

Audit Committee Report

15 March 2026

Annual Audit Committee Report for 2025

Preamble

The Audit Committee (the “Committee”) is delegated by the Board of Directors with the responsibility to provide independent oversight of the Group’s financial reporting, internal control systems, compliance with applicable laws and regulations, the adequacy of the External and Internal Audit activities, and risk management supervision.

During the year, the Committee has been provided with the necessary support to perform its duties from the Internal Audit Department (“IAD”), the External Auditors (“PKF”) and management to examine all matters relating to the Group’s adopted accounting practices and in reviewing financial, operational and compliance control systems. The Committee’s charter and its terms of reference are available on L’azurde’s website <https://lazurde.com/>.

The Committee comprises of three board members including two members specialized in financial and accounting matters, appointed by the Board of Directors for a term coinciding with the term of their membership of the Board of Directors. Additionally, the Committee includes an independent non-executive member from outside the Board of Directors to ensure enhanced objectivity and expertise.

None of the Committee members are employed by or otherwise affiliated with the former or current auditors of L’azurde Group. The Committee members’ names are the following and biographies are set out in 2025 Annual Report.

<u>Members</u>	<u>Position</u>	<u>Membership</u>	<u>Appointment date</u>
Mrs. Sabah Khalil Al-Moayyed*	Chairwoman of the Audit Committee	Non-Executive	29 April 2024
Mr. Salim Marwan Fakhouri**	Member of the Audit Committee	Independent	29 April 2024
Mr. Basel Al-Fraihi ***	Member of Audit Committee from outside of the Board of Directors	Independent	29 April 2024

* Mrs. Sabah Al-Moayyad, Non-Executive Member of the Board of Directors, Chairwoman of the Audit Committee and specialist in accounting and financial affairs.

** Mr. Salim Fakhouri, Independent Member of the Board of Directors and specialist in accounting and financial affairs.

*** Mr. Basel Al-Fraihi, Member of Audit Committee from outside of the Board of Directors and specialist in accounting and financial affairs.

Meetings

The committee meets on a quarterly basis, with additional meetings convened as necessary. During 2025, the Committee held six (6) meetings, most of which were conducted via video conference calls.

The Company’s Chief Executive Officer and Chief Financial Officer were invited to the meetings, when required, to provide any clarification on accounts and financials.

The Chairwoman of the Audit Committee conveyed to the Board matters of significant concern as and when raised by the External Auditors or Head of Internal Audit department.

No conflicts were identified between the recommendations of the Audit Committee and the resolutions of the Board of Directors.

Summary of work

During 2025, the Committee undertook the following key activities:

- Reviewed the quarterly and annual financial statements for 2025.
- Reviewed Board of Directors annual report to ensure transparency and clarity, enabling shareholders to assess the performance of the Company, its business model and strategy.
- Reviewed, with both the external auditor and management, the audit methodology applied and included in the year-end auditor’s report.
- Reviewed significant findings in Internal audit reports and management’s response to the issued recommendations.
- Reviewed reports on legal and regulatory compliance matters, including anti-bribery, anti-corruption matters and whistleblowing disclosures.
- Reviewed efficiency and effectiveness of the internal control systems.
- Supervised risk management process and evaluated the effectiveness of systems and mechanisms for identifying, monitoring and mitigating risks, including the implementation of the risk policies and procedures.
- Reviewed the external auditor’s independence and engagements to perform non-audit services if exists.

- Reviewed the external auditors' fees for the year 2025 and the engagement letters and recommended them to the Board of Directors for endorsement.
- Reviewed accounting principles and practices proposed by management.

Activities undertaken by the Audit Committee in 2025

1. Financial Reporting

The Committee reviewed the quarterly financial statements for the first, second and third quarters of 2025. Additionally, the committee conducted a comprehensive review of the 2025 Consolidated Financial Statements in collaboration with the External Auditors, PKF.

Based on this review and discussions with management, the Committee was satisfied that the Consolidated Financial Statements were prepared in accordance with applicable accounting standards in KSA (International Financial Reporting Standards approved by SOCPA) and fairly presents the Group's financial position and results of its operations for the year ended 31 December 2025.

Accordingly, the Committee recommended that the Board of Directors and the General Assembly approve the Consolidated Financial Statements for the year ended 31 December 2025.

2. Review of Internal Control Systems

The Committee reviewed the effectiveness of the Group's policies and procedures regarding internal control systems (including financial, operational, IT, risk management, information security, legal compliance, and controls designed to detect fraud) by reviewing the work and reports of the internal auditor, and regular reports from management including those on risk management, regulatory compliance and legal matters.

The Committee reviewed and endorsed management confirmation that for the year ended 31 December 2025, the Group's risk management and internal control systems were effective and complied with the Corporate Governance Regulations.

In accordance with article number (88) of the Corporate Governance Regulations issued by the Capital Market Authority, the Committee is satisfied that the Group has adopted necessary control mechanisms to monitor and correct non-compliance and complied with the requirements of the Corporate Governance regulations in respect of internal and financial controls systems and risk management system.

Despite this, the committee believes that the internal control system needs further improvements to be in line with the company's growth and strategic directions.

3. Related Party Transactions

The Committee reviewed related party transactions within the company and the group. The Committee did not report to the BOD any conflict-of-interest situations within the Company nor the Group including any transaction, procedure or course that raises questions of management integrity.

4. External Audit

The Committee obtained confirmation dated 8 March 2026 from the external auditor PKF. Confirming their independence. The Committee agreed that the External Auditors are and have been independent throughout the conduct of their audit engagement in accordance with the terms of relevant professional and regulatory requirements.

The Committee had four (2) private calls with the External Auditors during 2025 without the presence of Management. The feedback from PKF during those sessions was consistent and did not raise any concerns about the audit procedures and cooperation of management.

5. Re-appointment of External Auditor

The appointment of external auditors will be discussed, and a recommendation will be sent to the Board of Directors for endorsement and submission to the General Assembly for final approval.

6. Review Resources of Accounting, Financial Reporting and Internal Audit Functions

The Audit Committee reviewed and was satisfied with the adequacy of the resources, staff qualifications, experience, training programs and budget of the Group's accounting, financial reporting and Internal audit functions.

Audit Committee Chairwoman

DocuSigned by:

Mrs. Sabah Al Moayyed

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Mrs. Sabah Almoayyed

Nomination of external auditors and AC recommendation



Nomination of external auditors – AC recommendation

For the audit of the year 2026 and the first quarter of 2027, the Audit Committee reviewed the below proposals submitted by two audit firms, and a recommendation was issued by the Audit Committee to nominate the following audit firms as independent auditors for the company's accounts for the year 2026 and the first quarter of 2027:

#	Name of Audit Firm	Fees
1	Ibrahim Ahmed Albassam & Co PKF.	SR 1,045,000
2	Alzoman, Alfahad & Alhajjaj Professional Services	SR 930,000
3	Crowe Solutions for Professional Consulting	SR 1,150,000
4	Alluhaid & Alyahya Chartered Accountants	SR 940,000

Audit Committee recommendation:

The AC recommends to reappoint Ibrahim Ahmed Albassam & Co PKF. as external auditor as they are a reliable firm with great experience, efficiency and professionalism. The AC is also satisfied with PKF independence and objectivity and they possess familiarity with the company's business and operations. This is for examining, reviewing and auditing the preliminary financial statements for the second and third quarters and the annual financial statements of the fiscal year 2026, and the first quarter of the fiscal year 2027. Considering that the fees is SAR 1,045,000. This recommendation shall be submitted to the Board of Directors and the General Assembly for approval.

Policy for Remuneration of Board of
Directors, its Committees and
Executive Management
after amendment

Policy For Remuneration of Board of Directors, Its Committees and Executive Management

Summary of the most important changes

Articles before change	Articles after change
<p>4. RULES OF REMUNERATION DETERMINATION FOR BOARD OF DIRECTORS AND BOARD COMMITTEES</p> <p>Considering the provisions governing the remuneration of the Board of Directors and board committees as stipulated in Companies Law, the Corporate Governance Regulations, the Implementing Regulation of the Companies Law of the listed joint stock companies, and the Company's Bylaw, the remuneration of the members of the Board of Directors, its committees and senior executives, shall be in accordance with the following principles and rules:</p> <ol style="list-style-type: none"> 1. The Board, on an annual basis, based on the recommendations of the Nominations and Remuneration Committee ("NRC"), determines the remuneration of Board members and its Committees; 2. The recommendations of the NRC and the Board of Directors shall be in compliance with the laws, regulations, Company's Bylaws, applicable policies, including this policy; 3. The remuneration of Members could be in the form of specific cash payments, in kind benefits, attendance allowances, a percentage of the Company's annual net profits, or a combination of any of the foregoing; 4. Determine all paid amounts, allowances, dividends and the like, periodic, or annual bonuses, based on job level, duties and responsibilities, educational qualifications, 	<p>4. RULES OF REMUNERATION DETERMINATION FOR BOARD OF DIRECTORS AND BOARD COMMITTEES</p> <p>Considering the provisions governing the remuneration of the Board of Directors and board committees as stipulated in Companies Law, the Corporate Governance Regulations, the Implementing Regulation of the Companies Law of the listed joint stock companies, and the Company's Bylaw, the remuneration of the members of the Board of Directors, its committees and senior executives, shall be in accordance with the following principles and rules:</p> <ol style="list-style-type: none"> 1. The Board, on an annual basis, based on the recommendations of the Nominations and Remuneration Committee ("NRC"), determines the remuneration of Board members and its Committees; 2. The recommendations of the NRC and the Board of Directors shall be in compliance with the laws, regulations, Company's Bylaws, applicable policies, including this policy; 3. The remuneration of Members could be in the form of specific cash payments, in kind benefits, attendance allowances, a percentage of the Company's annual net profits, or a combination of any of the foregoing; 4. Determine all paid amounts, allowances, dividends and the like, periodic, or annual bonuses, based on job level, duties and responsibilities, educational qualifications,

practical experience, skills and level of performance; except the actual reasonable expenses and fees incurred by the company to enable the Board member to perform his/her duties;

5. The Board of Directors will determine and approve the disbursement of the remunerations of the members of the Board and its Committees, based on the NRC recommendation;

6. Members of the Board of Directors and its Committees are entitled to an allowance for attending Board and Committees meetings ranging between 1500 SAR and 3000 SAR, to be determined and approved by the Board of Directors in accordance with the NRC recommendation.

7. Board members are entitled to an annual remuneration not less than SAR 200,000. The Board may determine different amounts of such remuneration based on recommendations from the NRC;

8. Board members who are participating in Board committees are entitled to annual remuneration not less than SAR 100,000 per Committee. The Chairman of the Board and of any Committee will receive an additional annual remuneration not less than SAR 50,000. The Board may determine different amounts of such remuneration, based on the recommendations of NRC.

9. Committee members from outside the Board of Directors, are entitled to annual remuneration not less than SAR 200,000. The Board may determine a different amount of such remuneration based on recommendations of the NRC;

10. Board member may receive a remuneration for any additional executive, technical, managerial or consultative -pursuant to a professional license- duties or positions carried out by the Board member should be remunerated in addition to the Remuneration

practical experience, skills and level of performance; except the actual reasonable expenses and fees incurred by the company to enable the Board member to perform his/her duties;

5. The Board of Directors will determine and approve the disbursement of the remunerations of the members of the Board and its Committees, based on the NRC recommendation;

6. Members of the Board of Directors and its Committees are entitled to an allowance for attending Board, Committees and general assembly meetings ranging between 1500 SAR and 3000 SAR, to be determined and approved by the Board of Directors in accordance with the NRC recommendation.

7. Board members are entitled to an annual remuneration not less than SAR 200,000. The Board may determine different amounts of such remuneration based on recommendations from the NRC;

8. Board members who are participating in Board committees are entitled to annual remuneration not less than SAR 100,000 per Committee. The Chairman of the Board and of any Committee will receive an additional annual remuneration not less than SAR 50,000. The Board may determine different amounts of such remuneration, based on the recommendations of NRC.

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10. Board member may receive a remuneration for any additional executive, technical, managerial or consultative -pursuant to a professional license- duties or positions carried out by the Board member should be remunerated in addition to the Remuneration

he/she may receive in his/her capacity as a member in the Board and in the Committees formed by the Board, pursuant to the Companies Law and the Company's Bylaws;

11. The remuneration of independent board members shall not be in the form of a percentage of the Company's net profits and shall not be, directly or indirectly, based on the profitability of the Company;

12. Board members shall not vote on the agenda item of the Remuneration of Board members at the General Assembly meeting, in case that this item is included in the agenda of the General Assembly;

13. The Remunerations of different Board members may vary depending on the Board members' experience, expertise, duties he/she undertakes, independence and number of Board meetings he/she attended in addition to other considerations; and

14. If it is evidenced to the Audit Committee or the Authority that the remuneration paid to any Board member was based on false or misleading information presented to the General Assembly or included in the Annual Board report, the Board member shall return such remuneration to the Company, and the Company may request such Board member to return such Remuneration.

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12. Board members shall not vote on the agenda item of the Remuneration of Board members at the General Assembly meeting, in case that this item is included in the agenda of the General Assembly;

13. The Remunerations of different Board members may vary depending on the Board members' experience, expertise, duties he/she undertakes, independence and number of Board meetings he/she attended in addition to other considerations; and

14. If it is evidenced to the Audit Committee or the Authority that the remuneration paid to any Board member was based on false or misleading information presented to the General Assembly or included in the Annual Board report, the Board member shall return such remuneration to the Company, and the Company may request such Board member to return such Remuneration.

POLICY FOR REMUNERATION OF BOARD OF DIRECTORS, ITS COMMITTEES AND EXECUTIVE MANAGEMENT

1. PURPOSE

The purpose of this Remuneration Policy (the “Policy”) is to regulate and set clear standards regarding the remuneration of the members of the Board of Directors and its Committees (the “Members”), and executives management (the “Executives”) of L’azurde Company for Jewelry (the “Company”).

The Remuneration Policy for the board, its committees and executive management has been prepared in accordance with the requirements of Companies law and the Implementing Regulation of the Companies Law and Corporate Governance Regulations issued by Capital Market Authority (“CMA”).

2. SCOPE OF APPLICATION

- a) This Policy shall apply to all Members in respect of any remuneration received by them from the Company in their capacity as Members of the board and its committees. This policy shall also apply to the executive management members.
- b) This Policy is intended to implement the relevant provisions of the Company’s bylaws (the “Bylaws”) and both Companies law and **the Implementing Regulation of the Companies Law** and corporate governance regulation requirements (the “Regulations”).

3. POLICY OBJECTIVES AND PRINCIPLES

- a) **The remuneration of Members shall be determined with the view of achieving the following objectives:**
 - Enabling the Company to maintain a Board of Directors with the appropriate level of experience and qualification;
 - Supporting the Company in adapting to the competitive pressures of the sectors in which it operates;
 - Motivating the Members to achieve the Company’s business strategy and objectives; and
 - Aligning the interests of the Members with the long-term interests of the Company and its shareholders.
- b) **The remuneration of Members and executives shall be determined based on the following principles:**
 - The remuneration shall be fair, proportionate, and reasonably sufficient to attract, retain and motivate Members with the appropriate level of experience and qualification;
 - The sector in which the Company operates, the size of the Company, and the Company’s annual objectives shall be taken into consideration in determining the remuneration;
 - To the extent appropriate, the remuneration shall be in line with the remuneration received by directors in comparable companies;
 - The experience, competencies, efforts, contributions, scope of work, and record of attendance of each Member shall be taken into consideration in determining the remuneration;
 - The remunerations of the members and executives may be paid monthly, quarterly or annually; and
 - Remuneration will be in accordance with Company’s Bylaws, Companies’ Law and CMA instructions related to listed companies.

4. RULES OF REMUNERATION DETERMINATION FOR BOARD OF DIRECTORS AND BOARD COMMITTEES

Considering the provisions governing the remuneration of the Board of Directors and board committees as stipulated in Companies Law, the Corporate Governance Regulations, the Implementing Regulation of the Companies Law of the listed joint stock companies, and the Company’s Bylaw, the remuneration of the members of the Board of Directors, its committees and senior executives, shall be in accordance with the following principles and rules:

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1. The Board, on an annual basis, based on the recommendations of the Nominations and Remuneration Committee (“NRC”), determines the remuneration of Board members and its Committees;
2. The recommendations of the NRC and the Board of Directors shall be in compliance with the laws, regulations, Company’s Bylaws, applicable policies, including this policy;
3. The remuneration of Members could be in the form of specific cash payments, in kind benefits, attendance allowances, a percentage of the Company’s annual net profits, or a combination of any of the foregoing;
4. Determine all paid amounts, allowances, dividends and the like, periodic, or annual bonuses, based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance; except the actual reasonable expenses and fees incurred by the company to enable the Board member to perform his/her duties;
5. The Board of Directors will determine and approve the disbursement of the remunerations of the members of the Board and its Committees, based on the NRC recommendation;
6. Members of the Board of Directors and its Committees are entitled to an allowance for attending Board, Committees and general assembly meetings ranging between 1500 SAR and 3000 SAR, to be determined and approved by the Board of Directors in accordance with the NRC recommendation.
7. Board members are entitled to an annual remuneration not less than SAR 200,000. The Board may determine different amounts of such remuneration based on recommendations from the NRC;
8. Board members who are participating in Board committees are entitled to annual remuneration not less than SAR 100,000 per Committee. The Chairman of the Board and of any Committee will receive an additional annual remuneration not less than SAR 50,000. The Board may determine different amounts of such remuneration, based on the recommendations of NRC.
9. Committee members from outside the Board of Directors, are entitled to annual remuneration not less than SAR 200,000. The Board may determine a different amount of such remuneration based on recommendations of the NRC;
10. Board member may receive a remuneration for any additional executive, technical, managerial or consultative - pursuant to a professional license- duties or positions carried out by the Board member should be remunerated in addition to the Remuneration he/she may receive in his/her capacity as a member in the Board and in the Committees formed by the Board, pursuant to the Companies Law and the Company’s Bylaws;
11. The remuneration of independent board members shall not be in the form of a percentage of the Company’s net profits and shall not be, directly or indirectly, based on the profitability of the Company;
12. Board members shall not vote on the agenda item of the Remuneration of Board members at the General Assembly meeting, in case that this item is included in the agenda of the General Assembly;
13. The Remunerations of different Board members may vary depending on the Board members’ experience, expertise, duties he/she undertakes, independence and number of Board meetings he/she attended in addition to other considerations; and
14. If it is evidenced to the Audit Committee or the Authority that the remuneration paid to any Board member was based on false or misleading information presented to the General Assembly or included in the Annual Board report, the Board member shall return such remuneration to the Company, and the Company may request such Board member to return such Remuneration.

5. REMUNERATION UPON TERMINATION

- a) If the membership of any member of the Board of Directors is terminated due to gross misconduct, material breach of the terms of appointment, act of fraud or dishonesty, or willful neglect of duties, the member shall receive no payment in respect of the period between the beginning of the quarter in which the termination took place and termination date;
- b) If the General Assembly decides to terminate the membership of any member of the Board of Directors for his failure to attend three consecutive Board meetings or five non-consecutive Board meetings during his membership, without a legitimate excuse accepted by the Board, the member shall receive no payment in respect of the period between the last meeting he attended and the termination date; and he/she shall pay back any Remuneration he/she received for that period.
- c) If the membership of any member of the Board of Directors is terminated for any other reason, the member shall be

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paid a pro-rata amount in respect of the period between the beginning of the quarter in which termination took place and the termination date.

6. EXECUTIVE MANAGEMENT REMUNERATION

Based on the recommendation of the NRC, the Board specifies the Senior Executive Management's remuneration and approves the disbursement. Remuneration will be according to the following principles:

- a) Commensurate with the Company's strategic objectives and be a motivating factor for Senior Executive Management to meet these objectives and enhance the company's ability to grow and sustain its business;
- b) Commensurate with the nature of the Company's business as well as with the required skills and experience;
- c) Enable the Company to attract senior executives with skills and qualifications necessary to enable the company to meet its objectives; and
- d) Not cause conflict of interest which might adversely impact Company's interests and ability to achieve its objectives.

7. GRANT OF SHARES

If the Company developed a program to grant some of company's shares to Board members, Executive management and employees, whether a new issue or shares purchased by the Company, the NRC committee shall supervise this program in line with the Company's Bylaws and any other relevant laws and regulations.

8. ENTRY INTO EFFECT AND REVIEW

- a) This Policy shall be adopted by a resolution of the General Assembly, following a recommendation by the Board of Directors, and shall be effective from the date on which it is approved by the General Assembly;
- b) The NRC shall oversee the implementation of this Policy and periodically review its provisions and recommend any amendments thereto, to the Board of Directors; and
- c) Any amendments to this Policy shall be adopted in the same way this Policy was adopted.

9. DISCLOSURE

- a) The Board of Directors shall comply with the relevant disclosure obligations and requirements under the applicable laws and regulations in respect of this Policy and the remuneration received by the Members; and
- b) The Board must disclose in its Annual Report, details of the Remuneration policies, and mechanisms for determining such remuneration, including amounts in cash and in-kind benefits paid to each Board member in exchange for any executive, technical, managerial, or advisory work or positions.

Policy Name	Prepared by	Reviewed by	Recommended by	Approved by	Approval Date
Policy for remuneration of Board of Directors, its Committees and Executive Management	Governance Department	NRC	Board of Directors	General Assembly	

Policy for Remuneration of Board of
Directors, its Committees and
Executive Management
Before amendment

POLICY FOR REMUNERATION OF BOARD OF DIRECTORS, ITS COMMITTEES AND EXECUTIVE MANAGEMENT

1. PURPOSE

The purpose of this Remuneration Policy (the “Policy”) is to regulate and set clear standards regarding the remuneration of the members of the Board of Directors and its Committees (the “Members”), and executives management (the “Executives”) of L’azurde Company for Jewelry (the “Company”).

The Remuneration Policy for the board, its committees and executive management has been prepared in accordance with the requirements of Companies law and the Implementing Regulation of the Companies Law and Corporate Governance Regulations issued by Capital Market Authority (“CMA”).

2. SCOPE OF APPLICATION

- a) This Policy shall apply to all Members in respect of any remuneration received by them from the Company in their capacity as Members of the board and its committees. This policy shall also apply to the executive management members.
- b) This Policy is intended to implement the relevant provisions of the Company’s bylaws (the “Bylaws”) and both Companies law and **the Implementing Regulation of the Companies Law** and corporate governance regulation requirements (the “Regulations”).

3. POLICY OBJECTIVES AND PRINCIPLES

- a) **The remuneration of Members shall be determined with the view of achieving the following objectives:**
 - Enabling the Company to maintain a Board of Directors with the appropriate level of experience and qualification;
 - Supporting the Company in adapting to the competitive pressures of the sectors in which it operates;
 - Motivating the Members to achieve the Company’s business strategy and objectives; and
 - Aligning the interests of the Members with the long-term interests of the Company and its shareholders.
- b) **The remuneration of Members and executives shall be determined based on the following principles:**
 - The remuneration shall be fair, proportionate, and reasonably sufficient to attract, retain and motivate Members with the appropriate level of experience and qualification;
 - The sector in which the Company operates, the size of the Company, and the Company’s annual objectives shall be taken into consideration in determining the remuneration;
 - To the extent appropriate, the remuneration shall be in line with the remuneration received by directors in comparable companies;
 - The experience, competencies, efforts, contributions, scope of work, and record of attendance of each Member shall be taken into consideration in determining the remuneration;
 - The remunerations of the members and executives may be paid monthly, quarterly or annually; and
 - Remuneration will be in accordance with Company’s Bylaws, Companies’ Law and CMA instructions related to listed companies.

4. RULES OF REMUNERATION DETERMINATION FOR BOARD OF DIRECTORS AND BOARD COMMITTEES

Considering the provisions governing the remuneration of the Board of Directors and board committees as stipulated in Companies Law, the Corporate Governance Regulations, the Implementing Regulation of the Companies Law of the listed joint stock companies, and the Company’s Bylaw, the remuneration of the members of the Board of Directors, its committees and senior executives, shall be in accordance with the following principles and rules:

1. The Board, on an annual basis, based on the recommendations of the Nominations and Remuneration Committee (“NRC”), determines the remuneration of Board members and its Committees;
2. The recommendations of the NRC and the Board of Directors shall be in compliance with the laws, regulations, Company’s Bylaws, applicable policies, including this policy;
3. The remuneration of Members could be in the form of specific cash payments, in kind benefits, attendance allowances, a percentage of the Company’s annual net profits, or a combination of any of the foregoing;
4. Determine all paid amounts, allowances, dividends and the like, periodic, or annual bonuses, based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance; except the actual reasonable expenses and fees incurred by the company to enable the Board member to perform his/her duties;
5. The Board of Directors will determine and approve the disbursement of the remunerations of the members of the Board and its Committees, based on the NRC recommendation;
6. Members of the Board of Directors and its Committees are entitled to an allowance for attending Board and Committees meetings ranging between 1500 SAR and 3000 SAR, to be determined and approved by the Board of Directors in accordance with the NRC recommendation.
7. Board members are entitled to an annual remuneration not less than SAR 200,000. The Board may determine different amounts of such remuneration based on recommendations from the NRC;
8. Board members who are participating in Board committees are entitled to annual remuneration not less than SAR 100,000 per Committee. The Chairman of the Board and of any Committee will receive an additional annual remuneration not less than SAR 50,000. The Board may determine different amounts of such remuneration, based on the recommendations of NRC.
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10. Board member may receive a remuneration for any additional executive, technical, managerial or consultative - pursuant to a professional license- duties or positions carried out by the Board member should be remunerated in addition to the Remuneration he/she may receive in his/her capacity as a member in the Board and in the Committees formed by the Board, pursuant to the Companies Law and the Company’s Bylaws;
11. The remuneration of independent board members shall not be in the form of a percentage of the Company’s net profits and shall not be, directly or indirectly, based on the profitability of the Company;
12. Board members shall not vote on the agenda item of the Remuneration of Board members at the General Assembly meeting, in case that this item is included in the agenda of the General Assembly;
13. The Remunerations of different Board members may vary depending on the Board members’ experience, expertise, duties he/she undertakes, independence and number of Board meetings he/she attended in addition to other considerations; and
14. If it is evidenced to the Audit Committee or the Authority that the remuneration paid to any Board member was based on false or misleading information presented to the General Assembly or included in the Annual Board report, the Board member shall return such remuneration to the Company, and the Company may request such Board member to return such Remuneration.

5. REMUNERATION UPON TERMINATION

- a) If the membership of any member of the Board of Directors is terminated due to gross misconduct, material breach of the terms of appointment, act of fraud or dishonesty, or willful neglect of duties, the member shall receive no payment in respect of the period between the beginning of the quarter in which the termination took place and termination date;
- b) If the General Assembly decides to terminate the membership of any member of the Board of Directors for his failure to attend three consecutive Board meetings or five non-consecutive Board meetings during his membership, without a legitimate excuse accepted by the Board, the member shall receive no payment in respect of the period between the last meeting he attended and the termination date; and he/she shall pay back any Remuneration he/she received for that period.
- c) If the membership of any member of the Board of Directors is terminated for any other reason, the member shall be

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paid a pro-rata amount in respect of the period between the beginning of the quarter in which termination took place and the termination date.

6. EXECUTIVE MANAGEMENT REMUNERATION

Based on the recommendation of the NRC, the Board specifies the Senior Executive Management's remuneration and approves the disbursement. Remuneration will be according to the following principles:

- a) Commensurate with the Company's strategic objectives and be a motivating factor for Senior Executive Management to meet these objectives and enhance the company's ability to grow and sustain its business;
- b) Commensurate with the nature of the Company's business as well as with the required skills and experience;
- c) Enable the Company to attract senior executives with skills and qualifications necessary to enable the company to meet its objectives; and
- d) Not cause conflict of interest which might adversely impact Company's interests and ability to achieve its objectives.

7. GRANT OF SHARES

If the Company developed a program to grant some of company's shares to Board members, Executive management and employees, whether a new issue or shares purchased by the Company, the NRC committee shall supervise this program in line with the Company's Bylaws and any other relevant laws and regulations.

8. ENTRY INTO EFFECT AND REVIEW

- a) This Policy shall be adopted by a resolution of the General Assembly, following a recommendation by the Board of Directors, and shall be effective from the date on which it is approved by the General Assembly;
- b) The NRC shall oversee the implementation of this Policy and periodically review its provisions and recommend any amendments thereto, to the Board of Directors; and
- c) Any amendments to this Policy shall be adopted in the same way this Policy was adopted.

9. DISCLOSURE

- a) The Board of Directors shall comply with the relevant disclosure obligations and requirements under the applicable laws and regulations in respect of this Policy and the remuneration received by the Members; and
- b) The Board must disclose in its Annual Report, details of the Remuneration policies, and mechanisms for determining such remuneration, including amounts in cash and in-kind benefits paid to each Board member in exchange for any executive, technical, managerial, or advisory work or positions.

Policy Name	Prepared by	Reviewed by	Recommended by	Approved by	Approval Date
Policy for remuneration of Board of Directors, its Committees and Executive Management	Governance Department	NRC	Board of Directors	General Assembly	19/06/2023