

SHL Finance Company Announced to invites all its Shareholders to attend the Ordinary General Assembly (First Meeting) through Electronic Means

Introduction:

The Board of Directors of SHL Finance Company are delighted to invite the Shareholders of the Company to attend the Annual Ordinary General Assembly (First Meeting) Scheduled to be conveyed on Sunday evening at 18:45 PM on 30th June 2024, electronically.

City & place of the Meeting:

Head Office of the Company, King Abdelaziz Rood 8246, P. O. Box 27072 Riyadh 11417, and the Meeting will be through electronic means only.

Meeting URL:

www.tadawulaty.com.sa

Date of the Meeting:

24/12/1445H corresponding to 30th June 2024.

Time of the Meeting:

18:45 PM, through electronic means only.

How the General Assembly will be held

Through electronic means only

The Eligibility of Attendance:

All Shareholders Registered in the Issuer's Shareholders Registry in the Edda Centre at the end of the Trading Session Preceding the Annual General Assembly's Meeting as per Laws and Regulations, provided that the eligibility of attendance will last at the time of the meeting starting time.

Meeting Quorum:

the Annual General Assembly meeting shall be valid only if attended by shareholders representing at least (25%) one-quarter of the Share capital. If such quorum is not attained in the first meeting, a second meeting shall be held one hour after the lapse of time set for the first meeting. The second meeting shall be valid if attended by any number of shareholders.

Annual General Assembly Meeting Agenda:

- 1- To review and discuss the Board of Directors Report for the fiscal year ended 31st December 2023. (attached).
- 2- To review and discuss the Financial Statements for the fiscal year ended 31st December 2023. (attached).
- 3- To vote on the External Auditors Report for the fiscal year ended 31st December 2023 after its discussion. (attached)
- 4- To vote on absolving the members of the Board of Directors from liabilities for the fiscal year ended 31st December 2023.
- 5- To vote on the Board of Directors resolution on the appointment Mr. Mohammed bin Abdulrhman Alghannam as independent member in the Board of Directors starting from the date of his appointment on 17th October 2023 up to the end of the current Board of Directors' term on 27th November 2025 in replacement of the previous none executive Board member Mr. Othman bin Kheri Bader. (C.V. attached)
- 6- To vote on Board of Directors resolution on the appointment of Mr. Ibrahim bin Abdullah Aljasir as an independent Board member starting from 17th March 2024 up to the end of the current Board of Directors' term on 27th November 2025 in replacement of the previous independent Board member Mr. Saud bin Abdulaziz Algussaiyer. (C.V. attached)
- 7- Voting on the distribution of remuneration for the Board members for total amount of (2,846,000) two million eight hundred forty-six thousand for the year ended 31st December 2023 (attached).
- 8- Voting on the distribution of remuneration for the Board Committees members for total amount of (2,057,000) two million fifty-seven hundred thousand for the year ended 31st December 2023 (attached).
- 9- To vote on the appointment of the company's auditor from among the candidates based on the Audit Committee recommendation to examine, review, and audit the financial statements for the second, third and annual financial statements for the year 2024, and the first quarter of the year 2025, and to determine his fees. (attached).
- 10- To vote on delegating the Board of Directors to distribute Interim Profits on Quarterly or Simi Annual basis for the year 2024.

- 11- To vote on the transactions and contracts made between the company and the shareholder, the Arab National Bank, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to the banking facilities (Islamic Tawarruq Financing) obtained from the Arab National Bank, with a total balance of 1.70 Billion Saudi Riyals as of December 31st , 2023, along with the consequences of these facilities such as burdens and costs in the amount of 117.3 Million Saudi Riyals during the same year and on the basis of the SIBOR of the bank's profit margin, the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 12- To vote on the transactions and contracts, made between the company and the shareholder, the Arab National Bank, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, the company amortizes the previous balance on a monthly basis until the end of those contracts. The unpaid part of the commission, paid to the Arab National Bank, was amounted to 12.1 Million Saudi Riyals as of December 31st, 2023. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 13- To vote on the transactions and contracts, made between the company and the shareholder, the Arab National Bank, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to service fees, representing the value of administrative services provided by SHL Finance Company related to real estate financing contracts, sold to the Arab National Bank during 2014, according to the asset sale agreement signed with the Arab National Bank. The inclusive service revenues during the year were amounted to 4.4 Million Saudi Riyals, net after deducting the costs of services, and the balance of service fees due from the Arab National Bank was amounted to 0.5 Million Saudi Riyals as of December 31st, 2023. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 14- To vote on the transactions and contracts, made between the company and the shareholder, the Arab National Bank, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to fair value of derivative financial instruments and hedging profit, during 2022, the company signed an interest rate swap agreement to hedge its exposure to interest rate risk on financing contracts with a fixed profit cost by exchanging prices between the fixed interest paid monthly. The positive fair value of the interest rate swap as of December 31st, 2023, was amounted to 26.95 Million Saudi Riyals, with a nominal amount of 179 Million Saudi Riyals. Hedging revenue recognized in the profit/loss statement during the year, was 6.5 Million Saudi Riyals, that appear deducted from the facility cost, the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 15- To vote on the transactions and contracts, made between the company and the shareholder, the Arab National Bank, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to the Service Level Agreement for Sharia supervision, on January 1, 2022, the company signed a Service Level Agreement (SLA) with the Arab National Bank regarding assigning the tasks of Sharia Compliance and Sharia Audit, for two years, at an amount of 10 Thousand Saudi Riyals monthly. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 16- To vote on the transactions and contracts, made between the company and the shareholder, the Arab National Bank, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, , related to Credit-Sales (Murabaha Deposits), during the year, the company signed Credit-Sales (Murabaha Deposits) agreements with the Arab National Bank, as part of the company's strategy for the optimal use of available cash, as the outstanding balance of Credit-Sales (Murabaha Deposits), as of December 31st , 2023, the realized deposit profits, for the year, were amounted to 23K Saudi Riyals. The contract is considered as continuous dealings which is subject to annual review and renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 17- To vote on the transactions and contracts, made between the company and the shareholder, Dar Al Arkan Real Estate Development Company, which Board member Mr. Yousef Abdullah Al Shalash had indirect interest, represented in the fact that the company, during the year within its normal activity, financed clients to purchase ready housing units within the housing projects, developed by Dar Al Arkan Real Estate Development Company in various regions of the Kingdom and according to the customers' desire and choice. Total value of the residential units purchased from Dar Al Arkan Real Estate Development Company and financed to customers during the year 2023, was amounted to 3.8 Million Saudi Riyals. The contract is

considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)

- 18- To vote on the transactions and contracts, made between the company and the shareholder, Tharawat Real Estate Assets Company, which the Board member Mr. Yousef bin Abdullah Al Shalash, has an indirect interest, and these amounts are represented in the rental value for offices space Nos. (004/103/104/303/304) rented by the company's Head Offices in Madarat Towers, located in Riyadh, Al-Wazarat district, with a total area of 1961 M2, according to the agreement signed between the company and Tharawat Real Estate Assets Company on 01/01/2020. The rents paid for the year 2023, were amounted to 2.18 Million Saudi Riyals. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 19- To vote on the transactions and contracts, made between the company and Wasalt Real Estate Services Company, in which the Board member Mr. Youssef bin Abdullah Al Shalash, has an indirect interest. Whereas, on 01/07/2022, the company signed an annual real estate marketing services agreement with Wasalt Real Estate Services Company, in order to attract clients and finance them through the Company. The commissions paid to Wasalt Real Estate Services Company during the year 2023, were amounted to 0.11 Million Saudi Riyals. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 20- To vote on the transactions and contracts implemented between the company and Quara Digital for Technical Support Services, in which the Board member Mr. Youssef bin Abdullah Al Shalash, has an indirect interest. Whereas, on 22/08/2022, the company signed an annual Technical Support Services Agreement with Quara Digital for Technical Support Services, in order to provide the necessary technical support for the company. The fees paid to Quara Digital for Technical Support Services during the 2023, were amounted to 0.17 Million Saudi Riyals. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)
- 21- To vote on the transactions and contracts, made between the company Al Khair Capital, which the Board member Mr. Yousef bin Abdullah Al Shalash had indirect interest, related to Credit-Sales (Murabaha Deposits), during the year, the company signed Credit-Sales (Murabaha Deposits) agreements with the Al Khair Capital, as part of the company's strategy for the optimal use of available cash, as the outstanding balance, of credit-sales (Murabaha Deposits), as of December 31st, 2023, was amounted to 31.1 Million Saudi Riyals, and the realized deposit profits for the year, were amounted to 1.1 Million Saudi Riyals. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms. (attached)

The Shareholder rights to discuss the Agenda items, to raise questions, and the right of voting:

The Shareholder has the right to discuss the items stated in the meeting Agenda, and to direct questions and all Shareholders registered on Tadawulaty website has the right to vote on the meeting Agenda Items (electronic voting)

Electronic Voting:

The shareholders may remotely vote on the Annual General Assembly Meeting's Agenda via (E-voting service) through Tadawulaty website www.tadawulaty.com.sa

The remote voting will start on Thursday, 27th June 2024 at (01:00) AM, and the voting will end once the Ordinary General Meeting ended. Please note that registration in Tadawulaty service and voting is provided free of charge.

Method of Communication in case of inquiries:

The respectable Shareholders can participate on the General Meeting discussions of the agenda and raise any questions or inquiries to the Board members or the external auditors, please contact the Company's Investor Relations through:

Email: ir@shlfinance.com

Telephone: 011- 8477982.



Audit Committee Annual Report – 2023

Introduction:

During the year 2023, the Audit Committee has continued to assist the Board in fulfilling its oversight responsibilities by monitoring and reviewing the integrity of the Company's financial reporting and the effectiveness of the Internal and External Audit functions. The Committee was focused on financial performance, new and emerging risks, and crisis management, business continuity and resilience, and related party transactions. The Committee's priorities for the next financial year will be to consider the ongoing performance in terms of future planning and the evolution of Company's-wide business continuity arrangements, monitor the implementation of the business strategy and its impact on the Company's internal control and risk management processes, and continue to ensure appropriate focus is given to the critical topics of controls programme.

Audit Committee Key Tasks

The following are the key duties performed by the Audit Committee during the year 2023:

1. Financial Statements and Accounting Policies

- The Audit Committee received and reviewed the key assumptions used in preparing the financial statements and challenged management of those subjective assumptions which would have (if any) material impact on the financial statements and financial reporting by the company.
- The Audit Committee placed particular emphasis on the fair presentation, reasonableness of the judgment factors applied, and the appropriateness of significant accounting policies used in the financial statements preparation.

2. Internal Controls

- The Audit Committee received and reviewed the internal and external auditors' assessment of internal control procedures, which also ensured the optimal use and controls of Information Technology (IT) necessary to generate accurate and reliable information and data are in place.
- The Audit Committee also reported that it was satisfied that the company's internal control procedures are based on a sound and professional framework that is being implemented efficiently and that all necessary actions have been or are being taken as remedial measures to rectify failings and weaknesses reported to it during the year 2023.

3. Oversight of the Internal Audit Function

- Internal Audit Department reports functionally to Board Audit Committee and administratively to Chief Executive Officer. In carrying out its duties, the Department has full access to information, documents and employee-related issues. The Internal Audit Department operates in accordance with International Internal Auditing Standards (IIA Standards).

Handwritten signatures and initials:
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- The Internal Audit Department carried out planned audits in accordance with the agreed schedule and changes required during the year, as approved by the Board Audit Committee to evaluate, objectively and independently, the adequacy and effectiveness of Internal Control Systems.
- Throughout 2023, Internal Audit Department regularly issued audit progress reports to the Board Audit Committee during the year covering the audit plan progress, audit activities / observations, progress on internal audits' outcome and overall update / view on internal controls' effectiveness and related subjects. During 2023, the Internal Audit continued its significant progress made in closing and verifying audit findings along with strengthening the follow-up / closure process
- The Audit Committee approved the Annual Risk Based Internal Audit Plan for the year 2023 focusing on high risk controls and issues such as the implementation of SAMA requirements and reviewing Control departments such as Credit Risk and property valuation.
- The Audit Committee received and reviewed Audit Findings from the Internal Audit department covering the 2023 Annual Internal Audit Plan, and discussed the key findings and challenged the management with respect to the remedial actions and its planned timeframe to resolve the issues raised by internal audit.
- The Internal Audit department was independent in performing their tasks, and there was no restriction on the scope of work or any impediments that might negatively affect their work.

4. Oversight of the External Audit Function

- The Certified External Auditor, KPMG, was assigned to audit the accounts of the company in addition to reviewing the Internal Control System within the scope of its review of the final financial statements of the company. The Audit Committee kept an active collaboration with the External Auditor, in line with the recognized audit standards, to help fulfilling both missions and adding greater value to the organization.
- The Audit Committee reviewed the Annual report for 2022 and Quarterly financial statements for the year 2023 and recommended approval from the Board of Directors and the General Assembly.

5. Oversight of Compliance Function

- The Audit Committee received and reviewed reports from the Compliance Function and monitored the clearance of issues raised in the compliance reports.

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- The compliance department was independent in performing their tasks, and there was no restriction on the scope of work or any impediments that might negatively affect their work.
- The Audit Committee followed up on the reports, reviewed the comments, or corrective actions requested by SAMA or other relevant supervisory or control entities related to any regulatory violations and the Audit Committee provided recommendations thereon to the Board.

The audit Committee's opinion on the adequacy of the internal control system:

Based on the constant reports presented to the Committee by the Internal Audit, the Compliance Group, as well as the external auditors, the Audit Committee considers that the internal control system currently in place is operating with an acceptable and reasonability level of effectiveness. Any internal control system, regardless of the dependability of its structure and efficiency of its performance, cannot provide absolute assurance.

Audit Committee Meetings

The Audit Committee conducted seven (8) meetings during the year 2023. The Audit Committee submitted the minutes of the meetings to the Board of Directors. The dates of the meetings were as follow:

No.	Audit Committee Meeting Reference No.	Date of the Meeting
1.	ACM-01-2023	26-Feb-2023
2.	ACM-02-2023	21-Mar-2023
3.	ACM-03-2023	02-May-2023
4.	ACM-04-2023	07-Jun-2023
5.	ACM-05-2023	24-Jul-2023
6.	ACM-06-2023	06-Sep-2023
7.	ACM-07-2023	24-Oct-2023
8.	ACM-08-2023	05-Dec-2023

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Quorum for Audit Committee Meetings

The attendance of the Audit Committee members in each meeting during the year 2023 were as follow:

Audit Committee Member	ACM-01-2023	ACM-02-2023	ACM-03-2023	ACM-04-2023	ACM-05-2023	ACM-06-2023	ACM-07-2023	ACM-08-2023
Dr. Mohammed Suleiman Al-Aqeel.	Present	Present	Present	Present	Present	Present	Present	Present
Dr. Ahmed Saleh Al-Dehailan.	Present	Present	Present	Present	Present	Present	Present	Present
Yazeed Omer Al-Sowailem.	Present	Present	Present	Present	Present	Present	Present	Present
Saud Abdulaziz Al-Gusaiyer.	Present	Apologized	Present	Present	Present	Present	Present	Present
Thamer Mesfer Al-Wadai.	Present	Present	Present	Present	Present	Present	Present	Present

Dr. Mohammed Sulaiman Al Aqeel :



Audit Committee Chairman

Dr. Ahmed Saleh Aldehailan:



Audit Committee member

Yazeed Omer Al Sowailem:



Audit Committee Member

Thamer Mesfer Alwadai:



Audit Committee Member

Attachment to item no. 5



نموذج رقم (1) السيرة الذاتية

أ) البيانات الشخصية للمرشح					
الاسم الرباعي				Mohammed Abdulrahman Mohammed Alghannam	
الجنسية	Saudi	تاريخ الميلاد	1/7/1376		
ب) المؤهلات العلمية للمرشح					
م	المؤهل	التخصص	تاريخ الحصول على المؤهل	اسم الجهة المانحة	
1	Bachelors	Business Management	1983	City University	
2					
3					
4					
5					
ج) الخبرات العملية للمرشح					
الفترة	مجالات الخبرة				
1983 to 2013	Bank Branch Manager				
2014 to 2018	CEO Resources Development Company				
2019 to Present	Board Member Resources Development Company				
د) العضوية الحالية في مجالس إدارات شركات مساهمة أخرى (مدرجة أو غير مدرجة) أو أي شركة أخرى أياً كان شكلها القانوني أو اللجان المنبثقة منها:					
اسم الشركة	النشاط الرئيس	صفة العضوية (تنفيذي ، غير تنفيذي ، مستقل)	طبيعة العضوية (بصفته الشخصية ، ممثلاً عن شخصية اعتبارية)	عضوية اللجان	الشكل القانوني للشركة

Attachment to item no. 6



A) Personal Information

Full name	Ibrahim bin Abdullah bin Ibrahim Aljasir		
Nationality	Saudi	Date of Birth	26 October 1970

B) Academic Degrees

Sr.	Qualification	Major	Degree awarded date	Awarded entity
1	Bachelor	Accounting	1994	King Fahad University
2	Other Studies	Government accounting auditing and taxation	1995	Alabama university -USA

C) Work Experience

Period	Experience
2018 to date	National Water Company - CFO
December 2016 to Sept.2018	The CFO of the Saudi Telecom Group
July 2011 to Dec. 2016	CFO of Alhoshan companies Group
Aril 2009 to July 2011	The CFO of the Saudi logistic Services Group
Dec. 2007 to March 2009	The CFO of Abdulla Fouad Holding companies Group
Nov. 2007 and before	Financing manager SAMBA Group, the CFO of Albabtain Group, The CFO of Abdulla bin Saidan Group, auditor at Deloitte & Touché

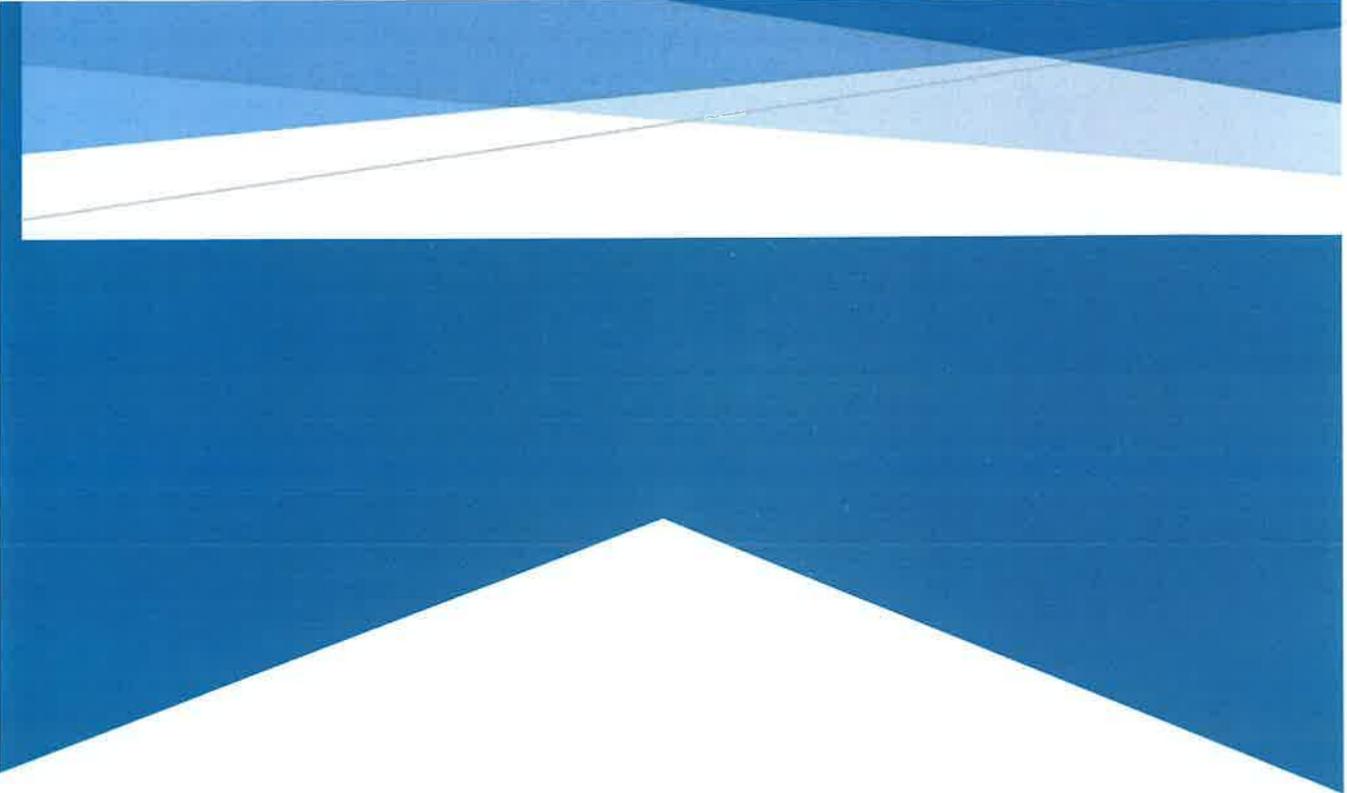
D) Current directorships and committee memberships of other joint-stock companies (listed or otherwise) or any other company, regardless of its legal form

Sr.	Company name	Main activity	Classification of membership (executive, none executive, independent)	Nature of membership (personal capacity, representing legal entity)	Committees membership	Legal form of the company
1	Dammam Airports Company	Development of airports and cargo	NK	Personal capacity	Chairman of Audit & Compliance Committee	Closed Joint stock company
2	Tasheel Fintech company	Fintech Services	NK	Personal capacity	Member of Audit & Compliance Committee	Closed Joint stock company
3	Global digital Solution company (Newleap)	Fintech and Digital Services	NK	Personal capacity	Chairman of Audit & Compliance Committee	Closed Joint stock company

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Form (1) CV

4	Ledar Investment Company	Real estate development and investment	Independent	Personal capacity	Member of Audit & Compliance Committee	Closed Joint stock company
5	Naseej Technology Company	Digital transformation solutions	NK	Personal capacity	Member of Audit Committee	listed Joint stock company (Nemo Market)
6	Aljari Investment Company	Investment, transportation, petroleum, and logistic services	Independent	Personal capacity	Chairman of Audit & Compliance Committee	Closed Joint stock company
7	Jazan Company for development & Investment	Water planting, agriculture, and real estate	Independent	Personal capacity	NK	Listed company
8	Alafdal Company	Car renting and transportation	NK	Personal capacity	Member of Audit & Compliance Committee	Closed Joint stock company

Attachment to item no. 8-7



**Remuneration and Compensation
Policy of the Members of the
Board of Directors & the Board
Committees & the Executive
Management**

Saudi Home Loans Company

- Approved by the Board of Directors in its meeting No:4-2021 held on 22nd Dec. 2021 as recommended by the NRC.
- Approved by the General Shareholders Assembly held on 22nd Dec. 2021.

Remuneration and Compensation Policy of the Members of the Board of Directors and the Board Committees and the Executive Management

Article I - Purpose of the Policy:

The purpose of this document is to clarify the mechanism for determining and approving the remuneration of the members of the Board of Directors of the Saudi Home Loans Company "The Company" as well as the members of the Board committees of the Company, in addition to the criteria for determining and linking bonuses to performance, disclosing them, and verifying their implementation.

This Policy aims to attract the appropriate competencies to accomplish the tasks and responsibilities of the Board of Directors and its affiliated committees in line with the company's activity, strategy and objectives, and aims to urge the members of the Board of Directors to make the company a success and development in the long term, enhance the effectiveness of risk management and achieve the safety and stability of the financial situation of the company.

The Remuneration Policy for the members of the Board of Directors, the Board Committees, and the executive management of the Saudi Home Loans Company has been established as enforcement of the provisions of paragraph (1) of Article (61) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority, which stipulates that the Nomination and Remuneration Committee shall establish a clear policy for the remuneration of the members of the Board of Directors and the Board Committees and the Executive Management, and submit it to the Board of Directors for consideration in preparation for approval and adoption by the General Assembly of the Company. Complies with the applicable laws and regulations issued by the relevant regulatory authorities in the Kingdom of Saudi Arabia, and the Company's Articles of Association.

Article II. Definitions:

Authority:	Capital Market Authority.
Policy:	Remuneration policy for the members of the Board of Directors, its committees and executive management.
Governance Regulation:	Corporate Governance Regulation issued by the Capital Market Authority Board.
Corporate Governance System:	The Governance System of the Saudi Home Finance Company, approved by the Board of Directors of the Company.
Company:	Saudi Home Finance Company.
General Assembly:	An association formed from the shareholders of the company under the provisions of the Companies Law and the Company's Articles of Association.
Board of Directors or Board:	The Board of Directors of the Saudi Housing Finance Company.
Committee:	The Nomination, Remuneration and Human Resources Committee of the Board of Directors of the Company.
Executive Management / Senior Executives:	Persons entrusted with the management of the Company's day-to-day operations, the proposal and implementation of the strategic strategy of the

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Remuneration:

Company, including the CEO of the Company, and the rest of the members of the Executive Management of the Company

Amounts, allowances, profits and the like, periodic or annual remuneration associated with performance, short- or long-term incentive plans, and any other in-kind expenses, except for reasonable actual expenses and expenses incurred by the Company for the purpose of performing his work.

Article III - Remuneration Controls:

Without prejudice to the statutory requirements, the Company's Articles of Association, and the requirements of the Corporate Governance Regulation, the remuneration of the members of the Board of Directors and the Board Committees and the Executive Management shall be subject to the following controls and criteria:

- 1- The remuneration shall be fair and proportionate to the member's competencies and the works and responsibilities carried out by him and borne by the members of the Board of Directors who are aiming and willing to achieve them during the financial year.
- 2- The remuneration should be fair and proportionate to the results of the periodic evaluation of the performance of the member of the Board of Directors.
- 3- The remuneration shall be reasonably sufficient to attract members of a Board with appropriate competence and experience and the remuneration shall be an incentive for the members to attract them.
- 4- To be prepared in coordination with the Nomination and Remuneration Committee of the Board and the human resources of the company upon new appointments.
- 5- To taking into account the sector in which the company operates, its size and the experience of the members of the Board of Directors.
- 6- The remuneration of the members of the Board of Directors may be of varying magnitude so as to reflect the extent of the member's experience, competencies, tasks assigned to him, independence, number of meetings attended by him and other considerations.
- 7- In all cases, the total remuneration received by the member of the Board of Directors shall not exceed the requirements of the statutory laws and controls, and within the limits stipulated in the Companies Law and its regulations.
- 8- The annual remuneration shall be determined by analogy with the duration and date of enrollment and departure and provided that the minimum of two thirds of the meetings held since the date of joining or leaving is achieved.
- 9- The members of the Board of Directors may not vote on the item of remuneration of the Board of Directors at the General Assembly meeting, and this prohibition includes the member of the Board of Directors, whether his vote at the General Assembly meeting on his own behalf or by proxy for others.
- 10- The remuneration of the independent directors shall not be a percentage of the profits made by the company or be based directly or indirectly on the profitability of the company or any other factors that may affect the independence of their ranks.
- 11- If the General Assembly decides to terminate the membership of any of the members of the Board of Directors who are absent due to not attending three consecutive meetings of the Board without a

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legitimate excuse, such member shall not be entitled to any remuneration for the period following the last meeting he attended, and shall return all the remuneration paid to him for that period.

- 12- If the Audit Committee, the Board of Directors, the CMA or the SAMA finds that the remuneration paid to any of the members of the Board of Directors is based on incorrect or misleading information that has been presented to the General Assembly or included in the annual report of the Board of Directors, the Board or Committee member shall return them to the Company, and the Company shall have the right to demand his refund, and this shall not relieve the member of the Board of Directors or Committee of any liability for any damage resulted to the Company, its shareholders or any other related persons.

Article Four – Remuneration of the Board of Directors and its Committees:

- 1- The remuneration of a member of the Board of Directors may be a certain amount, attendance allowance for meetings, benefits in kind or a certain percentage of net profits and may be combined with two or more of these benefits.
- 2- The remuneration for membership of the Board Committees may consist of annual remuneration, meeting attendance allowances and other benefits as described in this Policy.
- 3- The Board of Directors shall propose the remuneration of the members of the Board of Directors and the Board Committees upon the recommendation of the Nomination and Remuneration Committee and in accordance with the relevant laws, regulations and instructions and with any conditions approved by the General Assembly and shall not approve any of the proposed remuneration and compensation to the Chairman and members of the Board except after approval by the General Assembly.
- 4- As an exception to paragraphs 2 and 3 of this Article, the remuneration for membership of the Audit Committee shall consist of an annual remuneration, meeting attendance allowances and other entitlements as described in the Charter of the Audit Committee of the Company.
- 5- The remuneration of the member of the Board of Directors and all the amounts he obtains, if any, shall be as approved by the Ordinary General Assembly in accordance with the principles and the official instructions issued in this regard, and within the limits of what is stipulated in the Companies Law and its regulations.
- 6- The Company shall ensure that all written details of the proposed bonuses and compensation shall be published to be made available to all Shareholders prior to the General Assembly at which such bonuses and indemnities are voted upon.
- 7- The annual remuneration of the member of the Board of Directors and /or the member of the Board Committee shall in all cases not exceed the total amount of the annual remuneration and the allowance for attending the meetings combined for each member of the Board of Directors and /or member of the Board Committee the amount of SAR 500,000 for each financial year of the Company and not less than SAR 200,000, and they may waive all or part of the Remuneration.
- 8- A member of the Board of Directors and a member of the Board Committee present at the meeting session shall be entitled to a cash amount in return for the allowance of travel expenses, provided that the meeting session is outside the city of permanent residence of that member. The total travel expenses allowance is not counted towards the upper limit established for each member's remuneration, as this allowance is considered to compensate for the actual expenses incurred by the member to attend the meeting , including travel, accommodation and subsistence expenses.

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- Approved by the Board of Directors in its meeting No:4-2021 held on 22nd Dec. 2021 as recommended by the NRC.
- Approved by the General Shareholders Assembly held on 22nd Dec. 2021.

- 9- Each member of the Board of Directors or the Board Committees shall be entitled to a cash amount in return for the attendance allowance of the meeting session, for each meeting session determined by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee and in accordance with the relevant laws, regulations and instructions, provided that the maximum allowance for attending the meetings of the Board and its committees does not exceed the amount of SAR 3,000,000 for each meeting session not including travel, accommodation and subsistence expenses. The sum of the attendance allowance is calculated within the upper limit set for each member's bonuses.

Article V – Remuneration of Executive Management

- 1- The annual remuneration of the CEO of the Company shall be determined based on his achievement of the annual strategic objectives in accordance with the approved policy of the Company.
- 2- The annual remuneration of the executive management of the company shall be calculated in accordance with the policy and mechanism adopted in the company
- 3- The salaries and the funds allocated to the Executive Management shall be determined to include:
 - i. Basic salary
 - ii. Allowances
 - iii. Remuneration

Based on the policy adopted in the company.

Article VI – Disclosure:

In its annual report, the Board of Directors shall disclose the details of the policies related to remuneration, the mechanisms for determining them and the financial and in-kind amounts paid to each member of the Board of Directors for any executive, technical, management or advisory work or positions.

Article VII – Periodic Review:

The implementation of the provisions of this policy shall be deemed to be from the date of its adoption by the General Assembly of Shareholders and shall be distributed to the relevant stakeholders for review and shall be reviewed periodically or whenever the need arises by the Nomination and Remuneration Committee and if the Committee wishes in the light of this deadline to amend this policy, it shall submit to the Board of Directors the proposed amendments for approval in preparation for submission to the General Assembly of the shareholders of the Company at its first meeting for approval.

- Approved by the Board of Directors in its meeting No:4-2021 held on 22nd Dec. 2021 as recommended by the NRC.
- Approved by the General Shareholders Assembly held on 22nd Dec. 2021.

Attachment to item no. 9

Date: 14/11/1445H

Corresponding to: 22/05/2024G

Subject: Audit Committee recommendation to appoint the External Auditors 2024 and 1st Quarter 2025

Dear Chairman & Members of the Board of Directors

Greeting,

The Audit Committee in its third meeting held on 28th April 2024 reviewed the Quotations received from a number Licensed Audit Firms including some of international classified working in the Kingdom of Saudi Arabia (BIG 4), for the recommendation to the Board to appoint the External Auditor to review the Quarter and Annual Financial for the year 2024, and 1st Quarter for the year 2025 as below:

<u>1</u>	PriceWaterhouseCoopers	1,310,000 SAR
<u>2</u>	Deloitte and Touche & Co.	945,000 SAR
<u>3</u>	PKF - Ibrahim Ahmed Al-Bassam & Co.	709,000 SAR

As the Audit Committee did not received Quotations from KPMG or Earnest & Young, despite the contact and communication with them, therefore the Committee will restrict its recommendation to the above cited Audit Firms.

After discussion, the Audit Committee recommends firstly the reappointment of Deloitte & Douche as the Company External Auditors as they have previous audit experience with the company in addition that their price is reasonable, and secondly to the second recommendation will be PWC as both of Deloitte & PWC are classified as one of the BIG 4.

Dr. Mohammed Bin Sulaiman Alaqeel

Chairman of the Audit Committee



Attachment to item no. 11 -21

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Date: 16th April 2024 AD
Corresponding to: 07th Shawwal, 1446 AH
M/s SHL Finance Company
To: The Respected Shareholders of SHL Finance Company,
Greetings,

**RESOLUTION OF THE BOARD OF DIRECTORS
ADOPTED BY CIRCULATION IN ACCORDANCE WITH ARTICLE (25) OF THE
COMPANY'S BYLAWS.**

RESOLUTION NUMBER: 2-2024 Dated 16th April 2024.

**Subject: Disclosure of the direct and indirect interest of the Board of Directors'
members and dealings / transactions with related parties**

We, the undersigned, constituting the members of the Board of Directors of SHL Finance Company, formerly (Saudi Home Loans Company) a Saudi Joint Stock Listed Company, organized and existing under the laws of the Kingdom of Saudi Arabia with Commercial Registration Number 1010241934, (the "Company") passed the **RESOLUTION** set out as below, by circulation pursuant to Article (25) of the Company's Bylaws.

Each Director of the Company further acknowledges the waiver of Notice and Agenda for a meeting, and this is confirmed and evidenced by the signature of each Director of the Company to this **Resolution**.

Pursuant, to the requirements of Article (71) of the Companies Law, stating as follows:

"Board members may not have any direct or indirect interest in the contracts and business that have been executed for the benefit of the company unless the member notified the Board of Directors of this, and the Board must notify the General Assembly of Shareholders when conveyed on all contracts and transactions which the Board member had a direct or indirect interest ". based on this, the Chairman, confirmed that all Board members had no direct interests in the contracts and transactions made and concluded between the company during the period of the fiscal year ended on 31st December 2023, based on the disclosure forms submitted by all Board members, and only there was indirect interest as stated on each item below:

Given that, SHL Finance Company's audited financial statements for the year ending December 31st, 2023 included debit amounts (due from) and credit amounts (due to) arising from the company's dealings with related parties in 2023, such as shareholders or as a Board member, and the Chairman of the Board further confirms that all contracts and transactions were made and concluded as per the normal deals between the company and all other dealers and providers and were within the normal business activity of the company without any privilege in the terms and conditions.

We would like to provide your Excellency with the following explanation of these dealings and their nature:

- 1- To vote on the contracts made between the company and the shareholder, the Arab National Bank as a related party, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to the banking facilities (Islamic Tawarruq Financing) obtained from the Arab National Bank, with a total balance of 1.70 Billion Saudi Riyals as of December 31st, 2023, along with

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the consequences of these facilities such as burdens and costs in the amount of 117.3 Million Saudi Riyals during the same year and on the basis of the SIBOR of the bank's profit margin, the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.

- 2- To vote on the contracts, made between the company and the shareholder, the Arab National Bank as a related party, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, the company amortizes the previous balance on a monthly basis until the end of those contracts. The unpaid part of the commission, paid to the Arab National Bank, was amounted to 12.1 Million Saudi Riyals as of December 31st, 2023. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.
- 3- To vote on the contracts, made between the company and the shareholder, the Arab National Bank as a related party, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to service fees, representing the value of administrative services provided by SHL Finance Company related to real estate financing contracts, sold to the Arab National Bank during 2014, according to the asset sale agreement signed with the Arab National Bank. The inclusive service revenues during the year were amounted to 4.4 Million Saudi Riyals, net after deducting the costs of services, and the balance of service fees due from the Arab National Bank was amounted to 0.5 Million Saudi Riyals as of December 31st, 2023. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.
- 4- To vote on the contracts, made between the company and the shareholder, the Arab National Bank as a related party, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to fair value of derivative financial instruments and hedging profit, during 2022, the company signed an interest rate swap agreement to hedge its exposure to interest rate risk on financing contracts with a fixed profit cost by exchanging prices between the fixed interest paid monthly. The positive fair value of the interest rate swap as of December 31st, 2023, was amounted to 26.95 Million Saudi Riyals, with a nominal amount of 179 Million Saudi Riyals. Hedging revenue recognized in the profit/loss statement during the year, was 6.5 Million Saudi Riyals, that appear deducted from the facility cost, the contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.
- 5- To vote on the contracts, made between the company and the shareholder, the Arab National Bank as a related party, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, related to the Service Level Agreement for Sharia supervision, on January 1, 2022, the company signed a Service Level Agreement (SLA) with the Arab National Bank regarding assigning the tasks of Sharia Compliance and Sharia Audit, for two years, at an amount of 10 Thousand Saudi Riyals monthly. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.
- 6- To vote on the contracts, made between the company and the shareholder, the Arab National Bank as a related party, which the Board member Mr. Obaid Abdullah Al Rasheed had indirect interest, , related to Credit-Sales (Murabaha

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Deposits), during the year, the company signed Credit-Sales (Murabaha Deposits) agreements with the Arab National Bank, as part of the company's strategy for the optimal use of available cash, as the outstanding balance of Credit-Sales (Murabaha Deposits), as of December 31st, 2023, the realized deposit profits, for the year, were amounted to 23K Saudi Riyals. The contract is considered as continuous dealings which is subject to annual review and renewal and made in the ordinary course of the company business without any privilege conditions or terms.

- 7- To vote on the contracts, made between the company and the shareholder, Dar Al Arkan Real Estate Development Company as a related party, which Board member Mr. Yousef Abdullah Al Shalash had indirect interest, represented in the fact that the company, during the year within its normal activity, financed clients to purchase ready housing units within the housing projects, developed by Dar Al Arkan Real Estate Development Company in various regions of the Kingdom and according to the customers' desire and choice. Total value of the residential units purchased from Dar Al Arkan Real Estate Development Company and financed to customers during the year 2023, was amounted to 3.8 Million Saudi Riyals. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.
- 8- To vote on the contracts, made between the company and the shareholder, Tharawat Real Estate Assets Company, which the Board member Mr. Yousef bin Abdullah Al Shalash, has an indirect interest, and these amounts are represented in the rental value for offices space Nos. (004/103/104/303/304) rented by the company's Head Offices in Madarat Towers, located in Riyadh, Al-Wazarat district, with a total area of 1961 M², according to the agreement signed between the company and Tharawat Real Estate Assets Company on 01/01/2020. The rents paid for the year 2023, were amounted to 2.18 Million Saudi Riyals. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.
- 9- To vote on the contracts, made between the company and Wasalt Real Estate Services Company, in which the Board member Mr. Youssef bin Abdullah Al Shalash, has an indirect interest. Whereas, on 01/07/2022, the company signed an annual real estate marketing services agreement with Wasalt Real Estate Services Company, in order to attract clients and finance them through the Company. The commissions paid to Wasalt Real Estate Services Company during the year 2023, were amounted to 0.11 Million Saudi Riyals. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.
- 10- To vote on the transactions implemented between the company and Quara Digital for Technical Support Services, in which the Board member Mr. Youssef bin Abdullah Al Shalash, has an indirect interest. Whereas, on 22/08/2022, the company signed an annual Technical Support Services Agreement with Quara Digital for Technical Support Services, in order to provide the necessary technical support for the company. The fees paid to Quara Digital for Technical Support Services during the 2023, were amounted to 0.17 Million Saudi Riyals. The contract is considered as continuous dealings which

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is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.

- 11- To vote on the contracts, made between the company Al Khair Capital, which the Board member Mr. Yousef Abdullah Al Shalash had indirect interest, related to Credit-Sales (Murabaha Deposits), during the year, the company signed Credit-Sales (Murabaha Deposits) agreements with the Al Khair Capital, as part of the company's strategy for the optimal use of available cash, as the outstanding balance, of credit-sales (Murabaha Deposits), as of December 31st, 2023, was amounted to 31.1 Million Saudi Riyals, and the realized deposit profits for the year, were amounted to 1.1 Million Saudi Riyals. The contract is considered as continuous dealings which is subject to annual renewal and made in the ordinary course of the company business without any privilege conditions or terms.

IN WITNESS WHEREOF, we, the undersigned, being the members of the Board of Directors of the Company, have signed this RESOLUTION which shall take effect as of the above stated date.

Regards,

1. Yousef A. Al-Shalash (Chairman) :

2. Obaid Abdulla Al-Rasheed (Vice Chairman) :

3. Ayham Mohammed Al Yousef :

4. Ziad Naeem El Chaar :

5. Dr. Ahmad S. Al-Dehailan :

6. Kamal Amin Khodr :

7. Faris I. Al-Rashid Al-Humaid :

8. Abdulaziz Saleh Alanbar :

9. Abdulelah Saleh Al Sheikh :

10. Mohammed Abdulrhaman Al Ghannam :

11. Ibrahim Abdullah Al Jasir :

INDEPENDENT LIMITED ASSURANCE REPORT

To the shareholders
SHL Finance Company
Riyadh, Kingdom of Saudi Arabia

Report on the declaration submitted by the Chairman of the Board of Directors in accordance with Article 71 of the Regulations for Companies requirements

We have carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter detailed below ("Subject Matter"), has not been prepared and presented, in all material respects, in accordance with the applicable criteria ("Applicable Criteria") below.

Subject Matter

The Subject Matter for our limited assurance engagement is the Declaration enclosed in the attached Appendix ("the Declaration") by the Chairman of the Board of Directors of SHL Finance Company ("the Company") for the year ended December 31, 2023.

The Declaration states the transactions with related parties where a Board of Directors' member has a relationship and confirms whether the member has any interest, whether directly or indirectly, in the transactions or contracts made with the Company for the year ended December 31, 2023.

Applicable Criteria

The Applicable Criteria with respect to this engagement are the requirements of Article 71 of the Regulations for Companies in the Kingdom of Saudi Arabia.

Those Charged with Governance and Management Responsibility

Those charged with governance and management of the Company are responsible for the preparation and presentation of the Subject Matter in accordance with the Applicable Criteria and are responsible for the selection of methods used in the Applicable Criteria. Further, those charged with governance and management of the Company, are responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement whether due to fraud or error, selecting and applying appropriate criteria, maintaining adequate records and making estimates that are reasonable in the circumstances.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on our limited assurance engagement conducted 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 of engagement as agreed with the Company's management.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion, and, as such, do not provide all of the evidence that would be required to provide a reasonable level of assurance. The procedures performed depend on our judgement including the risk of material misstatement of the Subject Matter, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Independence and Quality Controls

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) ("the Code") that are endorsed in the Kingdom of Saudi Arabia that are relevant to our assurance engagement and we have fulfilled our ethical responsibilities in accordance with the Code requirements.

Our firm applies International Standard on Quality Management ("ISQM") 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures

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.

Our procedures comprised:

- Obtaining the Resolution of the Board of Directors number 2-2024 dated 16 April 2024 for the year ended December 31, 2023.
- Reviewing the declaration submitted by members of the Board of Directors relating to their direct or indirect interest in the transactions or contracts made with the Company for the year ended December 31, 2023; and
- Comparing the transactions included within the declaration of the Chairman of the Board of Directors with note 6 to the Company's audited financial statements for the year ended December 31, 2023.

Limited Assurance Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Declaration has not been prepared, in all material respects, in accordance with the requirements of Article 71 of the Regulations for Companies in the Kingdom of Saudi Arabia.

Restriction of Use of Our Report

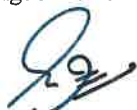
Our report is prepared upon the request of the management of the Company to be presented in the Company's General Assembly meeting in order for the Company to comply with the requirements of Article 71 of the Regulations of Companies in the Kingdom of Saudi Arabia and should not be used for any other purposes.

Deloitte and Touche & Co.**Chartered Accountants**

P.O. Box 213

Riyadh 11411

Kingdom of Saudi Arabia



Mazen A. Al-Omari

License No. 480

Dhu al-Qi`dah 24, 1444

May 27, 2024

