

To the Shareholders**Scientific and Medical Equipment House Company****(A Saudi Joint Stock Company)****Riyadh, Kingdom of Saudi Arabia****Independent limited assurance report on declaration submitted by the Chairman of the Board of Directors to the shareholders**

We have undertaken a limited assurance engagement in respect of the accompanying declaration of related party transactions and contracts for the year ended 31 December 2022 relating to Scientific and Medical Equipment House Company (the "Company") prepared by the management and approved by the Chairman of the Board of Directors of the Company in accordance with the applicable criteria mentioned below so as to comply with the requirements of Article 71 of the Regulations for Companies (the "Declaration").

Subject Matter

The Subject Matter for our limited assurance engagement is the Declaration prepared by the management of the Company and approved by the Chairman of the Board of Directors as attached to this report and submitted to us.

Criteria

The applicable criteria (the "Criteria") is the requirement of Article 71 of Regulations for Companies issued by the Ministry of Commerce (2015-1437H) and subsequent amendments made therein which states that any member of the Board of Directors (the "Board") with any interest, both directly or indirectly, in the transactions or contracts made for the account of the Company shall declare such interests for the approval of a general assembly of the Company. The Board member must notify the Board of such interest and excuse himself in vote by the Board to approve such transactions or contracts. The Chairman of the Board will notify the general assembly of transactions and contracts in which a member of the Board has a direct or indirect interest.

Management Responsibility

Management of the Company is responsible for the preparation of the Declaration in accordance with the Criteria and ensuring its completeness. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Declaration that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Declaration based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information', as endorsed in the Kingdom of Saudi Arabia. This standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Company has not complied with the applicable requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration, for the year ended 31 December 2022.

The procedures selected depend on our judgment, including the assessment of risks such as failure of systems and controls, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's compliance with the requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration. Our procedures included examining, on a test basis, evidence supporting systems and controls in respect of the preparation of the Declaration in accordance with the requirements of Article 71 of the Regulations for Companies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Independent limited assurance report on declaration submitted by the Chairman of the Board of Directors to the shareholders (continued)

Professional ethics and quality management

We have complied with the independence requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the “Code”), that is relevant to our limited assurance engagement and we have fulfilled our other ethical responsibilities in accordance with the Code’s requirements.

Our firm applies International Standard on Quality Management 1 (“ISQM 1”), as endorsed in the Kingdom of Saudi Arabia, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

We have planned and performed the following procedures to obtain limited assurance over the Company’s compliance with the requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration:

- Discussed with the Company’s management the process for conducting business and entering into contracts with any of the Board members, either directly or indirectly, with the Company which includes that the Board member notifies the Board on the transactions and contracts entered into by the Company, in which the Board member may have any interest, either directly or indirectly, and further that the concerned Board member will not vote on the resolution issued in this regard at the meetings of the Board and the shareholders, and resolutions will be passed annually.
- Obtained the accompanying Declaration (enclosed as Appendix I to this report) that includes the lists of all transactions and contracts entered into by any of the Board members of the Company, either directly or indirectly, with the Company during the year ended 31 December 2022.
- Reviewed the minutes of the Board meetings that indicates that the concerned Board member notified the Board on the transactions and agreements entered into by that Board member during the year ended 31 December 2022; and further that the concerned Board member did not vote on the resolution issued in this regard at the meetings of the Board.
- Reviewed the confirmations obtained from the concerned Board members on the business and contracts participated by the Board members, either directly or indirectly, during the year ended 31 December 2022.
- Tested the consistency of the transactions included in the Declaration with the disclosure in Note (13) to the Company’s audited consolidated financial statements for the year ended 31 December 2022.

Inherent limitations

Our procedures regarding systems and controls relating to the preparation of the Declaration in accordance with the requirements of Article 71 of the Regulations for Companies, are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Furthermore, such procedures may not be relied upon as evidence of the effectiveness of the systems and controls against fraudulent collusion, especially on the part of those holding positions of authority or trust.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised) as endorsed in the Kingdom of Saudi Arabia. Consequently, the nature, timing and extent of the procedures outlined above for gathering sufficient appropriate evidence were deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Our procedures did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements as endorsed in the Kingdom of Saudi Arabia and accordingly we do not express an audit or a review opinion in relation to the adequacy of systems and controls.

This conclusion relates only to the Declaration for the year ended 31 December 2022 and should not be seen as providing assurance as to any future dates or periods, as changes to systems or controls may alter the validity of our conclusion.

Independent limited assurance report on declaration submitted by the Chairman of the Board of Directors to the shareholders (continued)

Limited Assurance Conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with the applicable requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration of related party transactions for the year ended 31 December 2022.

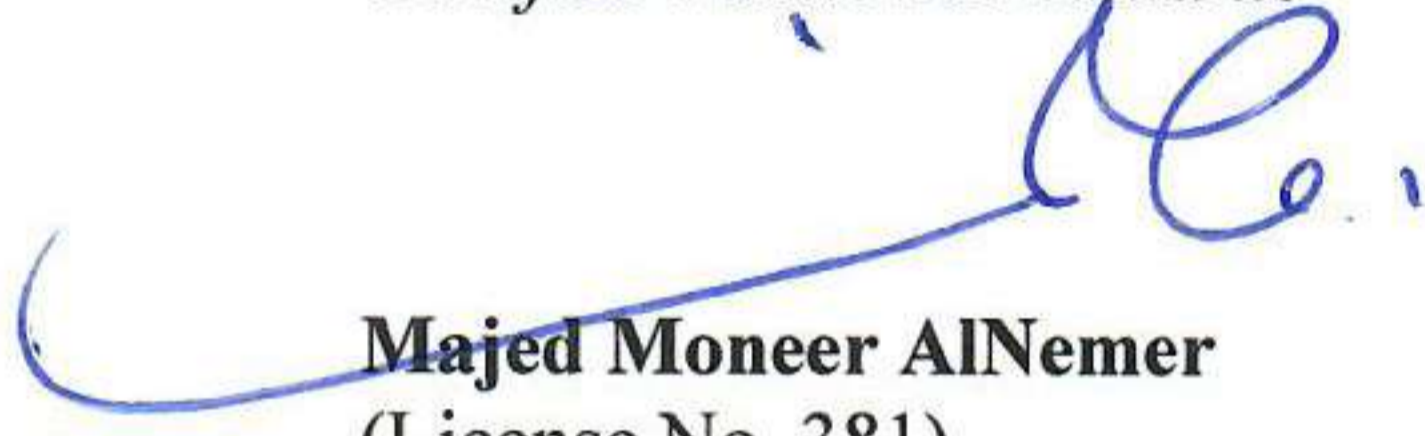
Restriction of Use

This report, including our conclusion, has been prepared solely upon the request of the management of the Company, to assist the Company and its Chairman of the Board of Directors in fulfilling their reporting obligations to the General Assembly in accordance with Article 71 of the Regulations for Companies.

The report should not be used for any other purpose or be distributed to or otherwise quoted or referred to, without our prior consent to any other parties other than the Ministry of Commerce, Capital Market Authority and the shareholders of the Company.

Baker Tilly MKM & Co.

Certified Public Accountants



Majed Moneer AlNemer

(License No. 381)

Riyadh on 25 Ramadan 1444H

Corresponding to 16 April 2023





No.: 001/2023

Date: 15/09/1444 AH

Corresponding to: 06/04/2023

Dear Shareholders of Scientific and Medical Equipment House Company,

Ordinary General Assembly

Greetings,

According to what is stipulated in Article (71) of the Companies Law, I would like to inform you about the works and contracts performed for the benefit of the Company during the fiscal year 2022 and the Board Members have a direct interest therein:

Agreement	Related Party	Nature and Terms of Dealing	Amount in SAR for 2022	Term
Services Provision Contracts and Purchase and Supply Orders	Rawabi Marketing International Company, which the following Messrs.: - Basel Saud Al-Arifi (Board Member) - Bandar Saud Al-Arifi (Vice Chairman of the Board of Directors) - Barakat Saud Al-Arifi (Board Member) - Bashir Saud Al-Arifi (Board Member) have direct relation with it.	Scientific and Medical Equipment House Company has concluded the following items: • Lease Contract of the Company's building located at Prince Abdul-Aziz bin Galwi at Al-Sulaimania with Rawabi Marketing International Company and the Contract includes maintenance and operational works of the building with an amount of SAR (864,000). • Lease Contract for manpower with an amount of SAR (6,656,625). • Purchase and Supply Orders for cleaning materials for projects under approved purchase orders and quotations at the prevailing market price with an amount of SAR (2,260,005).	9,780,630	One Gregorian year and to be renewed automatically
Information Technology Services Provision Contract	Rawabi for Smart Services and Devices (RSSD) Company, which the following Messrs.: - Basel Saud Al-Arifi (Board Member) - Bandar Saud Al-Arifi (Vice Chairman of the Board of Directors) - Barakat Saud Al-Arifi (Board Member) - Bashir Saud Al-Arifi (Board Member) have direct relation with it.	Scientific and Medical Equipment House Company has concluded the following items: • Information Technology Services Provision Contract with Rawabi for Smart Services and Devices (RSSD) Company to provide the technical support to Scientific and Medical Equipment House Company and the Contract includes maintenance and operational works to the networks, computers, and servers of the Company and following up the works in SAP computer system with the implementing company with an amount of SAR (3,088,478).	3,088,478	Five years commenced on 30/06/2020 and will expire on 31/12/2025



Agreement	Related Party	Nature and Terms of Dealing	Amount in SAR for 2022	Term
Services Provision Contracts and Purchase and Supply Orders	National Company for Sulphur Products, which the following Messrs.: - Basel Saud Al-Arifi (Managing Director) - Bandar Saud Al-Arifi (Chairman of the Board of Directors) - Barakat Saud Al-Arifi (Board Member) - Bashir Saud Al-Arifi (Vice Chairman of the Board of Directors) have direct relation with it.	Scientific and Medical Equipment House Company has concluded the following items: • Lease Contract of the Company's building located at Prince Abdul-Aziz bin Galwi at Al-Sulaimania with National Company for Sulphur Products and the Contract includes maintenance and operational works of the building with an amount of SAR (384,000). • Lease Contract for manpower with an amount of SAR (5,985,269). • Purchase Order for the rehabilitation works of the sulfur factory building in Riyadh with an amount of SAR (5,499,076).	11,868,345	One Gregorian year and to be renewed automatically
Services Provision Contracts and Purchase and Supply Orders	German Metal Surface Treatment Chemicals Company, which the following Messrs.: - Basel Saud Al-Arifi (Board Member) - Bandar Saud Al-Arifi (Board Member) - Barakat Saud Al-Arifi (Chairman of the Board of Directors) - Bashir Saud Al-Arifi (Board Member) have direct relation with it.	Scientific and Medical Equipment House Company has concluded the following items: • Lease Contract of the Company's building located at Prince Abdul-Aziz bin Galwi at Al-Sulaimania with German Metal Surface Treatment Chemicals Company and the Contract includes maintenance and operational works of the building with an amount of SAR (264,000). • Lease Contract for manpower with an amount of SAR (845,484). • Purchase and Supply Orders for cleaning materials for projects under approved purchase orders and quotations at the prevailing market price with an amount of SAR (287,191).	1,396,675	One Gregorian year and to be renewed automatically
Contract for establishing a commercial complex and leasing housing units	Derat AlAmar Real Estate Company, which the following Messrs.: - Basel Saud Al-Arifi (Board Member) - Bandar Saud Al-Arifi (Board Member) - Barakat Saud Al-Arifi (Board Member) - Bashir Saud Al-Arifi (Chairman of the Board of Directors) have direct relation with it.	Scientific and Medical Equipment House Company has concluded the following items: • A contract for contracting and establishing a commercial complex with Derat AlAmar Real Estate Company for the supply and construction of Al-Takhasosi mall project. The Contract includes the supply and implementation of all civil, construction, architectural, mechanical and electrical works for the commercial complex at the prevailing market price. There are no preferential terms in this Contract with an amount of SAR (7,216,396).	10,212,615	Two years and ten months commenced on 16/02/2020 and expired on 15/12/2022

Agreement	Related Party	Nature and Terms of Dealing	Amount in SAR for 2022	Term
		<ul style="list-style-type: none"> Lease Contract for units in the building of King Fah with an amount of SAR (2,108,544). Purchases amounting SAR (887,675). 		
Consumables Supply Contract	Union Land Tring Establishment, which Mr. Bandar Saud Al-Arifi (General Manager) has a direct relation with it.	Scientific and Medical Equipment House Company has concluded a contract with Union Land Tring Establishment for consumables (mechanical- air conditioning) supply contract through the issuance of approved purchase orders at the prevailing market price and as per the agreed upon value of the consumables and the value (that is changeable and calculated at the end of the year) and there are no preferential terms in this Contract.	3,596,924	Two years commenced on 01/03/2020 and expired on 31/02/2022 and to be renewed automatically for similar term
Consumables and Subsistence Provision Contract	Barakat Al Khair Tring Establishment, which Mr. Barakat Saud Al-Arifi (General Manager) has a direct relation with it.	Scientific and Medical Equipment House Company has concluded a contract with Barakat Al Khair Tring Establishment for consumables (electrical- subsistence) supply contract through the issuance of approved purchase orders at the prevailing market price and as per the agreed upon value of the consumables and the value (that is changeable and calculated at the end of the year) and there are no preferential terms in this Contract.	4,915,470	Two years commenced on 01/03/2020 and expired on 31/02/2022 and to be renewed automatically for similar term

An auditor has been appointed for the company to provide a report about such works and contracts as per the legal requirements (a copy thereof is attached) and we recommend to present it to the shareholders in the General Assembly in order to vote on the abovementioned works and contracts, which were performed during 2022 according to the following:

- Approval and licensing of business and contracts that took place between the company and Rawabi Marketing International Company, which are for the members/ Basel Saud Al-Arifi (Board Member), Bandar Saud Al-Arifi (Vice Chairman of the Board), Barakat Saud Al-Arifi (Board Member) and Bashir Saud Al-Arifi (Member of the Board of Directors) directly related to it, in exchange for renting the company's building located on Prince Abdulaziz bin Jalawi Street in Sulaymaniyah with Rawabi International Marketing Company without preferential conditions. The contract includes maintenance and operation of the building, with a total amount of (864,000) riyals during the year 2022.
- Approval and licensing of works and contracts that took place between the company and Rawabi Marketing International Company, which are for the members/ Basel Saud Al-Arifi (Board Member), Bandar Saud Al-Arifi (Vice Chairman of the Board), Barakat Saud Al-Arifi (Board Member) and Bashir Saud Al-Arifi (Member of the Board of Directors) directly related to it, in return for hiring workers at the prevailing market price and without preferential conditions, with a total amount of (6,656,625) riyals during the year 2022.



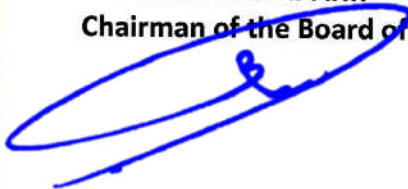
3. Approval and licensing of business and contracts that took place between the company and Rawabi Marketing International Company, which are for the members/ Basel Saud Al-Arifi (Board Member), Bandar Saud Al-Arifi (Vice Chairman of the Board), Barakat Saud Al-Arifi (Board Member) and Bashir Saud Al-Arifi (Member of the Board of Directors) directly related to it, in return for issuing approved purchase orders to supply cleaning materials for projects at the prevailing market price and without preferential conditions, with a total amount of (2,260,005) riyals during the year 2022.
4. Approving and licensing the works and contracts concluded between the Company and Rawabi for Smart Services and Devices (RSSD) Company, which the members/ Basel Saud Al-Arifi (Board Member), Bandar Saud Al-Arifi (Vice Chairman of the Board of Directors), Barakat Saud Al-Arifi (Board Member), Bashir Saud Al-Arifi (Board Member) have direct relation with it, for providing the technical support to Scientific and Medical Equipment House Company, without preferential terms, and the Contract includes maintenance and operational works to the networks, computers, and servers of the Company and following up the works in SAP computer system with the implementing company with an amount of SAR (3,088,478) during 2022.
5. Approval and licensing of works and contracts that took place between the company and the National Company for Sulfur Products, which are for the members / Basel Saud Al-Arifi (Managing Director), Bandar Saud Al-Arifi (Chairman of the Board of Directors), Barakat Saud Al-Arifi (Board Member) and Bashir Saud Al-Arifi (Vice Chairman Board of Directors) has a direct relationship with it, in exchange for renting the company's building located on Prince Abdulaziz bin Jalawi Street in Sulaymaniyah with the National Company for Sulfur Products without preferential conditions. The contract includes maintenance and operation of the building, with a total amount of (384,000) riyals during the year 2022.
6. Approval and licensing of works and contracts that took place between the company and the National Company for Sulfur Products, which are for the members / Basel Saud Al-Arifi (Managing Director), Bandar Saud Al-Arifi (Chairman of the Board of Directors), Barakat Saud Al-Arifi (Board Member) and Bashir Saud Al-Arifi (Vice Chairman Board of Directors) directly related to it, in exchange for hiring workers at the prevailing market price and without preferential conditions, with a total amount of (5,985,269) riyals during the year 2022.
7. Approval and licensing of works and contracts that took place between the company and the National Company for Sulfur Products, which are for the members / Basel Saud Al-Arifi (Managing Director), Bandar Saud Al-Arifi (Chairman of the Board of Directors), Barakat Saud Al-Arifi (Board Member) and Bashir Saud Al-Arifi (Vice Chairman Board of Directors) has a direct relationship with it, in exchange for approved purchase orders to supply construction services and cleaning materials for projects at the prevailing market price and without preferential conditions, with a total amount of (5,499,076) riyals during the year 2022.
8. Approval and licensing of works and contracts that took place between the company and the German Company for Metal Surface Treatment Chemicals, which are for the members/ Basel Saud Al-Arifi (Board Member), Bandar Saud Al-Arifi (Board Member), Barakat Saud Al-Arifi (Chairman of the Board of Directors) and Bashir Saud Al-Arifi (Member of the Board of Directors) directly related to it, in exchange for renting the company's building located on Prince Abdulaziz bin Jalawi Street in Sulaymaniyah with the German Company for Metal Surface Treatment without preferential conditions. The contract includes maintenance and operation of the building, with a total amount of (264,000) during the year 2022.
9. Approval and licensing of works and contracts that took place between the company and the German Company for Metal Surface Treatment Chemicals, which are for the members/ Basel Saud Al-Arifi (Board Member), Bandar Saud Al-Arifi (Board Member), Barakat Saud Al-Arifi (Chairman of the Board of Directors) and Bashir Saud Al-Arifi (Board Member) (Member of the Board of Directors) directly related to it, in exchange for hiring labor at the prevailing market price and without preferential conditions, with a total amount of (845,484) riyals during the year 2022.



10. Approval and licensing of works and contracts that took place between the company and the German Company for Metal Surface Treatment Chemicals, which are for the members/ Basel Saud Al-Arifi (board member), Bandar Saud Al-Arifi (board member), Barakat Saud Al-Arifi (Chairman of the Board of Directors) and Bashir Saud Al-Arifi (Member of the Board of Directors) directly related to it, in exchange for approved purchase orders to supply cleaning materials for projects at the prevailing market price and without preferential conditions, with a total amount of (287,191) riyals during the year 2022.
11. Approval and licensing of works and contracts that took place between the company and Deerat Al-Amar Real Estate Company, which are for the members/ Basel Saud Al-Arifi (Board Member), Bandar Saud Al-Arifi (Board Member), Barakat Saud Al-Arifi (Board Member) and Bashir Saud Al-Arifi (Chairman Board of Directors) has a direct relationship with it, in exchange for a contract to establish a commercial complex in Al-Takhasosi Street in Riyh without preferential conditions, with a total amount of (7,216,396) riyals during the year 2022.
12. Approval and licensing of works and contracts that took place between the company and Deerat Al-Amar Real Estate Company, which are for the members/ Basel Saud Al-Arifi (Board Member), Bandar Saud Al-Arifi (Board Member), Barakat Saud Al-Arifi (Board Member) and Bashir Saud Al-Arifi (Chairman Board of Directors) directly related to it, in exchange for renting units in the King Fahd Building building without preferential conditions, with a total amount of (2,108,544) riyals during the year 2022.
13. Approval and licensing of works and contracts that took place between the company and Deerat Al-Amar Real Estate Company, which are for the members/ Basel Saud Al-Arifi (Board Member), Bandar Saud Al-Arifi (Board Member), Barakat Saud Al-Arifi (Board Member) and Bashir Saud Al-Arifi (Chairman Board of Directors) has a direct relationship with it, in exchange for approved purchase orders to supply purchases, spare parts and cleaning supplies at the prevailing market price and without preferential conditions, with a total amount of (887,675) riyals during the year 2022.
14. Approving and licensing the works and contracts concluded between the Company and Union Land Tring Establishment, which Mr. Bandar Saud Al-Arifi (General Manager) has a direct relation with it, for consumables (electrical- subsistence) supply contract through the issuance of approved purchase orders at the prevailing market price and as per the agreed upon value of the consumables, without preferential terms, with a total amount of SAR (3,596,924) during 2022.
15. Approving and licensing the works and contracts concluded between the Company and Barakat Al Khair Tring Establishment, which Mr. Barakat Saud Al-Arifi (General Manager) has a direct relation with it, for consumables (mechanical- air conditioning) supply contract through the issuance of approved purchase orders at the prevailing market price and as per the agreed upon value of the consumables, without preferential terms, with a total amount of SAR (4,915,470) during 2022.

Kind regards,

Basel bin Saud Al-Arifi
Chairman of the Board of Directors




Proposed Amendments to the Audit Committee Regulations

(Scientific & Medical Equipment House Co.)

S/N	Article No.	Article title	Article before amendment	Article before amendment	Delete / Add / amend
1.	-	Audit Committee Regulations	Arabic	Bilingual (Arabic / English) Version of the regulations	Addition
2.	-	Contents of the regulation	N/A	(6) Powers and Responsibilities 11	Addition
3.	-	Contents of the regulation	(6) General Provisions	(7) General Provisions	Amendment
4.	1	Regulation Purposes	The purpose of these regulations is derived from the objective of forming an audit committee, which is to verify Article 101 of the new Companies Law issued in 1437/2015 AD and its amendment on 25/07/1439 AH corresponding to 10/04/2018 AD. Article 101 stipulates the formation of an audit committee consisting of at least three non-executive board members, whether from the shareholders or others. Accordingly, the company's General Assembly formed the audit committee.	-	Deletion
5.	(2/6)	Definitions / Audit Committee (Committee)	It is the audit committee appointed by the General Assembly of the shareholders in accordance with the provisions of these regulations and the new Companies Law issued in 1437 AH/2015 AD and its amendments on 25/07/1439 AH corresponding to 10/04/2018 AD.	It is the audit committee formed by the company's board of directors in accordance with the provisions of these regulations.	Amendment
6.	(2/8)	Definitions/ Company	Scientific & Medical Equipment House Co. - (Saudi Closes Joint Stock Company)	Scientific & Medical Equipment House Co. - (Saudi Joint Stock Company)	Amendment

7.	3/1	Committee membership, composition and remuneration Formation and membership of the audit committee	1) By a decision of the Ordinary General Assembly of the company, a committee called (the Audit Committee) shall be formed.	1) By a decision of the company's board of directors, a committee called (the audit committee) shall be formed.	Amendment
8.	3/1	Committee membership, composition and remuneration (Formation and membership of the audit committee)	N/A	6) If a position of one of the audit committee members becomes vacant, the company's board of directors is entitled to appoint a temporary member to the vacant position, provided that he has the necessary expertise and competence. CMA shall be informed of the appointment within five working days from the date of appointment, and the appointment shall be presented to the General Assembly at its first meeting. The new audit committee member shall complete the term of his predecessor. ⁽¹⁾	Addition
9.	3/2	Committee membership, composition and remuneration (Membership and attendance allowances)	6) The General Assembly of the company approves the recommendation of the Board of Directors to appoint a chairman, members, and secretary of the audit committee for a period of (3) years, and their renewal is permissible in accordance with the Companies Law and/or the Company's Governance Regulations.	6) The Board of Directors approves the appointment of a chairman, members and secretary of the audit committee for a period of (3) years. Their appointment may be renewed in accordance with the Corporate Governance Regulations.	Amendment
10.	5/a	The Committee's terms of reference, powers and responsibilities	Subparagraph numbering	Rearranging the numbers of subparagraph.	Amendment

(1) New Corporate Governance Regulations issued by the Saudi Arabian Capital Market Authority - Chapter 2 (Audit Committee) - Article 51: Formation of the Committee - Paragraph (e) (... and the mechanism for temporarily appointment of its members in the event of a vacancy in one of the committee seats.

		(Internal Audit)			
11.	7	General Provisions (The committee's relationship with other departments)	The Audit Committee is linked to the General Assembly of Shareholders and submits its annual reports to the General Assembly of Shareholders, ...	The Audit Committee is linked to the Board of Directors and submits its annual reports to the General Assembly of Shareholders, ...	Amendment

**Proposed Amendments to the Remuneration and Nomination Committee Work Regulation
(Scientific and Medical Equipment House Company)**

SN.	Article No.	Article Title	Article provision before amendment	Article provision after amendment	Deletion/ Addition/ Amendment
1.	-	Remuneration and Nomination Committee Regulation	Arabic	(Arabic/ English) Translating the Regulation and incorporating it within the consolidated version	Addition
2.	-	Regulation Title	Remuneration and Nomination Committee Regulation	Remuneration and Nomination Committee Work Regulation	Addition
3.	-	Regulation Contents	N/A	(1) Definitions	Addition
4.	-	Regulation Contents	Ordering and numbering of Articles	Ordering and numbering of Articles after the addition of Article (Definitions)	Amendment
5.	1	Definitions	None	<p>For the purpose of applying the provisions of this Regulation, the expressions shall have the meanings ascribed thereto, unless the context requires otherwise:</p> <ul style="list-style-type: none"> • Company: shall mean Scientific and Medical Equipment House Company. • Memorandum of Association: shall mean the memorandum of association of Scientific and Medical Equipment House Company. • Companies Regulation: shall mean the Companies Regulation issued by Royal Decree No. (M/132) on 01/12/1443 	Addition

				<p>AH and any subsequent amendments thereto.</p> <ul style="list-style-type: none"> • Authority: shall mean the Capital Market Authority. • Assembly: shall mean an assembly consisting of the shareholders of the Company under the provisions of the Company regulations and by-laws. • Board: shall mean the board of directors of the Company. • Executive Member: shall mean a board member of the Company, who holds the position of a full-time manager of the company and receives a monthly and annual salary from the company. • Non-executive Member: shall mean a part-time board member in the executive management of the Company and does not participate in its daily business. • Independent Member: shall mean a board member, who enjoys complete independence, which contradicts, for example but not limited to, the following: <ul style="list-style-type: none"> - The member owns (5%) or more of the shares of the company, or in any company of its group, or is a representative of a person of legal status, who owns (5%) or more of the 	
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				<p>shares of the company, or in any company of its group.</p> <ul style="list-style-type: none"> - Owning a controlling interest in the company group or any of its groups. - To be a senior executive during the past two years in the company group or in any of its companies. - The member owns (5%) or more of the shares of the company or in one of its group companies. - To have a relationship of first degree with any of the board members of the company or any of the companies of its group. - That the member has been an employee during the past two years at any of the parties related to the Company or any of the chartered accountant offices that have audited the financial statements of the Company and the main suppliers or that the member owns the controlling shares of such parties over the past two years. <ul style="list-style-type: none"> • Committee: shall mean the Remuneration and Nomination Committee. • Regulation: shall mean the work rules of the Remuneration and Nomination Committee in its entirety and the 	
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				<p>preparatory process that it is considered an integral part thereof.</p> <ul style="list-style-type: none"> • Shall mean a member of the Remuneration and Nomination Committee. 	
6.	2	Purpose of the Regulation	تم إعداد هذه اللائحة لضمان السير وفق منهجية دقيقة ودراسات متقدمة.	-	Deletion
7.	2/3	Committee Formation	None	(2) The Committee consists of (3) members, including the chairman, who shall be chosen by the Board of Directors of the Company.	Addition
8.	4/3	Committee Formation	None	(4) In the event that the position of one of the Committee members becomes vacant, in this case the Board of Directors of the Company has the right to appoint a temporary member in the vacant position, and provided that he/she is adequately notified, provided that the Capital Market Authority is notified within five working days from the date of appointment, and the new member must complete the term of his/her predecessor .	Addition
9.	4	Regulation Preparation	The Board of Directors shall prepare the Remuneration and Nomination Committee Regulation and submit it to the General Assembly for approval.	The Board of Directors shall prepare the Remuneration and Nomination Committee (Work) Regulation and submit it to the General Assembly for approval.	Amendment

10.	1/7	Competences of the Committee in relation to nominations	(1) Proposing clear policies and criteria for the membership of the Board of Directors and the executive management.	(1) Proposing clear policies and criteria for the membership of the Board of Directors (and committees of the Board of Directors) and the executive management.	Amendment
11.	10	Right of the shareholder to nomination	The provisions of this Regulation are without prejudice to the right of every shareholder in the Company to nominate himself/herself or others for membership of the Board of Directors in accordance with the provisions of the Companies Law and its implementing regulations.	The provisions of this Regulation are without prejudice to the right of every shareholder in the Company to nominate himself/herself or others for membership of the Board of Directors in accordance with the provisions of the Companies Law (and the Corporate Governance Regulation of the Capital Market Authority and their implementing regulations)	Amendment