



**SGS**

الشركة السعودية للخدمات الأرضية  
Saudi Ground Services Company

**Annual | 20  
Report | 23**



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

IN THE NAME OF ALLAH

The Custodian of the Two Holy  
Mosques  
King Salman bin Abdulaziz Al Saud  
May God protect him

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“

**My first goal is for our country to be a successful and pioneering model in the world on all levels. I will work with others to achieve that.**

”

His Royal Highness  
Prince Mohammed bin Salman bin Ab-  
dulaziz Al Saud  
May God protect him

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“

**We have tremendous opportunities to create logistical services, whether in aviation, ports, or industrial complexes.**

”



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## Our Vision and Mission

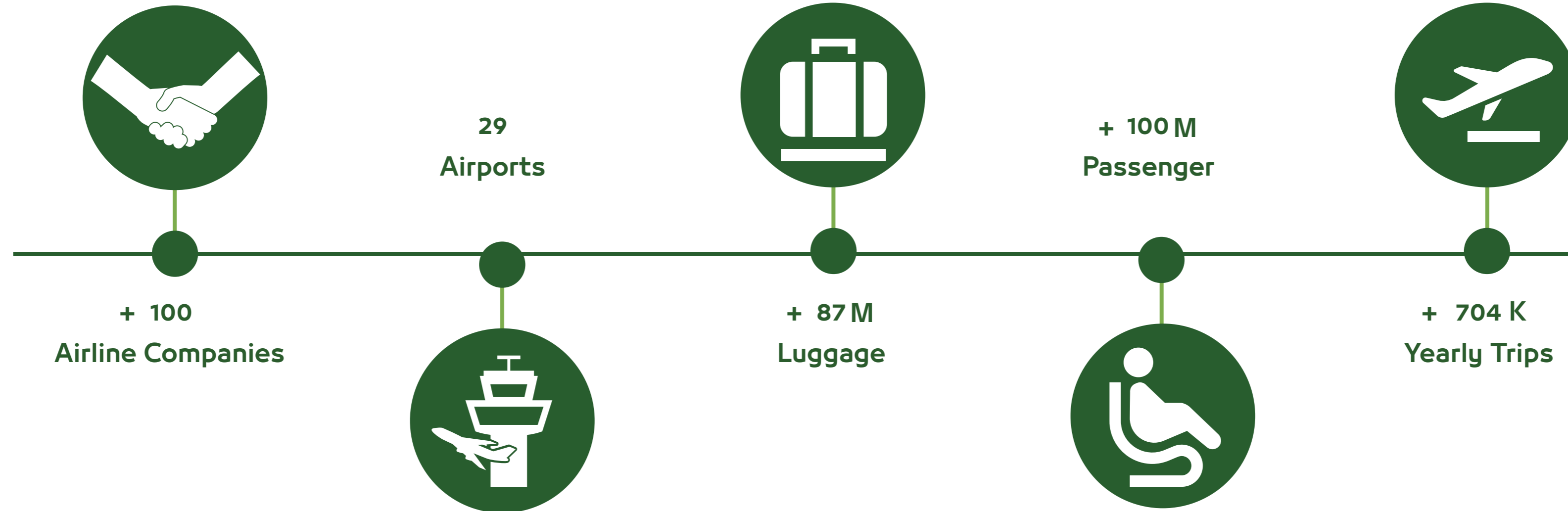
To enable a seamless and sustainable mobility ecosystem through integrated solutions and a customer centric mind-set.



# Values



# Statistics







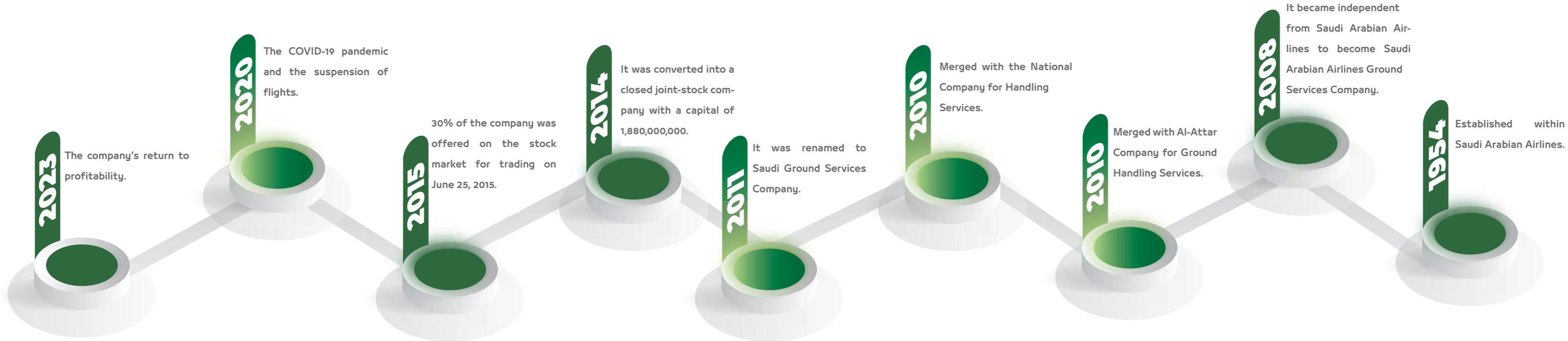
## OUR HISTORY

The Saudi Ground Services Company is the national operator for ground handling services in the aviation sector in the Kingdom of Saudi Arabia. It was established by the General Authority of Civil Aviation of Saudi Arabia to carry out ground support services at the kingdom's airports.

The aviation sector in the Kingdom of Saudi Arabia has witnessed rapid and noticeable development since the beginning of the twenty-first century. It was necessary to keep pace with this development and provide efficient integrated ground handling services.

At that time, the three ground handling service companies were in operation: Saudi Arabian Airlines Ground Services, National Company for Ground Handling Services, and Al-Ataar Ground Handling Company (Ataar for Travel). Each of these companies had a special record in providing high-quality services to their clients.

Saudi Arabian Airlines signed partnership agreements that led to the merger of the three companies and the establishment of the Saudi Ground Services Company in 2008. The three companies had an impact on shaping the company's approach and culture.





# Chairman Message





**Eng. Khalid Al-Buainain**  
Chairman of Board of Directors



We are pleased to present our Annual Report for the year 2023 to our shareholders, partners, clients, and esteemed readers of the Saudi Ground Services Company. This report offers a detailed overview of the company's performance, achievements, and developmental projects, as well as its ongoing efforts to fulfill its present and future duties and responsibilities.

In the name of Allah, and with His guidance, and under the wise leadership that God protects, our beloved country continues to achieve advanced rates of economic growth, among the highest in the world, despite geopolitical challenges, climate fluctuations, instability, conflicts, and wars in many parts of the world. Concurrently, with the continuous growth of the Saudi economy, the implementation of the largest system for developing and modernizing infrastructure and transportation services in all its forms has enabled our country to rightfully win the bid to host Expo 2030, affirming its leading position among nations and peoples in today's world.

Aligned with the Kingdom's major projects in the aviation and airport sectors, and unprecedented rates of domestic and international air transport, Riyadh has emerged as a global destination, with a flourishing tourism industry and cultural and sports events across various regions of the Kingdom. Recognizing these developments, the Saudi Ground Services Company has leveraged its capabilities and expertise to keep pace with this transformation and enhance its leading role. We are committed to achieving the targets of Vision 2030 and the National Strategy for Transport and Logistics, aiming for 300 million passengers and 250 international destinations.

We work with confidence and competence to make the aviation sector in the Kingdom the foremost in the Middle East, capitalizing on the strategic and unique location of our generous homeland among the continents of the world. In 2023, the company enhanced its achievements by achieving new operational milestones throughout the year, including the seasons of Hajj and Umrah, as well as various international conferences. These details will be discussed further in this report, along with an overview of the volume of movement and operational rates for domestic and international flights, baggage handling, and the exemplary level of discipline and performance achieved. This success is attributed to the dedication and creativity of the company's employees, working in cooperation with colleagues from the General Authority of Civil Aviation, airport companies, administrations, and various relevant entities. We emphasize that success is indivisible, achieved through collective effort, and we take pride in our shared goals in support of our national economy and the aviation industry.

The report also highlights the company's efforts in fulfilling its social responsibility and actively participating in the implementation of the Saudi Green Strategy, focusing on reducing carbon emissions, increasing the use of clean energy and environmentally friendly hydrogen, and transitioning to electric equipment. Furthermore, it outlines our growing portfolio of commendations and local and international awards. Detailed information is provided on our programs for the training and qualification of our national workforce, conducted through the company's training academy accredited by the International Air Transport Association. We are committed to attracting exceptional talent, resulting in increased localization rates, and providing wider opportunities for Saudi women to contribute to the success and achievements of our national economy.

With the construction of King Salman International Airport underway, Neom Airport, Neom Airlines and the launch of Riyadh Air, the expansion of new airports in tourist attraction areas, and the comprehensive development of infrastructure and logistics services, the Kingdom stands on the threshold of a new phase representing a significant leap in our aviation industry. Therefore, the Saudi Ground Services Company has spared no effort in making all necessary preparations to keep pace with this transformative phase, led by our creative national workforce, the wealth of the present and the asset of the future.

In conclusion, on behalf of my colleagues on the Board of Directors and the Executive Management, I extend our deepest gratitude to the Custodian of the Two Holy Mosques and His Royal Highness the Crown Prince, may God support them, for the blessed development achieved by the Kingdom under their wise leadership, we also extend our thanks to our contributors, clients, partners, the Ministry of Transport and Logistics, the General Authority of Civil Aviation, and various government entities. Our sincere appreciation goes to all the employees of the company, who consistently demonstrate exceptional performance, provide exemplary services, and serve as models of dedication and commitment.

May Allah grant us success.





# CEO Message



## Raed Hassan Al-Idrisi

CEO of the Saudi Ground Services Company



Since its establishment as a Saudi joint-stock company, the Saudi Ground Services Company has consistently made confident strides towards success. It plays a leading and vital role in serving the air transport system in our beloved country, benefiting greatly from the generous support of our wise leadership. With its wealth of expertise and top-quality professional performance, it proudly offers airport services and ground handling services for both domestic and international flights. The company takes pride in achieving record-breaking operational rates, thanks to its integrated strategic planning and its invaluable human resources, comprising talented individuals from our own nation.

Based on these achievements, we are delighted to present our annual report for the year 2023, highlighting its key features and numerous positive indicators. These indicators affirm the company's ongoing success, which is attributed to the blessings of God, the support of the esteemed board of directors, and the dedication of our employees across various sectors.

Our operational reach has expanded to encompass 29 airports throughout the kingdom, including the recent addition of the Red Sea Airport in the Tabuk region to our service network. In 2023, we facilitated a total of 704,181 flights for both national and international airlines, marking a 14% increase compared to the 616,313 flights in 2022. Moreover, we served a total of 100,639,082 passengers, representing a significant 25% increase from the 80,700,793 passengers in 2022. Additionally, we handled 87,153,347 bags, demonstrating a substantial 33% increase compared to the 65,649,815 bags in 2022.

As the company registers each year, there are growing rates in the operational service for transporting pilgrims to the Holy Kaaba during the arrival and departure stages, which witness high density and record rates due to the limited time for these operations. However, the company has managed, through providing prior preparations, to implement operational plans in this field according to the highest standards of quality and efficiency. During the 1444H-2023G Hajj season, the company was able to transport over one and a half million pilgrims on more than 8,000 flights, handling three and a half million bags and one and a half million bottles of Zamzam water. This was accompanied by providing a comprehensive package of high-quality services to the guests of the Merciful. These record operational rates have enabled the company to rightfully receive numerous awards and certificates of appreciation from specialized international bodies regarding the quality of services, digital transformation initiatives, job localization, all detailed in this report. In parallel with these achievements, the company is keen on investing in the available resources in its accredited training academy by the International Air Transport Association (IATA) to prepare and qualify our national workforce in the fields of ground handling, customer services, safety systems, and others.

The training services during the year 2023 included 4,795 training courses, 7,759 training days, and 52,325 training seats, along with continuous on-the-job training. Additionally, there are specialized programs to prepare future leaders, with a constant focus on providing wider opportunities for Saudi women who have demonstrated their competence, excellence, and active participation in the journey of success and achievement. These efforts have resulted in achieving a Saudization rate of 74%.

In compliance with the company's commitment to actively participate in environmental service and implement a green economy strategy, it has been keen on fulfilling its responsibilities in this field. This includes experimenting with the use of environmentally friendly hydrogen in ground handling services, which encompass passenger services, baggage and cargo handling, fleet services, load monitoring, and the operation of heavy equipment. Additionally, we have begun adopting sustainable technologies by transitioning to electric equipment to reduce emissions and provide a clean and healthy work environment that fosters innovation and excellence.

With great pride in the achievements outlined in the report, which represent a vision for the future, the company will continue its journey, by the grace of God, towards the implementation of its strategic plans and the enhancement of its contribution to achieving the goals of Vision 2030 and the National Strategy for Transportation and Logistics. The company is prepared to serve the unprecedented and significant leap in the aviation industry in the coming period, through the establishment of King Salman International Airport and several new airports in tourist regions, the launch of Riyadh Airways, and the continuous increase in the number of operating airlines in the Kingdom. This is accompanied by the remarkable and continuous growth of tourism in our beloved country, by optimally investing our accumulated expertise and track record of successes and achievements in the fields of ground services and airport services. We are committed to building new partnerships, supporting existing partnerships, and enhancing sustainability and governance in all activities and operations, as well as in the performance and service system.

Finally, we extend our sincere gratitude and appreciation to the esteemed Chairman and members of the Board of Directors for their continuous support. We would also like to thank the shareholders, clients, and successful partners, as well as our colleagues, the employees of the company. Together, with the permission of God, we will embark on new horizons in serving the national economy and contributing to the blessed development throughout our beloved kingdom.

Allah is the Arbiter of success.



## Board Members





**Eng. Khalid Al-Buainain**  
**Chairman Of Board Of Directors**



**Mrs. Ghada Al-Jarbou**  
**Member of the Board of Directors**



**Mr. Nader Ashoor**  
**Member of the Board of Directors**



**Capt. Fahd Cynndy**  
**Member of the Board of Directors**



**Mr. Mansour Al-Busaily**  
**Member of the Board of Directors**



**Dr. Omar Jefri**  
**Deputy Chairman of the Board**



**Mr. Per Utnegaard**  
**Member of the Board of Directors**



**Mr. Said Al-Hadrami**  
**Member of the Board of Directors**



**Mr. Nasser Alqawas**  
**Member of the Board of Directors**





# Executive Management



**Mr. Raed Hassan Al-Idrisi**

**CEO**



**Mr. Ahmed Alzahri**

**VP Human Resources**



**Mr. Mazen Dhaifallah**

**VP Corporate Affairs**



**Mr. Mohammad Mazi**

**EVP Finance**



**Mr. Peter Kohl**

**EVP Operations**



**Mr. Waleed Ali**

**VP planning and Support Services**



**Mr. Hamad Alhemede**

**VP Commercial**



# 01

الشركة السعودية للخدمات الأرضية  
Saudi Ground Services Company

## Introduction

The Saudi Ground Services Company (the "Company") was established as a limited liability Company in the city of Jeddah, Kingdom of Saudi Arabia under C. R. No. 4030181005 dated 11/07/1429H (corresponding to 14/07/2008G). His Excellency the Minister of Commerce and Industry issued Decision No. 171 / Q dated 07/07/1435H (corresponding to 06/05/2014G) approving the conversion of the Company from a limited liability Company to a closed joint stock Company. Its capital is one billion eight hundred and eighty million (1,880,000,000) Saudi riyals, divided into one hundred and eighty-eight million (188,000,000) ordinary shares, with a nominal value of 10 Saudi riyals per share (the "Shares"). Fifty-six million four hundred thousand (56,400,000) ordinary shares, representing thirty percent (30%) of the Company's capital, were offered for public subscription during the period (from 03/06/2015G to 09/06/2015G). The Company was listed on the Saudi Stock Exchange and its shares began trading on 24/06/2015G.

The main activity of the Company is to provide ground handling services and support services inside the Kingdom's airports for many local and international airlines (passenger services, coordination, management and supervision services, airport apron services, and support services). The Company includes several business sectors and departments that provide the necessary support for services for its activities, including (Operations and Ground Handling Department, Financial Department, Human Resources Department, Commercial Affairs Department, Internal Audit Department, Legal and Governance Department, Facilities Maintenance and Engineering Support Department, Strategy and Growth Department).

## 1- Joint Ventures:

### 1-1 Saudi Amad for Airports Services and Air Transport Support (SAAS):

The Company established the Saudi Amad for Airports Services and Air Transport Support. It is a closed joint stock Company registered under C. R. No. 4030254190 dated 27/10/1434H (corresponding to 03/09/2013G) ("SAAS") with a capital of 500,000 Saudi Riyals and its headquarters in Jeddah - Saudi Arabia. This Company specializes in transporting passengers at airports using various means of transportation. The company owns 50% of the shares in SAAS, while the remaining 50% is owned by Al-Amad Company, a Saudi Company with a limited partnership under C. R. No. 4030057952 dated 22/11/1407H (corresponding to 19/07/1987G). The Main Activity of the Joint Ventures: The main activity of SAAS is to provide services for the transportation of passengers and navigators and to operate buses at airports. Whereas Al-Amad Company used to operate buses to transport passengers inside international airports and Tabuk Airport before the establishment of SAAS Company.





### 1-2 TLD Arabia Equipment Services Company:

The Company established a Company with the French TLD Group under the name of TLD Arabia Equipment Services Company for the purpose of providing automation and maintenance services specialized in airport solutions and ground handling equipment for the Company and other companies in all airports in the Kingdom. It is a limited liability Company registered under C. R. No. (4030396817), with a capital of (1,000,000) Saudi riyals, and its headquarters is in Jeddah - Kingdom of Saudi Arabia.

The Main Activity of the Joint Ventures:

The main activity of SAAS is to provide services for the transportation of passengers and navigators and to operate buses at airports. Whereas Al-Amad Company used to operate buses to transport passengers inside international airports and Tabuk Airport before the establishment of SAAS Company.

### Jusoor Airports جسور المطارات

### 1-3 Jusoor Airports services Company (JASC):

The company has established the Jusoor Airports services Company in partnership with the Saudi Services and Operation Limited Company for the purpose of carrying out the operation and maintenance of passenger bridges and gate services at all airports in the Kingdom. It is a limited liability company registered under C. R. No. (4030522240), with a capital of (1,000,000) Saudi Riyals, and its headquarters is in Jeddah - Kingdom of Saudi Arabia.

The main activity of the Joint Ventures: The main activity of the Jusoor Airports services Company is to provide operation and maintenance services for passenger bridges and gates.

# Main Financial Results

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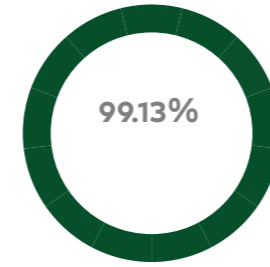
# 02

### 2-1 The Main Activities of the company:

Ground Handling Services (Saudi Ground Services Company)

Activity Revenue (Thousands of SAR)

2,437,543



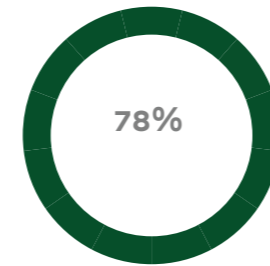
Percentage

### 2-2 Main Activities of the Joint Ventures:

The transportation of passengers and navigators and to operate buses at airports (Saudi Amad for Airports Services and Air Transport Support)

Activity Revenue (Thousands of SAR)

152,405



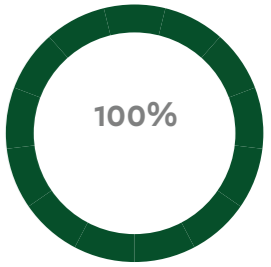
Percentage

### 2-3 Main Activities of the Joint Ventures:

Maintenance services for ground service equipment (TLD Arabia Equipment Services)

Activity Revenue (Thousands of SAR)

149,536



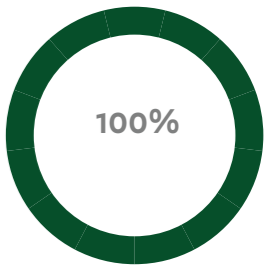
Percentage

### 2-4 Main Activities of the Joint Ventures:

Operation and maintenance services for passenger bridges and gates (Jusoor Airports services Company)

Activity Revenue (Thousands of SAR)

56,096



Percentage



**2-5 Partners & Capital in SAAS (a Joint Ventures)**

Partner's Name	Shares Value in SAR	Percentage of the Capital
Saudi Ground Services Company	250,000	50%
Al-Amad Company	250,000	50%
<b>Total</b>	<b>500,000</b>	<b>100%</b>

**2-6 Partners & Capital in TLD Arabia Equipment Services (a Joint Venture)**

Partner's Name	Shares Value in SAR	Percentage of the Capital
Saudi Ground Services Company	500,000	50%
French TLD Group	500,000	50%
<b>Total</b>	<b>1,000,000</b>	<b>100%</b>



**2-7 Partners & Capital in Jusoor Airports services Company (a Joint Ventures)**

Partner's Name	Shares Value in SAR	Percentage of the Capital
Saudi Ground Services Company	510,000	51%
Jusoor Airports services Company	490,000	49%
<b>Total</b>	<b>1,000,000</b>	<b>100%</b>

**3- Summary of the Company's Financial Results During the Past Five Years:**

Statement (Amounts in Thousands of SAR)	2023G	2022G	2021G	2020G	2019G
<b>Revenues</b>	2,458,888	1,977,037	1,607,933	1,251,835	2,539,760
<b>Revenue Costs</b>	2,049,876	1,817,988	1,412,854	1,272,534	1,853,256
<b>Gross Profit</b>	409,012	159,039	194,979	(20,699)	686,504
<b>Net Profit (Loss)</b>	211,477	(244,488)	(253,814)	(454,295)	423,353



**3-1 Comparison of the Company's Assets & Liabilities During 2023G with Previous Years:**

Statement (Amounts in Thousands of SAR)	2023G	2022G	2021G	2020G	2019G
Current Assets	2,635,735	2,867,727	3,327,522	2,751,360	2,397,073
Non-Current Assets	1,595,730	1,502,856	1,519,164	1,665,592	1,925,979
Total Assets	4,231,465	4,370,583	4,846,686	4,416,952	4,323,052
Current Liabilities	1,190,451	1,191,379	1,450,845	785,520	715,942
Non-Current Liabilities	709,522	1,077,174	1,131,127	1,132,248	661,222
Total Liabilities	1,899,973	2,268,553	2,581,972	1,917,768	1,377,164

**3-2 Geographical Analysis of the Company's Total Revenues During the Year 2023G:**

The company operates in a total of 29 geographically dispersed airports within the Kingdom and does not operate outside the geographical scope.

Year	Geographical Analysis of the Company's Total Revenues (Amounts in Thousands of SAR)						
	Total Revenues	Western Region	Central Region	Eastern Region	Madinah Region	Northern Region and other regions	Total
2023G	2,458,888	984,131	663,939	197,404	207,468	405,946	2,458,888

**3-3 Geographical Analysis of the Joint Venture's Revenues (SAAS):**

Year	Geographical Analysis of the Joint Venture's Revenues (Amounts in Thousands of SAR)			
	Total Revenues	King Abdul-Aziz Airport - Jeddah	Other Terminals	Total
2023G	194,759	107,566	87,193	194,759

**3-4 Geographical Analysis of the Joint Venture's Revenues (TLD Arabia Equipment Services):**

Year	Geographical Analysis of the Joint Venture's Revenues (Amounts in Thousands of SAR)			
	Total Revenues	King Abdul-Aziz Airport - Jeddah	Other Terminals	Total
2023G	149,536	59,307	90,229	149,536



**3-5 Summary of the most significant material differences in the operational results compared to results of the previous year or any expectations declared by the Company:**

Statement(Amount in Thousands of SAR)	2023G	2022G	Variations (+) or (-)	Variation Percentage
Sales/Revenue	2,458,888	1,977,037	481,851	24%
Cost of /Revenue	(2,049,876)	(1,817,998)	(231,878)	13%
Gross Profit	409,012	159,039	249,973	157%
Other Income	52,204	26,550	25,654	97%
Administrative Expenses	(210,285)	(286,410)	(76,125)	(27%)
Impairment Loss on Trade Receivables	(22,698)	(18,834)	3,864	21%
Operational Profit (Loss)	228,233	(119,655)	347,888	291%





**Main Substantial Events,  
Decisions & Achievements:**

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**04**

#### 4- Main Substantial Events, Decisions & Achievements:

The company witnessed a development in its business activities during the year 2023, as it began operating the Red Sea Airport in Tabuk region, bringing the total number of airports where the company provides all ground services to 29 airports across the Kingdom. The company has established clear frameworks based on a study of future operational and financial expectations, the company will continue its efforts to achieve good returns for its shareholders and investors during the year 2024, while continuing its efforts to enhance profitability in the coming years, with the contribution to achieving the goals of the national aviation sector strategy.

On the other hand, and as part of the company's commitment to maintaining the quality of services provided and ensuring the safety of employees and passengers, and in compliance with the requirements of the General Authority of Civil Aviation, the company has placed a major emphasis on the awareness of its employees. This was achieved through the conduct of regular training courses, where a total of 52,325 training seats were provided through 7,759 training days in 4,795 sessions during the year 2023.

The company also obtained the renewal of the ISO 9001 Quality Management System certificate and the ISO 45001 Occupational Health and Safety certificate. Additionally, the General Authority of Civil Aviation (GACA) granted the company the GACAR-151 operational safety license, reflecting the company's compliance with all the authority's requirements regarding service standards, quality, and safety at the Red Sea International Airport in Tabuk region. The license was also renewed for the following stations: King Abdulaziz International Airport in Jeddah, King Khalid International Airport in Riyadh, King Fahd International Airport in Dammam, and Prince Mohammed bin Abdulaziz International Airport in Madinah. During the year, the company witnessed a change in the organizational and administrative structure of the company's business sectors, which contributed to the growth of the company's business in general and enhanced the company's rights and shareholders' interests. In parallel with these achievements, the company has received several awards in the field of ground services such as, Best Ground Handling Service Provider, Best Aircraft Ground Handling Services Provider, and Best Ground Support Service Provider of the Year in the Middle East.

On the other hand, the members of the Board of Directors and its affiliated committees had an effective role as several decisions were issued to achieve the company's objectives and to ensure the continuity of its business, the most important of which were the following:

- 1- Approving the Annual financial results report for the year ending on December 31, 2022G.
- 2- Approve publishing the Annual Board Report for the year ended 31 Dec 2022G on Tadawul.
- 3- Forming AD-HOC Committee to study and evaluate the strategic investments projects.
- 4- Endorse Interim Financial Results (Q1) for the period ended 31st Mar 2023G.
- 5- Endorse Interim Financial Results (Q2) for the period ended 30th June 2023G.
- 6- Approving the resignation of Mr. Con Korfiatis from the board of directors.
- 7- Approving the appointing of Mr. Nasser AL Qawas as a Board Member (Non- Executive) in the vacant position in the Board to continue the current Board term that will end in 05-05-2025.
- 8- Endorse Interim Financial Results (Q3) for the period ended 30th September 2023G.
- 9- Approving 2024G Company's Budget.
- 10- The completion of the establishment procedures of Jusoor Airports Company.



### 5- Main Structural & Organizational Changes in the Company:

During the year 2023, the company was committed to continuing the development of its systems and enhancing its operational processes in line with its goals and strategies aligned with the Kingdom's Vision 2030. The company also continued to implement its administrative restructuring plans, which included efforts to strengthen compliance with regulations, rules, and supervisory guidelines both in letter and in spirit. This aimed to promote ethical and professional principles among the company's employees, leading to sustainable growth and mitigating the risks of non-compliance or financial crimes. The company also aimed to complete its transformation plan by expanding its operations in the field of future ground services and to diversify the previously announced sources of income with the most important projects and contracts that took place during the year in "Tadawul". These endeavors had a positive impact on the company's financial performance, benefiting its shareholders and employees. The transformation plan was not limited to business expansion; it also aimed to focus on changing the work environment and providing a healthy and practical environment for employees, which is reflected in increasing productivity and providing opportunities for initiatives for employees by providing an integrated and healthy work environment.

### 6- Future Expectations:

The ground handling sector is expected to continue achieving record numbers due to the increasing number of pilgrims and Umrah performers during the years 2023 and 2024. This is expected to have a positive impact on the company's results and performance in 2024 compared to the previous three years, It is also expected that there will be investment opportunities that contribute to the growth and expansion of the company's business in the coming years, as the company began to diversify its business and develop its services at airports, in addition to signing many partnership contracts during the year. Despite the pressures that the company faced due to the pandemic and the suspension of its operational activities during the crisis period, future plans have been put in place to contain costs. Based on the 2030 Vision goals, the objective is to reach 100 million tourists, 330 million travelers, and And 30 million pilgrims



# Risks

# 07

## 7- Risks:

The Saudi Ground Services Company is keen to monitor the most important risks and developments that may affect the company's business through Risk Management . Where all departments and stations cooperate closely and effectively in order to identify the most important risks that the company may be exposed to, , and to ensure that the necessary plans are put in place to address these risks and work to reduce them and reduce the effects resulting from them in the event of their occurrence. All risks are monitored regularly by the Executive Management and the Risk Management Committee under the supervision of the Board of Directors. The following is a list of some of the risks that the company may be exposed to:

### 1.Organizational Risks:

It is the risk of change in the laws and regulations issued by the regulatory authorities that will materially affect the company's business, as any change in the laws or regulations issued by any of the regulatory authorities that the company must comply with may constitute an increase in operational or financial costs or both. Therefore, the company has established all policies and procedures aimed at complying with the relevant regulatory laws and regulations. The company also adheres to the standards stipulated by the International Air Transport Association and the General Civil Aviation Authority.

### 2.Business Continuity:

The changing global external events during the past years posed great threats to the continuity of the company's operations or were partially affected because of these events, including the effects of the COVID-19 pandemic on the aviation sector. To deal with these risks, the company worked on adopting a flexible operational strategy that led to the reduction of various costs and maintained the presence of sufficient cash liquidity to face any risks that may affect the continuity of the business.

### 3. Operational Risks:

Operational risk is the impact of inadequate internal procedures, staff shortages or malfunctioning technical systems. Therefore, the company works to reduce operational risks through the Department of Safety, Quality and Risks, which ensures the proper implementation of policies and procedures through a system of internal controls aimed at identifying, assessing, and monitoring risks.

### 4. Risks of Revenue Concentration in several Clients:

It is the company's excessive reliance on a limited number of customers which poses a risk regarding the company's revenues, as the concentration of revenues from related parties constitutes a risk to the company. Therefore, the company works to mitigate the risks of concentration by owning a competitive share in the local markets, as among the company's customers are the largest Saudi and foreign airlines.

### 5.Risks of Accidents and Injuries:

The company relies in its activities on working within an environment exposed to risks within airports, and the existence of any technical or human defect or default during the provision of services may lead to loss and damage to life and property.

To deal with this risk, the company has activated the role of Safety, Quality and Risks management more effectively, as the department is working on a periodic review to ensure the application of policies, procedures, and safety requirements for operational processes. The company also trains and educates employees and organizes workshops to ensure that services are provided as required. In addition, the company has made an insurance cover on the company's assets, in addition to that, the company has insurance protection from any legal liability that may arise against the company because of its operations towards any other party.

### 6. Risks of Wear & Tear of Equipment:

The risk of depreciation and replacement of equipment is represented by a decrease in its market value over its useful life due to use, so that its market value is less than the book value in the company's books, as equipment and machines are one of the important pillars on which the company's operations depend in providing ground services to airlines.

To avoid these risks, the company is based on reducing operating costs by raising the level of quality and efficiency of services provided to its customers. Accordingly, the company has recently signed a joint venture agreement with the French TLD Group. This partnership aims to improve the quality of services at reduced costs, by providing competitive maintenance services for specialized equipment and technologies for the ground handling sector.

### 7.Liquidity Risks:

It is the risk of not having sufficient liquidity to meet operational obligations and requirements. Accordingly, the company has adopted a strategy for growth and diversification of income sources. In addition, the company has secured bank facilities and loans to cover the company's working capital requirements.

### 8. Legal Risks:

It is the risk that results from filing a lawsuit by the company's customers, employees, or any other party against the company. To limit the occurrence of these risks, the company has an internal legal department in addition to that external legal advisors have been appointed to ensure the company's compliance with legal and regulatory requirements.

### 8. Legal Risks:

It is the risk that results from filing a lawsuit by the company's customers, employees, or any other party against the company. To limit the occurrence of these risks, the company has an internal legal department in addition to that external legal advisors have been appointed to ensure the company's compliance with legal and regulatory requirements.

### 9. Reputational Risks:

These are the risks that could endanger the company's reputation, as the company's reputation may be affected by several factors such as the decline in the quality of the services provided. To reduce these risks, the Security, Quality and Risks Department works to ensure that the services provided comply with international standards. The company also has a customer services department, which handles any complaints in a timely manner.

### 10. Credit Risks:

Credit risk is defined as the risk of inability of a customer, guarantor or counterparty to fulfill its financial obligations towards the company's dues, and to reduce this risk, the company regularly reviews the receivables due to customers and collects appropriate guarantees while adhering to the accounting treatment according to the International Financial Reporting Standards. In the event that the client fails to pay these dues, the company takes legal measures to ensure the preservation of its rights.

### 11. Cybersecurity Risks:

It is the possibility of exposure to a loss resulting from an electronic attack or a breach of the company's data. To reduce these risks, the company constantly reviews and monitors the activities related to cybersecurity policies to ensure that the necessary measures and preventive controls are in place to avoid any electronic attacks.





# Corporate Governance Regulations

# 08



The Saudi Ground Services Company has been keen to fully comply with the principles of corporate governance approved by the Capital Market Authority, follow international professional standards in its dealings, and adopt the aspects of transparency and disclosure, which aims to enhance the efficiency of the company's work and its relations with all stakeholders.

During the year 2023, the company took into account the procedures of governance management and the secretariat of the Board of Directors of the company, which included all its governance policies, to ensure its full compatibility with the provisions of the Companies Law and the Corporate Governance Regulations issued by the Capital Market Authority and work to fully implement them, and this included the following:

### 8-1 Evaluation of the effectiveness of the Board, its members and the activities of the Committees:

The company took into account, in accordance with the provisions of its governance regulations, that the Board of Directors should evaluate the effectiveness of its members and the extent of their participation, whether individually or as a group. As well as evaluating the effectiveness of the performance of the Board's sub-committees, and work has been taken into account to complete the evaluation process for the work of the year 2023 through the company's governance department, and the results of the evaluation process will be submitted to the Nominations and Remuneration Committee and the Board of Directors.

### 8-2 Training programs for members of the Board of Directors and Committees:

The company worked during the year 2023 to provide introductory programs for board members and to present tours of airports to understand the nature of the company's operational business and its activities. Additionally, a number of specialized training programs in corporate governance and the application of best governance practices and dealings with related parties were provided by attending a training program offered by the Governance Academy in Riyadh. The company also constantly strives to raise awareness among board members and affiliated committees through the use of modern technology.

In general, the Saudi Ground Services Company complies with all mandatory provisions and directives included in the Corporate Governance Regulations issued by the Capital Market Authority. This commitment was reflected in the inclusion of all mandatory requirements in the company's Articles of Association, its governance document and its complementary policies, in a way that enhances the principles of disclosure, provision of information, transparency and fairness in dealing and guaranteeing the rights of shareholders, with the aim of defining the duties and responsibilities of the members of the Board of Directors and the Executive Management of the company in accordance with the statutory directives.

The company applies all the provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority , with the exception of the provisions listed below:

Article/Paragraph No.	Article/Paragraph Text	Reasons for Non-Application
82/2 82/3	<ul style="list-style-type: none"> <li>Incentivizing employees: Programs for granting employees shares in the company or a share of the profits it achieves, retirement programs, and the establishment of an independent fund to spend on these programs.</li> <li>Incentivizing employees: Establishing social institutions for the company's employees.</li> </ul>	Guidance Article
84	<ul style="list-style-type: none"> <li>Social Responsibility: The Ordinary General Assembly shall establish - based on a proposal from the Board of Directors - a policy that ensures the establishment of a balance between its objectives and those that the society aspires to achieve in order to develop the social and economic conditions of the society.</li> </ul>	Guidance Article
85/1 85/2 85/3 85/4	<ul style="list-style-type: none"> <li>Social Work Initiatives: Developing measurement indicators that link the company with its social work initiatives and comparing that with other companies with similar activity.</li> <li>Social Work Initiatives: Disclosure of the social responsibility objectives adopted by the company to its employees and educating them about it.</li> <li>Social Work Initiatives: Disclosure of plans to achieve social responsibility in periodic reports related to the company's activities.</li> <li>Social Work Initiatives: Develop awareness programs for the community to introduce the company's social responsibility.</li> </ul>	<p>Guidance Article</p> <p>The company is carrying out some initiatives, which were mentioned in the report, but the company did not set specific programs or measurement indicators</p>
90/4/b	<ul style="list-style-type: none"> <li>The Board of Directors is committed to the following:                             <ol style="list-style-type: none"> <li>State the necessary details regarding the rewards and compensations paid for each of the following separately</li> <li>Five of the senior executives who received the highest remuneration from the company, including the Chief Executive Officer and the Chief Financial Officer</li> </ol> </li> </ul>	It is sufficient to disclose the total salaries of the top five senior executives
92	<ul style="list-style-type: none"> <li>Formation of the Corporate Governance Committee</li> </ul>	Guidance Article The Nominations and Remuneration Committee plays a role similar to the Governance Committee
Appendix No. (1)/28	<ul style="list-style-type: none"> <li>The Board of the Capital Market Authority issued Decision No. 1-35-2018 dated 09/07/1439H corresponding to 26/03/2018G that the table for disclosing the remuneration of senior executives specified in Appendix (1) of the Corporate Governance Regulations (Guidance Text). Provided that the disclosure of the remuneration of senior executives in the reports of the Board of Directors that will be issued for the financial periods beginning on 01/01/2020G shall be detailed in accordance with the table for disclosing the remuneration of senior executives specified in Appendix (1) of the Corporate Governance Regulations.</li> </ul>	<p>* The company has committed to disclose the components of senior executives' remuneration in total, in accordance with the statutory requirements contained in subparagraph (b) of paragraph (4) of Article (90) of the Corporate Governance Regulations, but to protect the interests of the company, its shareholders and employees, and to avoid any harm that may result from the disclosure in detail by titles and according to the position, the details were not presented as contained in Appendix (1) of senior executives of the Corporate Governance Regulations.</p>

# Board members, Committeemembers, and Executive Management in the Company:



# 09

9- Board members, Committee members, and Executive Management in the Company:

9-1 Formation of the Board of Directors and classification of their memberships:

The Board of Directors of the company is formed according to its Articles of Association from nine members for a period of three years, and in line with the provisions of the Companies Law, the current Board of Directors has been formed for a period of three Gregorian years that began on 06/05/2022G until 05/05/2025G. The statement below shows the names of the members of the Board of Directors and the classification of their memberships as of 31/12/2023G:

Member Name	Position	Membership Classification
Eng. Khalid bin Qasim Al-Buainain	Chairman of Board of Directors	Independent
Dr. Omar bin Abdullah Jefri	Deputy Chairman of the Board	Independent
Mr. Mansour bin Abdulaziz Al-Busaily	Member of the Board of Directors	Independent
Capt. Fahd bin Hamza Cynndy	Member of the Board of Directors	Non-executive
Mr. Nader bin MuhammadSaleh Ashoor	Member of the Board of Directors	Independent
Mr. Said bin Abdullatif Al-Hadrami	Member of the Board of Directors	Independent
Mrs. Ghada Bint Ali Al-Jarbou	Member of the Board of Directors	Independent
Mr. Per Utnegaard	Member of the Board of Directors	Independent
Mr. Nasser bin Farooq Alqawas*	Member of the Board of Directors	Non-executive
Mr. Con Korfiatis*	Member of the Board of Directors	Non-executive

\* Mr. Con Korfiatis resigned on 29/10/2023G.

\* Mr. Al-Qawas was appointed on 01/11/2023G in the vacant position in the Board to continue the current Board term ending on 05/05/2025G.

10- Members of the Board of Directors and Committees:

The following statement shows the names of the members of the Board of Directors, their qualifications and experience during the period from 01/01/2023G until 31/12/2023G:

1. Eng. Khalid bin Qasim Al-Buainain:

Eng. Khalid Al-Buainain holds the position of Chairman of the Board of Directors and Chairman of the Executive Committee of the company, and he is an independent member of the Board of Directors. The following is a statement of educational qualifications, professional experience, and memberships:

Current Jobs	Previous Jobs	Qualifications	Experiences
Member of the Board of Directors of (HSBC) Arabia	<ul style="list-style-type: none"> <li>Senior Vice President - Technical Services Sector in Saudi Aramco</li> <li>Senior Vice President - Engineering, Financial and Operations Support at Saudi Aramco</li> <li>Senior Vice President - Marketing and Distribution Sector in Saudi Aramco</li> <li>Senior Vice President - Engineering Services in Saudi Aramco</li> </ul>	Holds a bachelor's degree in mechanical engineering from King Fahd University of Petroleum and Minerals	More than 30 years of experience in Saudi Aramco

Memberships & Professional Experience:

Job Title	Company Names	Legal Entity Type
Member of the Board of Directors	HSBC Arabia	Inside the kingdom - joint stock
Chairman of the Board of Directors	SAAS	Inside the Kingdom - Closed joint stock

## 2. Dr. Omar bin Abdullah Jefri:

Dr. Omar Jefri holds the position of Vice Chairman of the Board of Directors and the Executive Committee and Chairman of the Audit Committee of the company, and he is an independent member of the Board of Directors. The following is a statement of the educational qualifications, professional experience, and memberships:

Current Jobs	Previous Jobs	Qualifications	Experiences
Advisor to the Minister of Transport and Logistics	<ul style="list-style-type: none"> <li>Senior Advisor to the Director General of Saudia Airlines</li> <li>Assistant General Manager for Administrative Affairs and Systems at Saudia Airlines</li> </ul>	Holds a PhD in Marketing from the University of Alabama, a Master of Business Administration from King Fahd University of Petroleum and Minerals and a bachelor's degree in industrial management from King Fahd University of Petroleum and Minerals.	More than 25 years of experience in the air transport sector.

### Memberships & Professional Experience:

Job Title	Company Names	Legal Entity Type
Member of the Board of Directors	SITA International is a non-profit organization owned by international airlines	outside the Kingdom
Member of the Board of Directors	Sinad Holding Company	Inside the Kingdom - Listed joint stock
Member of the Board of Directors	Yemen Airways	Outside the kingdom

## 3. Mr. Mansour bin Abdulaziz Al-Busaily:

Mr. Mansour Al-Busaily holds the position of a Board member and Chairman of the Risk Management Committee of the company, and he is an independent member of the Board of Directors. The following is a statement of the academic qualifications, professional experience, and memberships:

Current Jobs	Previous Jobs	Qualifications	Experiences
Member of the Board of Directors of the Saudi Ground Services Company	<ul style="list-style-type: none"> <li>Branch manager at United Saudi Bank.</li> <li>Responsible for the Corporate Credit Team at the Saudi Bank.</li> <li>Senior Director of Legal Affairs and General Secretary of the Saudi British Bank(SABB).</li> </ul>	Holds a bachelor's degree in information systems from King Saud University	More than 30 years of experience in the banking and legal sector.

### Memberships & Professional Experience:

Job Title	Company Names	Legal Entity Type
Member of the Board of Directors	United Electronics Company	Inside the Kingdom - Listed joint stock
Member of the Board of Directors	Sinad Holding Company	Inside the Kingdom - Listed joint stock
Member of the Board of Directors	Alrajhi Bank	Inside the Kingdom - Listed joint stock



#### 4. Capt. Fahd bin Hamza Cynndy:

Capt. Fahd Cynndy is a non-executive board member, representing the General Organization of Saudia Airlines in the board of directors and CEO of Saudia Technic Company. He is also a member of the Executive Committee and a member of the company's Remuneration and Nomination Committee. The following is a list of educational qualifications, professional experience, and memberships:

Current Jobs	Previous Jobs	Qualifications	Experiences
CEO of Saudia Technic Company	<ul style="list-style-type: none"> <li>Chief Executive Officer of the Saudi Ground Services Company.</li> <li>Director of the Aviation Department at Saudi Aramco.</li> </ul>	Holds a university degree (commercial aviation) from the University of North Dakota program from the United States of America, a Bachelor of Science (mechanical engineering) from Western New England University from the United States of America, an MBA from the Hong Kong University of Science and Technology, China, and a certificate for preparing executive leaders from Stanford University in the United States. In addition, Captain Fahd has more than 6,300 hours of flying time, holds the US Federal Commercial Pilot License, and he is also an IATA Certified Instructor.	22 years of experience working in the aviation sector at Saudi Aramco..

#### Memberships & Professional Experience:

Job Title	Company Names	Legal Entity Type
Deputy Chairman of the Board	Helicopters Company	Inside the Kingdom - one of the Public Investment Fund companies
Chairman of Board of Directors	Gulf Federation Association for Aviation Safety	Outside the kingdom
Chairman of Board of Directors	Saudi Rotor trade Company	Inside the Kingdom - Unlisted
Member of the Board of Directors	Middle East Propulsion Company	Inside the Kingdom - Unlisted

#### 5. Mr. Nader bin Muhammad Saleh Ashour:

Mr. Nader Ashoor holds the position of an independent board member of the company, a member of the Audit Committee, and a member of the Risk Management Committee. The following is a statement of the educational qualifications, professional experience, and memberships:

Current Jobs	Previous Jobs	Qualifications	Experiences
Chief Financial Officer (Bupa Arabia)	<ul style="list-style-type: none"> <li>Member of the Board of Directors and member of the Audit Committee of the Saudi Steel Pipe Company.</li> <li>Member of the Board of Directors of Diaverum Middle East Company.</li> <li>Held many positions in Saudi Aramco.</li> </ul>	Holds a bachelor's degree in accounting from King Fahd University of Petroleum and Minerals.  Master's degree in business administration from the International Institute for Administrative Development - Switzerland	More than 18 years of experience in accounting, finance and internal auditing

#### Memberships & Professional Experience:

Job Title	Company Names	Legal Entity Type
Member of the Board of Directors	Bupa Arabia	Inside the Kingdom - Listed joint stock
Member of the Board of Directors	Okadoc Corporation	Outside the kingdom
Member of the Board of Directors	Sustained Infrastructure Holding Co. "SISSCO"	Inside the Kingdom - Listed joint stock

### 6. Mr. Said bin Abdullatif Al-Hadrami:

Mr. Saeed Al-Hadrami holds the position of an independent board member of the company, a member of the Executive Committee, and a member of the Nominations and Remuneration Committee. The following is a statement of the educational qualifications, professional experience, and memberships:

Current Jobs	Previous Jobs	Qualifications	Experiences
Member of the Board of Directors of the Saudi Ground Services Company	<ul style="list-style-type: none"> <li>Vice President of Retail Trade and Lubricants (Aramco Company).</li> <li>President of the Saudi Center for International Strategic Partnerships in Riyadh.</li> <li>Vice President of International Operations (Aramco Company)</li> </ul>	Holds a bachelor's degree in industrial management and Minerals Master's degree in business administration from King Fahd University of Petroleum and Minerals and Certificate in Public Administration Program from Harvard University (United States)	More than 30 years of experience in Saudi Aramco

### Memberships & Professional Experience:

Job Title	Company Names	Legal Entity Type
Member of the Board of Directors	The National Shipping Company of Saudi Arabia (NSCSA)	Inside the Kingdom - Listed joint stock

### 7. Mrs. Ghada Bint Ali Al-Jarbou:

Mrs. Ghada Al-Jarbou is an independent board member of the company and head of the Nominations and Remunerations Committee. The following is a statement of her educational qualifications, professional experience, and memberships:

Current Jobs	Previous Jobs	Qualifications	Experiences
Chief Operations Officer (Awwal Bank)	<ul style="list-style-type: none"> <li>General Manager of Global Liquidity and Cash Management (SABB Bank)</li> <li>Chief Operating Officer of Retail Banking (SABB Bank)</li> </ul>	Bachelor of Computer Science from King Saud University. Master of Business Administration - Bath University (United Kingdom).	More than 24 years of experience in the banking sector.

### Memberships & Professional Experience:

Job Title	Company Names	Legal Entity Type
Member of the Board of Directors, member of the Executive Committee, and Chairman of the Nomination and Remuneration Committee	The General Organization for Social Insurance.	Inside the Kingdom - Government Entity.
Member of the Board of Directors	Infinite PL	Inside the Kingdom

### 8. Mr. Per Utnegaard :

Mr. Per Utnegaard is an independent board member of the company, a member of the Executive Committee and a member of the Risk Management Committee. The following is a list of academic qualifications, professional experience and memberships:

Current Jobs	Previous Jobs	Qualifications	Experiences
An investor in Utnegaard & Partners.	<ul style="list-style-type: none"> <li>Chairman of the Executive Board / Swissport International.</li> <li>Group President and Chief Executive Officer/Bilfinger (Germany).</li> </ul>	Holds a bachelor's degree in business administration and marketing from Northern Michigan University.	More than 30 years of experience in the trading and ground handling business.

### Memberships & Professional Experience:

Job Title	Company Names	Legal Entity Type
No Membership	--	--

### 9. Mr. Nasser Bin Farooq Alqawas:

Mr. Nasser Alqawas holds the position of a board member at the company, and he is a non-executive board member, where his membership began on 01/11/2023G in the vacant position in the Board to continue the current Board term ending on 05/05/2025G. He also represents the Saudi Arabian Airlines Corporation in the board of directors, and he holds the position of Assistant General Manager of the Saudi Arabian Airlines Corporation for legal affairs. The following is a list of educational qualifications, professional experience, and memberships:

Current Jobs	Previous Jobs	Qualifications	Experiences
Assistant General Manager of the Public Institution for Saudi Arabian Airlines for Legal Affairs	<ul style="list-style-type: none"> <li>General Legal Counsel, First General Director of Legal Affairs and Insurance)</li> <li>Senior Legal Advisor (National Commercial Bank)</li> <li>First Compliance Officer for the National Bank Group</li> <li>Secretary General of the Board of Directors (National Saudi Bank)</li> </ul>	Holds a bachelor's degree in law from King Abdulaziz university.  Holds a master's degree in law from king Abdulaziz university.	30 years of experience in the field of law, governance, and compliance.

Job Title	Company Names	Legal Entity Type
Board Member	Saudia Technic	Inside the Kingdom - Unlisted
Head of the Sub-Committee for Combating Corruption	Saudi Arabian Airlines Corporation	Inside the Kingdom - Government Entity.
Board Member, Chairman of the Governance, Risk, and Compliance Committee	Abu Binyan Holding Company	Inside the Kingdom
Reserve committee member	The Banking Disputes Committee in Jeddah	Inside the Kingdom - Government Entity.
Board member, Audit committee chairman	Diyar Al Khayal Real Estate Development Company	Inside the Kingdom

**10. Mr. Con Korfiatis:**

Mr. Con Korfiatis holds the position of a member of the Board of Directors of the company, and he is a non-executive member of the Board of Directors, as he represents the General Organization of Saudia Arabian Airlines in the Board of Directors and holds the position of CEO of Flyadeal, owned by Saudia Airlines, and Mr. Con Korfiatis has resigned from the board membership on 29/11/2023G due to his personal circumstances, and the following is a statement of the educational qualifications, professional experience and memberships:

Current Jobs	Previous Jobs	Qualifications	Experiences
CEO of Flyadeal Middle East	<ul style="list-style-type: none"> <li>• Hedrick &amp; Struggles Consultants (Partner)</li> <li>• City Link (CEO)</li> <li>• Viva Macao (CEO)</li> <li>• Jetstar Asia (CEO)</li> </ul>	Holds a bachelor's degree in economics from Monash University	More than 19 years of experience in the aviation field.

**Memberships & Professional Experience:**

Job Title	Company Names	Legal Entity Type
No Membership	--	12







**Committee members  
from outside the Board  
of Directors**

**11**

### 11- Committee members from outside the Board of Directors:

The following statement shows the names of committee members from outside the Board, their qualifications, and experiences during the period from 01/01/2023G until 31/12/2023G:

#### 1.Mr. Saleh bin Abdulrahman Al-Fadhel - member of the Audit Committee:

Mr. Saleh Al- Fadhel holds the position of a member of the Audit Committee of the company, and he is a member from outside the Board of Directors. The following is a statement of the academic qualifications, professional experience, and memberships:

Committee Membership	Current Jobs	Previous Jobs	Qualifications	Experiences
Member of the Audit Committee of the Saudi Ground Services Company.	Financial Director of the Saudi Electronic Games Holding Company.	<ul style="list-style-type: none"> <li>CEO, Herfy Food Services Company, since 2015.</li> <li>Assistant Executive General Manager for Financial Affairs and Services at Saudia Airlines.</li> </ul>	Master's in accounting sciences and Masters in Finance from the University of Illinois, USA  Bachelor of Business Administration from King Saud University and holds a Certified Public Accountant (CPA) and (SCOPA).	Held many leadership positions

#### 2. Mr. Hesham bin Ali Al-Aqeel - member of the Audit Committee:

Mr. Hesham bin Ali Al- Aqeel holds the position of a member of the Audit Committee of the company, and he is a member from outside the Board of Directors. The following is a statement of educational qualifications, professional experience, and memberships:

Committee Membership	Current Jobs	Previous Jobs	Qualifications	Experiences
Member of the Audit Committee of the Saudi Ground Services Company.	<ul style="list-style-type: none"> <li>Executive Finance Director at Bank Al-Bilad.</li> <li>Chairman of the Audit Committee of the National Housing Company.</li> <li>Chairman of the Audit Committee of the Saudi Reinsurance Company.</li> </ul>	<ul style="list-style-type: none"> <li>Chief Financial Officer at Al Rajhi Capital.</li> <li>Deputy Chief Financial Officer at Al Rajhi Bank.</li> <li>Chief Financial Officer at Al Rajhi Bank - Malaysia.</li> <li>Assistant General Manager at Al Rajhi Bank.</li> </ul>	Master of Accounting and Finance, University of Illinois, Ariana Champaign, USA  Bachelor of Accounting, King Saud University.  Holds two Certified Public Accountants (CPA) certificates from the Saudi Organization for Certified Public Accountants and the American Organization for Certified Public Accountants.	More than 20 years of experience in the field of accounting, auditing, and financial consulting – banking – insurance – aviation.

### 3- Mr. Adel bin Saleh Abalkhail - member of the Audit Committee:

Mr. Adel Abalkhail holds the position of a member of the Audit Committee of the company, and he is a member from outside the Board of Directors. The following is a statement of academic qualifications, professional experience, and memberships:

Committee Membership	Current Jobs	Previous Jobs	Qualifications	Experiences
Member of the Audit Committee	Executive Financial Director at Alinma Bank	Vice President of the Financial Group of Al-Rajhi Bank, Saudi Arabia	Master of Accounting and Master of Finance from the University of Illinois, Ariana-Champaign, USA  Bachelor of Accounting, King Saud University	More than 18 years of experience in the banking sector and the Saudi Central Bank

# Members of the Executive Management

12

## 12- Members of the Executive Management:

The following statement shows the names of Board members, their qualifications, and experiences during the period from 01/01/2023G until 31/12/2023G:

### 1. Mr. Raed Hassan Al-Idrissi – chief Executive Officer:

Mr. Raed Al-Idrissi holds the position of CEO of the Company as of 01/02/2021G, note that he joined the company on the date 24-11-2019G, The following is a statement of his academic qualifications and professional experiences:

Current Jobs	Previous Jobs	Qualifications	Experiences
CEO	Executive Vice President of Operations at the Saudi Ground Services Company.  Head of Ground Services Operations in the aviation sector, head of the contracts department in the well-drilling sector, and head of operation in residential neighborhoods at Saudi Aramco.	Holds a bachelor’s degree in marketing and management from King Fahd University of Petroleum and Minerals.  Holds an Executive master’s degree in business administration from King Fahd University of Petroleum and Minerals.  Attended many Executive training courses for leaders.	He has more than 23 years of experience in various positions in the aviation and petroleum sectors.

### 2. Mr. Muhammad bin Abdul-Karim Mazi - Executive Vice President of Finance:

Mr. Mohamed Mazi holds the position of EVP of Finance in the company as of 01/01/2020G. The following is a statement of the academic qualifications and professional experience:

Current Jobs	Previous Jobs	Qualifications	Experiences
Executive Vice President of Finance and Business Development In addition to membership in a group of boards of directors and committees	Chief Financial Officer at Al Salem Johnson Controls  Head of the budget preparation and performance reports department at Saudi Aramco.	Holds a master’s degree in business administration from Texas A&M University and a bachelor’s degree in accounting from the University of New Orleans (USA).	He has more than 10 years of experience in the financial management field.

### 3. Mr. Mazen Gharib Dhaifallah - Vice President for Company Affairs & Secretary of the Board and Committees:

Mr. Mazen Dhaifallah holds the position of Vice President for Company Affairs and Secretary of the Board and Committees of the Company and has been working for the Company since 02/04/2016G. The following is a statement of his academic qualifications and professional experience:

Current Jobs	Previous Jobs	Qualifications	Experiences
Vice President for Corporate Affairs  Secretary of the Board and Committees	Director of Corporate Governance and Board Secretariat  Executive Vice President for Commercial Affairs (Assigned)	Holds a bachelor’s degree in business administration from King Abdul-Aziz University. He also attended many training courses in the field of Management, Money Laundering, Governance, Secretariat of Boards & Committees, Compliance, Insurance, Banking, Customer Service and Executive leadership courses. He is also licensed to practice insurance business and disclosure operations on Tadawul systems.	Mr. Mazen Dhaifallah has more than 27 years of experience in governance, board secretariat, compliance, anti-money laundering and commercial affairs in various sectors including banking, insurance, and aviation in a number of listed joint stock companies.

### 4. Mr. Hamad Abdulaziz Al-Hamedi - Vice President for Commercial Affairs:

Mr. Hamad Al Hamidi holds the position of Executive Vice President for Commercial Affairs of the Company as of 01/01/2021G, note that he joined the company on the date 26/05/2007G, and the following is a statement of educational qualifications and professional experience:

Current Jobs	Previous Jobs	Qualifications	Experiences
Vice President, Commercial Affairs  Audit Committee Member in (SAAS)	Deputy CFO.  Business Transformation Senior Manager.  Financial Planning & Operation Senior Manager.	Holds a bachelor’s degree in business administration from King Abdul-Aziz University.  Holds a master’s degree in business administration from AL Faisal University.	He has an experience of 27 years, during which he held several leadership positions in the financial departments.



### 5. Mr. Peter Kohl - Executive Vice President Operations:

Mr. Peter Kohl holds the position Executive Vice President Operations of the Company has been working for the Company since 20/06/2023G, and the following is a statement of educational qualifications and professional experience:

Current Jobs	Previous Jobs	Qualifications	Experiences
Executive Vice President Operations	Chief Operations Officer Swissport USA Inc. Washington DC - USA Country CEO & Regional VP Swissport International Ltd Europe, Asia, Africa VP Business Development Swissport International Ltd. Zurich, Switzerland	Bachelor of Science International Business -California State University	has more than 25 years of aviation industry experience, most of which in executive leadership positions in a global environment

### 6. Mr. Ahmed Mohammed Alzahri - Vice President for Human Resources:

Mr. Ahmed Mohammed Alzahri holds the position of Vice President of Human Resources in the Company as of 01/05/2023G, note that he joined the company on the date 09/08/2020G, The following is a statement of his educational qualifications and professional experience:

Current Jobs	Previous Jobs	Qualifications	Experiences
Vice President of Human Resources	Human resources assistant at Economic Link (2009 to 2010) Compliance assistant at Stony Brook Medicine (2013) Project leader – technical readiness at Petro Rabigh (2014 – 2015) Project leader – competency mapping project at Petro Rabigh (2015 – 2016)	Bachelor’s degree in human resources Master’s degree in healthcare administration/management SHRM – CP PMP APTD Saville Assessment	He has more than 14 years of experience in the field of development, training, and human resources.

### 7. Mr. Waleed Ibrahim Ali – Vice President for Planning and Supportive Administrations:

Mr. Waleed Ibrahim Ali holds the position of Vice President for Planning and Supportive Administrations in the company, effective from the date of 01-05-2023, note that he joined the company on the date 14-04-2022, The following is a statement of his academic qualifications and professional experiences:

Current Jobs	Previous Jobs	Qualifications	Experiences
Vice President for Planning and Supportive Departments.	- Vice President for Planning and Support Services. - Vice President, Ground Service, Jet Airways - Head of International Airports (Gulf, Middle East, Eu-ropean Union, United Kingdom and North America). Jet Airways - Sr. General Manager Airport Services, Brussels HUB - General Manager JFK HUB, jetBlue Airways	Holds a bachelor’s degree in science, as well as a bachelor’s degree in computer science from New York City University.	He has over 30 years of experience in Airlines / Aviation.

### 8. Mr. Ibrahim Saifualden – Internal Audit Director:

Mr. Ibrahim I. Saifuddin holds the position of Internal Audit Director in the company, effective from the date of 01-01-2022, The following is a statement of his academic qualifications and professional experiences:

Current Jobs	Previous Jobs	Qualifications	Experiences
Internal Audit Director	Held multiple positions in Saudi Aramco including: - Supervisor of Payroll Benefits Accounting unit. - Division Head of Finance Systems. - Group lead of Digital Internal Audit. As well he held the position of a Manager of Financial Assurance in Saudi Ground Services.	Bachelor’s degree in accounting from the university of New Orleans.	20 years of experience during which he held multiple positions in Finance and Internal Audit Departments.



### 9. Mr. Michael V. Elmir– Safety & Quality Senior Director:

Mr. Mr. Michael V. Elmir holds the position of Safety & Quality Senior Director in the company, effective from the date of 17-01-2024, note that he joined the company on the date 13-02-2022, The following is a statement of his academic qualifications and professional experiences:

Current Jobs	Previous Jobs	Qualifications	Experiences
Safety & Quality Senior Director	<ul style="list-style-type: none"> <li>- Vice President Heath, Safety &amp; Environment (A)</li> <li>- Head of Health, Safety, Environment &amp; Quality</li> <li>- General Manager Safety, Risk &amp; Environment</li> <li>- Group Manager Health &amp; Safety.</li> <li>- Avionics Ground Maintenance Engineer</li> </ul>	Master's degree in science and technology (Aviation Management). University of NSW, Australia. Advanced Diploma Electrical Engineering Qualified Safety and Human Factors Investigator. Australian Transport Safety Bureau	Michael has over 32 years of experience in Engineering, Safety, Quality and Security Management.



**Board Meetings, Committees  
and Assemblies:**

**13**

### 13- Board Meetings, Committees and Assemblies:

During the year 2023G, the Board of Directors, its affiliated Committees, and the Audit Committee held a number of scheduled and unscheduled meetings to follow up on the work of the Executive Management and Strategic Projects. In addition, one general assembly of shareholders were held in the presence of the majority of members. During the year, these meetings amounted to twenty-five meetings, which are as follows:

Statement	No. of meetings
Board of Directors meetings	5
Executive Committee meetings	5
Audit Committee meetings	5
Risk Management Committee meetings	4
Nomination and Remuneration Committee meetings	5
Ordinary General Assembly meeting	1
<b>Total</b>	<b>25</b>

### 13-1 Board of Directors Meetings:

The Board of Directors held 5 meetings until 31/12/2023G, and the following statement shows the attendance record of the Board's meetings:

(5) meetings during the year 2023G

Member Name	First 02/02/2023G	Second 21/03/2023G	Third 08/06/2023G	Fourth 18/09/2023G	Fifth 13/12/2023G	Total
Eng. Khalid bin Qasim Al-Buainain	Attended	Attended	Attended	Attended	Attended	5
Dr. Omar bin Abdullah Jefri	Attended	Attended	Attended	Attended	Attended	5
Mr. Mansour bin Abdulaziz Al-Busaily	Attended	Attended	Attended	Attended	Attended	5
Capt. Fahd bin Hamza Cynndy	Attended	Attended	Attended	Attended	Attended	5
Mr. Nader bin Muhammad Saleh Ashoor	Attended	Attended	Attended	Attended	Attended	5
Mr. Said bin Abdullatif Al-Hadrami	Attended	Attended	Attended	Attended	Attended	5
Mrs. Ghada Bint Ali Al-Jarbou	Attended	Attended	Attended	Attended	Attended	5
Mr. Con Korfiatis	Attended	Attended	Attended	Attended	His membership ended on 29/10/2023G	4
Mr. Per Utnegaard	Attended	Attended	Attended	Attended	Attended	5
Mr. Nasser Bin Farooq Al-Qawas			His membership started on 01/11/2023G			1



## 14- Shareholders Affairs:

### 1- Shareholders' suggestions and observations about the company and its performance:

During the year 2023G, the Board of Directors assigned the tasks of shareholder affairs to the Governance Department and the Board Secretariat, and its functional reference is to the Board of Directors. A number of specialists with experience in the field of governance have been appointed in the administration to assume the tasks and responsibilities of the secretariat of the Board of Directors and a number of its affiliated committees. This department is concerned with receiving the suggestions and observations of shareholders through various means of communication.

### 2- Communication Channels for shareholders to submit their suggestions and comments:

The Board of Directors pays attention to providing and facilitating all possible ways and means for shareholders to communicate with the Board of Directors to submit their suggestions and observations through the following channels:

1. Contributors email: [mdhaifallah@saudiags.com](mailto:mdhaifallah@saudiags.com)
2. The Company's website: [www.saudiags.com](http://www.saudiags.com)
3. Contact numbers for the company's file on the Saudi Stock Exchange website (Tadawul 4031).
4. Contact the company's postal address (P.O. Box: 4350 Jeddah 23719, Kingdom of Saudi Arabia - Al Basateen Dist.).
5. Communicating via the company's landline with the Governance Department and the Board Secretariat Phone: 0126909999 Ext.: 9663 – 8801 - 8866
6. Attend to the company's headquarters and submit the proposal or complaint to the management of the Board of Directors' secretariat at the address: Jeddah, Al-Yasmeen Center, King Road - Al-Basateen Dist.

### 3- Procedures for receiving suggestions and observations from shareholders and informing the non-executive members of the Board of Directors:

1. The Board of Directors Secretariat Department receives all proposals and observations received from shareholders through the means of communication.
2. The Secretary of the Board of Directors shall promptly provide and send all proposals and observations received to the Chairman of the Board of Directors.
3. Shareholders' suggestions and observations are presented in the meetings of the Board of Directors, as well as by passing it on to all members of the Board.
4. The response shall be made within five working days from the date of receipt of the proposal or observation.



### 4- Suggestions and observations received from shareholders:

During the year 2023G, the Board Secretariat Department received a number of observations and suggestions from the shareholders through the announced means of communication, and the shareholders were answered through the Board Secretariat Department according to the regulations of the Capital Market Authority.



## Committees

# 15

## 15- Committees::

In accordance with the company's bylaws and corporate governance regulations, an appropriate number of sub-committees emanating from the Board are formed according to the company's need, circumstances and activities. This contributes to assisting the Board of Directors to effectively perform the tasks entrusted to it in accordance with general procedures established by the Board, including defining the committee's mission, the duration of its work, the powers granted to it during this period, and how the Board monitors it. The committees submit their reports to the Board of Directors, which follows up on the work of these committees periodically to verify that they are carrying out the tasks entrusted to them. The Board also approves the work regulations of all committees emanating from it, while the General Assembly approves the work regulations of the Audit Committee and the Nominations and Remunerations Committee. The following Board committees have been formed:

1. Audit Committee
2. Nominations and Remunerations Committee.
3. Executive Committee.
4. Risk Management Committee.

### 15-1 Audit Committee:

The Audit Committee is composed of three to five members, from among the non-executive board members and from outside the board. The general assembly of the company approves the committee's work regulations and selects its members. The committee meets periodically and holds at least four meetings a year, or whenever the need arises. In accordance with what was included in the organizational directives, the committee is responsible for monitoring the company's business and verifying the soundness and integrity of the reports, financial statements and internal control systems therein. In particular, the committee's tasks include the following:

1. Reviewing the company's financial statements and position and its announcements related to its financial performance before presenting them to the Board of Directors, to ensure their integrity, fairness and transparency, and to express their opinion.
2. Expressing a technical opinion at the request of the Board of Directors as to whether the Board's report and the company's financial statements are fair, balanced and understandable and include information that allows shareholders and investors to evaluate the company's financial position, its performance, business model and strategy.

3. Studying any important or unusual issues contained in the financial reports and accounts.

4. Examine carefully any issues raised by the company's financial manager or whoever assumes his duties, the company's Compliance Manager, or the Internal Auditor.

5. Checking the accounting estimates regarding the fundamental issues mentioned in the financial reports.

6. Studying the accounting policies followed in the company and expressing an opinion and recommendation to the Board of Directors in this regard.

7. Meeting with the Executive Management and External Auditors to review and discuss the company's quarterly operating results and annual financial statements, as well as all internal control reports or summaries.

8. Reviewing other relevant reports or financial information provided by the Company to any government agency or the public and relevant reports submitted by external auditors or their summaries.

9. Studying and reviewing the company's internal and financial control systems and preparing a written report containing its recommendations and opinion on the adequacy of these systems and the work performed within the scope of its competence. Provided that the Board of Directors shall deposit sufficient copies of this report at the company's main office at least ten days prior to the date of the General Assembly meeting, in order to provide a copy of it to any shareholder who desires. The report is read during the meeting of the assembly.

10. Studying the internal audit reports and following up the implementation of corrective measures for the observations contained therein.

11. Control and supervise the performance and activities of the internal auditor, the Internal Audit Department, the Governance and Compliance Department in the company, to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to it.



12. If the company does not have an internal auditor, the committee must submit its recommendation to the Board regarding the need to appoint an Internal Auditor, and if it does not recommend that, it must state the reasons in the Annual Report.

13. Recommending to the Board of Directors the appointment of the Director of the Internal Audit Department or the Internal Auditor and proposing his remuneration.

14. Recommending to the Board of Directors the appointment and dismissal of external auditors, determining their fees and evaluating their performance, after ensuring their independence and reviewing the scope of their work and the terms of contracting with them.

15. Verify the independence and objectivity of the external auditors, and the effectiveness of the audit work, taking into account the relevant rules and standards.

16. Reviewing the plan of the company's external auditors and their work and verifying that they do not submit technical or administrative work outside the scope of the audit work, and expressing its views on that.

17. Answering the inquiries of the companies' external auditors.

18. Studying the reports of the external auditors and their observations on the financial statements and following up on what has been taken in their regard.

19. Participate actively in a dialogue with the internal auditor taking into account the relationships or services disclosed that may affect the independence and objectivity of the auditor and taking appropriate measures to supervise the independence of the external auditors.

20. Review with the external auditor about any problems or difficulties he may encounter and review the management's response.

21. Reviewing the results of the regulatory authorities' reports and verifying that the company has taken the necessary measures in this regard.

22. Verify the company's compliance with the relevant laws, regulations, policies and instructions.

23. Reviewing the contracts and transactions proposed to be conducted by the company with related parties, and presenting what it deems appropriate to the Board of Directors.

24. Submitting to the Board of Directors the issues it deems necessary to take action, and making recommendations on the steps that need to be taken.

25. Monitoring and supervising the performance and activities of the compliance department manager in the company - if any - to verify the availability of the necessary resources and their effectiveness in performing the work and tasks entrusted to it. If the company does not have a compliance officer, the committee shall submit its recommendation to the Board regarding the need to appoint Compliance Officer.

26. Recommending to the Board of Directors the appointment of a Compliance Department Manager or Compliance Officer and proposing his remuneration.

27. Discussion with the external auditor regarding financial or accounting practices.

28. Supervising any investigation of the activities that fall within its terms of reference.

29. Studying any other financial issues determined by the Board.



## 15-2 Members of the Audit Committee: Committee Members:

The Committee included the following members during the year 2023 until 31/12/2023G, as follows:

Name	Membership	Membership Status
Dr. Omar bin Abdullah Jefri	Independent Board Member	Committee Chairman
Mr. Saleh bin Abdul Rahman Al-Fadhli	Non- Board Member	Committee Member
Mr. Hesham bin Ali Al-Aqil	Non- Board Member	Committee Member
Mr. Adel bin Saleh AbalKhail	Non- Board Member	Committee Member
Mr. Nader bin Mohammed Saleh Ashoor	Independent Board Member	Committee Member

## 15-3 Committee Meetings:

During the year 2023G, the Audit Committee held (5) meetings, and the members of the Committee participated in the attendance as shown below:

(5) meetings during the year 2023G

Member Name	First 25/03/2023G	Second 17/05/2023G	Third 10/08/2023G	Fourth 04/11/2023G	Fifth 23/12/2023G	Total
Dr. Omar bin Abdullah Jefri	Attended	Attended	Attended	Attended	Attended	5
Mr. Nader bin MohammedSaleh Ashoor	Attended	Attended	Attended	Attended	Attended	5
Mr. Saleh bin Al-Fadhli	Attended	Attended	Attended	Attended	Attended	5
Mr. Hisham bin Ali Al-Aqil	Attended	Attended	Attended	Attended	Attended	5
Mr. Adel AbalKhail	Attended	Attended	Attended	Attended	Attended	5

## 15-4 Nominations and Remuneration Committee:

The NRC Committee is composed of three to five non-executive members of the Board of Directors and from outside the board. The company's General Assembly approves the committee's work regulations. The committee meets periodically and holds at least two meetings a year, or whenever the need arises. According to what was included in the organizational directives, the committee is specialized in the following tasks and responsibilities:

- 1- Proposing clear policies and criteria for membership in the Board of Directors and Executive Management.
- 2- Recommend to the Board of Directors the nomination and re-nomination of its members in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a breach of trust.
- 3- Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and occupying Executive Management positions and determining the time that the member should allocate for the work of the Board of Directors.
- 4- The annual review of the necessary requirements of the appropriate skills or experiences for the membership of the Board of Directors and the functions of the executive management.
- 5- Review the structure of the Board of Directors and the Executive Management Executive Management and make recommendations regarding the changes that can be made.
- 6- Verifying, on an annual basis, the independence of the independent members, and the absence of any conflict of interest if the member is a member of the board of directors of another company.
- 7- Develop job descriptions for executive members, non-executive members, independent members and senior executives.
- 8- Developing special procedures in the event of a vacancy in the position of a member of the Board of Directors or a senior executive.
- 9- Determining the weaknesses and strengths of the Board of Directors and proposing solutions to address them in line with the interest of the company.
- 10- Preparing a clear policy for the remuneration of members of the Board of Directors, committees emanating from the Board, and the Executive Management, and submitting it to the Board of Directors for consideration in preparation for approval by the General Assembly, provided that the policy follows performance-related standards, discloses them, and verifies their implementation.
- 11- Clarifying the relationship between the granted rewards and the applicable rewards policy and indicating any material deviation from this policy.
- 12- Periodically reviewing the rewards and compensation policy and evaluating its effectiveness in achieving the objectives set for it.
- 13- Recommend to the Board of Directors the rewards of the members of the Board of Directors, its committees, and senior executives of the company in accordance with the approved policy.

14- Comprehensive consideration of the plan for the replacement of senior executives within the course of the committee’s work, taking into account the opportunities and challenges facing the company as well as the skills and experiences required in the future in the members of the Board of Directors.

15- Approving the appointments of the company’s senior executives, proposing and implementing replacement policies for the board and its committees, and for the company’s executive leadership through coordination with the company’s Human Resources department, and ensuring that the Executive Management adheres to them.

16- Setting clear policies for compensation and rewards for members of the Board of Directors and senior executives, which will be implemented after approval by the General Assembly in accordance with the system. When setting these policies, all standards that the Committee deems necessary are taken into account, including the relevant legal and regulatory requirements, and the provisions and recommendations of the Corporate Governance Regulations and its guidelines. The purpose of this policy is to ensure that members of the Executive Management of the company are provided with appropriate incentives to encourage them to improve performance, and that they are rewarded fairly and acceptable for their individual contributions to the success of the company.

17- Approving the design of any plans implemented by the company to link wages to performance, defining its objectives, and recommending the approval of the total amounts to be paid for such plans.

18- Reviewing and studying the design of all plans related to stock incentives to be presented to the Board of Directors and the General Assembly for approval. Within the framework of those plans, the committee determines whether to award any shares and determines the total value of those shares, the share awarded to each of the executive board members and other Executive Management of the company, and also determines the performance targets on the basis of which those shares are granted.

19- Recommending to the Board of Directors for approval of defining appropriate performance measures, as well as determining budgets for performance bonuses based on achieving the company’s strategic objectives and profits in exchange for risks, in order to pay bonuses, annual performance bonuses and long-term performance.

## 15-5 Members of the Nominations and Remuneration Committee:

The Committee included the following members during the year 2023 until 31/12/2023G, as follows:

Name	Membership
Mrs. Ghada Bint Ali Al-Jarbou	Committee Chairman
Mr. Said bin Abdul Latif Al-Hadrami	Committee Member
Capt. Fahd bin Hamza Cynndy	Committee Member

## 15-6 Committee Meetings:

During the year 2023G, the Nominations and Remuneration Committee held (5) meetings, and the members of the Committee attended as shown below:

(5) meetings during the year 2023G

Member Name	First 29/01/2023G	Second 12/02/2023G	Third 07/06/2023G	Fourth 05/09/2023G	Fifth 03/12/2023G	Total
Mrs. Ghada Bint Ali Al-Jarbou	Attended	Attended	Attended	Attended	Attended	5
Mr. Said bin Abdul Latif Al-Hadrami	Attended	Attended	Attended	Attended	Attended	5
Capt. Fahd bin Hamza Cynndy	Attended	Attended	Attended	Attended	Attended	5



## 15-7 Executive Committee:

The Executive Committee is composed of three to five members of the Board of Directors, and it meets periodically every two months or whenever the need arises. The committee is responsible for the following tasks:

1. The Committee shall undertake all the tasks entrusted to it by the Board of Directors, and the Board of Directors may assign the Committee any other duties according to the need of the Board of Directors and the duties entrusted to it.
2. Reviewing business performance reports, human resources reports, investor relations reports, and the company's social participation report.
3. Monitoring progress reports of annual operating plans, initiatives, cost challenges, major strategic projects, etc.
4. Ensure to review the Executive Management reports, presentations and clarifications, which it deems necessary.
5. Consideration of financial reports, shareholder reports, reports of the authorized signatories of the company, reports of the legal affairs department and company secretariat, reports of financial affairs and operational aspects related to the day-to-day management of the company, etc.
6. Recommending approval of the annual operating plan, strategic plan, investment strategy, credit facilities/company business matters outside the risk limits set by the Board of Directors, etc.
7. Briefing and reviewing the main issues and matters that are presented to the CEO or the Executive Management by the internal administrative committees.

8. Assist the CEO of the company within the limits of the powers of the committee on matters referred to by him or the board such as regulatory approvals, etc.
9. Considering the special and necessary approvals for expenses, expenditures, and the company's obligations in relation to its activities, as well as real estate and properties such as rents and the like, as well as support services, and approving them within the limits approved by the Board.
10. Considering and approving the costs of projects and expenses of supportive services such as security, safety, maintenance, etc.
11. Directing the company's departments in general and the property and support services department in particular, in matters related to property and support services.
12. The Committee shall at least once a year review its performance, status and work rules in order to ensure that the Committee operates with maximum effectiveness and recommend any changes it deems appropriate for the approval of the Board of Directors.
13. The Committee shall carry out its work in addition to the powers granted to it by the Board of Directors in accordance with the Company's Articles of Association.

### 15-8 Executive Committee Members:

The Committee included the following members during the year 2023 until 31/12/2023G, as follows:

Name	Membership status
Eng. Khalid bin Qasim Al-Buainain	Committee Chairman
Dr. Omar bin Abdullah Jefri	Committee Member
Capt. Fahd bin Hamza Cynndy	Committee Member
Mr. Per Utnegaard	Committee Member
Mr. Said bin Abdullatif Al-Hadrami	Committee Member

### 15-9 Executive Committee Meetings:

During the year 2023, the Executive Committee held (5) meetings, and the members of the Committee participated in the attendance, as shown below:

(5) meetings during the year 2023G

Member Name	First 1/02/2023G	Second 10/05/2023G	Third 16/08/2023G	Fourth 06/11/2023G	Fifth 26/12/2023G	Total
Eng. Khalid bin Qasim Al-Buainain	Attended	Attended	Attended	Attended	Attended	5
Dr. Omar bin Abdullah Jefri	Attended	Attended	Attended	Attended	Attended	5
Mr. Said bin Abdullatif Al-Hadrami	Attended	Attended	Attended	Attended	Attended	5
Capt. Fahd bin Hamza Cynndy	Attended	Attended	Attended	Attended	Attended	5
Mr. Per Utnegaard	Attended	Attended	Attended	Attended	Attended	5

### 15-10 Risk Management Committee:

The Risk Management Committee consists of three to five members of the Board of Directors, who are independent and non-executive members. Some members of the committee may also be chosen from outside the Board. The members of the committee are appointed by a decision issued by the Board of Directors, and it meets periodically every quarter or whenever the need arises. The company has taken into account the harmonization of the work regulations of the committee in accordance with the supervisory directives.

The committee undertakes the task of overseeing the work of the company's Risk Management and advising the board of directors on all matters related to high-level risks related to the company's various activities. In addition to providing strategic risk direction, including setting a risk vision, deciding on priorities and overseeing the implementation of key transformational risk initiatives. In the scope of its responsibility to provide such advice to the Board, the Committee supervises the treatment of issues related to the following:

- a) The extent of the company's exposure to current and future risks;
- b) Evaluation of the company's risk aspects and future risk strategy and management.
- c) Risk Management in the company.

### To achieve this, the committee aims to:

- 1) Develop a comprehensive Risk Management strategy and policies commensurate with the nature and size of the company's activities, and verify, review, and update their implementation based on the company's internal and external variables.
- 2) Reviewing policies and procedures for Risk Management and submitting recommendations to the Board of Directors for approval and working to review them periodically (at least once every two years).
- 3) Determine and maintain an acceptable level of risk to which the company may be exposed and ensure that the company does not exceed it.
- 4) Determine the Risks that threaten the continuity of the company.
- 5) Supervising the company's Risk Management system and evaluating the effectiveness of systems and mechanisms for identifying, measuring and following up the risks that the company may be exposed to; In order to identify its shortcomings.
- 6) Periodically re-evaluating the company's ability to bear risks and exposure to them (by conducting tolerance tests, for example).
- 7) Preparing detailed reports on exposure to risks and the proposed steps to manage these risks, and submitting them to the Board of Directors.



- 8) Provide recommendations to the Board on issues related to Risk Management.
- 9) Ensure the availability of adequate resources and systems for Risk Management.
- 10) Reviewing the organizational structure of Risk Management and making recommendations regarding it before it is approved by the Board of Directors.
- 11) Verify the independence of the Risk Management staff from activities that may expose the company to risks.
- 12) Ensure that Risk Management staff understand the risks surrounding the company, and work to raise awareness of the risk culture.
- 13) Working on reviewing the business continuity policy and submitting recommendations to the Board of Directors for approval, and ensuring that it is reviewed periodically (every year at least) and making sure to review the reports of implementing the annual business continuity implementation plan.
- 14) Reviewing security reports, fraud risk reports, and compliance reports received from the executive management, and assessing the level of risks surrounding these aspects.
- 15) Review the effectiveness of the company's Risk Management framework and internal control systems (as opposed to internal financial control systems). In carrying out this responsibility, the Committee will:
  - Ensures that there are adequate procedures in place to control, in a correct and timely manner, significant risks or types of risks that may become particularly relevant.
  - Ensure that sufficient procedures have been put in place to justify the request to comply with the company's policies.
  - Consider any significant insights from the findings of regular reviews and engagement with regulators in relation to risk governance, risk assessment or management procedures.
  - Discuss the internal control systems with the Executive Management and ensure that the management has fulfilled its obligations to have an effective internal control system.
  - Ensure that the effectiveness of Risk Management has adequate resources and systems (including consideration of staff qualifications and experience, training programs and budget), is appropriately positioned within the company and is not constrained by management or other constraints.
  - Request assurances from the internal audit that the internal control processes for Risk Management are sufficient for the strategy determined by the Board.
  - Wherever applicable, the committee recommends and submits to the Board of Directors to obtain approval for the appointment and dismissal of the general manager of Risk Management in the company and evaluates his performance. The committee must ensure that he:

- a) Participates in the Risk Management and control process at the highest level on a company-wide basis.
- b) Verifies that the risk originators in the business units are aware of and are in line with the company's risk appetite.
- c) has a completely independent status from individual work units. d) couldn't be removed from office without the prior approval of the Committee
- e) has direct communication with the committee chairman in case of need.
- 16) The Committee annually reviews its work rules and effectiveness within the framework of self-evaluation and recommends to the Board of Directors any amendments it deems necessary.
- 17) In the event that the Executive Management requests non-compliance with any of the company's policies exceptionally (due to emergency circumstances or the like), it must refer it to the Risk Management Committee and obtain the necessary approval after determining the period of non-compliance and its reasons for the risks involved in non-compliance.
- 18) The company and the Executive Management must present the following to the Risk Management Committee:
  - a) The strategic projects that the company intends to implement.
  - b) Change in policies and procedures.

In order for the committee to study and evaluate the risks arising from these projects and variables, and to submit this to the Board of Directors for final approval.

## 15-11 Risk Committee Members:

The Committee included the following members during the year 2023 until 31/12/2023G, as follows:

Name	Membership
Mr. Mansour bin Abdulaziz Al-Busaily	Committee Chairman
Mr. Per Utnegaard	Committee Member
Mr. Nader bin Mohammed Saleh Ashoor	Committee Member

## 15-12 Committee Meetings:

During the year 2023G, the Risk Committee held (5) meetings, and the members of the Committee participated in the attendance as shown below:

(5) meetings during the year 2023G

Member Name	First 08/04/2023G	Second 06/06/2023G	Third 10/09/2023G	Fourth 18/10/2023G	Fifth 06/12/2023G	Total
Mr. Mansour bin Abdulaziz Al-Busaily	Attended	Attended	Attended	Attended	Attended	5
Mr. Nader bin Mohammed Saleh Ashoor	Attended	Attended	Attended	Attended	Attended	5
Mr. Per Utnegaard	Attended	Attended	Attended	Attended	Attended	5

## Members of the Board of Directors Joint Ventures

### 16-1 SAAS

The Board of Directors of the company consists of the following members as of 31/12/2023G:

Name	Membership status
Eng. Khalid bin Qasim Al-Buainain	Chairman of the Board of Directors
Mr. Farid Bin Jarallah Al-Harazi	Deputy Chairman of the Board
Mr. Raed Bin Hassan Al-Idrissi	Member of the Board of Directors
Mr. Muhammad bin AbdulKarim Mazi	Member of the Board of Directors
Mr. Qaid bin Khalaf Al-Otaibi	Member of the Board of Directors
Eng. Khaled bin Mohammed Saleh Radwan	Member of the Board of Directors

### 16-2 TLD Arabia Equipment Services Company

The Board of Directors of the company consists of the following members as of 31/12/2023G:

Name	Membership status
Mr. Raed Bin Hassan Al-Idrissi (since 01/06/2023 AD)	Chairman of the Board of Directors
Mr. Fabrice Denninger	Member of the Board of Directors
Mr. Mohammed bin AbdulKarim Mazi	Member of the Board of Directors
Ms. Severine Delecourt	Member of the Board of Directors

### 16-3 TLD Arabia Equipment Services Company

The Board of Directors of the company consists of the following members as of 31/12/2023G:

Name	Membership status
Mr. Raed bin Hassan Al-Idrissi (since 01/06/2023AD)	Chairman of the Board of Directors
Mr. Raed bin Khaled Zainal	Member of the Board of Directors
Mr. Mohammed bin AbdulKarim Mazi	Member of the Board of Directors
Mr. Muhammad bin Ali Hassan	Member of the Board of Directors



# 17

## Remunerations of members of the Board of Directors and Executive Management

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## 17- Remunerations of members of the Board of Directors and Executive Management:

### 17-1 Board members remuneration policy:

The Ordinary General Assembly approved the policy of remuneration and compensation for members of the Board of Directors. In general, compensation and bonuses paid to members of the Board of Directors of the company and members outside the Board are determined according to the frameworks set by the instructions issued by the supervisory authorities. In addition, it is generally governed by the main principles of corporate governance operating in the Kingdom, compensation controls issued by the competent authorities, the corporate governance regulations issued by the Capital Market Authority, the provisions of the companies' system, the company's articles of association, and the corporate governance regulations.

Moreover, it has been taken into consideration that the level and composition of the remuneration for the members of the Board of Directors is sufficient and appropriate to attract and retain distinguished individuals, with the aim of achieving the tasks to be assigned to them. Furthermore, it was stipulated in the rules for the work of nominations and remuneration to consider the avoidance of developing any plans, policies or programs for compensation and rewards that go beyond what is generally accepted or what was stipulated by the supervisory authorities.

### 17-2 Remunerations and compensations for the members of the Board of Directors of the company:

**Subject to the provisions of the Company's Articles of Association, the remuneration for membership in the Board of Directors shall be according to the following:**

1. Each member of the Board of Directors of the company shall receive a lump sum amount as a reward amounting to (300,000 Saudi Riyals) only Three Hundred Thousand Saudi Riyals annually for their membership in the company's board of directors and their participation in its business. Moreover, the Chairman of the Board receives a lump sum amount as a reward amounting to (380,000 Saudi Riyals) only Three Hundred and Eighty Thousand Saudi Riyals only annually. Furthermore, the ceiling of annual remunerations and compensations granted to the Chairman and member of the Board of Directors should not exceed (500,000 Saudi riyals) only Five Hundred Thousand Saudi Riyals annually.
2. The Chairman and member of the Board of Directors shall receive an amount of (3,000 Saudi Riyals) only, Three Thousand Saudi Riyals, for attending each session of the Board of Directors, whether the attendance is directly or through any of the means of modern technology.
3. The company shall pay all actual expenses incurred by the chairman and member of the Board of Directors in order to attend the meetings of the Board, including travel, accommodation and accommodation expenses.

## 17-3 Remuneration and compensation for Board Members within the work of Board Committees:

a) Each member of the Board of Directors of the company receives an allowance for his participation in the work of the sub-committees emanating from the Board of Directors; this indemnification shall be in a lump sum, on an annual basis, for each membership in the Board committees, according to the following:

1. Executive Committee members (80,000 Saudi Riyals) only Eighty Thousand Saudi Riyals.
  2. Members of the Nominations and Remuneration Committee (80,000 Saudi Riyals) only Eighty Thousand Saudi Riyals.
  3. Risk Management Committee members (80,000 Saudi Riyals) only Eighty Thousand Saudi Riyals.
- b) Noting that in the event that the Board of Directors decides to establish any other sub-committee, the members of this committee will receive the same amount of compensation.
- c) The Chairman and member of the committees shall receive an amount of (3,000 Saudi Riyals) only Three Thousand Saudi Riyals for attending each session of the Board committees of which he is a member, whether the attendance is directly or through any of the means of modern technology.

## 17-4 Compensation of the Audit Committee Members:

**Committee Members receive remuneration and allowances according to the following:**

1. Committee membership remuneration for non-executive and independent board members: up to a maximum amount of (80,000 Saudi Riyals) only Eighty Thousand Saudi Riyals only annually.
2. Committee membership remuneration for non-(outside) members of the Board of Directors: a lump sum amount as compensation and allowance for participation in the work of the committees amounting to (150,000 Saudi Riyals) only One Hundred and Fifty Thousand Saudi Riyals annually.
3. The chairman of the committee members (whether from inside or outside the Board) shall receive an amount of (3000 Saudi Riyals) only Three Thousand Saudi Riyals for attending each session of the Board committees of which he is a member, whether attending directly or through any of the means of modern technology.



### 17-5 . Compensation of Committee members for non-Board Members:

In accordance with what is stipulated in the supervisory instructions that are included in the provisions of the Corporate Governance Regulations, and the rules and provisions of the work of the committees emanating from the Board of Directors of the company, and in accordance with what is included in the rules regulating the work of the audit committees issued by the Ministry of Commerce for the work of the audit committee, members are appointed from outside the Board of Directors to participate in the work of the committees and its activities. In addition, the following conditions govern the system of compensation granted to members of these committees from outside the Board:

1. Each member of the committees emanating from the Board of Directors of the company from outside the board receives a lump sum as compensation and an allowance for his participation in the work of the committees amounting to (150,000 Saudi Riyals) only One Hundred and Fifty Thousand Saudi Riyals only annually.
2. A member from outside the Board of Directors gets an amount of (3,000 Saudi Riyals) only Three Thousand Saudi Riyals for attending each session of the Board committees of which he is a member, whether his attendance is directly or through any of the modern technology means.
3. The company shall pay all the actual expenses incurred by each member of the committees emanating from the Board of Directors of the company from outside the Board in order to attend the meetings of the Board, including travel, accommodation and accommodation expenses.

### 17-6. Determination of the Board of Directors' Remuneration:

The Remuneration of the members of the Board of Directors is determined on an annual basis, while making sure that the members participate in the work and activities of the Board and committees during the fiscal year. Moreover, attendance allowances for each meeting of the Board and committees are paid on an annual basis based on actual attendance. Furthermore, the remuneration allocated to members of the Board and Committees is paid on the basis of membership for a period of 365 days, as the rewards are deter-

### 17-7. Remunerations of the Company's Executive Management:

The company does not have a policy for the remuneration of the executive management, and they are granted salaries, allowances, compensation, and rewards within the human resources policy approved by the company and according to the work contracts concluded with them.

### 17-8. The Relationship between remunerations and its policy:

The Board of Directors acknowledges that the remunerations granted to members of the Board of Directors and committees from within and outside the Board have been committed to disbursing them in accordance with the remuneration policy approved by the General Assembly of Shareholders and in accordance with the company's Articles of Association. In addition, there is no deviation from the policy and the remunerations were approved under the supervision of the Nominations and Remunerations Committee.

### 18. Remunerations and compensations for members of the Board of Directors:

Based on article seventy-six of the Companies Law, the ceiling of annual remuneration and compensation granted to the Chairman and member of the Board of Directors should not exceed (500,000 Saudi riyals).

The statement below shows the details of the remuneration of the members of the Board of Directors for the period from 01/01/2023G to 31/12/2023G:

	Fixed bonuses (SAR) for the period from (01-01-2023G) to (31-12-2023G)							Variable Bonuses (SR)						The total sum spent to the member after deducting any amount that exceeds the legal limit deduction of any amount that exceeds the legal limit (SAR)	Expenditure allowance	The amounts that exceeded the (-) maximum limit	
	a certain amount	Allowance for attending Board sessions	Total allowance for attending committee sessions	benefits in kind	Technical,administrative and advisory work bonus	Remuneration of the Chairman, Managing Director or Secretary, if he is a member	Remuneration of the Chairman, Managing Director or Secretary, if he is a member	Total	percentage of profits	Periodic bonuses	Long term incentive plans	Gr a n t e d shares (the value is edited)	Total				End of service bonus (SAR)
<b>First: the independent members</b>																	
Khalid bin Qasim Al-Buainain	-	15,000.00	15,000.00	-	-	460,000.00	490,000.00	-	-	-	-	-	-	-	490,000.00	-	
Mansour bin Abdul-Aziz Al-Busaily	-	15,000.00	12,000.00	-	-	380,000.00	407,000.00	-	-	-	-	-	-	-	407,000.00	-	
Omar bin Abdullah Jefri	-	15,000.00	30,000.00	-	-	460,000.00	505,000.00	-	-	-	-	-	-	-	505,000.00	-	5,000
Nader bin MohammedSaleh Ashoor	-	15,000.00	27,000.00	-	-	460,000.00	502,000.00	-	-	-	-	-	-	-	502,000.00	-	2,000
Said bin Abdul Latif Al-Hadrami	-	15,000.00	30,000.00	-	-	460,000.00	505,000.00	-	-	-	-	-	-	-	505,000.00	-	5,000
Ghada bint Ali al-Jarbou	-	15,000.00	15,000.00	-	-	380,000.00	410,000.00	-	-	-	-	-	-	-	410,000.00	-	
Per Utnegaard	-	15,000.00	27,000.00	-	-	460,000.00	502,000.00	-	-	-	-	-	-	-	502,000.00	-	2,000
<b>Total</b>	-	105,000.00	156,000.00	-	-	3,060,000.00	3,321,000.00	-	-	-	-	-	-	-	3,321,000.00	-	
<b>Second: Non-Executive Members</b>																	
Fahd bin Hamza Cynndy	-	15,000.00	30,000.00	-	-	460,000.00	505,000.00	-	-	-	-	-	-	-	505,000.00	-	5,000
Nasser Bin Farooq Alqawas*	-	3,000.00	-	-	-	50,136.99	53,136.99	-	-	-	-	-	-	-	53,136.99	-	
Con Korfiatis*	-	12,000.00	-	-	-	248,219.18	260,219.18	-	-	-	-	-	-	-	260,219.18	-	
<b>Total</b>	-	30,000.00	30,000.00	-	-	758,356.17	818,356.17	-	-	-	-	-	-	-	818,356.17	-	

\* Mr. Con Korfiatis resigned on 29/10/2023G.

\* Mr. Al-Qawas was appointed on 01/11/2023G in the vacant position in the Board to continue the current Board term ending on 05/05/2025G.



## Remuneration and Compensation for Senior Executives

# 19

## 19. Remuneration and Compensation for Senior Executives:

Statement	Five senior executives (including the CEO and Chief Financial Officer)(SR)
Salaries	6,024,500
Allowances	2,977,325
Allowance in kind	-
Total	9,001,825
Periodic Compensation (as per employment agreement)	1,036,167
Dividends, short-term/long-term incentive plans, bonus shares	-
Total	1,036,167
End of Service Benefits	513,339
Total Executive Remuneration for the board if any	-
Total	10,551,331

\* All jobholders were calculated from (01-01-2023G to 31-12-2023G)

\* The company has committed to disclose the components of senior executives' remuneration in total, in accordance with the statutory requirements mentioned in subparagraph (b) of paragraph (04) of Article (90) of the Corporate Governance Regulations. However, to protect the interests of the company, its shareholders and employees, and to avoid any harm that may result from the disclosure in detail according to the titles and according to the position, the details were not presented as contained in Appendix (01) of the Senior Executives of the Corporate Governance Regulations.

## 20. Remuneration of Committee Members:

### 20.1. Details of Remuneration of Audit Committee members:

The following statement shows the details of the Remuneration of the Audit Committee during the period from (01/01/2023G until 31/12/2023G):

Name	Fixed bonuses (SAR)	Allowance for attending meeting (SAR)	Total (SR)
Dr. Omar bin Abdullah Jefri	80,000	15,000	95,000
Mr. Nader bin Mohammed Saleh Ashoor	80,000	15,000	95,000
Mr. Saleh bin Abdul Rahman Al-Fadhli	150,000	15,000	165,000
Mr. Hesham bin Ali Al-Aqil	150,000	15,000	165,000
Mr. Adel Aba lKhalil	150,000	15,000	165,000
Total	610,000	75,000	685,000

### 20.2. Details of the remuneration of the Nominations and Remuneration Committee members:

The following statement shows the details of the Nominations and Remunerations Committee's rewards during the period from (01/01/2023G until 31/12/2023G):

Name	Fixed bonuses (SAR)	Allowance for attending meeting (SAR)	Total (SR)
Mrs. Ghada Bint Ali Al-Jarbou	80,000	15,000	95,000
Mr. Saidbin Abdul Latif Al-Hadrami	80,000	15,000	95,000
Cap. Fahd bin Hamza Cynndy	80,000	15,000	95,000
Total	240,000	45,000	285,000



### 20.3. Details of Executive Committee member remuneration:

The following statement shows the details of the Executive Committee's remuneration during the period from (01/01/2023G to 31/12/2023G):

Name	Fixed bonuses (SAR)	Allowance for attending meeting (SAR)	Total (SR)
Eng. Khalid bin Qasim Al-Buainain	80,000	15,000	95,000
Dr. Omar bin Abdullah Jefri	80,000	15,000	95,000
Mr. Said bin Abdul Latif Al-Hadrami	80,000	15,000	95,000
Cap. Fahd bin Hamza Cynndy	80,000	15,000	95,000
Mr. Per Utnegaard	80,000	15,000	95,000
Total	400,000	75,000	475,000

### 20.4. Details of the remuneration of the Risk Management Committee members:

The following statement shows the details of the Risk Management Committee's remuneration during the period from (01/01/2023G to 31/12/2023G):

Name	Fixed bonuses (SAR)	Allowance for attending meeting (SAR)	Total (SR)
Mr. Mansour bin Abdulaziz Al-Busaily	80,000	12,000	92,000
Mr. Nader bin MohammedSaleh Ashoor	80,000	12,000	92,000
Mr. Per Utnegaard	80,000	12,000	92,000
Total	240,000	36,000	276,000

### 21. Board members' remuneration for technical, administrative, or consulting work:

The Board of Directors acknowledges that during the year 2023G, there are no sums paid to members of the Board in their capacity as workers or administrators, or for technical, administrative, or consulting work.

### 22. Sanctions / Penalties:

The Company practices the business and activities thereof in accordance with the applicable laws, regulations, and guidelines, observed thereby in letter and spirit. During 2023, no sanctions or penalties are imposed on the Company by the relevant supervisory.





**Findings and opinion of the  
Audit Committee on the  
internal control system**

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**23**



## 23. Findings and opinion of the Audit Committee on the internal control system:

### A) Internal Audit findings:

The company adopts an internal control framework based on the three lines of defense. The various business sectors of the company harmonize their activities in accordance with the applicable systems and regulations. While the internal control departments consisting of compliance, risks, security, and safety play the role of the second line of defense so that they assess, measure and control the different levels of risk in terms of operations, credit, information security, and compliance with the controls that were enacted to ensure that the company meets the statutory requirements. These departments submit periodic reports to the Board's sub-committees (Executive, Audit, Risk), and the Internal Audit Department performs the task of the third line of defense, which is concerned with conducting the necessary checks and reviews to verify the company's compliance. Its employees with the policies of the procedural work guides based on the internal audit work carried out during the fiscal year 2023G for the various departments of the company.

### B) Audit Committee Opinion:

One of the responsibilities and roles of the audit committee is to ensure the adequacy of the company's internal control and to carry out its work in accordance with the best practices in force, by following up and studying the reports issued by the internal auditor, the external auditor or the compliance department. The following is the opinion of the audit committee on the adequacy of the company's internal control system:

### C) Executive management:

The Executive Management of the company has signed declarations aimed at confirming its responsibility in providing internal control procedures that ensure the effectiveness and efficiency of the company's operations and the control procedures applied in it, including the extent of credibility and integrity of financial reports, and the extent of compliance with the applicable laws, regulations, and policies.

### D) Internal Audit Department:

The company's internal audit department also implements the annual audit plan approved by the audit committee to assess the status of internal control applied with a focus on evaluating the control environment, organizational structure, risks, policies and procedures, segregation of duties, and information systems, by taking random samples of the planned activities to be reviewed. With the aim of examining them to ensure the effectiveness and efficiency of the designed and applied internal control systems, and to obtain assurances of the effectiveness and efficiency of internal control procedures during the year.

### E) Compliance Department:

The Compliance Management is responsible for ensuring the company's compliance with all external laws and regulations. They identify potential risks that the company may face and provide advice on how to avoid them in order to maintain the company's legal position and protect it from any legal penalties. Additionally, they respond to all letters received from regulatory authorities within the specified timeframe and without delay.

### F) External Auditor:

The Audit Committee made sure that the external auditor fulfilled his responsibilities towards the company by following up on the plans and implementation of the audit work to obtain a high degree of conviction that the accounting standards generally accepted in the Kingdom of Saudi Arabia have been applied in the company. And that the results report of the quarterly and annual financial statements of the company are free of crucial errors according to the unqualified opinion from the external accountant during the year 2023G. Based on the annual examination of the internal control procedures subject to testing during the year 2023G by the Audit Committee. The external auditor and the internal audit department in the company, the results of this examination indicated that there were a number of observations during the year 2023G, most of them were addressed. We also note that it cannot be confirmed absolutely the comprehensiveness of the examinations and assessments that are carried out for the internal control procedures, because the audit process is in essence based on taking random samples, as is the spread of the company's operations and its geographical expansion within the Kingdom. Therefore, the improvement efforts referred to above, and the development processes are continuing by the committee and the internal control departments in the company to ensure more efficiency and effectiveness in the mechanism of follow-up of internal control processes and procedures.

### G) Audit Committee Recommendations:

No recommendations were issued by the Audit Committee, or there is a conflict between them and the decisions of the Board of Directors, or the Board refused to accept them.

## 24. Company social contributions details:

In line with the values of the Saudi Ground Services Company, which center around safety, responsibility, and excellence, the company continued to enhance constructive contributions through a range of meaningful activities and initiatives aimed at serving the community, to achieve sustainable development in line with its strategy.

The company was keen to instill and promote the concepts of awareness and social culture. Besides supporting the participation of its employees in these programs.

Shown below are some of the company's initiatives and achievements during 2023:

### 24-1 Social Responsibility:

1. The Saudi Ground Services Company, in collaboration with the Jeddah Airports Company, conducted a campaign to remove foreign objects from the King Abdulaziz International Airport in Jeddah, in order to ensure the safety of aircraft. This comes as part of their ongoing efforts to implement security and safety programs in the Kingdom's airports.

2. As a reaffirmation of our commitment to environmental responsibility, the company has been awarded the silver certification by Wayakit for the use of environmentally friendly and biodegradable cleaning and sanitizing materials. These materials help reduce harmful emissions in the cleaning and sanitization of aircraft, according to the IRIS+ standards and data from the Global Investment Management Group.

3. On World Photography Day, the Saudi Ground Services Company organized a photoshoot session for its employees, capturing beautiful shots by talented photographers from within the company.

4. "With the spirit of teamwork and interdepartmental support, and with the increase in operational activities during the Hajj season, the Human Resources Department of the Saudi Ground Services Company launched the "Labeek" initiative. Through this initiative, employees from various departments volunteered to serve the guests of Allah at Jeddah Airport."

5. Under the slogan 'Your Health Matters to Us,' the Saudi Ground Services Company, in collaboration with several healthcare providers, organized a health day that included various activities and screenings for male and female employees, aiming to promote the concept of public health.

6. In order to provide all services and preventive care measures, the seasonal influenza vaccine has been made available at the company's headquarters.

7. As part of its social responsibility efforts, the Saudi Ground Services Company, in collaboration with the King Abdullah Medical Complex in Jeddah, organized a blood donation campaign for the employees of the company.

8. "In an effort to raise awareness among its employees, the company collaborated with King Abdulaziz Hospital and Saudi German Hospital in Jeddah to conduct an educational campaign about diabetes and its prevention at major airports. Additionally, a campaign was organized for early detection of breast cancer among female employees of the company under the slogan 'Because Your Health Matters to Us.'

9. To ensure the principles, standards, and procedures of occupational health and safety, the Saudi Ground Services Company, in collaboration with the Saudi German Hospital, organized a first aid and CPR training course. One hundred employees from various departments were trained and certified by the Saudi Heart Association

## 25. Shareholders General Assemblies:

During the year 2023G, the company held (1) meetings of the shareholders' Assemblies. The members of the Board of Directors attending these assemblies were as follows:

The statement below shows the details of the Board members' attendance at the General Assembly of Shareholders, which was held on 19/06/2023G:

Name	Ordinary General Assembly Meeting 19/06/2023G
Eng. Khalid bin Qasim Al-Buainain	Attended
Dr. Omar bin Abdullah Jefri	Attended
Mr. Mansour bin Abdulaziz Al-Busaily	Attended
Mr. Nader bin Mohammed Saleh Ashoor	Attended
Mr. Said bin Abdullatif Al-Hadrami	Attended
Capt. Fahd bin Hamza Cynndy	Excused
Mr. Con Korfiatis	Attended
Mr. Per Utnegaard	Attended
Mrs. Ghada Bint Ali Al-Jarbou	Attended



## 25-1 Results of the Ordinary General Assembly held on 19/06/2023G:

1- The Board of Directors' report for the fiscal year ended December 31, 2022, has been reviewed and discussed.

2- Approved the auditors' report for the fiscal year ended December 31, 2022, after discussing it.

3- The financial statements for the fiscal year ended December 31, 2022, have been reviewed and discussed.

4- Approved the discharge of the Board of Directors for the fiscal year ended December 31, 2022.

5- Approved the appointment of Ernst & Young (EY) from among the nominees based on the recommendation of the Audit Committee, to examine, review, and audit the financial statements for the third and fourth quarters and the annual of the fiscal year 2023, and the second of the year 2024, and to determine their fees.

6- Approved to delegate the General Assembly's authority to the Board of Directors as per paragraph (1) of Article Seventy-one of the Companies Law, for a period of one year from the date of the General Assembly's approval or until the end of the term of the authorized Board of Directors, whichever is earlier, in accordance with the conditions stated in the Executive Regulations of the Companies Law pertaining to listed joint-stock companies.

7- Approved the transactions and contracts that occurred between the Company and Saudi Arabian Airlines, in which board members Mr. Con Korfiatis and Capt.Fahd Cynndy have an indirect interest. These transactions involve providing ground handling services at the Kingdom's airports, and their total value in 2022 was estimated at 975,129,944 Saudi Riyals. All transactions were conducted on a commercial basis and without preferential advantages.

8- Approved the transactions and contracts that occurred between the Company and Saudi Aerospace Engineering Industries, in which board members Mr. Con Korfiatis and Capt.Fahd Cynndy have an indirect interest. These transactions involve providing ground handling services at the Kingdom's airports, and their total value in 2022 was estimated at 38,585,481 Saudi Riyals. All transactions were conducted on a commercial basis and without preferential advantages.

9- Approved the transactions and contracts that occurred between the Company and Saudi Private Aviation (SPA), in which board members Mr. Con Korfiatis and Capt.Fahd Cynndy have an indirect interest. These transactions involve providing ground handling services at the Kingdom's airports, and their total value in 2022 was estimated at 16,117,047 Saudi Riyals. All transactions were conducted on a commercial basis and without preferential advantages.

10- Approved the transactions and contracts that occurred between the Company and Saudi Royal Fleet Services, in which board members Mr. Con Korfiatis and Capt. Fahd Cynndy have an indirect interest. These transactions involve providing ground handling services, and their total value in 2022 was estimated at 38,005,805 Saudi Riyals. All transactions were conducted on a commercial basis and without preferential advantages.

11- Approval of the transactions that took place between the company and FlyAdeal Airlines, in which board member Mr. Con Korfiatis and Capt.Fahd Cynndy have an indirect interest. These transactions involved providing ground handling services at Kingdom's airports and the value of these transactions in 2022 was estimated at 114,790,301 Saudi Riyals. All transactions were conducted on a commercial basis without any preferential advantages.

12- Approval of the transactions and contracts between the company and (SAL) Saudi Logistics Services, in which board member Mr. Con Korfiatis and Capt.Fahd Cynndy have an indirect interest. These transactions involved providing ground handling services at Kingdom's airports and the value of these transactions in 2022 was estimated at 13,753,616 Saudi Riyals annually. All transactions were conducted on a commercial basis without any preferential advantages.

13- Approval of the transactions and contracts that took place between the company and Saudi Arabian Airlines, in which board member Mr. Con Korfiatis and Capt.Fahd Cynndy have an indirect interest. These transactions involved providing Value Added Tax (VAT) services and the value of these transactions in 2022 was estimated at 62,714,209 Saudi Riyals annually. All transactions were conducted on a commercial basis without any preferential advantages.

14- Approval of the contracts between the company and Saudi Airlines Catering, in which board member Mr. Con Korfiatis and Capt.Fahd Cynndy have an indirect interest. These were service contracts and their value in 2022 was estimated at 41,601,809 Saudi Riyals annually. All transactions were conducted on a commercial basis without any preferential advantages.

15- Approval of the transactions and contracts between the company and Amad Saudi company, in which Chairman of the Board, Eng. Khaled Al-Buainain has an indirect interest. These transactions involved a vehicle leasing services agreement and the value of these transactions in 2022 was estimated at 10,885,182 Saudi Riyals. All transactions were conducted on a commercial basis without any preferential advantages.

16- Approval of the transactions and contracts that took place between the company and Bupa Arabia for Cooperative Insurance, in which Chairman of the Board, Mr. Nader Ashour has an indirect interest. These transactions involved providing insurance services and the value of these transactions in 2022 was estimated at 93,948,758 Saudi Riyals. All transactions were conducted on a commercial basis without any preferential advantages.

17- Approval of the transactions and contracts between the company and Amad Saudi company, in which Chairman of the Board, Eng. Khaled Al-Buainain has an indirect interest. These transactions involved the transportation of pilots, passengers, and transients and the value of these transactions in 2022 was estimated at 80,089,917 Saudi Riyals annually. All transactions were conducted on a commercial basis without any preferential advantages.



## 26. Certified Accounting Standards:

The financial statements have been prepared in accordance with international accounting standards in accordance with the directives of the Capital Market Authority issued by virtue of Circular No. P. 15/12231/1 / dated 27/10/1436H, corresponding to 8/12/2015G and the Board of Directors acknowledges that there is no difference from the accounting standards adopted by The Saudi Organization of Certified Public Accountants.

## 27. Appointment of Auditors:

The General Assembly of the company, which was held on 19/06/2023G, approved the selection of Earnest & Young Office (EY) from the list of candidates as auditors of the company according to the recommendation of the Audit Committee to audit the annual financial statements of the company. As well as the first and second quarters of the year ending on 31/12/2024G.

## 28. Joint Ventures:

Joint Ventures name	Capital	The company's ownership per-centage	Main activity	The headquarters for its operations and incorporation
SAAS	500,000 SR	50%	The main activity of the Saudi Amad for Airport Services Company is to provide passenger and navigator transportation services and to operate buses at airports. To transport passengers inside international airports and Tabuk Airport before the establishment of the Saudi Amad Company.	Kingdom of Saudi Arabia
TLD Arabia Company	1,000,000 SR	50%	The main activity of TLD Arabia is to provide maintenance services for ground service equipment, rental of machine tools, rental of other air transport equipment without drivers and operational leasing. It also provides administrative and supervisory services at airports and offers other activities and services related to air transport.	Kingdom of Saudi Arabia
Jusoor Airports services Company	1,000,000 SR	51%	The main activity of the Jusoor Airports services Company is to provide operation and maintenance services for passenger bridges and gates.	Kingdom of Saudi Arabia

## 28-1 Shares and debt instruments of the Joint Venture (SAAS):

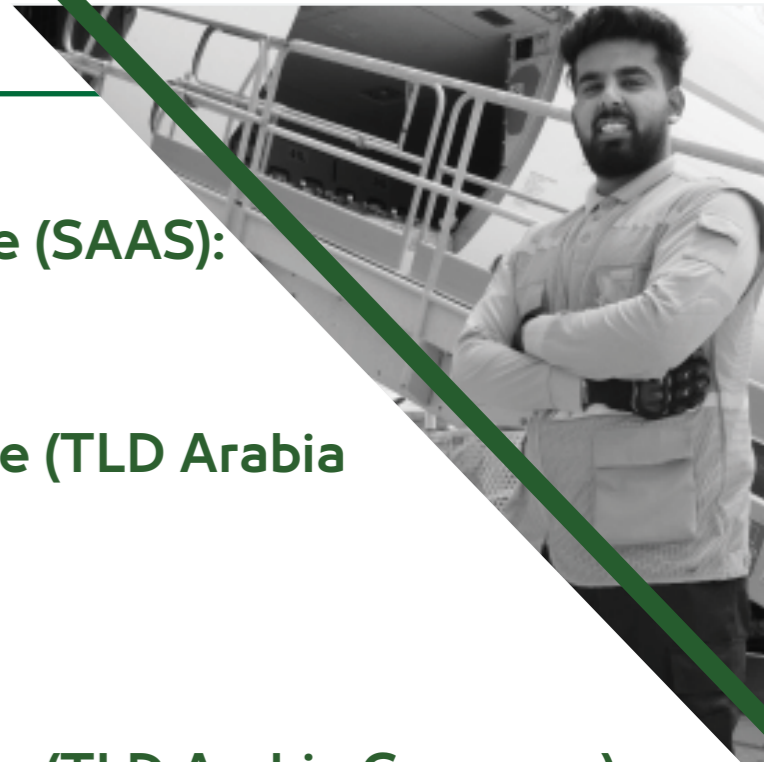
There are no shares or debt instruments for the Joint Venture.

## 28-2 Shares and debt instruments of the Joint Venture (TLD Arabia Company):

There are no shares or debt instruments for the Joint Venture.

## 28-2 Shares and debt instruments of the Joint Venture (TLD Arabia Company):

There are no shares or debt instruments for the Joint Venture.



## 29. Dividend Policy:

Based on what was stipulated in Article 49 of the Articles of Association of the Saudi Ground Services Company, as amended by the Extraordinary General Assembly, profits are distributed to shareholders according to the company's policy regarding the distribution of profits, according to the following:

### The annual net profits of the company shall be distributed as follows:

- (10%) of the net profits shall be set aside to form the company's statutory reserve. The Ordinary General Assembly may decide to stop this set aside when the said reserve reaches (30%) of the paid-up capital.
- The Ordinary General Assembly may, based on a proposal by the Board of Directors, set aside a certain percentage of the net profits to form a consensual reserve that is allocated for a specific purpose or purposes.
- The Ordinary General Assembly may decide to form other reserves to the extent that serves the interest of the company or ensures the distribution of fixed profits as much as possible to shareholders. The aforementioned assembly may also deduct from the net profits sums to establish social institutions for the company's employees or to assist the existing ones from these institutions.
- After that, the remainder shall be distributed among the shareholders at a rate of no less than (5%) of the company's paid-up capital.
- Subject to the provisions stipulated in Article (22) of these Articles of association, and Article (76) of the Companies Bylaw, after the aforementioned, a certain percentage of the remainder shall be allocated for the remuneration of the Board of Directors, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member.

### 29-1. Interim Dividend Policy:

- The Board shall obtain an authorization from the company's Ordinary General Assembly to distribute interim profits according to a decision that is renewed annually.
- That the company has good and regular profitability.
- That the company has reasonable liquidity and can reasonably predict the level of its profits.
- The company shall have distributable profits according to the latest audited financial statements, enough to cover the profits proposed to be distributed after deducting what has been distributed and capitalized from those profits after the date of these financial statements.
  - Dividend distribution shall be credited to the account of the accumulated retained earnings from previous years or the agreed reserves or both. The company shall take into account the sequence and regularity in the manner and percentages of distribution of profits according to the capabilities and liquidity available to the company. The Board of Directors shall disclose and announce the regular periodic dividend percentages to be distributed to the shareholders on time.

When a decision is made to distribute interim profits, the company shall immediately disclose and announce that and provide the Authority with a copy of the announcement immediately upon its issuance.

## 29-2 Dividend Payment Timing:

- The Board of Directors shall implement the decision of the General Assembly regarding the distribution of profits to the registered shareholders within (15) days from the date of maturity of these profits specified in the decision of the General Assembly in the decision of the Board of Directors to distribute interim dividends.
- The Executive Management shall implement the decision of the Board of Directors to distribute interim dividends to the registered shareholders within (15) days from the due date of these profits specified in the Board's decision.
- The Management of the Secretariat of the Board shall request the register of shareholders registered on the due date in accordance with the instructions of the Capital Market Authority.
- The Finance department shall undertake to implement the distribution of profits in accordance with the distribution dates announced in the decision of the Board and the Assembly.

During the year 2023G, no decision was issued by the Board of Directors to distribute any profits.

## 30.The Saudi Ground Services Company announcements for the year 2023G:

During the year 2023G, the company committed itself to disclosing all substantial and financial information in accordance with the provisions of the IPO rules and continuous disclosures, including the following announcements.

Announcement date	Announcement title
05/11/2023G	Saudi Ground Services Co. announces its Interim Financial Results for the Period Ending on 2023-09-30 (Nine Months)
31/10/2023G	Saudi Ground Services Company Announces the Appointment of a Board Member in the vacant position in the Board.
30/10/2023G	Saudi Ground Services Co. Announces Resignation of a Board Member
13/08/2023G	Saudi Ground Services Co. announces its Interim Financial Results for the Period Ending on 2023-06-30 (Six Months)
02/07/2023G	The Saudi Ground services company announces the signs of a contract with Bupa Arabia for Cooperative Insurance Company to provide medical insurance for the company employees and their families (related party)
20/06/2023G	Saudi Ground Services Company announces the results of the Ordinary General Assembly meeting (First Meeting)
21/05/2023G	Saudi Ground Services Company Invites its Shareholders to Attend the Ordinary General Assembly Meeting (First Meeting) by Using Modern Technology
18/05/2023G	Saudi Ground Services Co. announces its Interim Financial Results for the Period Ending on 2023-03-31 (Three Months)
26/03/2023G	Saudi Ground Services Co. announces its Annual Financial Results for the Period Ending on 2022-12-31.

### 31. Ownership of shares with voting entitlement:

The Board of Directors acknowledges that there is no interest in the category of shares with voting entitlement belonging to persons (other than members of the Board of Directors, senior executives, and their relatives) who informed the company of those rights under Article (45) of the registration and listing rules.

### 32. Share ownership of board members, senior executives, and their relatives:

The tables below show the contractual securities and subscription rights of the members of the Board of Directors and senior executives of the company and their relatives in the shares or debt instruments of the company or any of its Joint Ventures, and any change in that interest or these rights during the last fiscal year:

#### Ownership of board members and their relatives:

Name	Year beginning		Year end		Net change	change percentage
	Shares No.	debt instruments	Shares No.	debt instruments		
Eng. Khalid bin Qasim Al-Buainain	-	-	-	-	-	-
Dr. Omar bin Abdullah Jefri	1000	-	1000	-	-	0%
Mr. Mansour bin Abdulaziz Al-Busaily	1000	-	1000	-	-	0%
Mr. Nader bin MohammedSaleh Ashoor	100	-	100	-	-	0%
Capt. Fahd bin Hamza Cynndy	-	-	-	-	-	-
Mr. Said bin Abdul Latif Al-Hadrami	-	-	-	-	-	-
Mrs. Ghada Bint Ali Al-Jarbou	-	-	-	-	-	-
Mr. Con Korfiatis	-	-	-	-	-	-
Mr. Per Utnegaard	-	-	-	-	-	-
Wife of Mr. Mansour Al-Busaily	3990	-	3990	-	-	0%

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### 33. Ownership of senior executives and their relatives in shares or debt instruments of the company:

The Board acknowledges that none of the senior executives or their relatives own any shares or debt instruments of the company.

### 34. Ownership of the members of the Board of Directors and their relatives in the shares or debt instruments of the Joint Venture:

The Board of Directors acknowledges that there is no interest, contractual papers, and subscription rights belonging to the members of the Board of Directors and their relatives in the shares or debt instruments of the Joint Venture.

### 35. Ownership of Senior Executives and their Relatives in Joint Venture Shares or Debt Instruments:

The Board of Directors acknowledges that there is no interest, contractual papers, and subscription rights belonging to the senior executives and their relatives in the shares or debt instruments of the Joint Venture.

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### 36. Company Loans details:

Funding body	Funding amount (SR)	Withdrawal amount (SR)	The amount paid during the year	Loan as on 31 December 2022	The date of obtaining the facilities	Withdrawal date	Payment upon request	Term
Total - Commercial Banks	626,000	1,250 million	526 million	100 million	2020	2020/2021	--	3 years

### 37. Transferable debt instruments:

- The Board of Directors declares that the company has not issued or granted during the fiscal year any categories or transferable debt instruments, any contractual securities, subscription right memorandums or similar rights.
- The Board acknowledges that there are no transfer or subscription rights under transferable debt instruments, contractual securities, subscription right memorandums, or similar rights issued or granted by the company.

### 38. Refunding, purchasing, or canceling any refundable debt instruments:

The Board of Directors declares that there is no refund, purchase or cancellation by the Company or its Joint Ventures of any refundable debt instruments.

### 39. Shareholder records:

The company requested shareholder records through Tadawulaty website for the following purposes:

Company applications No.	1	2	3	4
Application date	07/02/2023	04/05/2023	25/07/2023	06/11/2023
Application reasons	Company procedures	Company procedures	Company procedures	Company procedures

# Contracts and works with related parties

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Related party	Type of relationship with the company	Type of contracts and business	Term	Transactions Amount (SAR)	Terms of business or contract	Member name
<b>Saudi Airlines Air Transport Company</b>	Owned to Saudi Arabian Airlines Corporation by 100%.	Services provided	Five years (three years with an option to renew for another two years)	1,003,430,184	The same terms and standards as with others without any preferences.	It is 100% owned by the Saudi Arabian Airline and it is a founding shareholder in the company by 52.5%. It is represented in the Board of Directors by Capt. Fahd Cynndy and Mr. Nasser Alqawas.
<b>Saudia Aerospace Engineering Industries Company (Saudia Technic)</b>	Owned to Saudi Arabian Airlines Corporation by 100%.	Services provided	One year agreement and annually renewed	33,946,750	Same terms and standards adopted with third parties without preferential terms.	It is 100% owned by the Saudi Arabian Airline and it is a founding shareholder in the company by 52.5%. It is represented in the Board of Directors by Capt. Fahd Cynndy and Mr. Nasser Alqawas.
<b>Catrion Catering Holding Company</b>	Owned to Saudi Arabian Airlines Corporation by 35.7%.	Services provided	One year, automatically and annually renewed	3,313,138	Same terms and standards adopted with third parties without preferential terms.	It is 35.7% owned by the Saudi Arabian Airline and it is a founding shareholder in the company by 52.5%. It is represented on the Board of Directors by Capt. Fahd Cynndy and Mr. Nasser Alqawas.

<b>Saudia Private Aviation</b>	Owned to Saudi Arabian Airlines Corporation by 100%.	Services provided	Three years	13,633,472	Same terms and standards adopted with third parties without preferential terms.	It is 100% owned by the Saudi Arabian Airline and it is a founding shareholder in the company by 52.5%. It is represented in the Board of Directors by Capt. Fahd Cynndy and Mr. Nasser Alqawas.
<b>Saudia Royal Fleet</b>	Owned to Saudi Arabian Airlines Corporation by 100%.	Services provided	One year, automatically and annually renewed	33,196,728	Same terms and standards adopted with third parties without preferential terms.	It is 100% owned by the Saudi Arabian Airline and it is a founding shareholder in the company by 52.5%. It is represented in the Board of Directors by Capt. Fahd Cynndy and Mr. Nasser Alqawas.
<b>Flyadeal</b>	Owned to Saudi Arabian Airlines Corporation by 100%.	Services provided	Three years	208,238,883	Same terms and standards adopted with third parties without preferential terms.	It is 100% owned by the Saudi Arabian Airline and it is a founding shareholder in the company by 52.5%. It is represented in the Board of Directors by Capt. Fahd Cynndy and Mr. Nasser Alqawas.
<b>Saudi Amad for Airport Services and Transport Support Company</b>	50% ownership of Saudi Ground Services	Services provided	Unfixed term transactions	8,037,823	Same terms and standards adopted with third parties without preferential terms.	A Joint Venture that Saudi Ground Services Company owns 50% of its capital
<b>TLD Arabia Equipment Services</b>	50% ownership of Saudi Ground Services	Services provided	Unfixed term transactions	529,886	Same terms and standards adopted with third parties without preferential terms.	A Joint Venture that Saudi Ground Services Company owns 50% of its capital

<b>SAL Saudi Logistics Services Company</b>	Owned to Saudi Arabian Airlines Corporation by 49%.	Services provided	Three years	14,453,029	Same terms and standards adopted with third parties without preferential terms.	It is 70% owned by the Saudi Arabian Airline and it is a founding shareholder in the company by 52.5%. It is represented in the Board of Directors by Capt. Fahd Cynndy and Mr. Nasser Alqawas.
<b>Jusoor Airport Services Company</b>	51% ownership of Saudi Ground Services	Invoices on behalf of related party	Unfixed term transactions	56,095,572	Same terms and standards adopted with third parties without preferential terms.	A Joint Venture that Saudi Ground Services Company owns 51% of its capital
<b>Jusoor Airport Services Company</b>	51% ownership of Saudi Ground Services	Expenses incurred on behalf of related party	Unfixed term transactions	24,544,045	Same terms and standards adopted with third parties without preferential terms.	A Joint Venture that Saudi Ground Services Company owns 51% of its capital
<b>Catrion Catering Holding Company</b>	Owned to Saudi Arabian Airlines Corporation by 35.7%.	Services received	Seven years, automatically and annually renewed	49,132,362	Same terms and standards adopted with third parties without preferential terms.	It is 35.7% owned by the Saudi Arabian Airline and it is a founding shareholder in the company by 52.5%. It is represented in the Board of Directors by Capt. Fahd Cynndy and Mr. Nasser Alqawas.
<b>Saudi Amad for Airport Services and Transport Support Company</b>	50% ownership of Saudi Ground Services	Car leases	Unfixed term transactions	10,208,100	Same terms and standards adopted with third parties without preferential terms.	A Joint Venture that Saudi Ground Services Company owns 50% of its capital

<b>Bupa Arabia for Cooperative Insurance</b>	Common Key Management Personnel	Insurance services	One year agreement	103,323,951	Same terms and standards adopted with third parties without preferential terms.	Common Key Management Personnel
<b>Saudi Amad for Airport Services and Transport Support Company</b>	50% ownership of Saudi Ground Services	Crew bus, deportees and Passenger buses	Unfixed term transactions	53,315,622	Same terms and standards adopted with third parties without preferential terms.	A Joint Venture that Saudi Ground Services Company owns 50% of its capital
<b>Saudi Amad for Airport Services and Transport Support Company</b>	50% ownership of Saudi Ground Services	Crew bus, deportees and Passenger buses	Unfixed term transactions	53,315,622	Same terms and standards adopted with third parties without preferential terms.	A Joint Venture that Saudi Ground Services Company owns 50% of its capital
<b>Saudi Airlines Cargo Company</b>	Owned to Saudi Arabian Airlines Corporation by 70%.	Services received	Unfixed term transactions	683,845	Same terms and standards adopted with third parties without preferential terms.	It is 70% owned by the Saudi Arabian Airline and it is a founding shareholder in the company by 52.5%. It is represented in the Board of Directors by Capt. Fahd Cynndy and Mr. Nasser Alqawas.
<b>TLD Arabia Equipment Services</b>	50% ownership of Saudi Ground Services	Equipment maintenance	As per contract	136,907,150	Same terms and standards adopted with third parties without preferential terms.	A Joint Venture that Saudi Ground Services Company owns 50% of its capital



### 41. Waiver Members or Executives:

No member of the Board of Directors or committees has been waived the special remuneration.

### 42. Shareholder Waiver:

The Board of Directors acknowledges that there are no arrangements or agreements under which a shareholder of the company has waived any rights to profits.

### 43. Investment programs for the company’s employees:

The Board of Directors acknowledges that there are no investments or reserves created for the benefit of the company’s employees.

### 44. Statutory payments:

The company is committed to paying the statutory payments owed by it to government agencies, including due zakat, tax, and amounts due to the General Organization for Social insurance in return for employee contributions. The following table shows the data of those payments:

Statement (amounts in riyals)	2023G		Brief description	Statement of reasons
	Paid	Due until the end of the annual financial period and not paid		
Zakat and tax*	21,875,462	-	Payments to the Zakat, Tax and Customs	Payments to the Zakat, Tax and Customs
The General Organization for Social Insurance	153,089,130	11,638,589	Employee Subscription	Employee Subscription
Visas and passports costs	5,443,092	-	For related Fees	For related Fees
Labor office fees	24,249,356	-	For related Fees	For related Fees
Ramp fees and others	4,677,513	-	For related Fees	For related Fees

## 45. Reservations on the financial statements:

The Board of Directors acknowledges that there are no reservations from the chartered accountant on the company's financial statements according to his report for the year 2023G. The Board of Directors shall provide the Capital Market Authority with any additional information it requests in case the auditor expresses any reservations about the annual financial statements.

## 46. Auditor replacement:

The Board of Directors acknowledges that it did not recommend replacing the chartered accountant before the end of the period for which it was appointed, as Ernst & Young (EY) was appointed to audit the company's annual and quarterly accounts for 2023G, and they were not replaced during the year.

## 47. Treasury shares:

The Board of Directors declares that there are no treasury shares held by the Company.

## 48. Other acknowledgments:

A. the Board of Directors acknowledges that the accounting records have been properly prepared.

B. the Board of Directors acknowledges that the internal control system has been prepared on sound foundations and implemented effectively.

C. the Board of Directors acknowledges that there is no doubt about the company's ability to continue its activities.

D. the Board of Directors acknowledges that acknowledges that there is no any competing business for the company or any other activities branches which any of the board member is doing or did where it includes the names of personnel assigned with the competing businesses and the nature of these businesses and its conditions.



## Conclusion:

In conclusion The Board of Directors would like to extend its sincere thanks and appreciation to our esteemed shareholders for their trust, to our valued partners for their support, and to the company's executive team for their efforts and dedication. We would also like to express our gratitude to all the employees of the company for their commitment and diligence in delivering the highest levels of performance and service. Together, we look forward to a new year filled with success and achievements in serving our beloved nation and our distinguished economic institution, the Saudi Ground Services Company, and we wish everyone continued success.

# واجبة وطن FACE OF A NATION



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