

SAUDI ADVANCED INDUSTRIES COMPANY

Audit Committee Charter

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Before Amendment	After Amendment
<p>Article One: Purpose</p> <p>This Charter aims to define the controls governing the Committee's work and procedures, its scope of work and responsibilities, its decision-making mechanism, and the duties and obligations of its members, in a manner that assists the Company's Board of Directors in enhancing its performance and oversight process with respect to the integrity of financial reports, the effectiveness of the internal control system, the independence and efficiency of internal audit, and the consistency and compliance of the Company's activities and work procedures with applicable laws and regulations. The Committee shall submit a report on its work to the Board at the end of each year.</p>	<p>Article One: Purpose</p> <p>This Charter aims to establish an organized framework that defines the controls governing the Committee's work, authorities, mandate, and procedures, enabling it to support the Company's Board of Directors in performing its supervisory and oversight responsibilities, enhancing the soundness and integrity of financial reporting, the adequacy and effectiveness of the internal control system, the independence and efficiency of internal audit, and overseeing compliance with applicable laws, regulations, and approved policies at the Company level. The Committee shall submit periodic and annual reports to the Board of Directors, including the results of its work and recommendations.</p>
<p>No equivalent provision.</p>	<p>Article Two: Scope of Application</p> <p>The provisions of this Charter shall apply to the Audit Committee formed by the Company's Board of Directors. This Charter defines the regulatory framework for the formation of the Committee, its mandate, authorities, responsibilities, and working mechanism, in accordance with the Companies Law, the Corporate Governance Regulations, and other relevant laws and instructions.</p>
<p>No equivalent provision.</p>	<p>Article Three: Approving Authority</p> <p>The Company's General Assembly shall be the competent authority to approve this Charter and any amendments thereto.</p>
<p>Definitions</p> <p>External Auditor / Auditors: The external auditor appointed by the General Assembly of the Company's shareholders to audit its financial statements and final accounts.</p> <p>Internal Auditor: The internal auditor appointed by the Audit Committee, who examines and audits the various activities in the accounting, financial, and operational areas of the Company's departments and submits reports to the Committee.</p>	<p>Article Four: Definitions</p> <p>The following words and expressions shall have the meanings assigned to each of them below, unless the context requires otherwise:</p> <p>Company: Saudi Advanced Industries Company.</p> <p>Board: The Board of Directors of Saudi Advanced Industries Company.</p> <p>Charter: The Audit Committee Charter of the Company.</p> <p>Committee: The Audit Committee of the Company.</p> <p>Member: A member of the Audit Committee.</p> <p>Secretary: The Secretary of the Audit Committee.</p> <p>External Auditor / Auditors: The external auditor licensed to practice the audit profession in the Kingdom of Saudi Arabia and appointed by the General Assembly to audit the Company's financial statements and express an independent technical opinion thereon.</p> <p>Internal Auditor: The internal auditor appointed by the Audit Committee, responsible for</p>

	<p>examining and auditing the Company's activities and operations in accounting, financial, and operational aspects, assessing the adequacy and effectiveness of internal control systems, and submitting reports and recommendations to the Audit Committee.</p> <p>Executive Management: The persons entrusted with 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.</p>
<p>No equivalent provision.</p>	<p>Article Five: Interpretation of the Charter</p> <ol style="list-style-type: none"> 1. This Charter and any appendices attached hereto, if any, shall be deemed an integral part thereof and complementary to its provisions, and shall be read and interpreted together for this purpose. 2. This Charter is addressed to and applies to positions, not to the individuals occupying such positions. 3. All headings in this Charter are for ease of reference only and shall not affect the interpretation of the provisions of this Charter as a single integrated document. 4. This Charter shall prevail over any other charter or regulation addressing the same subject matter to the extent of any conflict. 5. This Charter has been drafted in accordance with the mandatory provisions of the Corporate Governance Regulations issued by the Authority. If the Authority decides at any time that any provision of the Corporate Governance Regulations is mandatory rather than guiding, this Charter shall be read accordingly, and such guiding provision shall become mandatory by force of law and an integral part of this Charter. If a guiding provision is included in this Charter in a mandatory form, this shall not affect its status as a guiding and non-binding provision unless the Authority decides otherwise. 6. The Company's application of any guiding provisions, whether consistently or occasionally, shall not affect the guiding nature of such provisions unless the Authority decides otherwise. The Company may alternate between applying and not applying such guiding provisions as it deems appropriate in this regard, and the approval of this Charter shall not, in any way, be deemed to render the guiding provisions contained herein mandatory.
<p>Article Two: Formation of the Committee and Selection of the Chairman</p> <p>A. The Audit Committee shall be formed by resolution of the Company's Board of Directors. The Committee members shall be members of the Board of Directors or others, provided that it shall not include any executive Board member. The number of its members shall not be less than three and shall not exceed five, and one of them shall be specialized in financial and accounting matters.</p> <p>B. At least one member of the Audit Committee shall be an independent member.</p>	<p>Article Six: Committee Membership</p> <ol style="list-style-type: none"> 1. The Committee shall be formed by a resolution of the Company's Board of Directors as an Audit Committee from among the shareholders or others, provided that it shall not include any executive Board member. 2. The number of Audit Committee members shall not be less than three and shall not exceed five, and one of them shall be specialized in financial and accounting matters. 3. The Committee shall select a chairman from among its members at its first meeting. The Committee may appoint a deputy chairman from among its members and may appoint, from among its members or otherwise, a secretary of the Committee. 4. If a Committee membership becomes vacant due to resignation or for any other reason, the Board of Directors may appoint a member to the vacant position, and the new member shall complete the term of his predecessor.

<p>C. The Committee shall select a chairman from among its members at its first meeting. The Committee may appoint a deputy chairman from among its members and may appoint, from among its members or otherwise, a secretary of the Committee.</p> <p>D. If a Committee membership becomes vacant due to resignation or for any other reason, the Board of Directors may appoint a member to the vacant position, and the new member shall complete the term of his predecessor.</p>	<p>5. Committee membership shall end upon the expiry of the Board term in accordance with the formation resolution, upon the death or resignation of the member, upon the member's loss of any of the Committee membership criteria, or upon his removal by the Board for any valid reason and within a reasonable time, without causing harm to the Company.</p>
<p>Article Three: Criteria and Basis for Selecting Committee Members</p> <p>A. The member shall have legally and Sharia-recognized capacity.</p> <p>B. The Committee member or candidate for membership shall not be an executive Board member or the Chairman of the Company's Board of Directors.</p> <p>C. The member shall be honest and upright and shall not have been convicted of a crime involving dishonesty or breach of trust.</p> <p>D. The member shall not perform technical or administrative work for the Company, even in an advisory capacity.</p> <p>E. The member shall have sufficient time to actively participate in the Committee's work and shall be able to make sound decisions consistent with professional values and ethics.</p> <p>F. The member shall be impartial and objective.</p> <p>G. The member shall have a reasonable understanding of the policies and nature of the Committee's work and reasonable knowledge of financial and accounting rules. Preference shall be given to candidates with appropriate academic qualifications in this field.</p> <p>H. The candidate shall submit a notice of candidacy for Committee membership, along with his CV, qualifications, and experience, to the Nomination and Remuneration Committee, which shall compare the candidates and submit its results to the Board of Directors.</p> <p>I. The member shall not be working, or have worked</p>	<p>Article Seven: Criteria and Basis for Selecting Committee Members</p> <ol style="list-style-type: none"> 1. The member shall have legally and Sharia-recognized capacity. 2. The Committee member or candidate for membership shall not be an executive Board member or the Chairman of the Company's Board of Directors. 3. The member shall be honest and upright and shall not have been convicted of a crime involving dishonesty or breach of trust. 4. The member shall not perform technical or administrative work for the Company, even in an advisory capacity. 5. The member shall have sufficient time to actively participate in the Committee's work and shall be able to make sound decisions consistent with professional values and ethics. 6. The member shall be impartial and objective. 7. The member shall have a reasonable understanding of the policies and nature of the Committee's work and reasonable knowledge of financial and accounting rules. Preference shall be given to candidates with appropriate academic qualifications in this field. 8. The candidate shall submit a notice of candidacy for Committee membership, along with his CV, qualifications, and experience, to the Nomination and Remuneration Committee, which shall compare the candidates and submit its results to the Board of Directors. 9. The member shall not be working, or have worked during the previous two years, in the executive or financial management of the Company or for the Company's external auditor. 10. The member shall not serve on audit committees of more than five listed joint stock companies at the same time. 11. The member shall have academic qualifications and professional experience in auditing and risk management, including knowledge of accounting standards and auditing standards, the ability to read financial reports, and an understanding of the laws and regulations issued by the relevant authorities.

<p>during the previous two years, in the executive or financial management of the Company or for the Company's external auditor.</p> <p>J. The member shall not serve on audit committees of more than five listed joint stock companies at the same time.</p>	
<p>Article Four: End of Committee Membership Committee membership shall end upon the expiry of the Committee term in accordance with the formation resolution, upon the death or resignation of the member, upon the member's loss of any of the Committee membership criteria, or upon his removal by the Board for any valid reason and within a reasonable time, without causing harm to the Company:</p>	
<p>Article Five: Duties and Responsibilities of the Committee Chairman</p> <p>Taking into account the duties and responsibilities of members in general as set out in this Charter, the main duties and responsibilities of the Committee Chairman include, by way of example, the following:</p> <p>A. Chairing and managing Committee meetings. In his absence, his deputy, if any, shall replace him. If both the Committee Chairman and his deputy, if any, are absent, he shall, in sufficient time, authorize one of the members to chair the meeting. If he does not authorize any member, the Committee shall select a chairman for the meeting from among the attending members.</p> <p>B. Attending the General Assembly meeting to answer shareholders' questions. If he is unable to attend, he shall authorize one of the Committee members to attend on his behalf sufficiently before the General Assembly meeting.</p> <p>C. Supervising the Committee's work and ensuring that the relevant parties comply with its Charter.</p> <p>D. Managing the relationship among the Committee members and the internal and external auditors.</p> <p>E. Ensuring the soundness of the decisions and recommendations issued by the Committee and that they are based on informed grounds and serve the</p>	<p>Article Eight: Duties and Responsibilities of the Committee Chairman</p> <p>Taking into account the duties and responsibilities of members in general as set out in this Charter, the main duties and responsibilities of the Committee Chairman include, by way of example, the following:</p> <ol style="list-style-type: none"> 1. Chairing and managing Committee meetings. In his absence, his deputy, if any, shall replace him. If both the Committee Chairman and his deputy, if any, are absent, he shall, in sufficient time, authorize one of the members to chair the meeting. If he does not authorize any member, the Committee shall select a chairman for the meeting from among the attending members. 2. Attending the General Assembly meeting to answer shareholders' questions. If he is unable to attend, he shall authorize one of the Committee members to attend on his behalf sufficiently before the General Assembly meeting. 3. Supervising the Committee's work and ensuring that the relevant parties comply with its Charter. 4. Managing the relationship among the Committee members and the internal and external auditors. 5. Ensuring the soundness of the decisions and recommendations issued by the Committee and that they are based on informed grounds and serve the achievement of the Company's objectives and strategic plans. 6. Escalating to the Board of Directors matters on which the Committee has not reached a decision, as well as reports involving critical risks. 7. Managing and following up on the Committee's work, or delegating such follow-up. 8. Following up on the implementation of the Committee's decisions and recommendations and the relevant parties. 9. Proposing the Committee's meeting schedule for each year before its commencement and sharing it with the members. 10. Following up on compliance with the Charter and assessing whether it needs to be

<p>achievement of the Company's objectives and strategic plans.</p> <p>F. Escalating to the Board of Directors matters on which the Committee has not reached a decision, as well as reports involving critical risks.</p> <p>G. Managing and following up on the Committee's work, or delegating such follow-up.</p> <p>H. Following up on the implementation of the Committee's decisions and recommendations and the relevant parties.</p> <p>I. Preparing for meetings, preparing and approving the agenda, and ensuring the availability of supporting documents.</p> <p>J. Proposing the Committee's meeting schedule for each year before its commencement and sharing it with the members.</p> <p>K. Following up on compliance with the Charter and assessing whether it needs to be updated.</p> <p>L. Ensuring that the required signatures are obtained on meeting minutes and any resolutions, and that they are kept in a dedicated file.</p> <p>M. Providing Committee members with the agenda of each meeting together with its supporting documents and ensuring that members receive any updates thereto.</p> <p>N. Providing members with draft meeting minutes within a period not exceeding seven days from the date of the meeting and considering any proposals or amendments to the minutes or any resolutions issued at the meeting.</p> <p>O. Ensuring the implementation of the decisions and recommendations approved by the Committee and preparing a decision follow-up list that includes a summary of the decisions, the parties responsible for implementation, and the latest updates thereon, to be presented to the Committee at each meeting.</p> <p>P. The Committee Chairman may delegate part of his duties to any Committee member he deems appropriate.</p>	<p>updated.</p> <p>11. Ensuring the implementation of the decisions and recommendations approved by the Committee.</p> <p>12. The Committee Chairman may delegate part of his duties to any Committee member he deems appropriate.</p>
<p>Article Six: Duties and Responsibilities of Committee Members</p>	<p>Article Nine: Duties and Responsibilities of Committee Members</p>

A. Regularly attending Committee meetings and actively participating in its work. If a matter arises that requires a Committee member to be absent from any meeting, he shall notify the Committee Chairman by any available means of notification.

B. Properly preparing for meetings, reviewing before each meeting the topics listed on the agenda and submitted for discussion, and reading all related documents.

C. Maintaining the confidentiality of the Committee's and the Company's work and not disclosing to third parties, other than in the General Assembly, any confidential information that he becomes aware of by reason of performing his duties.

D. Reviewing the draft proceedings and minutes of Committee meetings, evaluating them properly, providing comments thereon within a reasonable period from receipt of the draft, and requesting clarification of any unclear resolution or text in such minutes.

E. Developing the skills necessary to perform the duties assigned to him.

F. Reviewing the Company's mission, objectives, goals, and values and being aware of its programs and executive plans, as well as keeping pace with recent developments relevant to the Company's business.

G. Acting with integrity, honesty, truthfulness, and objectivity, and avoiding personal interests by not directing the Company's policy toward his personal interest and by not disclosing misleading information.

H. Not accepting anything of material value from an employee, client, supplier, or any person having a business relationship with the Company that may influence the decisions he makes in the Committee.

I. Committing to periodic disclosure to the Board of situations that may lead to a conflict of interest or upon the occurrence of such conflict, and refraining from voting and participating in decision-making where a conflict of interest exists.

A. Regularly attending Committee meetings and actively participating in its work. If a matter arises that requires a Committee member to be absent from any meeting, he shall notify the Committee Chairman by any available means of notification.

B. Properly preparing for meetings, reviewing before each meeting the topics listed on the agenda and submitted for discussion, and reading all related documents.

C. Maintaining the confidentiality of the Committee's and the Company's work and not disclosing to third parties, other than in the General Assembly, any confidential information that he becomes aware of by reason of performing his duties.

D. Reviewing the draft proceedings and minutes of Committee meetings, evaluating them properly, providing comments thereon within a reasonable period from receipt of the draft, and requesting clarification of any unclear resolution or text in such minutes.

E. Developing the skills necessary to perform the duties assigned to him.

F. Reviewing the Company's mission, objectives, goals, and values and being aware of its programs and executive plans, as well as keeping pace with recent developments relevant to the Company's business.

G. Acting with integrity, honesty, truthfulness, and objectivity, and avoiding personal interests by not directing the Company's policy toward his personal interest and by not disclosing misleading information.

H. Not accepting anything of material value from an employee, client, supplier, or any person having a business relationship with the Company that may influence the decisions he makes in the Committee.

I. Committing to periodic disclosure to the Board of situations that may lead to a conflict of interest or upon the occurrence of such conflict, and refraining from voting and participating in decision-making where a conflict of interest exists.

Article Seven: Committee Authorities

~~The Committee shall have full and unrestricted access to all information, data, reports, records, all work of the Company, all of its officials, employees, properties, legal advisers, external auditors, internal auditors, and any others whom the Committee deems it necessary to access, whether by itself or through any person it delegates. The Board of Directors shall take all measures that enable the Committee to perform its duties. The Committee shall also have the authority to conduct, or authorize the conduct of, investigations into matters falling within its responsibilities. The Committee shall have the authority to:~~

~~A. Obtain any information from the Company's departments, and all employees must cooperate with the requests of the Committee or external parties:~~

~~B. Request any clarification or statement from the members of the Board of Directors or Executive Management:~~

~~C. Request the Board of Directors to call the Company's General Assembly to convene if the Board obstructs the Committee's work or if the Company suffers damages or substantial losses:~~

~~D. Meet with the Company's management, Executive Management, external auditor, internal auditors, or external advisers as necessary:~~

~~E. Recommend contracting with qualified advisers to provide services to the Committee, including evaluation of the internal audit activity, provided that such evaluation is conducted at least once every five years:~~

~~F. Select the Committee Secretary and determine his remuneration, taking into consideration, when selecting him, that he has the academic qualifications and practical experience enabling him to perform the responsibilities assigned to him.~~

~~G. Resolve any disputes between the Company's management and the external auditor regarding financial reports and the external auditor's observations, and resolve any disputes between the~~

Article Ten: Committee Authorities

The Audit Committee shall have full and unrestricted access to all information, data, reports, records, all work of the Company, all of its officials, employees, properties, legal advisers, external auditors, internal auditors, and any others whom the Committee deems it necessary to access, whether by itself or through any person it delegates. The Board of Directors shall take all measures that enable the Committee to perform its duties. The Committee shall also have the authority to conduct, or authorize the conduct of, investigations into matters falling within its responsibilities. In performing its duties, the Committee shall have:

1. The right to access the Company's records and documents.
2. The right to request any clarification or statement from the members of the Board of Directors or Executive Management.
3. The right to obtain an opinion from advisory or legal bodies, any external party, or an independent adviser whenever necessary to assist the Committee in performing its duties and responsibilities.
4. The ability to invite any of the Company's officials and employees, as well as external auditors, to discuss reports, observations, and any other matters related to the scope of their work.
5. The right to request the Board of Directors to call the Company's General Assembly to convene if the Board obstructs the Committee's work or if the Company suffers damages or substantial losses.
6. Select the Committee Secretary and determine his remuneration, taking into consideration, when selecting him, that he has the academic qualifications and practical experience enabling him to perform the responsibilities assigned to him.
7. Resolve any disputes between the Company's management and the external auditor regarding financial reports and the external auditor's observations, and resolve any disputes between the Company's departments and internal auditors regarding observations and recommendations made by internal auditors.

<p>Company's departments and internal auditors regarding observations and recommendations made by internal auditors.</p>	
<p>Article Eight: Duties and Mandate of the Committee</p> <p>The Committee is responsible for monitoring the Company's activities, verifying the soundness and integrity of the reports, financial statements, internal control systems, and control procedures applied in the Company, as well as the processes for preparing reports and submitting them to the Board of Directors. The Committee's duties shall particularly include the following:</p> <p>Item One: Financial Reports</p> <p>A. Studying the preliminary and annual financial statements before presenting them to the Board of Directors and expressing an opinion and recommendation thereon to ensure their integrity, fairness, and transparency.</p> <p>B. Providing a technical opinion, at the request of the Board of Directors, on whether the Board report and the Company's financial statements are fair, balanced, and include information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.</p> <p>C. Studying any significant or unusual matters included in the financial reports.</p> <p>D. Carefully examining any matters raised by the Company's Chief Financial Officer, whoever assumes his duties, the Company's Compliance Officer, or the external auditor.</p> <p>E. Verifying accounting estimates in material matters included in the financial reports.</p> <p>F. Studying the accounting policies applied in the Company and expressing an opinion and recommendation to the Board of Directors thereon.</p> <p>Item Two: Internal Audit</p> <p>A. Studying and reviewing the Company's internal control, financial control, and risk management</p>	<p>Article Eleven: Committee Mandate and Authorities</p> <p>The Committee is responsible for monitoring the Company's activities, verifying the soundness and integrity of the reports, financial statements, internal control systems, and control procedures applied in the Company, as well as the processes for preparing reports and submitting them to the Board of Directors. The Committee's duties shall particularly include the following:</p> <p>1. Financial Reports:</p> <p>A. Studying the preliminary and annual financial statements before presenting them to the Board of Directors and expressing an opinion and recommendation thereon to ensure their integrity, fairness, and transparency.</p> <p>B. Providing a technical opinion on whether the Board report and the Company's financial statements are fair, balanced, and include information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.</p> <p>C. Studying any significant or unusual matters included in the financial reports.</p> <p>D. Carefully examining any matters raised by the Company's Chief Financial Officer, whoever assumes his duties, the Company's Compliance Officer, or the external auditor.</p> <p>E. Verifying accounting estimates in material matters included in the financial reports.</p> <p>F. Studying the accounting policies applied in the Company and expressing an opinion and recommendation to the Board of Directors thereon.</p> <p>2. Internal Audit:</p> <p>A. Studying and reviewing the Company's internal control, financial control, and risk management systems.</p> <p>B. Studying internal audit reports and following up on the implementation of corrective actions for the observations contained therein.</p> <p>C. Monitoring and supervising the performance and activities of the Company's Internal Audit Department to verify the availability and effectiveness of the necessary resources in performing the tasks assigned to it, and verifying its effectiveness, efficiency, and independence.</p> <p>D. Approving the annual audit plan and following up on its implementation.</p> <p>E. Reviewing the Internal Audit Department's strategy, plans, and activities.</p> <p>F. Reviewing the extent to which the internal audit activity complies with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and relevant local standards.</p> <p>G. Studying and addressing any restrictions on the work of the Internal Audit Department that</p>

<p>systems.</p> <p>B. Studying internal audit reports and following up on the implementation of corrective actions for the observations contained therein.</p> <p>C. Monitoring and supervising the performance and activities of the Company's Internal Audit Department to verify the availability and effectiveness of the necessary resources in performing the tasks assigned to it, and verifying its effectiveness, efficiency, and independence.</p> <p>D. Approving the annual audit plan and following up on its implementation.</p> <p>E. Reviewing the Internal Audit Department's strategy, plans, and activities.</p> <p>F. Reviewing the extent to which the internal audit activity complies with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and relevant local standards.</p> <p>G. Studying and addressing any restrictions on the work of the Internal Audit Department that may affect its ability to perform its work and duties.</p> <p>H. Recommending to the Board of Directors the appointment of the Internal Audit Manager or the appointment of an internal audit department, proposing their salaries and any other benefits in accordance with the Company's policies, and evaluating their performance annually, or assigning the Chief Executive Officer to determine their salaries and benefits.</p> <p>I. Reviewing and approving the Internal Audit Charter at least annually.</p> <p>Item Three: External Auditor</p> <p>A. Recommending to the Board of Directors the nomination, dismissal, fee determination, and performance evaluation of external auditors, after verifying their independence and reviewing their scope of work and engagement terms.</p> <p>B. Verifying the external auditor's independence, objectivity, fairness, and the effectiveness of the audit work, taking into account relevant rules and</p>	<p>may affect its ability to perform its work and duties.</p> <p>H. Recommending to the Board of Directors the appointment of the Internal Audit Manager or the appointment of an internal audit department, proposing their salaries and any other benefits in accordance with the Company's policies, and evaluating their performance annually, or assigning the Chief Executive Officer to determine their salaries and benefits.</p> <p>I. Reviewing and approving the Internal Audit Charter at least annually.</p> <p>R. Assessing the quality of internal audit work and the work of the external auditor.</p> <p>3. External Auditor:</p> <p>A. Recommending to the Board of Directors the nomination, dismissal, fee determination, and performance evaluation of external auditors, after verifying their independence and reviewing their scope of work and engagement terms.</p> <p>B. Verifying the external auditor's independence, objectivity, fairness, and the effectiveness of the audit work, taking into account relevant rules and standards.</p> <p>C. Reviewing the Company external auditor's plan and work, verifying that the auditor does not provide technical, administrative, or advisory work outside the scope of audit work, and expressing its views thereon.</p> <p>D. Following up on the implementation of the audit plan and work and verifying the auditor's compliance with relevant rules and standards.</p> <p>E. Studying and addressing any restrictions on the external auditor's work that may affect his ability to perform his work and duties.</p> <p>F. Reviewing the Company management's responses to the letters submitted by the external auditor, in which he sets out his observations on financial, administrative, and control violations relating to the Company's accounts, and submitting its views to the Board of Directors.</p> <p>G. Ensuring cooperation between the internal and external auditors without any conflict in their work.</p> <p>H. Studying the external auditor's report and observations on the financial statements, expressing its observations thereon, and following up on their implementation.</p> <p>I. Responding to the external auditor's inquiries.</p> <p>4. Compliance Assurance:</p> <p>A. Reviewing the results of regulatory authorities' reports, expressing an opinion on the Company management's response, and verifying that the Company has taken the necessary actions thereon.</p> <p>B. Verifying the Company's compliance with relevant laws, regulations, policies, and instructions.</p> <p>C. Reviewing the contracts and transactions proposed to be conducted by the Company with</p>
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<p>standards.</p> <p>C. Reviewing the Company external auditor's plan and work, verifying that the auditor does not provide technical, administrative, or advisory work outside the scope of audit work, and expressing its views thereon.</p> <p>D. Following up on the implementation of the audit plan and work and verifying the auditor's compliance with relevant rules and standards.</p> <p>E. Studying and addressing any restrictions on the external auditor's work that may affect his ability to perform his work and duties.</p> <p>F. Reviewing the Company management's responses to the letters submitted by the external auditor, in which he sets out his observations on financial, administrative, and control violations relating to the Company's accounts, and submitting its views to the Board of Directors.</p> <p>G. Ensuring cooperation between the internal and external auditors without any conflict in their work.</p> <p>H. Studying the external auditor's report and observations on the financial statements, expressing its observations thereon, and following up on their implementation.</p> <p>I. Responding to the external auditor's inquiries.</p> <p>Item Four: Compliance Assurance</p> <p>A. Reviewing the results of regulatory authorities' reports, expressing an opinion on the Company management's response, and verifying that the Company has taken the necessary actions thereon.</p> <p>B. Verifying the Company's compliance with relevant laws, regulations, policies, and instructions.</p> <p>C. Reviewing the contracts and transactions proposed to be conducted by the Company with related parties and providing its views thereon to the Board of Directors.</p> <p>D. Reviewing the process of informing and notifying the Company's employees of the Code of Business Ethics, and reviewing the process of monitoring compliance with such rules.</p> <p>E. Referring to the Board of Directors any matters it</p>	<p>related parties and providing its views thereon to the Board of Directors.</p> <p>D. Reviewing the process of informing and notifying the Company's employees of the Code of Business Ethics, and reviewing the process of monitoring compliance with such rules.</p> <p>E. Referring to the Board of Directors any matters it deems necessary to take action on and providing recommendations on the actions to be taken</p> <p>5. Risk Management</p> <p>1. Reviewing the risk management strategy and ensuring its alignment with the Company's strategic objectives in a manner appropriate to the nature and size of the Company's activities, verifying its implementation, review, and update based on the Company's internal and external changes, and submitting recommendations thereon to the Board of Directors for approval.</p> <p>2. Reviewing and identifying the material risks that may affect the continuity of the Company's business, and submitting recommendations thereon to the Board of Directors.</p> <p>3. Verifying the existence of an effective risk management framework that includes approved policies, procedures, and forms, and reviewing the efficiency of its implementation.</p> <p>4. Verifying the effectiveness of identifying and assessing key risk management matters, including: the Company's procedures for controlling and managing risks, including the accuracy and appropriateness of risk measurement methods used during the risk identification and assessment process; measuring risks at their various current and expected levels to which the Company is or may be exposed; risk treatment plans and effective corrective actions measured, including the timeline; and assessing risks related to any new procedures or strategies introduced by the Company.</p> <p>5. Ensuring that approved risk limits are appropriately monitored by the risk management team and Executive Management, and that breaches of such limits are reported in a timely manner.</p> <p>6. Assessing potential losses that may affect the Company's operations as a result of exposure to risks in terms of the magnitude and frequency of events.</p> <p>7. Determining risk appetite and tolerance levels, monitoring risks to which the Company may be exposed and the extent of its response to such risks, and conducting continuous risk assessments.</p> <p>8. Reviewing the readiness of crisis, emergency, and business continuity management plans and verifying their adequacy and effectiveness.</p> <p>9. Assessing weaknesses in the Company's various activities and operations that may result in risks and establishing corrective actions therefor.</p> <p>10. Supervising the risk management system and assessing the effectiveness of systems and mechanisms for identifying, measuring, and monitoring risks to which the Company may be exposed and identifying deficiencies therein.</p> <p>11. Providing recommendations to the Board of Directors on risk management matters and any proposed steps to manage such risks.</p> <p>12. Providing a year-end report on information relating to any risks facing the Company and the policy for managing, monitoring, and addressing such risks.</p>
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deems necessary to take action on and providing recommendations on the actions to be taken.

Item Five: Risk Management

- A. Reviewing the risk management strategy and ensuring its alignment with the Company's strategic objectives in a manner appropriate to the nature and size of the Company's activities, verifying its implementation, review, and update based on the Company's internal and external changes, ~~and submitting it to the Board for approval.~~
- ~~B. Verifying the feasibility of the Company's continuity and successful continuation of operations, while identifying risks that threaten its continuity during the next twelve months.~~
- ~~C. Verifying the availability of an appropriate risk management framework, policies, and procedures.~~
- D. Verifying the effectiveness of identifying and assessing key risk management matters, including the Company's procedures for controlling and managing risks, measuring risks at their current and expected levels, risk treatment plans and effective corrective actions including the timeline, and assessing risks related to any new procedures or strategies introduced by the Company.
- E. Ensuring that approved risk limits are appropriately monitored by the risk management team and Executive Management, and that breaches of such limits are reported in a timely manner.
- F. Assessing potential losses that may affect the Company's operations as a result of exposure to risks in terms of the magnitude and frequency of events.
- G. Determining risk appetite and tolerance levels, monitoring risks to which the Company may be exposed and the extent of its response to such risks, conducting continuous risk assessments, ~~and developing plans and strategies to deal with crises and emergencies.~~
- H. Assessing weaknesses in the Company's various activities and operations that may result in risks and establishing corrective actions therefor.
- I. Supervising the risk management system and

13. Verifying the independence of risk management employees from activities that may give rise to the Company's exposure to risks.

14. Periodically reassessing the Company's risk tolerance and exposure.

15. Ensuring the existence of adequate infrastructure, resources, and risk management systems to maintain the expected level of management operations.

6. Adequacy of the Internal Control System

The Committee shall prepare an annual report detailing its performance of its mandate and duties, including its recommendations and opinion on the adequacy and effectiveness of the Company's internal control, financial control, and risk management systems. The report shall be submitted to the Board of Directors, and the Board shall deposit copies thereof at the Company's head office and publish it with the invitation to convene the Annual General Assembly, in accordance with regulatory requirements, provided that a summary of the report shall be read during the Annual General Assembly. In performing its duties, the Committee may engage an independent external adviser to evaluate the internal control system and express an opinion on its adequacy and effectiveness.

<p>assessing the effectiveness of systems and mechanisms for identifying, measuring, and monitoring risks to which the Company may be exposed and identifying deficiencies therein.</p> <p>J. Providing recommendations to the Board of Directors on risk management matters and any proposed steps to manage such risks.</p> <p>K. Providing a year-end report on information relating to any risks facing the Company and the policy for managing, monitoring, and addressing such risks.</p> <p>L. Verifying the independence of risk management employees from activities that may give rise to the Company's exposure to risks.</p> <p>M. Periodically reassessing the Company's risk tolerance and exposure.</p> <p>N. Ensuring the existence of adequate infrastructure, resources, and risk management systems to maintain the expected level of management operations.</p> <p>Item Six: Adequacy of the Internal Control System</p> <p>The Committee shall prepare a report detailing its performance of its mandate and duties, including its recommendations and opinion on the adequacy of the Company's internal control, financial control, and risk management systems. The Committee shall request the Board of Directors to deposit sufficient copies of this report at the Company's head office and publish it on the Company's website upon publication of the invitation to convene the Annual General Assembly. A summary of the report shall be read during the General Assembly. In this regard, the Committee may engage an independent external adviser to evaluate the internal control system and express an opinion on its adequacy.</p>	
<p>Article Nine: Conflict of Interest</p> <p>A. If a member has any conflict of interest in a matter listed on the agenda, he shall disclose the same before the matter is discussed, and such disclosure shall be recorded in the minutes of the meeting. In this case, he may not participate in the discussion or</p>	<p>Article Twelve: Conflict of Interest</p> <p>A. If a member has any conflict of interest in a matter listed on the agenda, he shall disclose the same before the matter is discussed, and such disclosure shall be recorded in the minutes of the meeting. In this case, he may not participate in the discussion or vote thereon.</p> <p>B. If a member is in doubt as to whether he is in a conflict-of-interest situation, he may seek the</p>

<p>vote thereon.</p> <p>B. If a member is in doubt as to whether he is in a conflict-of-interest situation, he may seek the opinion and advice of the Committee Chairman.</p> <p>C. Any conflict-of-interest cases involving any member shall be presented and discussed at a Committee meeting. After completing the regulatory procedures, a summary thereof shall be presented to the Board of Directors to take whatever action it deems appropriate.</p> <p>D. A Committee member may not have a direct or indirect interest in the business and contracts carried out for the Company. If such interest exists, it shall be disclosed and the approval of the Board of Directors shall be obtained, and the member shall not have the right to vote on the item.</p> <p>E. Any family relationship, if any, between external or internal auditors, Committee members, or the working team shall be disclosed.</p>	<p>opinion and advice of the Committee Chairman.</p> <p>C. Any conflict-of-interest cases involving any member shall be presented and discussed at a Committee meeting. After completing the regulatory procedures, a summary thereof shall be presented to the Board of Directors to take whatever action it deems appropriate.</p> <p>D. A Committee member may not have a direct or indirect interest in the business and contracts carried out for the Company. If such interest exists, it shall be disclosed and the approval of the Board of Directors shall be obtained, and the member shall not have the right to vote on the item.</p> <p>E. Any family relationship, if any, between external or internal auditors, Committee members, or the working team shall be disclosed.</p>
<p>Article Ten: Confidentiality of the Committee's Work</p> <p>Committee members shall maintain the confidentiality of information obtained through their membership in the Committee and shall use it only for the purpose of performing their membership duties. They shall not announce or disclose any such information to any other party, disclose it, exploit it in any manner, use it for any purpose whatsoever, deal with the media regarding it, or speak on behalf of the Company. This obligation shall also include maintaining the confidentiality of such information after the end of Committee membership. Independent Committee members shall sign the declaration and undertaking form prepared by the Company for this purpose.</p>	<p>Article Thirteen: Confidentiality of the Committee's Work</p> <p>Audit Committee members shall fully maintain the confidentiality of all information, data, and documents they review or obtain by virtue of their membership in the Committee, and shall not use them except within the limits of performing their duties and mandate. They are prohibited from disclosing, publishing, or declaring any such information to any party, exploiting it or using it for any other purpose, dealing with the media in relation thereto, or speaking on behalf of the Company without statutory authorization. This confidentiality obligation shall continue after the end of the member's Committee membership for any reason.</p>
<p>Article Eleven: Committee Meetings and Minutes</p> <p>A. The Committee shall meet periodically, provided that its meetings shall not be less than four meetings during the Company's fiscal year. It may hold additional meetings whenever needed, based on a</p>	<p>Article Fourteen: Committee Meetings</p> <p>A. The Committee shall meet periodically, provided that its meetings shall not be less than four meetings during the Company's fiscal year. It may hold additional meetings whenever needed, based on a request from the Committee Chairman or any of its members stating the reasons for calling the meeting and with the approval of the majority of members, or based on a</p>

request from the Committee Chairman or any of its members stating the reasons for calling the meeting and with the approval of the majority of members, or based on a request from the Board of Directors, the internal auditor, or the external auditor. The validity of its meetings requires the attendance of at least two members, and a Committee member may not delegate another person to attend Committee meetings on his behalf.

B. The Committee shall meet periodically with the external auditors and the Company's internal auditor.

C. The internal auditor and external auditor may request to meet with the Committee whenever necessary.

D. Committee resolutions shall be issued by majority vote of the attendees. In the event of a tie, the side with which the meeting chairman voted shall prevail.

E. Any Committee member may object to any resolution adopted by the Committee, provided that he states the reasons for such objection and that it is recorded in the minutes of the Committee meeting. A member shall not be relieved of responsibility for resolutions adopted at a meeting in the event of his absence unless he expresses his objection thereto.

F. A Committee member shall be deemed resigned if he fails, without an acceptable excuse, to attend more than two Committee meetings in the year.

G. The Committee may hold its meetings using technology through visual or audio communication, and such attendance shall be deemed in person.

H. With the approval of the majority of members, any meeting may be postponed or cancelled as the Committee deems appropriate.

I. The Committee may invite any member of the Company's Board of Directors, Executive Management, the external auditor, or others to attend its meetings and provide relevant information as needed.

J. The Committee may seek the assistance of experts and specialists it deems appropriate, whether from inside or outside the Company, within the limits of its authorities, provided that this is recorded in the

request from the Board of Directors, the internal auditor, or the external auditor. The validity of its meetings requires the attendance of at least two members, and a Committee member may not delegate another person to attend Committee meetings on his behalf.

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J. The Committee may seek the assistance of experts and specialists it deems appropriate, whether from inside or outside the Company, within the limits of its authorities, provided that this is recorded in the Committee meeting minutes, together with the expert's name and his relationship with the Company and Executive Management.

K. The meeting agenda shall be adhered to, taking into consideration any items proposed by members in a previous meeting. Any member may add a new item or items either before the meeting or upon approval of the meeting agenda, and such item shall be included among the meeting items for discussion.

L. If any member has an inquiry or request for clarification regarding any agenda item or its documents before the meeting date, it shall be responded to in a timely manner by the Committee Chairman or his delegate.

M. A Committee member or the Committee Secretary may not leave the meeting or be absent for part of it except with the permission of the Committee Chairman..

<p>Committee meeting minutes, together with the expert's name and his relationship with the Company and Executive Management.</p> <p>K. The meeting agenda shall be adhered to, taking into consideration any items proposed by members in a previous meeting. Any member may add a new item or items either before the meeting or upon approval of the meeting agenda, and such item shall be included among the meeting items for discussion.</p> <p>L. If any member has an inquiry or request for clarification regarding any agenda item or its documents before the meeting date, it shall be responded to in a timely manner by the Committee Chairman or his delegate.</p> <p>M. A Committee member or the Committee Secretary may not leave the meeting or be absent for part of it except with the permission of the Committee Chairman.</p>	
<p>Article Twelve: Duties and Responsibilities of the Committee Secretary.</p> <p>. The Committee Secretary shall convene Committee meetings upon the request of the Committee Chairman. Meeting notices shall be sent to each Committee member and any other person whose attendance the Committee deems necessary. The notice shall specify the meeting venue, date, start time, agenda, and supporting documents relating to the agenda items and shall be circulated sufficiently in advance of the meeting. The Committee Secretary shall also be responsible for the following:</p> <ul style="list-style-type: none"> • Coordinating Committee meetings and preparing a proposed agenda in coordination with the Committee Chairman. • Obtaining approval of meeting minutes from Committee members following the approval of the Committee Chairman. • Arranging and coordinating with parties whom the Committee requests to attend its meetings. 	<p>Article Fifteen: Duties and Responsibilities of the Committee Secretary</p> <p>a. The Committee Secretary shall convene Committee meetings upon the request of the Committee Chairman. Meeting notices shall be sent to each Committee member and any other person whose attendance the Committee deems necessary. The notice shall specify the meeting venue, date, start time, agenda, and supporting documents relating to the agenda items and shall be circulated sufficiently in advance of the meeting. The Committee Secretary shall also be responsible for the following:</p> <ul style="list-style-type: none"> • Coordinating Committee meetings and preparing a proposed agenda in coordination with the Committee Chairman. • Obtaining approval of meeting minutes from Committee members following the approval of the Committee Chairman. • Arranging and coordinating with parties whom the Committee requests to attend its meetings. • Notifying members of meeting dates and providing them with the agenda and the documents necessary for reviewing the meeting items. • Attending and documenting Committee meetings, preparing the minutes, and maintaining them in a dedicated register. • Circulating Committee resolutions to the relevant parties.

- Notifying members of meeting dates and providing them with the agenda and the documents necessary for reviewing the meeting items.

- Attending and documenting Committee meetings, preparing the minutes, and maintaining them in a dedicated register.

- Circulating Committee resolutions to the relevant parties.

- Providing assistance and advice to the Committee on matters falling within its scope of responsibilities.

b. Committee meetings and resolutions shall be documented in minutes signed by all attending members. Any technical means may be used for signing and documenting deliberations, minutes, and Committee resolutions. A draft of the meeting minutes shall be provided to all attendees within the prescribed period. Should there be any comments or amendments to the draft, members shall submit them to the Committee Chairman and the Committee Secretary within a period not exceeding seven (7) days from the date the draft minutes are circulated. Otherwise, the draft shall be deemed final and the signature process shall be completed unless prevented by an exceptional circumstance, the determination of which shall rest with the Committee Chairman. The minutes shall include the following:

- The venue, date, and start time of the meeting.

- The deliberations and discussions, including the outcomes of resolutions and recommendations.

- Identification of the party responsible for implementing the resolutions.

- The names of attendees from within and outside the Committee.

c. Members shall be provided, through available means including email or otherwise, with the agenda, matters proposed for discussion, resolutions to be adopted, and all supporting documentation at least

- Providing assistance and advice to the Committee on matters falling within its scope of responsibilities.

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- The venue, date, and start time of the meeting.

- The deliberations and discussions, including the outcomes of resolutions and recommendations.

- Identification of the party responsible for implementing the resolutions.

- The names of attendees from within and outside the Committee.

c. Members shall be provided, through available means including email or otherwise, with the agenda, matters proposed for discussion, resolutions to be adopted, and all supporting documentation at least one week prior to scheduled meetings. In the case of emergency meetings, members shall be provided with the agenda and supporting documents within a reasonable and sufficient period before the meeting to enable them to adequately review the agenda items and related documents.

d. In the event of any update or change relating to the meeting agenda, supporting documents, or meeting time, members shall be notified accordingly in a timely manner.

e. The agenda shall specify the estimated duration of the meeting and the estimated time allocated for each agenda item.

<p>one week prior to scheduled meetings. In the case of emergency meetings, members shall be provided with the agenda and supporting documents within a reasonable and sufficient period before the meeting to enable them to adequately review the agenda items and related documents.</p> <p>d. In the event of any update or change relating to the meeting agenda, supporting documents, or meeting time, members shall be notified accordingly in a timely manner.</p> <p>e. The agenda shall specify the estimated duration of the meeting and the estimated time allocated for each agenda item.</p>	
<p>Article Thirteen: Conflict Between the Audit Committee and the Board of Directors</p> <p>If a conflict arises between the Committee's recommendations and the Board of Directors' resolutions, and if the Board refuses to adopt the Committee's recommendation regarding the appointment, dismissal, fee determination, and performance evaluation of the Company's external auditor, the Board of Directors' report shall include the Committee's recommendation and justifications, and the reasons for not adopting it.</p>	<p>Article Sixteen: Conflict Between the Committee and the Board of Directors</p> <p>If a conflict arises between the Committee's recommendations and the Board of Directors' resolutions, and if the Board refuses to adopt the Committee's recommendation regarding the appointment, dismissal, fee determination, and performance evaluation of the Company's external auditor, the Board of Directors' report shall include the Committee's recommendation and justifications, and the reasons for not adopting it.</p>
<p>Article Fourteen: Mechanism for Submitting Remarks or Reporting Violations in the Company</p> <p>The Audit Committee shall establish a mechanism enabling the Company's employees to submit their remarks regarding any irregularity in financial reports or otherwise in confidence. The Committee shall verify the implementation of this mechanism by conducting an independent investigation proportionate to the size of the damage or violation and by adopting appropriate follow-up procedures.</p>	<p>Article Seventeen: Arrangements for Submitting Remarks</p> <p>The Audit Committee shall establish a mechanism enabling the Company's employees to submit their remarks regarding any irregularity in financial reports or otherwise in confidence. The Committee shall verify the implementation of this mechanism by conducting an independent investigation</p>

<p>Article Fifteen: Application and Interpretation of Charter Provisions</p> <p>The provisions of this Charter shall be applied and interpreted in a manner that does not conflict with the Company's Bylaws and any other regulations approved by the Board of Directors, and in accordance with the Saudi Companies Law, the laws and regulations of the Capital Market Authority, and their implementing regulations.</p>	
<p>Article Sixteen: Remuneration of the Committee and the Committee Secretary</p> <p>A. A Committee member and the Committee Secretary shall be entitled to annual remuneration and meeting attendance allowance in accordance with the approved Remuneration Policy or as recommended by the Board of Directors.</p> <p>B. A person whose membership in the Audit Committee ends for any reason before the end of the specified term of the Audit Committee shall be paid the annual remuneration and meeting attendance allowance due for the period preceding the end of his membership.</p> <p>C. The remuneration of Committee members shall be disclosed in the annual Board of Directors' report.</p>	<p>Article Eighteen: Remuneration and Compensation</p> <p>A. A Committee member and the Committee Secretary shall be entitled to annual remuneration and meeting attendance allowance in accordance with the approved Remuneration Policy or as recommended by the Board of Directors.</p> <p>B. A person whose membership in the Audit Committee ends for any reason before the end of the specified term of the Audit Committee shall be paid the annual remuneration and meeting attendance allowance due for the period preceding the end of his membership.</p> <p>C. The remuneration of Committee members shall be disclosed in the annual Board of Directors' report.</p>
<p>No equivalent provision.</p>	<p>Article Nineteen: Positive and Negative Conflict of Jurisdiction</p> <p>If there is a positive conflict between the mandate of the Committee and any other permanent committee of the Board, whereby each committee maintains that it has jurisdiction to consider a particular matter or incident, or if there is a negative conflict with any other permanent committee of the Board, whereby each committee maintains that it lacks jurisdiction to consider a particular matter or incident, the matter shall be referred to the Board for its decision in this regard.</p>
<p>No equivalent provision.</p>	<p>Article Twenty: Official Language of the Charter</p> <p>This Charter has been prepared in Arabic and English. In the event of any conflict between the two texts, the Arabic text shall prevail.</p>
<p>Article Seventeen: Effectiveness of the Charter</p> <p>a. This Charter shall be subject to review as part of the assessment of the effectiveness of the governance of the Committee's work.</p>	<p>Article Twenty-One: Effectiveness and Review</p> <p>1. This Charter shall become effective from the date of its approval by the General Assembly. No articles of this Charter may be amended, deleted, or added except with the approval of the General Assembly. The Committee shall review its content as needed and recommend any amendments to the Board in preparation for submission to, and approval by, the General Assembly.</p>

~~b. No article, clause, or paragraph of this Charter may be amended, deleted, or added except after obtaining the required approvals from the competent authorities.~~

~~c. This Charter shall be approved by the General Assembly, and its effective date shall commence in accordance with the resolution of the General Assembly. Any other previously applicable charters shall be repealed.~~

~~d. This Charter was approved at the Extraordinary General Assembly meeting held in 2023.~~

2. This Charter shall be complementary to the Company's Bylaws, its Corporate Governance Regulations, and other relevant laws and regulations.
3. Any matter not provided for in this Charter shall be governed by the relevant laws and regulations issued by the competent authorities.

SAUDI ADVANCED INDUSTRIES COMPANY

~~Policy on Compensation and Remuneration of Board Members, Board Committees, and Executive Management~~

Remuneration Policy for Board Members, Committee Members, and Executive Management

Document Data	
Document Type	Policy
Document Name	Remuneration Policy for the Board of Directors, Board Committees and Executive Management
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Date	
Repository	Governance and Legal Affairs Department

Document approval record		
Description of changes	Approval date	Version
Preparation	14/05/2018	0.1
Amendment	25/10/2023	0.2
Amendment		0.3

These Policy were approved by the General Assembly at its meeting held on

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Before Amendment	After Amendment
<p>Article Two: Purpose and Description of the Policy</p> <p>This Policy has been drafted in accordance with the provisions of the Companies Law and the Capital Market Law and their Implementing Regulations, for the purpose of remunerating Board members, members of the committees formed by the Board, and Executive Management fairly and equitably, and aligning human resources aspirations with the Company's objectives.</p>	<p>Article One: Purpose</p> <p>This Policy aims to establish a clear and structured framework for the remuneration of Board members, members of committees formed by the Board, and Executive Management of the Company, in a manner that ensures fairness, transparency, and balance between remuneration and the responsibilities assigned to them, and reflects the level of effort exerted, participation, and commitment.</p> <p>It also aims to attract and retain qualified talent, and to motivate Board members, Board committees, and Executive Management to improve their performance and discharge their duties efficiently and effectively, in a manner that supports the achievement of the Company's objectives, strategy, and growth, and is consistent with applicable laws, regulations, prevailing market practices, and the interests of shareholders.</p> <p>This Policy has been prepared in accordance with the provisions of the Companies Law and the Corporate Governance Regulations issued by the Capital Market Authority, in a manner that ensures the regulation and determination of the bases and controls for remuneration and compensation of Board members, its committees, and Executive Management of the Company.</p>
<p>Article One: Application</p> <p>This Policy shall apply to members of the Board of Directors (the Board), members of the committees formed by the Board, and Executive Management of Saudi Advanced Industries Company (the Company).</p>	<p>Article Two: Scope of Application</p> <p>This Policy shall apply to the remuneration of Board members, members of the committees formed by the Board, and Executive Management of the Company. It defines the general framework for regulating the remuneration, allowances, and benefits granted to them, in accordance with the relevant laws and regulations and the approved policies of the Company.</p>
<p>Article Thirteen: Competent Authority for this Policy</p>	<p>Article Three: Policy Owner</p>

<p>a. The Nomination and Remuneration Committee shall be responsible for the periodic review of this Policy and assessing its effectiveness in achieving its intended purposes. This Policy shall be deemed a document subject to update and review in order to respond to changes in labor market conditions, keep pace with them, and achieve the Company's growth and expansion.</p> <p>b. The Nomination and Remuneration Committee shall recommend to the Board the remuneration of Board members, committees formed by the Board, and the Company's senior executives, in accordance with the approved Policy.</p>	<p>1. The Company's General Assembly shall be the competent authority to approve this Policy and any amendments thereto.</p> <p>2. The Nomination and Remuneration Committee shall be responsible for the periodic review of this Policy and assessing its effectiveness in achieving its intended purposes. This Policy shall be deemed a document subject to update and review in order to respond to and keep pace with changes in labor market conditions, and to achieve the Company's growth and expansion.</p> <p>3. The Nomination and Remuneration Committee shall recommend to the Board the remuneration of Board members, committees formed by the Board, and the Company's senior executives, in accordance with the approved Policy.</p>
<p>No equivalent provision.</p>	<p>Article Four: Definitions</p> <p>The following words and expressions shall have the meanings assigned to each of them below, unless the context requires otherwise:</p> <p>Authority: The Capital Market Authority.</p> <p>Company: Saudi Advanced Industries Company.</p> <p>Board: The Company's Board of Directors.</p> <p>Policy: Remuneration Policy for Board Members, Committee Members, and Executive Management.</p> <p>Committee: The Company's Nomination and Remuneration Committee.</p>

	<p>Committees: Any committee formed by the Board of Directors.</p> <p>Independent Member: A non-executive Board member who enjoys full independence in his position and decisions, and to whom none of the independence impairments stipulated in the Corporate Governance Regulations issued by the Capital Market Authority apply.</p> <p>Executive Management: The persons entrusted with managing the Company's daily operations and proposing and implementing strategic decisions, such as the Chief Executive Officer, his deputies, the Chief Financial Officer, and the Chief Investment Officer.</p>
<p>No equivalent provision.</p>	<p>Article Five: Interpretation of the Policy</p> <ol style="list-style-type: none">1. This Policy and any appendices attached hereto, if any, shall be deemed an integral part thereof and complementary to its provisions, and shall be read and interpreted together for this purpose.2. This Policy is addressed to and applies to positions, not to the individuals occupying such positions.3. All headings in this Policy are for ease of reference only and shall not affect the interpretation of the provisions of this Policy as a single integrated document.4. This Policy shall prevail over any other policy addressing the same subject matter to the extent of any conflict.5. This Policy has been drafted in accordance with the mandatory provisions of the Corporate Governance Regulations issued by the Authority. If the Authority decides at any time that any provision of the Corporate Governance Regulations is mandatory rather than guiding, this Policy shall be read accordingly, and such guiding provision shall become mandatory by force of law and an integral part of this Policy. If a guiding provision is included in this Policy in a mandatory form, this shall not affect its status as guiding and non-binding unless the Authority decides otherwise.6. The Company's application of any guiding provisions, whether consistently or occasionally, shall not affect the guiding nature of such provisions unless the Authority decides otherwise. The Company may alternate between applying and not applying such guiding provisions as it deems appropriate in this regard, and approval of this Policy shall not, in any way, be deemed to render the guiding provisions contained herein mandatory.

Article Three: Remuneration Philosophy

a. The Company seeks to attract individuals with sufficient competence and talent to serve on the Board and perform the roles assigned to the committees and Executive Management, based on their personal backgrounds and aspirations. The Company aims to remunerate them in a manner that reflects such personal differences and expectations, while ensuring internal fairness and external competitiveness. In addition, the Company focuses on retaining those individuals who adhere to the Company's values and the behaviors it seeks to promote.

b. The Company seeks to align its internal remuneration framework so that individuals serving on the Board, committees, and executive positions receive the best market compensation. The Company also aims to establish exclusive benefit programs for such individuals

Article Six: Remuneration Philosophy

a. The Company seeks to attract individuals with sufficient competence and talent to serve on the Board and perform the roles assigned to the committees and Executive Management, based on their personal backgrounds and aspirations. The Company aims to remunerate them in a manner that reflects such personal differences and expectations, while ensuring internal fairness and external competitiveness. In addition, the Company focuses on retaining those individuals who adhere to the Company's values and the behaviors it seeks to promote.

b. The Company seeks to align its internal remuneration framework so that individuals serving on the Board, committees, and executive positions receive the best market compensation. The Company also aims to establish exclusive benefit programs for such individuals in order to attract and retain the best available talent.

<p>in order to attract and retain the best available talent.</p>	
<p>Article Four: Remuneration Principles</p> <p>a. The Company intends to maintain internal fairness through equitable remuneration practices consistent with the individual's role, geographic location, and working conditions.</p> <p>b. The Company intends to maintain external competitiveness by identifying and aligning remuneration practices with business sectors in other companies under different geographic conditions.</p> <p>c. The Company intends to continue paying remuneration in return for a performance culture, by recognizing the value of each individual's performance and contribution to business growth.</p>	<p>Article Seven: Remuneration Principles</p> <p>a. The Company intends to maintain internal fairness through equitable remuneration practices consistent with the individual's role, geographic location, and working conditions.</p> <p>b. The Company intends to maintain external competitiveness by identifying and aligning remuneration practices with business sectors in other companies under different geographic conditions.</p> <p>c. The Company intends to continue paying remuneration in return for a performance culture, by recognizing the value of each individual's performance and contribution to business growth.</p>
<p>Article Five: Remuneration Policy</p> <p>The Nomination and</p>	<p>Article Eight: Remuneration Policy</p> <p>The Nomination and Remuneration Committee shall be responsible for recommending to the Board the remuneration of Board members, members of</p>

<p>Remuneration Committee shall be responsible for recommending to the Board the remuneration of Board members, members of committees formed by the Board of Directors, and the Company's senior executives, in accordance with the approved Policy, provided that the following shall be taken into consideration:</p> <p>a. Alignment with the Company's strategy and objectives.</p> <p>b. Remuneration shall be provided to motivate Board members and Executive Management to ensure the Company's success and long-term growth, such as linking the variable portion of remuneration to long-term performance.</p> <p>c. Remuneration shall be determined based on job level, duties and responsibilities assigned to the position holder, academic qualifications, practical experience, skills, and performance level.</p> <p>d. Alignment with the size, nature, and degree of risks faced by the Company.</p>	<p>committees formed by the Board, and the Company's senior executives, in accordance with the approved Policy, provided that the following shall be taken into consideration:</p> <ol style="list-style-type: none">1. Alignment with the Company's strategy and objectives.2. Remuneration shall be provided to motivate Board members and Executive Management to ensure the Company's success and long-term growth, such as linking the variable portion of remuneration to long-term performance.3. Remuneration shall be determined based on job level, duties and responsibilities assigned to the position holder, academic qualifications, practical experience, skills, and performance level.4. Alignment with the size, nature, and degree of risks faced by the Company.5. Taking into account the practices of other companies in determining remuneration, while avoiding any unjustified increase in remuneration and compensation that may arise therefrom.6. Remuneration shall aim to attract, retain, and motivate professional talent, without exaggeration.7. Remuneration shall be prepared in coordination with the Nomination and Remuneration Committee upon new appointments.8. Regulating the grant of shares in the Company to Board members and Executive Management, whether newly issued shares or shares purchased by the Company. <p>Cases of suspending or recovering remuneration:</p> <ol style="list-style-type: none">1. Remuneration shall be calculated until the date of expiry of membership, in accordance with the relevant regulations.2. If the General Assembly decides to terminate the membership of a Board member due to his failure to attend three consecutive meetings or five separate Board meetings during his membership term without a legitimate excuse accepted by the Board, such member shall not be entitled to any remuneration for the period following the last meeting attended by him, and all remuneration paid to him for that period shall be returned.3. The Company shall have the right to claim recovery of any remuneration paid if it is found that such remuneration was paid based on inaccurate information provided by a Board member or Executive Management, in order
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e. Taking into account the practices of other companies in determining remuneration, while avoiding any unjustified increase in remuneration and compensation that may arise therefrom.

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<p>meeting attended by him, and he shall return all remuneration paid to him for that period. The Company shall have the right to claim repayment thereof.</p> <p>j. Regulating the grant of shares in the Company to Board members and Executive Management, whether newly issued shares or shares purchased by the Company.</p>	
<p>Article Six: Remuneration of Board Members</p> <p>a. Board members shall be granted annual remuneration of SAR 250,000.</p> <p>b. If it is recommended that the remuneration be a specific percentage of the Company's profits, Board members shall be entitled to 6% of net profits, after deducting the reserves determined by the General Assembly in accordance with the provisions of the law and the Company's Bylaws, and after distributing a dividend to shareholders of not less than 5% of the Company's paid-up capital, provided that entitlement to such</p>	<p>Article Nine: Remuneration of Board Members and the Secretary</p> <ol style="list-style-type: none">1. Board members shall be granted annual remuneration of SAR 250,000.2. If it is recommended that the remuneration be a specific percentage of the Company's profits, Board members shall be entitled to 6% of net profits, after deducting the reserves determined by the General Assembly in accordance with the provisions of the law and the Company's Bylaws, and after distributing a dividend to shareholders of not less than 5% of the Company's paid-up capital, provided that entitlement to such remuneration shall be proportionate to the number of meetings attended by the member in accordance with the controls set by the competent authority.3. A Board member may be granted remuneration for any additional executive, technical, administrative, or advisory work or positions assigned to him by the Board and serving the Company's interest, pursuant to a professional license, in addition to the remuneration he receives in his capacity as a member of the Board or any committee formed by the Board, in accordance with the Companies Law and the Company's Bylaws.4. Each Board member shall be entitled to annual remuneration for each fiscal year.5. A Board member shall be entitled to annual remuneration from the date of joining the Board.6. The Secretary of the Board shall be granted annual remuneration of SAR 125,000.

<p>remuneration shall be proportionate to the number of meetings attended by the member in accordance with the controls set by the competent authority.</p> <p>c. A Board member may be granted remuneration for any additional executive, technical, administrative, or advisory work or positions assigned to him by the Board and serving the Company's interest, pursuant to a professional license, in addition to the remuneration he receives in his capacity as a member of the Board or any committee formed by the Board, in accordance with the Companies Law and the Company's Bylaws.</p>	<p>7. The remuneration of a Board member and the Secretary shall be calculated based on the membership period during the fiscal year, proportionate to the actual number of days served on the Board.</p> <p>8. The Board of Directors may grant incentive rewards to the Secretary of the Board of Directors.</p>
<p>Article Seven: Fees of Members of Board Committees</p> <p>a. Members of committees formed by the Board shall be granted annual fees of SAR 150,000.</p> <p>b. If a member serves on more than one committee, the total fees for his membership in all committees shall not exceed</p>	<p>Article Ten: Remuneration of Members of Board Committees and the Secretary</p> <p>1. Members of committees formed by the Board shall be granted annual remuneration of SAR 150,000.</p> <p>2. If a member serves on more than one committee, the remuneration for his membership in all committees shall not exceed SAR 225,000 annually, calculated as follows:</p> <p>a. SAR 150,000 shall be calculated for membership in the first committee.</p> <p>b. SAR 75,000 shall be calculated for membership in the second committee.</p> <p>3. If a member serves on a third committee or more, no additional remuneration shall be paid for such membership, without prejudice to the</p>

<p>150% of the total fees:</p> <p>c. The Secretary of the Board shall also be granted annual fees equivalent to 50% of the fees of a Board member.</p> <p>d. The Secretary of the Committee shall also be granted annual fees equivalent to 50% of the fees of a committee member.</p> <p>e. If the Secretary serves as secretary of more than one committee, the total fees for all committees shall not exceed 50% of the fees of committee members stipulated in paragraph (b) of this Article.</p>	<p>member's obligation to perform his duties and responsibilities.</p> <p>4. The Secretary of a committee formed by the Board shall be granted annual remuneration of SAR 75,000.</p> <p>5. If the Secretary serves as secretary of more than one committee, the remuneration for all committees shall not exceed SAR 112,500 annually, calculated as follows:</p> <p>a. SAR 75,000 shall be calculated for the first committee.</p> <p>b. SAR 37,500 shall be calculated for the second committee.</p> <p>c. If the Secretary serves as secretary of a third committee or more, no additional remuneration shall be paid for such committee, without prejudice to the Secretary's obligation to perform his duties and responsibilities.</p> <p>6. The remuneration of a member of a committee formed by the Board and the Secretary shall be calculated based on the membership period during the fiscal year, proportionate to the actual number of days served on the committee.</p>
<p>Article Eight: Meeting Attendance Allowances for Board Members and Members of Board Committees</p> <p>a. Each Board member shall be paid SAR 3,000 for each meeting attended, and the Secretary of the Board shall be paid 50% of the attendance allowance of a Board member.</p> <p>b. Each member of the committees formed by the Board shall be paid SAR 2,000 for each meeting attended, and the Secretary of the</p>	<p>Article Eleven: Meeting Attendance Allowances for Board Members and Members of Board Committees</p> <p>a. Each Board member shall be paid SAR 3,000 for each meeting attended, and the Secretary of the Board shall be paid 50% of the attendance allowance of a Board member.</p> <p>b. Each member of the committees formed by the Board shall be paid SAR 2,000 for each meeting attended, and the Secretary of the Committee shall be paid 50% of the attendance allowance of a member.</p>

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<p>Article Nine: Costs of Attending Meetings Held Within the Kingdom of Saudi Arabia</p> <p>Each Board member, member of the committees formed by the Board, and the Secretary shall be paid SAR 1,500 per night if the meeting is held outside their place of residence.</p>	<p>Article Twelve: Costs of Attending Meetings Held Within the Kingdom of Saudi Arabia</p> <p>Each Board member, member of the committees formed by the Board, and the Secretary shall be paid SAR 1,500 per night if the meeting is held outside their place of residence</p>
<p>Article Ten: Costs of Attending Meetings Held Outside the Kingdom of Saudi Arabia</p> <p>Each Board member, member of the committees formed by the Board, and the Secretary shall be paid SAR 2,500 per night.</p>	<p>Article Thirteen: Costs of Attending Meetings Held Outside the Kingdom of Saudi Arabia</p> <p>Each Board member, member of the committees formed by the Board, and the Secretary shall be paid SAR 2,500 per night.</p>
<p>Article Eleven: Executive Management</p> <p>Executive Management compensation and remuneration shall include the following:</p> <p>a. Basic salary, paid monthly at</p>	<p>Article Fourteen: Executive Management</p> <p>Executive Management compensation, benefits, and remuneration shall be determined in accordance with the internal policies and regulations approved by the Company, and in compliance with the relevant laws and controls.</p>

<p>the end of each month, and allowances including, but not limited to, housing allowance, transportation allowance, and any other allowances agreed upon in employment contracts.</p> <p>b. Insurance benefits, including spouse and minor children, and parents' insurance.</p> <p>c. Short-term incentive plans linked to individual and Company performance, and long-term incentive plans such as stock options, if any.</p> <p>d. Other benefits including, but not limited to, annual leave, annual air tickets for non-Saudi employees and their spouses and minor children, and end-of-service benefits.</p>	
<p>Article Twelve: Payment of Remuneration</p> <p>a. Remuneration shall be paid in Saudi Riyals, and payment shall be made by direct standing credit to the bank accounts designated by the concerned person.</p> <p>b. Board remuneration, fees of committees formed by the Board, and fees of the Board</p>	<p>Article Fifteen: Payment of Remuneration</p> <p>a. Remuneration shall be paid in Saudi Riyals, and payment shall be made by direct standing credit to the bank accounts designated by the concerned person.</p> <p>b. Board remuneration, fees of committees formed by the Board, and fees of the Board Secretary and Committee Secretary shall be paid based on the recommendation of the Nomination and Remuneration Committee and pursuant to a resolution of the Board.</p>

<p>Secretary and Committee Secretary shall be paid based on the recommendation of the Nomination and Remuneration Committee and pursuant to a resolution of the Board.</p>	
<p>No equivalent provision.</p>	<p>Article Sixteen: Official Language of the Policy</p> <p>This Policy has been prepared in Arabic and English. In the event of any conflict between the two texts, the Arabic text shall prevail.</p>
<p>Final Provisions (Publication and Amendment)</p> <p>This Policy shall be implemented and complied with by the Company from the date of its approval by the General Assembly of Shareholders. It shall also be published on the Company's website to enable shareholders, the public, and stakeholders to review it. It shall be amended by the General Assembly of Shareholders based on the recommendation of the Board of Directors.</p>	<p>Article Seventeen: General Provisions</p> <p>The Board of Directors shall disclose in its annual report the details of the policies relating to remuneration, the mechanisms for determining such remuneration, and the amounts and financial and in-kind benefits paid to each Board member in consideration of any executive, technical, administrative, or advisory work or positions.</p>
<p>No equivalent provision.</p>	<p>Article Eighteen: Effectiveness and Review</p> <p>1. This Policy shall become effective from the date of its approval by the</p>

	<p>Company's General Assembly. No articles of this Policy may be amended, deleted, or added except with the approval of the General Assembly.</p> <p>2. The Board, with the support of the Nomination and Remuneration Committee, shall review this Policy periodically to ensure its suitability for any changes that may occur in the nature of the Company's business, strategic objectives, and relevant legislation, and shall make recommendations to the General Assembly in this regard.</p> <p>3. Any matter not provided for in this Policy shall be governed by the relevant laws and regulations issued by the competent authorities.</p>
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SAUDI ADVANCED INDUSTRIES COMPANY

~~Policy on Compensation and Remuneration of Board Members, Board Committees, and Executive Management~~

Remuneration Policy for Board Members, Committee Members, and Executive Management

Document Data	
Document Type	Policy
Document Name	Remuneration Policy for the Board of Directors, Board Committees and Executive Management
Version	0.3
Date	
Repository	Governance and Legal Affairs Department

Document approval record		
Description of changes	Approval date	Version
Preparation	14/05/2018	0.1
Amendment	25/10/2023	0.2
Amendment		0.3

These Policy were approved by the General Assembly at its meeting held on

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Before Amendment	After Amendment
<p>Article Two: Purpose and Description of the Policy</p> <p>This Policy has been drafted in accordance with the provisions of the Companies Law and the Capital Market Law and their Implementing Regulations, for the purpose of remunerating Board members, members of the committees formed by the Board, and Executive Management fairly and equitably, and aligning human resources aspirations with the Company's objectives.</p>	<p>Article One: Purpose</p> <p>This Policy aims to establish a clear and structured framework for the remuneration of Board members, members of committees formed by the Board, and Executive Management of the Company, in a manner that ensures fairness, transparency, and balance between remuneration and the responsibilities assigned to them, and reflects the level of effort exerted, participation, and commitment.</p> <p>It also aims to attract and retain qualified talent, and to motivate Board members, Board committees, and Executive Management to improve their performance and discharge their duties efficiently and effectively, in a manner that supports the achievement of the Company's objectives, strategy, and growth, and is consistent with applicable laws, regulations, prevailing market practices, and the interests of shareholders.</p> <p>This Policy has been prepared in accordance with the provisions of the Companies Law and the Corporate Governance Regulations issued by the Capital Market Authority, in a manner that ensures the regulation and determination of the bases and controls for remuneration and compensation of Board members, its committees, and Executive Management of the Company.</p>
<p>Article One: Application</p> <p>This Policy shall apply to members of the Board of Directors (the Board), members of the committees formed by the Board, and Executive Management of Saudi Advanced Industries Company (the Company).</p>	<p>Article Two: Scope of Application</p> <p>This Policy shall apply to the remuneration of Board members, members of the committees formed by the Board, and Executive Management of the Company. It defines the general framework for regulating the remuneration, allowances, and benefits granted to them, in accordance with the relevant laws and regulations and the approved policies of the Company.</p>
<p>Article Thirteen: Competent Authority for this Policy</p>	<p>Article Three: Policy Owner</p>

<p>a. The Nomination and Remuneration Committee shall be responsible for the periodic review of this Policy and assessing its effectiveness in achieving its intended purposes. This Policy shall be deemed a document subject to update and review in order to respond to changes in labor market conditions, keep pace with them, and achieve the Company's growth and expansion.</p> <p>b. The Nomination and Remuneration Committee shall recommend to the Board the remuneration of Board members, committees formed by the Board, and the Company's senior executives, in accordance with the approved Policy.</p>	<p>1. The Company's General Assembly shall be the competent authority to approve this Policy and any amendments thereto.</p> <p>2. The Nomination and Remuneration Committee shall be responsible for the periodic review of this Policy and assessing its effectiveness in achieving its intended purposes. This Policy shall be deemed a document subject to update and review in order to respond to and keep pace with changes in labor market conditions, and to achieve the Company's growth and expansion.</p> <p>3. The Nomination and Remuneration Committee shall recommend to the Board the remuneration of Board members, committees formed by the Board, and the Company's senior executives, in accordance with the approved Policy.</p>
<p>No equivalent provision.</p>	<p>Article Four: Definitions</p> <p>The following words and expressions shall have the meanings assigned to each of them below, unless the context requires otherwise:</p> <p>Authority: The Capital Market Authority.</p> <p>Company: Saudi Advanced Industries Company.</p> <p>Board: The Company's Board of Directors.</p> <p>Policy: Remuneration Policy for Board Members, Committee Members, and Executive Management.</p> <p>Committee: The Company's Nomination and Remuneration Committee.</p>

	<p>Committees: Any committee formed by the Board of Directors.</p> <p>Independent Member: A non-executive Board member who enjoys full independence in his position and decisions, and to whom none of the independence impairments stipulated in the Corporate Governance Regulations issued by the Capital Market Authority apply.</p> <p>Executive Management: The persons entrusted with managing the Company's daily operations and proposing and implementing strategic decisions, such as the Chief Executive Officer, his deputies, the Chief Financial Officer, and the Chief Investment Officer.</p>
<p>No equivalent provision.</p>	<p>Article Five: Interpretation of the Policy</p> <ol style="list-style-type: none">1. This Policy and any appendices attached hereto, if any, shall be deemed an integral part thereof and complementary to its provisions, and shall be read and interpreted together for this purpose.2. This Policy is addressed to and applies to positions, not to the individuals occupying such positions.3. All headings in this Policy are for ease of reference only and shall not affect the interpretation of the provisions of this Policy as a single integrated document.4. This Policy shall prevail over any other policy addressing the same subject matter to the extent of any conflict.5. This Policy has been drafted in accordance with the mandatory provisions of the Corporate Governance Regulations issued by the Authority. If the Authority decides at any time that any provision of the Corporate Governance Regulations is mandatory rather than guiding, this Policy shall be read accordingly, and such guiding provision shall become mandatory by force of law and an integral part of this Policy. If a guiding provision is included in this Policy in a mandatory form, this shall not affect its status as guiding and non-binding unless the Authority decides otherwise.6. The Company's application of any guiding provisions, whether consistently or occasionally, shall not affect the guiding nature of such provisions unless the Authority decides otherwise. The Company may alternate between applying and not applying such guiding provisions as it deems appropriate in this regard, and approval of this Policy shall not, in any way, be deemed to render the guiding provisions contained herein mandatory.

Article Three: Remuneration Philosophy

a. The Company seeks to attract individuals with sufficient competence and talent to serve on the Board and perform the roles assigned to the committees and Executive Management, based on their personal backgrounds and aspirations. The Company aims to remunerate them in a manner that reflects such personal differences and expectations, while ensuring internal fairness and external competitiveness. In addition, the Company focuses on retaining those individuals who adhere to the Company's values and the behaviors it seeks to promote.

b. The Company seeks to align its internal remuneration framework so that individuals serving on the Board, committees, and executive positions receive the best market compensation. The Company also aims to establish exclusive benefit programs for such individuals

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<p>remuneration shall be proportionate to the number of meetings attended by the member in accordance with the controls set by the competent authority.</p> <p>c. A Board member may be granted remuneration for any additional executive, technical, administrative, or advisory work or positions assigned to him by the Board and serving the Company's interest, pursuant to a professional license, in addition to the remuneration he receives in his capacity as a member of the Board or any committee formed by the Board, in accordance with the Companies Law and the Company's Bylaws.</p>	<p>7. The remuneration of a Board member and the Secretary shall be calculated based on the membership period during the fiscal year, proportionate to the actual number of days served on the Board.</p> <p>8. The Board of Directors may grant incentive rewards to the Secretary of the Board of Directors.</p>
<p>Article Seven: Fees of Members of Board Committees</p> <p>a. Members of committees formed by the Board shall be granted annual fees of SAR 150,000.</p> <p>b. If a member serves on more than one committee, the total fees for his membership in all committees shall not exceed</p>	<p>Article Ten: Remuneration of Members of Board Committees and the Secretary</p> <p>1. Members of committees formed by the Board shall be granted annual remuneration of SAR 150,000.</p> <p>2. If a member serves on more than one committee, the remuneration for his membership in all committees shall not exceed SAR 225,000 annually, calculated as follows:</p> <p>a. SAR 150,000 shall be calculated for membership in the first committee.</p> <p>b. SAR 75,000 shall be calculated for membership in the second committee.</p> <p>3. If a member serves on a third committee or more, no additional remuneration shall be paid for such membership, without prejudice to the</p>

<p>150% of the total fees:</p> <p>c. The Secretary of the Board shall also be granted annual fees equivalent to 50% of the fees of a Board member.</p> <p>d. The Secretary of the Committee shall also be granted annual fees equivalent to 50% of the fees of a committee member.</p> <p>e. If the Secretary serves as secretary of more than one committee, the total fees for all committees shall not exceed 50% of the fees of committee members stipulated in paragraph (b) of this Article.</p>	<p>member's obligation to perform his duties and responsibilities.</p> <p>4. The Secretary of a committee formed by the Board shall be granted annual remuneration of SAR 75,000.</p> <p>5. If the Secretary serves as secretary of more than one committee, the remuneration for all committees shall not exceed SAR 112,500 annually, calculated as follows:</p> <p>a. SAR 75,000 shall be calculated for the first committee.</p> <p>b. SAR 37,500 shall be calculated for the second committee.</p> <p>c. If the Secretary serves as secretary of a third committee or more, no additional remuneration shall be paid for such committee, without prejudice to the Secretary's obligation to perform his duties and responsibilities.</p> <p>6. The remuneration of a member of a committee formed by the Board and the Secretary shall be calculated based on the membership period during the fiscal year, proportionate to the actual number of days served on the committee.</p>
<p>Article Eight: Meeting Attendance Allowances for Board Members and Members of Board Committees</p> <p>a. Each Board member shall be paid SAR 3,000 for each meeting attended, and the Secretary of the Board shall be paid 50% of the attendance allowance of a Board member.</p> <p>b. Each member of the committees formed by the Board shall be paid SAR 2,000 for each meeting attended, and the Secretary of the</p>	<p>Article Eleven: Meeting Attendance Allowances for Board Members and Members of Board Committees</p> <p>a. Each Board member shall be paid SAR 3,000 for each meeting attended, and the Secretary of the Board shall be paid 50% of the attendance allowance of a Board member.</p> <p>b. Each member of the committees formed by the Board shall be paid SAR 2,000 for each meeting attended, and the Secretary of the Committee shall be paid 50% of the attendance allowance of a member.</p>

<p>Committee shall be paid 50% of the attendance allowance of a member.</p>	
<p>Article Nine: Costs of Attending Meetings Held Within the Kingdom of Saudi Arabia</p> <p>Each Board member, member of the committees formed by the Board, and the Secretary shall be paid SAR 1,500 per night if the meeting is held outside their place of residence.</p>	<p>Article Twelve: Costs of Attending Meetings Held Within the Kingdom of Saudi Arabia</p> <p>Each Board member, member of the committees formed by the Board, and the Secretary shall be paid SAR 1,500 per night if the meeting is held outside their place of residence</p>
<p>Article Ten: Costs of Attending Meetings Held Outside the Kingdom of Saudi Arabia</p> <p>Each Board member, member of the committees formed by the Board, and the Secretary shall be paid SAR 2,500 per night.</p>	<p>Article Thirteen: Costs of Attending Meetings Held Outside the Kingdom of Saudi Arabia</p> <p>Each Board member, member of the committees formed by the Board, and the Secretary shall be paid SAR 2,500 per night.</p>
<p>Article Eleven: Executive Management</p> <p>Executive Management compensation and remuneration shall include the following:</p> <p>a. Basic salary, paid monthly at</p>	<p>Article Fourteen: Executive Management</p> <p>Executive Management compensation, benefits, and remuneration shall be determined in accordance with the internal policies and regulations approved by the Company, and in compliance with the relevant laws and controls.</p>

<p>the end of each month, and allowances including, but not limited to, housing allowance, transportation allowance, and any other allowances agreed upon in employment contracts.</p> <p>b. Insurance benefits, including spouse and minor children, and parents' insurance.</p> <p>c. Short-term incentive plans linked to individual and Company performance, and long-term incentive plans such as stock options, if any.</p> <p>d. Other benefits including, but not limited to, annual leave, annual air tickets for non-Saudi employees and their spouses and minor children, and end-of-service benefits.</p>	
<p>Article Twelve: Payment of Remuneration</p> <p>a. Remuneration shall be paid in Saudi Riyals, and payment shall be made by direct standing credit to the bank accounts designated by the concerned person.</p> <p>b. Board remuneration, fees of committees formed by the Board, and fees of the Board</p>	<p>Article Fifteen: Payment of Remuneration</p> <p>a. Remuneration shall be paid in Saudi Riyals, and payment shall be made by direct standing credit to the bank accounts designated by the concerned person.</p> <p>b. Board remuneration, fees of committees formed by the Board, and fees of the Board Secretary and Committee Secretary shall be paid based on the recommendation of the Nomination and Remuneration Committee and pursuant to a resolution of the Board.</p>

<p>Secretary and Committee Secretary shall be paid based on the recommendation of the Nomination and Remuneration Committee and pursuant to a resolution of the Board.</p>	
<p>No equivalent provision.</p>	<p>Article Sixteen: Official Language of the Policy</p> <p>This Policy has been prepared in Arabic and English. In the event of any conflict between the two texts, the Arabic text shall prevail.</p>
<p>Final Provisions (Publication and Amendment)</p> <p>This Policy shall be implemented and complied with by the Company from the date of its approval by the General Assembly of Shareholders. It shall also be published on the Company's website to enable shareholders, the public, and stakeholders to review it. It shall be amended by the General Assembly of Shareholders based on the recommendation of the Board of Directors.</p>	<p>Article Seventeen: General Provisions</p> <p>The Board of Directors shall disclose in its annual report the details of the policies relating to remuneration, the mechanisms for determining such remuneration, and the amounts and financial and in-kind benefits paid to each Board member in consideration of any executive, technical, administrative, or advisory work or positions.</p>
<p>No equivalent provision.</p>	<p>Article Eighteen: Effectiveness and Review</p> <p>1. This Policy shall become effective from the date of its approval by the</p>

	<p>Company's General Assembly. No articles of this Policy may be amended, deleted, or added except with the approval of the General Assembly.</p> <p>2. The Board, with the support of the Nomination and Remuneration Committee, shall review this Policy periodically to ensure its suitability for any changes that may occur in the nature of the Company's business, strategic objectives, and relevant legislation, and shall make recommendations to the General Assembly in this regard.</p> <p>3. Any matter not provided for in this Policy shall be governed by the relevant laws and regulations issued by the competent authorities.</p>
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