

Agenda # 13

## **Audit Committee Charter (Before and After)**

### Audit Committee Charter (Before and After)

Before		After	
<p>Article (1): Definitions</p> <p>The following words and phrases, wherever used in this regulation, shall have the meanings assigned thereto, unless the context requires otherwise:</p>		<p>Definitions</p> <p>Subject to the definitions set forth in the Companies Law, the Capital Market Law, and their respective regulations, the following words and expressions shall have the meanings assigned to them below, unless the context otherwise requires.</p>	
Companies Law:	The Companies Law promulgated by Royal Decree No. (M/3) dated 28/01/1437 H, as amended.	Term	Definition
Capital Market Law:	The Capital Market Law promulgated by Royal Decree No. (M/30) dated 02/06/1424 H.	Company	Saudi Real Estate Company (Al Akaria)
Corporate Governance Regulations:	The Corporate Governance Regulations issued by the Board of Directors of the Capital Market Authority under Resolution No. (8-16-2017) dated 16/05/1438 H, corresponding to 13/02/2017, based on the Companies Law promulgated by Royal Decree No. (M/3) dated 28/01/1437 H, as amended by the Capital Market Authority.	Board of Directors / Board	The Board of Directors of the Saudi Real Estate Company.
Authority	Capital Market Authority	General Assembly	The Ordinary and Extraordinary General Assembly of the Company convened with the attendance of the Company's shareholders in accordance with the provisions of the Companies Law, the regulations of the Capital Market Authority, and the Company's Articles of Association.
Company:	The Saudi Real Estate Company (Al Akaria).	Committee	The Audit Committee.
Board of Directors/ the Board:	The Board of Directors of the Saudi Real Estate Company.	Charter	The Audit Committee Charter.
Committee:	The Audit Committee nominated by the Board of Directors and appointed by a resolution of the General Assembly.	Chairman	The Chairman of the Audit Committee.
Executive Management:	The Company's President, CEO, executive directors of various business activities, general managers, their	Member(s)	Member(s) of the Audit Committee.
		Articles of Association	The Articles of Association of the Saudi Real Estate Company.
		Companies Law	The Saudi Companies Law, along with the related regulations and decisions.
		Authority	The Capital Market Authority (CMA).
		Capital Market	The Saudi Capital Market Law and its related regulations and

	deputies, heads of main departments, and any persons holding equivalent positions.	Law	decisions.
Chairperson:	The Chairperson of the Audit Committee of the Saudi Real Estate Company.	Corporate Governance Regulations	The Corporate Governance Regulations issued by the Board of the Capital Market Authority.
General Assembly:	The ordinary or extraordinary general assembly of Saudi Real Estate Company, held in the presence of the shareholders in accordance with the provisions of the Corporate Law and the Company's Articles of Association.	Independent Director	A non-executive Board member who fully enjoys independence in both position and decision-making and to whom none of the independence impediments listed in the Corporate Governance Regulations apply.
Articles of Association:	The Articles of Association of the Saudi Real Estate Company.	Executive Director	A Board member who forms part of the Company's executive management and participates in its daily operations.
Regulations:	The regulations governing the functions of the Audit Committee.	Non-Executive Director	A Board member who is not part of the Company's executive management and does not participate in its daily operations.
Member:	A member of the Audit Committee of the Saudi Real Estate Company, collectively referred to as "Members."	Executive Management	Individuals responsible for managing the Company's daily operations, proposing strategic decisions, and implementing them, such as the Chief Executive Officer (CEO), his deputies, sector heads, and the Chief Financial Officer (CFO).
Committee Secretary:	The Secretary of the Audit Committee of the Saudi Real Estate Company.	Chief Executive Officer (CEO)	The person appointed by the Board of Directors to implement its decisions, manage the Company's daily operations, and lead its staff under the supervision and oversight of the Board.
Conflict of Interests:	The occurrence or existence of a direct or indirect, actual or presumed, interest of any member in an item listed on the Committee's agenda, which could affect that member's ability to contribute with its opinion reflecting its professional viewpoint.	Conflict of Interest	The existence of a direct or indirect, actual or potential, interest for any member that may affect his ability to express an impartial opinion on matters under consideration by the Committee.
Without prejudice to the provisions of this Article, the words and expressions used in this Policy shall have the meanings assigned thereto in the Capital Market Law and in the list of defined terms used in the Rules and Regulations of the Capital Market Authority.		Subsidiaries	A company shall be deemed a subsidiary of the Saudi Real Estate Company in any of the following cases:  1. If the Saudi Real Estate Company is a partner or shareholder holding shares or equity interests granting it the majority of voting rights in such company.

<p>Article (2): Objectives</p> <p>These Regulations aim to define the controls and procedures of the Committee's operations, scope of work, duties, responsibilities, decision-making process of the Committee, and the roles and responsibilities of the Chairman, members, and the Secretary thereof.</p>	<ol style="list-style-type: none"> <li>2. If the Saudi Real Estate Company, acting alone, controls the appointment or dismissal of the manager or the majority of the board members.</li> <li>3. If the Saudi Real Estate Company, acting alone, controls the majority of voting rights based on an agreement with other partners or shareholders.</li> <li>4. If the subsidiary is itself a subsidiary of another subsidiary of the Saudi Real Estate Company.</li> </ol>
<p>Article (3): Formation of the Committee and Membership Requirements</p> <p>3-1- The Committee shall be formed by a decision from the General Assembly. The Committee consists of members of the Board of Directors or others, provided that the number of its members is no less than three and no more than five. All the members shall be non-executive Board members. At least one member shall be an independent director. The Committee shall consist of one member expert in financial and accounting matters.</p> <p>3-2- The Chairperson of the Audit Committee shall be an independent member.</p> <p>3-3- No person who has been employed in an executive position, financial position in the Company or as an auditor for the Company within the previous two years may be a member of the Audit Committee.</p> <p>3-4- The Chairman of the Board of Directors may not be a member of the Audit Committee.</p> <p>3-5- The Committee shall appoint a chairman from among its members unless the General Assembly makes the appointment.</p> <p>3-6- All members of the Committee shall meet the relevant qualification criteria set by applicable regulations. At least one member shall have experience in finance, accounting, or hold a relevant professional qualification in accounting or any other expertise in a field relevant to the Committee's functions.</p> <p>3-7- The Committee shall appoint a Secretary, either from among the committee</p>	<p>1. Introduction</p> <p>1.1. Preamble</p> <p>1.1.1. The Audit Committee is a committee established by the Board of Directors of the Company, and its authorities are determined by the Board based on the Charter approved by the General Assembly.</p> <p>1.1.2. The Committee aims to assist the Board in the effective oversight of the Company's internal control activities. In performing its duties, the Committee may seek the Board's or any of its committees' views on matters within its scope of work. The Committee may, when necessary, assign one of its members, or any internal or external party, to study any matter under its consideration and provide the Committee with the study's outcomes.</p> <p>1.2. Purpose of the Charter</p> <p>1.2.1. This Charter has been developed to govern and organize the work of the Audit Committee. It aims to define the Committee's operating rules, procedures, scope of work, responsibilities, decision-making mechanisms, and the duties of the Chairman, members, and</p>

<p>members or others. The Secretary shall not have the right to vote on the decisions or recommendations made by the Committee, if the Secretary is not a member thereof. The secretary must hold a university degree in law, accounting, management, or an equivalent field, and must have at least three years of relevant professional experience. The secretary shall assume the responsibilities and duties set out in these Regulations.</p> <p>3-8- The Committee's term shall be equivalent to the term of the Board of Directors, i.e., a membership term of three years.</p> <p>3-9- The General Assembly of the company may relieve or dismiss any Committee member upon its request or at the discretion of the General Assembly.</p> <p>3-10- The Board of Directors is entitled to temporarily appoint a member to the Audit Committee based on the Committee's recommendation in case of a vacancy. Such temporary appointment shall be presented for approval at the following General Assembly meeting.</p> <p>Article (4): Powers and Responsibilities of the Committee</p> <p>The Audit Committee is responsible for monitoring the company's activities and ensuring the integrity and transparency of its financial statements, reports, and internal control systems. The Committee's duties include particularly the following:</p> <p>4-1- Financial Reports:</p> <p>4-1-1- Review and examine the Company's interim financial statements and annual financial statements prior to their presentation to the Board of Directors, and provide an opinion and recommendation to ensure their integrity, fairness, and transparency.</p> <p>4-1-2- Provide technical opinion – at the request of the Board of Directors – on whether the Board of Directors' report and the Company's financial statements are fair, balanced, understandable, and include information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.</p>	<p>Secretary of the Committee.</p> <p>1.2.2. This Charter is binding upon the members of the Committee and shall govern their performance throughout their term of membership. The Secretary of the Committee shall provide each member with a copy of the Charter at the commencement of their membership.</p> <p>1.2.3. This Charter has been developed in accordance with the Company's Articles of Association, the regulatory and supervisory requirements set forth in the Corporate Governance Regulations issued by the Capital Market Authority, and other applicable regulations in the Kingdom. This Charter constitutes an integral part of the Company's overall governance framework. In the event of any future conflict between the provisions of this Charter and the relevant regulatory or supervisory requirements, the applicable laws and regulations shall prevail until the Charter is amended accordingly.</p> <p>1.3. Responsibility for Maintaining the Charter</p> <p>1.3.1. The Governance Department shall be responsible for maintaining the approved copies of this Charter. The Charter may be shared, disclosed, or published electronically in accordance with the applicable publication mechanism.</p> <p>1.3.2. The Charter shall be retained in two formats: one editable and the other non-editable, with only the non-editable format being shared externally.</p> <p>1.4. Review and Update of the Charter</p> <p>1.4.1. The Secretary of the Committee and the Governance Department shall review the Charter every three years or whenever necessary, particularly in the event of changes to relevant laws and regulations, and shall submit recommendations to the Committee to ensure:</p>
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<p>4-1-3- Review and examine any material or unusual issues included in the financial reports.</p> <p>4-1-4- Thoroughly examine any issues raised by the Company's CFO, or the person performing their duties, the compliance officer, or the auditor.</p> <p>4-1-5- Verify accounting estimates in material issues included in the financial reports.</p> <p>4-1-6- Review the Company's accounting policies and provide opinions and recommendations to the Board of Directors in this regard.</p> <p>4-2- Internal Audit:</p> <p>4-2-1- Review and examine the Company's internal audit, financial control systems, and risk management.</p> <p>4-2-2- Examine internal audit reports and monitor the implementation of corrective actions based on the comments and remarks made in such reports.</p> <p>4-2-3- Supervision of performance and activities of the internal auditor and internal audit department within the Company (if any), in order to ensure the availability and effectiveness of the resources necessary for carrying out the assigned functions and duties. If the Company does not have an internal auditor, the Committee shall submit its recommendation to the Board regarding the extent of the need to appoint an internal auditor.</p> <p>4-2-4- Recommend to the Board of the Directors the appointment of the manager of the Internal Audit Unit/ Department or an internal auditor, and propose its remuneration.</p> <p>4-3- Auditor:</p> <p>4-3-1- Recommend to the Board of Directors the nomination, removal of internal auditors, determine their remunerations, and evaluate their performance, after verifying their independence, reviewing their scope of work, and contract terms.</p> <p>4-3-2- Verify the independence, objectivity, and fairness of the auditors, as well as the effectiveness of the audit process, subject to the relevant rules and standards.</p>	<p>1.4.1.1. That the Charter covers all aspects of the Committee's work and provides the necessary framework for achieving its objectives.</p> <p>1.4.1.2. That the Charter aligns with the governance practices regulating the Committee's work.</p> <p>1.4.1.3. Compliance with applicable laws and regulatory requirements.</p> <p>1.4.1.4. Incorporation of any other necessary amendments.</p> <p>1.4.2. The Audit Committee shall be responsible for reviewing and studying the necessary amendments to the Charter before submitting it to the Governance, Risk, and Compliance Committee for further review, after which the Board of Directors shall make its recommendations to the General Assembly for approval.</p> <p>2. Formation and Membership</p> <p>2.1. Composition of the Committee and Term of Membership</p> <p>2.1.1. The Audit Committee shall be formed from among the shareholders or others, pursuant to a resolution issued by the Board of Directors. The Committee shall consist of at least three (3) members and no more than five (5) members, provided that at least one member shall be specialized in financial and accounting matters.</p> <p>2.1.2. Executive members of the Board of Directors may not be members of the Committee.</p> <p>2.1.3. At least half of the Committee members must be independent members or individuals who meet the independence criteria, and the Chairman of the Committee must be an independent member.</p>
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<p>4-3-3- Review the auditor's plan and work, ensuring that the auditor does not perform technical or administrative tasks outside the scope of its audit duties, and provide opinion in this regard.</p> <p>4-3-4- Respond to the auditor's inquiries.</p> <p>4-3-5- Examine the auditor's report, including its notes to the financial statements, and follow up on actions taken in this regard.</p> <p>4-4- Compliance Assurance</p> <p>4-4-1- Review the results of regulatory authorities reports, and verify that the Company has taken the necessary actions in this regard.</p> <p>4-4-2- Verify the Company's compliance with relevant laws, regulations, policies, and instructions.</p> <p>4-4-3- Review proposed contracts and transactions the Company intends to engage in with related parties, and provide feedback thereon to the Board of Directors.</p> <p>4-4-4- Raise any issues that require action to the Board of Directors, and present its recommendations on the necessary actions to be taken.</p> <p>Article (5): Powers of the Committee</p> <p>Without prejudice to the powers of the General Assembly and the Board of Directors as stipulated in the Companies Law, the Capital Market Authority regulations, and the Company's Articles of Association, the Committee, in performance of its duties and responsibilities, shall have the following rights:</p> <p>5-1- Access the Company's records and documents.</p> <p>5-2- Request any clarifications or information from the members of the Board of Directors or executive management.</p> <p>5-3- Request the Board of Directors to call for a General Assembly meeting if the Board of Directors obstructs the Committee's work or if the Company faces significant damages or losses.</p>	<p>2.1.4. Any individual who is currently employed or has been employed during the past two years by the Company's executive or financial management, or by the Company's external auditor, shall not be eligible for membership in the Audit Committee.</p> <p>2.1.5. A member of the Audit Committee may not concurrently serve as a member of the audit committees of more than five (5) publicly listed companies.</p> <p>2.1.6. At its first meeting, the Committee shall appoint from among its members a Chairman, unless the Board designates the Chairman in its resolution forming the Committee. The Chairman must be an independent member. The Chairman of the Board of Directors or his deputy may not serve as Chairman of the Audit Committee, nor may the Chairman of the Board be a member of the Committee.</p> <p>2.1.7. No Committee member may hold any executive position within the Company or any of its subsidiaries.</p> <p>2.1.8. The term of the Committee and its members shall commence from the date of its formation and shall end upon the expiration of the Board's term. Members may be reappointed for one additional term only. The composition and membership of the Committee must be reviewed by the Board if any member's term ends and is not renewed.</p> <p>2.1.9. The Board may, at its discretion, remove or replace any member of the Committee at any time it deems appropriate. A Committee member may resign by submitting a written notice to the Chairman of the Committee. The resignation shall become effective on the date of its submission unless another effective date is specified in the notice. The Committee must notify the Board of Directors of the resignation in order to take the necessary measures.</p> <p>2.1.10. If a vacancy occurs among the Committee members, the Board of Directors may appoint a qualified and competent person to fill the vacancy. The Company must notify the</p>
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<p>Article (6): Chairman's Duties and Responsibilities</p> <p>The main duties and responsibilities of the Committee Chairperson include:</p> <p>6-1- Overseeing the Committee's operations and ensuring compliance with its regulations.</p> <p>6-2- Managing and following up on the Committee's operations with the assistance of the Committee's Secretary.</p> <p>6-3- Ensuring the integrity of the Committee's decisions and recommendations, ensuring they are based on sound knowledge and serve the Company's interests and strategic goals.</p> <p>6-4- Following up on the implementation of the Committee's decisions and recommendations in coordination with the Committee's Secretary.</p> <p>Article (7): Duties and Responsibilities of the Committee Members</p> <p>In performance of their duties, Committee members shall adhere to the following:</p> <p>7-1- Cooperation to achieve the Committee's objectives.</p> <p>7-2- Ensuring active participation and attendance in Committee meetings.</p> <p>7-3- Contributing ideas and expressing viewpoints in a responsible and impartial manner, taking into account the Company's and shareholders' best interests.</p> <p>Article (8): Duties and Responsibilities of the Committee's Secretary</p> <p>The main duties and responsibilities of the Committee's Secretary include:</p> <p>8-1- Preparing and coordinating meetings, including preparing the agenda in coordination with the Committee's Chairperson.</p> <p>8-2- Ensuring compliance with the regulations and verifying if updates to the regulations are required.</p> <p>8-3- Attending Committee meetings, recording and documenting meeting minutes, as well as recording votes, the results thereof, and those who supported or opposed the decisions or recommendations made.</p>	<p>Capital Market Authority within the statutory period specified in the Authority's regulations and rules.</p> <p>2.1.11. Membership of a Committee member shall terminate in the following cases:</p> <p>2.1.11.1. If the member is also a member of the Board of Directors: membership shall end upon termination of their Board membership, voluntary resignation from the Committee or the Board, death, or disqualification.</p> <p>2.1.11.2. If the member is not a Board member: membership shall end upon voluntary resignation, expiry of the Committee membership term, reformation of the Committee by the Board for any reason the Board deems necessary, death, or disqualification.</p> <p>2.1.12. The Company must notify the Capital Market Authority of the names of the Committee members, their membership status, and any changes thereto within the period specified by the Authority's regulations.</p> <p>3. Duties and Responsibilities</p> <p>The Committee shall perform its duties and assume its responsibilities in accordance with the provisions of these Regulations and all other related policies and regulations approved by the Company.</p> <p>3.1. Duties and Responsibilities of the Committee</p> <p>3.1.1. General Duties and Responsibilities</p> <p>3.1.1.1. Approving the information included in the annual report relating to the scope of the Committee's work.</p>
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<p>8-4- Providing Committee members and relevant parties (with the Committee's Chairperson approval) with copies of the meeting minutes.</p> <p>8-5- Collecting signatures on meeting minutes and maintaining all Committee documents, including agendas and minutes.</p>	<p>3.1.1.2. Reviewing any amendments to the organizational structure of the Internal Audit Department and submitting recommendations thereon to the Board of Directors for approval and approving any amendments below the management level.</p>
<p>Article (9): Conflict Between the Committee and the Board of Directors</p> <p>In the event of a conflict between the Committee's recommendations and the decisions of the Board of Directors, or if the Board of Directors refuses to adopt the Committee's recommendations regarding the appointment or dismissal of the Company's auditor, determination of its remunerations, evaluation of its performance, or the appointment of the internal auditor, the Board of Directors' report shall include the Committee's recommendations, their justifications, and the reasons for not accepting such recommendations.</p>	<p>3.1.1.3. Approving the performance indicators for the Internal Audit Department and the Chief Audit Executive.</p>
<p>Article (10): Committee Meetings</p>	<p>3.1.1.4. Approving the job description of the Chief Audit Executive.</p>
<p>10-1- The Committee shall meet periodically, with a minimum of four meetings during the financial year of the Company.</p> <p>10-2- The Audit Committee shall periodically meet with the Company's external auditor and internal auditor (if any).</p> <p>10-3- Both the internal and external auditors may request a meeting with the Audit Committee (whenever necessary).</p>	<p>3.1.1.5. Reviewing amendments to the Company's Articles of Association relating to the Committee's scope of work and submitting recommendations to the Board for approval in preparation for endorsement by the General Assembly.</p>
<p>Article (11): Minutes of the Committee's Meetings:</p> <p>The Committee Secretary shall prepare the minutes of the meeting with accuracy and precision as follows:</p>	<p>3.1.1.6. Reviewing the authorities related to the Committee's work prior to presenting the authority matrix to the Board for approval.</p>
<p>11-1- Minutes shall be prepared for each meeting held by the Committee, and it shall</p>	<p>3.1.1.7. Reviewing the budget of the Internal Audit Department before its inclusion in the Company's overall proposed budget and approval by the Board of Directors.</p>
	<p>3.1.1.8. Recommending to the Board of Directors the appointment of the Chief Audit Executive after coordination with the Nomination and Remuneration Committee, proposing their salary, benefits, and bonuses, evaluating their performance, and their dismissal.</p>
	<p>3.1.1.9. Requesting the Board of Directors to call for a General Assembly meeting if the Board impedes the Committee's work or if the Company suffers serious damages or losses.</p>
	<p>3.1.1.10. Setting the strategic objectives and audit planning for the Internal Audit Department in accordance with the nature and size of the Company's activities, ensuring their implementation, and reviewing and updating them based on internal and external</p>

<p>include:</p> <p>11-1-1- Date and number of the meeting.</p> <p>11-1-2- Location of the meeting.</p> <p>11-1-3- Names of the attendees.</p> <p>11-1-4- Statement of the reasons for non-attendance of absent members.</p> <p>11-1-5- The topics discussed and the key points of discussion related to the meeting's agenda.</p> <p>11-1-6- All decisions and recommendations issued, along with justifications and attachments.</p> <p>11-1-7- Record of all voting results.</p> <p>11-1-8- Any reservations expressed by Committee members on any of the decisions or recommendations issued by the Committee.</p> <p>11-2- The Committee Secretary shall send the minutes to the members for review and feedback (if any).</p> <p>11-3- Any member may propose changes to the wording or content of the minutes within a week of receiving them. If no changes or objections are made within such period, and if the Chairperson has not objected to the content thereof, the minutes shall be deemed final.</p> <p>11-4- If changes or amendments are proposed to the minutes or if the Chairperson objects to the content, the minutes shall be modified or amended after the Chairperson's approval. In all cases, a committee member has the right to add any reservations it considers necessary to the minutes. No changes or amendments may be made to the minutes that would alter the decision's wording voted on by the members or its content.</p> <p>11-5- The minutes shall be signed by the Chairperson and the attending members.</p> <p>11-6- All relevant documents and records related to the meeting shall be attached to the minutes.</p>	<p>developments.</p> <p>3.1.1.11. Reviewing the policies and procedures of the Internal Audit Department before submitting them to the Board for approval and monitoring their application.</p> <p>3.1.1.12. Ensuring the availability of sufficient resources and systems to activate and achieve the objectives of the Internal Audit Department.</p> <p>3.1.1.13. To obtain the necessary and appropriate assurance from the Audit Committees of wholly owned or controlled companies regarding the effectiveness and soundness of the internal control system, in accordance with applicable regulations and partner agreements.</p> <p>3.1.1.14 .The Committee at the Saudi Real Estate Company may nominate to the Board of Directors, in its capacity as a shareholder or capital owner of the wholly owned or controlled company, members of the Audit Committees in the subsidiary or controlled companies, in accordance with the provisions of their Articles of Association and incorporation contracts.</p> <p>3.1.1.14. Ensuring the independence of Internal Audit staff from activities that may affect the effectiveness of the Internal Audit Department's oversight role within the Company.</p> <p>3.1.1.15. Establishing a mechanism or policy that allows employees to confidentially report any irregularities in financial reports or other matters and ensuring the implementation of such a mechanism through an independent investigation proportional to the size of the error or violation and adopting appropriate follow-up measures.</p> <p>3.1.1.16. Reviewing the results of reports issued by regulatory authorities and verifying that the necessary measures have been taken by the Company.</p> <p>3.1.1.17. Reviewing contracts and transactions proposed to be conducted with related parties</p>
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<p>Article (12): Legal Quorum for the Committee's Meeting</p> <p>12-1- For a committee's meeting to be valid, it is required to be attended by the majority of its members.</p> <p>12-2- Members may attend the meeting via modern communication technologies, which shall count toward the quorum for the meeting's validity.</p> <p>Article (13): Issuance of Decisions, Recommendations, and Request for Documents</p> <p>13-1- The Committee's decisions and recommendations are made by a majority vote of those present at the meeting. In the event of a tie, the side with the Chairperson's vote shall prevail.</p> <p>13-2- The Committee may request relevant departments to attend its meetings or provide additional information and documents to ensure that decision-making or recommendations are well-informed.</p> <p>13-3- When necessary, the Committee may assign one of its members, third party, or another Company employee to study a topic under consideration and provide the Committee with the results. Such assignment shall be recorded in the meeting minutes.</p> <p>Article (14): Conflict of Interests</p> <p>14-1- If a member has any conflict of interest on an item listed on the Committee's agenda, the member is required to disclose it before the discussion of said item begins. Such conflict of interest shall be recorded in the meeting minutes. The member may not attend, participate in the discussion, or vote on the relevant item.</p> <p>14-2- If a member is uncertain whether he is subject to a conflict of interest, the member may seek advice and guidance from the Chairperson.</p>	<p>and potential conflict of interest cases, if any, and providing recommendations thereon to the Board of Directors.</p> <p>3.1.1.18. Raising any matters, it deems necessary for action to the Board of Directors and providing recommendations regarding the actions to be taken.</p> <p>3.1.1.19. Providing advice and guidance to the Board of Directors and its various committees on practices relevant to the Committee's scope of work.</p> <p>3.1.2 Financial Reports</p> <p>3.1.2.1 Reviewing the Company's interim and annual financial statements prior to their presentation to the Board of Directors, expressing an opinion thereon, making recommendations, and approving the quarterly financial statements to ensure their integrity, fairness, and transparency.</p> <p>3.1.2.2 Providing a technical opinion — upon the request of the Board of Directors — as to whether the Board's report and the Company's financial statements are fair, balanced, and understandable, and whether they contain sufficient information enabling shareholders and investors to assess the Company's financial position, performance, business model, and strategy.</p> <p>3.1.2.3 Reviewing any significant or unusual matters included in the financial reports.</p> <p>3.1.2.4 Investigating any issues raised by the Chief Financial Officer, the person acting in that capacity, the Compliance Officer, or the external auditor.</p> <p>3.1.2.5 Verifying the accounting estimates applied to material matters included in the financial reports.</p>
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<p>Article (15): The Committee's Report</p> <p>15-1- The Committee shall prepare an annual report to be submitted to the Board of Directors and the General Assembly. The report shall include information on the number of meetings held by the Committee, the attendance of members, as well as the Committee's actions, decisions, and recommendations made during the reporting period, as well as the actions taken to implement those decisions and recommendations by the relevant parties.</p> <p>15-2- The Board of Directors and/or the General Assembly may invite Committee members to attend one of their meetings annually, whereas such meeting will be dedicated to discussing the Committee's annual report and hearing the Committee's opinions and observations.</p> <p>Article (16): Regulations for Submitting Comments</p> <p>The Audit Committee shall establish a mechanism that allows employees to confidentially submit their comments regarding any discrepancies in the financial reports or other matters. The Committee is responsible for ensuring the application of this mechanism through an independent investigation proportionate to the severity of the error or violation, and adopting appropriate follow-up actions.</p> <p>Article (17): Confidentiality of the Committee's Work</p> <p>Committee members shall maintain the confidentiality of the information they obtain through their membership in the Committee and use it only for the purpose of fulfilling their duties. It is not permissible for members to disclose, share this information to any party, use it for any purpose, discuss it with the media, or speak on behalf of the company in any way. This obligation extends after the end/ expiry of membership in the Committee.</p>	<p>3.1.2.6 Reviewing the accounting policies adopted by the Company and providing opinions and recommendations to the Board of Directors thereon.</p> <p>3.1.2.7 Ensuring that adequate control systems are in place to guarantee the integrity and transparency of the Company's financial records and reports.</p> <p>3.1.3 Control Environment and Internal Audit</p> <p>3.1.3.1 Ensuring the existence of an effective internal control environment within the Company.</p> <p>3.1.3.2 Verifying the existence of control procedures designed to detect and prevent financial fraud, thereby safeguarding the Company's assets from fraud or unauthorized use; and ensuring that appropriate mechanisms are available for employees to confidentially report any suspicious behavior or activities in accordance with the approved notification policy.</p> <p>3.1.3.3 Reviewing and evaluating the internal control and financial systems of the Company and ensuring their effectiveness based on periodic reports submitted by the Internal Audit Department or other relevant reports.</p> <p>3.1.3.4 Ensuring the adequacy and comprehensiveness of existing systems and procedures for identifying, measuring, and managing financial and non-financial risks.</p> <p>3.1.3.5 Reviewing internal audit reports, external auditor's reports, and senior management reports on the efficiency of the control environment and risk management and monitoring the implementation of corrective measures for any raised observations.</p> <p>3.1.3.6 Approving the annual internal audit plans and monitoring their execution.</p>
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<p>Article (18): Allowances and Remunerations</p> <p>18-1- Allowances and Remunerations of members of the Audit Committee are as follows:</p> <p>18-1-1- The Committee's Chairperson shall be entitled to an annual allowance of (SAR 125,000 - one hundred twenty-five thousand Saudi riyals), to be paid directly by the Company within one month from the end of the financial year.</p> <p>18-1-2- Each member of the Committee shall be entitled to an annual allowance of (SAR 100,000 - one hundred thousand Saudi riyals), to be paid directly by the Company within one month from the end of the financial year.</p> <p>18-1-3- Subject to the aforementioned paragraphs, the entitlement to such allowances shall be proportional to the number of meetings attended by the member.</p> <p>18-1-4- Committee members are entitled to an attendance allowance of (SAR 3,000 - three thousand Saudi riyals) for each meeting they attend.</p> <p>18-1-5- If a member resides outside the city where the meeting is held, the member shall be entitled to first-class round-trip ticket from its place of residence to the meeting location, as well as a daily allowance for transportation and accommodation expenses of (SAR 2,000 - two thousand Saudi riyals) for the number of days of the meeting, plus one day before the meeting.</p> <p>18-1-6- The Committee Secretary is entitled to an attendance allowance of (SAR 2,000 - two thousand Saudi riyals) for each meeting. The Committee is responsible for reviewing and adjusting the secretary's remunerations, allowances, and benefits from time to time as it deems appropriate.</p> <p>Article (19): Training</p> <p>The chairperson, members, and secretary of the Committee may continuously attend training</p>	<p>3.1.3.7 Supervising and overseeing the performance and activities of the Internal Auditor and Internal Audit Department to ensure the availability of necessary resources and the effectiveness of their operations; and verifying the effectiveness of the Internal Audit Department through the existence of a comprehensive quality assurance and improvement program, and reviewing and discussing the results thereof, including any non-compliance with the Definition of Internal Auditing, the Code of Ethics, or the International Standards for the Professional Practice of Internal Auditing.</p> <p>3.1.3.8 Ensuring the independence of the Internal Audit Department to enable it to perform its duties effectively.</p> <p>3.1.3.9 Submitting recommendations to the Board of Directors regarding the scope of the Internal Audit Department's reports to be presented to the Board.</p> <p>3.1.3.10 Proposing emergency and special audit assignments to investigate any control deficiencies, irregularities, or errors deemed necessary by the Committee.</p> <p>3.1.4 External Auditor</p> <p>3.1.4.1 Recommending to the Board of Directors the nomination, dismissal, determination of fees, and evaluation of the performance of external auditors, after verifying their independence and reviewing the scope of their work and the terms of their engagement.</p> <p>3.1.4.2 Ensuring the provision of all necessary support to the external auditor to enable them to carry out their responsibilities in a timely manner, including, without limitation: providing all required data and documents in accordance with the applicable regulations, ensuring full cooperation of employees with the external auditor, and facilitating direct communication with the Audit Committee and the Board of Directors.</p>
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<p>and qualification courses to enhance their skills and knowledge in areas related to the Committee's work and the Company's activities.</p> <p>Article (20): Review of the Regulations</p> <p>The Committee shall periodically review the regulations as part of the Company's governance effectiveness assessment. When necessary, the Committee shall provide the Board of Directors with recommendations on any amendments it deems necessary, in preparation for submitting the revised regulations to the General Assembly for approval. In all cases, no amendments may be made except by a decision of the General Assembly.</p> <p>Article (21): Effective Date</p> <p>These regulations shall come into effect from the date of its approval by the General Assembly.</p>	<p>3.1.4.3 Meeting with the external auditor before commencing the audit work to determine the scope of work, key focus areas, and specific accounts or accounting treatments the Committee wishes the auditor to concentrate on during the audit process.</p> <p>3.1.4.4 Verifying the independence, objectivity, and fairness of the external auditor and the effectiveness of their auditing activities, taking into consideration the relevant rules and standards.</p> <p>3.1.4.5 Reviewing the external auditor's plan and activities and verifying that the auditor does not provide any technical, administrative, or consultancy services outside the scope of the audit, and expressing the Committee's views regarding the same.</p> <p>3.1.4.6 Responding to the inquiries raised by the external auditor.</p> <p>3.1.4.7 Reviewing the external auditor's report and observations on the financial statements and following up on the actions taken in response thereto.</p> <p>3.1.4.8 Monitoring the follow-up of previous external auditor observations and the corrective measures taken, and identifying any recommendations that have not been implemented, with clarification of the reasons for non-implementation and the timeline for ensuring implementation.</p> <p>3.2 Duties and Responsibilities of the Committee Chairman</p> <p>3.2.1 Overseeing the work of the Committee and ensuring compliance with the regulations governing its operations.</p> <p>3.2.2 Ensuring that the Committee has sufficient resources to support its work and that it receives the necessary information in a timely manner.</p>
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	<p>3.2.3 Managing discussions and deliberations during Committee meetings and ensuring that decisions taken are clear and understood by all members and properly recorded in the meeting minutes.</p> <p>3.2.4 Fostering a culture that encourages participation, openness, and constructive discussion by enabling all Committee members to actively participate in meetings, enhancing relationships among members, encouraging their engagement, and promoting effective exchange of views during Committee meetings.</p> <p>3.2.5 Calling for and presiding Committee meetings and setting the agenda in consultation with Committee members.</p> <p>3.2.6 Ensuring the preparation of a schedule of Committee meetings at the beginning of each fiscal year, taking into account the dates of Board meetings to allow sufficient time for the Board to review Committee outcomes prior to its own meetings.</p> <p>3.2.7 Ensuring that Committee decisions and recommendations are sound, knowledge-based, and aligned with the Company's interests and strategic objectives.</p> <p>3.2.8 Following up on the implementation of the Committee's decisions and recommendations in coordination with the Secretary.</p> <p>3.2.9 Attending general assemblies of the Company or delegating a Committee member to represent the Chairman in his absence to respond to any shareholder inquiries related to the Committee's scope of work.</p> <p>3.3 Duties and Responsibilities of Committee Members</p> <p>3.3.1 Contributing their expertise and capabilities, utilizing time efficiently, and actively</p>
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	<p>participating in Committee meetings in a manner that positively supports the achievement of the Company's objectives.</p> <p>3.3.2 Prioritizing the interests of the Company and its shareholders over personal interests and performing their role on the Committee in a manner that advances the interests of the Company and its shareholders.</p> <p>3.3.3 Complying with the disclosure requirements set forth in the Company's approved corporate governance policies.</p> <p>3.3.4 Adhering to the timelines established in these regulations regarding the approval of Committee decisions and meeting minutes.</p> <p>3.4 Duties and Responsibilities of the Committee Secretary</p> <p>The Committee shall appoint a Secretary from among its members or others. The Secretary may not be removed except by a Committee resolution. The Secretary's duties shall include, but are not limited to, the following:</p> <p>3.4.1 Organizing the Committee's activities, including scheduling meetings, sending invitations, preparing Minutes, and coordinating with the Committee Chairman.</p> <p>3.4.2 Managing all documents related to the Committee's activities, including meeting minutes, supporting documents, and reports, and ensuring their safekeeping in a secure manner that maintains confidentiality and facilitates retrieval when necessary.</p> <p>3.4.3 Recording and monitoring the implementation of Committee decisions and keeping the Committee informed of the status thereof on an ongoing basis.</p>
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	<p>3.4.4 Providing support and advice related to the Committee's work to its members as needed.</p> <p>4. Committee Meetings</p> <p>4.1. Frequency and Minutes of Meetings</p> <p>4.1.1. The Committee must meet periodically and sufficiently to effectively perform its duties, provided that the number of meetings shall not be less than four meetings during the fiscal year (at least one meeting every quarter).</p> <p>4.1.2. The Committee shall periodically meet with the Company's external auditor and the Head of Internal Audit, and the Internal Audit Department or the external auditor may request to meet with the Committee whenever necessary.</p> <p>4.1.3. The Committee shall approve the dates of its annual meetings at the beginning of each fiscal year. Extraordinary meetings may be held as necessary. The Chairman of the Committee or the majority of its members may call for an extraordinary meeting as needed.</p> <p>4.1.4. The Chairman of the Committee shall determine the timing and agenda of each meeting based on the necessity of convening, with meetings being held primarily at the Company's headquarters unless otherwise stated in the meeting invitation.</p> <p>4.1.5. The Chairman of the Committee shall set the meeting Minutes after consultation with the Head of Internal Audit and reviewing any proposals received from Committee members, the CEO, or the external auditor. The agenda must include specific topics supported by the necessary documents and information. Members must be provided with the meeting invitation, agenda, and supporting documents at least five business days prior to the meeting, except for extraordinary meetings, to allow sufficient time for reviewing the topics and</p>
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	<p>reaching appropriate decisions. If any member objects to the agenda, such objection and its reasons must be recorded in the minutes without affecting the validity of the meeting.</p> <p>4.1.6. In urgent cases, and with the Chairman's approval, topics may be presented to the Committee without prior inclusion in the agenda or submission of memorandums under the "Other Business" section. In this case, any member may request deferring the vote or decision to study the new matter, provided that the Committee determines a final date for making a decision.</p> <p>4.2. Quorum and Voting</p> <p>Committee members must allocate sufficient time to fulfill their duties and responsibilities, including preparation for and attendance at meetings, while adhering to the following:</p> <p>4.2.1. A quorum is required for the Committee's meetings to be valid, achieved by the presence of the majority of members, including the Chairman. If the Chairman is unable to attend, he must delegate another member to act on his behalf. Only Committee members are entitled to vote during meetings. In the absence of the Chairman without delegation, the most senior member in terms of experience shall chair the meeting.</p> <p>4.2.2. No party other than the Committee members and the Secretary may attend the meetings unless requested by the Committee. Non-members shall not have voting rights and may be asked to leave during voting on decisions.</p> <p>4.2.3. The Committee may hold meetings using modern technology means. If a member cannot attend physically, he may attend remotely, provided that he coordinates with the Secretary to ensure confidentiality. A member may also authorize another Committee member to attend on his behalf in writing, with notification to the Chairman and Secretary for proper documentation. A member may not represent more than one other member in the</p>
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	<p>same meeting or vote on decisions where the original member is prohibited from voting due to conflicts of interest or other reasons.</p> <p>4.2.4. Absence from Committee meetings is not permitted except with an acceptable excuse to the Chairman. If a member is absent for three consecutive or five non-consecutive meetings during their term, the matter shall be referred to the Board to consider whether to terminate their membership.</p> <p>4.2.5. The Committee shall pass its resolutions by a majority vote of the attending members. In case of equal votes, the side with which the Chairman or his delegate votes shall prevail. Abstention shall be considered as a vote against the resolution and must be recorded with reasons in the minutes.</p> <p>4.2.6. Any member may object to any resolution adopted by the Committee, provided that the reasons for the objection are recorded. The objection is limited to resolutions made during the member's attendance.</p> <p>4.2.7. The Committee may adopt resolutions by circulation if needed, provided that the majority of members approve. Such resolutions must be presented at the next Committee meeting.</p> <p>4.3. Meeting Minutes</p> <p>4.3.1. The Secretary shall prepare the meeting minutes and present them to the members within five business days of the meeting date. Audio or video recordings may be used to facilitate the preparation of the minutes, provided that the Committee approves such recordings at the beginning of its term. The Secretary shall keep all recordings properly numbered and sequentially aligned with the meeting minutes, the recording of each meeting will be deleted immediately after the minutes are signed by the committee.</p>
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	<p>4.3.2. Members shall review the draft minutes within five business days of receipt. Failure to respond within this period shall be considered implicit approval.</p> <p>4.3.3. If a member has comments on the draft minutes, they must submit their proposed amendments within the review period. Amendments shall be made only upon the Chairman's approval and must not alter the wording, meaning, or add information not discussed during the meeting. However, any member may add a justified reservation to the minutes.</p> <p>4.3.4. After the review period, the Secretary shall present the final version of the minutes for signing after incorporating members' comments and obtaining the Chairman's approval.</p> <p>4.3.5. Members must sign the final version of the minutes (either manually or electronically) within a maximum of two business days from receipt.</p> <p>4.3.6. The Committee may assign one of its members, a third party, or a Company employee to study any matter presented to it and provide findings, provided that such assignment is documented in the meeting minutes.</p> <p>4.3.7. Committee meetings must be numbered in accordance with the approved coding and management mechanism for meeting records.</p> <p>4.3.8. The Committee's meeting minutes and all associated documents and records are confidential and may only be accessed by authorized individuals or regulatory inspectors, who may not receive copies unless legally justified.</p> <p>4.3.9. If an automated system is to be adopted for managing the Committee's activities, including document retention, prior approval from the Board must be obtained before implementation.</p>
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	<p>5. Periodic Reports of the Committee</p> <p>5.1. The Committee shall submit any recommendations it deems appropriate to the Board of Directors on any matters within its scope of authority where taking action or making improvements is deemed necessary.</p> <p>5.2. The Committee shall prepare a quarterly report to be submitted to the Board, including details on the performance of its responsibilities and duties (e.g., number of meetings held, attendance by members, Committee activities and decisions, recommendations made, and actions taken regarding the implementation of such decisions and recommendations, etc.).</p> <p>6. Conflicts between the Committee and the Board of Directors</p> <p>If a conflict arises between the Committee's recommendations and the decisions of the Board of Directors, or if the Board refuses to adopt the Committee's recommendation regarding the appointment, dismissal, remuneration, or performance evaluation of the external auditor, or the appointment of the internal auditor, the Board's report to the General Assembly must include the Committee's recommendation, its justifications, and the reasons for not adopting it.</p> <p>7. Evaluation and Training</p> <p>The performance of the Committee and its members must be evaluated at least annually. In addition, the performance of the Committee and its members must be evaluated by an external specialized party every three (3) years. The evaluation process shall be managed by the Nominations and Remunerations Committee, and the procedures and results of such evaluations must be disclosed to the Board of Directors. The evaluation shall be conducted in accordance with the approved Board and Committees Evaluation Policy and Mechanism.</p>
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	<p>8. Remuneration of Committee Members</p> <p>The remuneration of Committee members shall be determined in accordance with the approved Remuneration Policy for the Board, its Committees, and the Executive Management, as approved by the General Assembly, and in compliance with the Company's Articles of Association and the relevant laws and regulations. (The Remuneration Policy for the Board, its Committees, and Executive Management provides further details regarding the remuneration of Committee members.)</p> <p>9. Providing Information to the Committee</p> <p>The Committee shall have direct and unrestricted access to any employee or information related to any department or sector within the Company, whether through the CEO, the relevant committee, or direct communication with the concerned department/sector, within the scope of the Committee's duties. The Executive Management and all departments and sectors must provide Committee members with all necessary information, data, documents, and records in a timely, complete, clear, accurate, and non-misleading manner to enable them to perform their duties effectively.</p> <p>10. Engagement of Independent Advisors</p> <p>10.1. The Committee may engage any experts or independent advisors it deems necessary in any area related to its work and within its authority, in order to enhance its ability to achieve its objectives and improve its performance, at the Company's expense. Such engagement must be in accordance with the approved Delegation of Authority Matrix and must be documented in the Committee meeting minutes, including the name of the expert/advisor and any relationship with the Company or the Executive Management (if any).</p> <p>10.2. Meetings with external specialized advisors shall take place whenever appropriate and</p>
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	<p>within the scope of the Committee's duties.</p> <p>11. Final Provisions</p> <p>11.1. These Regulations shall become effective as of the date of approval by the General Assembly, including any subsequent amendments.</p> <p>11.2. Any matter not expressly provided for herein shall be governed by the relevant laws and regulations issued by the regulatory authorities.</p>
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Thank you

Agenda # 12

**Nomination and Remuneration  
Committee Charter (Before and  
After)**

### Nomination and Remuneration Committee Charter (Before and After)

Before	After																								
<p><b>Preamble:</b></p> <p>In line with the commitment of the Board of Directors of the Saudi Real Estate Company (Al Akaria) to enhance the role of specialized technical committees of the Board of Directors, and in order to enhance the functions of the Nominations and Remuneration Committee and regulate its activities and operations to achieve its objectives and meet the expectations and aspirations pursuant to which it was established. Whereas the Board issued a resolution to form the Committee during its first meeting in 2019 held on Jumada Al-Awwal 28, 1440 H, corresponding to Sunday, February 03, 2019 under Resolution No. (M/2/1/2019).</p> <p>Accordingly, during the Board's forth meeting in 2019, held on October 17, 2019, the Board resolved to recommend to the General Assembly the approval of Nominations and Remuneration Committee Regulations. The Regulations include rules for selecting members, their term of membership, the procedures governing the Committee's operations, as well as the Committee's functions, responsibilities, powers, remunerations, and other organizational procedures.</p> <p><b>Definitions:</b></p> <p>subject to the definitions stated in the Companies Law, the Capital Market Law, and their Executive Regulations, the following words and phrases shall have the meanings assigned thereto unless the context requires otherwise:</p> <table border="1" style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 20%;">Companies Law:</td><td>The Companies Law issued by the Ministry of Commerce and Investment as promulgated by Royal</td></tr> </table>	Companies Law:	The Companies Law issued by the Ministry of Commerce and Investment as promulgated by Royal	<p><b>Definitions</b></p> <p>Subject to the definitions set forth in the Companies Law, the Capital Market Law, and their respective regulations, the following words and expressions shall have the meanings assigned to them below, unless the context otherwise requires.</p> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th>Term</th><th>Definition</th></tr> </thead> <tbody> <tr> <td>Company</td><td>Saudi Real Estate Company (AL AKARIA)</td></tr> <tr> <td>Board of Directors / Board</td><td>The Board of Directors of the Saudi Real Estate Company.</td></tr> <tr> <td>General Assembly</td><td>The Ordinary and Extraordinary General Assembly of the Company, convened with the attendance of the Company's shareholders in accordance with the provisions of the Companies Law, its Implementing Regulations, and the Company's Articles of Association.</td></tr> <tr> <td>Committee</td><td>The Nominations and Remunerations Committee</td></tr> <tr> <td>Charter</td><td>The Charter of the Nominations and Remunerations Committee</td></tr> <tr> <td>Chairman</td><td>The Chairman of the Nominations and Remunerations Committee</td></tr> <tr> <td>Member / Members</td><td>Member(s) of the Nominations and Remunerations Committee</td></tr> <tr> <td>Articles of Association</td><td>The Articles of Association of the Saudi Real Estate Company</td></tr> <tr> <td>Companies Law</td><td>The Saudi Companies Law and the related regulations and decisions</td></tr> <tr> <td>Authority</td><td>The Capital Market Authority</td></tr> </tbody> </table>	Term	Definition	Company	Saudi Real Estate Company (AL AKARIA)	Board of Directors / Board	The Board of Directors of the Saudi Real Estate Company.	General Assembly	The Ordinary and Extraordinary General Assembly of the Company, convened with the attendance of the Company's shareholders in accordance with the provisions of the Companies Law, its Implementing Regulations, and the Company's Articles of Association.	Committee	The Nominations and Remunerations Committee	Charter	The Charter of the Nominations and Remunerations Committee	Chairman	The Chairman of the Nominations and Remunerations Committee	Member / Members	Member(s) of the Nominations and Remunerations Committee	Articles of Association	The Articles of Association of the Saudi Real Estate Company	Companies Law	The Saudi Companies Law and the related regulations and decisions	Authority	The Capital Market Authority
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	Decree No. (M/3) dated 28/01/1437 H, as amended.	Capital Market Law	The Saudi Capital Market Law and the related regulations and decisions
Capital Market Law:	The Capital Market Law promulgated by Royal Decree No. (M/30) dated 02/06/1424 H.	Corporate Governance Regulations	The Corporate Governance Regulations issued by the Board of the Capital Market Authority
Corporate Governance Regulations:	The Corporate Governance Regulations issued by the Board of Directors of the Capital Market Authority under Resolution No. (8-16-2017) dated 16/05/1438 H, corresponding to 13/02/2017, based on the Companies Law promulgated by Royal Decree No. (M/3) dated 28/01/1437 H, as amended by the Capital Market Authority Board Resolution No. (3-57-2019) dated 15/09/1440 H, corresponding to 20/05/2019.	Independent Member	A non-executive Board Member who enjoys full independence in both position and decision-making and is not subject to any of the independence impediments stated in the Corporate Governance Regulations
Articles of Association:	The Articles of Association of the Saudi Real Estate Company (Al Akaria).	Executive Member	A Board Member who is part of the Company's executive management and participates in its daily operations
Company:	The Saudi Real Estate Company.	Non-Executive Member	A Board Member who is not part of the Company's executive management and does not participate in its daily operations
Affiliates:	Any affiliated company in which the Saudi Real Estate Company, any of its affiliates, or both collectively own (50%) or more of the share capital, whether a joint stock company or a limited liability company, over which the Saudi Real Estate Company exercises direct or indirect control, including control over the formation of its Board of Directors.	Executive Management	Persons entrusted with managing the daily operations of the Company and proposing and implementing strategic decisions, such as the Chief Executive Officer, his deputies, sector heads, and the Chief Financial Officer
Board of Directors/ the Board:	The Board of Directors of the Saudi Real Estate Company.	Chief Executive Officer (CEO)	The person appointed by the Board of Directors of the Company to implement the Board's resolutions, manage the Company's daily operations, and lead its employees under the supervision and oversight of the Board
Executive Management:	The Company's President, CEO, executive directors of various business activities, general managers, their deputies, heads of main departments, and any persons holding equivalent positions.	Conflict of Interest	The existence of a direct or indirect, actual or potential interest of any Member that may affect their ability to express an impartial opinion on matters considered by the Committee.
		Subsidiaries	Companies in which the Saudi Real Estate Company or its subsidiaries (or both) own 50% or more of the capital, whether such companies are joint stock companies or limited liability companies, and which the Saudi Real Estate Company controls directly or indirectly, including control over the formation of their

<p>Objectives of the Regulations:</p> <p>These Regulations aim to define the scope of work, duties, and responsibilities of the Nominations and Remuneration Committee, as well as the requirements for committee membership, the manner in which meetings are convened, and the procedures governing its operations. The Regulations also outline the controls of the Committee's operations.</p> <p>1- Formation of the Committee and its Term</p> <p>1-1- The Board of Directors shall appoint the members of the Nominations and Remuneration Committee, provided that the number of its members is no less than three and no more than five. All the members shall be non-executive Board members. At least one member shall be an independent director. The Committee may include non-executive members or individuals from outside the Board, whether shareholders or others. The term of the Committee shall end with the term of the Board of Directors. The Committee's members may be reappointed for one or more terms.</p> <p>1-2- The Board of Directors may remove and replace any member of the Nominations and Remuneration Committee for any reason it deems appropriate. A member may also resign, provided the such resignation is submitted at an appropriate time and accepted by the Board.</p> <p>1-3- If a seat on the Committee becomes vacant during its term, the Board shall appoint a replacement to fill the vacancy. The new member shall serve for the remainder of its predecessor's term.</p> <p>1-4- The Committee's membership shall end upon the expiration of the member's term on either the Board or the Committee, unless renewed, or upon the member's death.</p> <p>1-5- A Committee member shall be deemed to have resigned automatically if the member fails to attend more than three consecutive meetings without prior</p>	<table border="1"> <tr> <td></td><td>Board of Directors.</td></tr> </table> <p>1. Introduction</p> <p>1.1. Preamble</p> <p>1.1.1. The Nominations and Remunerations Committee is a committee formed by the Board of Directors of the Company, and its powers are determined by the Board.</p> <p>1.1.2. The Committee aims to assist the Board in effectively overseeing the nomination and remuneration activities concerning the members of the Board of Directors, its committees, and the executive management of the Company. In performing its role, the Committee may consult the Board or any of its committees and seek their input on matters related to its scope of work. Furthermore, the Committee may, when necessary, assign one of its members, the executive management, or any internal or external party to study any subject referred to it and provides the Committee with the results of such study.</p> <p>1.2. Purpose of the Charter</p> <p>1.2.1. This Charter has been developed to govern and regulate the work of the Nominations and Remunerations Committee. It aims to define the Committee's operational controls and procedures, its scope of work and responsibilities, the mechanism for decision-making, and the duties of the Chairman, members, and the Committee Secretary.</p> <p>1.2.2. This Charter is binding on all members of the Committee and governs their performance throughout their term of membership. A copy of the Charter shall be provided to each member at the beginning of their membership by the Committee Secretary.</p> <p>1.2.3. This Charter has been developed in compliance with the Company's Articles of Association, the regulatory and supervisory requirements of the Corporate Governance Regulations issued by the Capital Market Authority, and all other related regulatory requirements and laws in the Kingdom. This Charter forms an integral part of the Company's</p>		Board of Directors.
	Board of Directors.		

<p>permission from the Committee's Chairperson or a valid excuse approved by the majority of the attending members.</p> <p>1-6- The Committee members shall elect a Chairperson from among themselves, provided that such a Chairperson is an independent member of the Board of Directors. In the Chairperson's absence, another member selected by those present shall chair the meeting.</p> <p>2- Remuneration Policy for Members of the Nominations and Remuneration Committee</p> <p>2-1- The Committee's remuneration shall be subject to the approved policy for the remuneration of the members of the Board of Directors and the committees formed therefrom.</p> <p>2-2- The Committee's Secretary shall be paid a meeting attendance allowance of (SAR 2,000 - two thousand Saudi Riyals). The Committee may review and adjust the Secretary's allowance from time to time as it deems appropriate.</p> <p>3- Powers of the Committee</p> <p>3-1- Develop a clear policy for the remuneration of Board members, Board Committees, and the executive management. Submit the policy to the Board for review and subsequent approval by the General Assembly, ensuring that the policy includes performance-based criteria, ensure disclosure thereof, and verify their implementation.</p> <p>3-2- Clarify the link between granted remunerations and the approved remuneration policy, as well as disclose any material deviation from such policy.</p> <p>3-3- Conduct periodic reviews of the remuneration policy and assess its effectiveness in achieving its intended objectives.</p>	<p>overall governance framework. In the event of any future conflict between the provisions of this Charter and the applicable regulatory requirements, the regulatory and supervisory provisions shall prevail until the Charter is amended accordingly.</p> <p>1.3. Responsibility for Maintaining the Charter</p> <p>1.3.1. The Governance Department shall be responsible for maintaining the approved copies of this Charter. The Charter may be shared, disclosed, or published electronically in accordance with the appropriate publication mechanism. The Charter shall be maintained in two formats: one editable and one non-editable, and it may only be shared in its non-editable format.</p> <p>1.4. Review and Update of the Charter</p> <p>1.4.1. The Charter shall be reviewed by the Committee Secretary and the Governance Department every three years or whenever necessary, particularly in the event of any changes to the applicable regulations and laws, in order to ensure the following: 1.4.1.1. That the Charter covers all aspects of the Committee's work and provides the necessary framework to achieve its objectives;</p> <p>1.4.1.2. That the Charter is aligned with governance practices regulating the Committee's operations;</p> <p>1.4.1.3. That compliance with the applicable laws and regulatory requirements is maintained;</p> <p>1.4.1.4. That any other necessary amendments are incorporated.</p> <p>1.4.2. The Committee shall be responsible for reviewing and studying any required amendments to the Charter, in preparation for submission to the Board of Directors for review prior to presenting it to the General Assembly for approval.</p>
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3-4-	Recommend the remuneration of Board members and senior executives to the Board in accordance with the approved policy.	2. Formation and Membership
3-5-	Propose clear policies and criteria for membership of the Board of Directors, and recommend the nomination or re-nomination of members in accordance with the approved policies and criteria, provided that no person previously convicted of an offense involving breach of trust is nominated.	2.1 Formation of the Committee and Term of Membership
3-6-	Develop a description for the qualifications and competencies required for Board membership and executive management positions.	2.1.1 The Committee shall be formed by a resolution of the Board of Directors of the Company from among the non-executive Board members, and shall consist of no less than three (3) members and no more than five (5) members, provided that at least one (1) member shall be an independent member.
3-7-	Determine the time each Board member is expected to dedicate to Board-related duties.	2.1.2 At its first meeting, the Committee shall appoint a Chairperson from among its members, unless the Board names the Chairperson in the resolution forming the Committee. The Chairperson must be an independent member.
3-8-	Conduct an annual review of the skills and expertise required for Board membership and executive management positions.	2.1.3 No member shall assume any executive position in the Company or any of its subsidiaries unless pursuant to a separate contract with the Company or by direct assignment from the Company, and after obtaining the Board's approval, ensuring compliance with the relevant regulatory requirements in the event such contract results in a conflict of interest.
3-9-	Review and evaluate the structure and performance of the Board of Directors, its committees, and the executive management, as well as provide recommendations for any necessary changes.	2.1.4 The term of the Committee and its membership shall commence from the date of its formation and shall end upon the expiration of the Board's term. Members may be reappointed for a maximum of two (2) consecutive terms. The Board shall review the composition and membership of the Committee upon the expiry or non-renewal of any member's term.
3-10-	Approve the appointment/ termination of executive management employees (first tier).	2.1.5 The Board may dismiss or replace any member of the Committee at any time it deems appropriate at its sole discretion.
3-11-	Approve employee training programs and manpower planning initiatives.	2.1.6 A Committee member may submit their resignation by delivering a written notice to the Chairperson of the Committee. The resignation shall become effective from the date of its submission unless another effective date is specified by the member and accepted by the
3-12-	Recommend human resources policy, salary structure, and financial benefits for employees, including executive management to the Board.	
3-13-	Review overtime allocations, succession planning, and employee-related legal matters.	
3-14-	Establish job descriptions for executive, non-executive, and independent Board members, as well as for senior executives (first and second tiers).	
3-15-	Establish procedures to be followed in the event of a vacancy in the Board or among senior executives.	

<p>3-16- Identify strengths and weaknesses within the Board and propose appropriate solutions in line with business interests.</p> <p>3-17- Annually verify the independence of independent members and ensure the absence of any conflict of interest between the Company and Board members.</p> <p>4- Committee Meetings and Resolutions</p> <p>4-1- No member of the Board of Directors or the executive management, other than the Committee Secretary and Committee members, may attend the Committee's meetings unless the Committee requests to hear their opinion or obtain their advice. Other parties may be invited to attend meetings or parts thereof when necessary; however, invitees shall not be entitled to vote on the Committee's decisions.</p> <p>4-2- A meeting of the Committee shall be valid only if attended by a majority of its members. Meetings may be convened and resolutions may be issued through modern electronic communication means. The Committee's resolutions shall be adopted by the majority vote of members present. In the event of a tie, the side supported by the meeting chairperson shall prevail.</p> <p>4-3- The Committee's meetings shall be documented. Also, minutes of the meetings shall be prepared, and shall include the discussions and deliberations, as well as the Committee's recommendations and voting results. Such minutes shall be kept in a dedicated, organized register and shall indicate the names of attending members and any reservations expressed, if any. The minutes shall be signed by all attending members and the Committee Secretary.</p> <p>4-4- The Committee shall approve a schedule for its meetings at the beginning of each year, with each subsequent meeting date to be confirmed during the preceding meeting.</p> <p>4-5- The Committee shall convene at least once every six months or as needed.</p> <p>4-6- Invitations to attend Committee meetings shall be sent at least one week prior to the meeting's date, accompanied by the agenda of the meeting and the relevant</p>	<p>Committee. The Committee shall notify the Board of such resignation to take the necessary actions.</p> <p>2.1.7 In the event of a vacancy in the membership of the Committee, the Board of Directors may appoint a replacement member possessing the requisite expertise and competence. The Company must notify the Authority within the regulatory timeframe specified by the Authority's regulations and rules.</p> <p>2.1.8 The membership of a Committee member shall terminate in the following cases:</p> <p>2.1.8.1 If the member is a Board member: Membership shall terminate upon the expiration of the Board membership, voluntary resignation from the Committee or the Board, death, or loss of eligibility.</p> <p>2.1.8.2 If the member is not a Board member: Membership shall terminate upon voluntary resignation, expiration of the membership term, reconstitution of the Committee by the Board for any reason deemed necessary, death, or loss of eligibility.</p> <p>2.1.9 The Company must notify the Authority of the names of the Committee members, their membership capacities, and any changes thereto within the period specified by the Authority.</p> <p>3. Duties and Responsibilities</p> <p>The Committee shall perform its works and assume its responsibilities in accordance with the provisions of these Regulations and all other relevant policies and regulations approved by the Company.</p> <p>3.1. Duties and Responsibilities of the Committee</p>
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<p>documents.</p> <p>4-7- Any member may object to a decision made by the Committee, provided that the member clearly state the fundamental reasons for its objection. If a member leaves the meeting before its conclusion, its objection (if any) shall be limited to the items discussed during the member's attendance. The minutes shall indicate the items/discussions not attended by the member, on the member's written request.</p>	<p>3.1.1. General Duties and Responsibilities</p> <p>3.1.1.1. Approving the information included in the annual report relating to the Committee's scope of work.</p> <p>3.1.1.2. Reviewing amendments to the Company's Articles of Association related to the Committee's scope of work.</p>
<p>5- Duties of the Committee Chairperson</p> <p>5-1- Invite Committee members to meetings and determine the time, date, venue, and agenda for each meeting.</p> <p>5-2- Preside over Committee meetings.</p> <p>5-3- Prepare periodic reports on the Committee's activities and present them to the Committee prior to submission to the Board of Directors.</p> <p>5-4- Present Committee reports to the Board of Directors, accompanied by any recommendations (if any) for approval at the next regular Board meeting following the Committee's meeting, either on the Board's request or as deemed necessary by the Committee Chairperson.</p> <p>5-5- Represent the Committee before the Board of Directors and any other relevant party (when necessary).</p> <p>5-6- Present the outcomes of the Committee's work and its recommendations to the Board of Directors.</p>	<p>3.1.1.3. Reviewing the authorities related to the Committee's work before submitting the Delegation of Authority Matrix to the Board of Directors for approval.</p> <p>3.1.1.4. Reviewing any amendments to the organizational structure at the sector and department levels and submitting recommendations thereon to the Board of Directors for approval.</p> <p>3.1.1.5. Ensuring the availability of human resources, nominations, and remuneration policies within the subsidiaries by coordinating with the boards of directors and nominations and remunerations committees of the subsidiaries.</p> <p>3.1.1.6. Providing advice and recommendations to the Board of Directors and its various committees regarding practices related to the Committee's work.</p>
<p>6- Duties of the Committee Secretary</p> <p>6-1- Notify Committee members of meeting schedules and provide them with the agenda and relevant documents.</p> <p>6-2- Record meeting minutes, including the date and location of the meeting, names of attendees and absentees, a summary of deliberations, the text of recommendations and resolutions adopted by the Committee. The minutes shall be approved by the</p>	<p>3.1.2. Nominations</p> <p>3.1.2.1. Proposing clear policies and standards for membership on the Board of Directors and executive management.</p> <p>3.1.2.2. Recommending to the Board of Directors nominations for membership on the Company's Board of Directors and its committees or their reappointment in accordance with</p>

<p>Committee Chairperson.</p> <p>6-3- Provide the Chairman of the Board of directors with a copy of the minutes of the meeting after being signed by Committee members. All electronic means of communication may be used for reviewing, and approving documents, minutes, and resolutions.</p> <p>6-4- Maintain the minutes in a secure, organized, and accessible location.</p> <p>6-5- Follow up on the implementation of the Committee's resolutions and other topics discussed in previous meetings.</p> <p>6-6- Perform any other tasks assigned by the Committee.</p> <p>6-7- Ensure that the meeting venue is cleared of any documents or papers after meetings, in order to maintain confidentiality of information.</p> <p>6-8- Prepare a draft of the meeting minutes within one week of the meeting and send it to Committee members for review. Committee members shall provide their comments/ remarks within five days of receiving the draft. Failing so shall be deemed implicit approval of the minutes.</p> <p>6-9- Revise the draft of the meeting minutes based on members' comments and send it, along with the comments, to the Committee Chairperson.</p> <p>6-10- Prepare the final version of the minutes, based on the Committee Chairperson's input, and send it to all members who attended the meeting for their signature.</p> <p>7- Training</p> <p>Members of the Nomination and Remuneration Committee are entitled to benefit from training and qualification programs in accordance with Article (39) of the Corporate Governance Regulations issued by the Capital Market Authority.</p> <p>8- General Rules and Provisions</p> <p>8-1- Committee members shall attend meetings regularly and participate actively in its</p>	<p>the approved policies and standards, while ensuring that no nominee has been previously convicted of a crime involving dishonesty or breach of trust.</p> <p>3.1.2.3. Recommending the appointment of the Company's representatives to the boards of directors of subsidiaries and companies in which the Company has the authority to appoint representatives.</p> <p>3.1.2.4. Preparing a description of the capabilities and qualifications required for membership on the Board of Directors and for executive management positions.</p> <p>3.1.2.5. Determining the time commitment required from each member to perform the duties of the Board and its committees, to ensure that nominees can dedicate sufficient time to their responsibilities.</p> <p>3.1.2.6. Conducting an annual review of the skills and expertise required for membership on the Board, its committees, and executive management.</p> <p>3.1.2.7. Reviewing the composition of the Board of Directors, its committees, and executive management, and providing recommendations regarding any proposed changes.</p> <p>3.1.2.8. Conducting an annual verification of the independence of independent directors and confirming the absence of any factors affecting independence or conflicts of interest, especially if a member holds directorships in other companies.</p> <p>3.1.2.9. Approving the job descriptions for executive, non-executive, and independent directors, as well as for executive management.</p> <p>3.1.2.10. Establishing procedures to address any vacancy in the membership of the Board of Directors or executive management.</p>
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<p>functions. If a member is unable to attend a meeting, the member shall notify the Committee Chairperson or Secretary in writing. A member may not leave a meeting without the Chairperson's permission.</p> <p>8-2- Committee members shall maintain the confidentiality of company secrets. Committee members may not disclose any confidential information learned about the company. Otherwise, the Board may remove the relevant member from the Committee, holding the member accountable to seek compensation for any resulting damage.</p> <p>8-3- Committee members may not engage in any executive functions within the company or its affiliates except under a separate contract with the Company or by direct instruction from the Company.</p> <p>8-4- Members shall exercise due diligence in performing their assigned tasks and stay informed of relevant developments related to the Company's business.</p> <p>8-5- Members shall uphold integrity, honesty, objectivity, and independence, act fairly, avoid conflicts of interest, and maintain confidentiality. Such standards shall be considered both at the time of appointment and throughout the member's term.</p> <p>8-6- For matters where no provision is provided for in these regulations, reference shall be made to the relevant provisions stipulated in the Companies Law, the Corporate Governance Regulations issued by the Capital Market Authority, and any other relevant and approved laws and regulations, as applicable in the Company.</p> <p>8-7- Without prejudice to the Companies Law, the Capital Market Law, and their Executive Regulations, in preparation of the remuneration policy, the Committee shall consider the provisions of Article (62) of the amended Corporate Governance Regulations issued by the Capital Market Authority under Resolution No. (3-57-2019) dated 15/09/1440 H, corresponding to 20/05/2019.</p>	<p>3.1.2.11. Identifying the strengths and weaknesses of the Board of Directors and proposing solutions to address them in the best interests of the Company.</p> <p>3.1.2.12. Recommending to the Board of Directors the approval of the appointment and/or termination of the Chief Executive Officer (CEO), and approving the appointment and/or termination of the remaining executive management, excluding the Chief of Governance, Risk and Compliance, and the Head of Internal Audit.</p> <p>3.1.2.13. Approving the annual workforce plans and training plans for the Company's employees.</p> <p>3.1.2.14. Defining the main components of the induction program for new members of the Board and committees and ensuring that new members receive the program promptly upon their appointment.</p> <p>3.1.2.15. Submitting recommendations to the Board of Directors regarding succession plans, covering the succession of Board members, committee members, executive management, and key employees, while periodically reviewing the adequacy of the Company's succession planning procedures.</p> <p>3.1.3. Evaluation and Training</p> <p>3.1.3.1. Proposing mechanisms for evaluating the performance of the Board of Directors and its committees and submitting recommendations thereon to the Board for approval.</p> <p>3.1.3.2. Managing the annual performance evaluation process for the Board of Directors, its members, and its committees, based on the approved evaluation standards within the Company.</p>
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	<p>3.1.3.3. Approving the training plans for the Board of Directors and its committees and encouraging members to participate in training courses and seminars related to the enhancement of their skills relevant to the Company's operations.</p> <p>3.1.3.4. Reviewing the annual performance objectives (Key Performance Indicators - KPIs) set for the Managing Director and/or Chief Executive Officer, which are determined by the Executive Committee, and reviewing their evaluation results in preparation for submission to the Board of Directors for approval.</p> <p>3.1.3.5. Approving the annual performance objectives (KPIs) for executive management as determined by the CEO and reviewing their evaluation results.</p> <p>3.1.3.6. Providing support to the Board of Directors during the process of evaluating the performance of the Chief Executive Officer.</p> <p>3.1.4. Remuneration</p> <p>3.1.4.1. Preparing a clear policy for the remuneration of members of the Board of Directors, its committees, and executive management, and submitting it to the Board of Directors for consideration prior to its approval by the General Assembly, ensuring that such policy is performance-linked, properly disclosed, and effectively monitored for implementation.</p> <p>3.1.4.2. Ensuring that the granted remuneration is consistent with the approved remuneration policy and disclosing any material deviations therefrom to the Board of Directors.</p> <p>3.1.4.3. Recommending to the Board of Directors the remuneration of Board members and members of its committees in accordance with the approved policy and based on the recommendations of the relevant Board committees within their respective competencies.</p>
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	<p>3.1.4.4. Recommending to the Board of Directors the remuneration of the Company's executive management in accordance with the approved policy and based on the recommendations of the relevant Board committees within their respective competencies.</p> <p>3.1.4.5. Ensuring that no remuneration for the Board, its committees, or executive management shall be disbursed without the approval of the competent authority in accordance with the approved Authority Matrix.</p> <p>3.1.4.6. Recommending to the Board of Directors the salary scale, benefits, and related policies for executive management and employees.</p> <p>3.1.4.7. Recommending to the Board the remuneration of the Company's representatives on the boards of directors of subsidiaries in alignment with the Company's vision and objectives.</p> <p>3.1.4.8. Ensuring that the remuneration granted by the Company aligns with the approved remuneration policy and with all applicable regulatory and supervisory requirements and disclosing any material deviation therefrom to the Board of Directors.</p> <p>3.1.4.9. Collaborating with executive management to define the various fixed and variable remuneration/benefit bands that may be granted to employees.</p> <p>3.1.4.10. Supporting the Board of Directors and its committees in the process of determining the remuneration of the Secretary of the Board.</p> <p>3.2. Duties and Responsibilities of the Committee Chairperson</p> <p>3.2.1. Supervising the Committee's work and ensuring adherence to the regulations governing its operations.</p>
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	<p>3.2.2. Ensuring that the Committee is provided with adequate resources to support its activities and that the required information is supplied in a timely manner.</p> <p>3.2.3. Managing discussions and deliberations during Committee meetings and ensuring that the decisions made are clear, comprehensible to all Committee members, and duly recorded in the minutes of meetings.</p> <p>3.2.4. Fostering a culture that encourages participation, openness, and constructive discussion by enabling all Committee members to actively engage in meetings, promoting relationships among members, encouraging participation, and facilitating the effective exchange of views during Committee meetings.</p> <p>3.2.5. Calling for and presiding over Committee meetings and setting meeting Minutes in consultation with Committee members.</p> <p>3.2.6. Ensuring the preparation of a schedule of Committee meetings at the beginning of each fiscal year, taking into account the dates of Board meetings during the year to allow sufficient time for the Board to review the outcomes of the Committee meetings prior to holding its own meetings.</p> <p>3.2.7. Ensuring that the Committee's resolutions and recommendations are sound, based on informed knowledge, and aligned with the Company's interests, objectives, and strategic plans.</p> <p>3.2.8. Following up on the implementation of the Committee's resolutions and recommendations in coordination with the Secretary of the Committee.</p> <p>3.2.9. Attending the Company's General Assemblies or delegating any of the Committee members to represent him in his absence to answer any questions raised by shareholders regarding the Committee's scope of work.</p>
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	<p>3.3. Duties and Responsibilities of Committee Members</p> <p>3.3.1. Providing their expertise and capabilities, optimizing the use of their time, and actively participating in Committee meetings in a manner that positively contributes to achieving the Company's objectives.</p> <p>3.3.2. Prioritizing the interests of the Company and its shareholders over personal interests and performing their role within the Committee in a manner that promotes the Company's and its shareholders' interests.</p> <p>3.3.3. Complying with the disclosure requirements set forth in the approved relevant corporate governance policies of the Company.</p> <p>3.3.4. Adhering to the timeframes stipulated in these Regulations concerning the approval of Committee resolutions and meeting minutes.</p> <p>3.4. Duties and Responsibilities of the Committee Secretary</p> <p>3.4.1. The Committee shall appoint a Secretary from among its members or from outside the Committee. The Secretary may not be dismissed except by a resolution of the Committee. The Secretary's duties shall include, without limitation, the following:</p> <p>3.4.2. Organizing the Committee's work, including scheduling meetings, sending invitations, preparing Minutes, and other related matters, in coordination with the Committee Chairperson.</p> <p>3.4.3. Managing all documents related to the Committee's activities, such as meeting minutes, supporting documents, and reports, and ensuring their secure storage in a manner that preserves their confidentiality and facilitates easy retrieval.</p>
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	<p>3.4.4. Tracking and monitoring the implementation of the Committee's resolutions and continuously updating the Committee on the status of their execution.</p> <p>3.4.5. Providing support and advice related to the Committee's work to its members when needed.</p> <p>4. Committee Meetings</p> <p>4.1. Frequency and Minutes of Meetings</p> <p>4.1.1. The Committee must meet regularly and sufficiently to perform its duties effectively, provided that the number of meetings shall not be less than two meetings per financial year (at least one meeting every six months).</p> <p>4.1.2. The Committee shall approve its annual meeting dates at the beginning of the financial year. The Committee may hold extraordinary meetings as necessary. The Chairperson or the majority of the members may call for an extraordinary meeting when required.</p> <p>4.1.3. The Chairperson of the Committee shall, in coordination with the Committee members, determine the timing and agenda of each meeting based on the need to convene. Meetings shall primarily be held at the Company's headquarters unless otherwise specified in the meeting invitation.</p> <p>4.1.4. The Chairperson shall set the meeting agenda after reviewing any proposals received from the Committee members. The agenda must include specific topics supported by the necessary documents and information. Members must be provided with the meeting invitation, agenda, and supporting documents at least five business days prior to the meeting, except for extraordinary meetings, to allow sufficient time to review the topics and reach appropriate decisions. If any member objects to the agenda, the objection and its reasons must be recorded</p>
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	<p>in the meeting minutes without affecting the validity of the meeting. In urgent cases, and with the Chairperson's approval, topics may be presented under "Other Matters" without prior inclusion in the agenda or submission of memoranda. In such cases, any member may request postponement of voting or decision-making to allow for further study, and the Committee must set a deadline for making a decision.</p> <p>4.2. Quorum and Voting</p> <p>Committee members must allocate sufficient time to fulfill their duties and responsibilities, including preparing for and attending meetings, in accordance with the following provisions:</p> <p>4.2.1. The quorum for holding Committee meetings shall be the attendance of a majority of the members, including the Chairperson. If the Chairperson is unable to attend, he/she may delegate another member to act on his/her behalf. Only Committee members present at the meeting are entitled to vote.</p> <p>4.2.2. No Board member, executive management member, employee of the Company, or any external party (other than the Committee Secretary and its members) may attend the meetings unless the Committee requests their presence to hear their views or seek their advice. Such attendees shall have no voting rights and may be asked to leave before voting on decisions.</p> <p>4.2.3. The Committee may hold its meetings using modern technological means. If a member cannot attend in person, he/she may participate via technological means, provided coordination with the Secretary to ensure confidentiality measures are in place.</p> <p>4.2.4. If a member is unable to attend personally, he/she may authorize another Committee member to attend on his/her behalf, provided the authorization is in writing and the Chairperson and Secretary are notified to record it in the meeting minutes. A member may not represent more than one member in the same meeting nor vote on behalf of a member in</p>
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	<p>matters where a conflict of interest or other disqualifications exist.</p> <p>4.2.5. Absence from Committee meetings is not allowed without an acceptable excuse to the Chairperson. If any member is absent from three consecutive meetings or five separate meetings during their term, the matter shall be referred to the Board of Directors to consider whether to terminate the member's appointment.</p> <p>4.2.6. The Committee shall make its decisions by a majority of members present. In case of a tie, the side supported by the Chairperson (or his/her delegate) shall prevail. Abstention from voting is considered a vote against the decision, and the reason for abstention must be recorded.</p> <p>4.2.7. Any member may reserve their position regarding any decision made by the Committee, provided the main reasons are stated, and the reservation applies only to decisions taken while the member was present.</p> <p>4.2.8. The Committee may approve its resolutions by circulation, provided that the majority of members approve the resolution in writing. Circulated resolutions must be presented at the next Committee meeting.</p> <p>4.3. Meeting Minutes</p> <p>4.3.1. The Secretary shall prepare the meeting minutes and present them to members within five business days from the meeting date. Visual or audio recordings of the meeting may be used to assist in preparing the minutes, provided that the Committee agrees at its formation to record all meetings. The Secretary shall keep all recordings numbered and organized according to the meeting minutes sequence.</p> <p>4.3.2. Members must review the draft minutes within five business days of receipt. Failure to</p>
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	<p>respond within the specified period shall be considered implicit approval of the minutes.</p> <p>4.3.3. If any member has comments on the draft minutes, he/she must provide them within the review period, and the minutes shall be amended subject to the Chairperson's approval. No amendments may alter the wording or substance of resolutions or add information not discussed during the meeting. However, a member may add any reasoned reservation to the minutes.</p> <p>4.3.4. After the review period, the Secretary shall present the final version of the minutes to the members for signing after incorporating any approved comments.</p> <p>4.3.5. Members must sign the final version of the minutes (physically or electronically) immediately upon receipt and no later than two business days from receipt.</p> <p>4.3.6. Committee meetings must be sequentially numbered according to the approved system for coding and managing meeting minutes.</p> <p>4.3.7. The Committee's meeting minutes, and all related documents and records are confidential and may only be accessed by authorized persons or regulatory inspectors, and no copies may be provided except with sufficient legal justification.</p> <p>4.3.8. Should the Committee adopt any electronic system for managing its operations, including document and meeting record management, prior approval must be obtained from the Board before implementing such a system.</p> <p>5. Periodic Reports of the Committee</p> <p>5.1. The Committee shall submit any recommendations it deems appropriate to the Board of Directors on any matters falling within its scope of authority where action or improvement is</p>
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	<p>necessary.</p> <p>5.2. The Committee shall prepare a quarterly report to the Board, which includes details of the performance of its duties and responsibilities (e.g., number of meetings, attendance of members, Committee activities, decisions, recommendations, and the status of implementation of such decisions and recommendations, etc.).</p> <p>6. Evaluation and Training</p> <p>The performance of the Committee and its members must be evaluated at least annually, in addition to an external evaluation by a qualified independent party every three (3) years. The evaluation process shall be managed by the Nominations and Remunerations Committee, and the procedures and results of the evaluations must be disclosed to the Board of Directors. The evaluation shall be conducted in accordance with the approved Policy and Mechanism for the Evaluation of the Board of Directors and its Committees.</p> <p>7. Remuneration of Committee Members</p> <p>The remuneration of the Committee members shall be determined according to the Remuneration Policy for the Board, its Committees, and Executive Management, as approved by the General Assembly, and in accordance with the Company's Articles of Association and applicable laws and regulations. (The Remuneration Policy for the Board, its Committees, and Executive Management contains further details regarding the remuneration of committee members.)</p> <p>8. Providing Information to the Committee</p> <p>The Committee shall have direct and unrestricted access to any employee or any information related to any sector/department within the Company, whether through the Chief Executive</p>
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	<p>Officer, the relevant committee, or by direct communication with such sectors/departments, within the scope of the Committee's duties. Executive management and all sectors and departments of the Company must provide the Committee members with all necessary information, data, documents, and records, in a timely manner, ensuring that such information is complete, clear, accurate, and not misleading, thereby enabling the members to properly perform their duties and responsibilities.</p> <p>9. Engagement of Independent Advisors</p> <p>9.1. The Committee may engage any experts or independent advisors it deems appropriate in any field relevant to its work, within its authority, to enhance its ability to achieve its objectives and improve its performance. Such engagement shall be at the Company's expense, in compliance with the Company's approved Authority Matrix. The engagement must be recorded in the Committee's meeting minutes, stating the name of the expert/advisor and any relationship he/she may have with the Company or its executive management (if any).</p> <p>9.2. Meetings with specialized external advisors may be held whenever appropriate and within the scope of the Committee's duties.</p> <p>10. Final Provisions</p> <p>10.1. These Regulations shall come into force upon approval by the General Assembly or upon the approval of any subsequent amendments thereto.</p> <p>10.2. Concerning matters not covered by these Regulations, the laws and regulations issued by the relevant regulatory authorities shall apply.</p>
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Thank you