



**Statement of the Proposed Amendments to the
Remuneration Policy for the Board of Directors,
Committees, and Executive Management**

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#	Before	After
1	Addition	<p>Definitions:</p> <p>The following words and phrases shall have the meanings assigned to them below unless the context requires otherwise:</p> <ul style="list-style-type: none"> - Policy: The Remuneration Policy for Board Members, Committees, and Executive Management. - Companies Law: The Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H. - Company: Retal Urban Development Company (Retal). - General Assembly: The Shareholders' assembly of Retal Urban Development Company established in accordance with the provisions of the Companies Law and the Company's Articles of Association. - Board / Board of Directors: The Board of Directors of Retal Urban Development Company. - Executive Management or Senior Executives: Persons entrusted with managing the Company's day-to-day operations, proposing and implementing strategic decisions, such as the Chief Executive Officer (CEO), deputies, and the Chief Financial Officer (CFO). - Committees: The committees formed under the Board of Directors of Retal Company. - Member or Board Member: A Member of the Board of Directors of Retal Company appointed by a resolution of the General Assembly. - Remuneration: Amounts, allowances, profits, and similar benefits, including periodic or annual performance-based bonuses, short-term or long-term incentive plans, and any other in-kind benefits, excluding reasonable actual expenses and costs borne by the Company on behalf of a Board Member for the purpose of performing their duties. - Executive Member: A Member of the Board of Directors who is fully dedicated to the executive management of the Company and participates in its daily operations.

#	Before	After
2	<p>Introduction:</p> <p>This policy has been formulated in accordance with the Companies Law, the Capital Market Law, and their implementing regulations, in order to reward the Members of the Board, its committees, and the executive management in a fair and equitable manner, and to align the aspirations of human resources with the objectives of the Company.</p> <p>The Nominations and Remunerations Committee shall be responsible for preparing a clear policy for the remuneration of the Members of the Board, its committees, and the executive management, taking into account performance criteria, disclosing such policy, and verifying its implementation. It shall also clarify the relationship between the remunerations granted and the remuneration policy in force, indicate any material deviation from this policy, periodically review the remuneration policy, evaluate its effectiveness in achieving the desired objectives, and recommend to the Board the remunerations of the Members of the Board, its committees, and senior executives of the Company in accordance with the approved policy.</p> <p>Without prejudice to the provisions of the Companies Law, the Capital Market Law, and their implementing regulations, the remuneration policy must:</p> <ul style="list-style-type: none"> - Be consistent with the Company's strategy and objectives. - Provide remunerations with the aim of encouraging the Board Members and executive management to achieve the success of the Company and its long-term development. - Determine remunerations based on job level, duties, and responsibilities, educational qualifications, practical experience, skills, and level of performance. - Be consistent with the magnitude, nature, and level of risks faced by the Company. 	<p>Introduction:</p> <p>This policy has been formulated in accordance with the Companies Law, the Corporate Governance Regulations, and their implementing regulations, in order to reward the Members of the Board, its committees, and the executive management in a fair and equitable manner, and to align the aspirations of human resources with the objectives of the Company.</p> <p>Based on the Corporate Governance Regulations issued by the Board of the Capital Market Authority, The Nominations and Remunerations Committee shall be responsible for preparing a clear policy for the remuneration of the Members of the Board, its committees, and the executive management, and submit it to the Board of Directors for consideration in preparation for its approval by the General Assembly taking into account performance criteria, disclosing such policy, and verifying its implementation. It shall also clarify the relationship between the remunerations granted and the remuneration policy in force, indicate any material deviation from this policy, periodically review the remuneration policy, evaluate its effectiveness in achieving the intended objectives, and recommend to the Board the remunerations of the Members of the Board, its committees, and senior executives of the Company in accordance with the approved policy.</p> <p>Without prejudice to the provisions of the Companies Law, the Capital Market Law, and their implementing regulations, the remuneration policy must:</p> <ul style="list-style-type: none"> - Be consistent with the Company's strategy and objectives. - Provide remunerations with the aim of encouraging the Board Members and executive management to achieve the success of the Company and its long-term development. - Determine remunerations based on job level, duties, and responsibilities, educational qualifications, practical experience, skills, and level of performance. - Be consistent with the magnitude, nature, and level of risks faced by the Company.

#	Before	After
	<ul style="list-style-type: none"> - Take into consideration the practices of other companies regarding the determination of remunerations and avoid unjustifiable increases in remunerations and compensations that may arise. - Attract talented professionals and retain and motivate them without exaggeration. - Be prepared in coordination with the Nominations and Remunerations Committee in respect of new appointments. - Take into consideration situations where remunerations should be suspended or reclaimed if it is determined that such remunerations were set based on inaccurate information provided by a Member of the Board or the executive management, in order to prevent abuse of power to obtain unmerited remunerations. 	<ul style="list-style-type: none"> - Take into consideration the practices of other companies regarding the determination of remunerations and avoid unjustifiable increases in remunerations and compensations that may arise. - Attract talented professionals and retain and motivate them without exaggeration. - Be prepared in coordination with the Nominations and Remunerations Committee in respect of new appointments. - Take into consideration situations where remunerations should be suspended or reclaimed if it is determined that such remunerations were set based on inaccurate information provided by a Member of the Board or the executive management, in order to prevent abuse of power to obtain unmerited remunerations. - Regulating the granting of shares in the Company to Board members and executive management, whether through a new issuance or shares purchased by the Company.
3	<p>1. Board Members Excluding Executives:</p> <p>The remunerations of the Independent Directors shall include the following:</p> <ul style="list-style-type: none"> - An annual fixed remuneration of SAR 200,000 as per the Companies Law and the Company's statute, provided that the sum of the remunerations and benefits received by a Member of the Board of Directors, whether financial or in kind, shall not exceed SAR 500,000, in accordance with the controls set by the competent authority in accordance with the above-mentioned remuneration policy - Allowance for attending Board meetings of SAR 3,000 per Member per session. - Every Member whose permanent residence is outside the city in which the Board meetings are held shall receive a travel allowance equal to the value of the first-class ticket and an overnight allowance of SAR 2,000 for each day of the meeting if the accommodation is not provided by the Company. 	<p>1. Board Members:</p> <p>The remunerations of the Independent Directors shall include the following:</p> <ul style="list-style-type: none"> - An annual fixed remuneration of 250 thousand Saudi Riyals. - Allowance for attending Board meetings of SAR 3,000 per Member per session. - Every Member whose permanent residence is outside the city in which the Board meetings are held shall receive a travel allowance equal to the value of the first-class ticket and an overnight allowance of SAR 2,000 for each day of the meeting if the accommodation is not provided by the Company.

#	Before	After
	<ul style="list-style-type: none"> - A lump sum of SAR 3,000 shall be disbursed for each Member attending the Board meeting inside the Kingdom and outside the geographical boundaries of the Company's headquarters as compensation for housing, food, transportation, etc., in addition to a round-trip first-class ticket or its equivalent value. - A lump sum of USD 3,000 shall be disbursed as compensation for housing, food, transportation, etc. for each Member attending the Board meeting outside the Kingdom, in addition to a round-trip first-class travel ticket or its equivalent value. - If more than one meeting is held on the same day and in the same place, the compensation for the above expenses shall be disbursed only once per Member. - The Board may pay remunerations to the Members of the Board - excluding executives - for any technical, administrative, or consultancy work assigned to them by the Board, provided that the Board's recommendation is submitted to the Shareholders' Assembly for approval. 	<ul style="list-style-type: none"> - A lump sum of SAR 3,000 shall be disbursed for each Member attending the Board meeting inside the Kingdom and outside the geographical boundaries of the Company's headquarters as compensation for housing, subsistence, transportation, etc., in addition to a round-trip first-class ticket or its equivalent value. - A lump sum of USD 3,000 shall be disbursed as compensation for housing, subsistence, transportation, etc. for each Member attending the Board meeting outside the Kingdom, in addition to a round-trip first-class travel ticket or its equivalent value. - If more than one meeting is held on the same day and in the same place, the compensation for the above expenses shall be disbursed only once per Member. - The Board may pay remunerations to the Members of the Board for any technical, administrative, or consultancy work assigned to them by the Board, provided that the Board's recommendation is submitted to the Shareholders' Assembly for approval.
4	<p>2. Members of the Board Committees - Excluding Executives:</p> <p>The remunerations of the Members in Board committees - excluding executives - include the following:</p> <ul style="list-style-type: none"> - A fixed annual remuneration of SAR 80,000 shall be disbursed for Members of the committee from outside the Board. As for Members of the committee from within the Board - excluding executives -, the fixed annual remuneration is SAR 60,000, according to the regulations set by the competent authority in accordance with the remuneration policy above. - Allowance for attending committee meetings of SAR 3,000 per Member - excluding executives - per session. - Every Member - excluding executives - whose permanent residence is outside the city in which the committee meetings are held shall receive a travel allowance equal to the value of the first-class ticket and an overnight allowance of SAR 2,000 	<p>2. Members of the Board Committees:</p> <p>The remunerations of the Members in Board committees include the following:</p> <ul style="list-style-type: none"> - A fixed annual remuneration of SAR 100,000 shall be disbursed for Members of the committee from outside the Board. As for Members of the committee from within the Board, the fixed annual remuneration is SAR 80,000. - Allowance for attending committee meetings of SAR 3,000 per Member per session. - Every Member whose permanent residence is outside the city in which the committee meetings are held shall receive a travel allowance equal to the value of the first-class ticket and an overnight allowance of SAR 2,000 for each day of the meeting

#	Before	After
	<p>for each day of the meeting if the accommodation is not provided by the Company.</p> <ul style="list-style-type: none"> - A lump sum of SAR 3,000 shall be disbursed for each Member - excluding executives - attending the committee meeting inside the Kingdom and outside the geographical boundaries of the Company's headquarters as compensation for housing, food, transportation, etc., in addition to a round-trip first-class ticket or its equivalent value. - A lump sum of USD 3,000 shall be disbursed as compensation for housing, food, transportation, etc. for each Member - excluding executives - attending the Board meeting outside the Kingdom, in addition to a round-trip first-class travel ticket or its equivalent value. - If the chairman requests a meeting for the Committee outside the Company's headquarters or the participation of any of the Members of the committees or all of them in the Board meeting, the attending Members - excluding executives - shall be compensated for the expenses the same as the Members of the Board. - If more than one meeting is held on the same day and in the same place, the compensation for the above expenses shall be disbursed only once per Member - excluding executives. 	<p>if the accommodation is not provided by the Company.</p> <ul style="list-style-type: none"> - A lump sum of SAR 3,000 shall be disbursed for each Member attending the committee meeting inside the Kingdom and outside the geographical boundaries of the Company's headquarters as compensation for housing, subsistence, transportation, etc., in addition to a round-trip first-class ticket or its equivalent value. - A lump sum of USD 3,000 shall be disbursed as compensation for housing, subsistence, transportation, etc. for each Member attending the Board meeting outside the Kingdom, in addition to a round-trip first-class travel ticket or its equivalent value. - If the chairman requests a meeting for the Committee outside the Company's headquarters or the participation of any of the Members of the committees or all of them in the Board meeting, the attending Members shall be compensated for the expenses the same as the Members of the Board. - If more than one meeting is held on the same day and in the same place, the compensation for the above expenses shall be disbursed only once per Member.
5	<p>3. Company's Executive Management Remuneration Policy</p> <p>3.1 Purpose</p> <p>This policy aims to reward employees for their annual performance and assess their efforts and contribution to achieving the Company's objectives approved by the Board through an annual performance remuneration linked to the performance level of the Company and employees. The policy is expected to attract and retain the best competencies, motivate and improve the performance of employees to achieve the Company's annual objectives, link employees' performance with the Company's annual objectives, and offer a variety in the composition of wages and benefits compared to the best practices in the labor market.</p>	<p>No Update</p>

#	Before	After
	<p>3.2 Eligibility and Guidelines</p> <ul style="list-style-type: none"> - At the beginning of the year, the objectives of the Company and the objectives of the Company's executives are approved. - At the end of the year, the performance of the Company and employee are evaluated. - The value of the remuneration granted to the executives is directly proportional to the net profit achieved by the Company. - The remuneration of an executive employee is calculated as a number of salaries that increase and decrease according to his performance or employment contract. - An employee's remuneration is directly proportional to his actual years of service from the year of evaluation. - The Nominations and Remunerations Committee may also recommend disbursing an Extraordinary remuneration for outstanding performance. <p>3.3 Implementation mechanism:</p> <ul style="list-style-type: none"> - The executive management shall submit to the Board the financial results achieved for the previous year of evaluation to determine the remuneration according to the adopted policy. - The Board shall review the financial results of the previous year. - The Board shall request the Nominations and Remunerations Committee to determine the remunerations based on the adopted policy, - The Committee shall review the Company's performance evaluation. - The Committee shall determine the remunerations and then recommend it to the Board for approval. - The Board, after approving what it sees in this matter, shall direct the executive management to pay the remunerations and present what has been done to the Board. 	

#	Before	After
6	Addition	<p>Final Provisions, Publication, and Effectiveness:</p> <ol style="list-style-type: none"> 1 The Regulations shall be subject to annual review as part of the Company's corporate governance review. 2 These Regulations may be amended whenever necessary upon a proposal from the Board of Directors based on the recommendation of the Nomination and Remuneration Committee. 3 These Regulations shall come into force and their provisions shall become binding immediately upon their approval by the General Assembly.
7	Addition	<p>References:</p> <p>All relevant laws and regulations approved in the Kingdom and by the Company shall apply, including, but not limited to, the following:</p> <ul style="list-style-type: none"> - The Companies Law - The Corporate Governance Regulations issued by the Board of the Capital Market Authority, as amended - The Implementing Regulation of the Companies Law for Listed Joint Stock Companies, as amended - The Corporate Governance Regulations of Retal Urban Development Company, as amended.