

Board of Directors Charter of Banan Real Estate Company

Before & After

Before	After
<p>Article (23): Expiry of the Board Term or Resignation of its Members:</p> <ol style="list-style-type: none"> 1. The membership of the Board shall expire upon the expiry of its term or upon the termination of a member's eligibility in accordance with any applicable laws or regulations in the Kingdom. The General Assembly may, upon a recommendation of the Board, terminate the membership of a member who is absent from (three) consecutive meetings or (5) separate meetings during his/her membership without a legitimate excuse acceptable to the Board. 2. Notwithstanding the foregoing, the Ordinary General Assembly may remove all or some of the Board members. In such case, the Ordinary General Assembly shall elect a new Board of Directors or appoint a replacement for the removed member, as applicable, in accordance with the Companies Law. 3. A Board member may resign from the Board by submitting a written notice to the Chairman. If the Chairman resigns, the notice shall be submitted to the remaining Board members and the Secretary. In both cases, the resignation shall take effect from the date specified in the notice. 4. Upon a recommendation of the Board, the membership of any member who is absent from three consecutive Board meetings without an excuse acceptable to the Board may be terminated. 5. Upon expiry of the membership term, a new Board shall be formed, and its members shall be elected by the General Assembly following the same procedures. 	<p>Article (23): Expiry of the Board Term or Resignation of its Members:</p> <ol style="list-style-type: none"> 1. The membership of the Board shall expire upon the expiry of its term or upon the termination of a member's eligibility in accordance with any applicable laws or regulations in the Kingdom. The General Assembly may, upon a recommendation of the Board, terminate the membership of a member who is absent from (three) consecutive meetings or (5) separate meetings during his/her membership without a legitimate excuse acceptable to the Board. 2. Notwithstanding the foregoing, the Ordinary General Assembly may remove all or some of the Board members. In such case, the Ordinary General Assembly shall elect a new Board of Directors or appoint a replacement for the removed member, as applicable, in accordance with the Companies Law. 3. A Board member may resign from the Board by submitting a written notice to the Chairman. If the Chairman resigns, the notice shall be submitted to the remaining Board members and the Secretary. In both cases, the resignation shall take effect from the date specified in the notice. 4. Upon a recommendation of the Board, the membership of any member who is absent from three consecutive Board meetings without an excuse acceptable to the Board may be terminated. 5. Upon expiry of the membership term, a new Board shall be formed, and its members shall be elected by the

General Assembly following the same procedures.

6. Any request submitted by one or more shareholders to remove Board members by the Ordinary General Assembly shall be subject to the following controls:

(a) The request must be submitted by one or more shareholders representing (10%) of the Company's voting shares to remove all or some of the Board members in accordance with Articles (90) and (96) of the Companies Law.

(b) For a request to remove all Board members, at least six months must have elapsed since the commencement of the Board's term.

(c) For the removal of one or more Board members, the requesting party must demonstrate that the member is unable to perform his/her duties as prescribed by law, including, without limitation, absence from three consecutive Board meetings or five separate meetings during the term, conviction of a crime involving dishonesty, or the issuance of a decision by a competent authority in accordance with applicable regulations affecting the member's ability to perform his/her duties.

(d) Upon receiving the request referred to in paragraph (c) of this Article, the Board shall:

- (1) Notify the concerned member of the removal request immediately upon receipt.
- (2) Announce the removal request after verifying that it meets the requirements set out in this Article, provided that such announcement is included in the notice of the General Assembly meeting, and that the notice includes the name of the requesting party and the reasons for the request. The concerned member shall have the right to submit a written statement to be made

available to shareholders upon publication of the notice and to present his/her statement at the relevant General Assembly meeting.

(e) If the General Assembly's approval of the removal request results in a breach of the quorum requirements for the validity of Board meetings due to the number of members falling below the minimum required under the Companies Law or the Company's bylaws, the resolution shall stipulate that the removal shall not be effective until the General Assembly approves the election of a new Board or the appointment of a replacement for the removed member. The Board shall take the necessary actions to convene the General Assembly to elect a new Board or appoint a replacement within a period not exceeding (75) days from the date of the General Assembly's approval of the removal request.

(f) No person shall be re-nominated for membership of the Board of a company if such person was previously removed from its Board, or resigned after receiving a removal request and prior to the General Assembly convened to vote on such request, until the end of the term during which such removal or resignation occurred.

(g) A Board member shall notify the Board immediately and without delay upon the issuance of any final judicial ruling convicting him/her of a crime involving dishonesty, or upon the issuance of a decision by a competent authority in accordance with applicable regulations affecting his/her ability to perform his/her duties.

(h) The Board shall, upon becoming aware of a final judicial ruling convicting any of its members of a crime involving dishonesty, or upon becoming aware of a decision issued by a competent authority in accordance with applicable regulations affecting a member's ability to perform his/her duties, recommend

to the Ordinary General Assembly the removal of such member.

(i) If a Board member resigns and has any remarks regarding the Company's performance, he/she shall submit a written statement thereof to the Chairman, and such statement shall be presented to the Board members.

(j) If it is not possible to elect a new Board for a new term and the current Board's term has expired, its members shall continue to perform their duties until a new Board is elected, provided that such continuation shall not exceed (90) days from the date of expiry of the Board's term. The Board shall take the necessary actions to elect a new Board before the expiry of such period.

(k) If the Chairman and all Board members resign, they shall call for the Ordinary General Assembly to convene to elect a new Board. The resignation shall not take effect until the new Board is elected, provided that the continuation period of the resigning Board shall not exceed (120) days from the date of such resignation. The Board shall take the necessary actions to elect a new Board before the expiry of such period.



Board of Directors Charter of Banan Real Estate Company

The Regulations after Amendment

Article 1: Purpose

In line with Article (34-C) of the Corporate Governance Regulations, the Board of Directors shall establish an internal policy setting out the procedures governing its work. This policy aims to encourage Board members to perform their duties effectively in compliance with their obligations toward the Company. It also aims to regulate the work of the Board of Directors by defining how it exercises its roles and responsibilities, specifying the functions and duties of its members, and establishing the mechanisms of operation in accordance with the Companies Law and the rules and regulatory procedures issued by the Capital Market Authority.

Article 2: Responsibility of the Board

- a) The Board represents all shareholders; it shall perform its duties of care and loyalty in managing the Company's affairs and undertake all actions in the general interest of the Company and develop it and maximize its value.
- b) The Board is responsible for the Company's business even if it delegates some of its powers to committees, individuals or other third parties. In any case, the Board may not issue a general or an open-ended delegation.

Article 3: Main Functions of the Board

Without prejudice to the competencies of the General Assembly as per the Companies Law and its implementing regulations and the Company's bylaws, the Board shall have the broadest powers in managing the Company and guiding its activities to achieve its objectives. Among the main functions and competencies of the Board are the following:

1. laying down the plans, policies, strategies and main objectives of the Company, supervising their implementation and reviewing them periodically, and ensuring that the human and financial resources required to fulfill them are available, including:
 - a. setting a comprehensive strategy for the Company, key business plans and policies and mechanisms of the risk management and review and guide them
 - b. determining the most appropriate capital structure for the Company, its strategies and financial objectives, and approving all kinds of estimated budgets;
 - c. overseeing the main capital expenditures of the Company and the acquisition or disposal of assets;
 - d. setting performance indicators, and monitoring the implementation thereof and the overall performance of the Company;
 - e. reviewing and approving the organisational and human resources structures of the Company on a periodic basis; and
 - f. ensuring that the financial and human resources required for achieving the objectives and main plans of the Company are available.
2. setting rules and procedures for internal control and generally overseeing them, including:
 - a. developing a written policy to remedy actual and potential conflicts of interest scenarios for each of the Board members, the Executive Management, and the shareholders. This includes

- misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties;
- b. ensuring the integrity of the financial and accounting rules, including rules relating to the preparation of financial reports;
 - c. ensuring the implementation of appropriate control procedures for risk assessment and management by generally forecasting the risks that the Company may encounter and creating an environment which is aware of the culture of risk management at the Company level and disclosing such risks transparently to the Stakeholders and parties related to the Company; and
 - d. reviewing the effectiveness of the Company's internal control procedures on an annual basis.
3. setting forth specific and explicit policies, standards and procedures for membership in the Board, without prejudice to the mandatory provisions of these Regulations, and implementing them following approval by the General Assembly;
 4. developing a written policy that regulates the relationship with Stakeholders pursuant to the provisions of these Regulations;
 5. setting policies and procedures to ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material information to shareholders and Stakeholders, and ensuring the compliance of the Executive Management with these policies and procedures;
 6. supervising the management of the Company's finances, its cash flows as well as its financial and credit relationships with third parties;
 7. providing recommendations to the Extraordinary General Assembly as to what it deems appropriate regarding the following:
 - a. increasing or decreasing the share capital of the Company; and
 - b. dissolving the Company before the end of its term as specified in its bylaws or deciding the continuity of the Company.
 8. providing recommendation to the Ordinary General Assembly as to what it deems appropriate regarding:
 - a. use of the company's reserves, if they are not allocated for a specific purpose in the Company's bylaws;
 - b. forming additional financial allocations or reserves for the Company; and
 - c. the method of distributing the net profits of the Company.
 9. preparing the Company's interim and annual financial statements and approving them before publishing them;
 10. preparing the Board report and approving it before publishing it.
 11. ensuring the accuracy and integrity of the data and information which must be disclosed pursuant to the applicable policies and systems in respect of disclosure and transparency;
 12. developing effective communication channels allowing shareholders to continuously and periodically review the various aspects of the Company's businesses as well as any material developments;

13. forming specialized committees of the Board pursuant to resolutions that shall specify the term, powers and responsibilities of such committees as well as the manner used by the Board to monitor such committees. Such resolutions shall also specify the names of the members and their duties, rights and obligations and shall evaluate the performance and activities of these committees and their members;
14. specifying the types of remunerations granted to the Company's employees, such as fixed remunerations, remunerations linked to performance and remunerations in the form of shares without prejudice to the Implementing Regulation of the Companies Law for Listed Joint Stock Companies;
15. notifying the Ordinary General Assembly when convened of the businesses and contracts in which any Board member has a direct or indirect interest; the notification shall include the information provided by the member of the Board as per paragraph (14) of Article (28) of these Regulations, and shall be accompanied by a special report of the Company's external auditor.
16. setting the values and standards that govern the work at the Company.

Article 4: Distribution of Competencies and Duties

The organizational structure of the Company shall specify the competencies and distribute the duties between the Board and the Executive Management in accordance with the best practices in Corporate Governance, and to improve the efficiency of the Company's decision making and to achieve a balance of powers and authorities across the Board and the Executive Management, and to achieve this, the Board shall:

1. approve and develop internal policies in respect of the Company's business, including specifying the duties, competencies and responsibilities assigned to the various organisational levels;
2. approving a written and detailed policy that identifies the powers delegated to the Executive Management, a matrix stating these powers, means of implementation and the period of delegation\ The Board may request the Executive Management to submit periodic reports in respect of its exercise of such delegated powers; and
3. identifying the matters on which the Board reserves the power to decide.

Article 5: Separation of Positions

- a) without prejudice to the provisions of the Company's bylaws, The Board appoints, from its members, a chairman and a vice chairman, and may appoint from its members a managing director or a chief executive officer.
- b) it is prohibited to hold, at the same time, the position of chairman of the Board and any other executive position in the Company, including the positions of the managing director, the Chief Executive Officer, or the general manager, even if the Company's bylaws provided for otherwise.

- c) the Board shall define the competencies and specify the responsibilities of the chairman, the vice chairman, and the managing director or the chief executive officer explicitly and in writing if the Company's bylaws has no reference thereto.
- d) in all cases, no person shall have the sole and absolute power to take decisions in the Company.

Article 6: Oversight over the Executive Management

The Board shall form the Executive Management of the Company, regulate its operating procedures, monitor and oversee it and ensure that it performs the duties assigned to it, and to achieve this, the Board shall:

1. develop the necessary administrative and financial policies;
2. ensure that the Executive Management operates in accordance with the policies approved by the Board.;
3. select and appoint the Chief Executive Officer of the Company, and oversee his/her work;
4. appoint the manager of the internal audit unit or department, or the internal auditor and dismiss him and determine his remuneration;
5. convene periodic meetings with the Executive Management to explore the work progress and any obstacles and problems in connection therewith, and review and discuss the important information in respect of the Company's business;
6. develop standards for the performance of the Executive Management consistent with the objectives and strategy of the Company;
7. review and evaluate the performance of the Executive Management; and
8. develop succession plans for the management of the Company.

Article 7: Competencies and Duties of the Chairman of the Board

Without prejudice to the competencies of the Board, the chairman of the Board shall be responsible for leading the Board and supervising its operations and the effective performance of its duties. The competencies and duties of the chairman of the Board shall in particular include the following:

1. ensuring that the Board members obtain complete, clear, accurate and non-misleading information in due course;
2. ensuring that the Board effectively discusses all fundamental issues in due course;
3. representing the Company before third parties in accordance with the Companies Law and its implementing regulations and the Company's bylaws;
4. encouraging the Board members to effectively perform their duties in order to achieve the interests of the Company;

5. ensuring that there are actual communication channels with shareholders and conveying their opinions to the Board;
6. encouraging constructive relationships and effective participation between the Board and the Executive Management on the one hand, and the Executive, Non-Executive and Independent Directors on the other hand, and creating a culture that encourages constructive criticism;
7. preparing agendas of the Board meetings, taking into consideration any matters raised by Board members or the external auditor and consult with the Board members and the Chief Executive Officer upon preparing the Board's agenda; and
8. convening periodic meetings with the Non-Executive Directors without the presence of any executive officers of the Company.

Article 8: Tasks and Duties of the Board Members

Each member of the Board shall, being a Board member, perform the following tasks and duties:

1. providing proposals to develop the strategy of the Company;
2. monitoring the performance of the Executive Management and the extent to which it has achieved the objectives and purposes of the Company;
3. reviewing reports related to the performance of the Company;
4. ensuring the integrity and impartiality of the financial statements and information of the Company;
5. ensuring that the financial control and risk management systems are sound;
6. determining the appropriate level of remunerations of the members of the Executive Management;
7. expressing opinions as to the appointment and dismissal of members of the Executive Management;
8. participating in developing the succession and replacement plans of executive positions within the Company;
9. complying fully with the provisions of the Companies Law, Capital Market Law, their implementing regulations, the relevant regulations and the bylaws when performing his/her duties as a member of the Board and abstaining from taking or participating in any action that constitute mismanagement of the Company's affairs;
10. attending the Board and the General Assembly meetings, and not being absent except for legitimate excuse of which the chairman of the Board shall be notified by prior notice, or for emergency reasons;

11. allocating sufficient time to fulfill his/her responsibilities and preparing for the Board and its committees' meetings and effectively participating therein, including raising relevant questions and carrying discussions with the Senior Executives;
12. studying and analysing all information related to the matters looked into by the Board before expressing an opinion on the same;
13. enabling other Board members to express their opinions freely, and encouraging the Board to deliberate on the subjects and obtain the views of the competent members of the Company's Executive Management and others, when necessary;
14. notifying the Board fully and immediately of any interest, either direct or indirect, in the businesses and contracts that are executed for the Company's account, the notification shall include the nature and extent of such interest, the names of concerned persons, and the expected benefit to be obtained directly or indirectly from interest whether financial or non-financial. the concerned member shall abstain from voting on any decisions issued in connection therewith in compliance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;
15. notifying the Board fully and immediately of his/her participation, directly or indirectly, in any businesses that may compete with the Company or lead to competing with the Company, directly or indirectly, in respect of any of its activities, in compliance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;
16. refraining from disclosing or announcing any secrets he/she came across through his/her membership in the Board to any shareholder of the Company, unless such disclosure is made during the meetings of the General Assembly, or to a third party, in pursuance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;
17. working on the basis of complete information, in good faith and with the necessary care and diligence for the interest of the Company and all shareholders;
18. recognising his/her duties, roles and responsibilities arising from the membership;
19. developing his/her knowledge in the field of the Company's business and activities and in the related financial, commercial and industrial fields; and
20. resigning from the membership of the Board if he/she is unable to fully fulfill his/her duties in the Board.

Article 9: Duties of the Independent Director

Without prejudice to Article (28) of these Regulations, an Independent Director of the Board shall effectively participate in the following duties:

1. expressing his/her independent opinion in respect of strategic issues and the Company's policies and performance and appointing members of the Executive Management;

2. ensuring that the interest of the Company and its shareholders are taken into account and given priority in case of any conflicts of interest;
3. overseeing the development of the Company's Corporate Governance rules, and monitoring the implementation of the rules by the Executive Management.

Article 10: The Board Meetings

- a) Without prejudice to the Companies Law and its implementing regulations, the Board shall convene regular meetings to perform its duties effectively, and also convene meetings whenever needed.
- b) The Board shall convene no less than four meetings per year, and no less than one meeting every three months.
- c) The Board shall meet upon the invitation of its chairman or upon a request from one of its members. The invitation to the meeting shall be sent to each of the Board members no less than five days prior to the date of the meeting accompanied by its agenda and the necessary documents and information, unless circumstance require convening an emergency meeting, the invitation accompanied with the agenda and necessary documents and information may be sent within a period less than the five days.
- d) The meeting shall not be valid unless attended by half of the Board members (by themselves or by proxy), provided that the number of attendees shall not be less than three, unless the Company's bylaws stated greater percentage or number.

Article 11: Board Deliberations

The deliberations and resolutions of the Board shall be recorded in minutes signed by the Chairman, the attending members, and the Secretary. Such minutes shall be maintained in a designated register signed by the Chairman of the Board and the Secretary. Modern technological means may also be used to record and sign the minutes by the Chairman and Board members, in accordance with the controls set by the competent authority.

Article 12: Remarks of the Board Members

- a) If any member of the Board has any remarks in respect of the performance of the Company or any of the matters presented and which was not resolved in the Board meeting, such remarks shall be recorded and the procedures taken or to be taken by the Board in connection therewith must be set forth in the minutes of the Board meeting.
- b) If a member of the Board expresses an opinion differs from the Board resolution, such opinion must be recorded in detail in the minutes of the Board meeting.

Article 13: The Agenda of Board Meetings

- a) The Chairman of the Board shall consult with the other members and the Chief Executive Officer when preparing a defined agenda of the matters to be presented to the Board. The agenda, accompanied by supporting documents, shall be circulated to the members sufficiently in advance of the meeting to enable them to review the matters and prepare adequately. The Board shall approve the agenda upon convening, and in the event that any member objects to the agenda, details of such objection shall be recorded in the minutes of the meeting.
- b) The process of attendance at Board meetings shall be organised, and cases of irregular attendance by members shall be addressed.
- c) Each member of the Board shall have an equal vote upon voting.
- d) Attendees from outside the Board shall not have the right to vote.
- e) The Chairman of the Board shall have a casting vote in the event of a tie in voting on resolutions. The same shall apply to the Vice Chairman or any other member chairing the meeting in the absence of the Chairman.
- f) An Independent Director shall ensure attendance at all meetings in which important and material decisions affecting the position of the Company are taken.
- g) Attendance of members at meetings shall be recorded.
- h) The Board shall approve the agenda upon convening. In the event that any member objects to the agenda, such objection shall be recorded in the minutes of the Board meeting.

Article 14: The Agenda of Board Meetings

- a) The Board shall approve the agenda upon convening the meeting. Should any member of the Board raise any objection in respect of such agenda, such objection shall be recorded in the minutes of the meeting.
- b) Each member of the Board is entitled to propose additional items to the agenda.

Article 15: Remuneration of Board Members

- a) The Company's bylaws and the Remuneration and Compensation Policy shall specify the method of remunerating Board members. Such remuneration may be a fixed salary, attendance fees, in-kind benefits, or a certain percentage of profits.
- b) The Board shall determine the remuneration of its members, taking into account the Company's bylaws, as well as ensuring that the remuneration is determined in accordance with the applicable regulatory provisions on the one hand, and is appropriate on the other hand to attract highly qualified individuals for Board membership, thereby ensuring effective performance of the Company.
- c) The amounts paid as remuneration or compensation to Board members shall be disclosed in detail in the Board of Directors' report to the General Assembly of shareholders and in the Company's annual financial statements. Such disclosure shall include a comprehensive statement of all amounts received by Board members during the financial year.

Article 16: Exercising the Competencies of the Board

- a) The Board shall exercise its competencies and duties to lead the Company within a framework of effective and prudent controls that allow assessing and managing risks and limiting and mitigating their effects.
- b) Without prejudice to Paragraph (b) of Article (20) of these Regulations, the Board may, within the scope of its competencies, delegate to one or more of its members or committees or a third party the performance of a specific function or functions.
- c) The Board shall develop an internal policy that explains the procedures of the Board activities and aims at encouraging its members to work effectively to fulfill their obligations towards the Company.
- d) The Board shall organise its activities and allocate sufficient time to perform the duties and responsibilities assigned to it, including preparing for Board and committees' meetings and ensuring the coordination, recording and retaining of the minutes of its meetings.

Article 15: Remuneration of Board Members

- a) The Company's bylaws and the Remuneration and Compensation Policy shall specify the method of remunerating Board members. Such remuneration may be a fixed salary, attendance fees, in-kind benefits, or a certain percentage of profits.
- b) The Board shall determine the remuneration of its members, taking into account the Company's bylaws, as well as ensuring that the remuneration is determined in accordance with the applicable regulatory provisions on the one hand, and is appropriate on the other hand to attract highly qualified individuals for Board membership, thereby ensuring effective performance of the Company.
- c) The amounts paid as remuneration or compensation to Board members shall be disclosed in detail in the Board of Directors' report to the General Assembly of shareholders and in the Company's annual financial statements. Such disclosure shall include a comprehensive statement of all amounts received by Board members during the financial year.

Article 17: The Secretary of the Board

- a) The Board shall appoint a Secretary from among its members or from a third party. The competencies and remuneration of the Secretary shall be determined by a Board resolution, unless the Company's bylaws provide otherwise. Such competencies shall include:
 - 1. documenting the Board meetings and preparing minutes thereof, including the discussions and deliberations that took place during such meetings, as well as the place, date, and time of commencement and conclusion; recording the Board's resolutions and voting results; maintaining them in a dedicated and organised register; and recording the names of the

attending members and any reservations expressed by them (if any). Such minutes shall be signed by the chairman of the meeting, all attending members, and the Secretary;

2. retaining the reports submitted to the Board and those prepared by it;
 3. providing Board members with the Board meeting agenda, working papers, documents, and relevant information, as well as any additional information requested by any Board member in relation to the agenda items;
 4. ensuring that Board members comply with the procedures approved by the Board;
 5. notifying Board members of the dates of Board meetings within sufficient time prior to the meeting date;
 6. presenting draft minutes to Board members to obtain their views prior to signing;
 7. ensuring that Board members receive, in a complete and timely manner, copies of the Board meeting minutes as well as relevant Company information and documents;
 8. coordinating among Board members;
 9. maintaining the disclosure register of the Board and the Executive Management in accordance with Article (89) of these Regulations; and
 10. providing support and advice to Board members.
- b) The Secretary of the Board may not be removed except by a resolution of the Board.

Article 18: Term of the Board

The term of the Board shall commence from the date of its formation by the Company's General Assembly and shall end upon the expiry of its term. Reappointment for a new term shall be permissible.

Article 19: Composition of the Board of Directors

The following shall be taken into consideration in the composition of the Board of Directors:

The number of its members shall be proportionate to the size of the Company and the nature of its activities, without prejudice to the provisions of Paragraph (a) of Article (20) of these Regulations.

A majority of its members shall be Non-Executive Directors.

The number of Independent Directors shall not be less than two members or one-third of the Board members, whichever is greater.

Article 20: Appointment of Board Members

- a) The Company's bylaws shall determine the number of Board members, provided that it shall not be less than three.
- b) The General Assembly shall elect the Board members for the term specified in the Company's bylaws, provided that such term shall not exceed four years. Re-election shall be permitted unless otherwise stipulated in the Company's bylaws
- c) A Board member shall not hold membership on the boards of more than five listed joint stock companies simultaneously.
- d) The Company shall notify the Authority of the names of the Board members and the nature of their membership within five business days from the commencement of the Board term or from the date of their appointment, whichever is earlier, and of any changes to their membership within five business days from the date such changes occur.

Article 21: Management of the Shareholders' Assembly

- a) The General Assembly of shareholders shall be chaired by the Chairman of the Board, or the Vice Chairman in his absence, or by a person delegated by the Board of Directors from among its members in the absence of both. If this is not possible, the General Assembly shall be chaired by a person elected by the shareholders from among the Board members or others by voting.
- b) The Chairman of the General Assembly shall ensure that shareholders are given the opportunity to effectively participate and vote in the General Assembly meetings and shall avoid any procedures that may hinder their attendance or the exercise of their voting rights. Shareholders shall be informed of the rules governing such meetings and the voting procedures.
- c) Shareholders shall have the right to discuss the matters listed on the agenda of the General Assembly and to raise relevant questions to the Board members and the external auditor. The Board or the external auditor shall respond to shareholders' questions to the extent that does not prejudice the Company's interests.
- d) Shareholders shall be granted access to the minutes of the General Assembly meeting, and the Company shall provide the Authority with a copy of such minutes within (10) days from the date of the meeting.
- e) The Company shall announce to the public and notify the Authority and the Exchange, in accordance with the rules prescribed by the Authority, of the results of the General Assembly meeting immediately upon its conclusion.

Article 22: Issues Affecting Independence

- a) An Independent Director shall be able to perform his/her duties, express his/her opinions, and vote on decisions objectively and without bias, in order to assist the Board in making sound decisions that contribute to achieving the interests of the Company.
- b) The Board shall conduct an annual evaluation of the member's independence and ensure that no relationships or circumstances exist that affect or may affect his/her independence.
- c) By way of example, the following shall negate the independence requirement for an Independent Director:
 - 1. if he/she owns five percent or more of the shares of the Company or any other company within its group, or is a relative of a person who owns such percentage;
 - 2. if he/she is a relative of any member of the Board of the Company or of any other company within the Company's group;
 - 3. if he/she is a relative of any Senior Executive of the Company or of any other company within the Company's group;
 - 4. if he/she is a Board member of any company within the group of the Company for which he/she is nominated to be a Board member;
 - 5. if he/she is an employee or has been an employee during the preceding two years of the Company or any company within its group, or if he/she holds or has held a controlling interest in the Company or in any party dealing with the Company or any company within its group, such as external auditors or major suppliers during the preceding two years;
 - 6. if he/she has a direct or indirect interest in the businesses and contracts executed for the Company's account;
 - 7. if the Board member receives financial consideration from the Company, in addition to the remuneration for his/her Board or committee membership, exceeding (SAR 200,000) or 50% of his/her remuneration for the preceding year for such membership, whichever is less;
 - 8. if he/she engages in any business that competes with the Company, or conducts business in any of the Company's activities;
 - 9. if he/she has served for more than nine years, whether consecutively or non-consecutively, as a member of the Board of the Company.
- d) Unless the Nominations Committee determines otherwise, businesses and contracts entered into with a Board member to meet his/her personal needs shall not be deemed as an interest affecting the independence of the Board member requiring approval from the Ordinary General Assembly, provided that such businesses and contracts are conducted under the same terms and conditions applied by the Company with all contractors and counterparties, and that such businesses and contracts fall within the Company's ordinary course of business.

Article 23: Expiry of the Board Term or Resignation of its Members

1. The membership of the Board shall expire upon the expiry of its term or upon the termination of a member's eligibility in accordance with any applicable laws or regulations in the Kingdom. The General Assembly may, upon a recommendation of the Board, terminate the membership of a member who is absent from (three) consecutive meetings or (five) separate meetings during his/her membership without a legitimate excuse acceptable to the Board.
2. Notwithstanding the foregoing, the Ordinary General Assembly may remove all or some of the Board members. In such case, the Ordinary General Assembly shall elect a new Board of Directors or appoint a replacement for the removed member, as applicable, in accordance with the Companies Law.
3. A Board member may resign from the Board by submitting a written notice to the Chairman. If the Chairman resigns, the notice shall be submitted to the remaining Board members and the Secretary. In both cases, the resignation shall take effect from the date specified in the notice.
4. Upon a recommendation of the Board, the membership of any member who is absent from three consecutive Board meetings without an excuse acceptable to the Board may be terminated.
5. Upon expiry of the membership term, a new Board shall be formed, and its members shall be elected by the General Assembly following the same procedures.
6. Any request submitted by one or more shareholders to remove Board members by the Ordinary General Assembly shall be subject to the following controls:
 - a) The request must be submitted by one or more shareholders representing (10%) of the Company's voting shares to remove all or some of the Board members in accordance with Articles (90) and (96) of the Companies Law.
 - b) For a request to remove all Board members, at least six months must have elapsed since the start of the Board's term.
 - c) For the removal of one or more Board members, the requesting party must demonstrate that the member is unable to perform his/her duties as prescribed by law, including, without limitation, absence from three consecutive Board meetings or five separate meetings during the term, conviction of a crime involving dishonesty, or the issuance of a decision by a competent authority affecting the member's ability to perform his/her duties.
 - d) Upon receiving the request referred to in paragraph (c) of this Article, the Board shall:
 1. Notify the concerned member of the removal request immediately upon receipt.
 2. Announce the removal request after verifying that it meets the applicable requirements set out in this Article, provided that such announcement is included in the notice of the General Assembly meeting, and that the notice includes the name of the requesting party and the

reasons for the request. The concerned member shall have the right to submit a written statement to be made available to shareholders upon publication of the notice and to present his/her statement at the relevant General Assembly meeting.

e) If the General Assembly's approval of the removal request results in a breach of the quorum requirements for the validity of Board meetings due to the number of members falling below the minimum required under the Companies Law or the Company's bylaws, the resolution shall stipulate that the removal shall not be effective until the General Assembly approves the election of a new Board or the appointment of a replacement for the removed member. The Board shall take the necessary actions to convene the General Assembly to elect a new Board or appoint a replacement within a period not exceeding (75) days from the date of the General Assembly's approval of the removal request.

f) No person shall be re-nominated for membership of the Board of a company if such person was previously removed from its Board, or resigned after receiving a removal request and prior to the General Assembly convened to vote on such request, until the end of the term during which such removal or resignation occurred.

g) A Board member shall notify the Board immediately and without delay upon the issuance of any final judicial ruling convicting him/her of a crime involving dishonesty, or upon the issuance of a decision by a competent authority affecting his/her ability to perform his/her duties.

h) The Board shall, upon becoming aware of a final judicial ruling convicting any of its members of a crime involving dishonesty, or upon becoming aware of a decision issued by a competent authority affecting a member's ability to perform his/her duties, recommend to the Ordinary General Assembly the removal of such member.

i) If a Board member resigns and has any remarks regarding the Company's performance, he/she shall submit a written statement thereof to the Chairman, and such statement shall be presented to the Board members.

j) If it is not possible to elect a new Board and the current Board's term has expired, its members shall continue to perform their duties until a new Board is elected, provided that such continuation period shall not exceed (90) days from the date of expiry of the Board's term. The Board shall take the necessary actions to elect a new Board before the expiry of such period.

k) If the Chairman and all Board members resign, they shall call for the Ordinary General Assembly to convene to elect a new Board. The resignation shall not take effect until the new Board is elected, provided that the continuation period of the resigning Board shall not exceed (120) days from the date of such resignation. The Board shall take the necessary actions to elect a new Board before the expiry of such period.

Article 24: Vacancy of a Board Member Position

a) If the position of a Board member becomes vacant due to death or resignation, and such vacancy does not result in a breach of the quorum requirements for the validity of Board

meetings due to the number of members falling below the minimum required under the Law or the Company's bylaws, the Board may appoint, on a temporary basis, a replacement who possesses the required expertise and competence. The Company shall notify the Commercial Register and the Authority of such appointment within (15) days from the date of appointment, and the appointment shall be presented to the Ordinary General Assembly at its first meeting. The appointed member shall complete the term of his/her predecessor.

- b) If the conditions required for the validity of Board meetings are not met due to the number of members falling below the minimum required under the Law or the Company's bylaws, the remaining members shall call for the Ordinary General Assembly to convene within (60) days to elect the required number of members.
- c) A resignation shall be effective from the date of notifying the Chairman of the Board, or at any other time agreed upon. If the resigning Board member has any remarks regarding the Company's performance, he/she shall submit a written statement thereof to the Chairman, and such statement shall be presented to the Board members.

Proposed Amendments to the Board and Board Committees Remuneration Policy (Before / After)

Article	Before Amendment	After Amendment
<p align="center">Article 5 (Paragraph 1)</p>	<p>The Board of Directors shall determine and approve the remuneration of its Board committees—excluding the Audit Committee—including attendance allowances and other entitlements, based on a recommendation from the Nomination and Remuneration Committee.</p>	<p>The Board of Directors shall determine and approve the remuneration of its Board committees, including attendance allowances and other entitlements, based on a recommendation from the Nomination and Remuneration Committee.</p>
<p align="center">Paragraph (2) of Article 5 of the Board of Directors and Committees Remuneration Policy</p>	<p>The remuneration for membership of the Audit Committee and any other committees shall consist of an annual remuneration of SAR 40,000 and meeting attendance fees of SAR 2,000 per meeting.</p>	<p>The remuneration for membership of the Audit Committee and any other committees shall be set at an annual amount of SAR 40,000 per committee, in addition to meeting attendance fees of SAR 2,000 per meeting. The Nomination and Remuneration Committee may recommend to the Board an increase in the annual remuneration of a member in consideration of exceptional</p>

		<p>contributions, as assessed and evaluated by the Committee in accordance with approved controls and criteria, provided that the total annual remuneration of the member for each committee shall not exceed SAR 500,000. Note: This proposal may be limited to the Investment and Development Committee only, in light of the nature of its functions and the need to attract expertise and achieve added value, while the remaining Board committees shall remain subject to the approved base limit.</p>
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Remuneration Policy of the Board of Directors, Its Committees, and Executive Management

Banan Real Estate Company

The Regulations after Amendment

First: Introduction:

The “Remuneration Policy of the Board of Directors, Its Committees, and Executive Management at Banan Real Estate Company” has been prepared in accordance with paragraph (1) of Article (61) of the Corporate Governance Regulations, which stipulates that the Nomination and Remuneration Committee shall “prepare a clear policy for the remuneration of Board members, Board committees, and executive management, and submit it to the Board of Directors for consideration in preparation for its approval by the General Assembly...”.

Second: Objective:

This Policy aims to establish clear standards for the remuneration of the Board of Directors, its committees, and senior executives in accordance with the requirements of the Companies Law and the regulations and rules of the Capital Market Authority. It also aims to attract individuals with the necessary competence, capability, and talent to serve on the Board, its committees, and executive management through the adoption of incentive-based and performance-linked remuneration programs, thereby enhancing the Company’s performance and achieving the interests of its shareholders.

Third: General Remuneration Criteria:

The Nomination and Remuneration Committee shall be responsible for recommending to the Board the remuneration of Board members, committee members, and senior executives in the Company, in accordance with the approved criteria, as follows:

1. Remuneration shall be commensurate with the Company’s activities and the skills required to manage it.
2. The variable component of remuneration shall be linked to long-term performance.
3. The Company shall ensure that remuneration is aligned with its strategy, objectives, and the size, nature, and level of risks it faces.
4. The Company shall take into account prevailing practices of other companies and labor market benchmarks when determining remuneration, while avoiding any unjustified increase in remuneration and compensation.
5. Remuneration shall be prepared in coordination with the Nomination and Remuneration Committee with respect to new appointments.
6. Remuneration shall be determined based on the position level, duties and responsibilities assigned to the role, academic qualifications, professional experience, skills, and performance level.
7. Remuneration shall be fair and proportionate to the member’s duties, responsibilities, and functions, as well as the objectives set by the Board of Directors to be achieved during the financial year.

8. Consideration shall be given to the sector in which the Company operates, its size, and the experience of Board members.
9. Remuneration shall be reasonably sufficient to attract, motivate, and retain qualified and experienced Board members.
10. Remuneration of Board members may vary to reflect the member's experience, expertise, assigned responsibilities, independence, number of meetings attended, and other relevant considerations.
11. Remuneration shall be withheld or recovered if it is determined that it was approved based on inaccurate information provided by a Board member or executive management, to prevent misuse of position to obtain undue remuneration.
12. In the event of developing a share-based incentive program for Board members, executive management, or employees—whether through new issuances or treasury shares—this shall be implemented under the supervision of the Nomination and Remuneration Committee and in accordance with the Company's bylaws and the relevant rules and regulations of the Capital Market Authority.

Fourth: Remuneration of Board Members:

1. The remuneration of Board members at Banan Real Estate Company shall consist of a fixed amount, meeting attendance fees, expense allowances, in-kind benefits, or a percentage of profits. A combination of two or more of these benefits may be granted, provided that such remuneration does not exceed the limits stipulated under the Companies Law and its implementing regulations, in accordance with the schedule included in this Policy and any subsequent amendments approved in accordance with applicable regulations.
2. Such remuneration may vary in amount in accordance with a policy issued by the Nomination and Remuneration Committee and approved by the General Assembly. The Board of Directors' annual report to the General Assembly shall include a comprehensive statement of all remuneration, expense allowances, and other benefits received by Board members during the financial year. It shall also include details of any amounts received by Board members in their capacity as employees or executives, or in consideration for technical, administrative, or consulting services (if any), as well as the number of Board meetings held and the number of meetings attended by each member from the date of the last General Assembly meeting.
3. Where the remuneration of Board members includes a percentage of profits, the provisions of paragraph (2) of Article (76) of the Companies Law and Article (20) of the Company's bylaws shall be observed, provided that the total remuneration and financial and in-kind benefits received by any individual Board member shall not, in all cases, exceed SAR 500,000 per annum.
4. The remuneration of Board members shall consist of an annual remuneration of SAR 100,000 (fixed amount) and meeting attendance fees of SAR 5,000 per meeting, as set out in this Policy in accordance with the schedule included therein.

5. The remuneration of independent Board members shall not be a percentage of the Company's profits, nor shall it be directly or indirectly based on the Company's profitability.

Fifth: Remuneration of Committee Members:

1. The Board of Directors shall determine and approve the remuneration of membership in its Board committees, including attendance allowances and other entitlements, based on a recommendation from the Nomination and Remuneration Committee.
2. The remuneration for membership of the Audit Committee and any other committees shall be set at an annual amount of SAR 40,000 per committee, in addition to meeting attendance fees of SAR 2,000 per meeting. The Nomination and Remuneration Committee may recommend to the Board an increase in the annual remuneration of a member in consideration of exceptional contributions, as assessed and evaluated by the Committee in accordance with approved controls and criteria, provided that the total annual remuneration of the member for each committee shall not exceed SAR 500,000.
3. Upon forming the membership of Board committees, consideration shall be given to the number of committees a Board member may serve on, such that the total remuneration received by the member for membership in the Board and its committees does not exceed the maximum limit stipulated under the Companies Law.

Sixth: Remuneration of Executive Management:

The Nomination and Remuneration Committee shall review and approve, on an ongoing basis, the salary scale applicable to all employees and senior executives, as well as incentive programs and plans, based on recommendations from executive management. The remuneration of executive management shall include the following:

1. A basic salary (paid monthly at the end of each Gregorian month);
2. Allowances, including but not limited to housing allowance, transportation allowance, education allowance for children, and telephone allowance;
3. Medical insurance benefits for the employee and his/her family;
4. Other benefits, including but not limited to annual leave, annual travel tickets, and end-of-service benefits in accordance with the Labor Law and the Company's approved Human Resources policies;
5. The general frameworks, programs, and guidelines for the remuneration of senior executives shall be approved by the Nomination and Remuneration Committee;
6. The Chief Executive Officer shall implement the remuneration policy for employees and senior executives in accordance with the plans, programs, and general guidelines approved by the Committee.
- 7.

Seventh: Additional Remuneration Controls and Payment Mechanism:

1. Board members shall not vote on the item relating to the remuneration of Board members at the General Assembly meeting.
2. The Company shall disclose the remuneration of Board members, committee members, and senior executives in the Board of Directors' annual report in accordance with the requirements and guidelines issued under the Companies Law and the regulations and rules of the Capital Market Authority and their implementing regulations.
3. A member shall be entitled to remuneration from the date of joining the Board or the relevant committee and in proportion to the duration of his/her membership.
4. The procedures for the disbursement of remuneration for Board and committee members shall be prepared by the Board Secretary, and payment shall be approved by the Chief Executive Officer.
5. The fixed annual remuneration, meeting attendance fees, and additional attendance allowances shall be paid on an annual basis.

Eighth: Details of Remuneration of Board Members and Its Committees:

1. Board Members:

5,000 SAR	Meeting attendance fee per meeting
100,000 SAR	Fixed annual remuneration per member

(e) Amendment and Payment Mechanism

The fixed annual remuneration of a Board member stated above may be reviewed from time to time based on a recommendation from the Nomination and Remuneration Committee, in light of performance-related variables, subject to the approval of the General Assembly of shareholders. The fixed annual remuneration, meeting attendance fees, and additional attendance allowances shall be paid on an annual basis.

2. Members of Board Committees:

2,000 SAR	Meeting attendance fee per meeting
40,000 SAR	Fixed annual remuneration per member

The fixed annual remuneration, meeting attendance fees, and additional attendance allowances shall be paid on an annual basis.

3. Expenses and Other Benefits:

The Company shall bear the travel ticket costs of Board and committee members residing outside Riyadh.

The Company shall bear accommodation and travel costs for all Board members, committee members, and executive management in the event meetings are held outside Riyadh.

All travel tickets (round-trip) for Board and committee members shall be in First Class or Business Class, with preference given to the national carrier (subject to availability).

Ninth: Final Provisions (Review, Amendment, and Publication of the Policy):

This Policy shall come into force and be binding upon the Company from the date of its approval by the General Assembly of shareholders. The Policy shall be published on the Company's website to enable shareholders, the public, and stakeholders to review it. The Policy shall be reviewed periodically, as needed, by the Nomination and Remuneration Committee. Any proposed amendments shall be submitted by the Committee to the Board of Directors, which shall review and consider such amendments and recommend them to the General Assembly of shareholders for approval.

Nomination and Remuneration Committee Charter
Before and After Amendments

Article	Before Amendment	Proposed Amendment
1	The Nomination and Remuneration Committee shall be formed by a resolution of the Company's Board of Directors from among the non-executive Board members, provided that at least one member shall be independent, and the number of its members shall not be less than three and not more than five.	The Nomination and Remuneration Committee shall be formed by a resolution of the Company's Board of Directors from among the non-executive Board members. The Committee may include non-executive members or persons who are not Board members, whether shareholders or others, provided that at least one member shall be independent, and the number of its members shall not be less than three and not more than five.
3 Paragraph (c)	The Committee shall appoint a Chairman from among its members, who shall preside over its meetings. In the absence of the Committee Chairman, the remaining members shall appoint a member to act on his/her behalf in accordance with the controls set out in the Corporate Governance Regulations issued by the Capital Market Authority.	The Board of Directors shall form the Committee and appoint a Chairman from among its members, who shall preside over its meetings. In the absence of the Committee Chairman, the remaining members shall appoint a member to act on his/her behalf in accordance with the controls set out in the Corporate Governance Regulations issued by the Capital Market Authority.
4 Paragraph (a)	The Committee shall hold at least two meetings per year. It may also convene extraordinary or emergency meetings as required by business needs, upon the invitation of the Committee Chairman or any of its members, subject to the quorum being met by the attendance of the majority of its members.	The Committee shall hold at least two meetings per year, with a minimum of one meeting every six months. It may also convene extraordinary or emergency meetings as required by business needs, upon the invitation of the Committee Chairman or any of its members, subject to the quorum being met by the attendance of the majority of its members.



**Nomination and Remuneration Committee Charter of
Banana Real Estate Company**

The Regulations after Amendment

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Introduction

The Nomination and Remuneration Committee Charter of Banan Real Estate Company has been prepared in accordance with the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 16/5/1438H (corresponding to 13/02/2017G), based on the Companies Law issued by Royal Decree No. (M/3) dated 28/1/1437H, as amended by the Capital Market Authority Board Resolution No. (8-5-2023) dated 25/6/1444H (corresponding to 18/01/2023G).

Also, in accordance with the Companies Law issued by Royal Decree No. (M/132) dated 1/12/1443H.

Definitions:

Regulations: The Nomination and Remuneration Committee Charter of Banan Real Estate Company.

Company: Banan Real Estate Company.

Committee: The Nomination and Remuneration Committee formed by the Board of Directors of Banan Real Estate Company.

Board: The Board of Directors of Banan Real Estate Company.

General Assembly: The General Assembly of shareholders of Banan Real Estate Company.

Chief Executive Officer: The Chief Executive Officer of Banan Real Estate Company.

Authority: The Capital Market Authority of the Kingdom of Saudi Arabia.

Article (1): Formation of the Nomination and Remuneration Committee

- a) The Nomination and Remuneration Committee shall be formed by a resolution of the Company's Board of Directors from among the non-executive Board members. The Committee may include non-executive members or persons who are not Board members, whether shareholders or others, provided that at least one member shall be independent, and the number of its members shall not be less than three and not more than five.
- b) The Company's General Assembly shall, based on a proposal from the Board of Directors, issue the Nomination and Remuneration Committee Charter, provided that such Charter includes the rules and procedures governing the Committee's work, its roles and responsibilities, the criteria for selecting its members, the term of their membership, and their remuneration.

Article (2): Objectives

The Nomination and Remuneration Committee aims to assist the Board of Directors of the Company in carrying out the following duties and responsibilities:

- a) Determining the remuneration of the Board members, committee members, and Executive Management.
- b) Overseeing the Company's human resources strategy and other related matters.
- c) Overseeing the Company's remuneration and incentive plans for employees and monitoring their implementation.
- d) Overseeing succession planning for key positions, including Board membership, its committees, and the Executive Management.
- e) Overseeing the nomination process for Board membership, committees, and Executive Management within the Company and ensuring alignment with performance.
- f) Overseeing and ensuring the implementation of the employee grievance policy.
- g) Managing the performance evaluation process of the Board members and committees.

Article (3): Committee Membership and Selection Criteria

- a) The number of members of the Nomination and Remuneration Committee shall not be less than three and not more than five.
- b) The term of membership of the Committee shall be three (3) years, ending with the expiry of the Board's term or upon its dissolution by the Board.
- c) The Board of Directors shall form the Committee and appoint a Chairman from among its members, who shall preside over its meetings. In the absence of the Committee Chairman, the remaining members shall appoint a member to act on his/her behalf in accordance with the controls set out in the Corporate Governance Regulations issued by the Capital Market Authority. The Chairman of the Board may not serve as Chairman of the Nomination and Remuneration Committee, but may be a member thereof.
- d) The candidate shall have a record of experience and qualifications relevant to nomination and remuneration functions.
- e) The candidate shall have adequate knowledge of the Company's activities and business, and of the skills and experience required to manage them.
- f) The candidate shall hold a university qualification.
- g) The candidate must not have been convicted of any offense involving dishonesty or breach of trust, or of any violation of laws and regulations in the Kingdom of Saudi Arabia or in any other jurisdiction.

Article (4): Meetings

- a) The Committee shall hold at least two meetings per year, with a minimum of one meeting every six months. It may also convene extraordinary or emergency meetings as required by business needs, upon the invitation of the Committee Chairman or any of its members, subject to the quorum being met by the attendance of the majority of its members.
- b) A Committee member may participate in meetings through modern communication means, and such participation shall be deemed as attendance in person in cases where attendance is not possible due to travel or any emergency reason.
- c) Non-members may not attend Committee meetings unless the Committee invites the Company's Chief Executive Officer, the Human Resources Director, or other external consultants to attend without having voting rights. No member may delegate another person or another Committee member to attend on his/her behalf. In the absence of the Committee Chairman, he/she may delegate one of the members to chair the meeting.
- d) The Committee's resolutions shall be issued by the majority of the votes of the members present. In the event of a tie, the side on which the Committee Chairman has voted shall prevail.
- e) Invitations to attend meetings shall be sent by the Committee Chairman or the Committee Secretary, if delegated by the Chairman, sufficiently in advance of the meeting, and the meeting agenda shall be circulated with the invitation.
- f) The Committee's resolutions may be passed by circulation, subject to the discretion of the Committee Chairman.
- g) The Committee's meetings shall be documented, and minutes shall be prepared including the discussions and deliberations, documenting the Committee's recommendations and voting results. Such minutes shall be maintained in a special and

organized register, including the names of the attending members and any reservations expressed (if any), and shall be signed by all attending members.

Article (5): Committee Secretary

- a) The Committee shall appoint a Secretary from among its members or from the Company's employees, provided that such Secretary shall not have voting rights on its resolutions (if he/she is not a member).
- b) The Secretary shall be responsible for preparing for Committee meetings, notifying members of meeting dates, drafting, documenting, and maintaining minutes, following up on the implementation of the Committee's recommendations, directions, and resolutions, and performing any other duties assigned by the Committee Chairman or his/her delegate.
- c) The Secretary shall also prepare the Committee's meeting schedule in accordance with the directions of the Committee Chairman and circulate it to all members. He/she shall prepare the working papers, documents, and information related thereto, as well as any additional documents or information requested by any Committee member in relation to the matters included in the meeting agenda.
- d) The Secretary shall present draft minutes to the members to obtain their comments prior to signing.

Article (6): Roles and Responsibilities of the Nomination and Remuneration Committee

1. With respect to nominations:

- a) Reviewing the organizational structure of Banan Real Estate Company and its subsidiary and submitting the necessary recommendations to the Board.
- b) Proposing clear policies and criteria for membership of the Board of Directors and the Executive Management.
- c) Recommending to the Board the nomination and re-nomination of Board members in accordance with the approved policies and criteria, taking into account that no person previously convicted of a crime involving dishonesty or violation of laws and regulations in the Kingdom of Saudi Arabia or in any other jurisdiction shall be nominated.
- d) Recommending to the Board the nomination of members of the Board committees in accordance with the committees' charters and the relevant regulations and rules.
- e) Recommending to the Board the nomination of independent members to the Board committees and verifying their independence.
- f) Preparing a description of the capabilities and qualifications required for Board membership and Executive Management positions.
- g) Ensuring, when nominating Board members, compliance with the provisions and requirements set out in the Corporate Governance Regulations and any requirements issued by the Authority.

- h) Determining the time to be allocated by Board members to perform their duties.
- i) Conducting an annual review of the required skills and expertise necessary for Board membership and Executive Management positions.
- j) Reviewing the structure of the Board, its committees, and the Executive Management, and submitting recommendations regarding any proposed changes.
- k) Verifying annually that no conflicts of interest exist involving the Chairman, Board members, or other key executive positions, and whether a member holds membership on another company's board, as well as verifying the independence of independent members of the Board and its committees and ensuring the absence of any conflict of interest in cases where a member serves on another board.
- l) Developing job descriptions for executive members, non-executive members, independent members, and senior executives.
- m) Determining the qualifications required for membership of each of the Board's committees.
- n) Developing induction and training programs for new Board members on the Company's business, as well as ensuring the existence of ongoing educational programs and periodically reviewing their effectiveness.
- o) Establishing procedures to be followed in the event of a vacancy in the position of a Board member or senior executive.
- p) Assisting the Board in evaluating its members, its committees, and the Executive Management, identifying strengths and weaknesses within the Board, and proposing appropriate solutions in the best interest of the Company.
- q) Recommending the appointment of the Chief Executive Officer, reviewing his/her benefits and annual remuneration, and recommending to the Board the extension of his/her term of service, as well as ensuring that the Chief Executive Officer has completed all necessary procedures for the transfer of responsibilities upon termination of his/her relationship with the Company.
- r) Managing the performance evaluation process of the Chief Executive Officer in accordance with the approved criteria set by the Nomination and Remuneration Committee.
- s) Reviewing the succession plan for the Chief Executive Officer and the Executive Management on a periodic basis and ensuring its effectiveness.

2. With respect to remuneration:

- a) Preparing a clear policy for the remuneration of Board members, Board committees, and Executive Management, and submitting it to the Board for consideration in preparation for approval by the General Assembly, ensuring that such policy is based on performance-related criteria, disclosed, and properly implemented.
- b) Clarifying the relationship between the remuneration granted and the applicable remuneration policy, and explaining any material deviation from such policy.
- c) Periodically reviewing the remuneration policy, assessing its effectiveness in achieving its intended objectives, ensuring its alignment with any changes in relevant regulations, the Company's strategic objectives, and the skills and qualifications required to achieve them, and recommending any proposed amendments to the Board.
- d) Recommending to the Board the remuneration of Board members, Board committees, and senior executives in accordance with the approved policy.

- e) Reviewing the basis for the distribution of annual remuneration approved by the Board and providing recommendations thereon.
- f) Preparing periodic reports on the remuneration paid to the Board, its committees, and the Executive Management.

Article (7): Nomination Procedures

- a) The Nomination and Remuneration Committee shall, when nominating Board members, take into account the provisions, conditions, and requirements set out in this Charter, as well as the requirements issued by the Authority.
- b) The number of candidates for Board membership whose names are presented to the General Assembly shall exceed the number of available seats, so that the General Assembly has the opportunity to select from among the candidates.

Article (8): Publication of Nomination Announcements

The Company shall publish the nomination announcement on its website, the Exchange's website, and any other means specified by the Authority, to invite persons wishing to nominate themselves for Board membership, provided that the nomination period shall remain open for at least one month from the date of the announcement.

Article (9): Shareholder's Right to Nominate

The provisions of this Chapter shall not prejudice the right of any shareholder in the Company to nominate himself/herself or another person for Board membership in accordance with the Companies Law and its implementing regulations.

Article (10): Remuneration Policy

Without prejudice to the provisions of the Companies Law and the Capital Market Law and their implementing regulations, the remuneration policy shall take into account the following:

- a) Alignment with the Company's strategy and objectives.
- b) Remuneration shall be designed to incentivize Board members and Executive Management to achieve the long-term success and growth of the Company, including linking the variable portion of remuneration to long-term performance.
- c) Remuneration shall be determined based on the level of the position, the duties and responsibilities assigned to it, academic qualifications, practical experience, skills, and performance level.
- d) Alignment with the size, nature, and degree of risks of the Company.
- e) Consideration of the practices of other companies in determining remuneration, while avoiding any unjustified increase in remuneration and compensation.
- f) Attracting, retaining, and motivating professional talent without excessive remuneration.

g) Cases of suspension or clawback of remuneration if it is determined that such remuneration was approved based on inaccurate information provided by a Board member or a member of the Executive Management, to prevent abuse of position for undue benefits.

h) Regulation of granting shares in the Company to Board members and Executive Management, whether newly issued or shares acquired by the Company.

Article (11): Remuneration of the Nomination and Remuneration Committee

The annual remuneration, meeting attendance fees for Committee members and the Secretary, and any other benefits shall be determined in accordance with the approved remuneration policy for Board members and Board committees.

Article (12): Review of the Charter

This Charter shall be subject to periodic review for the purpose of development and updating in line with the relevant laws and regulations and as deemed appropriate by the Board.

Article (13): Entry into Force

This Charter shall come into force from the date of its approval by the General Assembly of shareholders.

Dividend Distribution Policy Before and After Amendments

Before Amendment	Proposed Amendment
<p>Article 4: Interim Dividend Distribution</p> <p>First: The Board may distribute interim dividends to shareholders on a semi-annual or quarterly basis, subject to the following requirements being met:</p> <ol style="list-style-type: none"> 1. The Ordinary General Assembly shall authorize the Board to distribute interim dividends pursuant to a resolution renewed annually. 2. The Company shall have good and regular profitability. 3. The Company shall have reasonable liquidity and be able to forecast, with a reasonable degree of accuracy, its level of profits. 4. The Company shall have distributable profits, in accordance with the latest reviewed financial statements, sufficient to cover the proposed dividends for distribution, after deducting any profits distributed or capitalized from such profits following the date of those financial statements. <p>Second: The Board of Directors shall include in its annual report submitted to the General Assembly the percentages of profits distributed to shareholders during the various periods of the financial year, in addition to the percentage of profits proposed to be distributed at the end of the financial year and the total amount of such profits.</p> <p>Third: Dividend distributions shall be recorded against retained earnings accumulated from previous years, contractual</p>	<p>Article (4): Interim Dividend Distribution</p> <p>First: The Board of Directors may distribute interim dividends to shareholders on a semi-annual or quarterly basis, subject to the fulfillment of the following requirements:</p> <ol style="list-style-type: none"> 1. The Ordinary General Assembly shall authorize the Board to distribute interim dividends pursuant to a resolution renewed annually. 2. The Company shall have good and stable profitability. 3. The Company shall have adequate liquidity and be able to reasonably forecast its level of profits. 4. The Company shall have distributable profits, based on the latest reviewed or audited financial statements, sufficient to cover the proposed dividends, after deducting any amounts already distributed or capitalized from such profits following the date of those financial statements. <p>Second: The Board of Directors shall include in its annual report submitted to the General Assembly the percentages of dividends distributed to shareholders during the various periods of the financial year, in addition to the percentage of dividends proposed to be distributed at the end of the financial year and the total amount of such dividends.</p> <p>Third: Dividends shall be recorded against retained earnings accumulated from previous years or contractual reserves, or both. The Company shall ensure consistency and regularity in the manner and ratios of</p>

reserves, or both. The Company shall observe consistency and regularity in the manner and percentages of dividend distribution in line with its capabilities and available liquidity. The Board of Directors shall disclose and announce the periodic regular dividend percentages resolved to be distributed to shareholders on their due dates.

Fourth: The Company shall, upon adopting a resolution to distribute interim dividends, promptly disclose and announce such resolution, and furnish the Authority with a copy thereof immediately upon its issuance.

dividend distribution in line with its capabilities and available liquidity. The Board of Directors shall disclose and announce the periodic dividend ratios resolved to be distributed to shareholders in due course.

Fourth: The Company shall, upon adopting a resolution to distribute interim dividends, promptly disclose such resolution to the public without delay and notify the Authority accordingly.



**Dividend Distribution Policy
Banan Real Estate Company**

The Regulations after Amendment

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Introduction

This Policy has been prepared in accordance with the provisions of the Corporate Governance Regulations and in line with the relevant provisions of the Companies Law and the Capital Market Law and their implementing regulations. This Policy aims to clarify the Company's approach to dividend distribution to shareholders in a manner that achieves the interests of the Company and its shareholders in accordance with the Company's bylaws, without prejudice to the provisions and instructions set out in all applicable laws and regulations. This Policy shall be effective from the date of issuance of the Board of Directors' resolution approving it.

Article (1): General Dividend Distribution Policy

Dividend distribution shall be made in accordance with the Company's bylaws as follows:

1. The Ordinary General Assembly may resolve to form additional reserves to the extent that serves the Company's interest or ensures, to the extent possible, the distribution of stable dividends to shareholders. The General Assembly may also allocate a portion of the net profits for social purposes benefiting the Company's employees.
2. The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting reserves, if any.
3. The General Assembly may decide to distribute dividends on an annual, semi-annual, or quarterly basis, and may delegate the Board of Directors to do so.

Article (2): Entitlement to Dividends

A shareholder shall be entitled to his/her share of dividends in accordance with the resolution of the General Assembly issued in this regard. Such resolution shall specify the entitlement date and the distribution date. Entitlement to dividends shall be for shareholders registered in the Company's shareholder register at the end of the specified entitlement date.

Article (3): Timing of Dividend Payment

The Board of Directors shall implement the resolution of the General Assembly regarding the distribution of dividends to registered shareholders within 15 days from the entitlement date specified in the General Assembly resolution or in the Board resolution approving interim dividend distribution.

Article (4): Interim Dividend Distribution

First: The Board may distribute interim dividends to shareholders on a semi-annual or quarterly basis after meeting the following requirements:

1. The Ordinary General Assembly authorizes the Board to distribute interim dividends pursuant to a resolution renewed annually.
2. The Company has good and consistent profitability.
3. The Company has reasonable liquidity and can reasonably forecast its profit levels.

4. The Company has distributable profits based on the latest reviewed or audited financial statements sufficient to cover the proposed dividends, after deducting any dividends previously distributed or capitalized from such profits after the date of those financial statements.

Second: The Board of Directors shall include in its annual report submitted to the General Assembly the percentages of dividends distributed to shareholders during the various periods of the financial year, in addition to the percentages of dividends proposed to be distributed at the end of the financial year and the total amount thereof.

Third: Dividend distributions shall be recorded against retained earnings accumulated from previous years or distributable reserves formed from profits, or both. The Company shall maintain consistency and regularity in the manner and ratios of dividend distribution based on its capabilities and available liquidity. The Board shall disclose and announce the periodic dividend ratios to be distributed to shareholders in due course.

Fourth: The Company shall disclose to the Authority and the public immediately and without delay upon adopting a decision to distribute interim dividends.

Article (5): Compliance with Capital Market Authority Requirements for Dividend Announcements

The Company shall comply with the relevant requirements for dividend distributions set out in the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority. The dividend distribution announcement shall include the following information:

1. Date of the Board resolution.
2. Distribution period.
3. Total amount to be distributed.
4. Number of shares entitled to dividends.
5. Dividend per share.
6. Distribution ratio to the nominal value of the share.
7. Entitlement date, provided that entitlement shall be for shareholders holding shares on the entitlement date and registered in the Company's shareholder register with the Securities Depository Center Company at the end of the second trading day following the entitlement date.
8. Distribution date; if not specified, it shall be stated that the distribution date will be announced at a later time.

Article (6): Disclosure in the Board of Directors' Report

The Board of Directors' annual report shall include the following with respect to dividend distribution:

1. A description of the Company's dividend distribution policy.

2. Details of any arrangements or agreements under which a shareholder has waived any rights to dividends.
3. The percentages of dividends distributed to shareholders during the various periods of the financial year, in addition to the percentage of dividends proposed to be distributed at the end of the financial year and the total amount thereof.

Article (7): Factors Affecting Dividend Distribution

1. The Company's profitability (i.e., achieving sufficient profits to allow for lawful distribution) and its financial position.
2. Cash flows, new capital investments, and future expectations of external financing needs, taking into account the importance of maintaining a strong liquidity position to address any unforeseen changes.
3. Any restrictions on distribution under financing agreements that the Company intends to enter into.
4. Any other legal or regulatory considerations.

Article (8): Policy Amendment Procedures

The Board of Directors may approve any amendments to this Policy at any time it deems appropriate, based on the recommendation of the Audit Committee or any other committee formed by the Board and assigned responsibility for the dividend distribution policy.