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# Agenda

**The agenda of General Assembly (the first meeting) through modern technology**

**On Wednesday 22/05/2024 h**

The Board of Directors of Al-Dawaa Medical Services Company is pleased to invite the shareholders to participate and voting in general assembly meeting (the first and second meetings an hour after the first meeting)

- 1 Reviewing of the Board of Directors' report for the fiscal year ended December 31, 2023, and discussing it.
- 2 Reviewing of The financial statements for the fiscal year ended December 31, 2023, and discussing it.
- 3 Voting on the company's auditor's report for the fiscal year ended December 31, 2023. after discussing it
- 4 Voting on the discharge of the board Directors for the fiscal year ended December 31, 2023.
- 5 Voting on the appointment of the Company's auditor from among the candidates based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2024 , and the first quarter of the fiscal year 2025, and determine his fees.
- 6 Voting on authorizing the Board of Directors to authorize the Ordinary General Assembly with the license mentioned in paragraph (1) of Article Twenty-Seven of the Companies Law, for a period of one year from the date of approval of the General Assembly or until the end of the authorized Board of Directors' term, whichever is earlier, in accordance with the conditions set forth in the Executive Bylaws of the Companies Law for Listed
- 7 Voting on the business and contracts between the company and the Digital Business Systems, which is for the Chairman of the Board of Directors Samir Mahmoud Abdulhadi and the members of the Board of Directors Waleed Mohammed Al Jaafari and Mohammed Saad Butti Al-Farraj Al-Subaie and Hamad Mohammed Al-Huthaili have an indirect interest which is an information technology support services, technical support, networking and data center management, the value of transactions was **27,747,834** SAR for the year of 2023 G. on commercial terms and without preferential benefits.
- 8 Voting on the business and contracts between the company and Meshraf General Contracting Company, which for the members of the Board of Directors Waleed Mohammed Al Jaafari and Mohammed Saad Butti Al-Farraj Al-Subaie have an indirect interest which is the construction of pharmacy branches and the value of transactions was **93,415,712** for the year of 2023 on commercial terms and without preferential benefits.

- 9 Voting on the business and contracts between the company and 966 Motors Corporation, in which the member of the Board of Directors / Mohammed Saad Al-Farraj Al-Subaie has a direct interest, which is advertising services provided to the company, and the value of transactions was 4,804,765\_SAR for the year 2023 on commercial terms and without preferential benefits.
- 10 Voting on the business and contracts between the company and The Zahwa Commercial Company, which for the board member Mohammed Saad Butti Al-Farraj Al-Subaie, and indirect interest, which is a contract for the supply of products and the value of transactions was 6,673,689 SAR for the year of 2023 on commercial terms and without preferential benefits.
- 11 Voting on the works and contracts between the company and Kanaf, the charitable association in which board member Mohammed Saad Butti Al-Farraj Al-Subaie has an indirect interest, which is a fund-raising (halalat) of sales through the company's pharmacies and the value of transactions was 42,728 SAR for the year of 2023 on commercial terms and without preferential benefits.
- 12 Voting on the business and contracts between the company and the Eastern Province Cement Company, which for the members of the Board of Directors Waleed Mohammed Al Jaafari, Mohammed Saad Butti Al-Farraj Al-Subaie and Ibrahim Salem Al-Ruwais, have an indirect interest which is an office lease and service invoices and the value of transactions was 1,267,202\_SAR for the year of 2023 on commercial terms and without preferential benefits.
- 13 Voting on the business and contracts between the company and the Classic Travel and Tourism Agency, which for board member Waleed Mohammed Al Jaafari has an indirect interest, which is internal and external flight reservations and hotel reservations for the company's employees and the value of transactions was 27,057,296\_SAR for the year 2023 on commercial terms and without preferential benefits.
- 14 Voting on the business and contracts between the company and Walaa Cooperative Insurance Company, which for board member Waleed Mohammed Al Jaafari indirect interest which is the policies of vehicle insurance, fire insurance and various marine insurance and the value of transactions was 8,876,727\_SAR for the year of 2023 on commercial terms and without preferential benefits.
- 15 Voting on the amendment of the remuneration policy of the members of the Board of Directors, the affiliated committees and the executive management. attachment

Proxy

نموذج التوكيل The power of attorney

| The power of attorney   | نموذج التوكيل  |
|---|--|
| <p>The power of attorney is not available</p> <p>The General Assembly Meeting will be held online by modern technology provided using Tadawulaty system.</p> <p><a href="https://www.tadawulaty.com.sa">https://www.tadawulaty.com.sa</a></p> <p>The registration and voting in Tadawulaty service will be available and free of charge to all shareholders</p> | <p>نموذج التوكيل غير متاح</p> <p>حيث سيتم الاكتفاء بعقد الجمعية العامة العادية عن طريق وسائل التقنية الحديثة باستخدام منظومة تداولاتي.</p> <p><a href="https://www.tadawulaty.com.sa">https://www.tadawulaty.com.sa</a></p> <p>وسيكون التسجيل والتصويت في خدمة تداولاتي متاحاً ومجاناً لجميع المساهمين</p> |

## Audit Committee Report

**Summary of the Audit Committee's report for the year ended 31 December 2023**

**Read out during the General Assembly**

**Distinguished gentlemen/shareholders of Al-Dawaa Medical Services co.**

Peace, mercy and blessings of God,

The Audit Committee is pleased to submit to its shareholders the summary of its annual report on the work, performance and observations of the Committee for the financial year ended 31 December 2023. The summary of the report is as follows:

**Audit Committee's objective:**

The Audit Committee shall perform its functions in accordance with the scope of work set out in the Company's Governance Regulation in conformity with the Saudi Arabia Corporate Governance Regulation issued by the Council of the Capital Market Authority.

The audit committee aims to verify the adequacy and effective implementation of the internal control system and make any recommendations to the Board of Directors that will activate and develop the system to achieve the purposes of the Company and protect the interests of shareholders and investors with high efficiency and affordability, to assist the Board in implementing its responsibilities related to internal control, accounting policies and financial reporting and to support the independence and objectivity of internal and external audit.

**Composition of the Audit Committee and number of its meetings:**

The Ordinary General Assembly, on the proposal of the Board of Directors of the Company, established a Audit committee of three members of an independent Board member and two independent members from outside the Board of Directors, namely:

- 1) Mr. Ibrahim Ben Salem Al-Ruwais(Board Member - Independent) Chairman of the Committee
- 2) Mr. Abdelrahman Abdullah Al-Dhahim (independent member from outside the Board of Directors) Committee member specializing in financial and accounting affairs
- 3) Mr. Walid Issam Sabri (independent member from outside the Board of Directors) Member of the Committee

**Audit committee meetings during 2023**

During 2023, the Committee held **seven** meetings in accordance with the Committee's approved plan and in conformity with the Corporate Governance Regulation.

**Audit Committee's opinion on the adequacy of the company's internal and financial control and risk management system:**

During 2023, the Audit Committee oversaw and supervised the performance and activities of the Internal Audit Department and verified its independence from executive management and ensured the effectiveness of the internal control system and procedures in protecting the Company's property, assessing and managing the risks of work and measuring the efficiency of performance through the adoption of the annual Internal Audit Department work plan. By the end of 2023, the Internal Audit Department had submitted several reports which the Audit Committee had examined and discussed and made recommendations to the Company's management to address the observations and add improvements. It had directed the Internal Audit



Department in coordination with the Executive Department to follow up on the implementation of corrective procedures for the observations and improvements contained in its reports.

It also reviewed the observations of the company's external auditor in assessing the effectiveness and efficiency of the internal control system through its audit of the company. The Committee recommended that the company's management examine and analyze the observations and suggestions made by the company's auditor and operationalize the recommendations that would help to improve the company's internal control system.

The Committee noted the company's risk management procedures and found that adequate resources and systems were available and comprehensive, commensurate with the nature and size of the company's activities and maintained an acceptable level of risk to which it might be exposed, maintained and not exceeded. The Committee also ascertained the usefulness of the company's continuity and successful continuation of its activity.

In addition, the Committee has not received any comments or observations from employees or stakeholders of the Company regarding any irregularities in financial or other reports through the Company's whistleblowing system.

The results of the audit referred to did not show a substantial weakness in the internal control system and procedures, and based on the data received by the Audit Committee from both the Financial Management and Internal Auditor's Management and the External Auditor supported the Audit Committee's conviction of the efficiency and effectiveness of the company's internal control system and procedures. No internal control system, regardless of the integrity of its design and the effectiveness of its application, can provide absolute assurance.

In conclusion, the Audit Committee expresses its gratitude and appreciation to the Board of Directors of the Company, represented by H.E. Samir bin Mohammed Abdulhadi, the members of the Board, H.E. the CEO of the Company and H.E. the Managing Director for their support and support to the Committee to accomplish its tasks and follow up them to achieve the objectives and aspirations of the shareholders of the Company.

Thanking you

Chairman of the Audit committee



Mr. Ibrahim bin Salem al-Ruwais

## Auditor's Report on business and Contracts



## KPMG Professional Services

16<sup>th</sup> Floor, Al Barghash Tower  
6189 Prince Turki Road, Al Corniche  
P.O. Box 4803  
Al Khobar, 34412 - 3146  
Kingdom of Saudi Arabia  
Commercial Registration No 2051062328

## كي بي إم جي للاستشارات المهنية

الطابق ١٦، برج البرغش  
٦١٨٩ طريق الأمير تركي، الكورنيش  
ص.ب ٤٨٠٣  
الخبر ٣١٤٦ - ٣٤٤١٢  
المملكة العربية السعودية  
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

### Headquarters in Riyadh

### المركز الرئيسي في الرياض

# Independent Limited Assurance Report to Al Dawaa Medical Services Company on the Chairman's Declaration on the Requirements of Article 71 of the Companies Law

## To the Shareholders of Al Dawaa Medical Services Company

We were engaged by the management of Al Dawaa Medical Services Company (the "Company") to report on the Chairman's declaration prepared by the Management in accordance with the requirements of Article 71 of the Companies Law, which comprises the transactions carried out by the Company during the year ended 31 December 2023 in which any of the members of Board of Directors of the Company had direct or indirect personal interest as detailed below ("Subject Matter") and the accompanying management's statement thereon as set out in Appendix 1, in the form of an independent limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter is not properly prepared, in all material respects, based on the applicable criteria ("Applicable Criteria") below.

### Subject Matter

The Subject Matter for our limited assurance engagement is related to the Chairman's declaration enclosed in the attached Appendix 1 (the "Declaration") prepared by the Management in accordance with the requirements of Article 71 of the Companies Law, presented by the Chairman of Al Dawaa Medical Services Company (the "Company"), which comprises the transactions carried out by the Company during the year ended 31 December 2023 in which any of the members of Board of Directors of the Company had direct or indirect personal interest.

### Applicable Criteria

We have used the following as the Applicable Criteria:

1. Article 71 of the Companies Law issued by Ministry of Commerce ("MOC").

### Al Dawaa Medical Services Company's Responsibility

The management of the Company is responsible for preparing the Subject Matter information that is free from material misstatement in accordance with the Applicable Criteria and for the information contained therein. The management of the Company is also responsible for preparing the Subject Matter information (i.e. Appendix 1).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the Subject Matter that information is free from material misstatement, whether due to fraud or error. It also includes selecting the Applicable Criteria and ensuring that the Company complies with the Companies Law; designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the Subject Matter information.

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. The management of the Company is responsible for ensuring that staff involved with the preparation of the Subject Matter information are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR 40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مبنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي للوزان وشركاه محاسبين ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لكي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494.



# Independent Limited Assurance Report to Al Dawaa Medical Services Company on the Chairman's Declaration on the Requirements of Article 71 of the Companies Law

To the Shareholders of Al Dawaa Medical Services Company (continued)

## Our Responsibility

Our responsibility is to examine the Subject Matter information prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" endorsed in the Kingdom of Saudi Arabia and the terms and conditions for this engagement as agreed with the Company's management. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Subject Matter information is properly prepared, in all material respects, as the basis for our limited assurance conclusion.

The firm applies International Standard on Quality Management 1 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.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Subject Matter and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the Subject Matter and other engagement circumstances, we have considered the process used to prepare the Subject Matter information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's process or internal control over the preparation and presentation of the Subject Matter information.

Our engagement also included: assessing the appropriateness of the Subject Matter, the suitability of the criteria used by the Company in preparing the Subject Matter information in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of the Subject Matter information and the reasonableness of estimates made by the Company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject Matter information nor of the underlying records or other sources from which the Subject Matter information was extracted.

## Procedures Performed

Our procedures performed are as follows:

- Obtained the declaration that includes the transactions and/or contracts performed in which any of the BoD members of the Company has either direct or indirect interest during the year ended 31 December 2023.
- Reviewed the minutes of meetings of the BoD that indicate notifications to the BoD by certain director(s) of actual or potential conflicts of direct or indirect interest in relation to transactions and/or contracts involving the BoD member.
- Checked that the minutes of meetings of the BoD that the relevant directors who notified the BoD of actual or potential conflicts of direct or indirect interest did not vote on the resolution to recommend the related transactions and/or contracts;
- On a sample basis, obtained the required approvals along with supporting documents in respect of the transactions and/or contracts included in the declaration; and
- Checked the transaction amounts included in the Declaration agree, where applicable, to the transaction amounts disclosed in note 30 to the audited consolidated financial statements of the Company for the year ended 31 December 2023.



# Independent Limited Assurance Report to Al Dawaa Medical Services Company on the Chairman's Declaration on the Requirements of Article 71 of the Companies Law

To the Shareholders of Al Dawaa Medical Services Company (continued)

## Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter information is not prepared, in all material respects, in accordance with the Applicable Criteria.

## Restriction of Use of Our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company and MOC for any purpose or in any context. Any party other than the Company and MOC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company and MOC for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the Company and MOC on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

### KPMG Professional Services

**Nasser Ahmed Al Shutairy**  
License No: 454



Al Khobar, 9 Shawwal 1445H  
Corresponding to: 18 April 2024G

Notification letter of contracts

Date: 18/03/2024

**Notification from the Chairman of the board of directors and board of directors of the company to The General Assembly of Shareholders**

Based on the requirements of Article (71) of the Companies Law, which stipulates that any member of the Board of Directors shall, upon becoming aware of any interest he has, whether direct or indirect, in the business and contracts that are for the company's account, and that this notification shall be recorded in the minutes of the Board meeting at its meeting, and this member may not participate in voting on the resolution issued in this regard in the Board and the General Assemblies, and the Board shall inform the General Assembly when it convenes about the works and contracts that a member of The Board has a direct or indirect interest therein, and the reporting shall be accompanied by a special report from the Company's auditor prepared in accordance with the auditing standards adopted in the Kingdom.

The following is a list of transactions with members of the Board of Directors related to sales, purchases, services and other transactions carried out by the company during the year ending on December 31, 2023:

**1- Services provided and purchases from companies to Al-Dawaa Medical Services Company:**

| NO | Related party name  | Nature of relationship<br>With Board Members  | Nature of services  | PERIOD  | Amount<br>(in Saudi Riyals) | CONDITIONS   |
|----|---|---|---|---------|-----------------------------|--|
| 1  | Digital Business Systems Company for Information Technology | Indirect interest with chairman Samir Mahmoud Abdulhadi, and Board members Hamad Mohammad Al-Huthaili, Waleed Mohammad Al-Jaafari, and Mohammed Saad Butti Al-Farraj, | Providing information technology services and support, networking and data centers. | Annual  | SR 27,747,834               | All transactions were conducted on a commercial basis and without preferential benefits. |
| 2  | Meshraf General Contracting Company                         | Indirect interest with board members Waleed Mohammad Al-Jaafari, and Mohammed Saad Butti Al-Farraj,   | Construction of pharmacy branches.  | Annual  | SR 93,415,712               | All transactions were conducted on a commercial basis and without preferential benefits. |
| 3  | 966 Motors Establishment                                    | A direct interest with board member Mohammed Saad Butti Al-Farraj   | Services provided to the company.   | Annual  | SR 4,804,765                | All transactions were conducted on a commercial basis and without preferential benefits. |
| 4  | Zahwa Trading Services Company                              | Indirect interest with board member Mohamed Saad Butti Al-Farraj  | Supply contracts.   | Annual  | SR 6,673,689                | All transactions were conducted on a commercial basis and without preferential benefits. |
| 5  | Kanaf Charitable Association                                | Indirect interest with board member Mohamed Saad Butti Al-Farraj  | Collecting donations from point of sales.   | Annual  | SR 42,728                   | All transactions were conducted on a commercial basis and without preferential benefits. |
| 6  | Classic Travel & Tours Agency                               | Indirect interest with board member Waleed Mohammed Aljaafari   | Reservations of travel tickets for the company's employees.                         | Annual  | SR 27,057,296               | All transactions were conducted on a commercial basis and without preferential benefits. |
| 7  | Walaa Cooperative Insurance Company                         | Indirect interest with board member Waleed Mohammed Aljaafari   | Vehicle insurance, fire, marine insurance.  | Annual  | SR 8,876,727                | All transactions were conducted on a commercial basis and without preferential benefits. |
| 8  | Eastern Province Cement Company                             | Indirect interest With board members Waleed Mohamed Al-Jaafari, Mohammed Saad Butti Al-Farraj, and Ibrahim Salem Al-Ruwais  | Rent offices for company and utility bills.   | 5 years | SR 1,267,202                | All transactions were conducted on a commercial basis and without preferential benefits. |

H.O: Al-Khobar-Kingdom of Saudi Arabia

C.R:2051025701

Tel. : 920000838

Fax : (+966) 13 8670201 P.O. Box 4326 Al-Khobar 31952

www.al-dawaa.com, info@al-dawaa.com

1. We assure the shareholders that the transactions amounts described in this notification were reviewed by the Audit Committee and approved by the CEO and CFO of the Company as well as the members of the Board of Directors.
2. We assure the shareholders that all transactions described in this notification have been registered and disclosed in the Company's financial statements for the year ended 31 December 2023, in accordance with the requirements of the International Financial Reporting Standards (IFRS) adopted in Saudi Arabia and other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants and in accordance to Capital Market Authority "CMA" definition of a related party.
3. We assure the shareholders that all transactions are made on commercial basis and without preferential advantages for the stakeholders in the above-mentioned businesses and contracts.
4. We assure the shareholders of the validity of the calculations of the transactions described in this notification.

Thank you.

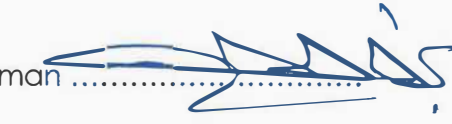
1- Samir Mahmoud Abdulhadi.

Chairman .....



2- Ibrahim Salem Alrowais.

Vice chairman .....



3- Hassan Abdullah Alsomali .

Board member .....



4- Hamad Mohammed Alhuthaili

Board member .....



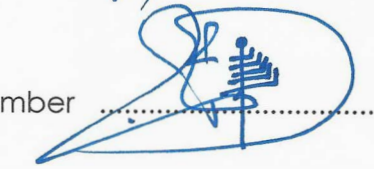
5- Waleed Mohamed Aljaafari.

Board member .....



6- Mohamed Saad Alfarraj.

Board member .....





Remuneration policy

## The remuneration policy

| The policy Before  | The policy after  |
|--|---|
| THE CURRENT POLICY<br>13/02/2024   | SUGGESTED   |
| <p><b><u>Introduction</u></b></p> <p>This policy was prepared in accordance with Paragraph 1 of Article 58 of the Corporate Governance Regulations issued by the Board of the Capital Market Authority on 18/01/2023 and aims to define clear criteria for the remuneration of members of the Board of Directors and its committees and senior executives.</p> <p><b>Article (1): General criteria for remuneration:</b></p> <p>The Remuneration and Nomination Committee is responsible for recommending to the Board of Directors the remuneration of members of the Board and members of its committees and the remuneration of the executive management, and it shall observe the following criteria:</p> <ol style="list-style-type: none"> <li>1 .The remuneration shall be commensurate with the company's activity and the skills necessary to manage it.</li> <li>2. That the remuneration be commensurate with the company's strategy and objectives and the size, nature and degree of risks associated with it.</li> <li>3- The company should take into account the practices of other companies and what is prevalent in the labor market in determining the remuneration, while avoiding the unjustified rise in remuneration and compensation that may result from that. (wording amendment)</li> <li>4 .The remuneration must be fair and commensurate with the competencies of the member or senior executives, the work and responsibilities that he undertakes and bears, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.</li> <li>5 .That the remunerations are reasonably sufficient to attract members of the Board of Directors and executives with appropriate competence and experience, and that they are sufficient to motivate and maintain them.</li> </ol> | <p><b><u>Introduction</u></b></p> <p>This policy was prepared in accordance with Paragraph 1 of Article 58 of the Corporate Governance Regulations issued by the Board of the Capital Market Authority on 18/01/2023 and aims to define clear criteria for the remuneration of members of the Board of Directors and its committees and senior executives.</p> <p><b>Article (1): General criteria for remuneration:</b></p> <p>The Remuneration and Nomination Committee is responsible for recommending to the Board of Directors the remuneration of members of the Board and members of its committees and the remuneration of the executive management, and it shall observe the following criteria:</p> <ol style="list-style-type: none"> <li>1 .The remuneration shall be commensurate with the company's activity and the skills necessary to manage it.</li> <li>2. That the remuneration be commensurate with the company's strategy and objectives and the size, nature and degree of risks associated with it.</li> <li style="color: red;">3- Consideration of the sector that related to company and its volume and boards members experience.</li> <li>4 .The remuneration must be fair and commensurate with the competencies of the member or senior executives, the work and responsibilities that he undertakes and bears, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.</li> <li>5 .That the remunerations are reasonably sufficient to attract members of the Board of Directors and executives with appropriate competence and experience, and that they are sufficient to motivate and maintain them.</li> <li>6. The remunerations of the members of the Board of Directors and the committees may be of varying amounts to reflect the member's experience, competencies, tasks entrusted to him, the</li> </ol> |

6. The remunerations of the members of the Board of Directors and the committees may be of varying amounts to reflect the member's experience, competencies, tasks entrusted to him, the level of quality of his performance, the number of sessions he attends, and other considerations.

The company shall bear the costs of travel tickets and accommodation for members of the Board of Directors and committees in the event that the meeting is held outside the member's city of residence.

8 .The member shall be entitled to the remuneration as of the date of joining the council or the committee, and its amount shall be commensurate with the actual term of his membership.

**Article (2) Remuneration of Board Members:**

1 .The remuneration of the members of the Board of Directors consists of a certain amount, attendance allowance for sessions, benefits in kind, or a certain percentage of the net profits. It is permissible to combine two or more of these benefits.

2 .The sum of the remunerations and financial or in-kind benefits that a member of the Board of Directors receives may not exceed five hundred thousand riyals annually. (deleted)

3. The entitlement to a board member's remuneration must be proportional to the number of sessions he attends. (deleted)

4- A member of the Board of Directors is entitled to an annual remuneration to be determined based on a recommendation from the Remuneration and Nominations Committee.

5 .A member of the Board of Directors shall be entitled to an attendance allowance for each meeting he attends.

6 .The annual remuneration is disbursed within 15 days from the date of its approval by the Board of Directors. (wording amendment)

7. The meeting attendance allowance will be disbursed within 15 days from the date of the meeting.

level of quality of his performance, the number of sessions he attends, and other considerations.

The company shall bear the costs of travel tickets and accommodation for members of the Board of Directors and committees in the event that the meeting is held outside the member's city of residence.

8 .The member shall be entitled to the remuneration as of the date of joining the council or the committee, and its amount shall be commensurate with the actual term of his membership.

**Article (2) Remuneration of Board Members:**

1 .The remuneration of the members of the Board of Directors consists of a certain amount, attendance allowance for sessions, benefits in kind, or a certain percentage of the net profits. It is permissible to combine two or more of these benefits.

2- A member of the Board of Directors is entitled to an annual remuneration to be determined based on a recommendation from the Remuneration and Nominations Committee.

3. The remuneration for independent board members must not be a percentage of the profits achieved by the company or be based directly or indirectly on the company's profitability. (From the company's bylaws, Article 33). (new article)

4 .A member of the Board of Directors shall be entitled to an attendance allowance for each meeting he attends.

5 .The Board of Directors approves the remuneration for Board membership in accordance with the policy, the remuneration be paid within 15 days.

6. The meeting attendance allowance will be disbursed within 15 days from the date of the meeting.

**Article (3) Remunerations of Board Committee Members:**

1 .The Board of Directors determines and approves the remuneration for membership of its committees - with the exception of the Audit Committee - and attendance allowances based on a recommendation from the Remuneration and Nominations Committee. (wording amendment)

2 .The audit committee membership remuneration is approved by the general assembly of shareholders based on a recommendation from the board of directors. (deleted)

3 .Committee membership remuneration consists of an annual remuneration, meeting attendance allowances, or both.

4. The Board of Directors determines and approves the remuneration of members of temporary committees that are formed for a specific purpose, as well as the remuneration of its secretary and chief executive.

**Article (4) Details of the remunerations of the Board of Directors and its committees and executive management:**

1- The company's articles of association may determine the maximum limit for such remuneration.

2- The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all remuneration, expense allowance and other benefits received by the members of the Board of Directors during the financial year, and the standard value of remuneration and attendance allowances shall be determined as follows:

| s | Statement  | The amount     |
|---|--|----------------|
| 1 | The annual remuneration for membership of the Board of Directors               | 500,000 riyals |
| 2 | The annual remuneration for membership of the Audit Committee                  | 140,000 riyals |
| 3 | The annual reward for membership in the Remuneration and Nominations Committee | 100,000 riyals |
| 4 | Allowance for attending any of the board or committee meetings                 | 3,000 riyals   |

**Article (3) Remunerations of Board Committee Members:**

1 .The Board of Directors approves the disbursement of membership remuneration for its committees and attendance allowances in accordance with the policy.

2 .Committee membership remuneration consists of an annual remuneration, meeting attendance allowances, or both.

3. The Board of Directors determines and approves the remuneration of members of temporary committees that are formed for a specific purpose, as well as the remuneration of its secretary and chief executive.

**Article (4) Executive Management Remuneration:**

The annual remuneration for the executive management is determined and approved by the Board of Directors based on the recommendation of the Remuneration and Nominations Committee.

**Article (5) Details of the remunerations of the Board of Directors and its committees and executive management:**

1- The company's articles of association may determine the maximum limit for such remuneration.

2- The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all remuneration, expense allowance and other benefits received by the members of the Board of Directors during the financial year, and the standard value of remuneration and attendance allowances shall be determined as follows:

| s | Statement  | The amount     |
|---|--|----------------|
| 1 | The annual remuneration for membership of the Board of Directors               | 500,000 riyals |
| 2 | The annual remuneration for membership of the Audit Committee                  | 140,000 riyals |
| 3 | The annual reward for membership in the Remuneration and Nominations Committee | 100,000 riyals |
| 4 | Allowance for attending any of the board or committee meetings                 | 3,000 riyals   |