governance, and strategic thinking. He has previously held positions and board memberships in prominent institutions such as Banque Saudi Fransi, Saudi Fransi Capital, the Saudi Ports Authority, the National Medical Care Company, TAQNIA, ACWA Holding Company, Sanabil Investment Company, the National Commercial Bank, King Abdullah City for Atomic and Renewable Energy, the Saudi Capital Market Authority, and the Saudi Arabian General Investment Authority.

He also has extensive experience in entrepreneurship and business development, having founded and co-founded several businesses and companies, including the Eastgate Capital Group. He previously worked at McKinsey & Company, served as a faculty member at King Abdulaziz University in Jeddah, and before that worked for leading companies in the communications and technology sectors in the United States.

Qualifications Master of Science in Computer Engineering from King Saud University

Bachelor of Science in Computer Engineering from King Saud University

Experience, Current/Previous Positions

Eng. Majed Alesmail has over 25 years of experience in the logistics, transportation, and information technology sectors, encompassing both business-to-business (B2B) and business-to-consumer (B2C) business models. He possesses extensive experience in strategic leadership and a proven track record of establishing local and international businesses, accelerating growth, and building partnerships. This experience enhances his contribution as a board member by enabling him to translate strategic vision into actionable results.

Eng. Majed currently serves as Assistant Mayor of Riyadh Region for Planning and Development. He also sits as a Board member of Berain, a company specializing in the manufacturing and distribution of bottled drinking water, where he chairs the Nominations and Remuneration Committee and is a member of the Audit and Risk Committee. In addition, Eng. Majed is a Board Member of MEPCO, where he chairs the Nominations and Remuneration Committee, and a Board member of Remat Advanced, an information technology company, where he chairs the Executive Committee, as well being a Board Member of Remat Riyadh Development.

His previous experience includes prominent leadership positions, including General Manager of SMSA Express International Group, General Manager of FedEx SMSA, and Vice President of Technical Affairs and Information Technology at Saudi Post. Eng. Majed possesses exceptional skills in strategic leadership, managing large teams, business development, and building commercial partnerships, in addition to his experience in managing logistics and transportation operations, information systems, and IT management.



Eng. Majed Mosa Alesmail (1)
Board Member

Qualifications Master of Business Administration from London Business School

Bachelor of Science in Electrical Engineering from the Colorado School of Mines

Experience, Current/Previous Positions

Mr. Feras Albaiyat serves as Vice President of Industrial Investments and Building Materials at Abdulqader Al-Muhaidib & Sons Company. He also serves as Vice Chairman of the Board of Directors of Abyat Saudi Arabia, a leading furniture and finishing retailer in the GCC.

Mr. Feras holds board memberships at several prominent companies, including Arnon, a food packaging company; Masdar Building Materials, a leading building materials company in Saudi Arabia; Muheel, a leading facilities management company; and the Al Kubasiah and Al Qaem cement factories in Iraq. He is also a member of the Executive Committee of Riyadh Cables, the largest cable company in the Middle East.

Mr. Feras contributes his diverse expertise to support company growth and enhance strategic and operational performance across the sectors he oversees, reflecting his distinguished leadership and comprehensive vision in managing investments, industrial and commercial operations.



Mr. Feras Samir Al Baiyat (1)
Board Member

Academic qualifications and work experience of the Board and Committee members as well as senior Executives

Board and Committee Members



Qualifications

Master of Law and Diplomacy,
Tufts University

Bachelor of International Relations,
Boston University

Experience, Current/Previous Positions

Ms. Hawazen Nassief was the head of Sustainability and Stewardship at the Public Investment Fund of Saudi Arabia. She has spent the majority of her career focusing on environmental, social and governance (ESG), sustainability and corporate responsibility, working in several multinational companies in the US, Saudi Arabia, and the UAE. She currently serves on the Board of Directors of Tanmiah Food Company (TFC), and is also a member of the Nomination and Remuneration Committee of Bupa Arabia, as well as a Board Member of the Makkah Development Authority.

Ms. Hawazen Nazih Nassief (2)
Board Member



Qualifications

Master's degree in Business Management,
ESADE University

Bachelor's degree in Business Management,
Zaragoza University

Experience, Current/Previous Positions

Mr. Victor Sanz Martinez is a Senior Director with extensive experience over three decades across various industries including paper and packaging, energy, and sustainability. He currently serves as an Independent Board Member in a private equity fund specializing in the technology and circular economy sectors and in a telecommunications company, and IT solutions firm.

Throughout his career, Mr. Victor has successfully led international expansion projects, establishing operations in diverse markets, and has played a key role in executing complex mergers and acquisitions. He has been instrumental in shaping and implementing strategic business plans that have driven organizational growth, digital transformation, and operational scaling. His expertise extends to sustainability initiatives, enhancing corporate performance, and fostering innovation in highly competitive industries.

Mr. Victor Sanz Martinez (2)
Board Member

Qualifications

Bachelor of Science in computer information systems,
Fraser Valley University

Experience, Current/Previous Positions

Mr. Walid AlMonie is the corporate operations audit director at King Abdullah Financial District Development & Management Company. He is a seasoned professional with a proven track record in organizational transformation, strategic initiatives and project management, governance, quality, performance management and decision support. He has extensive experience in leading and managing large scale strategic initiatives and projects across various large and reputable organizations.



Mr. Walid Abdulrahman AlMonie (2)
Board Member

Academic qualifications and work experience of the Board and Committee members as well as senior Executives

Executive Management



Eng. Faisal Alawi Haddawi (4)
CEO

Qualifications

Master's degree in Engineering Management from the University of Manchester

Bachelor's degree in Mechanical Engineering from King Fahd University of Petroleum & Minerals

Experience, Current/Previous Positions

Eng. Faisal Haddawi has served as Chief Executive Officer of the Middle East Paper Company (MEPCO) since February 2025. He leads the company's sustainable growth agenda, with a strong focus on operational excellence, industrial innovation, and the integration of sustainability across all business processes.

With more than two decades of executive leadership experience across manufacturing, real estate, portfolio investments, and diversified business sectors, Eng. Haddawi has held several senior leadership roles, including Chief Executive Officer of Abdullah Al-Rajhi & Sons Holding Company and Chief Executive Officer of Al-Rajhi Industrial Group. He also serves as a board member and committee chair in several leading organizations, including Al-Jazirah Home Appliances Company, Falcon Plastic Products Company, and National Steel Company.

Earlier in his career, he held key leadership positions at Al-Tuwairqi Group, Al-Ittefaq Steel Products Company, Saudi Iron & Steel Company, and Solb Company, where he developed deep expertise in industrial operations and advanced manufacturing management.

Eng. Haddawi has also completed executive certifications in Alternative Investments from Harvard Business School, Advanced Negotiation from INSEAD Business School, and Mergers and Acquisitions from INSEAD and the International Mergers & Acquisitions Association (IMAA).

With a visionary and forward-looking leadership style, Eng. Haddawi continues to steer MEPCO toward strengthening its regional and global leadership position in the paper manufacturing industry.



Mr. Abdulrahman Farid Shaker (6)
CFO

Qualifications

Master of Business Administration (MBA) with a concentration in Finance and Treasury from the University of Toledo, Ohio, USA.

Bachelor of Science in Accounting from the Faculty of Economics and Administration at King Abdulaziz University, Jeddah

Experience, Current/Previous Positions

Mr. Abdulrahman Farid Shaker is the Group Executive Vice President – Finance at Middle East Paper Company (MEPCO Group). He also serves as Chair of the Audit Committee at Muttawiffy Hujjaj South Asia Co. (Estabraq), a Closed Joint Stock Company, reflecting his deep expertise in audit governance, regulatory compliance, and risk management across complex, regulated sectors.

With over 27 years of progressive leadership experience, Mr. Shaker has held several prominent roles across diverse industries. He previously served as Chief Financial Officer at Abdul Latif Jameel United Finance (NBFI) and Binzagr Group (FMCG), and as Head of Audit, Financial Management, Compliance, and Corporate Secretary at Fakieh Poultry Group (Agricultural/manufacturing). Earlier in his career, he was seconded as Financial Controller to Jabal Omar Development Company and Makkah Construction & Development Company, both publicly listed firms. He began his professional journey at Savola Group (Manufacturing) in 1998, where he rose through the ranks to become The Group Treasurer and Head of Shareholder Affairs. He also held a key role as Financial Analyst in the Economic Development Division at King Abdullah University of Science and Technology (KAUST).

In 2019, he completed the Executive Management Certificate program at the Massachusetts Institute of Technology (MIT) in Boston, Massachusetts – USA. He further enriches his professional credentials with specialized certifications in financial fraud investigation, Financial Controlling, Financial Analytics, Financial restructure and strategic financial planning.

Qualifications

Master's degree in Mechanical Engineering, University of Technology Eindoven

Experience, Current/Previous Positions

For a detailed biography, please refer to page 13 of this report.



Mr. Robertus Johannes Renders (3)
Acting Group President

Qualifications

Executive MBA from London Business School

Bachelor of Science degree in Business Administration, Notre Dame University-Louaize (NDU), Lebanon

Experience, Current/Previous Positions

Mr. Amr Masry was the Group Chief Financial Officer. Prior to this role, he served as Chief Financial Officer for a leading entertainment and theme park operator in Riyadh, Saudi Arabia, for two years. Before that, he was CFO of a leading amusement park and theme park operator in Abu Dhabi, UAE, for three years. Prior to that, he was CFO of a holding company in Abu Dhabi, UAE, for eight years, managing assets exceeding AED 1 billion, including investments in the industrial, medical equipment and supplies, contracting, and general trading sectors. He also worked as an auditor with a Big Four audit firm in Al-Khobar, Saudi Arabia, and Abu Dhabi, UAE.



Mr. Amr Masry (5)
CFO

Committee Members from Outside the Board

Ms. Nathalie Potvin

Committee member from outside the board of directors

Qualifications

Master of Business Administration (Finance & International Business) from McGill University in Canada.

Graduate Diploma (Corporate Finance & Treasury Management) from McGill University in Canada.

Bachelor of Arts (Political Sciences) from Université de Montréal in Canada

Experience, Current/Previous Positions

Ms. Nathalie is co-founding partner in Governance Compass and an expert in board governance and effectiveness matters. She has worked with several global, top-tiers organizations helping them to drive board-level performance improvement initiatives. She has a strong track record in advising private sector clients including joint-ventures, family-owned, publicly listed and state-owned enterprises across various industries (financial services, heavy industries, oil & gas, petrochemicals, telecommunications and FMCG).

Earlier in her career, she worked for McKinsey & Company (Dubai Office) with the specific mandate to build and develop the GCC Board Directors Institute. Under her leadership, the Institute became the leading organization in the GCC for boards and directors.

She is a graduate of the Financial Times program for Non-Executive Directors and a Chartered Company Secretary and Fellow of the Corporate Governance Institute. She attended various Executive Education and Board Directorship programs at the Harvard Kennedy School of Government and Stanford University.

Mr. Abdulmohsen Ibrahim Al Rayes

Committee member from outside the board of directors

Qualifications

Bachelors of MIS from California State University

Experience, Current/Previous Positions

Mr. Abdulmohsen Al Rayes is a seasoned banking and internal audit professional with over 30 years of solid experience in the Banking and Financial Services industry attained through serving top tier banks in the Kingdom of Saudi Arabia.

Proven leadership and inter-personal skills and backed by an out of block thinking in analyzing business issues from risk and controls perspective. Currently serving as a Senior Advisor Control for NEOM.

He actively contributes to several key committees, serving as a member of the Audit Committee at Arabian Drilling Company, BSF Capital and BSF JB, subsidiaries of Banque Saudi Fransi, and as the Chairman of the Audit Committee for both the Saudi Football Federation and Riyadh Airports Company (RAC).

Mr. Tareq Abdulaziz Al Rikhaimi

Committee member from outside the board of directors

Qualifications

Master of Science in Civil Engineering from King Saud University

Bachelor of Science in Civil Engineering from King Saud University, Riyad

Experience, Current/Previous Positions

Mr. Tareq Al Rikhaimi brings over 30 years of extensive experience in financial services, spanning banking and investment banking management, risk management, operations, strategic planning, product development, and project management.

He currently serves on multiple high-profile committees, including as a Member of the Risk & Compliance Committee for the Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz Al Saud Endowment for Talent and Creativity, Member of the Audit Committee of Knowledge Economic City (KEC), and Chairman of the Audit, Risk & Compliance Committee at Integrated Dawiyat Company. He also contributes as a member of risk, audit, and compliance committees across several leading organizations, including SALIC, Raqamyah Crowdlending Company, Saudi Electricity Company (SEC), GOSI, Saudi Railway Company (SAR), and STC, demonstrating a strong track record in governance, risk oversight, and strategic advisory

Eng. Omar Mohammed Najjar (2)

Committee member from outside the board of directors

Qualifications

Master of Business Administration from the London Business School

Bachelor's degree in systems engineering from King Fahd University of Petroleum & Minerals

Experience, Current/Previous Positions

Eng. Omar Najjar is the Deputy CEO of the Misk Foundation and currently serves as a member of the Nominations and Remunerations Committee for several organizations, including Remat Al-Riyadh Development Co. and the Jeddah Development Authority. His career has been consistently focused on building and transforming organizations, and his extensive local and international experience across oil and gas, aviation, FMCG, manufacturing, and NGOs has allowed him to develop a well-rounded expertise across multiple disciplines.

Committee Members from Outside the Board

Mr. Mohamed Abdelkarim Mazi (2)

Committee member from outside the board of directors

Qualifications

Master of Business Administration from Texas A&M University in the United States

Bachelor of Science in Accounting and Business Administration from the University of New Orleans, United States

Experience, Current/Previous Positions

Mr. Mohamed Mazi is the CEO of Saudi Ground Services Company and the company's Executive Vice President of Finance and Business Development.

He also serves on several boards and committees, including the board of directors of the Arab Equipment Services Company, and as a board member and chairman of the audit committee of Al-Amed Saudi Aviation and Air Transport Support Services Company. He is also a member of the audit committee of Middle East Aircraft Engines Company Limited and previously served on the audit committee of MEPCO.

Throughout his career, Mr. Mohamed has held leadership positions at Saudi Aramco, Saudi Ground Services Company, and Al Salem Johnson Controls, contributing his expertise in financial management and business development.

Mr. Fahad Mohammed Al Fawaz (2)

Committee member from outside the board of directors

Qualifications

Master of Business Administration from the University of Surrey, UK

Bachelor of Science in Industrial Management from King Fahd University of Petroleum and Minerals

Experience, Current/Previous Positions

Mr. Fahad Al Fawaz possesses extensive and diverse practical and managerial experience gained through holding leadership positions in various business sectors. He has served on the boards of directors and audit committees of several companies, including Abdulaziz & Saad Al-Mojil Trading Company, Al-Ahlia Insurance Company, Gas & Industrialization Company, Oasis Fiberglass Company, Al-Aqeeq Company, and Taiba Company. He also previously served on the audit committee of MEPCO Company.

Mr. Fahad Al Fawaz previously served as CEO of Makkah Construction and Development Company, CEO of Al-Hokair Group, and CEO of the National Tourism Company.

1) Membership commenced on 14th November 2025.
2) Membership ended on 13th November 2025.
3) Mr. Robertus Johannes Renders' term as Group President ended on 16th February 2025.
4) Eng. Faisal Alawi Haddawi was appointed CEO of the company effective 16th February 2025.
5) Mr. Amr Masri's term as CFO ended on 30th June 2025.
6) Mr. Abdulrahman Shaker was appointed CFO of the company effective 27th April 2025.

Companies where any Director is currently a Board member, Director or Manager:

Name of Director	Mr. Musaab Sulaiman Al Muhaidib	
Companies where any Director is currently a Board member, Director or Manager	**Inside KSA Outside KSA**	**Legal Entity: Listed/Unlisted Joint Stock/Limited Liability**
Al Hassan Ghazi Shaker Company	Inside KSA	Listed Joint Stock Company
Tasnee Company	Inside KSA	Listed Joint Stock Company
Hoshan Co., Ltd	Inside KSA	Closed Joint Stock Company
Goldman Sachs Saudi Arabia	Inside KSA	Closed Joint Stock Company
Masdar Building Materials Company	Inside KSA	Limited Liability Company
Seedra Ventures Company	Inside KSA	Limited Liability Company
Hemmat Ar-Riyadah Company	Inside KSA	Limited Liability Company
Saudi Handicrafts	Inside KSA	Closed Joint Stock Company
Abdulqader Al Muhaidib & Sons Co (Al-Muhaidib Group)	Inside KSA	Closed Joint Stock Company

Name of Director	Mr. Walid Ibrahim Shukri	
Companies where any Director is currently a Board member, Director or Manager	**Inside KSA Outside KSA**	**Legal Entity: Listed/Unlisted Joint Stock/Limited Liability**
IBM	Outside KSA	Listed Joint Stock Company
Saudi Electricity Company	Inside KSA	Listed Joint Stock Company
Saudi Agricultural and Livestock Investment Company (SALIC)	Inside KSA	Closed Joint Stock Company
Diriyah Gate	Inside KSA	Government Entity
Saudi Telecommunication Company	Inside KSA	Listed Joint Stock Company
Education Development Holding Company	Inside KSA	Closed Joint Stock Company

Name of Director	Mr. Robertus Johannes Renders	
Companies where any Director is currently a Board member, Director or Manager	**Inside KSA Outside KSA**	**Legal Entity: Listed/Unlisted Joint Stock/Limited Liability**
Sappi Ltd	Outside KSA	Public

Name of Director	Mr. Farid Habib	
Companies where any Director is currently a Board member, Director or Manager	**Inside KSA Outside KSA**	**Legal Entity: Listed/Unlisted Joint Stock/Limited Liability**
Manara Minerals Investment Company	Inside KSA	Limited Liability Company
Arabian Geophysical Survey Company (AGS)	Inside KSA	Limited Liability Company

Companies where any Director is currently a Board member, Director or Manager:

Name of Director	Mr. Rakan Mohammed Abunayyan	
Companies where any Director is currently a Board member, Director or Manager	**Inside KSA Outside KSA**	**Legal Entity: Listed/Unlisted Joint Stock/Limited Liability**
Almujtama Alraida Medical Company	Inside KSA	Listed Joint Stock Company
Afaq Express Company	Inside KSA	Limited Liability Company
Kaizen Foods	Inside KSA	Closed Joint Stock Company
Mohammed Abdullah Abunayyan Investment Company	Inside KSA	Limited Liability Company
Al Wasail Industrial Company	Inside KSA	Listed Joint Stock Company

Name of Director	Dr. Ghazi Abdulrahim Alrawi	
Companies where any Director is currently a Board member, Director or Manager	**Inside KSA Outside KSA**	**Legal Entity: Listed/Unlisted Joint Stock/Limited Liability**
Matarat Holding Company	Inside KSA	Limited Liability Company
Riyadh Airports Company	Inside KSA	Limited Liability Company
Qassim Cement Company	Inside KSA	Listed Joint Stock Company
Rua Al Madina Holding Company	Inside KSA	Private Joint Stock Company
Saudi Investment Bank	Inside KSA	Listed Joint Stock Company
University of Prince Mugrin (UPM)	Inside KSA	Private University
Valuegate Company for investments and Real Estate Development	Inside KSA	Limited Liability Company
Valuegate Real Estate UK LTD	Outside KSA	Limited Liability Company
Ithmar Taiba Dates Company	Inside KSA	Limited Liability Company
Ithmar Taiba UK Limited (United Kingdom)	Outside KSA	Limited Liability Company
Arabian Drilling Company	Inside KSA	Listed Joint Stock Company
Cluster 2 Airports Company	Inside KSA	Limited Liability Company
Makan 360 Real Estate Company	Inside KSA	Limited Liability Company

Name of Director	Eng. Majed Mosa Alesmail	
Companies where any Director is currently a Board member, Director or Manager	**Inside KSA Outside KSA**	**Legal Entity: Listed/Unlisted Joint Stock/Limited Liability**
Berain Company	Inside KSA	Closed Joint Stock Company

Companies where any Director is currently a Board member, Director or Manager:

Name of Director	Mr. Feras Samir Al Baiyat	
Companies where any Director is currently a Board member, Director or Manager	**Inside KSA Outside KSA**	**Legal Entity: Listed/Unlisted Joint Stock/Limited Liability**
Abyat Saudi Company	Inside KSA	Closed Joint Stock Company
Masdar Building Materials Company	Inside KSA	Limited Liability Company
Arnon Company	Inside KSA	Limited Liability Company
Muheel Company	Inside KSA	Limited Liability Company
Al Kubasiah and Al Qaem Cement Factories	Outside KSA	Limited Liability Company
Riyadh Cables Company	Inside KSA	Listed Joint Stock Company

Name of Director	Ms. Hawazen Nazih Hasan Nassief*	
Companies where any Director is currently a Board member, Director or Manager	**Inside KSA Outside KSA**	**Legal Entity: Listed/Unlisted Joint Stock/Limited Liability**
Tanmiah Food Company	Inside KSA	Listed Joint Stock Company

Name of Director	Mr. Victor Sanz Martinez*	
Companies where any Director is currently a Board member, Director or Manager	**Inside KSA Outside KSA**	**Legal Entity: Listed/Unlisted Joint Stock/Limited Liability**
GOTOR	Outside KSA	Closed Joint Stock Company
GRUPO MTA SL	Outside KSA	Limited Liability Company

Name of Director	Mr. Waleed Abdulrahman Almonie*	
Companies where any Director is currently a Board member, Director or Manager	**Inside KSA Outside KSA**	**Legal Entity: Listed/Unlisted Joint Stock/Limited Liability**
Saudi Reinsurance Company	Inside KSA	Listed Joint Stock Company

* The board member's term ended at the end of the previous Board Cycle on 13/11/2025

Communication with shareholders and investors

In line with the Board's commitment to transparency and timely information dissemination, the Company has implemented several initiatives to enhance shareholder communication and investor relations. These include:



Expanding Communication Channels

Beyond traditional methods, the Company has increased its digital outreach to shareholders, ensuring broader and more immediate access to information.



Direct Engagement:

The Investor Relations department has conducted numerous meetings with investors at the Company's headquarters in Jeddah. These meetings facilitate direct dialogue and address investor queries effectively.



Proactive Information Dissemination:

The Investor Relations team is committed to providing accurate and timely updates to both local and global investors regarding the Company's financial performance, investment activities, and material developments.



Increased Accessibility:

Following each quarterly and annual results announcement, the Company hosts video conferences, providing investors and analysts with direct access to management and detailed insights into financial and operational performance.



Continuous Feedback Mechanism:

The Investor Relations department provides regular reports to the Board, summarizing key investor interactions, feedback, and inquiries gathered through meetings, conferences, and digital channels.

These initiatives reinforce the Company's commitment to maintaining transparent and proactive communication with its shareholders and the broader investment community.

Investor Relations Calendar 2025

Event	Date
Earning calls to present Q2 2025 results. Arranged by Arqam Capital	**25/08/2025**
Earning calls to present Q3 2025 results. Arranged by AlRajhi Capital	**02/12/2025**

The means relied upon by the Board of Directors to evaluate its performance and the performance of its committees and members

To improve the governance practices of the Board of Directors and the Company, the Board assesses its own performance as well as that of its committees once every Board term. This evaluation is conducted by the Nominations and Remuneration Committee, which recommends to the Board whether to carry out the evaluation internally or engage an external evaluator. The Nominations and Remuneration Committee has suggested that the Board of Directors appoint a specialized external consultant to evaluate the performance of both the Board and its Committees.

An evaluation of the Board and its Committees was conducted in 2025.



Board of Directors Committes

Board of Directors Committees

In accordance with the procedures sanctioned by the Board of Directors, specialized committees are formed to tackle specific tasks with precision and expertise. These committees operate under the vigilant oversight of the Board, ensuring continuous evaluation of their progress and contributions.

Objectives of the Committees:

Specialization:

Each committee focuses on a specific area of the Company's operations, enabling more accurate and effective decision-making.

Responsibility:

The committees are accountable for executing the tasks assigned to them and for making recommendations to the Board of Directors.

Control:

The committees serve as a mechanism for internal control over the Company's operations, which enhances transparency and integrity.

Committee Members

Committee members bring together a diverse group of experts, including both independent and non-executive directors. Their commitment to the principles of transparency, integrity, and unwavering loyalty to the company and its shareholders is paramount.

The Relationship Between Committees and the Board of Directors

Committees serve as an extension of the Board of Directors and work collaboratively to fulfill the company's objectives. The chairs of the committees provide regular reports to the Board and take part in discussions on significant issues affecting the company.

Responsibility

The Board of Directors holds the ultimate responsibility for all company decisions, including those entrusted to various committees. Each committee member plays a vital role in executing their assigned tasks with diligence while also ensuring compliance with all applicable laws and regulations.

Committee Tasks

The responsibilities of the committees include, but are not limited to the following:

Reviewing Financial and Non-Financial Reports:

Ensuring the accuracy and transparency of these reports.

Evaluating the Performance of Executive Management:

Identifying strengths and weaknesses and proposing development plans for improvement.

Reviewing Related Party Transactions:

Verifying that these transactions are in the best interests of the company.

Nominating Board Members:

Proposing qualified candidates for membership on the Board.



Audit Committee

The company's general assembly approved the formation of the audit committee, its tasks, work regulations, and the remuneration of its members for a new term that began on November 14, 2022, for a period of three calendar years. The previous committee term ended on November 13, 2025, and the board of directors formed the audit committee for the new board term that began on November 14, 2025, for a period of four calendar years.

The newly formed committee consists of three members with expertise in financial and accounting matters. The committee is responsible for overseeing the Company's operations and verifying the integrity and soundness of the financial reports, statements, and internal control systems. It also ensures the Company's compliance with applicable laws and regulations, monitors the quality of risk management, and assists the Board of Directors in fulfilling its oversight responsibilities over the Company's business.



Below are the key functions of the Committee:

- Studying the Company's interim and annual financial statements before being submitted to the Board, providing its opinion and recommendations thereon to ensure their integrity, fairness, and transparency.
- Examination of any significant or irregular matters contained in the financial reports.
- Delicate examination of any issues raised by the Company's Chief Financial Officer, their delegate, Compliance Officer, or the Auditor.
- Expressing technical opinion upon the request of the Board, as to whether or not the Board's report and the financial statements are fair, balanced, and intelligible.
- Review the Company's internal and financial control and risk management systems and internal audit reports and follow up on the implementation of corrective measures for the notes.
- Advise the Board on appointing the Head of the Internal Audit unit or department and the Compliance Officer and propose their compensation.
- Review the results of the reports by the regulatory authorities and verify the Company's compliance with laws and regulations.
- Review contracts and proposed transactions with related parties and provide the Board with recommendations and proposals.

Committee Members and Attendance Record

Name	Membership	Position	Committee Meetings held during 2025								
			11th March	13th March	7th May	23rd July	31st July	29th October	30th October	16th December	Attendance
Dr. Ghazi Abdulrahim Alrawi	Independent	Chairman of the Committee	Member from November 14, 2025							Present	1
Mr. Fahad Mohammed Al Fawaz	Independent	Chairman of the Committee (formerly)	Present	Present	Present	Present	Present	Present	Present	His membership ended on November 13, 2025	7
Mr. Walid Ibrahim Shukri	Non-Executive	Member	Present	Present	Present	Present	Present	Present	Present	Present	8
Mr. Abdulmohsen Ibrahim Al Rayes	Member from outside the Board	Member	Member from November 14, 2025							Present	1
Mr. Mohamed Abdelkarim Mazi	Independent	Member	Present	Present	Present	Present	Present	Present	Present	His membership ended on November 13, 2025	7
Mr. Rakan Mohammed Abunayyan	Independent	Member	Present	Present	Present	Present	Present	Present	Present	His membership ended on November 13, 2025	7

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been created to assist the Board to discharge its oversight roles, nominate Board members and senior Executives and ensure the integrity of the remunerations, benefits, incentives, and salaries strategy.

Key functions include:

- Assist with developing remuneration policies for the members of the Board, its committees, and the Executive Management; clarify the relationship between remuneration and policies; and periodically review the remuneration policy and assess its effectiveness in achieving its objectives.
- Pursuant to the approved policy, make recommendations to the Board on the remuneration of its members and the members of its committees as well as the senior Executives.
- Nominate candidates for Board membership or re-nominate its members in accordance with the approved policies and standards; propose clear policies and criteria for Board membership and the Executive Management; and determine the time a member shall allocate to their roles in the Board.
- Create a job description of Board membership and Executive Management positions.
- Reviewing the structure of the Board and Executive Management and submitting recommendations for potential changes.
- Conduct annual verification of the independence of independent members, and that no conflict of interest shall arise if any of them is a Board member in another company.
- Develop job descriptions for Executive members, Non-Executive members, Independent Members and Senior Executives.
- Lay out succession plans in the event that a Board member or Senior Executive position is declared vacant.
- The Committee was assigned Governance responsibilities by the Board on 12th March 2023.

Committee's role in governance:

Oversee the effectiveness and the implementation of the Group Corporate Governance framework.

Consider and approve the Group's Corporate Governance framework on an annual basis, or more frequently as required. This should include the governance mechanism for all areas of risk and compliance.

Provide guidance to management level and relevant functions of MEPCO Group on enterprise-wide risk management.

Advising, as appropriate, the Board of Directors to enable it to consider adjustments to business, functions, and remuneration to reflect risk management.

Review and approve the Group Management Committee charters (Tier 1 Committees).

Oversee the development of the Company's governance policies and monitor the implementation of the policies by the Executive Management across the Company, including its subsidiaries.

Review and recommend updates to the governance framework pursuant to laws, requirements, and best practices.

Review the existing governance guidelines, be attentive to developments in governance in the local, regional, and global context, and present ideas and recommendations for adjustments in these guidelines to the Board for its consideration. recommendations and proposals.

Ensure that Governance department does not face any resource constraint and has access to the Committee through the department head to report any constraints or issues. Committee Members and Attendance Record.

Name	Membership	Position	Timeline of Committee meetings during the year 2025							Attendance
			10th February	17th March	17th June	23rd June	15th September	07th October	09th December	
Mr. Walid Ibrahim Shukri	Independent	Chairman of Committee (Formerly)	Present	Present	Present	Present	Present	Present	Membership expired on November 13, 2025	6
Eng. Majed Mosa Alesmail	Independent	Chairman of Committee	Membership started on November 14, 2025						Present	1
Mr. Robertus Johannes Renders	Non Executive	Member	Membership started on November 14, 2025						Present	1
Mr. Farid Habib	Non Executive	Member	Membership started on November 14, 2025						Present	1
Eng. Omar Mohammed Siraj Najjar	Independent	Member	Present	Present	Present	Present	Present	Present	Membership expired on November 13, 2025	6
Ms. Nathalie Potvin	Member from outside the Board	Member	Present	Present	Present	Present	Present	Present	Present	7

Strategic and Executive Committee

The purpose of forming the committee is to support the Board of Directors in fulfilling its responsibilities. This includes monitoring the company's operational and administrative functions, supervising the executive management, providing recommendations, and reviewing necessary studies on strategic matters, general company objectives, and investments. Additionally, the committee aims to enhance the Board's responsiveness in emergency situations and assist in effectively implementing the Board's supervisory duties and recommendations.

The committee's key responsibilities include:

- Discussing and making decisions regarding urgent issues that require immediate action.
- Overseeing the preparation and execution of the company's short-, medium-, and long-term strategic plans, and updating and reviewing them as needed.
- Meeting with department heads and other stakeholders to assess the operational and financial performance of the company and its sectors.
- Nominating senior executive employees in collaboration with the Nomination and Remuneration Committee.
- Monitoring the implementation of the approved budgets, analyzing any performance deviations, and making recommendations for improvement.
- Conducting periodic reviews of actual capital expenditures and ensuring they align with budgets approved by the Board of Directors.
- Recommending participation in new investment and industrial projects, as well as expanding and enhancing existing activities, both vertically and horizontally.



Health and Safety:

Review, monitor and make recommendations to the board on the organizational health and safety risk management framework.	Review and make recommendations for Board approval on strategies for achieving health and safety objectives.	Monitor the organization's compliance with health and safety policies as well as relevant applicable law.	Ensure the health and safety performance of the organization and the systems used to identify and manage health and safety risks are fit-for-purpose, effectively implemented, regularly reviewed and continuously improved.

Ensure the Board is properly and regularly informed and updated on matters related to health and safety risks, including:

- **Review of (internal and external) audits.**
- **System reviews.**
- **Performance results.**
- **Significant incidents and investigations.**
- **The impact of organizational and regulatory changes.**
- **Benchmarking data.**

Seek assurance that the organization is effectively structured to manage health and safety risks, including having Competent employees, adequate communication procedures, and proper documentation.

Review health and safety-related incidents and consider appropriate actions to minimize the risk of recurrence.

Make recommendations to the Board regarding the availability of appropriate resources for operating the health and safety management systems and programs.

Any other duties and responsibilities assigned to the Committee from time to time.

Committee Members and Attendance Record

Name	Membership Classification	Position	Timeline of Committee meetings during the year 2025							
			20th January	18th March	27th May	26th June	30th July	16th September	11th December	Attendanc
Mr.Robertus Johannes Renders	Non-Executive	Chairman of the Committee (formerly)	Present	Present	Present	Present	Present	Present	Present	7
Mr. Musaab Sulaiman Al Muhaidib	Non-Executive	Member	Present	Present	Present	Present	Present	Present	Membership expired on November 13, 2025	6
Mr. Victor Sanz Martinez	Independent	Member	Present	Present	Present	Present	Present	Present	Membership expired on November 13, 2025	6
Mr. Farid Habib	Non-Executive	Chairman of the Committee	Present	Present	Present	Present	Present	Present	Present	7
Mr. Feras Samir Al Baiyat	Non-Executive	Member	Membership started on November 14, 2025						Present	1
Mr. Rakan Mohammed Abunayyan	Independent	Member	Membership started on November 14, 2025						Present	1

Mr. Robertus Johannes Renders was the chairman of the committee until November 13, 2025, after which Mr. Farid Habib took over the chairmanship of the committee.

Risk and Sustainability Committee

The following shall be the principal responsibilities of the Committee:

Risk Management

- Review and recommend the Enterprise Risk Management (ERM) Policy and Framework to the Board for approval, ensuring alignment with leading standards and the Company's strategic objectives.
- Oversee the effectiveness and the implementation of ERM Framework, policies, procedures, practices, and controls across the Company.
- Review and recommend risk appetite statement and risk management strategy for approval by the Board. Regularly reassess the Company's risk appetite and exposure.
- Make recommendations to the Board regarding the limits for Risk Appetite Monitoring Indicators for approval.
- Promote a suitable risk culture with high standards of business ethics and Corporate Governance.
- Assess, monitor, and report to the Board on the risk culture in the Company, and the extent to which that culture supports the ability of the Company to operate consistently within its risk appetite; endorse any desirable changes to the risk culture and ensure the Company takes steps to address those changes.
- Review the quarterly risk report (including top risks), focusing on strategic, financial, and operational risks (specifically Health, Safety, and Environment - HSE risks critical to manufacturing).
- Monitor breaches of defined Risk Appetite Monitoring Indicators/ KRI targets and report planned actions to the Board to reduce the Company's risk exposure to acceptable levels.
- Review and endorse detailed reports prepared on the risk exposure and the recommended measures to manage such risks and present the same to the Board.
- Assess the effectiveness of the risk management systems and mechanisms used to identify and monitor the risks that threaten the Company in order to determine deficiencies therein.
- Oversee Executive Management's implementation of the Risk Management Strategy.
- Constructive challenge of Executive Management's proposals and decisions on all aspects of risk management arising from the Company's activities.
- Review the performance, and set the objectives of, the Company's risk management function, and ensure unrestricted access to the Board and the Committee.
- Provide recommendations to the Board on matters related to risk management and advise the Board on the Company's overall current and future risk management strategy.
- Ensure availability of adequate resources and systems for risk management.
- Review organizational structure for risk management and provide recommendations on the same before being approved by the Board.
- Liaise with other committees within the Company to form an institution-wide view of the Company's current and future risk position relative to its risk appetite and capital strength.
- Ensure independence of the risk management employees from activities that may expose the Company to risk.
- Ensure risk management employees understand the risks threatening the Company; seek to raise awareness of the risk culture; and review any issues raised by the Audit Committee that may affect risks facing the Company.
- Examine high-budget risk mitigation plans before they are presented to the Board.
- Oversee all external communications related to the Company's risk information.
- Review any issues raised by the audit committee that may affect the Company's risk management.

Business Continuity Management

- Review and recommend the BCM Policy, Framework, strategy ensuring alignment of organization's strategic objectives.
- Assess feasibility of the Company's continuation and resilience, the successful continuity of its activities and determine the risks that threaten its existence during the following twelve (12) months.
- Oversee and endorse Business Impact Analysis results (including RTO, RPO, MTPD), Risk assessment and treatment decisions, Business continuity strategies and their feasibility, BCPs and recovery procedures, Exercising and testing programs
- Oversee the readiness of the Crisis Management Team. Review the results of annual simulations (Tabletop Exercises) to ensure leadership can effectively respond to industrial accidents or major outages.
- Ensure BCM complies to the required industry, governmental, and regulatory obligations, if any, and the same are documented and validated.
- Review BCMS performance metrics, Internal audit results, Exercise/testing results, Incident reports and non-conformities corrective and preventive actions.
- Ensure regular formal management review meeting is conducted covering (at least annually): BCMS performance (KPI), status of objectives (linked with KPI), effectiveness of risk treatment plans, BCP adequacy and readiness (status of BCP), opportunities for improvement
- Ensure availability of necessary resources (people, budget, tools) for BCM activities.
- Ensure awareness of business continuity is regularly conducted/ arranged.
- Overall planning, design and implementation of the BCM Program at the Company.
- Meet on a regular basis to discuss MEPCO BCMS posture and discuss new initiatives, lessons learned post incidents or exercises.
- Oversee the implementation of BCMS across MEPCO.

Compliance Management

- Review and recommend the Compliance Management Policy and Framework to the Board for approval, ensuring alignment with leading standards and the Company's strategic objectives.
- Oversee the effectiveness and the implementation of Compliance policy, framework, procedures, monitoring mechanisms, escalation processes, and corrective action protocols, to ensure effective identification, management, and prevention of compliance risks across the Company.
- Review and discuss in detail findings and notifications (Ish'aar) received from Competent Authorities and monitor that the Company has taken the necessary actions in connection therewith.
- Monitor Company's compliance with the relevant laws, regulations, policies and instructions.
- Approve MEPCO Compliance Monitoring Plan.
- Ensure Compliance function follows approved Compliance Monitoring Plan for quarterly reporting.
- Review and discuss quarterly compliance reports from the GRC Head covering compliance monitoring plan outcomes, remedial measures planned/ taken, and overall compliance status. The Committee shall review these reports, escalate repeated high risk non-compliances and provide appropriate guidance and recommendations to the Board.
- Ensure that the GRC Head has unrestricted, and independent reporting access to the Committee. The Committee shall safeguard the independence of the compliance function from operational management to ensure objectivity, credibility, and integrity in compliance oversight.
- Oversee the development and implementation of compliance training and awareness programs across all levels of the Company to ensure that employees, management, and the Board are fully informed of applicable laws, regulations, policies, and ethical standards, and to promote a culture of integrity and compliance.

ESG Reporting

- Oversee preparation and reporting of the annual Sustainability Report, ensuring disclosures align with international standards and Tadawul ESG guidelines.
- Support the development of the Company's ESG strategy, in coordination with the S&EC, and recommend policies, practices, and disclosures aligned with it.
- Consider the need for sustainable development and development of Stakeholder relationships across the Company's activities and assess the same from a risk and compliance perspective.
- Discuss the internal and external audit reports where matters related to ESG issues have been identified and obtain regular updates on implementation of management action plans.
- Discuss, as appropriate, any significant investigation or audit by external auditors, regulators, or key environmental and social rating agencies on ESG matters.
- Obtain actions or initiatives taken to prevent, mitigate, and manage risks related to ESG matters that may have a material adverse impact on the Company or are otherwise pertinent to its Stakeholders, and provide guidance thereon.
- Obtain and discuss Company's human capital initiatives, for example, diversity and inclusion initiatives, employee wellbeing or engagement initiatives.
- Obtain and discuss Company's social initiatives and commitments, as appropriate, including, among others, the Company's initiatives related to education.
- Coordinate with other Board committees for specific overlapping cases.
- Evaluate current and emerging ESG issues that may impact the Company's business, operations, performance, or reputation.

CYBER SECURITY



Information Technology

- Review and recommend the IT Strategy to the Board, ensuring it enables business goals and delivers return on investment.
- Oversee the Data Governance Framework to ensure data accuracy for decision-making and compliance with the Saudi Personal Data Protection Law (PDPL) regarding data sovereignty and hosting.
- Monitor risks related to legacy systems. Ensure management has a funded plan to upgrade aging infrastructure.

Cybersecurity

- Gain an understanding of the Company's cybersecurity landscape, including assets, threats, vulnerabilities, and regulatory requirements.
- Supervise the development of clear and comprehensive cybersecurity policies in line with standards, regulations, and legislations.
- Oversee identification, assessment, and prioritization of cybersecurity risks, considering their potential impact and likelihood.
- Oversee the implementation of security controls and measures to mitigate identified risks, including technical solutions, operations, and staff training.
- Ensure existence of continuous monitoring security measures and assess their effectiveness.
- Review regular reports from management and stakeholders.
- Oversee development and regular update of incident response plan to ensure swift and effective actions in case of a cyber incident.

Committee Members and Attendance Record

Name	Membership Classification	Position	Timeline of Committee meetings during the year 2025				
			19th March	25th June	17th September	17th December	Attendanc
Mr. Walid Ibrahim Shukri	Non-Executive	Chairman of the Committee	Present	Present	Present	Present	4
Ms. Hawazen Nazih Nassief	Independent	Member	Present	Present	Present	Membership expired on November 13, 2025	3
Mr. Waleed Abdulrahman AlMonie	Independent	Member	Present	Present	Present	Membership expired on November 13, 2025	3
Ms. Nathalie Potvin	Member from outside the Board	Member	Member from November 14, 2025			Present	1
Mr. Musaab Sulaiman Al Muhaidib	Non-Executive	Member	Member from November 14, 2025			Present	1
Mr. Tariq Abdulaziz Rikhaimi	Member from outside the Board	Member	Member from November 14, 2025			Present	1

Description of the Interests of Members of the Board, Executive Management, their Wives and Minors in the Company's Shares

S	Name	Beginning of 2025		End of 2025		Net Change during the year	Change Percentage
		Shares	Debt Instruments	Shares	Debt Instruments		
-	Board members, their wives and minors (if any)						
1	Mr. Walid Ibrahim Shukri	1,333	-	1,333	-	-	-
2	Mr. Musaab Sulaiman Al Muhaidib	1,333	-	1,333	-	-	-
3	Dr. Ghazi Abdulrahim Alrawi		-	100	-	-	-
-	Senior executives, their wives and minors (if any)						
No senior executives, their wives and minors own any shares or debt instruments, and did not over the course of 2025.							

Ownership of Principal Shareholders with more than 5% of the Company's Shares as at 31st December 2025.

S	Name	Balance at the beginning of the year	Balance at the end of the year	Change	Percentage
1	Public Investment Fund	19,999,999	19,999,999	-	-
2	Abdulkadir Al Muhaidib and Sons	7,992,777	7,992,777	-	-

Remuneration and Compensation Policy



General criteria for remuneration

The company's nominations and remuneration policy for members was reviewed by the Board of Directors, its subcommittees, and senior executives, and recommended by the Board. This was approved by the company's General Assembly meeting held on November 13, 2025, and is reviewed periodically. Without prejudice to the provisions of the Companies Law, the Capital Market Authority Law and their implementing regulations, and the company's Articles of Association, the following shall be taken into consideration in the remuneration policy:

- The policy shall be consistent with the Company's strategy and objectives, and with the size, nature, and level of risks of the Company.
- Remuneration shall be granted as incentives for the Board members and Executives to achieve long-term success and business development of the Company. For example, variable remunerations shall be linked to the long-term performance.
- Remuneration shall be proportionate with grade, roles and responsibilities, academic qualifications, work experience, skills, and performance.
- Practices of other companies shall be taken into consideration in determining remuneration, avoiding the unjustified rise in remuneration and compensations.
- The policy shall reasonably attract, retain, and motivate talents.
- The policy shall identify, in coordination with the Nomination and Remuneration Committee, remuneration to new appointments.
- The policy shall regulate granting or refund of remuneration if based on misinformation provided by a Board member or an Executive. This prevents abuse of office to obtain undeserved compensation.
- The policy shall regulate the granting of Company shares to the Board members and Executives and whether they are to be issued or bought by the Company.



THE REMUNERATIONS OF EXECUTIVE MANAGEMENT

The remuneration of the Board and committee members shall be determined and granted pursuant to the policy approved by the General Assembly and in accordance with the following criteria:

- Subject to the provisions of the Company's Articles of Association, the remuneration of a Board member may not exceed the limits stipulated in the Companies Law and the regulations thereof. The members' remuneration and attendance bonuses shall be governed by the Committee's charters.
- The remuneration shall be proportionate with the member's engagement in the Board or its committees.
- The remuneration shall be fair and proportionate with the member's competencies, roles, and responsibilities and the objectives set by the Board for the financial year.
- The remuneration shall be as recommended by the Nomination and Remuneration Committee.
- Apart from Independent members, the Board member's remuneration may be a percentage of the profits, if such may not exceed 10% and be granted pursuant to Companies Law and the regulations thereof as well as the Company's Articles of Association.
- The remuneration shall be reasonably competitive to attract sufficiently qualified and experienced candidates for membership of the Board and its committees.
- The remunerations may vary driven by, inter alia, the experience, competencies, roles, and responsibilities as well as attendance of the member.
- The remuneration of Independent Board members shall not be a percentage of the Company's profits or be based directly or indirectly on the Company's profitability.
- A member of the Board of Directors may receive a reward for any additional work, executive, technical, administrative or advisory positions under a professional license that he is assigned in the company, in addition to the reward that he may receive as a member of the Board of Directors and in committees formed by the Board of Directors, in accordance with the Companies Law and the company's articles of association..
- If the membership of a Board member is terminated by the General Assembly for missing 3 consecutive Board meetings without a legitimate excuse, the member shall not be entitled to any remuneration for the period starting from the date of the last meeting attended by the same and shall refund all remunerations received for such period.

The remunerations of Executive Management shall be determined and granted pursuant to the policy approved by the Company's General Assembly and in accordance with the following criteria:

- The remuneration shall be as recommended by the Nomination and Remuneration Committee.
- In addition to fixed compensations and remuneration stated in their contracts, Senior Executives may be granted remuneration based on the evaluation of their performance. Remunerations may be granted in the form of shares in compliance with the regulations of the Companies' Law.
- Key performance indicators at the Company level shall include a set of short- and long-term objectives, such as profitability, solvency, liquidity, and growth indicators. The performance management process shall ensure that all objectives are properly aligned at all levels in the Company down to the relevant business units and employees.
- The application of performance indicators used for granting remunerations to Senior Executives and employees shall be monitored. Appropriateness of such indicators to remuneration shall also be reviewed.
- Remuneration aims to provide a competitive environment conducive to attracting and retaining qualified personnel as well as maintaining the talents needed by the Company.

Remuneration of Board Members

Name	Fixed Remuneration						
Name	Designated Amount	Attendance Bonus	Total Committee Attendance Bonus	In-kind Benefits	Remuneration for Technical, Administrative and Advisory Work	Remuneration of the Board Chairman or the Managing Director or the Seretary, if a board Member	Grand Total
Mr. Walid Abdulrahman AlMonie (2)	260,833	15,000	15,000	-	-	-	290,833
Mr. Rakan Mohammed Abunayyan	300,000	25,000	40,000	-	-	-	365,000
Mr. Victor Sanz Martinez (2)	260,833	15,000	30,000	-	130,417	-	436,250
Ms. Hawazen Nazih Nassief (2)	260,833	15,000	15,000	-	-	-	290,833
Eng. Majed Mosa Alesmail (1)	39,167	10,000	5,000	-	-	-	54,167
Dr. Ghazi Abdulrahim Alrawi (1)	39,167	10,000	5,000	-	-	-	54,167
Total remuneration of Independent members	**1,160,833**	**90,000**	**110,000**	**-**	**130,417**	**-**	**1,491,250**
Mr. Musaab Sulaiman Al Muhaidib	350,000	25,000	35,000	-	-	-	410,000
Mr. Walid Ibrahim Shukri	300,000	25,000	90,000	-	-	-	415,000
Mr. Farid Habib	300,000	25,000	40,000	-	-	-	365,000
Mr. Robertus Johannes Renders (3)	300,000	25,000	40,000	-	-	-	365,000
Mr. Feras Samir Al Baiyat (1)	39,167	10,000	5,000	-	-	-	54,167
Total remuneration of Non-Executive members	**1,289,167**	**110,000**	**210,000**	**-**	**-**	**-**	**1,609,167**

1. The new Board member's term commenced on 14th November 2025.
2. The previous Board member's term ended on 13th November 2025.
3. Mr. Robertus Johannes Renders status changed from Executive to Non-Executive Board Member on 16th February 2025, following the completion of his tenure as Acting Group President.

Remuneration of Board Committee Members

Member's Name	Fixed Remuneration (Exclusive of attendance bonus)	Attendance Bonus	Total
Audit Committee			
Mr. Fahad Mohammed Al Fawaz (1)	152,153	35,000	187,153
Mr. Walid Ibrahim Shukri	150,000	40,000	190,000
Mr. Mohamed Abdelkarim Mazi (1)	130,417	35,000	165,417
Mr. Rakan Mohammed Abunayyan (1)	130,417	35,000	165,417
Dr. Ghazi Abdulrahim Alrawi	22,847	5,000	27,847
Mr. Abdulmohsen Ibrahim Al-Rayes	19,583	5,000	24,583
Total	**605,417**	**155,000**	**760,417**
Nomination and Remuneration Committee			
Mr. Walid Ibrahim Shukri (1)	152,153	30,000	182,153
Eng. Majed Mosa Alesmail	22,847	5,000	27,847
Ms. Hawazen Nazih Nassief (1)	-	-	-
Mr. Robertus Johannes Renders	19,583	5,000	24,583
Ms. Nathalie Potvin	150,000	35,000	185,000
Eng. Omar Mohammed Siraj Najjar (1)	130,417	30,000	160,417
Mr. Farid Habib	19,583	5,000	24,583
Total	**494,583**	**110,000**	**604,583**

Remuneration of Board Committee Members

Member's Name	Fixed Remuneration (Exclusive of attendance bonus)	Attendance Bonus	Total
Strategic and Executive Committee			
Mr. Robertus Johannes Renders	171,736	35,000	206,736
Mr. Musaab Sulaiman Al Muhaidib (1)	130,417	30,000	160,417
Mr. Victor Sanz Martinez (1)	130,417	30,000	160,417
Mr. Farid Habib	153,264	35,000	188,264
Mr. Feras Samir Al Baiyat	19,583	5,000	24,583
Mr. Rakan Mohammed Abunayyan	19,583	5,000	24,583
Total	**625,000**	**140,000**	**765,000**
Risk and Sustainability Committee			
Mr. Walid Ibrahim Shukri	150,000	20,000	170,000
Mr. Waleed Abdulrahman AlMonie (1)	108,681	15,000	123,681
Ms. Hawazen Nazih Nassief (1)	108,681	15,000	123,681
Mr. Musaab Sulaiman Al Muhaidib	16,319	5,000	21,319
Ms. Nathalie Potvin	16,319	5,000	21,319
Mr. Tariq Abdulaziz Al-Rikhaimi	16,319	5,000	21,319
Total	**416,319**	**65,000**	**481,319**

(1) Membership on the committee ended at the end of the previous term on 13th November 2025.

It should be noted that members did not receive any payments for the following items: (profit share, periodic bonus, short- or long-term incentive plans, granted shares, end-of-service bonus, expense allowance).

Remuneration of Senior Executives (SAR 000s)

The Chief Executive Officer and the Chief Financial Officer are among the 5 senior Executives who received the highest remuneration

	Fixed Remuneration				Variable Remuneration						End of Service Benefits	Total Remuneration of the Board	Grand Total
	Salaries	Allowances	In-kind Benefits	Total	Periodic Remuneration	Profit Share	Short-term Incentive Programs	Long-term Incentive Programs	Value of the Granted Shares	Total			
Fiscal Year 2025	6,749	2,786	-	9,535	897	-	-	-	-	10,432	2,263	-	12,695

The company is deeply committed to transparently disclosing the bonuses of its senior executives, fully adhering to the regulatory requirements outlined in Article 90 of the Corporate Governance Regulations. By presenting these bonuses as a total amount, we aim to eliminate any potential misunderstandings and provide a clear insight into the mechanisms governing our bonus and compensation procedures. These practices are designed to reflect the competitive nature of our valuable human capital, ensuring that we attract and retain top talent in our industry.



Statement of any Penalty, Sanction, Precautionary Procedures, or Limitations Imposed on the Company during 2025

There is no statement of any penalty, sanction, precautionary measure, or precautionary restriction imposed on the company during the year 2025.

Annual Audit Results of Reviewing the System of Internal Controls



1) Supervising the conduct of internal control functions

As part of the yearly plan of controlling the Company's activities, the Audit Committee periodically reviews reports submitted by the Internal Audit Department and the Governance, Compliance and Risk department. The Audit Committee seeks to:

- Ensure compliance with applicable laws and regulations.
- Ensure the system of internal controls is adequate and sufficient.
- Check the procedures of assessing and updating policies as well as other procedures related to administrative, financial, operational, and marketing activities in the Company and its subsidiaries.
- Verify the information in the Company's financial statements by reviewing and approving the interim and annual results.
- Assess the periodic reports by Internal Audit, including the main notes, and track the implementation of relevant recommendations to improve internal controls considering that the Management shall be responsible for the design and implementation of internal regulations to enhance the efficiency and effectiveness of the system of internal controls.
- Ensure the independence of the Internal Audit department and provide the department with resources and support required to efficiently carry out their roles and responsibilities.

To conduct its functions, the Internal Audit department adopted the following process:

- Channeled its efforts to the high-risk activities as well as some medium-risk activities with a view to optimizing the effectiveness and efficiency of the Company's operations.
- Monitored the Executive Management to ensure it takes the procedures necessary to handle notes and implemented recommendations stated in audit reports.
- Drives effective coordination between the Management and the external Auditor.

The reports and notes by Internal Audit during 2025 contributed to a better understanding of risks and deficiencies of the operations and departments of the Company and its subsidiaries. Decisions and corrective measures were taken to handle the same. Some of these measures are still under development as clarified in the Internal Audit reports. Below are the key notes mentioned in the Internal Audit report of 2025:

- The authority matrix for defining responsibilities and separating tasks is still under review by the Nominations and Remuneration Committee (NRC) and awaiting Board approval. The Enterprise Resource Planning (ERP) system has not yet been fully utilized, as some financial and operational reports are still being prepared manually or are not fully integrated into the system (e.g., consolidated financial reports).
- Some branches of a subsidiary have not obtained the required licenses.
- Chemical storage practices do not comply with the requirements for the design and construction of approved warehouses, and there are weaknesses in controls regarding physical access to chemical storage facilities.
- Labor law regulations regarding employee working hours are being violated, with many employees working without a weekly day off and for hours exceeding the permitted limit (more than 60 hours per week or more than 14 hours per day).
- Some production sites suffer from poor ventilation and the facility is not fully covered, in addition to surface damage due to rust formation.

Audit Committee Opinion on the Effectiveness of the Internal Controls

After reviewing periodic Internal Audit reports, studying the attached notes, and tracking the corrective measures to enhance internal controls – and limited by the results of planned and additional auditing functions carried out by the Internal Audit department, in conjunction with written affirmations from Executive Management and the Chief Audit Executive regarding the adequacy and effectiveness of the Company's internal control and financial reporting systems, which encompass risk management procedures – and after deliberating with the external Auditor and the Executive Management on the interim and annual financial statements for 2025, the Audit Committee did not find any material deficiency in the internal controls. The Audit Committee recognizes the inherent limitations of any internal control system prevent its complete verification. However, areas for continuous improvement have been identified. Management, under the Board's direct oversight, remains responsible for designing and implementing the Company's internal controls.

The Audit Committee recommends that Management continue strengthening the system of internal controls by improving oversight environment, refining IT systems, applying an accredited framework in implementing and evaluating the system of internal controls, and maximizing the independence of control departments by providing required human resources. The Committee also advises more effort is needed to implement the recommendations and notes and promptly apply the corrective action plans undertaken by the Management.

2) Scope of Internal Audit Department work:

The Internal Audit department adopted a systematic approach to implementing its activities, ensuring its independence. The scope of the department includes:

Planning audit operations on a risk-assessment approach, where its priorities are determined by assessing the threats of high- and medium-risk operations in that order.

Periodically auditing activities of departments, operations of the Company and its subsidiaries (together referred to as the Company) in alignment with the approved annual internal audit plan.

Notifying the departments of the results of reviewing and auditing their activities and ensuring remedial actions are taken to correct deficiencies detected during the audit process.

Evaluating the corrective action plans submitted by the departments and follow up on their implementation periodically.



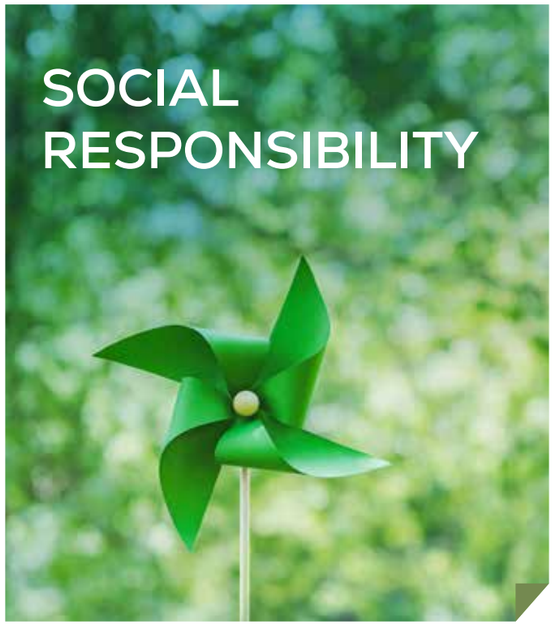
Social Responsibility Activities



Social Responsibility Activities

Social responsibility of the Middle East Paper Company forms the core of its values and business model. By means thereof, the Company contributes to achieving the social sustainable development goals while committing itself to ethics, accountability, and transparency to enhance its competitive edge in the markets. The Company integrates its model of running daily operations with its social responsibility, as well as translating its commitment to social responsibility to specific objectives stated in the Company's policies, procedures and future objectives.

In running its business, the Company adopts modern sustainable practices without prejudice to the well-being of future generations. It is also committed to preparing strategies that bring us closer to sustainability and enhance the value provided to our customers. To ensure our efforts are consistent with value generation, MEPCO's initiatives of corporate and social responsibility focus on 2 cornerstones: education and environment, which represent the key pillars of 2025.





Education and empowerment

MEPCO is one of the largest manufacturers participating in the Future Manufacturers Initiative, and the Company maintained its presence in 2025. This reflects its ongoing commitment to supporting national initiatives aimed at developing the future generation's awareness of the industrial sector. During its participation in the initiative, MEPCO hosted approximately 500 students at its factory, giving them the opportunity to learn firsthand about the industrial work environment, production lines, and technologies used in paper manufacturing.

MEPCO's participation aligns with the objectives of the Future Makers initiative, which aims to introduce public school students to the vital role of the industrial sector in the national economy, develop their innovation and manufacturing skills, and encourage them to explore future career opportunities in this promising sector. MEPCO, in its role, reaffirms its commitment to contributing to building a generation capable of leading the future of industry in the Kingdom and supporting Saudi Arabia's Vision 2030 in fostering a sustainable industrial economy.

The environment

Charitable Initiatives During Ramadan 2025

MEPCO's community role also extended to charitable initiatives during Ramadan 2025, with the company supporting the distribution of 1,000 food baskets to residents of Al-Khumra neighborhood. This initiative reflects MEPCO's commitment to social responsibility and fostering a spirit of solidarity within the local community. The initiative aimed to support families in need during the holy month and reaffirmed MEPCO's role as an active partner in supporting humanitarian and development initiatives that contribute to improving quality of life and strengthening the values of solidarity among community members.

Al Khumra Model Neighborhood Center

MEPCO also continues its interest in supporting the Al-Khumra Model Neighborhood Center, as it is the official sponsor of the events hosted by the center, including the Founding Day and National Day events for 2025. This support reflects the company's keenness to enhance its community role and contribute to activating national events that promote belonging and identity, in addition to supporting initiatives that serve the residents of the neighborhood and enrich its social life.

Accessibility Certificate

In 2025, MEPCO also received the Accessibility Certificate – Participant Category, a certification awarded to organizations that demonstrate a strong commitment to implementing universal accessibility standards for people with disabilities in the workplace. This certification aims to enhance organizations' readiness to adapt their facilities and systems to ensure that people with disabilities can work with dignity and independence, while also supporting inclusion practices and improving the quality of the work environment for all employees. MEPCO's achievement of this certification reflects its commitment to adopting the best national standards in empowering talent and providing a fair and accessible work environment for everyone.

Gold Award for Creating Jobs

In 2025, MEPCO achieved significant international recognition by winning two prestigious global awards at the ESG Awards in Dubai. It received the Gold Award for creating jobs and promoting a decent work environment, as well as the Platinum Award for enhancing business resilience through risk management. This recognition reflects MEPCO leading position in sustainability, governance, and innovation, and its pioneering role in promoting environmental and social responsibility practices across the industrial sector.

Award for Sustainable Solutions

MEPCO continued its excellence during the same year by winning three major international awards: the Gold Award 2025, the Platinum Award 2025, and the Sustainability Master 2025. These awards recognize MEPCO's efforts in developing innovative and sustainable solutions, enhancing operational efficiency, and leading impactful initiatives in the circular economy. These awards serve as international testament to MEPCO's ongoing commitment to excellence and its positive impact on the industrial sector.

General Assembly Meeting



List of 2025 Shareholders' General Assemblies with attending Board members

1. Extraordinary General Assembly Meeting on 26th June 2025.

The Extraordinary General Assembly meeting was held electronically using the Tadawul platform on 26th June 2025, and the results were published on the Tadawul website on 29th June 2025.

The voting results on the agenda items were as follows:

1. Approval of the auditor's report for the fiscal year ending on 31/12/2024 after discussing it.
2. The company's financial statements for the fiscal year ending on 31/12/2024 were reviewed and discussed.
3. The Board of Directors' report for the fiscal year ending on 31/12/2024 was reviewed and discussed.
4. Approval of the appointment of Messrs. Ernst and Young from among the candidates as the Company's auditor based on the recommendation of the Audit Committee to examine, review, and audit the financial statements for the second, third, and annual quarters of the fiscal year 2025 and the first quarter of the fiscal year 2026 and determine their fees to be SAR 1,299,500 inclusive of VAT.
5. Approval of delegating the authority of the Ordinary General Assembly with the authorization mentioned in paragraph (1) of Article Twenty-Seven of the Companies Law to the Board of Directors, for a period of one year from the date of approval of the General Assembly or until the end of the cycle of the authorized Board of Directors, whichever is earlier, in accordance with the conditions stated in the Executive Bylaws of the Companies Law for Listed Joint Stock Companies.
6. Approval on the Board of Directors' recommendation of the transfer of the full statutory reserve of the company in the amount of SAR 135,278,852 as in the financial statements ending on 31/12/2024 to the retained earnings item .
7. Approval on the authorization of the Board of Directors to distribute interim dividends bi-annually or quarterly for the fiscal year ending 31/12/ 2025

Name	Attendance Record for 2025
	1st Meeting on 26th June
Mr. Musaab Sulaiman Al Muhaidib	Present
Mr. Robertus Johannes Renders	Present
Mr. Victor Sanz Martinez*	Present
Mr. Rakan Mohammed Abunayyan	Present
Mr. Walid Abdulrahman AlMonie*	Present
Ms. Hawazen Nazih Hasan Nassief*	Present
Mr. Farid Habib	Present
Mr. Walid Ibrahim Shukri	Present

*The date of expiry of the board member's membership is November 13, 2025.

List of 2025 Shareholders' General Assemblies with attending Board members

2. Ordinary General Assembly Meeting held on 13th November 2025

The Ordinary General Assembly meeting was held electronically using the Tadawul platform on 13th November 2025. The results of the meeting were published on the Tadawul website on 16th November 2025.

The voting results on the agenda items were as follows:

1) Approval of the election of members of the Board of Directors from among the candidates for the next session, which begins on the date of 14th November 2025 and has a term of Four years, ending on 13 November 2029, and their names are as follows:

	Name
a	Mr. Musaab Sulaiman Al Muhaidib
b	Mr. Majed Mosa Alesmail
c	Mr. Farid Habib
d	Mr. Robertus Johannes Renders
e	Mr. Waleed Ibrahim Shukri
f	Mr. Rakan Mohammed Abunayan
g	Mr. Firas Samir Al-Bayat
h	Mr. Ghazi Abdulrahim Al-Rawi

2. Approval of amending the Charter of policies and the criteria for membership of the Board of Directors.
3. Approval of amending the remuneration policy for members of the Board of Directors, committees, and executive management.
4. Approval of amending the dividend distribution policy.
5. Approval of amending the Nominations and Remuneration Committee's charter.
6. Approval of amending the Audit Committee's charter.

Name	Attendance Record for 2025
	1st Meeting on 13th November
Mr. Musaab Sulaiman Al Muhaidib	Present
Mr. Robertus Johannes Renders	Present
Mr. Victor Sanz Martinez*	Present
Mr. Rakan Mohammed Abunayyan	Present
Mr. Waleed Abdulrahman AlMonie*	Present
Ms. Hawazen Nazih Hasan Nassief*	Absent
Mr. Farid Habib	Present
Mr. Walid Ibrahim Shukri	Present

*The date of expiry of the board member's membership is November 13, 2025.

About the Company and its Subsidiaries



About the Company and its Subsidiaries

Middle East Paper Company (MEPCO) is one of the largest producers of paperboard in the Middle East and Africa. It produces a wide range of paper products available to customers all over the world. MEPCO serves a diversity of industries in the packaging sector, including products for building and furniture on a large scale.

MEPCO exports its products from the Kingdom of Saudi Arabia to GCC Member States, the Middle East, and Africa, in addition to Asia, the Americas, and Europe.

The reflective integration cycle of the Company enhances its powerful performance and competitiveness in the market through Waste Collection and Recycling Co. Ltd. (WASCO). WASCO is a leading company in the field of waste management. It has launched a strategy towards the achievement of the Kingdom's environmental ambitions under Vision 2030.

The core values of MEPCO are to provide high-quality products to its customers, contribute to preserving the environment and fulfil the needs of the market. Since its inception, the Company has placed great emphasis on preserving the environment by recycling paper into products of economic value. Our environmental interests cover the whole production process, from treating and reusing water besides using renewable chemical additives. We are working to the best of our ability to conserve our green world.

The Company established the Higher Institute for Paper and Industrial Technologies (HIPIT) in Jeddah in 2013 and remains a strategic partner of the institute, contributing to the training and qualification of Saudi talent in technical and vocational fields. HIPIT is working under the supervision of the Technical and Vocational Training Corporation, the Saudi Center for International Strategic Partnerships, and the Company's Board of Directors. The institute is one of MEPCO's initiatives towards its social responsibility, and a number of its graduates are working in the Company.

The Company is carrying out several activities towards social responsibility and environmental education and has won several related awards.

It has 3 paper production lines in the factory located in Jeddah with an annual capacity of 475,000 tons of brown paper rolls. It is one of the largest companies in the region in terms of production capacity and geographical distribution of sales.

The Company invests heavily in research and development to provide a wide range of innovative products to its loyal partners and clients.

The Company observes the highest international quality standards related to environmental sustainability and operational efficiency and is always working to develop its activities to meet the variables and needs of the markets.

The local content of the Company's final product represents more than 75%, as WASCO, its subsidiary, recycles the combined cardboard paper and turns it into a raw material used by paper converters.

The strategic location of MEPCO, near Jeddah Islamic Port, facilitates the export of its products to a wide range of worldwide markets.

The Company provides a variety of products to several industrial sectors, including



Packaging Sector

Containerboard paper: Used in producing cardboard boxes for packing foodstuff, electronics, and several other purposes.

Coreboard: Used in a wide range of industries, including textile rolls, paper mills, etc.



Furniture Sector

High impregnated Formica paper: Used on furniture surfaces, including offices, kitchen cabinets, and doors.



Building and Construction Sector

Gypsum board paper: Used to manufacture gypsum board for walls and false ceilings.

Description of the key activities of the Company and its subsidiaries:

- The key activity of the Company is to manufacture and produce packaging and industrial paper.
- The main activity of its subsidiary is to collect, recycle, and trade in paper and waste.
- The main activity of MEPCO's subsidiary (Juthor) is the paper industry.

Activity	Revenue from Activity 2025	Percentage
Manufacturing sector (industrial paper and tissue paper)	1,024,362,383	97%
Commercial sector (collection and recycling of paper and waste)	36,164,881	3%
TOTAL	**1,060,527,264**	**100%**



Company Activities

Key developments

Saudi Arabia's Public Investment Fund (PIF) acquired a 23.08% stake in Middle East Paper Company (MEPCO) through a capital increase. This strategic investment aims to bolster MEPCO's operational efficiency, production capacity, and environmental sustainability efforts, particularly through the production of recyclable paper products, aligning with both PIF and Saudi Arabia's sustainability goals.

PIF's investment contributes to achieving MEPCO's expansion strategy, especially in the fields of packaging and specialized building products industries such as gypsum board, which will enhance local supply chains for various current and future projects.

It is worth mentioning that the completion of the investment transaction came after obtaining the required statutory approvals from the relevant authorities and the Extraordinary General Assembly held by the company on 28th December 2023.

Forecasts and way ahead

MEPCO aims to enlarge its operations to become more integrated in the field of paper industries. MEPCO's expansion plans encompass all aspects of growth, including the construction of a new 400,000 ton cardboard paper mill. This project will not only open new markets for export, but also boost overall sales. Additionally, MEPCO is expanding the sales and export operations of its subsidiary, Juthor Paper Manufacturing Co., and its existing paper mill. MEPCO has moved towards more digital transformation in support of the United Nations Sustainable Development Goals (UNSDG) and is consistent with the comprehensive transformation drive in alignment with Vision 2030.

Key Events and Disclosures during Financial Year 2025



Key Events and Disclosures during Financial Year 2025

S	Event	2025
1	Announcing receipt of notification of increased prices for fuel products used in production.	8th January
2	Announcement of the appointment and termination of the CEO's assignment	16th January
3	Announcement of developments in the issuance of a judicial ruling in favor of its subsidiary in the appeal submitted to the Administrative Court of Appeal in the Makkah region against the General Authority for Competition.	23th March
4	Announcement of the signing of a Share Purchase Agreement for the acquisition of the entire shareholding of Al-Medan Project Company for Corrugated Carton in consideration for a cash payment and issuance of new shares in Middle East Paper Company	27th March
5	Announcement of annual financial results for the period ending on 31-12-2024	27th March
6	Announcement of its Interim Financial results for the Period Ending on 2025-03-31 (Three Months)	13th May
7	Announcement of the Board of Directors' invitation to shareholders to attend the Extraordinary General Assembly Meeting (First Meeting)	22nd May
8	Announcement of the results of the Extraordinary General Assembly meeting (first meeting)	29th June
9	Announcement of its Interim Financial results for the Period Ending on 2025-06-30 (Six Months)	5th August
10	Announcement of the latest developments regarding the company's announcement of the Supreme Administrative Court's ruling overturning the appeal judgment and referring the case back to the issuing Administrative Court of Appeal to be reconsidered.	12th August
11	Announcement regarding the opening of nominations for membership on the Board of Directors.	21th August
12	Addendum Announcement from Middle East Paper Co. in regards to the Extension of the Nomination Period for the Board of Directors for the Next Term	18th September
13	Announcement of the Board of Directors' invitation to shareholders to attend the Ordinary General Assembly Meeting (First Meeting)	15th October
14	Announcement of its Interim Financial results for the Period Ending on 2025-09-30 (Nine Months)	2nd November
15	Announcement of the results of the Ordinary General Assembly Meeting (First Meeting)	16th November
16	Announcement of the appointment of the Chairman and Vice Chairman of the Board, the formation of Board committees, and the appointment of the company's representatives to the Capital Market Authority and the Saudi Stock Exchange (Tadawul).	16th November
17	Announcement of the formation of the audit committee	16th November
18	Announcement of the latest developments: Middle East Paper Company (MEPCO) Announcement on the latest developments regarding its previous announcement of the signing of a Share Purchase Agreement for the acquisition of the entire shareholding of Al-Medan Project Company for Corrugated Carton in consideration for a cash payment and issuance of new shares in Middle East Paper Company.	28th December

Board of Directors Resolutions for the Year 2025

S	Paragraph	Resolution
1	The Audit Committee's recommendation regarding the need to appoint an internal auditor in the company if one does not exist - The company has had an internal audit department since 2013.	Not applicable
2	The recommendations of the audit committee that conflict with the decisions of the board of directors, or that the board refused to adopt regarding the appointment, dismissal, determination of fees and evaluation of performance of the company's auditor or the appointment of the internal auditor, the justifications for those recommendations, and the reasons for not adopting them.	Not applicable
3	A description of any interest in a class of voting shares belonging to persons (other than members of the company's board of directors, senior executives and their relatives) who have notified the company of such rights pursuant to the rules of offering securities and continuing obligations, and any change in such rights during the most recent financial year.	Not applicable

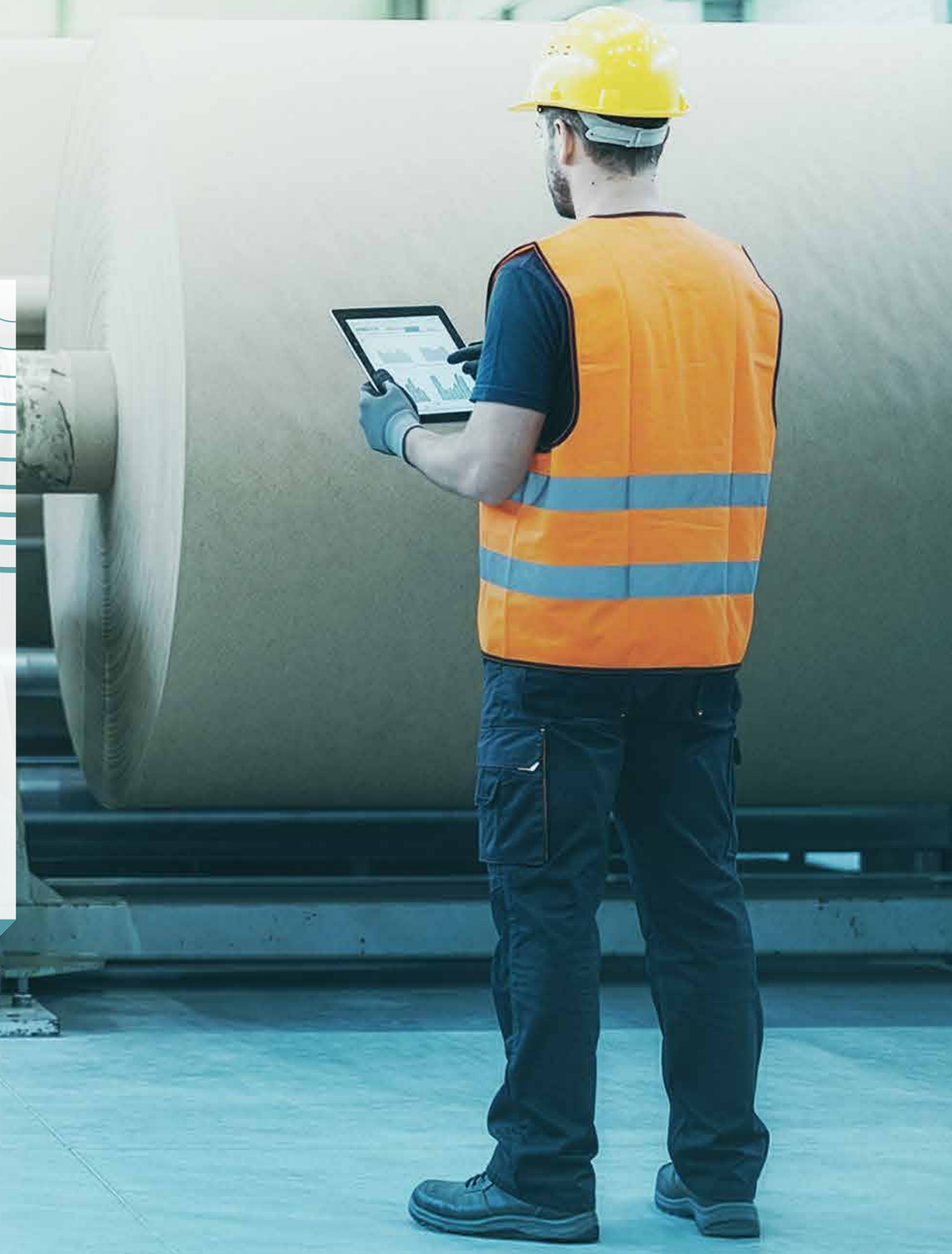
Board of Directors Resolutions for the Year 2025 cont.

S	Paragraph	Resolution
4	A description of the classes and numbers of any convertible debt instruments and any contractual securities, subscription notes or similar rights issued or granted by the company during the financial year, with an explanation of any consideration received by the company for such consideration.	Not applicable
5	A description of any transfer or subscription rights under convertible debt instruments, contractual securities, subscription note notes, or similar rights issued or granted by the company.	Not applicable
6	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 listed securities purchased by the company and those purchased by its subsidiaries.	Not applicable
7	A statement of any arrangements or agreements under which a member of the company's board of directors or a senior executive waives any bonuses.	Not applicable
8	A statement of what the members of the Board received in their capacity as employees or administrators, or what they received in return for technical, administrative, or consulting work.	Not applicable
9	A statement of any arrangements or agreement by which a shareholder of the company has waived any rights to profits.	Not applicable
10	Details of shares and debt instruments issued for each subsidiary.	Not applicable
11	A statement of the value of any investments or reserves established for the benefit of the company's employees during the year 2025.	Not applicable
12	Information relating to any business that competes with the company or any of its branches of activity that is or was practiced by any member of the Board of Directors, including the names of those involved in the competing business, the nature of this business and its conditions.	Not applicable

The Board further acknowledges the following

S	Paragraph
13	A. Books of account have been properly maintained. B. The system of internal control is sound in design and has been effectively implemented. C. No significant doubts about the Company's ability to continue its activity.
14	There is no conflict with accounting standards issued by Saudi Organization for Chartered and Professional Accountants – SOCPA.
15	No recommendation on prematurely replacing the Auditor was made during 2025.
16	As per the Auditor's report for the financial year 2025, no qualified opinion was made on the financial statements.
17	The Auditor neither provided any counseling services to the Company nor received any fees in this regard.
18	The Auditor did not request the Board to summon the General Assembly during financial year 2025.
19	The Chairman of the Board did not receive any written request to hold an extraordinary meeting of 2 or more members during financial year 2025.
20	The Company emphasizes that no request was received from Shareholders with 5% or more of the capital to summon the General Assembly or add an item or more to its agenda during financial year 2025.
21	The Company emphasizes it has not put in place any procedures or restrictions that may limit the Shareholders' exercise of their rights, which are guaranteed under the laws and regulations.
22	The Company did not provide any cash loan of any kind to its Board members, nor did it guarantee any loans that any of them hold with third parties.
23	The Company does not own preferred shares or voting shares, whether by Shareholders or Board members or their affiliates. Furthermore, all the shares of the Company are ordinary shares of equal nominal value, equal in voting, and other rights as provided for by the law.
24	Except as previously disclosed in this report, there are no interests, contractual securities, or subscription rights of the company's directors, senior executives, or their relatives in the company's stock or debt instruments or those of any of its subsidiaries, nor have any such interests or rights changed during the year 2025, except as previously disclosed in this report.

Board Report
Risk Management
Abstract



Risk Management

The global paper and packaging industry operates within a complex landscape defined by volatile raw material costs, energy transitions, and the urgent imperative for sustainability. To remain resilient, market leaders must navigate shifting demand patterns, rigorous regulatory changes, and the increasing capital intensity required for advanced energy transition & recycling initiatives.

In this competitive environment, differentiation is paramount. Sustaining a competitive edge requires disciplined investment in infrastructure, technological innovation, and robust quality assurance. For our organization, success lies in agility: diversifying our product portfolio, strengthening strategic partnerships, and optimizing cost structures to deliver superior value. Underpinning this strategy is robust risk management, which is embedded into our decision-making processes to guide business planning and maximize performance.

Enterprise Risk Management (ERM) governance

The Board of Directors is committed to maintaining the highest standards of governance by integrating risk oversight with strategic planning. The Board has established the Risk & Sustainability Committee to provide dedicated oversight of the ERM and compliance activities. This Committee is responsible for monitoring the organization's top risk, risk profile, status of non-compliances & licenses availability, and evaluating the effectiveness of risk response strategies.

To ensure operational independence and executive integration, the Risk Management function reports directly to the CEO. This structure facilitates systematic identification, assessment, and treatment of risks, ensuring that risk management is not a standalone activity but is embedded within the business. This proactive approach enables MEPCO to effectively mitigate threats while identifying and leveraging strategic opportunities.

Risk Management Framework

MEPCO's Risk Management Framework is designed to provide a standard and consistent approach to risk management across the organization. The updated framework is fully aligned, in principle and in practice, with 2017 COSO ERM Framework.

The Framework includes objectives, mandate, and commitment to manage risks and organizational arrangements in terms of governance, accountabilities, relationships, processes, tools, and enablers. The ERM Framework provides a basis for identifying and responding to uncertainties, and for enabling risk-informed decision-making for the achievement of targeted business objectives.



Risk Management Highlights

During the year, the Company made significant progress in strengthening its GRC framework, further embedding risk management and resilience across the organization. Key advancements included the rollout of structured GRC awareness programs, with targeted training delivered to designated Risk Owners to enhance ownership and accountability. Dedicated awareness sessions on cybersecurity risks were also conducted to reinforce the Company's security posture amid an evolving threat landscape. In parallel, the Company initiated formal Compliance Risk Assessments, with results reviewed and presented on a quarterly basis to the Board Committees, enhancing regulatory oversight and transparency. As a result of these initiatives, the GRC function has matured to a level where risk and compliance activities are fully operationalized in-house, aligned with the strategic objective of retaining institutional knowledge, improving operational efficiency, and ensuring sustainability of the function.

Principal Risks

Navigating the dynamic environment of the waste-to-product industry requires more than just reaction; it requires foresight. At MEPCO Group, we believe that effective risk management is the bedrock of our corporate governance and the key to unlocking long-term value.

Our approach is built on the systematic identification and evaluation of risks across the business spectrum. By categorizing threats into key pillars—ranging from Financial, Operational, to ESG, People & Culture, Legal, Strategic & Reputational, IT & Cybersecurity, and Fire & Safety domains – we ensure that no risk goes unnoticed or unmanaged. This granular classification allows us to develop precise mitigation strategies, transforming potential challenges into opportunities for resilience.

The material risks that may affect MEPCO are outlined below.

- Overreliance on HFO while global efforts are rapidly evolving to prioritize green initiatives
- Delays in Completing PM5 Project
- Funding Plan Assumptions & Liquidity
- Volatility in Prices
- Licenses and increasing regulatory aspects
- Increasing Competition
- Talent Retention
- Cybersecurity Intrusions and Attacks
- Safety Culture and Fire Hazards
- Supply Chain Disruptions



Risk 1
Overreliance on HFO while global efforts are rapidly evolving to prioritize green initiatives

(Risk Category – Strategic)

The Company faces significant financial and strategic exposure due to the actual & anticipated escalation in Heavy Fuel Oil (HFO) prices driven by nation poised to reduce carbon footprints and operational inefficiencies. With the Company's connectivity to the natural gas grid not expected until 2027, this persistent increase in energy cost, threatens to erode the Company's margins, undermine its ability to compete on price, and require working capital required for fuel procurement.

Controls –

- Regular follow up Ministry of Industry & Mineral Resources (MIM), Ministry of Energy for allowing subsidy and higher allocation of power requirements.
- Regular follow-up with concerned regulator to share an estimated date of Natural gas availability along with the allocation required.
- Assessing readiness of power plant for natural gas usage (availability of Dual-Fuel Burner), identify updates required and prioritize for budgeting.
- Assessing capital upgrades required, if any, for improving the operational efficiency.
- Planned combustion tuning for all boilers (under OEM supervision) during annual shutdown.

Risk Outlook:
Increased



Risk 2
Delays in Completing Strategic Projects

(Risk Category – Operational)

Delays in strategic projects going live due to supply chain constraints, project delays, inadequate project management, budget constraints, regulatory approval setbacks, and construction/ installation challenges. This may cause MEPCO to miss opportunities in the evolving lightweight packaging market resulting in excess capitalization and operational costs, loss of market share and competitiveness in an evolving industry.

Controls –

- Regular follow-up with relevant authorities and utility providers to secure required allocations in line with the project schedule.
- Requests for necessary infrastructure connections have been formally submitted and are being actively followed up.
- PMO, Engineering, Procurement, and Operations work closely together to address any cross-departmental dependencies that could delay the project.
- Alternative and contingency arrangements are being evaluated to mitigate potential delays.
- Project governance bodies regularly review the status of utilities readiness as part of overall project oversight.

Risk Outlook:
Stable



Risk 3
Funding Plan Assumptions & Liquidity

(Risk Category – Financial)

There is a risk that certain assumptions underlying the strategic funding plan may not materialize as expected. This may lead to delays in realizing project benefits and the IRR, need of identifying additional sources of funds shall be warranted which may Negatively impacting the company's liquidity and its ability to meet financial covenants.

Controls –

- Approved bank facility available for majority of fund requirements. This is maintained as a backup plan for arranging funds, in case any challenges in of materializing options of funds factored in funding plan.
- Company has negotiated and secured favorable payment terms with key suppliers (e.g., Aramco) to strengthen liquidity and cash flow.
- Medium Term Loan repayment extensions are in final stages of discussion with the lender bank.
- The Board and senior management provide active oversight of funding strategy, assumptions, and outcomes.

Risk Outlook:
Increased



Risk 4
Volatility in Prices of Raw Materials and Finished Goods

(Risk Category – Financial)

Volatility in prices of raw materials and Finished Goods may lead to uncertainty in meeting the targeted profit margins and forecasted revenue. The situation may arise due to changes in market forces, global supply/demand of raw materials, supply chain disruptions, and geopolitical factors.

Controls –

- For key raw materials, pricing data is obtained from leading industry market intelligence sources and is monitored on a continuous basis by the Commercial Department. The Commercial Department also monitors the macro-economic trends at a very high level to predict market changes to better forecast the potential price volatilities.
- For Finished Goods, the prices are decided in advance for each quarter by the Pricing Committee (comprising of CEO, CCO, CFO and key stakeholders).
- The sales prices are reviewed on quarterly basis in comparison with the international and local competitors in order to remain competitive, accordingly prices revisions are made based on input from Sales & Marketing.
- The Procurement Department builds strategic inventory reserves of key raw materials during periods of low prices when extreme price volatilities are anticipated. This creates buffer stocks that help mitigate the impact of price fluctuations and protect against supply chain disruptions.

Risk Outlook:
Stable

Risk 5
Licenses and increasing regulatory aspects

(Risk Category – ESG)

The Group is subject to evolving environmental, pollution prevention, licensing, and regulatory approval requirements across its operations. Failure to comply with applicable environmental regulations or to maintain valid licenses and permits in a timely manner may result in increased operating costs, financial penalties, operational constraints, heightened regulatory scrutiny, and reputational impact.

Controls –

- Compliance is subject to regular monitoring and independent assessments, as part of the Compliance Monitoring Program.
- Compliance status is reviewed periodically to identify gaps and prioritize corrective actions.
- Quarterly environmental compliance check is conducted by contractor which is appointed by the authority.
- Flue Gas Desulphurization (FGD) units have been established to reduce the emission levels in alignment with the standards.

Risk Outlook:
Stable

Risk 6
Increasing Competition

(Risk Category – Financial)

Increased competition in the waste management and tissue sector may result in pressure on market share and challenges in achieving the defined targets. Any sustained shortfall in collection volumes could impact the availability of inputs for downstream operations, potentially affecting production levels, costs, and commercial performance.

Controls –

- The Company continues to strengthen its commercial positioning through disciplined execution and market-focused strategies.
- Growth and diversification initiatives are being pursued to enhance access to feedstock and improve long-term resilience.
- Strategic planning initiatives support expansion into complementary activities within the waste management value chain.
- Management regularly monitors market dynamics, adjusts operational & commercial strategies and leverage the regulatory relationship.

Risk Outlook:
Increased

Risk 7
Talent Retention and Succession Planning

(Risk Category – People & Culture)

The ability to attract, retain, and develop skilled talent, including individuals in critical operational and leadership roles, is essential to the execution of the Company's strategy. Talent attrition or gaps in succession planning could impact operational continuity, productivity, and long-term performance.

Controls –

- Competitive and structured compensation and benefits frameworks are in place to support employee retention.
- Performance-based rewards, such as bonuses and recognition programs, to incentivize high-performing employees are present.
- Ongoing talent management initiatives focus on workforce development, engagement, and continuity in key roles.
- Exit interviews are conducted to document the reasons for employees leaving

Risk Outlook:
Stable

Risk 8
Cybersecurity Intrusions and Attacks

(Risk Category – IT & Cybersecurity)

A breach in cybersecurity could compromise sensitive data and disrupt operations due to outdated IT systems, lack of security protocols, ineffective penetration testing, and targeted attacks. This may lead to data loss, disruption of operations, financial penalties, and reputational damage.

Controls –

- MEPCO has partnered with a comprehensive awareness platform named knowbe4 to deliver the IT and Cybersecurity awareness to users which includes phishing simulations and various other video and interactive training modules. This platform is strictly followed to delivering trainings and awareness periodically.
- Incident management policy and procedures are present, and all the incidents are tracked properly. MEPCO is also an ISO27001 certified company.
- MEPCO has multi-layered cybersecurity framework that includes firewalls, encryption, and regular monitoring. This framework covers all areas of IT infrastructure, including networks, endpoints, and cloud environments.
- Ongoing continuous monitoring is implemented and in the case of any incidents, documented protocols are followed.
- Deploying robust Data leak prevention and Classification solution.

Risk Outlook:
Stable

Risk 9
Safety Culture and Fire Hazards

(Risk Category – Fire & Safety)

A weak safety culture and inadequate fire hazard management can increase the likelihood of accidents and workplace incidents. This could happen due to inadequate safety training, inadequate fire prevention measures, non-compliance with safety practices resulting in workplace injuries, loss of life, damage/loss to property and fixed assets, and operational downtime. It may also lead to legal liabilities, and increased insurance costs.

Controls –

- Adequate installation of smoke detectors, sensors, sprinklers, water curtains, fire hose cabinets, portable extinguishers, hydrants, CO_2 systems in electrical rooms, foam system in HFO tanks, and Fire Trace systems in panels.
- Firefighting systems updated in all electrical rooms with Fire Pro system installed.
- All equipment is maintained under a structured maintenance contract, with sufficient budget allocation.
- Comprehensive monitoring sheets track all firefighting system issues, repairs, and maintenance status.
- Detailed inventory of fire prevention equipment maintained, with periodic inspections.
- Failures and corrective actions are systematically recorded and tracked.
- Licenses obtained from Civil Defence authorities.
- Robust safety management system supported by clear policies, procedures, and guidelines.
- Safety concerns are formally reviewed and addressed on a periodic basis.
- Regular fire safety drills conducted across sites.
- Safety champions appointed in each department to ensure quick evacuation during emergencies.
- Ongoing training and awareness sessions for all employees, emphasizing daily operational safety.
- Strong culture of accountability, transparency, and encouragement for employees to report incidents, near-misses, and safety concerns.

Risk Outlook:
Stable

Risk 10
Supply Chain Disruptions

(Risk Category – Operational)

Disruption of supply chain and logistics due to geopolitical instability, military action, piracy, terrorism, Suez Canal choke point, or lack of effective maritime governance. This may result in delays in imports, delivery of goods, increased shipping costs, potential shortages of critical materials, operational delays and disruption of production schedules, and loss of goods.

Controls –

- The Company monitors the geo-political situations and identifies any potential supply chain disruptions proactively that may impact the supply of key imported raw materials and shipping of Finished Goods (export sales) respectively.
- Safety stocks levels of key raw materials are continuously monitored and orders are placed immediately to minimize the impact of supply chain disruptions.
- In case of any foreseen supply chain disruption, the production plan is assessed to ensure there is no redundant pile up of Finished Goods inventory.
- The company proactively discuss about re-routing shipments and diverting customer orders as part of its standard mitigation strategy during unprecedented events.

Risk Outlook:
Increased

Financial Information and Data

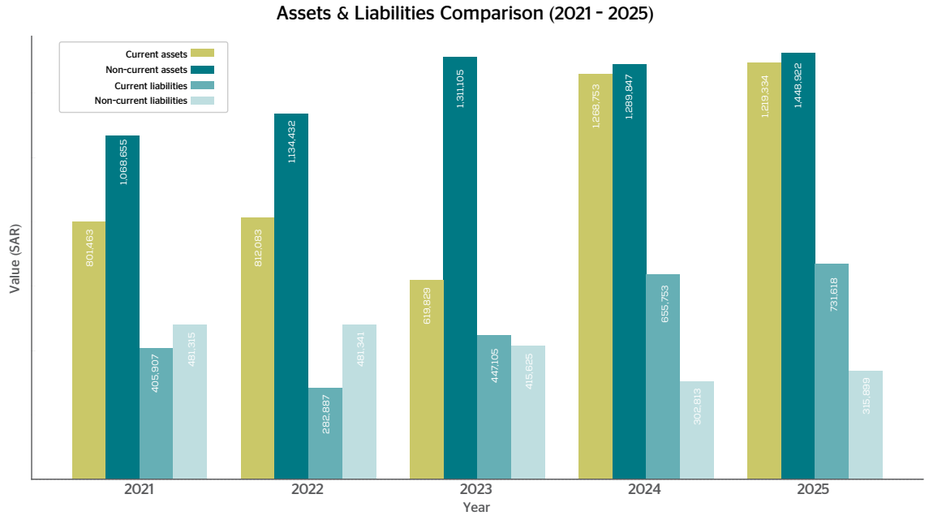


Company's main activities

Activity	Revenue from Activity 2025	Percentage
Manufacturing sector (industrial paper and tissue paper)	1,024,362,383	97%
Commercial sector (collection and recycling of paper and waste)	36,164,881	3%
TOTAL	**1,060,527,264**	**100%**

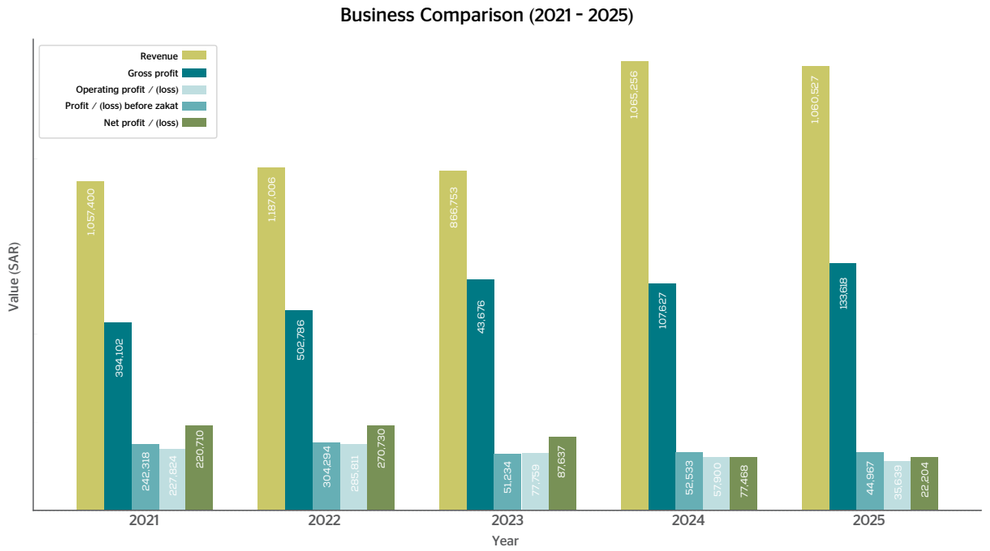
The Company's business results, assets, and liabilities In Saudi Arabian Riyals (SAR'000)

Description	2025	2024	2023	2022	2021
Current assets	1,219,334	1,268,753	619,829	812,083	801,463
Non-current assets	1,448,922	1,289,847	1,311,105	1,134,432	1,068,655
Total assets	**2,668,256**	**2,558,600**	**1,930,934**	**1,946,514**	**1,870,118**
Current liabilities	731,618	655,753	447,105	282,887	405,907
Non-current liabilities	315,899	302,813	415,625	481,341	481,315
Total liabilities	**1,047,517**	**958,567**	**862,730**	**764,228**	**887,222**



Business Comparison (5 years) (SAR'000)

Declaration	2025	2024	2023	2022	2021
Revenue	1,060,527	1,065,256	866,753	1,187,006	1,057,400
Gross profit	133,618	107,627	43,676	502,786	394,102
Operating profit / (loss)	**44,967**	**(52,533)**	**(51,234)**	**304,294**	**242,318**
Profit / (loss) before zakat	35,639	(57,900)	(77,759)	285,811	227,824
Net profit / (loss)	22,204	(77,468)	(87,637)	270,730	220,867



Material changes in operating results (SAR'000)

Income Statement Indicators	2025	2024	Change value	Change Percentage	Reasons for change
Sales	1,060,527	1,065,256	-4,728	-0.5%	Revenue remained broadly stable year-on-year due to a slight decline in sales volumes, partially offset by improved selling prices.
Cost of sales	-926,909	-957,629	-30,720	-3%	Cost of revenue decreased mainly due to cost management and operating efficiencies , lower direct employees' costs and a sharp decline in slow-moving and obsolete inventory charges, partly offset by higher energy and utilities costs.
Gross Profit	133,618	107,627	25,991	24%	Gross profit increased due to stable revenue, lower cost of revenue, and improved operating efficiency.
Operating expenses	-101,570	-164,790	-63,220	-38%	Operating expenses declined due to lower selling and distribution expenses, lower general and administrative expenses, reversal of impairment losses on financial assets, and no write-offs for PPE or CWIP in 2025.
Other revenue/ (expenses), net	12,919	4,631	8,289	179%	Increased mainly due to SAR 6.0m KAEC land recovery and SAR 3.3m government grant recognized in 2025.
Operating (loss)/ profit	44,967	-52,533	97,500	-186%	Turnaround driven by higher gross profit, reduced overhead expenses, reversal of impairment losses on financial assets, and absence of prior-year write-offs.

* Operating expenses :
Selling and distribution expenses + General and administrative expenses + Reversal/(impairment) losses on financial assets + Write-off for property, plant and equipment + Write-off for capital work in progress.

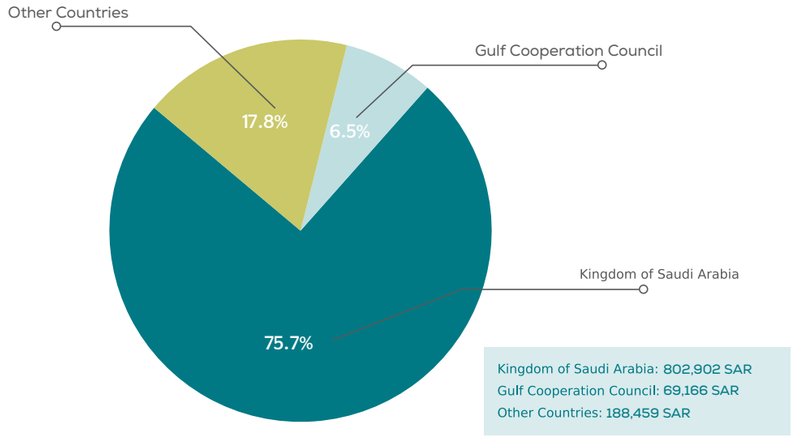


The geographical distribution is as follows: (SAR'000)

Description	Kingdom of Saudi Arabia	Gulf Cooperation Council	Other Countries	Total Revenue
Manufacturing	766,737	69,166	188,459	1,024,362
Trading	36,165	-	-	36,165
Total	**802,902**	**69,166**	**188,459**	**1,060,527**

Geographical Revenue Distribution





Subsidiaries

Company's Name	Capital	Activity	Country of Incorporation	Country of Activity	Ownership (%)
Waste Collection and Recycling Co. Ltd. (WASCO)	SAR 20 million	Wholesale and retail sales of paper, carton and plastic waste	Saudi Arabia	Saudi Arabia and other countries	100%
Juthor Paper Manufacturing Co.	SAR 68 million	Production and sales of tissue paper rolls	Saudi Arabia	Saudi Arabia	100%
Al-Tadweer Al-Akhdar Industrial Company	SAR 100,000	Production of cardboards, corrugated paper and other papers	Saudi Arabia	Saudi Arabia	100%
Estidama Environmental Services Company LLC	SAR 100,000	Wholesale sales of wastes, scrap, and other unclassified product and waste management and treatment services	Saudi Arabia	Saudi Arabia	50%
Saudi-Jordanian Waste Collection and Recycling Company ("Saudi-Jordanian WASCO")	SAR 529,000	Recycle and collect carton waste, manufacture, import and export carton. Retail trade in paper and carton. Own movable and immovable funds to implement the company's objectives.	Jordan	Jordan	100%

The subsidiaries are fully integrated into the Parent Company's course of business. The paper collection and sorting companies, along with their branches, supply the paper factory with amounts of raw material required for the Company's business activities, besides creating profits by selling their surplus in the target markets.

Due Statutory Payments with a brief description

Zakat: The Company is subject to the laws of the General Authority of Zakat and Tax in the Kingdom of Saudi Arabia. Zakat is registered on an accrual basis. Subsidiaries operating outside the Kingdom of Saudi Arabia are subject to their local tax laws.

Tax: The Company and its subsidiary registered in the Value Added Tax system, which was introduced in January 2018.

Social Insurance: The Company is subject to the social insurance law. Social insurance fees are recorded on an accrual basis, and social insurance is paid monthly based on the dues for the previous month.

Passport and visa costs: These are costs that the Company pay to obtain visas, recruitment fees, and commercial visits.

Labor office fees: Represent the costs of obtaining work permits and changing professions.

Financial statements of 2025	Due	Paid	Justifications
Zakat	13,539,869	19,806,267	The return is being submitted for payment of the outstanding amount.
Tax (VAT)	34,788,819	41,729,821	1. 6.4 million in input tax is excluded from the December 2025 return and added to the January 2026 return. 2. Monthly proportional deduction of input tax.
General Organization for Social Insurance	6,133,974	6,133,974	
Visa and Passport costs	857,750	857,750	
Labor Office fees	10,314,726	10,314,726	
Total	64,982,665	78,842,538	

Due payments SAR 2025 (SAR'000)

Classification	2021	2022	2023	2024	2025
Zakat	-	-	-	19,910	13,540
Tax (VAT)	-	-	-	1,316	-
Restructuring allowance	-	-	-	-	-
Zakat and income tax	-	-	-	-	-
Total	**-**	**-**	**-**	**21,226**	**13,540**

Information related to loans of MEPCO and its subsidiaries

Medium-term loans and credit facilities (SAR'000)

Entity	The principal loan amount/ facilitations	Duration of the loan/ facilitations	Balance at the beginning of the year	Added during the year / scaled during the year	Amount paid during the year	Balance at the end of the year
Saudi Industrial Development Fund (SIDF)	189,000	5 years	161,600	-	(28,600)	133,000
Bank Al Jazira	853,778	5 years	114,861	78,420	(45,944)	147,337
Saudi Awwal Bank	388,365	5 years	109,182	42,296	(54,591)	96,887
Total	**1,431,143**		**385,643**	**120,716**	**(129,135)**	**377,224**
Financing fees due, deferred financial charges	-		(4,775)	-	-	(108)
Total	**1,431,143**		**380,868**	**120,716**	**(129,135)**	**377,116**

Short-term loans and facilitations (rotating) (SAR'000)

Entity	The principal loan amount/ facilitations	Duration of the loan/ facilitations	Balance at the beginning of the year	Added during the year / scaled during the year	Amount paid during the year	Balance at the end of the year
EXIM	60,000	6 Months	80,000	60,000	(110,000)	30,000
Bank Al Jazira	80,000	6 Months	51,728	76,993	(76,555)	52,166
Saudi National Bank	130,000	6 Months	-	181,101	(103,165)	77,936
Al Rajhi Bank	200,000	6 Months	164,972	209,880	(202,972)	171,880
Saudi Awwal Bank	80,000	6 Months	8,268	-	(8,268)	-
Total	**550,000**		**304,968**	**527,974**	**(500,960)**	**331,982**
Accrued finance charges			5,263			5,320
Total	**550,000**		**310,231**	**528,031**	**(500,960)**	**337,302**
Total medium and short-term loans	**1,981,143**		**691,099**	**648,704**	**(630,095)**	**714,418**

Classification of total loans according to international standards (SAR'000)

Classification	2025	2024
Short-term loans and facilities	**337,302**	310,231
Current portion of long-term loans	**120,009**	129,760
Long-term loans	**257,107**	251,153
Total	**714,418**	**691,144**

Details of treasury shares held by the company and details of the uses of these shares

No treasury shares for the year 2025.

Number of requests for the Shareholder Register during 2025

MEPCO requested the shareholder register from the Securities Depository Center Company (Edaa) 21 (twenty one) times during 2025 for the following purposes:

- Data on the movement of ownership ratios of companies and investment funds.
- Share register for the purpose of the General Assembly meeting.

S	Date of Ownership File	Reason for Request
1	01/01/2025	Data on changes in ownership percentages of companies and investment funds
2	02/02/2025	Data on changes in ownership percentages of companies and investment funds
3	11/03/2025	Data on changes in ownership percentages of companies and investment funds
4	08/04/2025	Data on changes in ownership percentages of companies and investment funds
5	29/04/2025	Data on changes in ownership percentages of companies and investment funds
6	21/05/2025	Data on changes in ownership percentages of companies and investment funds
7	26/06/2025	Share register for the purpose of the General Assembly meeting
8	06/07/2025	Data on changes in ownership percentages of companies and investment funds
9	07/07/2025	Data on changes in ownership percentages of companies and investment funds
10	07/07/2025	Data on changes in ownership percentages of companies and investment funds
11	07/07/2025	Data on changes in ownership percentages of companies and investment funds
12	17/08/2025	Data on changes in ownership percentages of companies and investment funds
13	28/08/2025	Data on changes in ownership percentages of companies and investment funds
14	07/09/2025	Data on changes in ownership percentages of companies and investment funds
15	09/09/2025	Data on changes in ownership percentages of companies and investment funds
16	09/09/2025	Data on changes in ownership percentages of companies and investment funds
17	02/10/2025	Data on changes in ownership percentages of companies and investment funds
18	02/11/2025	Data on changes in ownership percentages of companies and investment funds
19	03/11/2025	Share register for the purpose of the General Assembly meeting
20	11/11/2025	Data on changes in ownership percentages of companies and investment funds
21	11/11/2025	Data on changes in ownership percentages of companies and investment funds

Information about the contracts or deals that the Company signed with related parties

There were no related party transactions in 2025.

Dividend Policy

Cash Dividends

Distribution of cash dividends: Dividends are distributed to shareholders in accordance with the provisions of the Companies Law, its regulations, and the company's articles of association. The company's net profits, after deducting all general expenses and other costs, are distributed as follows:

- The Ordinary General Assembly, upon the recommendation of the Board of Directors, may allocate a certain percentage of the net profits to establish a contractual reserve and dedicate it to specific purposes. This reserve may only be used by a resolution of the Extraordinary General Assembly.
- The Ordinary General Assembly may decide to establish other reserves, to the extent that serves the company's interests or ensures the distribution of consistent profits to shareholders to the greatest extent possible. The Assembly may also allocate funds from net profits to establish social institutions for company employees or to support existing such institutions.
- A first payment of no less than (5%) of the paid-up capital shall then be distributed to shareholders from the remaining balance.
- Subject to the provisions of Article (21) of the Company's Articles of Association and Article (76) of the Companies Law, a percentage not exceeding (10%) of the remaining balance shall be allocated for the Board of Directors' remuneration if the remuneration is a percentage of the company's profits. This remuneration shall be proportional to the number of meetings attended by each member.
- The company may, after fulfilling the regulations set by the competent authority, distribute semi-annual and quarterly profits to shareholders.

No cash dividends were distributed during the year 2025, nor was a recommendation made to distribute dividends during 2025.



Information related to corporate governance:

a) Governance at MEPCO

The company has established its governance system to set rules and standards that ensure compliance with best governance practices and protect the rights of shareholders, stakeholders, and related parties. The company's governance rules and regulations, including policies and procedures, are binding on all members of the Board of Directors, executive management, managers, and all company employees. This system may only be amended by a resolution of the company's Board of Directors.

The company's governance system aims to optimize the use of its capabilities and resources by fostering a work environment based on responsibility, oversight, and commitment, underpinned by clarity and transparency. This applies to defining the company's objectives and strategic business plans, outlining the rights and obligations of each of its entities, and managing its relationships with suppliers, financiers, consumers, and regulatory bodies. This environment interacts with and integrates with the national legislation within which the company operates to achieve its objectives effectively and with integrity. MEPCO is committed to the highest corporate governance standards and continually updates its systems in line with developments in these standards. It believes this commitment is essential to its long-term success. Therefore, the company has developed its own governance system and rules, which are consistent with its commitment to integrity and quality across all its operations, activities, and products.

MEPCO's governance focuses on the following objectives:

- Activating the role of shareholders in the company and facilitating the exercise of their rights;
- Achieving transparency, integrity, and fairness in the company, its transactions, and the business environment, and enhancing disclosure;
- Providing effective and balanced tools for addressing conflicts of interest;
- Clarifying the powers and responsibilities of the Board of Directors and the Executive Management;
- Activating the role of the Board of Directors and committees and developing their efficiency to strengthen decision-making mechanisms within the company;
- Enhancing oversight and accountability mechanisms for company employees;
- Establishing a general framework for dealing with stakeholders and respecting their rights;
- Increasing the efficiency of internal supervision and control and providing the necessary tools for this;
- Raising employee awareness of the concept of professional conduct and encouraging them to adopt responsible and ethical behavior when performing their duties.

Key Principles of MEPCO Governance	
Responsibility	To ensure effective performance of functions using the best available capabilities.
Control and accountability	To control acts and conduct and hold accountable all decision-makers ensuring they can clarify and justify their actions.
Equality	Fair and indiscriminate treatment for all parties.
Transparency	Clear and accurate disclosure to ensure all Company operations and data are clear and available to all.
Ethics	Stick to the Code of Professional and Ethical Conduct and commit oneself to integrity, fairness, and professionalism with all parties.
A vision to record sustainable value	Long-term outlook for realizing sustainability, which ensures growth and promotes social well-being.

b) The company's basic system

It is the company's bylaws, which define its nature, regulate its affairs and objectives, govern its management, regulate the holding of its meetings, define the rights of its shareholders, determine how its operations are monitored, outline the company's authority to borrow and buy back its own shares, and set the general guidelines for its policies from its inception to its dissolution.

c) Shareholders' Rights

The Corporate Governance Regulations paid special attention to shareholders' rights, encouraging their active participation in general assembly meetings, informing them of voting procedures and rules, their rights to fair treatment without discrimination, access to information that enables them to fully exercise their statutory rights, their right to a share of profits, their right to a share of the company's assets upon liquidation, their right to attend shareholders' assemblies, participate in their deliberations, vote on their resolutions, their right to dispose of shares, their right to request access to the company's books and documents, monitor the work of the Board of Directors, their right to inquire and request information in a manner that does not harm the company's interests and does not conflict with the Capital Market Law and its implementing regulations, their right to file a liability lawsuit against members of the Board, and to challenge the validity of a resolution of shareholders' assemblies. It also paid attention to the rights of other stakeholders, and all these rights are guaranteed and emphasized by the company's articles of association.

d) Internal Controls System

The Board of Directors acknowledges its ultimate responsibility for establishing and maintaining an effective system of internal control and reviewing its effectiveness annually. In 2025, the Company continued to align its internal control architecture with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) 2013 Integrated Framework, widely recognized as the global standard for internal control.

The Company's internal control system is designed to provide reasonable assurance regarding the achievement of objectives in the following four categories, as defined by the COSO framework:

Strategic:

Aligning high-level goals with the Company's mission and risk appetite.

Operations:

Ensuring the effectiveness and efficiency of operational resources and safeguarding assets.

Reporting:

Ensuring the reliability, timeliness, and transparency of internal and external financial and non-financial reporting.

Compliance:

Adhering to all applicable laws and regulations.

Governance and Oversight:

The Company applies the "Three Lines Model" to ensure robust oversight:

First Line (Executive Management):

Responsible for the day-to-day design and implementation of internal controls and risk management practices.

Second Line (Risk & Compliance):

The Governance, Compliance, and Risk Management Department monitors adherence to compliance requirements and assesses risk exposure independently from operations.

Third Line (Internal Audit):

The Internal Audit Department provides independent, objective assurance on the effectiveness of governance, risk management, and control processes.

Throughout 2025, the Audit Committee supervised the Internal Audit plan, which covered key operational and financial areas. The Internal Audit Department and the Governance, Compliance, and Risk Management Department reported their findings periodically to the Audit Committee and Risk Committee, respectively.

The Company remains committed to the continuous improvement of its control environment to match its expanding scale and complexity.

The company has strengthened its governance role by implementing the following:

1) An Internal Audit Department plays a crucial role in providing the Board and Executive Management with an objective and comprehensive overview of all company activities. It ensures the effectiveness of internal control systems in addressing risks identified by the Risk Management function, with the aim of mitigating and reducing these risks. Its responsibilities will be detailed in the annual audit of control procedures. This independent department operates under the supervision of the Audit Committee.

2) The Governance, Risk, and Compliance Department works in collaboration with the company's departments and under the supervision of the Board of Directors and its committees. Its main responsibilities include:

1) Governance and Compliance:



- Monitoring the implementation of the overall governance framework and ensuring its components are reviewed periodically to guarantee its alignment with changes in the company's objectives, activities, regulatory requirements, or best practices in governance.
- Monitoring amendments issued by regulatory and supervisory bodies to the regulations, bylaws, and instructions pertaining to publicly traded companies, and updating the company's internal systems accordingly.
- Ensuring the company's compliance with the instructions and regulations imposed by regulatory and supervisory bodies related to the company's activities.
- Responding to inquiries and correspondence received by the company from regulatory and supervisory bodies, participating in training activities conducted by these bodies, and strengthening trust between them and the company.
- Monitoring compliance with company policies and internal control and supervision systems to ensure adherence to externally imposed rules.
- Promoting awareness of the culture of governance and commitment within the company and providing necessary training for employees.
- Informing executive management of the risks of non-compliance, which may result in penalties, disciplinary actions, financial losses, or damage to the company's reputation due to failure to implement the regulations, instructions, rules, guidelines, and ethical and behavioral values governing the company's work environment.
- Responding to alleged violations of rules, regulations, policies, procedures, and ethical conduct standards through assessment and recommending the initiation of investigation procedures.
- Conduct an annual review of all instructions included in the company's governance policies and procedures manuals to ensure their conformity and compliance with all applicable regulations and instructions, and to ensure their continued application and updating as required.
- Monitor the company's adherence to regulations and bylaws in its dealings with the external environment, and the commitment of company departments to operating in accordance with the company's governance policies and internal regulations, while supporting the internal audit department in its oversight role.



RISK MANAGEMENT FUNCTION

2) Risk Management Function

This function operates under the umbrella of the Governance and Compliance Department.

Its key responsibilities include:



- Ensure the effectiveness of risk management for the company's current and potential risks.
- Identify, develop, and monitor the implementation of risk management guidelines and procedures necessary to identify, measure, control, and monitor risks inherent to the company's activities.
- Review the risk register submitted by each department manager regarding their department and submit it to the CEO and the company's audit committee. Prepare regular reports on the company's risk management framework and risk structure.
- Promote risk awareness and a risk management culture within the company and provide necessary training to employees.
- Ensure all employees are fully aware of the risks within their work environment and their personal responsibilities.
- Coordinate with executive management to ensure the effectiveness and efficiency of the company's risk management system.
- Report to the audit committee and the board of directors, including recommendations to executive management that support effective risk management.

3) Legal Affairs

This is a specialized department under the supervision of the company's General Counsel and the secretary of the board of directors. It works with other departments to achieve the company's objectives, ensure that the actions taken by the company's departments comply with regulations, provide legal and Sharia-compliant consultations and opinions, review regulations, audit contracts and agreements, and provide legal advice on transactions referred to it by different departments. Its tasks also include drafting decisions, letters, and memoranda that it is tasked with preparing, providing legal opinions on matters presented to it, coordinating with law firms handling the company's cases, and spreading legal awareness and educating company employees through coordination with different departments.

Provisions of Corporate Governance Regulations: applied, not applied, and why

What provisions of the Corporate Governance Regulations were applied and what were not applied, and the reasons for this:

The company applied the mandatory provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority Board, and its subsequent amendments until the end of 2025 AD, with the exception of the following provisions, some of which are guiding provisions.

Number of the Article	Article Text	Reasons for Non-application
37 Paragraph (2)	Establishing the necessary mechanisms to ensure that both members of the Board of Directors and the Executive Management receive continuous training programs and courses in order to develop their skills and knowledge in areas related to the company's activities.	The company has only implemented paragraph (1) of the article, and the board is always informed of developments in the company's field of work through meetings and reports submitted by the administration.
82 Paragraphs (1,2,3)	The company establishes programs to develop and incentivize employee participation and performance, which should include, in particular, the following: 1) Forming committees or holding specialized workshops to listen to employee opinions and discuss important decision-making matters with them. 2) Programs to grant employees company shares, a share of the profits generated, or retirement programs, and establishing an independent fund to finance these programs. 3) Establishing social institutions for company employees.	This does not apply in part as the company provides means of communication for employees to express opinions, submit suggestions and complaints, and conducts job satisfaction surveys through independent external parties, and training courses are prepared for employees inside and outside the company.
85 Paragraph (1)	Establishing performance indicators that link the company's performance to its social work initiatives, and comparing this to other companies with similar activities.	It does not apply because the text is for guidance and because it is difficult to apply, especially when compared to other companies with similar activities, due to the scarcity of information.
92	If the Board of Directors forms a committee specializing in corporate governance, it must delegate to it the powers stipulated in Article (Ninety-One) of these Regulations. This committee must follow up on any issues regarding governance applications and provide the Board of Directors, at least annually, with the reports and recommendations it reaches.	The company did not form a special governance committee, and the Nominations and Remuneration Committee was assigned governance tasks by the Board of Directors on 12/03/2023.

MEPCO

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