

## ● Corporate Governance Report for the year 2025 ●

### Corporate Governance Report 2025

As a company listed on the Bahrain Bourse, United Gulf Investment Corporation B.S.C. (hereinafter “UGIC” or “the Company”) reaffirms its unwavering commitment to the highest standards of transparency, accountability, and ethical conduct. In alignment with this commitment, the Company has fully adhered to the principles and provisions of the Corporate Governance Code (2018) throughout the financial year ended 2025. This compliance is central to our legal and regulatory obligations as stipulated in Volume 6 of the Central Bank of Bahrain (CBB) Rulebook and the MOIC’s Commercial Companies Law promulgated by Legislative Decree No. 21 of 2001.

#### 1. Governance Framework and Purpose

The Board of Directors and management of UGIC recognize that robust corporate governance is fundamental to sustainable value creation. Our governance framework is designed to establish a clear system of principles, responsibilities, and practices that ensure the Company is managed in a sound, transparent, and accountable manner. This framework not only protects the interests of our shareholders but also contributes to the efficiency and stability of the national economy. By embedding best practices in our corporate management, UGIC aims to mitigate adverse effects on the national economy, our stakeholders, and the local community, thereby reinforcing the foundations of a strong and competitive national economy.

#### 2. Application of the Code in 2025

During the year 2025, the Company diligently applied the directives of the Corporate Governance Code across all its operations. Key areas of focus and application included:

- **Board Composition and Meetings:** The Board continued to operate with a balanced composition, ensuring a mix of executive, non-executive, and independent directors. All meetings were convened and conducted in accordance with the prescribed quorum and procedural requirements, ensuring effective oversight and strategic guidance.
- **Internal Controls and Risk Management:** The Company maintained a robust internal control environment. The Board, through its relevant committees, reviewed the effectiveness of the internal

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control systems and risk management practices to safeguard shareholders' investments and Company assets.

- Transparency and Disclosure: UGIC maintained a policy of timely and accurate disclosure on all material matters, ensuring that all stakeholders have equal access to information regarding the Company's performance and governance practices.

### 3. Related Party Transactions and Balances

UGIC is committed to ensuring that all dealings with related parties are conducted with transparency and are free from conflicts of interest. The Company adheres to the following principles regarding related party transactions:

- Definition and Identification: Parties are considered related if one party has the ability to control the other or exercise significant influence over financial and operating decisions. This includes shareholders with significant influence, key management personnel, their close family members, and companies over which these parties exert significant influence.
- Approval and Review: All transactions with related parties are conducted on an arm's length basis, representing normal commercial terms and conditions. Such transactions are reviewed and authorized by the appropriate level of management and, where material, by the Board or its Audit Committee, in compliance with regulatory requirements.

#### **Disclosure and Balances:**

- Transactions: All material transactions with related parties during 2025 were conducted at fair market value and in the ordinary course of business.
- Loans and Advances: In strict compliance with corporate governance principles, there were no loans, guarantees, or advances due from any of the Directors or key management personnel of the Group as of the reporting date. This confirms the Company's commitment to maintaining clear boundaries between personal interests and corporate assets.

In addition to the governance framework governing related parties, the following specific transactions and balances with related parties occurred during the year. In accordance with International Financial Reporting Standards (IFRS) and CBB disclosure requirements, the Company provides the following details regarding dealings with Key Management Personnel (KMP) and associates.

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### a) Key Management Personnel (KMP) Compensation

Key Management Personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Group, including the Board of Directors and the Chief Executive Officer. The compensation paid to these individuals during the years ended 31 December 2025 and 2024 is detailed below:

Description	Year ended 31 December 2025 (BD)	Year ended 31 December 2024 (BD)
<b>Directors' Sitting Fees</b>	<b>13,000</b>	<b>13,000</b>
Remuneration to Key Management Personnel	<b>341,450</b>	<b>296,948</b>
<b>Total KMP Compensation</b>	<b>354,450</b>	<b>309,948</b>

Note: The figures for the year ended 31 December 2025 include provisions taken which are subject to final Board approval, in line with the Company's governance protocols.

### b) Transactions with Associates

The Company engages in transactions with its associates in the normal course of business. A summary of the significant financial impact of these relationships is as follows:

Description	Year ended 31 December 2025 (BD)	Year ended 31 December 2024 (BD)
Share of profit/(loss) from associate for the year	<b>25,625</b>	<b>127,951</b>

**\*Note:** The share of profit for the year 2025 reflects the Group's equity-accounted interest in the associate's performance. (Specific figures to be inserted based on final audit sign-off).

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### c) Confirmation of Balances

The Company confirms that, aside from the transactions disclosed above, there are no loans, guarantees, or outstanding balances due from Directors or Key Management Personnel as at 31 December 2025. All transactions have been conducted on an arm's length basis and approved in accordance with the Company's internal control procedures.

## 4. Company's Board, Directors, and Management

The Board of Directors (the "Board") is the cornerstone of the corporate governance framework at United Gulf Investment Corporation B.S.C. The Board is ultimately accountable to the shareholders for the proper stewardship of the Company's assets and the preservation and enhancement of shareholder value.

### A. Board Procedure and Responsibilities

The Board carries out its role and responsibilities through a structured schedule of matters reserved for its decision. The key responsibilities of the Board include, but are not limited to:

**Strategic Oversight:** Monitoring the overall business performance against strategic objectives and ensuring the long-term success of the Company.

**Management Oversight:** Monitoring the performance of management, overseeing the succession plan for senior management, and ensuring leadership continuity.

**Integrity of Reporting:** Ensuring the accurate and timely preparation of the annual and quarterly consolidated financial statements, providing a true and fair view of the Company's position.

**Shareholder Relations:** Convening and preparing for the Shareholders' General Meetings, recommending dividend distributions to shareholders, and ensuring their execution.

**Ethical Conduct:** Adopting, implementing, and monitoring compliance with the Group's Code of Conduct to foster a culture of integrity.

**Corporate Responsibility:** Reviewing the Group's objectives and policies relating to social responsibilities and sustainability.

**Conflict Management:** Monitoring conflicts of interest and establishing controls to prevent abusive related-party transactions.

**Appointments:** Selecting, interviewing, and appointing the Chief Executive Officer and other selected members of senior management.

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In discharging these duties, the Directors remain individually and collectively responsible for performing all of the Board's responsibilities, acting in good faith and in the best interests of the Company.

### **B. Material Transactions Requiring Board Approval**

To ensure prudent management and control, the Board has established clear thresholds for matters requiring its direct review, evaluation, and approval. These material transactions include:

The Company's overall strategy and long-term objectives.

The annual budget and business plan.

Major resource allocations, including significant capital investments and divestitures.

Approval of management responsibilities, training and development programs, and the succession plan for senior management.

### **C. Election System and Termination Process for Directors**

The Company adheres to a transparent and regulated process for the appointment and termination of Board members, in full compliance with the Commercial Companies Law.

**Election and Term:** Elections for the Board of Directors are conducted every three years at the Ordinary General Meeting of the shareholders. Directors may stand for re-election upon the expiration of their term. The most recent election of Board members was held on 26 March 2025.

**Termination of Mandate:** The mandate of a Board member may be concluded under the following circumstances:

**Dismissal:** By a resolution passed at a shareholders' meeting, in accordance with the procedures stipulated in the Commercial Companies Law.

**Resignation:** By the member's voluntary written resignation submitted to the Board.

**Expiration:** Upon the completion of the three-year election term.

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### 4. Company's Board, Directors, and Management (....continued)

#### Board Composition as at 31 December 2025

As of 31 December 2025, the Board of Directors of United Gulf Investment Corporation B.S.C. comprises five members, following the election held on 25 March 2025 for a three-year term. The Board is committed to maintaining an appropriate balance of skills, experience, and independence to ensure effective leadership and oversight.

#### 1. Current Board Members

The following table provides detailed information on the current members of the Board, including their profession, classification, and date of initial appointment to the Board:

Name of Board Member	Profession	Business Title	Classification	Start Date
Mr. Rashed Abdullah Al Suwaiket Al Hajri	Businessman	Chairman	Non-executive / Non-independent	2013
Mr. Abdullah Mubarak Al Suwaiket	Businessman	Vice-Chairman	Non-executive / Independent	2013
Mr. Abdullah Fahad Al Subaie	Businessman	Director	Non-executive / Independent	2013
Mr. Rabia Azzouz	Employee	Director	Non-executive / Independent	2025
Mr. Talal Fakhroo	Businessman	Director	Non-executive / Independent	2025

Note: Mr. Rabia Azzouz and Mr. Talal Fakhroo were elected to the Board during the Ordinary General Meeting held on 25 March 2025.

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### 2. Changes in Board Composition During the Year

The Company acknowledges the contributions of the outgoing Board members who served during part of the year 2025. Their tenure ended following the election on 25 March 2025.

Name of Board Member	Former Position	Classification	Tenure
Mr. Qusay Al Khalili	Chief Executive Officer / Director	Executive / Non-independent	Until March 2025
Mr. Waleed Fahad Al Tharman	Director	Non-executive / Independent	Until March 2025

### 3. Board Diversity

As at 31 December 2025, the Board's composition by gender is as follows:

- Male Representation: 100% (5 members)
- Female Representation: 0% (0 members)

The Company continues to recognize the importance of diversity in the boardroom and will consider gender diversity as part of its broader nomination and succession planning process in future elections.

### 4. Directors' Sitting Fees and Key Personnel Remuneration

In line with the transparency requirements of the Corporate Governance Code, the Company discloses the remuneration paid to its directors and key executive officers for the financial year ended 31 December 2025.

- **Directors' Sitting Fees:** Total sitting fees paid to the Directors for attendance at Board and Committee meetings during the year 2025 amounted to BHD 13,000.
- **Key Executive Officers' Remuneration:** Total remuneration and provisions allocated to the key executive officers (comprising the top six employees by remuneration level) for the year 2025 amounted to BD 341,450 . This amount reflects the compensation for individuals having authority and responsibility for planning, directing, and controlling the activities of the Group.

*(Refer to Note 32 for comparative figures and detailed notes on Key Management Personnel Compensation.)*

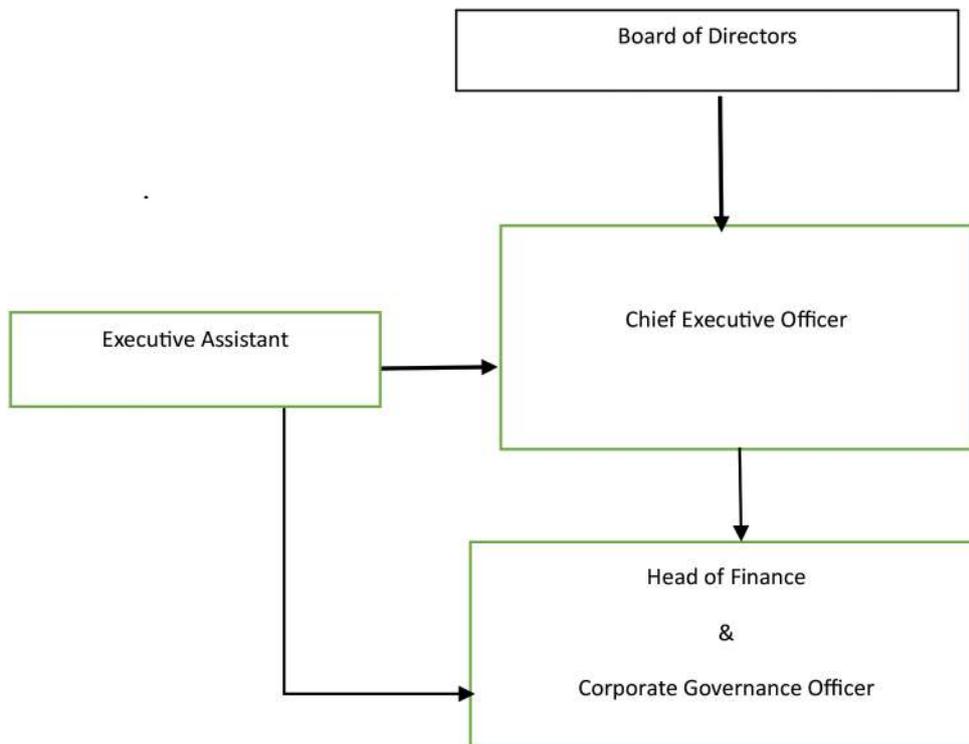
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### 5. Company's Organizational Structure and Board Committees

The governance framework of United Gulf Investment Corporation B.S.C. is supported by a clearly defined organizational structure and a robust committee system. These elements ensure effective delegation of authority, clear lines of responsibility, and rigorous oversight of the Company's operations.

#### 1. Organizational Structure

##### Company's Organizational Structure.



The Company maintains a streamlined organizational structure designed to support its strategic objectives and ensure operational efficiency. The structure clearly defines reporting lines, segregates duties to maintain strong internal controls, and facilitates effective communication between the Board, management, and staff.

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(A detailed organizational chart is maintained by the Company and is available for review upon request. The chart outlines the hierarchy from the Board of Directors down through the Chief Executive Officer to the various operational and support departments.)

### **2. Board Meetings Held in 2025**

During the financial year ended 31 December 2025, the Board of Directors held four meetings. All meetings were conducted via virtual means, ensuring full participation and continuity of oversight. The meetings were attended by all members of the Board, achieving a 100% attendance rate.

The Board met on the following dates:

- **27 February 2025**
- **14 May 2025**
- **13 August 2025**
- **13 November 2025**

At these meetings, the Board reviewed the Company's financial performance, discussed strategic initiatives, approved the interim financial statements, and discharged all other responsibilities as outlined in Section 6.1.

### **6. Board Committees**

To enhance efficiency and allow for in-depth deliberation on specialized matters, the Board has established several committees. Each committee operates under a defined term of reference, and their compositions and activities for the year 2025 are detailed below.

#### **1. Audit Committee**

Committee Members:

- I.** Mr. Rabia Azzouz – Chairman
- II.** Mr. Abdulla Fahad Al-Subaie – Member
- III.** Mr. Abdulla Mubarak Al Suwaiket – Member

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### **Duties and Responsibilities:**

The Audit Committee is established by the Board to oversee the integrity of the Company's financial reporting and the quality and reliability of financial information submitted to the Board. Its primary functions include reinforcing the internal and external audit processes, assisting the Board in fulfilling its oversight responsibilities, and ensuring that adequate internal controls are in place to mitigate existing or potential risks. The Committee serves as a direct channel of communication between the Board, management, internal auditors, and external auditors.

### **Activities in 2025:**

During the financial year 2025, the Audit Committee held four meetings to discharge its duties effectively.

## **2. Nomination and Remuneration Committee (NRC)**

Committee Members:

- I. Mr. Abdulla Mubarak Al Suwaiket – Chairman
- II. Mr. Rabia Azzouz – Member
- III. Mr. Talal Fakhroo – Member

### **Duties and Responsibilities:**

The Nomination and Remuneration Committee is responsible for reviewing the Company's policies relating to the remuneration of Directors and Senior Executives. The Committee makes recommendations to the Board on remuneration policies, ensuring they are aligned with the rules and provisions of the Commercial Companies Law concerning the payment of remunerations and other benefits. All such policies are ultimately subject to shareholder approval.

### **Activities in 2025:**

During the financial year 2025, the Nomination and Remuneration Committee held two meetings.

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### 3. Corporate Governance Committee (CGC)

Committee Members:

- I. Mr. Talal Fakhroo – Chairman
- II. Mr. Abdulla Fahad Al-Subaie – Member
- III. Mr. Rabia Azzouz – Member

#### **Duties and Responsibilities:**

This committee is responsible for developing and recommending changes required to the Company's Corporate Governance policy from time to time. It also monitors the implementation of the Corporate Governance framework in coordination with Executive Management and the Audit Committee, ensuring the Company remains compliant with evolving regulatory requirements and best practices.

#### **Activities in 2025:**

During the financial year 2025, the Corporate Governance Committee held one meeting.

### 7. External Auditors

In line with Principle 10 of the Corporate Governance Code, the Company ensures the integrity of its financial statements through the appointment of qualified and independent external auditors.

#### **1. Auditor Profile and Performance**

United Gulf Investment Corporation B.S.C. has appointed BDO, a leading international audit firm, as its external auditor. For the financial year ended 31 December 2025, BDO completed the audit of the consolidated financial statements and issued an unqualified (clean) opinion on the Group's financial position and performance.

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### 2. Auditor Tenure and Fees

Transparency regarding auditor engagement is a key component of the Company's governance practices.

Description	Details
<b>Name of the Audit Firm</b>	BDO
<b>Years of Service as the Company's External Auditor</b>	15 years
<b>Name of the Partner in Charge of the Company's Audit</b>	Samson George
<b>Partner's Years of Service as the Partner in Charge</b>	2 years
<b>Total Audit Fees for the Financial Statements 2025 (BHD)</b>	BD 9,400
<b>Other Fees for Non-Audit Services (2025)</b>	BD 9,550
<i>Description of Non-Audit Services</i>	<i>Quarterly reviews and Agreed-Upon Procedures (AUP) reports.</i>

The following table summarizes the auditor's tenure and the fees incurred during the year 2025:

### 8. Corporate Governance Officer

The Company has appointed a dedicated Corporate Governance Officer to oversee the implementation and monitoring of the governance framework.

- Name: Mr. Vinod Ramakrishnan
- Title: Head of Finance / Corporate Governance Officer
- Appointment Date: 2006
- Profile: Mr. Ramakrishnan brings over 20 years of experience within the Company. He is responsible for all compliance matters and has been instrumental in implementing an effective Corporate Governance framework in line with regulatory guidelines issued from time to time. He can be reached via the Company's registered landline.

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### 9. Regulatory Compliance and Penalties

The Company is committed to full compliance with all applicable laws and regulations issued by the Central Bank of Bahrain, the Bahrain Bourse, and other regulatory authorities.

- Penalties: During the financial year ended 31 December 2025, the Company paid BD Nil in penalties to any regulatory authority.

### 10. Social Contributions (Zakat and Corporate Citizenship)

In alignment with Principle 11 of the Corporate Governance Code, the Company seeks to exercise its role as a good corporate citizen. A significant component of the Group's social contribution is the statutory Zakat paid by its subsidiary in the Kingdom of Saudi Arabia.

- Annual Zakat Contribution: UGIC's subsidiary in KSA pays Zakat annually as required by law, amounting to approximately SAR 7.4 million, which is ultimately directed towards charitable purposes in the Kingdom.
- Outstanding Provisions: Out of the additional provisions taken for the years 2015-2018, amounting to approximately SAR 7.4 million, an amount of SAR 4,527,799 was paid up to 31 December 2025. The remaining balance is scheduled for payment by the end of 2026.

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### 11. Shareholder Information

#### 1. Detailed Statement of Shareholders' Equity

As at 31 December 2025, the Company's share capital is distributed among individual and corporate investors from Bahrain and other Arab nations, as detailed below:

#	Shareholder classification	Shareholding %			
		Individuals	Corporate	Government or Organizations	Total
1	Bahraini	10.776%	3.484%	0.020%	14.280%
2	Non Bahraini	74.770%	10.950%		85.720%
3	Total	77.508%	22.472%	0.020%	100.00%

#### 2. Shareholders Holding 5% or More of Share Capital

In accordance with disclosure requirements, the following shareholders held 5% or more of the Company's issued share capital as at 31 December 2025:

Name	Number of Shares Held	Shareholding %	Name of the Natural Person / Final Beneficiary
Rashed Abdullah Al Suwaiket Al Hajri	58,418,336	29.21%	Rashed Abdullah Al Suwaiket Al Hajri
Meshal Salem Hazza Al Subaie	10,190,193	5.095%	Meshal Salem Hazza Al Subaie

#### 3. Distribution of Shareholders by Size of Holding

The following table illustrates the distribution of shareholders based on the number of shares held as at 31 December 2025:

#	Shareholding (Shares)	No. of Shareholders	Number of Shares Held	Shareholding %
1	< 50,000	916	8,529,381	4.265%
2	50,000 to < 500,000	222	32,174,581	16.087%
3	500,000 to < 5,000,000	61	90,687,509	45.344%
4	> 5,000,000	2	68,608,529	34.304%
	<b>Total</b>	<b>1,201</b>	<b>200,000,000</b>	<b>100.00%</b>

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### 12. Compliance with Corporate Governance Code Provisions

The Company confirms its overall commitment to the Corporate Governance Code 2018. The following table details the level of compliance with each principle as at 31 December 2025:

Principle	Non-Compliant	Partially Compliant	Fully Compliant	Explanation in Case of Non-Compliance or Partial Compliance
Principle 1: The Company shall be headed by an effective, qualified and expert board.		YES *		Explanation provided below
Principle 2: The directors and executive management shall have full loyalty to the company.			YES	
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.			YES	
Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors.			YES	
Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.			YES	
Principle 6: The Board shall establish a clear and efficient management structure and define job titles, powers, roles and responsibilities.			YES	
Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.			YES	
Principle 8: The Company shall disclose its corporate governance.			YES	
Principle 9: Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a.				Not Applicable
Principle 10: The Board shall ensure integrity of financial statements through appointment of external auditors.			YES	
Principle 11: The Company shall seek through social responsibility to exercise its role as a good citizen.		YES **		Explanation provided below

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\* The Chairman is not independent as he is the major shareholder of the Company. This dependency was declared, and his appointment was approved by the General Assembly; shareholders are aware of this fact.

\*\* The Board is currently evaluating alternative options available to fulfill its corporate social responsibility in a structured manner.

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The Board of Directors will take all necessary steps to address the areas of partial compliance and adhere to all regulations as mentioned in the Corporate Governance Code 2018, aiming for full compliance in the coming financial year 2026.

### **13. Summary of Board Charter Report (BCR) & Disaster Recovery Plan (DRP)**

This report is designed to brief the Board about the roles and responsibilities they have, and about the committees they are in and includes a disaster recovery plan for the company. It is reviewed annually by board members.

UGIC maintains hardcopy records as well as soft copy records of all transactions and contacts. No specific software is required. UGIC has developed its server to maintain backup of all communication and has obtained a permanent IP address for security reasons.

UGIC subsidiary "SABAYEK" has enhanced insurance policy since consolidation to 75.68% to include mechanical, electrical, property, plant and discontinuity of business. SABAYEK continues to evaluate risks and put contingency plans. Mostly operational risks do exist as well as others such as an increase in electricity tariff and possible negotiation from major clients on pricing or losing major clients, which can be mitigated by negotiation of long-time contacts.

We have also established a committee for maintaining documentation of diagrams manuals for each equipment. The company has also integrated internal control and internal audit across its operations to ensure transparency in day-to-day operations.

SABAYEK has started also long-term strategy of buying gradually critical assets namely transformers, where it has currently 2 pairs only, from a total of 12 transformers, each is around 1 million USD. This is necessary as these are not off shelf items and takes 9 months to deliver from ITALY.

SABAYEK has enhanced its governance through having three board members who are Management executives in SABAYEK itself. ISO is also enhanced and reviewed annually in SABAYEK. We have also passed SEEC audit which is an amazing achievement, this is an audit over our operations, and internal procedures and processes inside SABAYEK, as well as efficiency.

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### **14. Anti-money laundering. (AML)**

The company's principal line of business is investing in Industrial Projects in the Gulf region. The Company has not come across any suspicious transactions that could be related to money laundering or terrorism financing. Further, the Board is fully aware of the Anti-Money Laundering Policies in accordance with the CBB.

### **15. Risk management strategies and Policies.**

Risk management is essentially about identifying, monitoring, and controlling all material risk that the organization may be subjected to. The main types of risks faced by the company are securities and stock markets and operational issues within its subsidiaries.

For current Assets, most important risks include: a possible increase electricity tariff over Sabayek on the long run, and market crash in commodity, these risks could be mitigated by negotiating long term contracts with Saudi Electricity, obtaining cheaper raw material, seeking local Saudi Manganese ore, adding new product lines, and implementing cost cutting techniques, Achieving higher efficiency rates in production and recovery. The Company identifies, assesses, monitors, controls and manages the various risks on an on-going basis. Sabayek has added new efficiency projects that will help reduce risk and increase productivity and overall efficiency of about 15%. Also is working on new projects for diversification which will reduce risk concentration of production. Also, it is filing an antidumping case against Indian origin material in an attempt to limit imports that are coming to Saudi market due to global challenges. In 2021 UGIC management has successfully managed to increase the customs from 5% to 12% on imports of finished goods which will help to avoid or reduce dumping and going into huge losses, these duties are still valid till date.

We have already obtained the reduced electric tariff (secured for 2025). We have also renewed the manganese ore contract for a period of 2 years (the main raw material 60% of it). We are also doing preventive maintenance for the furnaces to ensure operations.

We have also started an internal Audit committee that is responsible of SEEC (Saudi Energy Efficiency Center) and ISO audits in Sabayek as well as a head of operational excellence to develop and enhance corporate governance and best practices in SABAYEK. We have also implemented the new ERP system (SAP 4 Hana) to enhance operational governance, best practices, including automated processes and approvals. It is also linked to ZAKAT authority.

We have started a plan of developing second line managers, as some critical personnel are retiring from their jobs such as CFO of SABAYEK.

Synthomer also has invested this year heavily in maintenance and buying critical assets for continuity of the company and therefore did not distribute any dividends this year for risk hedging.

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For new Assets, we have passed trial productions for low carbon ferromanganese, to diversify the product line and reduce risk over market demand on the old products.

The investment risk is clearly highlighted in any investment approval request forwarded to the executive board committee and implementation of the project is subject to their approval. The BOD continuously monitors the investment portfolio and the risks involved and take proactive measures to mitigate the risks.



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Rashid Abdullah Al-Suwaiket Al-Hajri  
Chairman - Board of Directors

