

Agenda # 14

**Policies, Standards, and
Procedures for Membership in
the Board of Directors
(Before and After)**

Policies, Standards, and Procedures for Membership in the Board of Directors (Before and After)

Before	After																				
<p>Article (1): Definitions</p> <p>Subject to the definitions stipulated in the Companies Law, the Capital Market Law and their Executive Regulations, and the Corporate Governance Regulations issued by 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, the following terms and expressions shall have the meanings assigned thereto unless the context requires otherwise:</p> <p><u>Companies Law</u>: The Companies Law promulgated by Royal Decree No. (M/3) dated 28/01/1437 H, as amended.</p> <p><u>Capital Market Law</u>: The Capital Market Law promulgated by Royal Decree No. (M/30) dated 02/06/1424 H.</p> <p><u>Corporate Governance Regulations</u>: 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.</p> <p><u>Authority</u>: The Capital Market Authority.</p> <p><u>Articles of Association</u>: The Articles of Association of the Saudi Real Estate Company.</p> <p><u>Company</u>: The Saudi Real Estate Company (Al Akaria).</p> <p><u>General Assembly</u>: The Ordinary or Extraordinary General Assembly of the Saudi</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> <table border="1"> <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>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 and the Company's Articles of Association.</td></tr> <tr> <td>Board of Directors / Board</td><td>The Board of Directors of the Saudi Real Estate Company.</td></tr> <tr> <td>Articles of Association</td><td>The Articles of Association of the Saudi Real Estate Company.</td></tr> <tr> <td>Policy</td><td>The Policy and Standards for Membership of the Board of Directors and its Committees.</td></tr> <tr> <td>Companies Law</td><td>The Saudi Companies Law, together with its related regulations and resolutions.</td></tr> <tr> <td>Authority</td><td>The Capital Market Authority.</td></tr> <tr> <td>Capital Market Law</td><td>The Saudi Capital Market Law, together with its related regulations and resolutions.</td></tr> <tr> <td>Corporate Governance Regulations</td><td>The Corporate Governance Regulations issued by the Board of the Capital Market Authority.</td></tr> </tbody> </table>	Term	Definition	Company	Saudi Real Estate Company (Al Akaria)	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 and the Company's Articles of Association.	Board of Directors / Board	The Board of Directors of the Saudi Real Estate Company.	Articles of Association	The Articles of Association of the Saudi Real Estate Company.	Policy	The Policy and Standards for Membership of the Board of Directors and its Committees.	Companies Law	The Saudi Companies Law, together with its related regulations and resolutions.	Authority	The Capital Market Authority.	Capital Market Law	The Saudi Capital Market Law, together with its related regulations and resolutions.	Corporate Governance Regulations	The Corporate Governance Regulations issued by the Board of the Capital Market Authority.
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<p>Real Estate Company, convened in accordance with the provisions of the Companies Law and the Company's Articles of Association.</p> <p><u>Board of Directors/ the Board:</u> The Board of Directors of the Saudi Real Estate Company.</p> <p><u>Policies:</u> The Policies, Standards, and Procedures of Membership in the Board of Directors of the Saudi Real Estate Company.</p> <p><u>Executive Member:</u> A member of the Board of Directors who holds a full-time executive position at the Company and is involved in its day-to-day operations.</p> <p><u>Non-Executive Member:</u> A member of the Board of Directors who does not hold a full-time executive position at the Company and is not involved in its day-to-day operations.</p> <p><u>Independent Member:</u> A non-executive Board of Directors member who is completely independent in both position and decision-making, and to whom none of the independence impairments stipulated in the Corporate Governance Regulations apply.</p> <p><u>Stakeholders:</u> Any party with an interest in the Company, such as employees, creditors, customers, suppliers, and the community.</p> <p><u>Cumulative Voting:</u> A voting method used in electing Board of Directors members, where each shareholder may cast a number of votes equivalent to the number of shares they hold, either for a single nominee or distributed among several nominees, without repeating votes.</p>	Independent Member	A non-executive Board member who enjoys full independence in position and decision-making, and to whom none of the independence impediments set forth in the Corporate Governance Regulations apply.
	Executive Member	A Board member who is part of the Company's executive management and participates in its day-to-day operations.
	Non-Executive Member	A Board member who is not part of the Company's management and does not participate in its daily operations.
	Executive Management	Persons responsible for managing the Company's daily operations and proposing and implementing strategic decisions, such as the Chief Executive Officer, his deputies, and the Chief Financial Officer.
	Chief Executive Officer (CEO)	The person appointed by the Board of Directors to implement its resolutions, manage the Company's daily business, and lead the employees under the supervision and oversight of the Board.
	Relatives	<ul style="list-style-type: none"> Fathers, mothers, grandfathers, grandmothers, and ancestors of any degree Children and their descendants of any degree Spouses
1. Introduction		
1.1. Preamble		
The Saudi Real Estate Company recognizes the pivotal role of its Board of Directors in providing strategic oversight and governance to promote the Company's vision and long-term objectives. The Board and its members contribute to sustainable growth and value creation for stakeholders including shareholders, employees, customers, the community, and others.		

<p>Article (2): Preamble</p> <p>These Policies, Standards, and Procedures for Membership in the Board of Directors of the Saudi Real Estate Company have been developed to enhance the Company's governance practices and to comply with the relevant provisions of the Corporate Governance Regulations, which require the introduction of such policies as part of the Board of Directors' duties and responsibilities. Such policies shall be implemented following their approval by the General Assembly, provided they do not conflict with the mandatory provisions of the Corporate Governance Regulations.</p> <p>Article (3): Objectives</p> <p>The objective of these Policies is to define the standards and provisions related to the composition of the Board of Directors, the requirements and procedures for Board of Directors membership, the mechanism for nomination and election of members, and the provisions related to termination of membership, all in compliance with the Companies Law, the Corporate Governance Regulations, and the Company's Articles of Association.</p> <p>Article (4): Composition of the Board of Directors</p> <p>In forming the Board of Directors, the following shall be observed:</p> <p>4-1- The Board shall consist of nine members elected by the General Assembly for a renewable term not exceeding three years. The General Assembly may re-elect Board members for a similar term.</p> <p>4-4- The majority of the Board of Directors members shall be non-executive</p>	<p>1.2. Purpose of the Policy</p> <p>1.2.1. This Policy aims to establish the guidelines of the Company with respect to the nomination, election, and appointment standards and procedures for the Board of Directors and its committees, without prejudice to relevant regulatory requirements.</p> <p>1.2.2. The principles set forth in this Policy apply to current members and candidates for membership of the Board of Directors and its committees.</p> <p>1.2.3. This Policy has been developed in accordance with the Company's Articles of Association, the regulatory requirements of the Corporate Governance Regulations issued by the Capital Market Authority, the Companies Law, and other applicable regulatory requirements and regulations in the Kingdom of Saudi Arabia. This Policy forms an integral part of the Company's overall corporate governance framework. In the event of any future conflict between the provisions of this Policy and applicable regulatory requirements, the regulatory requirements shall prevail until this Policy is amended accordingly.</p> <p>1.3. Responsibility for Maintaining the Policy</p> <p>1.3.1. The Governance Department shall be responsible for maintaining the approved versions of this Policy. The Policy may be shared, disclosed, or published electronically in accordance with the appropriate dissemination mechanism.</p> <p>1.3.2. This Policy shall be maintained in two formats: an editable version and a non-editable version, provided that only the non-editable version shall be shared.</p> <p>1.4. Review and Update of the Policy</p> <p>1.4.1. The Policy shall be reviewed by the Governance Department and the Nomination and</p>
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<p>members.</p> <p>4-3- The number of independent members shall not be less than two or three members, whichever is greater.</p> <p>4-4- The Company shall notify the Authority of the names of the Board of Directors members and their titles within the Board within five business days from the start date of the Board of Directors' term or from the date of the members appointment, whichever is earlier. The Company shall also notify the Authority of any changes to the Board's memberships within five business days from the date such changes occur.</p> <p>Article (5): Nomination and Election of Board of Directors Members</p> <p>In the nomination and election of Board of Directors members, the following shall be observed:</p> <p>5-1- Each shareholder may nominate itself or others for membership of the Board of Directors, within the limits of its shares in the capital.</p> <p>5-2- Anyone wishing to nominate itself for the membership of the Board of Directors shall disclose to the Board and the General Assembly any potential conflicts of interest, according to the procedures set by the Authority. Conflicts of interest cases include:</p> <p>5-2-1- Direct or indirect interest in transactions and contracts conducted for the benefit of the Company.</p> <p>5-2-2- Participation in any activity that could constitute competition with the Company or one of its business activities.</p> <p>5-3- The Company shall publish the Board of Directors membership nomination announcement on the Capital Market Authority's website, its own website, and any other means designated by the Authority. Such announcement shall take place sufficiently ahead of the Board of</p>	<p>Remuneration Committee every three (3) years, or whenever necessary, prior to submission to the Board of Directors for recommendation and to the General Assembly for approval. The review process aims to ensure the following:</p> <p>1.4.1.1. That the Policy covers the key standards for the nomination, election, and appointment of Board and committee members.</p> <p>1.4.1.2. That the Policy is consistent with governance practices governing the operation of the Board and its committees.</p> <p>1.4.1.3. That compliance with applicable laws and regulatory requirements is maintained.</p> <p>1.4.1.4. That alignment with the provisions of the Company's Articles of Association is ensured.</p> <p>1.4.1.5. Incorporation of any other necessary amendments.</p> <p>2. Board Formation Standards</p> <p>2.1. The Board shall be composed of members elected by the Ordinary General Assembly of shareholders for a term not exceeding four (4) years, in accordance with the Company's Articles of Association and the applicable regulatory requirements. The Ordinary General Assembly may re-elect Board members for a similar term. Any shareholder may nominate himself or one or more other persons for membership of the Board of Directors, within the limits of their ownership percentage in the Company's share capital. The Board must include independent members who meet the independence criteria set forth in this Policy.</p> <p>2.2. The following shall be taken into consideration when forming the Board:</p>
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<p>Directors' term expiration to allow potential nominees to nominate themselves, provided that the nomination period shall remain open at least one month from the date of the announcement.</p> <p>5-4- Any person wishing to nominate itself for Board of Directors membership shall submit its CV to the Company, including academic qualifications, work experience, and detailed information on all memberships held in any Company Board of Directors, or a Committee form therefrom, regardless of their legal form, as well as the nature of the membership (executive, non-executive, or independent) and whether the membership is personal or on behalf of a corporate entity. In addition to the completion of any documents the Company may require in accordance with the Capital Market Law, Corporate Governance Regulations, and the Authority's requirements.</p> <p>5-5- The Nomination and Remuneration Committee formed by the Company's Board of Directors shall review the nominations to ensure all required information is provided in accordance with the Corporate Governance Regulations, the Company's policies, and any other regulatory requirements, before submitting its recommendations to the Board of Directors.</p> <p>5-6- The Company shall announce on the Capital Market Authority's website information on the nominees for Board of Directors membership upon the issuance of the invitation to the General Assembly. Such information shall include the nominees experience, qualifications, skills, previous and current roles, and memberships. The Company shall also make a copy of this information available at its headquarters and on its website.</p> <p>5-7- The number of nominees for Board of Directors membership presented to the General Assembly must exceed the number of available seats, ensuring the General Assembly has an opportunity to choose from</p>	<p>2.2.1. The number of Board members shall be proportionate to the size of the Company and the nature of its activities.</p> <p>2.2.2. The majority of the Board members must be non-executive members.</p> <p>2.2.3. The number of independent members shall not be less than two (2) members or one-third of the Board members, whichever is greater.</p> <p>2.2.4. The Chief Executive Officer may not be appointed as Chairman of the Board within one (1) year of the end of his service.</p> <p>2.3. The Board of Directors shall appoint, in its first meeting, from among its members, a Chairman and a Vice Chairman.</p> <p>2.4. The Board may appoint a Managing Director from among its members. The Chairman of the Board may not simultaneously hold any executive position within the Company.</p> <p>3. Conditions of Board and Committee Membership</p> <p>3.1 A Board or Committee member must have the necessary professional competence, expertise, knowledge, skills, and independence to perform their duties efficiently and effectively, contribute to the company's management and growth, and safeguard its assets.</p> <p>3.2 A Board member may not simultaneously serve as a member of the boards of more than five (5) listed joint stock companies.</p> <p>3.3 A Board member must not be an employee of a competing company or engage in any activity that</p>
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<p>among the nominees.</p> <p>5-8- Cumulative voting shall be used in electing the Board of Directors, ensuring that no shareholder may use their vote for a share more than once.</p> <p>5-9- Voting at the General Assembly shall be restricted to the nominees whose information has been disclosed by the Company in accordance with paragraph (4-6) of this Article.</p> <p>5-10- The Board of Directors shall elect a Chairperson and a Deputy Chairperson from among the elected members.</p> <p>Article (6): Board of Directors Membership Criteria and Requirements</p> <p>Members of the Board of Directors must possess the necessary professional competence, experience, knowledge, skills, and independence to perform their duties effectively. In particular, the member (or nominee for membership) must meet the following criteria:</p> <p>6-1- Not have been convicted of a crime involving dishonesty or breach of trust. The member/ nominee must be eligible for Board of Directors membership according to any applicable regulations or instructions applicable in Saudi Arabia.</p> <p>6-2- Not hold membership in more than five listed joint-stock companies at the same time.</p> <p>6-3- For independent members, none of the independence impairments stipulated in the Corporate Governance Regulations apply.</p> <p>6-4- The Board of Directors member shall represent all shareholders and adhere to the principles of honesty, integrity, loyalty, care to the interests of the Company and its shareholders, placing them above personal interests, which particularly includes the following:</p>	<p>competes with the Company, unless prior approval has been obtained from the General Assembly.</p> <p>3.4 A candidate must not have previously been dismissed or removed from a board or committee position of a joint stock company or any other entity due to negligence, misconduct, or frequent absenteeism from Board or committee meetings.</p> <p>3.5 A candidate must not have been previously convicted of a crime involving dishonesty or breach of trust and must not be legally disqualified from serving on a board under applicable laws and regulations in the Kingdom of Saudi Arabia.</p> <p>3.6 A Board or Committee member shall represent the interests of all shareholders, and must perform their duties with honesty, integrity, loyalty, and diligence, prioritizing the interests of the Company and its shareholders above personal interests. In particular, the member must demonstrate the following:</p> <p>3.6.1 To maintain a professional relationship with the Company and disclose any material information before executing any transaction or contract with the Company or its subsidiaries.</p> <p>3.6.2 To avoid conflicts of interest and ensure that any dealings with the Company are fair and comply with regulatory requirements.</p> <p>3.6.3 To fulfill the duties and responsibilities as prescribed by the Company's bylaws, policies, and applicable regulations.</p> <p>3.6.4 To demonstrate leadership skills that enable effective delegation of authority, encourage high performance, and uphold professional values and ethical standards.</p> <p>3.6.5 To have the appropriate educational qualifications, professional and personal skills, relevant training, and practical experience related to the Company's current or future activities or relevant fields</p>
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6-4-1-	The Board of Directors member shall maintain professional and honest relationship with the Company, disclosing to the Company any material information before executing any transaction or contract with the Company or its affiliates.	such as management, economics, accounting, law, or corporate governance, along with a willingness for continuous learning and development.
6-4-2-	The Board of Directors member shall avoid transactions that involve a conflict of interest, ensuring fair dealing and complying with the conflict of interest provisions stipulated in the Corporate Governance Regulations.	3.6.6 To show the ability to provide strategic direction, engage in planning, and possess clear foresight and decision-making capabilities.
6-4-3-	The Board of Directors member shall perform the duties and responsibilities stipulated in the Companies Law, the Capital Market Law, their Executive Regulations, the Company's Articles of Association, and relevant laws.	3.6.7 To demonstrate financial literacy, including the ability to read and understand financial statements and reports.
6-5-	Leadership capabilities, where the member possesses leadership skills that enable him to delegate authority, motivate performance, apply best practices in effective management, and adhere to professional values and ethics.	3.6.8 To be in good health without any medical condition that could impair the ability to perform duties.
6-6-	Competence, where the member possesses the appropriate academic qualifications, professional skills, personal attributes, training levels, and relevant work experience in relation to the Company's current and future activities, or in management, economics, accounting, law, or governance, in addition to a willingness to learn and undergo further training.	3.7 An independent Board member must be capable of exercising their duties, expressing opinions, and voting on decisions objectively and independently, thereby supporting the Board in making sound decisions that serve the Company's interests. To maintain independence, none of the following conditions may apply to an independent member:
6-7-	Mentoring capabilities, where the member possesses technical, leadership, and managerial skills, quick decision-making capabilities, and an understanding of the technical requirements of business operations. The member shall also possess the capabilities to provide strategic guidance, planning, and clear future vision.	3.7.1 Owning 5% or more of the Company's shares or the shares of any company within its group or having a relative relationship with someone who owns such a percentage.
6-8-	Financial knowledge, where the member is be able to read and	3.7.2 Having a relative relationship with any Board member of the Company or any company within its group.
		3.7.3 Having a relative relationship with any senior executive of the Company or any company within its group.
		3.7.4 Serving as a Board member in another company within the Company's group.
		3.7.5 Being an employee (or having been employed during the past two years) by the Company, its group, or any party with control shares or substantial dealings with the Company, including auditors and

<p>understand financial statements and reports.</p> <p>6-9- Medical fitness, where the member does not have any health condition that hinders the performance of its duties and responsibilities.</p> <p>In electing Board of Directors members, the General Assembly shall consider the recommendations of the Nomination and Remuneration Committee formed by the Board of Directors, ensuring that the members possess the personal and professional qualifications necessary to perform their duties effectively as outlined in this Article.</p> <p>Article (7): End of Board of Directors Membership</p> <p>7-1- Board of Directors membership terminates upon the expiration of the term or if the member ceases to be eligible for membership according to any applicable laws or regulations in Saudi Arabia. However, the General Assembly may, at any time, remove all or some of the Board of Directors members, without prejudice to the removed member's right to claim compensation from the Company if the dismissal was for an unacceptable reason or at an inappropriate time. A Board member may resign, provided that such resignation is made at an appropriate time; otherwise, the member may be liable to the Company for any resulting damages.</p> <p>7-2- The General Assembly, based on a recommendation from the Board of Directors, may terminate the membership of any member who has been absent for three consecutive meetings without valid justification.</p> <p>7-3- Upon the termination of a Board of Directors member's membership, regardless of the means of termination, the Company shall immediately</p>	<p>major suppliers.</p> <p>3.7.6 Having a direct or indirect interest in the Company's businesses or contracts.</p> <p>3.7.7 Receiving financial compensation from the Company exceeding SAR 200,000 or 50% of the previous year's total Board and committee membership compensation, whichever is less, excluding Board or committee membership remuneration.</p> <p>3.7.8 Participating in a business that competes with the Company or engaging in commercial activities similar to those of the Company.</p> <p>3.7.9 Serving as a Board member of the Company for more than nine (9) years, whether consecutive or non-consecutive.</p> <p>Transactions and contracts that fulfill the personal needs of the member and are carried out under the same terms and conditions applied to the General contractors and customers as part of the Company's ordinary course of business shall not be deemed as conflicts of interest requiring General Assembly approval, unless otherwise determined by the Nominations and Remunerations Committee.</p> <p>4. Procedures of Board Membership Nomination</p> <p>4.1 Each shareholder has the right to nominate themselves or one or more persons for membership of the Board of Directors in accordance with the provisions of the Companies Law and its implementing regulations, within the limits of their ownership percentage in the Company's share capital.</p> <p>4.2 The Company shall announce the opening of nominations through its website, the stock exchange website, and any other means determined by the Capital Market Authority, inviting individuals wishing to nominate themselves for membership of the Board or its committees. The nomination period shall</p>
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	<p>notify the Capital Market Authority, stating the reasons for such termination.</p>	<p>remain open for at least one (1) month from the date of the announcement.</p>
7-4-	<p>If a Board member resigns and has remarks on the Company's performance, the member shall submit a written statement to the Chairman of the Board. Such statement shall also be presented to the Board members.</p>	<p>4.3 The nominee must submit the following to the Company:</p> <p>4.3.1 A letter addressed to the Company's management expressing their desire to nominate themselves within the one-month nomination period, accompanied by their CV detailing academic qualifications, professional experience, experience in managing companies, a statement of all Board memberships (regardless of legal form) or committee memberships, specifying the type of membership (executive, non-executive, independent) and whether it is personal or representing a legal entity, in addition to any other documents required by the Company.</p> <p>4.3.2 A statement listing all joint stock companies in which the nominee holds Board membership.</p> <p>4.3.3 A statement listing all companies or establishments in which the nominee participates in management or ownership that are engaged in similar business activities to those of the Company.</p> <p>4.4 In all cases, nominees for Board membership must be natural persons.</p> <p>4.5 Any nominee wishing to be elected as a Board member must disclose to the Board and the General Assembly any cases of conflict of interest, in accordance with the procedures set by the Authority. Such cases include:</p> <p>4.5.1 Having a direct or indirect interest in the Company's businesses or contracts.</p> <p>4.5.2 Engaging in activities that compete with the Company or competing with it in any of its lines of business.</p> <p>4.6 The Nominations and Remunerations Committee shall be responsible for reviewing nomination applications to ensure all required information is complete and in accordance with the approved</p>
Article (8): Vacant Positions on the Board of Directors		
8-1-	<p>If a Board of Directors member position becomes vacant, the Board of Directors shall appoint a temporary member to fill the vacancy, provided that the appointee has the required expertise and qualifications. The Ministry of Commerce and Investment and the Authority shall be notified within five (5) business days from the date of appointment. The appointment shall then be presented to the General Assembly for approval at its next meeting, where the new member will complete the remaining term of its predecessor. If the required number of members for the Board of Directors is not met according to the Companies Law or the Company's Articles of Association, the remaining members shall call for a General Assembly meeting within sixty (60) days to elect the necessary number of members.</p>	
8-2-	<p>If the Board of Directors resign, or if the General Assembly fails to elect a Board of Directors, the Authority shall form a temporary Committee of qualified individuals, in the number it deems appropriate, to manage the Company and call for a General Assembly meeting within a period not exceeding three (3) months from the Committee's formation to elect a new Board of Directors. The Committee Chairperson and members shall</p>	

<p>receive remunerations at the Company's expense, as determined by the Authority.</p> <p>Article (9): Review and Amendment</p> <p>These policies are subject to an annual review by the Board of Directors as part of the Company's governance effectiveness assessment. No amendments may be made except by a decision of the General Assembly.</p> <p>Article (10): Publication and Enforcement:</p> <p>These policies, along with any subsequent amendments, shall be effective from the date of their approval by the General Assembly. The Board of Directors shall implement the policies upon approval by the General Assembly. The Company shall publish the policies to the shareholders and the public through its website.</p>	<p>Company policies and applicable regulatory requirements and shall submit its recommendations to the Board of Directors.</p> <p>4.7 The Company shall disclose information about Board nominees on the stock exchange website when announcing or inviting for the General Assembly meeting. This information must include a description of the nominees' experiences, qualifications, skills, occupations, and previous and current Board memberships. The Company must also make a copy of this information available at its headquarters and on its website.</p> <p>4.8 The number of nominees whose names are presented to the General Assembly for election must exceed the number of available Board seats, to allow the General Assembly the opportunity to choose among nominees.</p> <p>5. Election of Board Members</p> <p>5.1 The General Assembly shall elect the members of the Board of Directors. Voting at the General Assembly shall be limited to the nominees whose information has been disclosed by the Company.</p> <p>5.2 When electing Board members, the General Assembly shall consider the recommendations of the Nominations and Remunerations Committee and ensure that the nominees possess the personal and professional qualifications necessary to perform their roles effectively.</p> <p>6. Appointment of Board Members</p> <p>6.1 Newly appointed Board members shall be notified of their appointment and provided with an induction program giving an overview of the Company, the roles and responsibilities of Board membership, and other relevant information that will assist them in performing their duties effectively.</p>
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	<p>6.2 The Governance Department, through the Board/Committee Secretary, shall provide Board/Committee members with all necessary information, data, documents, and records to perform their duties. This information must be complete, clear, accurate, non-misleading, and provided in a timely manner to enable members to fulfill their responsibilities effectively.</p> <p>7. Appointment of the Board Committees' Members</p> <p>7.1 The Board of Directors shall form committees emanating from the Board and shall specify their membership and terms of reference.</p> <p>7.2 The Board shall appoint a sufficient number of non-executive members to committees responsible for matters that may result in conflicts of interest, such as ensuring the integrity of financial and non-financial reports, reviewing related party transactions, nominating Board members, appointing senior executives, and determining remuneration. The chairs and members of such committees must observe the duties of care, loyalty, and act in the best interests of the Company and its shareholders, prioritizing them over personal interests.</p> <p>7.3 When constituting the Nomination and Remuneration Committee, the Board shall ensure that its members are independent directors. It may, however, appoint non-executive members or individuals from outside the Board, whether shareholders or otherwise, provided that the chairperson of the committee is an independent director.</p> <p>7.4 The Chairman of the Board may not serve as a member of the Audit Committee but may serve on other committees, provided that he does not chair any of the committees required by the Corporate Governance Regulations issued by the Capital Market Authority.</p> <p>7.5 The Chairperson of the Governance, Risk and Compliance Committee may not serve as a member or</p>
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	<p>chairperson of the Audit Committee.</p> <p>8. Succession of Board and Committees Members</p> <p>8.1 The Board of Directors shall ensure the existence of an approved succession plan covering Board members, members of committees emanating from the Board, executive management, and key positions within the Company, in coordination with the Nomination and Remuneration Committee.</p> <p>8.2 The Board shall also approve the strategic plan prepared by the Nomination and Remuneration Committee for the development and training of candidates for Board membership, committee membership, executive management positions, and key positions identified in the approved succession plan, to ensure continuity in the event of vacancies.</p> <p>9. Termination of Board and Committees Membership</p> <p>9.1. Board of Directors</p> <p>9.1.1. The Board of Directors shall convene the Ordinary General Assembly sufficiently in advance of the expiration of its term for the purpose of electing a new Board of Directors for a new term. In the event that elections cannot be held and the term of the current Board expires, the existing Board members shall continue to discharge their duties until a new Board is elected, provided that such continuation shall not exceed ninety (90) days from the date of expiry of the current term.</p> <p>9.1.2. A Board member's term shall expire upon the lapse of the designated period or upon the loss of eligibility in accordance with any applicable laws or regulations within the Kingdom of Saudi Arabia. The Ordinary General Assembly may, upon recommendation by the Board of Directors, terminate the membership of any member who is absent from three (3) consecutive meetings or five (5) non-consecutive meetings during the term of their membership without a legitimate excuse acceptable to the Board. The Board may also terminate a member's participation in a committee for similar absences.</p>
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	<p>9.1.3. The Ordinary General Assembly may, at its discretion, remove all or some members of the Board of Directors, and in such event, it shall elect a replacement or replacements in accordance with the provisions of the Companies Law.</p> <p>9.1.4. In the event of a vacancy in the Board of Directors resulting from the death or resignation of a member, and provided that such vacancy does not compromise the quorum requirements for valid Board meetings, the Board may appoint, on a temporary basis, a replacement possessing the requisite experience and competence. The appointment shall be reported to the Ministry of Commerce for updating the commercial register, and to the Capital Market Authority if the company is listed, within fifteen (15) days from the date of appointment. The appointment shall be submitted for ratification at the next meeting of the Ordinary General Assembly, and the appointee shall complete the remaining term of his predecessor.</p> <p>9.1.5. If the number of Board members falls below the minimum quorum requirement, the remaining members must call for an Ordinary General Assembly meeting within sixty (60) days from the date of the shortfall to elect the necessary number of members. Should they fail to do so, any interested party may petition the competent judicial authority to appoint a sufficient number of qualified individuals to supervise the company's management and convene the General Assembly within ninety (90) days to elect a new Board or complete the required number of members, or to seek the dissolution of the company.</p> <p>9.1.6. In the event that the members of the Board collectively resign, or the Ordinary General Assembly fails to elect a new Board, the Capital Market Authority shall have the right to form an interim committee composed of experienced and competent individuals, in such number as it deems appropriate, appointing a Chairperson and Vice-Chairperson therefrom, to supervise the management of the company and to convene the Ordinary General Assembly within a period not exceeding three (3) months from the date of formation of the committee to elect a new Board. The Chairperson and members of the interim committee shall be entitled to remuneration to be borne by the company, as determined by the Capital Market Authority.</p> <p>9.1.7. In the event that the Chairperson and members of the Board submit their resignations, they shall remain in office until a new Board is elected, provided that their continuation does not exceed one</p>
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	<p>hundred and twenty (120) days from the date of resignation.</p> <p>9.1.8. A Board member may resign from office by submitting a written notice to the Chairperson through the Secretary of the Board. In the event of the Chairperson's resignation, the notice shall be addressed to the remaining Board members and the Secretary. The resignation shall become effective on the date specified in the resignation notice.</p> <p>9.1.9. Should the number of Board members fall below the minimum required by the Companies Law or this Regulation, the remaining members shall convene the Ordinary General Assembly within sixty (60) days to elect the necessary number of members.</p> <p>9.1.10. Upon termination of the membership of any Board member for any reason, the company shall immediately notify the Capital Market Authority and the Exchange, providing the reasons for such termination.</p> <p>9.1.11. Should a Board member resign and possess any observations regarding the company's performance, the resigning member shall submit a written statement thereof to the Chairperson, and such statement shall be presented to the Board members for appropriate action, if required.</p> <p>9.2. Committees</p> <p>The membership of a committee shall terminate in any of the following circumstances:</p> <p>9.2.1. Expiry of the Board of Directors' term;</p> <p>9.2.2. Expiry of the committee's designated term;</p> <p>9.2.3. Termination of the member's membership in the Board of Directors, whether due to expiration of term, dissolution of the Board, resignation, or dismissal;</p> <p>9.2.4. Termination of the member's membership due to absence from three (3) consecutive meetings or five (5) non-consecutive meetings of the committee or the Board without a legitimate excuse.</p> <p>10. Notification to the Authority</p>
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	<p>The company shall notify the Authority of the names of the members of the Board of Directors and committees, as well as their membership classifications, within five (5) business days from the commencement date of the Board's term or from the date of their appointment, whichever occurs earlier.</p> <p>The company must also notify the Authority of any changes affecting their membership within five (5) business days from the date on which such changes occur.</p>
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Thank you

Agenda # 15

**Board of Directors, Board
Committees, and Executive
Management Remuneration
Policy
(Before and After)**

Board of Directors, Board Committees, and Executive Management Remuneration Policy (Before and After)

Before	After																				
<p>Article (1): Definitions</p> <p>Subject to the definitions stipulated in the Companies Law, the Capital Market Law and their Executive Regulations, and the Corporate Governance Regulations issued by 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, the following terms and expressions shall have the meanings assigned thereto unless the context requires otherwise:</p> <p><u>Companies Law</u>: The Companies Law promulgated by Royal Decree No. (M/3) dated 28/01/1437 H, as amended.</p> <p><u>Corporate Governance Regulations</u>: 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.</p> <p><u>Articles of Association</u>: The Articles of Association of the Saudi Real Estate Company.</p> <p><u>Company</u>: The Saudi Real Estate Company (Al Akaria).</p> <p><u>General Assembly</u>: The Ordinary or Extraordinary General Assembly of the Saudi Real Estate Company, convened in accordance with the provisions of the Companies Law and the Company's Articles of Association.</p> <p><u>Board of Directors/ the Board</u>: The Board of Directors of the Saudi Real Estate Company.</p> <p><u>Committee or Committees</u>: The Board of Directors Committees of the Saudi Real Estate</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> <table> <tr> <th>Term</th><th>Definition</th></tr> <tr> <td>Company</td><td>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 Companies Law and the Company's Articles of Association.</td></tr> <tr> <td>Board of Directors / Board</td><td>The Board of Directors of the Saudi Real Estate Company.</td></tr> <tr> <td>Articles of Association</td><td>The Articles of Association of the Saudi Real Estate Company.</td></tr> <tr> <td>Policy</td><td>The Board of Directors, Committees, and Executive Management Remuneration Policy.</td></tr> <tr> <td>Companies Law</td><td>The Saudi Companies Law and its applicable regulations and resolutions.</td></tr> <tr> <td>Authority</td><td>The Capital Market Authority.</td></tr> <tr> <td>Capital Market Law</td><td>The Saudi Capital Market Law and its applicable regulations and resolutions.</td></tr> <tr> <td>Corporate</td><td>The Corporate Governance Regulations issued by the Capital</td></tr> </table>	Term	Definition	Company	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 Companies Law and the Company's Articles of Association.	Board of Directors / Board	The Board of Directors of the Saudi Real Estate Company.	Articles of Association	The Articles of Association of the Saudi Real Estate Company.	Policy	The Board of Directors, Committees, and Executive Management Remuneration Policy.	Companies Law	The Saudi Companies Law and its applicable regulations and resolutions.	Authority	The Capital Market Authority.	Capital Market Law	The Saudi Capital Market Law and its applicable regulations and resolutions.	Corporate	The Corporate Governance Regulations issued by the Capital
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<p>Company, including the Remuneration and Nomination Committee and any other Committees the Board of Directors forms from time to time. This policy does not apply to the Audit Committee, as it has its own regulations approved by the General Assembly of the Company.</p> <p><u>Policy:</u> The Remuneration Policy for the members of the Board of Directors, Committees formed there from, and the executive management.</p> <p><u>Remunerations:</u> Amounts, allowances, profits, and the like, including periodic or annual performance-related bonuses, short or long-term incentive plans, and other material benefits, excluding reasonable and actual expenses incurred by the Company for the purpose of enabling Board members to carry out their duties.</p> <p>Article (3): Objectives</p> <p>This policy aims to establish clear criteria for the remuneration of the Board of Directors members, Committees formed there from (excluding the Audit Committee), and executive management in light of the Companies Law, Corporate Governance Regulations, and the Company's Articles of Association, in a manner that aligns with the Company's strategy and objectives, the size and level of its risks, and enables the Company to attract qualified personnel and the necessary competencies to serve on the Board of Directors, its committees, and the executive management, in order to contribute to the Company's success and business growth.</p> <p>Article (4): Scope and Application</p> <p>This Policy shall be complementary to all provisions governing the remuneration of the members of the Board of Directors, its committees, and the executive management as set forth</p>	Governance Regulations	Market Authority Board.
	Independent Director	A non-executive member of the Board of Directors who enjoys complete independence in both position and decision-making and to whom none of the independence impediments set forth in the Corporate Governance Regulations apply.
	Executive Director	A member of the Board of Directors who is part of the Company's Executive Management and participates in its daily operations.
	Non-Executive Director	A member of the Board of Directors who is not part of the Company's Executive Management and does not participate in its daily operations.
	Executive Management	Individuals responsible for the daily management of the Company's operations, proposing and implementing strategic decisions, such as the Chief Executive Officer (CEO), Deputy CEOs, and the Chief Financial Officer (CFO).
	Chief Executive Officer (CEO)	The person appointed by the Board of Directors to implement the Board's resolutions, manage the Company's daily operations, and oversee its employees under the Board's supervision and oversight.
	Remunerations	Amounts, allowances, profits, and similar benefits, including periodic or annual performance-related rewards, short-term and long-term incentive plans, and any other in-kind benefits, excluding the actual and reasonable expenses and costs borne by the Company on behalf of the member for the performance of their duties.
	Fixed Remunerations / Benefits	The financial compensation received by a member of the Executive Management regardless of their performance.

<p>in the Companies Law and its Executive Regulations, the Corporate Governance Regulations, and the Company's Articles of Association. This Policy shall apply to the members of the Board of Directors, its committees, and the executive management, except for the Audit Committee, which is formed by the General Assembly and governed by its own rules and procedures regarding its operations, duties, membership selection criteria, term of membership, and remuneration.</p>	<table> <tr> <td data-bbox="1073 243 1318 407"> Variable Remunerations / Benefits </td><td data-bbox="1318 243 1900 407"> The financial compensation received by a member of the Executive Management that is linked to their performance, including bonuses, annual or multi-year incentives, stock option plans, and others. </td></tr> <tr> <td data-bbox="1073 407 1318 573"> Material Risk Takers </td><td data-bbox="1318 407 1900 573"> Employees who perform activities that have a significant impact on the Company's risk thresholds, including members of the Board of Directors, committees, Executive Management, and certain employees of the Company. </td></tr> </table>	Variable Remunerations / Benefits	The financial compensation received by a member of the Executive Management that is linked to their performance, including bonuses, annual or multi-year incentives, stock option plans, and others.	Material Risk Takers	Employees who perform activities that have a significant impact on the Company's risk thresholds, including members of the Board of Directors, committees, Executive Management, and certain employees of the Company.
Variable Remunerations / Benefits	The financial compensation received by a member of the Executive Management that is linked to their performance, including bonuses, annual or multi-year incentives, stock option plans, and others.				
Material Risk Takers	Employees who perform activities that have a significant impact on the Company's risk thresholds, including members of the Board of Directors, committees, Executive Management, and certain employees of the Company.				
<p>Article (5): Criteria for Determining Remunerations</p> <p>Without prejudice to the provisions of the Companies Law and its Executive Regulations, the Corporate Governance Regulations, and the Company's Articles of Association, the following criteria shall be observed in determining the remuneration of the members of the Board of Directors, its committees, and the executive management of the Company:</p> <p>5-1- The remunerations alignment with the Company's strategy, long and short-term objectives, activities, the sector in which the Company operates, and the necessary skills for managing the Company's operations and its risk profile.</p> <p>5-2- Remunerations that would encourage the Board of Directors members and executive management to ensure the long-term success and growth of the Company, with the variable portion of the remuneration linked to long-term performance.</p> <p>5-3- Remunerations to be determined based on the grade of the position, duties, responsibilities, academic qualifications, practical experience, skills, and performance of the position holder, in addition to the objectives set by the Board of Directors for the financial year.</p> <p>5-4- Taking into account the remuneration practices of other companies, while avoiding any unjustified increase in remuneration and compensation that may result from</p>	<p>1. Introduction</p> <p>1.1. Preamble</p> <p>The Saudi Real Estate Company has established the foundations governing the granting of remunerations to the Chairman and members of the Board of Directors, the committees emanating therefrom, and the Executive Management, ensuring their alignment with the Company's vision and objectives. This has been undertaken in accordance with the highest standards of sound governance and the principles of transparency, honesty, integrity, and accountability.</p> <p>1.2. Purpose of the Policy</p> <p>1.2.1. This Policy aims to establish clear standards for the remuneration of the Board of Directors, its committees, and Executive Management, in accordance with the Companies Law, the Corporate Governance Regulations, and the Articles of Association of the Company. It also seeks to align with the Company's strategy and objectives, the size and degree of risks the Company is exposed to, and to enable the Company to attract qualified and competent talents to work within the Board, its committees, and the Executive Management to contribute to the Company's success and business development.</p>				

<p>such comparison.</p> <p>5-5- Remunerations aimed at attracting, retaining, and motivating professional talent, without excessive compensation.</p> <p>5-6- Remunerations to be prepared/ determined in coordination with the Remuneration and Nomination Committee for new appointments.</p> <p>5-7- Incentive programs, including granting shares in the Company to Board of Directors members and executive management, whether through new issuances or shares purchased by the Company.</p> <p>Article (6): Suspension and Recovery of Remunerations</p> <p>The disbursement of the remuneration shall be suspended or recovered if it is found to have been granted based on inaccurate information provided by a member of the Board of Directors or executive management, in order to prevent the misuse of position for obtaining undue remunerations.</p> <p>Article (7): Remuneration of Board Members</p> <p>7-1- Subject to the relevant provisions of the Companies Law and its Executive Regulations, the Corporate Governance Regulations, and the Company's Articles of Association, the remuneration of Board members may consist of a specific amount, an attendance allowance for meetings, in-kind benefits, or a percentage of the net profits. A combination of two or more of the aforementioned benefits may be granted, provided that the entitlement to such remuneration is proportionate to the number of meetings attended by the member.</p> <p>7-2- The Chairman of the Board shall be entitled to an annual remuneration of (SAR 250,000 - two hundred and fifty thousand Saudi Riyals), and each Board member shall be entitled to an annual remuneration of (SAR 200,000 - two hundred thousand Saudi Riyals).</p>	<p>1.2.2. The principles set forth in this Policy shall apply to members of the Board of Directors, its committees, and the Executive Management.</p> <p>1.2.3. This Policy has been developed in line with the Company's Articles of Association, the regulatory requirements stipulated by the Corporate Governance Regulations issued by the Capital Market Authority, the Companies Law, and other relevant laws and regulations within the Kingdom. This Policy shall form an integral part of the Company's overall governance framework. In case of any future conflict between the provisions of this Policy and the relevant regulatory requirements, the regulatory requirements shall prevail until such time the Policy is amended accordingly.</p> <p>1.3. Responsibility for Maintaining the Policy</p> <p>1.3.1. The Governance Department shall be responsible for maintaining the approved copies of this Policy, and may share, disclose, or publish the Policy electronically in accordance with the applicable dissemination mechanisms.</p> <p>1.3.2. This Policy shall be maintained in two formats: an editable version and a non-editable version, with the stipulation that only the non-editable version shall be shared.</p> <p>1.4. Review and Update of the Policy</p> <p>This Policy shall be reviewed by the Nominations and Remuneration Committee every three (3) years or whenever necessary prior to submission to the Board of Directors for recommendation and subsequently to the General Assembly for approval. The review aims to ensure the following:</p> <p>1.4.1. That the Policy covers the main standards for the remuneration of the Board, its committees, and Executive Management.</p>
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7-3-	Each Board member shall be entitled to an attendance allowance of (SAR 2,000 - two thousand Saudi riyals) for each Board meeting they attend.	1.4.2. That the Policy aligns with the governance practices regulating the work of the General Assembly.
7-4-	If the Board 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. Such allowances shall be directly paid to the member by the Company within a maximum period of thirty (30) calendar days from the date of the Board meeting.	1.4.3. That compliance with applicable laws and regulatory requirements is maintained. 1.4.4. That alignment with the provisions of the Company's Articles of Association is ensured. 1.4.5. That any other necessary amendments are incorporated.
7-5-	Remunerations for Board members may vary in amount, reflecting the member's experience, competencies, tasks assigned thereto, independence, the number of meetings attended, and other factors that are considered essential in determining a fair remuneration in accordance with this policy.	2. Criteria for Determining Remunerations Without prejudice to the provisions of the Companies Law, its implementing regulations, the Corporate Governance Regulations, and the Company's Articles of Association, the following standards must be observed when determining the remuneration of the members of the Board of Directors, the committees emanating therefrom, and the Executive Management:
7-6-	The Chairman of the Board may receive an additional remuneration, determined by the Board of Directors, in addition to the remuneration set for the Board members.	2.1. The Policy shall be aligned with the Company's strategy and objectives.
7-7-	If the remuneration of Board members is determined based on a percentage of profits, the provisions of Article (76) of the Companies Law and Article (48) of the Company's Articles of Association shall be taken into account. In all cases, the total remuneration and benefits received by a Board member, whether financial or in kind, may not exceed (SAR 500,000 – five hundred thousand Saudi riyals) annually.	2.2. Remuneration shall be granted with the aim of motivating the Board members and Executive Management to improve and develop the Company's performance over the long term. The variable component of the remuneration may be linked to long-term performance.
7-8-	The remuneration for independent Board members may not be based on the profits achieved by the Company or be directly or indirectly tied to the Company's profitability.	2.3. Remuneration shall be determined based on the position level, the tasks and responsibilities assigned, academic qualifications, practical experience, skills, performance level, and the objectives set by the Board of Directors, in addition to the degree of risk associated with each position.
7-9-	Board members may not vote on their own remuneration at the General Assembly meeting.	2.4. Remuneration shall be proportionate to the size, nature, and level of risks within the Company.
9-10-	The Board of Directors shall determine the remuneration, allowances, and benefits for the Board's Secretary.	2.5. Practices of other companies shall be taken into account when determining remuneration, while avoiding any unjustified increase in remuneration and compensation. 2.6. Remuneration shall aim to attract, retain, and motivate professional competencies

<p>Article (8): Remuneration of Members of the Board of Directors Committees</p> <p>8-1- Subject to the relevant provisions of the Companies Law and its Executive Regulations, the Corporate Governance Regulations, and the Company's Articles of Association, the remuneration of members of the Board of Directors Committees may consist of a specific amount, an attendance allowance for meetings, in-kind benefits, or a percentage of the net profits. A combination of two or more of the aforementioned benefits may be granted.</p> <p>8-2- The remuneration and allowances for members of the Board of Directors Committees, excluding the Audit Committee, shall be as follows:</p> <p>8-2-1- The Chairperson of a Board of Directors Committee shall be entitled to an annual remuneration of (SAR 125,000 - one hundred twenty-five thousand Saudi Riyals), to be paid directly to the member by the Company within a maximum period of one month from the end of the financial year.</p> <p>8-2-2- Each member of a Board of Directors Committee shall be entitled to an annual remuneration of (SAR 100,000 - one hundred thousand Saudi Riyals), to be paid directly to the member by the Company within a maximum period of one month from the end of the financial year.</p> <p>8-2-3- Subject to the aforementioned paragraphs, the entitlement to such allowances shall be proportional to the number of meetings attended by the member. In any case, no member may receive more than one annual remuneration for membership in multiple Board of Directors Committees.</p> <p>8-2-4- Each Board member shall be entitled to an attendance allowance of (SAR 3,000 - three thousand Saudi riyals) for each Board of Directors Committee meeting they attend.</p> <p>8-2-5- If the Board of Directors Committee member resides outside the city where the meeting is held, the member shall be entitled to first-class round-trip</p>	<p>without excessive awarding.</p> <p>2.7. Remuneration shall be determined in coordination with the Nominations and Remuneration Committee for new memberships of the Board of Directors, its committees, or Executive Management.</p> <p>2.8. The Policy shall clarify cases where the payment of remuneration is suspended or reclaimed if it is found that it was determined based on inaccurate information provided by a Board member or a member of Executive Management, in order to prevent the misuse of a position to obtain undue remuneration.</p> <p>2.9. The Policy shall regulate the granting of Company shares to members of the Board of Directors and Executive Management (where applicable), whether through new grants or shares purchased by the Company.</p> <p>2.10. Remuneration of the Board members shall vary in amount to reflect the member's experience, specialization, responsibilities, independence, attendance at meetings, and other relevant considerations.</p> <p>Board members may not vote on the agenda item related to the remuneration of Board members during the General Assembly meeting.</p> <p>3. Duties and Responsibilities</p> <p>3.1. Board of Directors</p> <p>3.1.1. The Board of Directors shall have full responsibility for recommending the Policy on the Remuneration of the Board of Directors, its committees, and the Executive Management for approval by the General Assembly, ensuring its alignment with the Company's strategy, overall risk framework, and relevant regulatory requirements, and ensuring its implementation through the Nominations and Remuneration Committee. This responsibility</p>
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<p>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. Such allowances shall be directly paid to the member by the Company within a maximum period of thirty (30) calendar days from the date of the Committee's meeting.</p> <p>8-3- Each Committee shall determine the remuneration, allowances, and benefits for the Committee's Secretary, and may review the same periodically as it deems appropriate.</p>	<p>may not, at any time, be delegated to the Executive Management.</p> <p>3.1.2. The Board of Directors shall supervise, through periodic reports submitted by the Nominations and Remuneration Committee, the design and implementation of the Remuneration System for the Board, its committees, and the Executive Management. The Board shall also approve the Committee's recommendations regarding actual remuneration amounts determined under the approved Remuneration System.</p> <p>3.1.3. The Board of Directors shall determine the remuneration, allowances, and benefits of the Secretary of the Board. Each committee shall determine the remuneration, allowances, and benefits of its own secretary, unless the Board Secretary also serves as the Secretary for the committees, in which case the Board of Directors shall determine the relevant remuneration, allowances, and benefits.</p>
<p>Article (9): Remuneration and Benefits of Executive Management</p> <p>9-1- The Nominations and Remunerations Committee formed by the Board of Directors shall continuously review the Company's human resources policies, salary scales set for all employees and senior executives, incentive plan programs, and approve them based on recommendations of the executive management.</p> <p>9-2- The Nominations and Remunerations Committee formed by the Board of Directors shall recommend remuneration of employees and senior executives in the Company to the Board of Directors.</p> <p>9-3- Subject to the Saudi Labor Law and its Executive Regulations, the Company's policies, and any amendments thereto from time to time, executive management's remunerations include the following:</p> <p>9-3-1- A basic salary, paid on a monthly basis at the end of each calendar month.</p> <p>9-3-2- A package of allowances including – but not limited to – housing allowance and transportation allowance.</p> <p>9-3-3- Annual leave.</p> <p>9-3-4- Comprehensive medical insurance for children, spouse, and parents.</p> <p>9-3-5- Occupational injury and disability insurance for partial or total disability and</p>	<p>3.2. Nominations and Remuneration Committee</p> <p>3.2.1. The Nominations and Remuneration Committee shall support the Board of Directors in matters related to the remuneration of the Board, its committees, and the Executive Management, by preparing and periodically updating this Policy. The Committee shall also enhance the Board's oversight role over the Remuneration Policy and System by providing periodic reports in a timely manner.</p> <p>3.2.2. The Committee shall monitor the implementation of the Remuneration System, ensure that there are no material deviations from the approved Remuneration Policy, identify the causes of any such deviations, and ensure that appropriate reports are submitted to the Board of Directors for disclosure in accordance with relevant regulatory requirements.</p> <p>3.2.3. The Committee shall also be responsible for ensuring the existence of a policy governing the remuneration of Company employees.</p>

<p>death during work.</p> <p>9-3-6- An annual bonus linked to performance indicators based on the annual performance evaluation in this regard.</p> <p>9-3-7- Short-term incentive plans linked to exceptional performance.</p> <p>9-3-8- Long-term incentive plans such as stock option programs, upon its approval in accordance with relevant laws and regulations.</p> <p>9-3-9- End-of-service Benefit.</p> <p>Article (10): Statutory Disclosure of Remuneration</p> <p>The annual report presented by the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all amounts received by the members of the Board of Directors and its committees, in their capacity as employees or administrators, or as compensation for technical, administrative, or advisory work. The annual report must also include a statement of the number of board meetings held and the number of meetings attended by each member since the date of the last Ordinary General Assembly meeting.</p> <p>Article (11): Review and Amendments</p> <p>This policy is subject to an annual review by the Nominations and Remunerations Committee formed by the Board of Directors as part of the Company's governance effectiveness assessment. If the Committee, based on this review, deems it necessary to amend this policy, it shall submit the proposed amendments to the Board of Directors for consideration. Such amendments shall be presented to the General Assembly for approval in a manner that serves the interests of the Company and its shareholders. In all cases, no amendments to this policy shall be adopted without the approval of the General Assembly.</p> <p>Article (12): Publication and Enforcement</p>	<p>3.3. Executive Management</p> <p>3.3.1. The Executive Management shall be responsible for designing and monitoring the implementation of the Remuneration System for the Company's employees.</p> <p>4. Remuneration System</p> <p>4.1. Remuneration of Board Members</p> <p>4.1.1. The Nominations and Remuneration Committee shall propose the optimal components of the remuneration for Board members, Board committees, and Executive Management as part of the Remuneration Policy, and submit recommendations thereon to the Board of Directors.</p> <p>4.1.2. The Committee shall also monitor the implementation of the approved Remuneration System, ensure that there are no material deviations from the approved policy and system, and submit the results of its monitoring in its periodic reports to the Board.</p> <p>4.1.3. Subject to the provisions of the Companies Law, the Corporate Governance Regulations, and the Company's Bylaws, the remuneration of Board members may consist of a fixed amount, attendance fees, in-kind benefits, or a percentage of the net profits. It is permissible to combine two or more of these benefits, provided that the entitlement to such remuneration is proportional to the number of meetings attended by the member.</p> <p>4.1.4. The remuneration of Board members shall consist of the following:</p> <p>4.1.4.1. A fixed annual remuneration.</p> <p>4.1.4.2. Attendance fees for Board meetings.</p> <p>4.1.4.3. Travel ticket allowances and daily allowances for transportation and accommodation expenses (if the member does not reside in the city where the meeting</p>
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<p>This policy, along with any subsequent amendments, shall be effective from the date of their approval by the General Assembly. The Board of Directors shall implement the policies upon approval by the General Assembly. The Company shall publish the policy to the shareholders and the public through its website.</p>	<p>is held). These allowances shall be paid within thirty (30) days from the date of the Board meeting. The member shall also be entitled to such allowances for business trips related to specific assignments such as site visits or project follow-ups in another city.</p> <p>4.1.5. The Chairman of the Board may receive an additional remuneration, determined by the General Assembly based on the recommendation of the Nominations and Remuneration Committee and the Board, in addition to the remuneration allocated to Board members.</p> <p>4.1.6. A Board member may receive remuneration for any executive, technical, administrative, or consultative work—under a professional license—in addition to the remuneration he/she receives as a member of the Board or its committees, in accordance with the Companies Law and the Company's Bylaws.</p> <p>4.1.7. If the remuneration of Board members is determined as a percentage of the Company's profits, the provisions of the Companies Law and the Company's Bylaws must be observed.</p> <p>4.1.8. Independent Board members' remuneration must not be a percentage of the Company's profits or directly or indirectly tied to the Company's profitability.</p> <p>4.1.9. Remuneration granted must be proportional to the member's attendance rate at Board meetings compared to the total number of meetings held during the year.</p> <p>4.1.10. When determining the value of remuneration for independent members, factors affecting their independence must be considered. Independence is compromised if an independent member receives financial amounts from the Company exceeding SAR 200,000 or more than 50% of the member's previous year's remuneration, whichever is lower, beyond the remuneration for Board or committee membership.</p> <p>4.2. Remuneration of Board Committees' Members</p> <p>4.2.1. The remuneration of members of the committees formed by the Board shall consist of:</p> <p>4.2.1.1. A fixed annual remuneration.</p>
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	<p>4.2.1.2. Attendance fees for committee meetings.</p> <p>4.2.1.3. Travel ticket allowances and daily allowances for transportation and accommodation expenses (if the member does not reside in the city where the meeting is held). These allowances must be paid within thirty (30) days from the meeting date. They also apply to trips for specific tasks such as project visits or business follow-ups in other cities.</p> <p>4.2.2. The granted remuneration must be proportional to the member's attendance rate at committee meetings compared to the total number of meetings held during the year.</p> <p>4.2.3. The amount of remuneration must correspond to the tasks and responsibilities assigned to each committee.</p> <p>4.2.4. If the committee holds fewer meetings than specified in its charter, remuneration shall be calculated on a pro-rata basis according to the actual number of meetings held.</p> <p>4.3. Remuneration of Executive Management</p> <p>4.3.1. The overall Company strategy shall be set and approved by the Board of Directors and translated into Key Performance Indicators (KPIs) at the sector, department, and functional levels. These KPIs are to be documented and communicated to ensure alignment of activities with the strategy as implemented by the Executive Management. These indicators are monitored, and regular reports are submitted to the Board. Executive Management remuneration shall be tied to the achievement of the KPIs approved by the Board.</p> <p>4.3.2. The relevant committee shall assess the Company's risk tolerance capacity, which shall be approved by the Board of Directors. Based on this assessment, acceptable risk limits shall be set and communicated to employees undertaking material risk-taking responsibilities, including Executive Management, through the Nominations and Remuneration Committee.</p> <p>4.3.3. Executive Management remuneration shall consider the Company's operating</p>
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	<p>environment, the results achieved, and the Company's risk-bearing capacity. Remuneration shall be reviewed at least once every three years to reassess the total remuneration package, market conditions, and both individual and corporate performance. Executive Management remuneration includes the following main components:</p> <p>4.3.4. Fixed Benefits</p> <p>4.3.4.1. Fixed benefits for Executive Management shall be determined considering the assigned responsibilities and the designated career path and approved within the Company's approved grading and salary structure.</p> <p>4.3.4.2. Fixed benefits (such as salary, allowances, and end-of-service benefits) shall be contractually agreed upon with each Executive Member individually, based on their skills, competencies, and experience utilized in performing their roles, in compliance with the Company's grading and salary structure and relevant regulatory requirements.</p> <p>4.3.5. Variable Benefits</p> <p>4.3.5.1. Variable benefits shall be linked to the achievement of pre-defined objectives.</p> <p>4.3.5.2. Such benefits are designed to motivate and reward Executive Management members. They shall be allocated based on individual performance and overall Company performance.</p> <p>4.3.5.3. Variable benefits may be provided in cash or in the form of shares if the Company adopts a stock options plan. This shall be determined annually by the Nominations and Remuneration Committee and approved by the Board.</p> <p>4.3.5.4. The Company's variable benefits system shall be based on the definition of Executive Management's KPIs. The value of variable remuneration entitlements shall be determined based on adherence to these KPIs, and variable benefits shall be allocated</p>
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	<p>according to individual performance. Performance indicators shall include both financial (for the Company and departments) and non-financial indicators related to Company operations and activities.</p> <p>4.4. Balance between Fixed and Variable Benefits</p> <p>The Company shall ensure an appropriate balance between fixed and variable benefits. The ratio between fixed and variable benefits shall be reviewed and determined annually by the Board of Directors based on the recommendation of the Nominations and Remuneration Committee.</p> <p>5. Determination and Disbursement of Remunerations</p> <p>5.1. The remuneration amounts that may be granted to members of the Board of Directors and the committees emanating from the Board shall be determined in accordance with Annex (1) of this Policy, whereas the remuneration amounts that may be granted to the executive management shall be determined according to the approved grades and salary scale of the Company.</p> <p>5.2. The disbursement of remunerations for members of the Board of Directors, its committees, and the executive management shall be approved annually in accordance with the Company's approved Delegation of Authority Matrix.</p> <p>6. Disclosure of Remunerations</p> <p>The Board of Directors' report to the Ordinary General Assembly at its annual meeting shall include a comprehensive statement of all remunerations, attendance allowances, expense allowances, and other benefits received or entitled to be received by each member of the Board during the financial year. It shall also include a statement of any arrangements or</p>
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	<p>agreements under which a member of the Board of Directors or a senior executive has waived any remuneration. The Board's report shall include, at a minimum, the following details:</p> <p>6.1. Disclosure of the remuneration policy and the methodology used to determine the remunerations of the Board members and the executive management.</p> <p>6.2. Disclosure, accurately, transparently, and in detail, in accordance with the relevant regulatory requirements, of all remunerations granted to members of the Board of Directors and the executive management, whether directly or indirectly, in consideration for technical, administrative, or consulting services, without any concealment or misrepresentation, regardless of the amounts, benefits, or nature of the remuneration. If the benefits are in the form of company shares, the recorded value of the shares shall be their market value at the date of entitlement.</p> <p>6.3. Clarification of the relationship between the granted remunerations and the applicable remuneration policy, and disclosure of any material deviations from this policy.</p> <p>6.4. Detailed disclosure of the remunerations and compensations paid individually to each of the following:</p> <p>6.4.1. Members of the Board of Directors.</p> <p>6.4.2. The five most highly remunerated senior executives, including the Chief Executive Officer and the Chief Financial Officer.</p> <p>6.4.3. Members of the committees.</p> <p>7. Suspension and Recovery of Remunerations</p> <p>7.1. If the Ordinary General Assembly resolves to terminate the membership of any Board member due to his absence from three consecutive meetings or five separate meetings during</p>
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his term without a legitimate excuse acceptable to the Board, such member shall not be entitled to any remuneration for the period following the last meeting he attended. Furthermore, he must refund all remunerations disbursed to him for that period in accordance with the applicable financial sector procedures of the Company.

7.2. If it becomes evident to the Board of Directors, the Audit Committee, the Capital Market Authority, or any other regulatory authority that the remunerations disbursed to any member of the Board, its committees, or the executive management were based on incorrect or inaccurate information, the matter shall be presented to the General Assembly or included in the Board's annual report. Consequently, the disbursement of such remunerations shall be suspended or recovered to prevent the misuse of functional positions for obtaining undue remunerations, all in accordance with the Company's applicable financial sector procedures.

Appendices

Appendix (1) - Remunerations of Board Members and its Committees

Subject to the provisions of the Companies Law, the Corporate Governance Regulations, and the Company's Articles of Association, the remuneration of Board members may consist of a fixed amount, an attendance allowance for meetings, in-kind benefits, or a specific percentage of the net profits. It is permissible to combine two or more of these benefits, provided that the entitlement to such remuneration is proportionate to the number of meetings attended by the member.

The following table sets out the remunerations that may be granted to the Board members and the committees emanating from the Board:

Member	Annual Remuneration	Attendance Allowance	Travel Ticket Allowance (for non-	Daily Allowance (for non-
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				residents)	residents)
	Chairman of the Board	(SAR 250,000) Two Hundred Fifty Thousand Saudi Riyals annually	(SAR 5,000) Five Thousand Saudi Riyals per meeting	Round-trip travel ticket from the place of residence to the meeting/work location (First Class)	Daily allowance of (SAR 2,000) Two Thousand Saudi Riyals for actual meeting/work days, plus one day before the meeting/work
	Board Member	(SAR 200,000) Two Hundred Thousand Saudi Riyals annually			
	Chairman of a Committee	(SAR 125,000) One Hundred Twenty-Five Thousand Saudi Riyals annually	(SAR 3,000) Three Thousand Saudi Riyals per meeting		
	Committee Member	(SAR 100,000) One Hundred Thousand Saudi Riyals annually			



Thank you