

FAWAZ ABDULAZIZ ALHOKAIR & Co. Invites its shareholders to attend the Ordinary General Assembly meeting (first meeting) by means of modern technology

The Board of Directors of FAWAZ ABDULAZIZ AL HOKAIR & CO. is pleased to invite its valued shareholders to share and vote in the Ordinary General Assembly meeting (the first meeting), which is scheduled to be held, God willing, at 8:30 pm on Tuesday 21/02/1443 AH corresponding to September 28, 2021 AD.

Through modern technical means using the TADAWULATY system, in order to ensure the safety of dealers in the financial market and within the support of preventive and precautionary efforts and measures by the competent and relevant health authorities to address the new Corona virus COVID 19, and as an extension of the continuous efforts made by all government agencies in the Kingdom of Saudi Arabia by taking the necessary preventive measures to prevent its spread.

City and venue of the Ordinary General Assembly: Using modern technology from the company's main headquarters in Riyadh - Prince Turki Abdul Aziz Al Awwal Road - U Walk Complex (University Avenue). This is done through the use of Tadawulaty via the link www.tadawulaty.com.sa

To vote on the following agenda:

1. Voting on the Board of Directors Report for the fiscal year ended on 03/31/2021.
2. Voting on the Annual audited financial statements for the financial year ended on 03/31/2021.
3. Voting on the External Auditor Report for the financial year ended on 03/31/2021.

4. Voting on releasing members of the Board of Directors from liabilities for their performance during the fiscal year ending on 03/31/2021.
5. Voting for the appointment of the company's auditor from among the candidates based on the recommendation of the Audit Committee in order to examine, review and audit the financial statements for the first, second, third, fourth and annual quarters of the fiscal year 2021. Determine his fees.
6. Voting on Paying an amount of 1,800,000 Saudi Riyals as remuneration to the members of the Board of Directors for the fiscal year ended on 31/03/2021.
7. Voting on amending the Regulations of the Audit Committee. (attached)
8. Voting on amending the Regulations of the Nominations and Remunerations Committee. (attached)
9. Voting on amending the remuneration policy for the members of the Board of Directors, and committees emanating from the board, and the executive management. (attached)
10. Voting on amending the policies, standards and procedures for membership in the Board of Directors. (attached)
11. Voting on the competition criteria for the members of the Board of Directors. (attached)
12. Voting on the business and contracts that took place between the group and the Arabian Centers Company, in which a member of the board of directors, FAWAZ BIN ABDUL AZIZ AL-HOKAIR, ABDUL MAJEED BIN ABDULAZIZ AL-HOKAIR, and OMAR BIN ABDUL AZIZ AL-MOHAMMADI have an indirect interest in it which is real estate rental payments. Note that the amount of transactions for the fiscal year ending on March 31, 2021 amounted to 303,397,543 Saudi Riyals, and it should also be noted

that these transactions are carried out on a commercial basis. (There are no preferential terms). (attached)

13. Voting on the business and contracts concluded between the group and the Egyptian Centers for Real Estate Development Company, in which the members of the board of directors, FAWAZ BIN ABDUL AZIZ AL-HOKAIR and ABDUL MAJEED BIN ABDULAZIZ AL-HOKAIR, have an indirect interest. They are real estate rental payments, knowing that the amount of transactions for the fiscal year ending on March 31, 2021 amounted to 6,378,761 Saudi Riyals, and it should also be noted that these transactions are carried out on a commercial basis. (There are no preferential terms). (attached)
14. Voting on the business and contracts that took place between the group and FAS Saudi Holding Company, which belong to the members of the board of directors FAWAZ BIN ABDULAZIZ AL-HOKAIR, ABDUL MAJEED BIN ABDULAZIZ AL-HOKAIR, OMAR BIN ABDULAZIZ AL-MOHAMMADI and ABDUL MAJEED BIN ABDULLAH AL-BASRI. The said gentlemen has indirect interest relating to the payments made on behalf of the group, bearing in mind that the amount of transactions for the fiscal year ending on March 31, 2021 amounted to 89,964,509 Saudi Riyals, and it should also be noted that these transactions are carried out on a commercial basis. (There are no preferential terms). (attached)
15. Voting on the business and contracts that took place between the group and Hagen Ltd., in which a member of the board of directors, FAWAZ BIN ABDULAZIZ AL-HOKAIR and ABDUL MAJEED BIN ABDULAZIZ AL-HOKAIR have an indirect interest, which are printing and advertising services, bearing in mind that the amount of transactions for the fiscal year ended on March 31, 2021 amounted to 1,719,302 Saudi Riyals. It

should also be noted that these transactions are carried out on a commercial basis. (There are no preferential terms). (attached)

16. Voting on the business and contracts that took place between the group and Al Farida Commercial Agencies Company, in which a member of the Board of Directors, ABDUL MAJEED BIN ABDULAZIZ AL-HOKAIR has an indirect interest, which are expenses for business and services, bearing in mind that the amount of transactions for the fiscal year ending on March 31, 2021 amounted to 5,123,771 Saudi Riyals. It should also be noted that these transactions are carried out on a commercial basis. (There are no preferential terms). (attached)
17. Voting on the participation of Board Member ABDUL MAJEED BIN ABDULAZIZ AL-HOKAIR in a work that competes with the company's business. (attached)
18. Voting on delegating the Board of Directors to the authority of the ordinary general assembly with the licensing contained in paragraph (1) of Article 71 of the Companies Law, for a period of one year from the date of approval by the General Assembly or until the end of the delegated Board of Director's session, whichever is earlier, in accordance with the conditions contained in the controls and procedures. The regulations issued in implementation of the Companies Law for listed Joint Stock Companies.

Each of the shareholders registered in the company's shareholder's register at a deposit center at the end of the trading session preceding the meeting of the assembly has the right to attend the ordinary general assembly meeting in accordance with the rules and regulations. The right of registration to attend the assembly meeting ends at the time of the assembly meeting and the ordinary general assembly meeting is valid if

the attended Shareholders representing at least half of the capital. Bearing in mind that the registered shareholders in the TADAWULATY services will be able to vote electronically on the assembly's items starting from ten in the morning on Saturday 18/02/1443 AH corresponding to 25/09/2021 AD until the end of the time of the Ordinary General Assembly Registration. Voting for TADAWULATY services will be free and available to all shareholders via the following link: tadawulaty.com.sa.

If you have any inquiries, please contact us through the following channels:

Phone: 0114146705

Email: investors.relations@fahretail.com



The annual report of the Audit Committee for the fiscal year ended
March 31, 2021

Fawaz Abdul Aziz AL HOKAIR & Co
The Annual Report of the Audit Committee
For the fiscal year ended March 31, 2021

Audit Committee

The Audit Committee was formed of three (2) members, all of whom are independent, non-executive members specialized in financial and accounting affairs, and among them is an independent board member.

The duties and responsibilities of the Audit Committee are as follows:

- * Supervising the Internal Audit Department in order to verify its effectiveness in carrying out the tasks and tasks set by the Board of Directors.
- * Studying the internal audit reports and following up on the implementation of corrective actions for the observations contained therein.
- * Submitting recommendations to the General Assembly to appoint and dismiss external auditors, determine their fees, ensure their independence, and follow up their work, while studying and reviewing the audit plan with the external auditor.
- * Studying the external auditor's observations on the company's financial statements and following up on what has been done about them with studying the preliminary and annual financial statements before presenting them to the Board of Directors and expressing an opinion and recommendation in this regard.
- * Assessing the effectiveness of the company's assessment of the important risks and the steps taken by the company's management to monitor and confront these risks, and to express an opinion and recommendation to the Board of Directors regarding them.
- * Issuing an annual report to the General Assembly. The committee's report includes details of its performance of its competencies and duties stipulated in the Companies Law and its implementing regulations, provided that the

report includes the committee's recommendations and opinion regarding the efficiency of the company's internal and financial control systems and risk management systems.

- * Submit an annual report to shareholders describing the composition of the committee, its responsibilities, how it will be conducted, and any other information required by law, including approval of non-audit services.

Audit Committee Members

Name	Position
SHAMRI EID	Chairman of the Committee
DR. SULEIMAN ALSUKRAN	Member
SAAD AL-MASHOUH	Member

Audit committee meeting schedule

Nine (9) meetings of the Audit Committee were held during the period between April 1, 2020 and March 31, 2021 as follows:

Date	EID*	Dr. SULAIMAN	SAAD
20-April- 2020	√	√	√
21- May -2020	√	√	√
11- June- 2020	√	√	√
30- June- 2020	√	√	√
24 – August- 2020	√	√	√
7- October- 2020	√	√	√
8- November- 2020	√	√	√
1- February- 2021	√	√	√
16-Feb-2021	√	√	√
Total meetings	9	9	9

Its activities during those meetings were as follows:



- * Reviewing the annual and quarterly financial statements of the company and making recommendations to the Board of Directors for approval.
- * Conducting an audit to evaluate the work of the Internal Audit Department through Protiviti, submitting and discussing the results report with the Board of Directors and agreeing on a plan to develop the work of the Internal Audit Department in the light of this evaluation. Work is underway to contract with an auditing company to provide outsourcing of Internal Audit services to the Internal Audit Department.
- * In view of the degree of risks associated with inventory, and the management's implementation of procedures related to the inventory account, the Committee assigned the Audit Office "Protiviti" a project to assess the review of the inventory management process and the material operations carried out by the management with regard to writing off and calculating provisions for inventory. The objective of this project is to evaluate those procedures and improve the effectiveness of related risk management, control and governance processes. The agreed scope of work includes the following four tracks:-
 - 1- Reviewing the company's inventory operations and internal controls, on the basis of a comprehensive understanding of the inventory management process, with a focus on the write-offs and inventory allocations that took place during the period from April 2016 to September 2020.
 - 2- Data analyzes and review of supporting documents, including extraction of inventory movement reports, script development/testing, and review of supporting documents to identify discrepancies, exceptions, and disagreements.
 - 3- Reviewing financial reports in accordance with International Financial Reporting Standards (International Accounting Standard No. 2), to verify the conformity of the recorded values of inventory in the books of accounts.



- 4- Reviewing information technology applications, by evaluating control over user permissions (applications and database), control over software change, and checking exceptions and reports.
- * Meeting with both the external and internal auditors of the company, and ensuring that the company's management has made available to them all the data and information required to perform their work.
 - * Follow up with the Board of Directors and Executive Management to ensure the implementation of key issues such as:
 - * Reassignment of external auditors
 - * Implementing the Oracle program and strengthening the control over the books of accounts Preparing a regional team to perform the internal audit
 - * The company's risk management system
 - * Involve management to enhance policies, procedures, controls and governance regarding:
 - * Trade Inventory, Inventory Allocation, and Inventory Stocktaking
 - * Fixed assets including inventory, depreciation
 - * Applying IFRS 16 "Lease Contracts" to verify its suitability to the company's circumstances and its compliance with international accounting policies.
 - * Reviewing and approving the annual plan of the Internal Audit Department.
 - * Reviewing and approving the internal audit charter, manual and protocols.
 - * Reviewing the annual report of the internal audit and following up the implementation of the notes and recommendations of the internal audit.
 - * Follow-up on the impact of the Covid-19 pandemic on the company and the measures taken by the management in this regard.

Internal Audit Department

The Internal Audit Department undertakes the internal audit functions of the various departments of the company. As part of the implementation of the internal audit services, the Department is committed to the following:

- * Reviews are conducted in accordance with the established professional standards established by the Association of Internal Auditors.
- * Maintain independence and objectivity. Commitment to the highest degree of fairness and integrity, and compliance with the rules of professional conduct established by the Association of Internal Auditors.
- * Maintain good relationships with fellow auditors that are characterized by open communication, trust, mutual respect and professionalism. Maintaining a high level of performance and time management.
- * Encouraging teamwork and creativity. Achieving continuous professional improvement through obtaining professional certificates and educational goals in the professional field. Carry out a comprehensive review to provide a reasonable level of assurance.

The scope of the work of the Internal Audit Department includes the following:

- * Preparing the annual internal audit plan based on the risks identified during the risk assessment and validation by management. In an effort to prioritize limited resources, the audit plan was organized over a three-year period. Each year, there is a mix of internal audit assignments based on risk assessment, compliance assistance, advisory services and ongoing monitoring and follow-up.
- * Assist management in achieving its goals and objectives by seeking to provide a positive impact on the efficiency and effectiveness of operations.

Continuing to recognize professionalism, competence, and a positive attitude.

- * Continuing to benefit from auditing methods and new technology to make the audit process more effective and efficient.
- * Work to be among the leaders in the professional practice of the internal audit profession in the Kingdom of Saudi Arabia.
- * Develop and implement the principle of risk-based sampling and testing to determine whether the most critical management controls are well designed and operating as intended.

Supervision of the audit committee

The Audit Committee periodically supervises the work of the internal audit and reviews its reports on a regular basis. To ensure the independence of the internal audit, the head of the internal audit department submits his technical, professional, and administrative reports to the audit committee, where none of the company's managers interfere in the internal affairs of the internal audit. The Internal Audit Department has no direct operational responsibility in any of the areas or activities reviewed. The head of the internal audit department shall annually confirm to the audit committee the independence of the internal audit department.

The Internal Audit Department submits a summary report to the Audit Committee on weaknesses in the areas of internal control, limited scope, good practices, and improvements on a quarterly basis in accordance with the International Professional Practices Framework issued by the Association of Internal Auditors, and strengthening the applicable internal control framework.

The opinion of the audit committee on the internal control system

As a result of the efforts of the Audit Committee at the level of the company and its subsidiaries, the annual review of the internal control procedures, which were selected for testing during the fiscal year ending on March 31, 2021 by the Committee and the Internal Audit Department, as well as the reports of the

external auditors, confirms that the executive management should work on developing Improving internal control procedures, risks, governance, and activities related to a number of internal control objectives, which are mainly related to inventory operations, fixed assets, financial reports, related person activities, and information systems.

The Audit Committee was not able to verify the appropriateness of the control procedures and policies, especially related to the stock of provisions, etc., and pending the issuance of the report of the external consultant (Protiviti).

The committee also recommended that the procedures for inventory management and inventory in stores and warehouses are flawed, which may be serious and need to reconsider the policies and procedures related to inventory management in its entirety.

The committee also recommended the establishment of an independent risk committee.

Signature:

Dr./ SULEIMAN AL-SUKRAN	EID AL-SHAMRY	SAAD AL-MUSHAWAH
Committee Member	Chairman of the Committee	Member

Attachment regarding item 7

Amending the Regulations of the Audit Committee

Before The Amendment	After The Amendment
<p>2.1.8 Formation of the audit committee and the conditions to be met by the committee member;</p> <p>1 - The audit committee is one of the committees emanating from the board of directors, and it is composed of:</p> <p>(3) Three members, and among them may be members of the non-executive board of directors, provided that their number does not exceed two members, and it is stipulated that whoever is appointed as a member of the committee must meet the following</p> <p>A- That one of the company's shareholders owns a number of shares not less than (100) shares, and does not own more than 5% of the company's shares.</p> <p>b- Not to be a member of the Executive Board of Directors.</p> <p>C- He shall not combine, in addition to his membership in the Audit Committee, the membership of any other committee emanating from the Board of Directors.</p> <p>2- At least one of the committee members must have an appropriate academic qualification and knowledge of the financial and accounting aspects and the nature of the facility's business, as follows:</p> <p>A Doctorate degree in accounting or its equivalent, and practical experience in the field of accounting and auditing not less than two years, reduced to one year if he holds the fellowship of the Saudi Organization for Certified Public Accountants or any similar professional qualification approved by the body (or),</p> <p>with a master's degree in accounting or what equivalent, and practical experience in the field of accounting and auditing not less than five years, reduced to three years if he holds the fellowship of the Saudi Organization for Certified Public Accountants or any similar professional qualification approved by the authority (or)</p> <p>A bachelor's degree in accounting or its equivalent and practical experience in the field of accounting and auditing not less than seven years, reduced to five if he holds the fellowship of the Saudi Organization for Certified Public</p>	<p>Article Three: Formation of the Committee</p> <p>1- The Audit Committee shall be formed by a decision of the company's Ordinary General Assembly for a period of three years, and it shall consist of three members from the shareholders or others, provided that at least one of them shall be an independent member and shall not include any of the executive members of the Board of Directors.</p> <p>2- At least one member of the committee must be specialized in financial and accounting affairs, and the member is considered specialized in financial and accounting affairs if any of the following conditions are met:</p> <p>A- A doctorate degree in accounting or its equivalent and a practical experience in the field of accounting and auditing of at least two years, reduced to one year if he holds a fellowship of the Saudi Organization for Certified Public Accountants or any similar professional qualification approved by the body.</p> <p>B- A master's degree in accounting or its equivalent and a practical experience in the field of accounting and auditing for no less than five years, reduced to three years if he holds a fellowship of the Saudi Organization for Certified Public Accountants or any similar professional qualification approved by the authority.</p> <p>C- A bachelor's degree in accounting or its equivalent and a practical experience in the field of accounting and auditing of not less than seven years, reduced to five years if he holds a fellowship of the Saudi Organization for Certified Public Accountants or any similar professional qualification approved by the authority.</p> <p>3- A person who works or has worked during the past two years in the executive or financial management of the company, or with the company's auditor, may not be a member of the audit committee.</p> <p>4-The Chairman of the Board of Directors may not be a</p>

Accountants or any similar professional qualification approved by the authority	<p>member of the Audit Committee.</p> <p>5- Its members are nominated based on a proposal from the Nominations and Remunerations Committee, including the names of the candidates for the committee's membership, and it is submitted to the Board of Directors, so that the Board of Directors will recommend to the General Assembly the names of the candidates for membership of the Committee to be formed by the Assembly.</p>
New Clause	<p>Article Four: Vacant position</p> <p>In the event that one of the committee seats becomes vacant during the committee's work period due to death, resignation, or disability, or a member's request to be exempted from the committee's membership, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, appoints another temporary member to occupy the vacant position in the committee, taking into consideration the conditions that must be met in A member of the committee, provided that this appointment is presented to the first upcoming general assembly for approval. A member of the Committee may also be reappointed for another term.</p>
<p>Appointment or dismissal of the members of the Audit Committee and the term of their membership</p> <p>1- Subject to the conditions that must be met by the members of the audit committee, the board of directors appoints the members of the committee for a period of three years. The board of directors shall take the necessary measures to enable the committee to carry out the tasks entrusted to it, including informing the committee, without any restrictions, of all data, information, reports, records, correspondence or other matters that the committee deems important to have access to.</p> <p>2- A member of the committee may be reappointed for another term</p> <p>. 3- Any member of the committee may be exempted by a</p>	<p>Article Five: Exemption from Committee Membership</p> <p>Any member of the Committee may be exempted by a decision of the General Assembly based on the recommendation of the Board of Directors in the following cases:</p> <p>1- Abuse by the member of his position in the committee or misconduct that the board considers harmful to the objectives and reputation of the company in general and the committee in particular.</p> <p>2- Absence of a member from attending three consecutive meetings without an excuse accepted by the Board of Directors.</p> <p>3- Absence of any of the membership conditions that must be met by the member.</p>

<p>decision of the council in the following cases:</p> <p>A: The member requested to be exempted from membership in the committee.</p> <p>b The member's misuse of his position in the committee or the misconduct that the board considers harmful to the objectives and reputation of the company in general and the committee in particular.</p> <p>If a member fails to attend three consecutive meetings without an excuse accepted by the Board of Directors, upon the expiry of the member's term, during the term of the Committee's work, due to death, resignation, disability or exemption, the Board appoints another member to fill the vacant position in the Committee, taking into account the conditions that must be met by a member of the Committee . The member who has vacated his position in the committee and the member who is appointed to continue the term of service of the member who has vacated his position in the committee is considered to have served for a full term.</p>	
<p>1.1.8 Functions and Responsibilities of the Audit Committee</p> <p>The existence of an effective internal control system is one of the responsibilities entrusted to the Board of Directors, and the main task of the Audit Committee is to verify the adequacy of the internal control system and its effective implementation, and to present any recommendations to the Board of Directors that would activate and develop the system to achieve the objectives of the company and protect the interests of shareholders and investors with high efficiency and cost reasonable. The scope of the committee's work includes doing all the work that would enable it to achieve its tasks, including:</p> <p>1- Supervising the company's internal audit department, and verifying its effectiveness in carrying out the work and tasks assigned to it by the Board of Directors.</p> <p>. 2- Studying the internal control system and preparing a written report on its opinion and recommendations in this regard.</p>	<p>Article Six: The Committee's Terms of Reference, Powers and Responsibilities</p> <p>The Audit Committee is responsible for monitoring the company's business and verifying the integrity and integrity of its reports, financial statements and internal control systems. The committee's tasks include in particular the following:</p> <p>A- Financial reports:</p> <p>1- Studying the company's initial and annual financial statements before submitting them to the Board of Directors and expressing its opinion and recommendation in this regard to ensure its integrity, fairness and transparency.</p> <p>2- Expressing a technical opinion - at the request of the Board of Directors - on whether the report of the Board of Directors and the company's financial statements are fair, balanced and understandable and include information that allows shareholders and investors to evaluate the company's financial</p>

3- Studying the internal audit reports and following up on the implementation of the corrective procedures for the notes contained therein.

4- Supervising the investigations related to fraud or errors that occur in the company, or any matters that the committee deems important to investigate.

5- To recommend to the board of directors to appoint chartered accountants, dismiss them, determine their fees, and ensure their independence.

6-Following up the work of chartered accountants, and approving any work outside the scope of the audit work they are assigned to do while they are performing the audit work.

7- Studying the audit plan with the chartered accountant and making its observations thereon.

8- Studying the chartered accountant's notes on the financial statements and following up on what was done in their regard.

9- Studying the interim and annual financial statements before presenting them to the Board of Directors and expressing an opinion and recommendation in this regard.

10 - Studying the accounting policies followed and expressing an opinion and recommendation to the Board of Directors in this regard.

11- Any new business that the board of directors assigns to the committee according to what is related and the nature of its work

position, performance, business model and strategy.

3- Studying any important or unfamiliar issues included in the financial reports.

4- Research carefully into any issues raised by the company's financial manager, or whoever undertakes his duties, the company's compliance officer, or the auditor.

5- Verifying the accounting estimates in the material issues mentioned in the financial reports.

6- Studying the accounting policies followed in the company and expressing an opinion and recommendation to the Board of Directors in this regard.

B- Internal Audit:

1- Studying and reviewing the internal and financial control and risk management systems in the company.

2- Studying the internal audit reports and following up on the implementation of the corrective measures for the notes contained therein.

3- Monitoring and supervising the performance and activities of the internal auditor and the internal audit department in the company - if any - to verify the availability of the necessary resources and their effectiveness in performing the tasks and tasks assigned to them. If the company does not have an internal auditor, the committee must submit its recommendation to the Board regarding the need for his appointment.

4- Recommending to the Board of Directors the appointment of the director of the internal audit unit or department or the internal auditor and suggesting his remuneration.

C- Auditor:

1- Recommending the Board of Directors to nominate and dismiss auditors, determine their fees and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.

2- Verify the auditor's independence, objectivity and fairness, and the effectiveness of audit work, taking into consideration the relevant rules and standards.

3- Reviewing the company's auditor's plan and his works, and

	<p>verifying that he did not submit technical or administrative works outside the scope of audit work, and expressing its views in this regard.</p> <p>4- Answer the company's auditor's inquiries.</p> <p>5- Studying the auditor's report and his notes on the financial statements and following up on what was taken in their regard.</p> <p><u>D- Guarantee of commitment:</u></p> <p>1- Reviewing the results of the reports of the regulatory authorities and verifying that the company has taken the necessary measures in this regard.</p> <p>2- Verify the company's compliance with the relevant laws, regulations, policies and instructions.</p> <p>3- Reviewing the contracts and transactions proposed to be tested by the company with related parties, and presenting its views in this regard to the Board of Directors.</p> <p>4- Submitting any issues it deems necessary to take action on to the Board of Directors, and presenting its recommendations for the actions to be taken.</p>
<p>4.1.8 The Audit Committee's work method</p> <p>1- The committee prepares its own work regulations, and submits it to the board of directors for approval.</p> <p>2 - The committee prepares an annual work plan that includes a description of the work it will do during the next year in the form of work programs in which the estimated cost and the period required to complete each program are estimated, and this plan is submitted to the Council for approval.</p> <p>3- The committee submits periodic reports to the board of directors that include what it has done and its results, including what the committee found of deviations, errors or important weaknesses in the design or implementation of the company's internal control system, and that the report includes what the committee deems to be of recommendations to address The shortcomings in what can develop and activate the company's internal control system.</p> <p>4- The committee should be alert when preparing its reports</p>	<p><u>Article Seven: The Committee's Work Method</u></p> <p>The committee prepares an annual work plan that includes a description of the work it will undertake during the next year in the form of work programs in which the estimated cost and the period required to complete each program are estimated, and this plan is submitted to the Council for approval.</p>

<p>of the possibility of deliberate irregular actions, or the presence of fraud or errors in the financial reports prepared by the facility, and that the committee be alert to opportunities or cases that may allow these operations to occur, and the committee should, if Show her any of these cases to consider the extent of the need to consult a consultant's opinion to study the case and submit what he sees as proposals regarding it.</p>	
<p>New Clause</p>	<p>Article Eight: Conflict between the Committee and the Board of Directors If there is a conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, or if the Board refuses to accept the Committee's recommendation regarding the appointment and dismissal of the company's auditor, determining his fees, evaluating his performance, or appointing the internal auditor, the Board of Directors' report must include the Committee's recommendation and its justifications, and the reasons for not taking them.</p>
<p>New Clause</p>	<p>Article Nine: Providing the Committee with Information 1- The Board of Directors shall take the necessary measures to enable the Committee to carry out the tasks entrusted to it, including informing the Committee, without any restrictions, on all data, information, reports, records, correspondence, or other matters that the Committee deems important to have access to. 2- The company's executive management shall provide the members of the board of directors, non-executive members in particular, and the company's committees with all the necessary information, data, documents and records, provided that they are complete, clear, true, not misleading and in a timely manner; To enable them to perform their duties and tasks.</p>
<p>New Clause</p>	<p>Article Ten: Report of the Committee 1- The Audit Committee shall prepare an estimate that contains the details of its performance of its functions and functions stipulated in the Companies Law and its Executive Regulations and includes its recommendations and opinion on the adequacy</p>

	<p>of the company's internal control system.</p> <p>2- The board of directors must deposit sufficient copies of this report at the company's head office and publish it on the company's website and the market's website when publishing the invitation to convene the general assembly, at least twenty-one days before the date of the general assembly, to provide each shareholder who wishes with a copy A summary of the report is read during the General Assembly.</p>
New Clause	<p>Article Eleven: Committee Meetings</p> <p>1- The committee meets at the request of at least two members or the request of the internal auditor or auditor, and the committee meets periodically at least four times during the company's financial year and whenever needed.</p> <p>2- The committee shall meet periodically with the company's auditor, and with the company's internal auditor, if any.</p> <p>3- The internal auditor and the auditor may request a meeting with the audit committee whenever the need arises.</p> <p>4- A person other than the members of the committee, except for the committee's secretary, is not entitled to attend its meetings unless the committee requests hearing his opinion or obtaining his advice.</p> <p>5- For a meeting of the Audit Committee to be valid, the attendance of the majority of its members is required, and its decisions are issued by the majority of the votes of those present.</p> <p>6- The chartered accountant is invited to attend the committee's meetings periodically.</p> <p>7- For the audit committee in order to perform its work:</p> <p>A- The right to access the company's records and documents.</p> <p>b- To request any clarification or statement from the members of the board of directors or the executive management.</p> <p>C- Ask the board of directors to invite the company's general assembly to convene if the board of directors obstructs its work or the company suffers serious damage or losses.</p> <p>8- The committee may seek the assistance of experts and specialists from inside or outside the company within the limits of its powers, provided that this is included in the minutes of the committee's meeting, with the name of the expert and his</p>

<p>5.1.8. Responsibilities of the committee chairperson, his deputy and the committee secretary</p> <p>1- The members of the committee choose from among themselves a chairperson for the term of the committee's membership.</p> <p>a- Inviting the committee to convene and specifying the time, date and place of each committee meeting and the agenda, in coordination with the committee members.</p> <p>b- Presiding over committee meetings. The results of the committee's work and its recommendations are presented to the Board of Directors.</p> <p>c- Prepare the committee's budget, work plan and projects in the short and long term in coordination with the committee's secretary, and present it to the committee in preparation for submission to the board of directors, after being approved by the committee.</p> <p>d- Preparing periodic reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for submission to the board of directors, after being approved by the committee.</p> <p>e- Representing the committee before the council and any other party that requires it.</p> <p>2- The members of the committee choose from among themselves a vice-chairman for the term of the committee's membership, who assists the chairman in performing his duties and takes his place in his absence.</p> <p>3- The committee secretary who is appointed by the committee and whose fees are set, attends the committee's meetings, without having the right to vote. He prepares the minutes of the meetings, informs the sessions' dates and the agenda for the members and performs all the administrative work of the committee. When selecting the committee's secretary, he should take into account that he has the scientific qualification and practical experience that It enables him to carry out the tasks entrusted to him, and the secretary of the committee is obligated to preserve the</p>	<p>relationship with the company or the executive management.</p> <p>Article Twelve: Functions of the Committee Chairman, Vice-Chair and Secretary</p> <p>1- The members of the committee choose from among themselves a chairman for the term of the committee's membership, and the deputy assists the chairman in performing his duties and replaces him in his absence.</p> <p>2- The chairman of the committee shall supervise the committee's completion of its tasks, and in particular he shall have the following:</p> <p>A- Inviting the committee to convene and specifying the time, date and place of each committee meeting and the agenda, in coordination with the committee members.</p> <p>B- Presiding over committee meetings.</p> <p>C- Preparing periodic reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for submission to the board of directors after being approved by the committee.</p> <p>E- Preparing the committee's budget, work plan and projects in the short and long term, in coordination with the committee's secretary, and presenting it to the committee as a prelude to submitting it to the board of directors, after being approved by the committee.</p> <p>F- Representing the committee before the council and before any other party that requires representing before it.</p> <p>2- The committee appoints a secretary for it and determines his remuneration, who is concerned with the following:</p> <p>A- Attending committee meetings, but not entitled to vote.</p> <p>B- Preparing the minutes of the meetings, and notifying the members of the sessions' dates and agenda.</p> <p>C - Carrying out all the administrative work of the committee.</p> <p>D- Obligation to preserve the company's secrets.</p> <p>E- Refrain from engaging in any activity that may be in conflict with the company's interest.</p> <p>F- When selecting the committee's secretary, it should be taken into account that he has the scientific qualification and practical experience that will enable him to carry out the tasks assigned to him.</p>
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company's secrets and refrain from engaging in any activity that may conflict with the company's interest.	3- The chairman of the committee or whoever he deputizes from among its members must attend the general assemblies to answer the shareholders' questions.
New Clause	<p>Article Thirteen: Documentation of Committee Meetings</p> <p>The committee's meetings must be documented and minutes must be prepared that include the discussions and deliberations that took place, the committee's recommendations and voting results should be documented, kept in a special and organized record, the names of the attending members and the reservations they made – if any – and these minutes should be signed by all the members present.</p>
New Clause	<p>Article fourteen: Arrangements for Submission of Notice</p> <p>The Audit Committee shall establish a mechanism that allows employees of the company to submit their observations regarding any abuse in financial or other reports in confidence. The committee must verify the application of this mechanism by conducting an independent investigation commensurate with the extent of the error or abuse and adopting appropriate follow-up procedures.</p>
<p>6.1.8. Determining the fees of the Audit Committee</p> <p>1. A committee member from among the members of the Board of Directors shall receive an attendance allowance of 5000 Saudi riyals, and a committee member who is not a member of the Board of Directors will receive an attendance allowance of 15000 Saudi riyals for each meeting.</p> <p>. 2. The annual report of the Board of Directors to the General Assembly discloses the attendance allowances that were paid to the members of the Committee during the year.</p>	<p>Article Fifteen: Remunerations of Committee Members</p> <p>1- A committee member is entitled to an allowance for attending the committee's sessions in the amount of 3000 riyals for each meeting, and an annual bonus of 150,000 riyals.</p> <p>2- The remuneration of the committee members shall be disclosed in the annual report of the Board of Directors of the General Assembly.</p>
New Clause	<p>Article Sixteen: Accreditation and Enforcement</p> <p>This regulation shall be effective as of the date of its approval by the General Assembly - based on a proposal from the Board of Directors - and it shall be communicated to the concerned</p>



	parties, and this regulation is reviewed according to the need.
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Attachment regarding item 8

Amending the Regulations of the Nominations and Remunerations Committee

Before the Amendment	After the Amendment
<p>8.2.2 Formation of the Committee for Nominations and Remunerations and the conditions that must be met by the member of the Committee.</p> <p>The Nomination and Remuneration Committee shall be one of the committees emanating from the Board of Directors. The committee shall be composed of (3) members, A person to be appointed as a member of the committee is required to meet the following conditions:</p> <ol style="list-style-type: none"> 1. That one of the company's shareholders owns a number of shares of no less than (100) shares. 2. To have an appropriate academic qualification and familiarity with the administrative aspects and the nature of the facility's business. 	<p>Article Three: Composition of the Committee and the rules for selecting its members</p> <p>By a decision of the Board of Directors, a committee called (the Nominations and Remunerations Committee) shall be formed as follows:</p> <ul style="list-style-type: none"> * The committee consists of at least (3) members who are not members of the executive board of directors, provided that most of them are independent, and it is permissible to seek the assistance of people who are not members of the board, whether they are shareholders or others. * The Chairman of the Nominations and Remunerations Committee shall be an independent member, and shall be appointed at the first meeting of the Committee after its formation. * The members of the committee should have scientific qualification, appropriate practical training, and familiarity with the administrative aspects and the nature of the company's activity. * The Chairman of the Board of Directors may not occupy the position of Chairman in the Nomination and Remuneration Committee.
<p>8.2.3 Appointment or dismissal of the members of the Nomination and Remuneration Committee and their term of office.</p> <p>1- Subject to the conditions that must be met by the members of the Nomination and Remuneration Committee, the Board of Directors appoints the members of the Committee for a period of three years. The board of directors shall take the necessary measures to enable the committee to carry out the tasks entrusted to it, including informing the committee, without any restrictions, of all data, information, reports, records, correspondence or other matters that the committee deems important to have access to.</p> <p>2- A member of the committee may be reappointed for another term</p>	<p>Article Four: Procedures for Appointing and Excluding Committee Members</p> <ul style="list-style-type: none"> * The term of membership of the Nomination and Remuneration Committee may not exceed the term of service of the Board of Directors. * The membership of a council member in the committee shall be considered expired with the expiry of his membership in the council. * In the event that one of the committee's seats becomes vacant during its term of office due to death, resignation, disability, or exemption from membership of the committee at the request of the member, the board of directors appoints another member to occupy the vacant position in the committee and complete the term of membership, taking into account the conditions to be met by the member. * A member of the committee may be reappointed for a second term. * Any member of the Committee may be removed or replaced by a decision of the Board of Directors at any time it deems appropriate. * It is permissible to dismiss or replace any member of the Committee by a decision of the Board of Directors when the member is absent for three consecutive meetings without an acceptable excuse, or if the member loses any of the conditions that must be met in the membership of the Committee.

	<ul style="list-style-type: none"> * A committee member may resign from the committee's membership, provided that this is at an appropriate time. * In the event of appointment of a new member of the Committee; The authority must be notified within five working days from the date of the appointment. * The company shall notify the Authority of the names of the members of the committee and their membership descriptions upon their appointment and any changes that may occur within five working days as determined by the Corporate Governance Regulations issued by the Authority.
<p>8.2.1 . Duties and Responsibilities of the Nomination and Remuneration Committee</p> <p>The main task of the Nomination and Remuneration Committee is to identify qualified individuals and candidates to be members of the Board of Directors who meet the necessary conditions for membership, as well as to assist the Board of Directors in establishing a sound governing system and building the necessary policies and procedures for this. The scope of the committee's work includes carrying out all the work that enabling it to achieve its tasks, including:</p> <p>1- Recommend to the Board of Directors the nomination for membership of the Board in accordance with the approved policies and standards, and to ensure that no person has ever been convicted of a crime against honor and honesty is not nominated.</p> <p>2- Annual review of the required needs of the appropriate skills for membership of the Board of Directors and preparing a description of the capabilities and qualifications required for membership of the Board of Directors, including determining the time that the member must allocate for the work of the Board of Directors.</p> <p>3- Reviewing the structure of the board of directors and making recommendations regarding changes that can be made.</p>	<p>Article Five: Duties and Responsibilities of the Committee</p> <ul style="list-style-type: none"> * The committee plays a pivotal role in the board of directors carrying out its duties when nominating new members to the board and its affiliated committees. * The committee seeks to nominate individuals of integrity, honesty, and expertise with a focus on improving long-term shareholder value. * The Committee has overall responsibility for evaluating the plans, policies and programs for the remuneration of Board Members and Executive Directors, including annual base pay, annual incentives, long-term incentives, stock options or other profit-sharing programs, As well as the terms of employment contracts, agreements to terminate the employment relationship, any special or additional benefits, and any other prior conditions, privileges or payments that are considered within wages and rewards under the relevant laws and regulations. * The Committee seeks to attract, motivate, reward and retain members of the Board of Directors and executives who are honest, trustworthy, experienced and focused on improving long-term shareholder value. * The following is an explanation of the tasks that represent the usual activities of the Committee to carry out its responsibilities. These functions serve as a guide to the understanding that the committee may undertake additional tasks and adopt additional policies and procedures appropriate to changes in commercial, legislative, regulatory, legal, or other aspects. <p>The Committee may also assume any other responsibilities or tasks assigned to it by the Board of Directors from time to time and related to the purposes of the Committee:</p> <p>1. The Committee shall be responsible for determining the policies and practices of remuneration and remuneration for the company, including the members of the</p>

<p>4- Determining the weaknesses and strengths of the Board of Directors, and proposing to address them in line with the company's interest.</p> <p>5- Ensure on an annual basis the independence of the independent members, and the absence of any conflict of interest if the member is a member of the board of directors of another company.</p> <p>6- Establishing clear policies for the compensation and remuneration of the members of the Board of Directors and senior executives, taking into account the use of performance-related criteria when setting them.</p> <p>7- Any new business that the Board of Directors assigns to the committee according to what is related to the nature of its work.</p> <p>8.2.2 Formation of the Committee for Nominations and Remunerations and the conditions that must be met by the member of the Committee.</p> <p>The Nomination and Remuneration Committee shall be one of the committees emanating from the Board of Directors. The committee shall be composed of (3) members, A person to be appointed as a member of the committee is required to meet the following conditions:</p> <p>1. That one of the company's shareholders owns a number of shares of no less than (100) shares.</p> <p>2. To have an appropriate academic qualification and familiarity with the administrative aspects and the nature of the facility's</p>	<p>Board of Directors.</p> <p>2. The Committee shall be responsible for identifying individuals eligible for membership of the Council and makes recommendations to the Council regarding candidates for election as Council members, in accordance with clear policies and criteria.</p> <p>In the event that there is a vacancy for a member of the Board (including in the event of an increase in the number of Board members), the Committee shall make recommendations for a candidate to fill the position for appointment by the Board.</p> <p>3. It proposes clear policies and criteria for membership in the Board of Directors and the Executive Management.</p> <p>4 Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and occupying executive management positions.</p> <p>5. Determining the time that the member should allocate for the work of the Board of Directors.</p> <p>6. When nominating, the committee must take into account any factors it deems appropriate, which may include good opinion, skill, diversity, and experience, and not have previously been convicted of a crime against honesty and honor.</p> <p>To what extent the candidate will be a desirable addition to the Board of Directors or any of the Board committees. The committee may consider - at its absolute discretion - the nomination of individuals proposed by the shareholders or the company's management.</p> <p>7. The committee reviews the formation of each committee affiliated to the council and submits its recommendations to the council for the appointment of committee members.</p> <p>8. The committee recommends additional members of the committees when needed to fill vacant positions.</p> <p>9. The committee reviews on an annual basis the necessary needs for skills or appropriate expertise for membership of the Board of Directors and executive management functions.</p> <p>10. The Committee periodically reviews the structure of the Board of Directors and the Executive Management and makes recommendations regarding changes that can be made.</p>
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business.	<p>11. The Committee shall annually verify the independence of the independent members, and the absence of any conflict of interest if the member is a member of the board of directors of another company.</p> <p>12. Develop job descriptions for executive members, non-executive members, independent members and senior executives.</p> <p>13. The committee assists the board of directors in selecting and evaluating the performance of potential candidates for executive management positions, including the company's CEO, and in overseeing the preparation of succession plans for executive directors.</p> <p>14. The committee evaluates the performance of the board of directors as a whole on an annual basis and at the same time makes the necessary arrangements for the board to conduct a self-assessment of its performance.</p> <p>15. The Committee shall prepare a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the Executive Management, and submit it to the Board of Directors for consideration in preparation for its approval by the General Assembly, provided that such policy is taken into account to follow performance-related standards, disclose them, and verify their implementation.</p> <p>16. The Committee shall be directly responsible for reviewing and approving the company's objectives related to the remuneration of its CEO, in order to evaluate his performance in the light of those objectives on an annual basis. If any long-term incentives are identified, The committee must take into account such factors as the results of the company's business, the relative return to the shareholders and the value of similar incentives for the heads of similar companies.</p> <p>17. The Committee shall submit its recommendations to the Board of Directors regarding the remuneration of members of the Board, its affiliated committees, and executive directors, incentive plans and equity participation plans.</p> <p>18. The committee reviews the company's remuneration and wages system, including incentives and dues for termination of the work relationship, and the policies and plans of pensions and benefits for employees who are not managers and senior officials. This system must be in line with the company's human resources strategy.</p> <p>19. The committee reviews periodically the company's plans related to the recruitment, development, promotion and retention of employees, and these</p>
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	<p>plans must be consistent with the company's human resources strategy.</p> <p>20. The Committee shall prepare and issue an annual report on the remuneration of the members of the Board and the executive directors and other reports required under the relevant laws and regulations, clarifying the relationship between the granted remuneration and the applicable remuneration policy, with an indication of any material deviation from this policy.</p> <p>21. The committee periodically reviews the remuneration policy, and evaluates its effectiveness in achieving its objectives.</p> <p>22. The committee evaluates its performance annually and submits the evaluation results to the board of directors. This evaluation includes performance levels and the extent to which each member is committed to the committee's activities and responsibilities.</p> <p>23. The committee reviews and re-evaluates periodically the adequacy of this regulation and submits to the board of directors its recommendations for the amendments it deems necessary or valuable. The Committee shall conduct such reviews and evaluations in the manner it deems appropriate.</p>
<p>New Clause</p>	<p>Article Six: Powers of the Committee</p> <p>* The board of directors and the executive management shall take the necessary measures to enable the committee to carry out the tasks entrusted to it, including informing the committee.</p> <p>And without any restrictions on all data, information, reports, records, correspondence, or other matters that the Committee deems important to have access to.</p> <p>* The Committee is authorized - in the performance of its oversight role - to investigate any matter it is aware of, with full and complete access to all data, information, reports, records, correspondence, facilities and employees in the company.</p> <p>And the power to seek the assistance of third parties from experts, auditors or consultants, or to incur other expenses for this purpose that the company will pay to them.</p> <p>* The committee has the right to request a meeting with it or any of its members, any manager or employee of the company, or the external auditor of the company.</p>

	<p>* The Committee has the exclusive authority to appoint any research company or any other consultant as it deems necessary in order to carry out its tasks, and it also has the exclusive authority to agree to the fees of the proxy and any other conditions related to it and to ask the company to pay those fees.</p>
New Clause	<p>Article Seven: The Committee's Work Method</p> <p>* The committee prepares an annual work plan that includes a description of the work it will undertake during the next year in the form of work programs in which the estimated cost and the period required to complete each program are estimated, and this plan is submitted to the Board of Directors for approval.</p> <p>* The committee submits its reports to the board of directors after each meeting of the committee, and with regard to any other issues related to the committee's fulfillment of its responsibilities, in addition to any recommendations that the committee deems appropriate.</p> <p>The report may be submitted to the board of directors orally by the chairman of the committee or any of its members who have been entrusted by the committee to submit the report.</p> <p>* The Committee submits periodic reports to the Board of Directors that include the following:</p> <p>A- What works and achievements it has done.</p> <p>B- Deviations, errors or significant weaknesses that were discovered by the committee in the formation of the board of directors or its sub-committees,</p> <p>C- Opinions and recommendations to address deficiencies in order to develop the structure of the Board of Directors and its committees and activate their work.</p>
New Clause	<p>Article Eight: Committee meetings</p> <p>* The committee meets on the dates specified by the committee chairman or at the request of any two of its members.</p> <p>* The committee meets periodically at least every six months, and whenever needed.</p> <p>* The committee chairman prepares the agenda for each meeting with the help of the committee's secretary, and as far as possible, it is distributed to all committee members at least one week before the meeting date.</p> <p>* When he attends, the chairman of the committee presides over all meetings, and the presence of the majority of its members is required for the validity of the committee meeting. Each committee member has one vote. The majority present</p>

	<p>at any meeting where a quorum is complete is entitled to act on behalf of the Committee.</p> <p>* The committee issues its decisions by a majority vote of the attendees, and in the event of an equality of votes, the side with which the chairman of the meeting voted shall prevail.</p> <p>* A committee member is not entitled to delegate another person to attend the committee's meetings on his behalf.</p> <p>* No one other than the members of the committee, except for the committee's secretary, has the right to attend its meetings unless the committee requests hearing his opinion or obtaining his advice.</p> <p>* The committee may seek the assistance of experts and specialists inside or outside the company within the limits of its powers, provided that this is included in the minutes of the committee's meeting, with the name of the expert and his relationship with the company or the executive management.</p> <p>* All deliberations and decisions of the committee are recorded in the minutes of the meeting, then reviewed and signed by the chairman and secretary of the committee.</p> <p>* The draft minutes of the meeting are distributed as soon as possible to all members of the committee, and once approved, they are distributed to the rest of the board of directors, unless it is inappropriate.</p>
<p>5.2.8 Functions of the committee chairman, his deputy and the committee secretary.</p> <p>1- The members of the committee choose from among themselves a chairperson for the term of the committee's membership.</p> <p>A. Inviting the committee to convene and specifying the time, date and place of each committee meeting and the agenda, in coordination with the committee members.</p> <p>B. Presiding over committee meetings.</p> <p>C. Submitting the results of the committee's work and its</p>	<p>Article Nine: Functions of the Committee Chair, Vice-Chair and Secretary of the Committee</p> <p>* The members of the committee choose from among them a chairperson and a vice-chairman for the duration of the committee's membership, and the deputy assists the chairman in performing his duties and takes his place in his absence.</p> <p>* The chairman of the committee shall supervise the committee's accomplishment of its tasks, in particular the following:</p> <ol style="list-style-type: none"> 1. Inviting the committee to convene and specifying the time, date and place of each committee meeting and the agenda, in coordination with the committee members. 2. Presiding over the committee's meetings. 3. Submitting the results of the committee's work and recommendations to the Board of Directors. 4. Preparing the committee's budget, its work plan, and its projects in the short

<p>recommendations to the Board of Directors.</p> <p>D. Preparing the committee's budget, work plan and projects in the short and long term in coordination with the committee's secretary, and presenting it to the committee in preparation for submitting it to the board of directors, after being approved by the committee.</p> <p>E. Preparing periodic reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for submission to the board of directors, after being approved by the committee.</p> <p>F. Representing the committee before the council and any other body that requires it.</p> <p>2- The members of the committee choose from among themselves a vice-chairman for the term of the committee's membership, who assists the chairman in performing his duties and takes his place in his absence.</p> <p>3- The committee's secretary, who is appointed by the committee and whose fees are set, attends the committee's meetings, without having the right to vote, prepares the minutes of the meetings, informs the sessions' dates and the agenda for the members, and performs all the administrative work of the committee. It enables him to carry out the tasks entrusted to him, and the secretary of the committee is obligated to preserve the company's secrets and refrain from engaging in any activity that may conflict with the company's interest.</p>	<p>and long term, in coordination with the committee's secretary, and presenting it to the committee, as a prelude to submitting it to the board of directors after being approved by the committee.</p> <p>5. Preparing periodic reports on the activities of the committee in coordination with the committee's secretary and presenting them to the committee in preparation for submission to the board of directors, after being approved by the committee.</p> <p>6. Representing the committee before the council and any other party that requires it.</p> <p>* The committee appoints a secretary for it and determines his remuneration, and he is concerned with the following:</p> <ol style="list-style-type: none"> 1. Attending committee meetings, but not entitled to vote. 2. Preparing the minutes of the meetings, and informing the members of the dates of the sessions and the agenda for the members. 3. Carry out all the administrative work of the committee. 4. Commitment to maintain the company's secrets. 5. Refrain from engaging in any activity that may be in conflict with the company's interest. 6. When selecting the secretary of the committee, it should be taken into account that he has the scientific qualification and practical experience that will enable him to carry out the tasks entrusted to him. <p>* The chairman of the committee or whoever he deputizes from among its members must attend the general assemblies to answer the shareholders' questions.</p>
<p>New Clause</p>	<p>Article Ten: Documenting the Committee's Meetings The committee's meetings must be documented and minutes must be prepared</p>

	that include the discussions and deliberations that took place, the committee’s recommendations and voting results should be documented, kept in a special and organized record, the names of the attending members and the reservations they made - if any, and these minutes should be signed by all the members present.						
8.2.6 Determining the fees of the Nomination and Remuneration Committee. 1- A member of the committee from among the members of the board of directors shall receive an attendance allowance of 5000 Saudi riyals, and a member of the committee who is not a member of the board of directors will receive an attendance allowance of 15000 Saudi Riyals for each meeting. 2- The annual report of the Board of Directors to the General Assembly discloses the attendance allowances that were paid to the members of the Committee during the year.	Article Eleven: Remunerations of Committee Members 1- A committee member shall be entitled to an allowance for attending sessions for each meeting, and a committee member shall be entitled to an annual remuneration in accordance with the approved remuneration policy and the relevant rules and regulations. 2- The remuneration of the committee members shall be disclosed in the annual report of the Board of Directors of the General Assembly.						
New Clause	Article Twelve: Accreditation, Amendment and Enforcement This policy shall be implemented as of the date of its approval by the General Assembly - based on a proposal from the Board of Directors - and it shall be communicated to the concerned parties, and these regulations are reviewed as necessary.						
New Clause	Annex A: Board Effectiveness Assessment Tool Board Effectiveness Assessment Tool 1 = Rarely Poor 2 = Occasionally / Less than average 3 = Some of the time / Medium 4 = Most of the time / Above average 5 = All the time / Totally satisfactory <table><tr><th>#</th><th>Behaviors</th><th>Evaluation</th></tr><tr><td>1</td><td>Strategy mode</td><td></td></tr></table>	#	Behaviors	Evaluation	1	Strategy mode	
#	Behaviors	Evaluation					
1	Strategy mode						

		All board members support and discuss the company's strategy and values, enabling them to lead by example	
	2	Strategy All members of the Board of Directors have a clear understanding of the company's core business, its strategic direction, and the financial and human resources needed to achieve its goals.	
	3	Managing board meetings and discussions Board meetings encourage high quality discussion through powerful and rich discussions.	
	4	Managing internal board relations Board members make decisions objectively and collaboratively in the best interests of the company and feel a collective responsibility for the overall success of the system.	
	5	Managing Board Relationships with Others The Board of Directors communicates effectively with all stakeholders in the company and seeks their	

		comments and views	
	6	Special skills of board members Board members understand the role they and their colleagues are expected to play and have the appropriate skills and experience for that role	
	7	Reaction to events The Board of Directors responds positively and constructively to events in order to enable effective decisions and implementation and to encourage transparency.	
	8	President The Chairman's leadership style and tone promote effective decision-making and constructive debate and ensure that the Board works as a team.	
	9	Chairman and CEO relationship The Chairman and CEO work well together and their different skills and experiences complement each other.	

	10 Attending and participating in meetings	
	All members of the Board of Directors attend and contribute actively and effectively to the meetings.	
	11 Open communication channels	
	The Board of Directors has open channels of communication with the Executive Management and others and is properly informed.	
	12 Risk and control frameworks	
	The board's approach to risk review in the organization is open and looks to learn from events, rather than assign blame.	
	13 Formation	
	The size and composition of the Board of Directors is appropriate and has the best combination of skills to ensure its optimum effectiveness.	
	14 Covenant	
	The Board's powers are appropriate, with roles and responsibilities clearly defined, ensuring that the right	

	issues are addressed.	
15	Board Committees Board committees are properly constituted, perform the roles assigned to them and report clearly and fully to the Board	
16	Secretary General of the Board (Secretary of the Board of Directors) The Secretary General of the Board acts as an appropriate channel to provide information to the Board and support the Chairman and non-executive members	
17	Executive members The contribution of the executive members as members of the board of directors is considered effective.	
18	Non-Executive Members Non-executive members actively contribute to strategy development and management performance	

		monitoring, providing effective support and criticism.	
	19	Meetings and Management The Board meets adequately often, and is provided with information of appropriate quality and detail, so that the agenda items can be properly covered in the allotted time.	
	20	Timeliness of information Information is received in sufficient time to allow it to be considered appropriately, with scope for further briefing if necessary.	
	21	Agenda Items The Board session agenda covers all matters of importance to the company, prioritizes and includes consideration of the company's reputation and development and the risks surrounding it.	
	22	General Assembly The company benefits from the annual general assembly meeting effectively and correctly	

	23 External stakeholders	
	The Board of Directors identifies external stakeholders and ensures that the company has the right level of relationship and communication with them.	
	24 Risk Management	
	The Board of Directors uses an active and well-structured process to manage risks, taking into account the company's activities, breadth of functions and business diversity	
	25 Introduction and training	
	Board members receive an appropriate induction package and programs upon appointment, and ongoing training is available to meet development needs.	
	26 Succession	
	There is adequate succession planning for board members and senior executives.	
	27 Performance evaluation	
	Board members are individually subject to an annual	

performance appraisal that measures their contribution and commitment.

Annex B: Board Member Effectiveness Assessment Tool

Board Member Effectiveness Assessment Tool (Member Name)

1 = Rarely Poor 2 = Occasionally / Less than average 3 = Some of the time / Medium

4 = Most of the time/ Above average 5 = All the time/ Totally satisfactory

#	Behaviors	Evaluation
1	Strategy mode The member has a clear understanding of the company's core business and participates in defining its strategic goals.	
2	Performance enablement The member assists in ensuring the availability of the financial and human resources necessary for the company to achieve its objectives.	
3	Define and apply values The member supports the direction and values of the	

		company, enabling him to contribute to the leadership by example for the rest of the employees.	
	4	Show courage and integrity Member is willing to stand firm, constructive challenge and lead by example in ethical matters.	
	5	Attending board meetings The member attends meetings regularly.	
	6	Proper preparation The member prepares appropriately before the meetings.	
	7	Active sharing The member actively participates in robust and investigative discussions during and between Board meetings.	
	8	Participation of executive members The executive member puts the interest of the company first, while leaving aside his executive job responsibilities during discussions within the board	
	9	Personal accountability	

		The member promotes the principle of personal responsibility to assist in the success of the business.	
	10	Risk and control frameworks The member's approach to auditing risks in the organization is open-ended and aims to understand the risks and their implications.	
	11	Reaction to bad news The member responds positively and constructively to bad news and thus encourages open and transparent communication.	
	12	Understanding the individual contribution The member understands the role he and his colleagues are expected to play and the roles expected of them	
	13	Member skills The member has the appropriate skills and experience for this role	
	14	Business understanding The member makes sufficient effort to get to know the	

	business and understand the company's activity	
15	Allocate sufficient time to perform his job duties The member devotes sufficient time to carry out his duties.	
16	Flexibility The member is open and receptive to change, embraces it and promotes the positive aspects of change to others.	
17	Personal effect Member influences, seeks to understand others' perspectives and negotiates/influences as needed.	
18	Show business acumen Members make sound decisions and exercise good judgment in discussing council agenda items	
19	Professional development The member is responsible for his continuing professional development.	
20	Managing relations with the executive management	

	The member has open communication channels with the executive management and others, as needed.	
21	Managing relationships with others externally The member is open to communication from major shareholders and other stakeholders commensurate with his role on the board.	
22	Contact with the Secretary General of the Council The member appropriately uses the support of the Secretary General of the Council	
23	Contact with independent members The member consults and communicates with independent members, where appropriate and required	

Annex C: Nomination and Remuneration Committee Effectiveness

Evaluation Tool

Nomination and Remuneration Committee Effectiveness Evaluation Tool

1 = Rarely / Weak 2 = Occasionally / Less than average 3 = Some of the

time / Medium

4 = Most of the time / Above average 5 = All the time / Totally satisfactory

#	Behaviors	Evaluation
1	<p>Understand basic business objectives</p> <p>All members of the Nomination and Remuneration Committee have a good understanding of the Company's business objectives and broadly HR programs and use this understanding during the committee's discussions about human resources, nomination policies, nominations, and remuneration.</p>	
2	<p>Evaluate the possible outcomes of decisions</p> <p>The Nomination and Remuneration Committee understands in detail all aspects of the Company's nomination and remuneration policies and assesses the likely future consequences of decisions.</p>	
3	<p>Estimating potential risks</p> <p>The Nomination and Remuneration Committee considers the behavioral impact on executives and</p>	

		other employees of and implementation of policies.	
	4	Approach the performance objectives of executives and performance appraisal <p>When considering compensation and specific incentives, the Nomination and Remuneration Committee recognizes the basis of any performance appraisal for executives (and other members of the management team within their purview) and is willing to handle the remuneration aspects of performance below expectations.</p>	
	5	Quality of interaction with management <p>The Nomination and Remuneration Committee maintains initiatives for setting nomination, remuneration policy and structures and listening to the challenges and proposals raised by management</p>	
	6	Quality of dialogue with HR, hiring, remuneration, and external consultants <p>The Nomination and Remuneration Committee is active in ensuring that it obtains and understands advice from the Human Resources Manager or independent</p>	

	external consultants.	
7	Focus on different investor perspectives The Nomination and Remuneration Committee consults with shareholders, anticipates feedback on changes in human resources, nomination and remuneration policy and is aware of the sentiments of shareholders and other stakeholders regarding senior staff and executive remuneration.	
8	Seriousness of discussion Nomination and Remuneration Committee meetings are conducted in a manner that encourages robust and investigative discussion, all members contribute and act proactively	
9	Prepare to make firm decisions The Nomination and Remuneration Committee is prepared to make firm decisions and provide "bad news" to management, if necessary in light of the performance of the company, or the individual, or appropriate in the context of current standards of best	

	practice.	
10	Management quality Management of the Nomination and Remuneration Committee promotes effective meetings and encourages the participation of all members, both in formal and informal meetings.	
11	Clear competencies There are clear terms of reference for the Nomination and Remuneration Committee that define the role of the Committee in relation to the Board as a whole, which are available to shareholders and other interested parties, to which the Nomination and Remuneration Committee is committed.	
12	Members with appropriate skills and experience Nomination and Remuneration Committee members shall consist of individuals with an appropriate range of experience and skills including working knowledge of human resources, remuneration structures commonly applied in similar firms, and the existing HR and	

		remuneration framework applicable to the company.	
	13	Continuous briefing and knowledge update Each member of the Nomination and Remuneration Committee is obligated to conduct regular personal development to update his or her skills and knowledge.	
	14	Organized and appropriate annual agenda There is an organized annual agenda that sets out the timing of critical decisions and the processes that must be taken in order to allow the members of the Nomination and Remuneration Committee to make such decisions.	
	15	Regular, timely and well-attended meetings There is a sufficient number of meetings, of sufficient length, to allow the Nomination and Remuneration Committee to fully carry out its duties, and all members of the Nomination and Remuneration Committee shall attend all meetings.	
	16	Access to relevant, concise and timely information Nomination and Remuneration Committee members	

		are provided complete but concise information in advance of each meeting to allow them to absorb the key issues for discussion and decision making.	
	17	<p>Access to external consultants</p> <p>The Nomination and Remuneration Committee shall have direct access to external consultant, whether or not it has formally appointed independent consultants, and to any relevant reports it may issue as a result of any other relationship they may have with management.</p>	
	18	<p>Restrictions on non-members invited to Nomination and Remuneration Committee meetings</p> <p>Executive management and other non-members are invited to attend Nomination and Remuneration Committee meetings to provide information or presentation on relevant topics but of course not attend.</p>	
	19	<p>Responsibility for the content of the published nominations and rewards report</p> <p>The Nomination and Remuneration Committee bears full responsibility for the content of the published</p>	



	<p>Nomination and Remuneration Report and takes proactive decisions regarding the disclosures contained therein. The Chairman of the Nominations and Remunerations Committee attends the General Assembly meeting to answer questions related to nominations and remunerations.</p>	
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Attachment regarding item 9

Amending the remuneration policy for the members of the Board of Directors, and committees emanating from the board, and the executive management

Before The Amendment	After The Amendment
New Clause	<p><u>Article 3: The objective of the policy</u></p> <ol style="list-style-type: none"> 1- Organizing the remuneration process for the members of the Board of Directors, its committees, and the executive management, and dealing with them in accordance with this policy and the requirements of the system. 2- Protecting the assets and interests of the company and the rights of shareholders by regulating the process of granting remunerations to members of the Board of Directors, its committees, and the executive management. 3- Enhancing the concept of disclosure and transparency, and revealing the mechanism for disbursing the remunerations of the members of the Board of Directors, its committees, and the executive management, according to specific criteria.
New Clause	<p><u>Article 4: Basis for preparing the policy</u></p> <p>This policy has been prepared based on the following criteria:</p> <ol style="list-style-type: none"> 1- Its consistency with the company's strategy and objectives. 2- To provide bonuses for the purpose of urging the members of the board of directors and the executive management to make the company a success and its long-term development, such as linking the variable part of the bonuses to long-term performance. 3- To determine the rewards based on the job level, the tasks and responsibilities assigned to the incumbent, the

	<p>educational qualifications, the practical experience, the skills, and the level of performance.</p> <p>4- Its consistency with the size, nature and degree of risks with the company.</p> <p>5- Taking into consideration the practices of other companies in determining remuneration, while avoiding the unjustified rise in remuneration and compensation that might result.</p> <p>6- It aims to attract, maintain and motivate professional competencies, without exaggerating them.</p> <p>7- Cases of stopping the payment of the reward or recovering it if it appears that it was decided on the basis of inaccurate information provided by a member of the Board of Directors or the Executive Management, in order to prevent the exploitation of the job position to obtain undue rewards.</p>
<p>6.10 Board Members' Remuneration The level and structure of directors' remuneration should be such that there are reasonable and sufficient provisions to attract and retain talented individuals in order to fulfill these roles. The clear relationship between the performance of the company and the remuneration of the members of the board must be highlighted, and this requires that in the design of the remuneration policy there should be a sufficient and clear incentive to motivate the members for dedication in order to pursue the long-term growth and success of the company, within an appropriate framework. It is also important for the company that there is a clear distinction between the remuneration structure of non-executive board members and the remuneration structure and salary of an executive board member. The annual remuneration for the members of the board of directors has been set at 200,000 Saudi riyals, within the framework of what is stipulated in Article 42 of the company's articles of association: "A percentage not exceeding (5%) the rest shall be allocated as a remuneration to the members of the board of</p>	<p><u>Article Five: Remuneration of Board Members</u></p> <p>1- In accordance with Article (76) seventy-six of the Companies Law, the company's articles of association determine the method of remuneration for the members of the Board of Directors, and this remuneration may be a certain amount, attendance allowance for meetings, in-kind benefits, or a certain percentage of the net profits, and it is allowed to join between two or more than these advantages.</p> <p>2- If the reward is a certain percentage of the company's profits, this percentage may not exceed (5%) of the net profits, after deducting the reserves decided by the General Assembly in application of the provisions of the Companies Law and the Company's Articles of Association, and after distributing a profit to shareholders of no less than (5%) of the company's paid-up capital, provided that the entitlement to this remuneration is proportional to the number of sessions attended by a member of the Board of</p>



directors, within the limits stipulated in the Companies Law or the instructions issued in this regard. This is after setting aside (10%) of the net profits to form a statutory reserve, and distributing a payment equivalent to (5%) to shareholders.

- Directors, and any assessment to the contrary is void.
- 4- According to Article Twenty-one of the company's articles of association, the remuneration of a member of the board of directors consists of an amount of (200,000) two hundred thousand riyals annually in addition to an amount of (15,000) fifteen thousand riyals for each session he attends in person, within the limits of what is stipulated in the companies' law and regulations, and in If the meeting is held remotely through the use of modern visual or audio means of communication or any other electronic method deemed by the Council, an amount of (15,000) riyals is paid for each meeting.
 - 5- The company will reserve travel tickets for members residing outside the area in which the meeting is being held for internal or external flights in the business class. Domestic trips or an amount of (5000) riyals for foreign trips.
 - 6- The company provides accommodation for a maximum of two nights for members residing outside the area in which the meeting is held (inside or outside the Kingdom), and the accommodation is in an executive room in five-star hotels. For one night and a maximum of two nights. In the event that the meeting is held outside the Kingdom and the reservation is made by the member directly, an allowance of (3000) riyals will be disbursed for one night and a maximum of two nights.
 - 7- The company provides food and transportation for members residing outside the area in which the meeting is held (inside or outside the Kingdom). In the event that the meeting is held outside the Kingdom and accommodation and transportation are provided by the member, the allowance shall be disbursed as follows:

	<p>A. An allowance of (15,000) riyals is paid for each meeting in the event the meeting is held in one of the Gulf Cooperation Council or neighboring Arab countries.</p> <p>B. An allowance of (15,000) riyals is paid for each meeting in the event the meeting is held in any other country except for paragraph (a).</p> <p>8- In all cases, the sum of what a board member receives of financial or in-kind remunerations and benefits shall not exceed (500,000) five hundred thousand Saudi riyals annually, in accordance with the regulations set by the competent authority.</p> <p>9- The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all that the members of the Board of Directors received during the fiscal year in terms of remuneration, expense allowances and other benefits, and also include a statement of what the members of the Board received in their capacity as workers or administrators, or what they received in return for Technical or administrative work or consultancy, and it shall also include a statement of the number of council sessions and the number of sessions attended by each member from the date of the last meeting of the general assembly.</p>
<p>New Clause</p>	<p><u>Article Six: Remunerations of the members of the committees emanating from the council and the secretaries</u></p> <p>1- The remuneration of the members of the committees emanating from the board consists of (100,000) riyals annually for members of the audit committee, in addition to the amount of (10000) riyals as an attendance allowance for</p>

	<p>each session attended by himself and with a maximum number of sessions not to exceed 10 sessions per year and a minimum remuneration not less A total of (150,000) riyals.</p> <p>2- An amount of (75,000) riyals annually for members of the other committees, in addition to an amount of (5,000) riyals as an attendance allowance for each session he attends by himself, with a maximum number of sessions not to exceed 10 sessions in one year, and a minimum reward of not less than a total of (75,000) riyals. It is calculated as of the date of the council's approval of the member's joining, and the attendance allowance will apply if the meeting is held remotely through the use of modern audio-visual means of communication or any other electronic method.</p> <p>3- The remuneration of the Secretary of the Board of Directors consists of an amount of (75,000) riyals annually and an attendance allowance for each meeting of the Board of Directors of (5,000) riyals.</p> <p>4- The remuneration for the secretaries of the sub-committees consists of an amount of (50,000) riyals annually and an attendance allowance for each session of the committees' meetings of (3000) riyals.</p> <p>5- The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all the bonuses, expenses allowances and other benefits that the member received during the financial year.</p>
<p>New Clause</p>	<p><u>Article Seven: Controls for Disbursing and Determining Rewards</u></p> <p>Taking into account other relevant laws and regulations issued by other supervisory authorities, the Board of Directors must, in determining and disbursing the remunerations obtained by each of its members, take into account the relevant provisions contained in</p>

	<p>the Companies Law and its implementing regulations in addition to the following criteria:</p> <ol style="list-style-type: none">1- The remuneration shall be fair and commensurate with the member's competencies, business and responsibilities undertaken and borne by the members of the Board of Directors, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.2- The remuneration shall be based on the recommendation of the Nomination and Remuneration Committee.3- The remuneration should be commensurate with the company's activity and the skill needed to manage it.4- Taking into consideration the sector in which the company operates, its size and the experience of the members of the board of directors.5- The remuneration should be reasonably sufficient to attract, motivate and retain members of the Board of appropriate competence and experience.6- The members of the board of directors may not vote on the remuneration of the members of the board of directors in the meetings of the general assembly.7- A member of the Board of Directors may obtain a remuneration in return for his membership in the audit committee formed by the General Assembly, or in return for any other executive, technical, administrative or advisory work or positions - under an additional professional license assigned to him in the company, in addition to the remuneration that can To obtain it in his capacity as a member of the Board of Directors and in the committees formed by the Board of Directors, in accordance with the Companies Law and the Company's Articles of Association.8- The remuneration of the members of the Board of Directors
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	<p>may be of varying amounts to reflect the member's experience, competencies, tasks entrusted to him, his independence, the number of sessions he attends, and other considerations.</p> <p>9- The remuneration of independent board members should not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company.</p> <p>10- The Board of Directors must disclose in its annual report the details of the policies related to remuneration, the mechanisms for determining them, and the amounts and financial and in-kind benefits paid to each member of the Board of Directors in exchange for any executive, technical, administrative or advisory work or positions.</p>
<p>New Clause</p>	<p><u>Article Eight: Additional Determinants of Rewards and Method of Disbursement</u></p> <p>1- The Board of Directors must approve the remuneration of the members of the Board, members of its committees and senior executives, and as an exception to this, the General Assembly is responsible for approving the remunerations of the members of the Audit Committee.</p> <p>2- The members of the board of directors may not vote on the remuneration of the members of the board of directors at the meeting of the general assembly of shareholders.</p> <p>3- The company discloses the remunerations of the members of the Board of Directors and senior executives in the annual report of the Board of Directors in accordance with the controls and directives under the Companies Law and the Capital Market Authority regulations and their implementing regulations.</p>



<p>New Clause</p>	<p><u>Article Nine: Remunerations of the Executive Management</u></p> <ol style="list-style-type: none"> 1- At the beginning of each financial year of the company, the Board of Directors works in coordination with the Nominations and Remunerations Committee to determine the main and strategic goals of the company, which the executive management must achieve during the financial year, including performance indicators to measure the extent to which these goals are achieved. 2- These goals and indicators are determined for each executive position in the company based on the job level, the tasks and responsibilities assigned to him, his educational qualifications, experience and skills. 3- The discretionary budget for remuneration is generally determined based on the performance and expected results of the company and the degree of risk, taking into account the practices of other companies in determining remuneration. 4- During the fiscal year, the Board of Directors continuously monitors the extent to which these objectives are achieved and re-examines them when needed. 5- At the end of the fiscal year, performance is evaluated and remuneration is determined by the Nomination and Remuneration Committee and recommended to the Board of Directors for approval.
<p>New Clause</p>	<p><u>Article 10: Organizing the granting of shares in the company</u></p> <p>If the purpose of the company's purchase of its shares is to allocate them to the company's employees within the employee stock program, the company must, in addition to other controls related to its purchase of its shares, fulfill the following conditions:</p>

	<ol style="list-style-type: none"> 1- The company's articles of association provide that this is permissible. 2- Obtaining the approval of the Extraordinary General Assembly on the shares allocated to employees. The assembly may authorize the board of directors to determine the conditions of this program, including the allotment price for each share offered to the employees if it is for a consideration. 3- Non-executive members of the Board of Directors shall not be included in the employee stock program, and the executive members may not vote on the decisions of the Board of Directors related to the program.
New Clause	<p><u>Article Eleven: Suspension of Rewards Disbursement or Refund</u></p> <ol style="list-style-type: none"> 1- If the Audit Committee, the Authority, the Board of Directors, or the Nominations and Remunerations Committee finds that the remunerations paid to any member of the Board of Directors or the Executive Management are based on incorrect or misleading information that was presented to the General Assembly or included in the annual report of the Board of Directors, he must return them to the company. The company has the right to ask him to return it. 2- If the General Assembly decides to terminate the membership of a member of the Board of Directors who is absent due to his failure to attend three consecutive meetings of the Board without a legitimate excuse, then this member is not entitled to any rewards for the period following the last meeting he attended, and he must return all the rewards that were paid to him for that period . 3- In the event that a member of the Board of Directors or the

	<p>committees emanating from the Board resigns from his position, when determining the remuneration, his remuneration shall be disbursed in proportion to the period he spent in his position.</p> <p>4- In the event that a member of the Board of Directors or the committees emanating from the Board joins during the fiscal year, when determining the remuneration, his remuneration shall be disbursed in proportion to the period from the date of his appointment until the end of the year.</p> <p>5- In the event that a member of the executive management resigns from his position, he is not entitled to claim the annual bonus, which will be paid after the effective date of his resignation.</p> <p>6- In the event that a member of the executive management is appointed during the fiscal year, when determining the remuneration, his remuneration shall be disbursed in proportion to the period from the date of his appointment until the end of the year, provided that this period is not less than three months.</p>
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Attachment regarding item 10

Amending the policies, standards and procedures for membership in the Board of Directors

Before The Amendment	After The Amendment
<p>The general policy for membership in the company's board of directors is to choose among the nominee brothers of the company's shareholders who apply for board membership by way of comparison among them on the basis of the conditions set forth in the Ministry of Commerce Circular No. 205/3800, dated 12/26/1420 AH, and in accordance with the provisions of the Companies Law, the Company's Articles of Association, the Corporate Governance Regulations and the registration and listing rules issued by the Board of the Capital Market Authority.</p>	<p>Article Four: Public Policy</p> <p>The general policy of membership in the company's board of directors is the terms and conditions under which the selection is made from among the candidates applying for membership of the board by comparison among them, in accordance with what was stipulated in Paragraph (3) of Article Twenty-Second of the Corporate Governance Regulations, as well as the provisions of the Companies Law, and the Law The company's articles of association, and the list of listing rules issued by the Board of the Capital Market Authority.</p>
<p>Standards (conditions) for membership in the Board of Directors</p> <p>The criteria for membership in the company's board of directors are determined within the framework of the conditions set forth in the Ministry of Commerce Circular No. 222/9362/3245 dated 06/18/1412 AH, as well as the Circular of the Ministry of Trade and Industry No. 322/205/3800, dated 12/26/1420 AH, and in accordance with the provisions of the bylaw Companies and the company's articles of association, corporate governance regulations and rules of registration and listing issued by the Board of the Capital Market Authority. According to the following;</p> <p>1.The member of the board of directors must own a number of company shares, the nominal value of which is not less than ten thousand (10,000) riyals, and these shares shall be deposited within thirty (30) days from the date of the appointment of the member in a bank appointed by the Minister of Commerce and Industry for this purpose. These shares are allocated to guarantee the liability of the members of the board of directors and remain non-negotiable until the period specified for hearing the liability lawsuit in Article (76) of the Companies Law or until a decision is made in the aforementioned lawsuit. Article (68) of the Companies Law, Article (18) of the Company's Articles of Association</p>	<p>Article Five: Conditions for Membership in the Board of Directors</p> <p>The Board shall be responsible for reviewing the conditions to be met by a member of the Board of Directors in addition to the composition of the Board as a whole. This includes evaluating the qualifications, experience and skills of the members. A member of the Board of Directors shall, in particular, require the following:</p> <p>1-Experience: Having an appropriate amount of experience in the following areas:</p> <ul style="list-style-type: none"> a- In financial accounting and corporate finance, especially with regard to trends in the debt and stock markets, as well as understanding the concepts of internal financial controls. b- Evaluate and monitor risks in the areas and environment that are relevant to the company's business. c- Managing companies, and understanding management trends in general and in the areas in which the company's business is active. d- Experience in areas related to the company's business. e- Experience in global markets, and the customs and practices of foreign business. <p>2-Academic Qualification: It is recommended that a board member hold a qualification related to the following specializations:</p> <ul style="list-style-type: none"> A- The law. B- Financial, including accounting background.

<p>2.He must have an academic qualification that allows him to perform his responsibilities in the council.</p> <p>3.He should have sufficient experience in the company's field of work or similar fields.</p> <p>4.He should be familiar with the companies' system, rules, regulations and circulars related to the company's activity</p> <p>5.To have the ability to read and analyze public budgets and knowledge of accounts and finances.</p> <p>6.To have sufficient motivation and time to contribute to directing the company's business and policies.</p> <p>7.He should have independence in thought and the courage to present his own opinions on strategic and commercial matters in the company's field of activity.</p> <p>8.To be knowledgeable and continually educated.</p> <p>9.To have a commitment to serve the company as a board member for at least one full term since the beginning of their election.</p> <p>10.To enjoy morals, integrity, honesty and credibility;</p> <p>11.He must not have been convicted of a crime against honor and honesty.</p> <p>12.That no decision has been issued against him by the Capital Market Authority.</p> <p>13.He should not have any conflict of interest with the company;</p> <p>14.He shall not have any direct or indirect interest in the business and contracts that are done for the company's account, with the exception of the works that take place through public tenders if the member of the board of directors has the best offer. Article (69) of the Companies law.</p> <p>15.Not to be involved in any business that would compete with the company, or to trade in any of the branches of the company's activity. Article (70) of the Companies Law;and</p> <p>16.Not to be a member of the board of directors in more than five listed joint stock companies.</p>	<p>C-Marketing.</p> <p>D- Operations related to the activities of companies.</p> <p>E- The main areas in which the companies operate, including real estate expertise.</p> <p>F- Corporate governance.</p> <p>G- Human resources</p> <p>H- Risk management.</p> <p>I- Banking business.</p> <p>3- Knowledge and ability: to have an appropriate degree of understanding of the contents of the financial statements and other financial reports, accounting systems and standards, reading and understanding budgets, income statements and cash flows, and extrapolating the implications of financial equations and other indicators to evaluate the performance of the company.</p> <p>4- Independence: to present an objective viewpoint, and to avoid transactions that involve a conflict of interest, while verifying the fairness of the transaction, and observing the provisions relating to conflict of interest in accordance with the regulations of the Capital Market Authority in this regard.</p> <p>5- Crisis management: the ability to respond and work in record time during the rule of short and long crises.</p> <p>6- Honor and honesty: He must not have been convicted of a crime that violates honor and honesty.</p> <p>7- That no decision has been issued against him by the Capital Market Authority.</p> <p>8- Not to compete with the company: not to be involved in any business that would compete with the company or to trade in one of the branches of the company's activity except after obtaining the approval of the general assembly, in accordance with the controls set by the competent authority, and taking into account what is stipulated in Article (72). of the Companies Law, and Articles forty-six and forty-seventh of the Corporate Governance Regulations.</p> <p>9- The absence of a conflict of interest: He should not have any conflict of interest with the company, and he should not have any direct or indirect interest in the business and contracts that are made for the company's account in</p>
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<p>17. Compliance with all articles and clauses related to . membership in the board of directors of joint stock companies contained in the Companies Law and the Capital Market Authority regulations.</p> <p>18. It is not permissible (except with the prior written approval of the competent authorities) to nominate for membership of the Board of Directors whoever occupied the same position in a liquidated company or was dismissed in another company.</p> <p>19. Agreeing to conduct a personal interview with the Company's Nomination and Remuneration Committee .</p>	<p>accordance with Article (71) of the Companies Law without a license from the Ordinary General Assembly and in accordance with to the controls set by the competent authority.</p> <p>10- Membership of the board of directors of another company: He shall not be a member of the board of directors of more than five listed joint stock companies at the same time.</p> <p>11- Compliance with the terms and conditions of membership: full compliance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations, the relevant regulations and the Articles of Association when exercising the duties of his membership in the Board, and refraining from undertaking or participating in any act that constitutes mismanagement of the company's affairs.</p> <p>12- Diversity: Taking into account diversity in academic qualifications and professional experience when selecting members, as this diversity contributes to providing all the talents, skills and experiences needed by the Council as a team to support current resources and provide talent for future needs.</p> <p>13- Personal Interview: Agreeing to conduct a personal interview with the Company's Nominations and Remunerations Committee.</p>
<p>New Clause</p>	<p>Article Six: The characteristics that must be met by a member of the board of directors</p> <p>In view of the significant role that a member of the Board of Directors holds in the management of the company, it requires the availability of a number of personal characteristics - in addition to the conditions of membership - that enable him to perform his duties towards the company to the maximum extent, and taking into account the twenty-ninth article of the Governance Regulations, several characteristics are required in a member The Board of Directors, including in particular the following:</p> <p>1- Integrity and Responsibility: High moral standards, integrity and strength of character in a member's professional and personal dealings, ability to discuss issues thoroughly and in depth, to ask insightful questions and to express reservations and not to vote in favor of objections, to show</p>

	<p>signs of intelligence and wisdom and to reflect on decisions taken, and willingness to bear the consequences of accountability about her.</p> <p>2- Trust: to be consistent, responsible and supportive in dealing with others, respecting others, truthfulness and directness to others' opinions and the desire to listen to them.</p> <p>3- Leadership: Possessing the leadership talents and the necessary skills, and supporting this with a high motivational performance record that talented people usually enjoy.</p> <p>4-Commitment to his duties as a member of the Board: Full readiness and desire to meet the requirements of membership of the Board's committees efficiently, which includes attendance and participation in all Board meetings, and meetings of Board committees of which he is a member, and the constant readiness to assist in preparing for each meeting and participating in it effectively, and expressing to the management the desire to attend upon request to provide assistance and counsel, assume all responsibilities in relation to the company's business, and disclose any effective information before executing any deal or contract with the company or one of its subsidiaries.</p> <p>5-Curiosity to explore and recognise: Desire for education and growth, particularly in relation to key problems affecting the business (such as operation, technology, and market knowledge), as well as board members' duties and responsibilities (including general legal principles facing board members).</p>
<p>5.7. Board Membership Procedures</p> <p>1. The approval of the Board of Directors to open the door for candidacy for the membership of the Board, and the adoption of the period for submitting candidacy applications and the agenda of the ordinary general assembly to vote on the appointment of members of the Board of Directors whenever the rules or circumstances of the case so require.</p> <p>2. Presentation to the Ministry of Commerce and Industry for approval of: the agenda of the ordinary general assembly, and the format for announcing the company's shareholders'</p>	<p>Article Seven: Membership Procedures in the Board of Directors</p> <p>After the approval of the Board of Directors to open the door for candidacy for membership of the Board, and its approval of the nomination period and the agenda of the General Assembly, in order to vote on the appointment of members of the Board of Directors whenever the rules or circumstances require that, according to the following procedures:</p> <p>1- Announcing the opening of candidacy for membership of the Board of Directors on the company's website and the</p>

invitation to nominate members of the board of directors for its session (to be determined) or to complete the remaining period of the current session (to be determined).

3. Announcing the invitation of the company's shareholders to run for membership of the Board of Directors for its session (to be determined) or to complete the remaining period of the current session (to be determined).

4. Brothers of the company's shareholders wishing to run for membership in the company's board of directors must do the following:

☐ Submitting an application (notification) to the company's management of the shareholder's desire to nominate himself and his readiness to carry out the responsibilities entrusted to membership in the Board

☐ Filling out the curriculum vitae form issued by the Ministry of Commerce and Industry within the framework of the conditions set forth in the Ministry of Commerce Circular No. Curriculum Vitae Form issued by the Capital Market Authority No. (3) (according to the Authority's circular No. 2359/4 issued on 12/04/1431 AH, and they can be obtained from the Ministry and the Authority's website.

☐ Candidates must submit their applications to the company in one of the following ways: a. Attend to the company's headquarters (attention of the Nomination and Remuneration Committee) at the following address: Company building - in front of King Saud Medical City (formerly Al Shumaisi). NS. By express mail PO Box 359 Riyadh 11411 Attention of the Nomination and Remuneration Committee. E-mail nrc@alhokair.com.sa by e-mail. T Th. On fax number: 01-4357268.

☐ Attach copies of his qualifications and experience in the company's business field.

☐ Provide a separate record of the significant and significant work and achievements the candidate has achieved in his membership in the boards of directors he held or in the senior executive and administrative positions he held during the previous ten years, and his current work.

☐ Attaching a statement to the boards of directors of the

market's website and in any other means determined by the Authority, provided that the door for candidacy remains open for at least one month from the date of the announcement.

2- Shareholders who want to run for a seat on the company's board of directors or nominate someone else then they must accomplish the following:

A- Submitting an application (notification) to the company's management of the desire to be a candidate.

B- Complete Form No. (3) issued by the Capital Market Authority, which is available on the Authority's website, as well as any additional forms decided by the Capital Market Authority for this purpose, which are also available on the Authority's website.

C- Candidates must submit their applications to the company through the available means of communication, which the company announces through the company's website, the market's website, and other official communication channels specified by the company, with a requirement to attach a copy of his qualifications and experience in the company's business field.

3-Candidates must submit their applications with the following documents attached:

A- A separate record of the significant and significant works and achievements the candidate has achieved in his membership in the boards of directors he occupied or in the senior executive and administrative positions he held during the previous ten years, and the current work.

B- A statement of the boards of directors of the companies to which he has been a member, and a notarized letter from each company that includes the membership period, the number of sessions for each term, the percentage of the member's attendance at those sessions and the committees emanating from the board in which he is a member, and the percentage of his attendance therein, and a summary of the financial results achieved by the companies that took on board membership Administer during each year of the course.

C- A statement of the joint stock companies of which he is still a member.

<p>companies to which he assumed membership and a notarized letter from each company that includes the membership period, the number of sessions for each session, the member's attendance rate for those sessions and committees emanating from the board in which the member is a member, and the percentage of his attendance therein, and a summary of the financial results achieved by the companies that took over the membership of their boards of directors During each year of the course</p> <p><input type="checkbox"/> Attaching a statement of the joint stock companies of which he is still a member</p> <p><input type="checkbox"/> Attach a statement to the companies that are jointly managed or owned and that practice business similar to the company's business.</p> <p><input type="checkbox"/> Attach a copy of the national / family identity card for individuals, the commercial register for companies and institutions, the candidate's contact numbers and three personal photos of him.</p> <p><input type="checkbox"/> The candidate must provide a certified Arabic translation of any documents or documents written in a foreign language</p> <p>5. Examining the applications by the company's Nominations and Remunerations Committee.</p> <p>6. Arranging personal interviews for those who have been initially selected. Presenting a report to the Board of Directors that includes the recommendation of the Nomination and Remuneration Committee of qualified candidates for membership, explaining the number of applicants for membership, those who were initially selected for personal interviews, and the member's justifications for nominations.</p> <p>8. Calling an ordinary general assembly to vote on the appointment of vacant board members in accordance with the recommendations of the Board of Directors and the Nomination and Remuneration Committee, after obtaining the approval of the competent authorities.</p>	<p>D- A list of the companies whose management or ownership he shares where those companies practice similar business to the company.</p> <p>E- A copy of the national identity card / family card (if any), the commercial register of companies and institutions, the candidate's contact numbers, and three personal photos of him.</p> <p>4- The candidate must provide a certified Arabic translation of any documents or documents written in a foreign language.</p> <p>5- Reviewing the applications by the Nominations and Remuneration Committee of candidates qualified for membership, indicating the number of applicants for membership and those who were initially selected for personal interviews, and the justifications for recommending members qualified to fill membership, and recommending that to the Board of Directors.</p> <p>6- Inviting an ordinary general assembly to vote on the appointment of vacant board members in accordance with the recommendations of the Board of Directors and the Nominations and Remunerations Committee, after obtaining the approval of the competent authorities.</p> <p>7- The form for membership of the boards of directors of listed companies is sent to the Capital Market Authority after completing the above-mentioned procedures.</p>
<p style="text-align: center;">New Clause</p>	<p>Article Eight: Board Member Elections</p> <p>1- The company announces on the market's website information about the candidates for membership of the board</p>

	<p>of directors when publishing or sending the invitation to hold the general assembly, provided that this information includes a description of the candidates' experiences, qualifications, skills, jobs and previous and current memberships, and the company must provide a copy of this information on its head office and website.</p> <p>2- Cumulative voting shall be used to elect the members of the Board of Directors, so that the right to vote per share may not be used more than once.</p> <p>3- Voting in the General Assembly is limited to candidates for membership of the Board of Directors whose information the company has announced in accordance with Paragraph (1) of this Article.</p>
New Clause	<p>Article Nine: Certification and Application</p> <p>1- This policy shall be implemented as of the date of its approval by the General Assembly, and it shall be communicated to the concerned parties. The Board of Directors reviews this policy from one period to another according to the need and based on a recommendation from the Nominations and Remunerations Committee, and it shall not be amended except with the approval of the General Assembly.</p> <p>2- This policy is published on the company's website in order to enable the relevant parties to view this policy or any other means of publication that the Board of Directors deems appropriate.</p>

Attachment regarding item 11

The competition criteria for the members of the Board of Directors

Standards for the competition of board
members for the company's business or one
of its branches of activity for

Fawaz Abdul-Aziz Al Hokair & Partners Co

1442 A.H - 2021 A.D.

First Version

Article 1: Definitions.....	3
Article Two: Preamble	7
Article 3: The objective of the policy	7
Article Four: Definition of Competition	8
Article Five: Company Competition.....	8
Article Six: Competing Business	8
Article Seven: Concept of Competing Business.....	10
Article Eight: Procedures for a Board Member's Disclosure of his Desire to Participate in a Competitive Business.....	11
Article Nine: Disclosure by the candidate for membership of the Board of Directors about cases of conflict of interest	12
Article 10: Responsibility for implementing the policy	13
Article Eleven: certification and application.....	13
Article 12: Annexes.....	13
Competition criteria declaration form	14

Monitoring the amendment of the board members' competition criteria for the company's business or one of its branches of activity:

Document approval	Version	Date
Board of Directors	1	
General Assembly	1	

Article 1: Definitions

S N	Words and phrases	Meanings
1	corporate system	The Companies Law issued by Royal Decree No. (M/3) dated 28/1/1437 AH.
2	Corporate Governance Regulations	Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 16/5/1438 AH corresponding to 13/2/2017 AD based on the Companies Law issued by Royal Decree No. M/3 dated 28/1/1437 AH as amended Decision of the Board of the Capital Market Authority No. 3-57-2019 dated 1/6/1442 AH corresponding to 14/1/2021 AD
2	Company	Fawaz Abdul-Aziz Al HOKAIR & Partners Co.
3	Board of Directors	The Company Board of Directors.
4	Shareholders	company's shareholders.
5	General Assembly	An association formed from the company's shareholders in accordance with the provisions of the Companies Law and the Company's Articles of Association.

6	Person	Any natural or legal person recognized by the laws of the Kingdom in this capacity.
7	Stakeholders	Everyone who has an interest in the company, such as employees, creditors, customers, suppliers, and society.
8	Related parties	<p>a) Major shareholders of the company.</p> <p>b) Board members of the company or any of its subsidiaries and their relatives.</p> <p>c) Senior executives of the company or any of its subsidiaries and their relatives.</p> <p>d) Board members and senior executives of major shareholders in the company.</p> <p>e) Establishments - other than companies - owned by a member of the Board of Directors or a senior executive or their relatives.</p> <p>f) Companies in which any of the members of the Board of Directors or senior executives or their relatives is a partner.</p> <p>g) Companies in which any of the members of the board of directors or senior executives or their relatives is a member of its board of</p>

		<p>directors or one of its senior executives.</p> <p>h) Joint stock companies in which any of the members of the board of directors or senior executives or their relatives owns (5%) or more, taking into account what is stated in paragraph (d) of this definition.</p> <p>i) Companies in which any of the members of the board of directors or senior executives or their relatives have influence in their decisions, even if they are given advice or guidance.</p> <p>j) Any person whose advice and guidance influence the decisions of the company, its board members and senior executives.</p> <p>k) Holding companies or subsidiaries of the company.</p> <p>Paragraphs (l) and (j) of this definition are excluded from advice and directions that are professionally provided by a person authorized to do so.</p>
9	Affiliate party	<p>A person who controls another person, is controlled by that other person, or is jointly controlled by that other person by a third</p>

		person. In any of the above, control is direct or indirect.
10	share control	The ability to influence the actions or decisions of another person, directly or indirectly, individually or collectively with a relative or dependent, through: (a) owning 30% or more of the voting rights in a company; (B) The right to appoint 30% or more of the members of the administrative body.
11	Politics	Competitive criteria for board members

Article Two: Preamble

This policy defines the rules, controls, and procedures for the standards of competition for members of the board of directors for the company's activities, and the provisions of this policy are applied in accordance with the articles of association and articles of association of the company and the relevant regulations governing the company's business without prejudice to the provisions of the Companies Law, the Capital Market Law and their implementing regulations, the Corporate Governance Regulations and other related regulations.

Article 3: The objective of the policy

Setting standards and controls to verify that a member of the board of directors competes with the company's business or its competition in one of the branches of its activity.

Article Four: Definition of Competition

It is the legal or factual situation in which a person is in a situation in which the suspicion of his competition with one of the company's activities is confirmed or likely, which may result in him obtaining a direct or indirect private interest, benefit or benefit for himself or others, or affect his independence and ability to perform his job duties. and its responsibilities with objectivity, integrity and impartiality.

Article Five: Company Competition

A member of the board of directors may not participate in any business that would compete with the company, or compete with the company in one of the branches of the activity he is engaged in. Otherwise, the company may demand the appropriate compensation from him before the competent judicial authority, unless he obtained a license from the ordinary general assembly allowing him to do so, and in accordance with the regulations set by the competent authority.

Article Six: Competing Business

Competing businesses are businesses that have the same nature as the company's business and carry out a similar activity, and any current or potential board member must disclose any activity he practices similar to the company's, and these activities include the following:

- 1- Purchasing lands and erecting buildings on them to carry out the company's activity and business.
- 2- Wholesale and retail trade in ready-made clothes, men's, women's and children's shoes, fabrics, home and office furniture, perfumes, natural cosmetics, cosmetics, cosmetics, traditional jewelry, accessories, bags and leather bags.
- 3- Commercial agencies.
- 4- Management and operation of optics centers and wholesale and retail trade in eyeglasses, sunglasses, lenses, optical devices and their accessories.
- 5- Wholesale and retail trade in sports clothing, sports shoes and their equipment.
- 6- Manufacture and wholesale and retail trade in abayas, veils and embroidered women's clothing in all its forms.
- 7- Wholesale and retail trade in gold, silver, jewelry, precious stones, diamonds, gold works, jewelry, and precious metals.
- 8- Wholesale and retail trade in telecommunications equipment, accessories and spare parts, and their maintenance and operation through commercial agencies.
- 9- Retail trade in preserved ready-made foods.

- 10- Owning, operating and managing restaurants and cafes, importing products and foodstuffs, and purchasing the necessary equipment and devices for them.
- 11- Owning, operating and managing recreational centers and facilities, and purchasing the necessary equipment and devices for them.
- 12- Wholesale and retail trade in watches, computers, electronic devices, stationery, decorations, lighting and flooring devices.
- 13- Organizing exhibitions, conferences and bazaars.
- 14- Online sale of all company activities and products mentioned in clauses (1) to (13).

Article Seven: Concept of Competing Business

The concept of participation in any business that would compete or compete with the company in one of the branches of its activity include the following:

- 1- A member of the board of directors establishes a company or a sole proprietorship, or owns an influential percentage of shares or stakes in a company or other facility that engages in an activity similar to that of the company or its group.
- 2- Accepting membership in the board of directors of a company or an establishment competing with the company or its group, or

taking over the management of a competing individual establishment or a competing company of whatever form, with the exception of the company's affiliates.

- 3- A member obtaining a commercial agency or the like, whether apparent or hidden, for a company or other facility competing with the company or its group.

Article Eight: Procedures for a Board Member's Disclosure of his Desire to Participate in a Competitive Business

Taking into account what is stated in Article 72 of the Companies Law and Article 46 of the Corporate Governance Regulations, if a member of the Board of Directors wishes to participate in a business that would compete with the company, or compete with it in one of the branches of its activity, the following must be observed:

- 1- Informing the board of directors of the competing business he wishes to practice, and recording this notification in the minutes of the board of directors meeting.
- 2- Non-participation of the stakeholder member in voting on the resolution issued in this regard by the Board of Directors and the General Assembly.
- 3- The Chairman of the Board of Directors informs the Ordinary General Assembly, when it is convened, of the competing business practiced by the Board member, after the Board of Directors has verified that the Board member is competing with

the company's business or its competition in one of the branches of the activity that it engages in in accordance with these standards, provided that such business is verified on an annual basis. .

- 4- Obtaining a license from the company's ordinary general assembly that allows the member to practice competing businesses.
- 5- If the general assembly refuses to renew the license granted under Article 72 of the Companies Law and Article forty-six of the Corporate Governance Regulations, the member of the Board of Directors must submit his resignation within a period specified by the General Assembly, otherwise his membership in the Board shall be considered expired, unless he decides to abandon his competition. The company or adjust its status in accordance with the Companies Law and its implementing regulations before the expiry of the period specified by the General Assembly.

Article Nine: Disclosure by the candidate for membership of the Board of Directors about cases of conflict of interest

Anyone wishing to nominate himself for membership in the Board of Directors shall disclose to the Board and the General Assembly his participation in a work that would compete with the Company, or compete with it in one of the branches of the activity that it is engaged in.

Article 10: Responsibility for implementing the policy

- 1- The Board of Directors shall supervise the implementation of these standards and controls.
- 2- The company's board of directors has the power to impose penalties on violators of these standards and controls and to file a criminal and civil lawsuit to claim compensation for damages that may result from the non-compliance of all related parties with them.

Article Eleven: certification and application

- 1- This policy shall be implemented as of the date of its approval by the General Assembly and it shall be communicated to the concerned parties. The Board of Directors shall review this policy according to the need, and it shall not be amended except with the approval of the General Assembly.
- 2- This policy is published on the company's website in order to enable the relevant parties to view this policy, and any other means of publication that the Board of Directors deems appropriate.

Article 12: Annexes

Attached to this policy is the competition criteria declaration form as shown below:

Competition criteria declaration form

Pledge and Acknowledgment

I declare and warrant that I have read and understood the Company's competition standards and, accordingly, I agree, abide by and acknowledge the following: -

Not to obtain any personal gains or profits, directly or indirectly, benefiting from my position as a member of the board of directors, not to use any information about the company, its assets or resources for my personal purposes or exploit it for my own benefit, and not to participate in a business that would compete or compete with the company in one of the branches of activity practiced except in accordance with the regulations, laws and procedures that govern it.

Name:

Position:

Signature:

Date:

Attachment regarding item 12 to 16

Limited examination report and chairman of the board of directors declaration to the General Assembly of the members direct or indirect interest on the business and contracts with a statement and description of these business



KPMG Professional Services

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Kingdom of Saudi Arabia
Headquarter

Commercial Registration No 1010425494

كي بي إم جي للاستشارات المهنية

واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
المركز الرئيسي

سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

Independent Limited Assurance Report

To the Shareholders of Fawaz Abdulaziz AlHokair & Co.

Upon request of the management of **Fawaz Abdulaziz AlHokair & Co. (the "Company")**, we have carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter detailed below ("Subject Matter"), has not been prepared, in all material respects, in accordance with the applicable criteria ("Applicable Criteria") below.

Subject Matter

The Subject Matter for our limited assurance engagement is related to the Chairman's declaration enclosed in the attached Appendix 1 (the "Declaration") prepared by the Management in accordance with the requirements of Article 71 of the Regulations for Companies and presented by the Chairman of **Fawaz Abdulaziz AlHokair & Co. (the "Company")**, which comprises the transactions carried out by the Company and its subsidiaries (collectively referred to as "the Group") during the year ended 31 March 2021 in which any of the members of Board of Directors of the Company had direct or indirect personal interest.

Applicable Criteria

We have used the following as the Applicable Criteria:

1. Article 71 of the Saudi Arabian Regulations for Companies issued by MOC (1437H -2015).

Management Responsibility

The Management and the Chairman of the Company are responsible for the preparation and appropriate presentation of the Subject Matter in accordance with the Applicable Criteria. Further, the Company's management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on our limited assurance engagement conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" endorsed in the Kingdom of Saudi Arabia and the terms and conditions for this engagement as agreed with the Company's management.

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

KPMG professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia. With the paid-up capital of SAR (15,000,000). (Previously known as "KPMG Al Fozan & Partners Certified Public Accountants") A non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (١٥,٠٠٠,٠٠٠) ريال سعودي منفوخ بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية للشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

Independent Limited Assurance Report

To the Shareholders of Fawaz Abdulaziz AlHokair & Co. (continued)

Independence and quality controls

We are independent of the Company in accordance with professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our assurance engagement and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Procedures

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject matter, nor of the underlying records or other sources from which the Subject matter was extracted. Accordingly, we do not express such an opinion

Our procedures included, but are not limited to:

- Obtaining the BOD chairman's list that includes all kind of business and contracts performed by any of the BOD members of the Company either directly or indirectly in the favor of the Group during the year; (Appendix 1);
- Reviewing of the BOD's minutes of meetings that indicate member notification to the BOD on the business and contracts performed by the BOD member; and further that the concerned Board Member did not vote on the resolution issued in this regard at the meetings of the BOD and shareholders assembly;
- Obtaining the required approvals on the transactions included in the Chairman's declaration (Appendix 1);
- Obtaining confirmation from the concerned BOD member on the business and contracts performed by the member during the year; and
- Ensuring the total transactions amounts included in the list prepared by the BOD chairman agrees to the total transactions amounts included in the note 32 to the audited financial statements.

Limited Assurance Conclusion

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been prepared in all material respects, in accordance with the Applicable Criteria.



Independent Limited Assurance Report

To the Shareholders of Fawaz Abdulaziz AlHokair & Co. (continued)

Restriction of Use of Our report

Our report is prepared upon the request of the Company's management to be presented to the shareholders in their ordinary General Assembly Meeting in accordance with the requirements of Article (71) of the Saudi Arabian Regulations for Companies and should not be used for any other purpose.

KPMG Professional Services

Hani Hamzah A. Bedairi
License No: 460

Riyadh, 1 September 2021
Corresponding to: 24 Muharram 1443H



23/01/1443H

31/08/2021

Gentlemen/ General Assembly of Fawaz Abdulaziz AlHokair & Co.

Subject: Chairman of the Board of Directors declaration regarding related party transactions where members of the Board of Directors have direct or indirect interest in the related party, with a brief description of those transactions.

Chairman's declaration

During year ended 31 March 2021, Fawaz Abdulaziz AlHokair & Co. ("the Company") and its subsidiaries ("the Group") carried out transactions with related parties in the ordinary course of business and these transactions are entered on terms and conditions approved by either the Company's management or its Board of Directors. These transactions include the transactions and contracts in which a Board member has an interest (whether directly or indirectly) and they are subject to ratification by shareholders in Annual General meeting, in accordance with the provisions of Article 71 of the Saudi Arabian Regulations for Companies issued by MOC (1437H -2015).

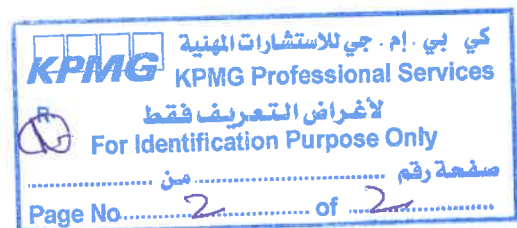
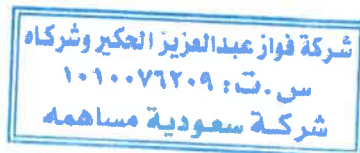
With reference to the above, I hereby declare to the General Assembly, the following related party transactions where members of the Board of Directors have a direct or indirect interest are as follows:

1. the business and contracts that have occurred between the Group and **Arabian Centres Company**, in which members of the Board of Directors, Fawaz Abdulaziz Al-Hokair, Abdul Majeed Abdulaziz Al-Hokair and Omar Abdulaziz Al-Mohammadi, have an indirect interest, regarding lease rental payment, noting that the amount of transactions for the year are 303,397,543 Saudi Riyals. It is also worth mentioning that those transactions are conducted on a commercial basis.
2. the business and contracts that have occurred between the Group and **Egyptian Centers for Real Estate Development**, in which members of the Board of Directors, Fawaz Abdulaziz Al-Hokair and Abdul Majeed Abdulaziz Al-Hokair, have an indirect interest, regarding lease rental payment, noting that the amount of transactions for the year are 6,378,761 Saudi Riyals. It is also worth mentioning that those transactions are conducted on a commercial basis.

3. The business and contracts that have occurred between the Group and the **Saudi FAS Holding Company and its subsidiaries** in which members of the Board of Directors Fawaz Abdulaziz Al-Hokair, Abdul Majeed Abdulaziz Al-Hokair, Omar Abdulaziz Al-Mohammadi and Abdulmajeed Abdullah Albasri, have an indirect interest, regarding payments made on behalf of Group, noting that the amount of transactions for the year are 89,964,509 Saudi Riyals. It is also worth mentioning that those transactions are conducted on a commercial basis.
4. the business and contracts that have occurred between the Group and **Hajen Company Limited**, in which members of the Board of Directors, Fawaz Abdulaziz Al-Hokair Abdul Majeed Abdulaziz Al-Hokair, have an indirect interest, regarding printing and advertising services, noting that the amount of transactions for the year are 1,719,302 Saudi Riyals. It is also worth mentioning that those transactions are conducted on a commercial basis.
5. The business and contracts that have occurred between the Group and **Al Farida Trading Agencies**, in which Board Member Abdul Majeed Abdulaziz Al Hokair has an indirect interest, regarding business and service expenses, noting that the amount of transactions for the year are 5,123,771 Saudi Riyals. It is also worth mentioning that those transactions are conducted on a commercial basis.

Board Chairman

Fawaz Abdulaziz Alhokair



Attachment regarding item 17

The participation of Board Member ABDUL MAJEED BIN ABDULAZIZ AL-HOKAIR in a work that competes with the company's business

The companies with the board member, Abdulmajeed Abdulaziz Alhokair has a competitive activity

Company Name	Board member position	Description of the competing company	Ownership percentage of the member
Majd Alaamal Group	partner	Majd Alaamal is a group working in multiple sectors (restaurants, financial investments, real estate and contracting)	50%



Proxy Form

نموذج التوكيل

Dear Shareholders,

السادة المساهمين،

The proxy form is not available, as the ordinary general assembly will only be conducted through modern technology means, to ensure the safety of dealers in stock exchange market, in the context of supporting the preventive and precautionary efforts conducted by relevant authorities to address the new corona virus (COVID-19).

نموذج التوكيل غير متاح حيث سيتم الاكتفاء بعقد الجمعية العامة العادية عبر وسائل التقنية الحديثة وذلك حرصاً على سلامة المتعاملين في السوق المالية السعودية ودعمًا للجهود والإجراءات الوقائية والاحترازية من قبل الجهات الصحية المختصة وذات العلاقة للتصدي لفايروس كورونا المستجد (COVID-19).

If there are any enquiries, please contact us at:

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Email: investor.relations@fahretail.com

ولمزيد من المعلومات أو الاستفسارات يرجى التواصل عبر القنوات التالية:

الهاتف: 0114146832

البريد الإلكتروني: investor.relations@fahretail.com