

# شركة صدر للخدمات اللوجستية

مستندات اجتماع الجمعية

Assembly meeting documents

**البند الأول: الاطلاع على تقرير مجلس الإدارة عن السنة  
المالية المنتهية في 31/12/2023م ومناقشته.**

**View and discuss the Board of Directors' report  
for the financial year ending 31/12/2023**

للاطلاع و قراءة تقرير مجلس الإدارة عن العام المنتهي

في 2023/12/31 م يرجى زيارة الرابط التالي :

[1861\\_0\\_2024-05-15\\_11-28-05\\_Ar.pdf \(saudiexchange.sa\)](#)

To view and read the Board of Directors' report

for the fiscal year ending on 12/31/2023,

please visit the following link:

[1861\\_0\\_2024-05-15\\_11-28-05\\_En.pdf \(saudiexchange.sa\)](#)

## تقرير لجنة المراجعة

# The annual report of the Audit Committee for Sadr Logistics Services Co

fiscal year 2022 AD

To be presented to the  
Shareholders' Assembly

The date is 04/11/1444 AH

Corresponding to 12/05/2023 AD

Corresponding to

3

## Ms. Shareholders Assembly - Sadr Logistics Services Co

Peace, mercy, and blessings of God be upon you, and to proceed:

In the name of God, praise be to God, and prayers and peace be upon the Messenger of God, and after:

The Audit Committee in Sadr Company for Logistics Services is an independent committee that aims to assist the Board of Directors to fulfill the responsibilities entrusted to it in obtaining sufficient assurances regarding the effectiveness and efficiency of the internal control system and its effective implementation in the company and the facility. of its subsidiaries in a way that achieves the company's objectives and the interests of shareholders, and the committee submits its reports to the General Assembly. esteemed shareholders, and also submits its recommendations to the Board of Directors, which would activate and develop the internal control system.

This report has been prepared in accordance with Article (88) of the Corporate Governance Regulations issued by the Capital Market Authority, which requires that the Audit Committee's report include details of its performance of its competencies and tasks stipulated in the Corporate Governance Regulations, provided that it includes its recommendations and opinion on the adequacy of the internal and financial control systems. and risk management in the company. I am pleased, on behalf of myself and on behalf of my fellow members of the Audit Committee, to submit to the esteemed Partners Assembly this report of the committee on its work for the fiscal year 2022 AD, after the Audit Committee prepared this report, including the most important activities it carried out during the year 2023 (AD). as well as her opinion on the matter the internal control system.

### Committee meetings during 2022 AD:

During the fiscal year ending on 31/12/2022, it held five meetings, as shown in the following table:

<b>Committee members - Attendance record</b>	<b>Mr. YAZID BIN HOSSAM AL-HAYYAF</b>	<b>Mr. TARIQ SAAD AL-TUWAIJRI ABDULAZIZ</b>	<b>Mr. KHALED SULEIMAN AL-MUDAYFER</b>	<b>Mr. /Sultan Ahmed Al-Shabli</b>
<b>Nature of Membership</b>	<b>Chairman of the Committee</b>	<b>Member</b>	<b>Member</b>	<b>Member</b>
First Meeting 22/03/2023	√	√	√	Appointed
Second Meeting 15/07/2023	√	√	√	
Third Meeting 31/05/2023	√	√	√	
Fourth Meeting 25/07/2023	√	√	√	
Fifth Meeting 08/08/2023	√	√	√	
Sixth Meeting 28/08/2023	√	√	√	
Seventh Meeting 01/11/2023	√	√	√	
<b>Total</b>	<b>7</b>	<b>7</b>	<b>7</b>	

## The work of the committee and its decisions during the year 2023 AD..

1. Continuously monitoring the reports of the internal audit advisor and informing the company of the observations mentioned in these reports.
2. Discussing the observations and providing guidance to the executive management to rectify several issues in different departments of the company.
3. The committee approved on 01/11/2023 the renewal of the contract with ARSA Business Solutions to perform internal auditing activities under an annual contract.
4. Monitoring the annual internal audit plan with the internal auditor.
5. Discussing the quarterly and annual financial statements for the year 2023 and recommending their approval to the board of directors.
6. Recommending modifications to the authority matrix and seeking approval from the board of directors.
7. Monitoring the correspondence received from the external auditor and working on addressing all the observations.
8. Recommending the appointment of a member to the audit committee.
9. Reviewing the proposals submitted by accounting firms to review the quarterly and annual financial statements until the end of the first quarter of 2024 and recommending approval to the general assembly.

## The Committee's opinion on the internal control regulation:

Based on the reports of the internal auditor and what the committee has seen of the procedures regarding the safety and effectiveness of the internal controls and policies applied in the company, as these controls and policies are subject to continuous review by the committee and the internal auditors. In addition to the executive management, the Audit Committee did not find a fundamental weakness in the control systems and procedures. The internal procedures and Risk Management established by the company affect the safety and integrity of the company's financial statements, and the Financial and control system is appropriate to the size and activity of the company, and there are no commercial transactions with related parties. The Committee recommends that the company continue to improve and Develop internal control procedures and continuously update policies, procedures and regulations.

Please accept the best regards of the Chairman and members of the Audit Committee.

**Chairman of the Audit  
Committee**



**YAZID AL-HAYYAF**

**البند الثاني: التصويت على تقرير مراجع حسابات الشركة  
عن السنة المالية المنتهية في 31/12/2023م بعد  
مناقشته.**

**Vote on the company's auditor's report for the  
financial year ending on 12/31/2023 AD after  
..discussing it**



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
**SADR Logistics Services Company**  
(A Saudi Joint Stock Company)

### Opinion

We have audited the financial statements of **SADR Logistics Services Company** (the "Company") which comprise of the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, its financial performance and its cash flows for the year then ended, in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Independent Auditors' Report to the shareholders of SADR Logistics Services Company  
(Continued)**

<b>Revenue recognition</b>	
Refer to note 3 for the accounting policy and note 24 for related disclosures.	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Company recognized revenue of SR 103 million during the year ended 31 December 2023 (31 December 2022: SAR 111 million).</p> <p>The Company recognizes revenue either at a point in time when the customers obtain control over the goods and this is done upon acceptance and delivery of the goods to the customer or over time when the performance obligations are satisfied over time.</p> <p>Revenue recognition is considered as a key audit matter due to the fact that revenue is one of the Company's performance indicators giving rise to an inherent risk that revenue could be subject to overstatement to meet targets or expectations.</p>	<p>Our audit procedures on revenue recognition of the Company included the following:</p> <ul style="list-style-type: none"> <li>- Assessed the appropriateness of the Company's accounting policy for revenue recognition in accordance with the requirements of International Financial Reporting Standard No. (15) "Revenue from Contracts with Customers".</li> <li>- Assessed the design and implementation of relevant controls in relation to revenue recognition.</li> <li>- Evaluate the key contractual arrangement with customers.</li> <li>- Performed tests (on a sample basis) of revenue transactions and traced these to the supporting documentation, to verify that these transactions are appropriately recognized and recorded in the correct accounting period.</li> <li>- Assessed the adequacy of relevant disclosures in the financial statements.</li> </ul>

***Independent Auditors' Report to the shareholders of SADR Logistics Services Company  
(Continued)***

**Other information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Company (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report of the Company, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of management and Those Charged with Governance ("TCWG") for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e., the Company's Board of Directors, are responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

***Independent Auditors' Report to the shareholders of SADR Logistics Services Company  
(Continued)***

**Auditor's responsibilities for the audit of the financial statements (continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For Dr. Mohamed Al-Amri & Co.**



Gihad Al-Amri  
Certified Public Accountant  
Registration No. 362



Riyadh, on: 21 Ramadan 1445H  
Corresponding to: 31 March 2024 G

## البند الثالث: الاطلاع على القوائم المالية عن السنة المالية المنتهية في 2023/ 12/31 م ومناقشتها.

**View and discuss the financial statements for  
the fiscal year ending 31/12/2023**

للاطلاع على القوائم المالية عن العام المنتهي

في 2023/12/31 م يرجى زيارة الرابط التالي :

[1861 0 2024-03-31 16-18-36 Ar.pdf \(saudiexchange.sa\)](#)

To view the financial statements

for the fiscal year ending on 12/31/2023,

please visit the following link:

[1861 0 2024-03-31 16-18-36 En.pdf \(saudiexchange.sa\)](#)

## البند الرابع: التصويت على إبراء ذمة أعضاء مجلس الإدارة عن السنة المالية المنتهية في 2023/12/31 م.

**Vote to absolve the members of the Board of  
Directors from liability for the fiscal year ending  
31/12/2023**

**البند الخامس: التصويت على صرف مبلغ 650,000 ريال سعودي  
مكافأة لأعضاء مجلس الإدارة عن السنة المالية المنتهية في  
2023/12/31 م.**

**Vote to disburse an amount of 650,000 riyals as a bonus For  
members of the Board of Directors for the fiscal year ending  
31/12/2023**



البند السادس: التصويت على توصية مجلس الإدارة بعدم توزيع أرباح نقدية على المساهمين عن السنة المالية المنتهية في 2023/12/31 م وذلك لتدعيم مركز الشركة المالي ودعم التوسعات والمشاريع القادمة للشركة.

**Voting on the Board of Directors' recommendation not to distribute cash dividends to shareholders for the fiscal year ending on 12/31/2023 AD, to strengthen the company's financial position and support the company's upcoming expansions and projects.**

البند السابع: التصويت على تعيين مراجع حسابات الشركة من بين المرشحين بناءً على توصية لجنة المراجعة، وذلك لفحص ومراجعة وتدقيق القوائم المالية للربع (الثاني والثالث والسنوي) من العام المالي 2024م، والربع الأول من العام المالي 2025م وتحديد أتعابه.

**Vote on appointing 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 quarter (second, third and annual) of the fiscal year 2024 AD, and the first quarter of the fiscal year 2025 AD and determine his fees**

**SADR logistics services**

**SADR logistics services company**  
**Article before and after modification**

## Article before and after modification

## SADR logistics services

Conflict of interest policy		
Current list	Modified list	Procedure
<p><b>Article (1)</b></p> <p><b>Definitions</b></p> <p>The following words and phrases have the meanings stated in front of them unless the context requires otherwise:</p> <p>Companies Law: The Companies Law issued by Royal Decree No. (M/3) dated 10/11/2015.</p> <p>Financial Market Law: The Financial Market Law issued by Royal Decree No. (M/30) dated 31/7/2003.</p> <p>Rules for the Offer of Securities and Continuing Obligations: Rules for the Offer of Securities and Continuing Obligations issued by the Council of the Capital Market Authority.</p> <p>Authority: Capital Market Authority.</p> <p>Market: The Saudi Financial Market.</p> <p>Company: Sadr Logistics Services Company</p> <p>Board of Directors: Board of Directors of Sadr Logistics Services Company</p> <p>Shareholders' Assembly: An association formed by the company's shareholders in accordance with the provisions of the Companies Law and the Company's Bylaws.</p> <p>Executive Member: A member of the Board of Directors who is dedicated to the executive management of the company and participates in its daily operations.</p> <p>Non-Executive Member: A member of the Board of Directors who is not dedicated to managing the company and does not participate in its daily operations.</p> <p>Independent member: A non-executive board member who enjoys complete independence in his position and decisions, and none of the criteria of independence stipulated in Article 20 of these regulations apply to him.</p> <p>Executive management or senior executives: persons entrusted with managing the company's daily operations, proposing, and implementing strategic decisions, such as the CEO, his deputies, and the financial director.</p> <p>Relatives or relatedness:</p> <ol style="list-style-type: none"> <li>1. Fathers, mothers, grandfathers, and grandmothers, even if they are high.</li> <li>2. Children, and their children, even if they are descending.</li> <li>3. Full brothers and sisters, or father or mother, and their children.</li> <li>4. Husbands and wives.</li> </ol> <p>Holding Company: A joint stock or limited liability company that aims to control other joint stock or limited liability companies called subsidiaries, by owning more than half of the capital of those companies or by controlling the formation of their board of directors.</p> <p>Person: Any natural or legal person recognized as such by the Kingdom's laws.</p> <p>Related parties:</p> <ol style="list-style-type: none"> <li>1. Major shareholders in the company.</li> <li>2. Members of the company's board of directors or any of its subsidiaries and their relatives.</li> <li>5. Senior executives of the company or any of its subsidiaries and their relatives.</li> <li>8. Board members and senior executives of the company's major shareholders.</li> <li>26. Establishments - other than companies - owned by a member of the board of directors, a senior executive, or their relatives.</li> <li>27. Companies in which any of the board members, senior executives, or their relatives are partners.</li> </ol>	<p><b>Firstly, definitions</b></p> <p>A. The words and phrases mentioned in these regulations have the meanings given to them in the list of terms used in the Capital Market Authority's regulations.</p> <p>B. For applying these regulations, the words and phrases below shall have the meanings shown in front of each of them, unless the context of the text requires otherwise.</p> <p>Company: Sadr Logistics Services Company (a Saudi listed joint stock company).</p> <p>Authority: Capital Market Authority.</p> <p>General Assembly: Ordinary - Extraordinary Assembly.</p> <p>Chairman of the Board: Chairman of the Company's Board of Directors.</p> <p>Board: The company's board of directors.</p> <p>CEO: The highest-ranking official in the executive management who is delegated by the Board to head the company's executive body.</p> <p>Senior executives: The people entrusted with managing the company's daily operations, proposing, and implementing strategic decisions, such as the CEO, his deputies, and the financial director.</p> <p>Policy: The company's conflict of interest policy.</p> <p>Conflicts of interest: situations in which a person has or may have a direct or indirect interest or relationship in a matter that is under consideration by that person for the purpose of making a decision thereon; Such that it prevents this interest or relationship, or leads to the belief that it prevented him from expressing his opinion or making his decision independently and impartially and without taking this interest or relationship into account.</p> <p>Stakeholders: Every person who has an interest in the company, such as: shareholders, employees, creditors, customers, suppliers, and the community.</p> <p>Related parties:</p> <ol style="list-style-type: none"> <li>A. Subsidiaries of the company, except for companies wholly owned by the company.</li> <li>B. The company's major shareholders.</li> <li>C. Board members and senior executives of the company.</li> <li>D. Members of the boards of directors of the company's affiliates.</li> <li>E. Members of the Board of Directors and senior executives of the company's major shareholders.</li> <li>F. Any relatives of the persons referred to in (A, B, C, and E).</li> <li>G. Any company or other facility controlled by any person referred to in (A, B, C, E, or F).</li> </ol> <p>For the purposes of paragraph (f) of this definition, relatives mean father, mother, husband, wife, and children.</p> <p>Employee: Any individual who works under an employment contract or a services contract and whose services are placed at the disposal or under the control of the company.</p> <p>Person: Any natural or legal person who is recognized as such by the Kingdom's laws.</p> <p>Affiliate: a person who controls another person, or is controlled by that other person, or is jointly controlled by a third person. In any of the above, control is direct or indirect.</p> <p>Holding Company: A joint-stock company, simplified joint-stock company, or limited liability company that establishes companies or owns shares or stocks in existing companies that become affiliated with them in accordance with the provisions of the Companies Law and its executive regulations.</p>	<p>Edit the whole article</p>

<p>11. Companies in which any of the members of the board of directors, senior executives, or their relatives are members of the board of directors or are senior executives.</p> <p>6. Joint stock companies in which any member of the Board of Directors, senior executives, or their relatives owns 5% or more, considering what is stated in Paragraph (d) of this definition.</p> <p>16. Companies in which any member of the board of directors, senior executives, or their relatives has influence in their decisions, even by providing advice or direction.</p> <p>28. Any person whose advice and guidance influences the decisions of the company, its board of directors, and senior executives.</p> <p>22. The company's holding or subsidiary companies. Paragraphs (i) and (j) of this definition exclude advice and guidance that are provided in a professional manner by a licensed person.</p> <p>Group: in relation to a person, means that person and each of his or her subordinates.</p> <p>Affiliate: a person who controls another person, or is controlled by that other person, or is jointly controlled by a third person. In any of the above, the control is direct or indirect.</p> <p>Stakeholders: Everyone who has an interest in the company:</p> <ol style="list-style-type: none"> <li>1. Major shareholders of the company who own 5% or more of the company's capital.</li> <li>2. Members of the Company's Board of Directors and Company Committees.</li> <li>3. Senior executives and employees of the company.</li> <li>4. Auditors and company advisors.</li> </ol>	<p>All terms not defined in these regulations will have the same meaning as stated in the Corporate Governance Regulations, or in the list of terms used in the Authority's regulations and rules, unless the context of the text requires otherwise.</p>	
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## SADR logistics services

### SADR logistics services company Article before and after modification

#### Article before and after modification

#### SADR logistics services

Conflict of Interest Policy		
Current list	Modified list	Procedure
<p>Article (2)</p> <p>Introduction:</p> <p>1. Conflict of interest is the actual or potential conflict that may affect the performance of the members of the Board of Directors, the executive management, or other employees of the company when dealing with the company or other stakeholders.</p> <p>2. The Board of Directors of the company shall establish a conflict-of-interest policy and develop the necessary controls for its implementation, monitor its implementation, and periodically update it in accordance with the company's Articles of Association and in compliance with the rules of the governance regulations for Sadara Logistics Services Company.</p> <p>3. Reference for the conflict-of-interest policy:</p> <ol style="list-style-type: none"> <li>1. Sadara Logistics Services Company's Articles of Association.</li> <li>2. Saudi Companies Law.</li> <li>3. Corporate Governance Regulations issued by the Capital Market Authority.</li> <li>4. Governance Regulations Guide for Sadara Logistics Services Company.</li> <li>5. Guidance Manual for Regulatory Controls and Procedures issued in implementation of the Companies Law for listed joint-stock companies issued by the Capital Market Authority.</li> </ol>		Delete
<p>Article (3)</p> <p>Conflict of Interest Policy</p> <p>The Board of Directors shall establish a written and clear policy to deal with cases of actual or potential conflicts of interest that may affect the performance of the members of the Board of Directors, the executive management, or other employees of the company when dealing with the company or other stakeholders. This policy shall specifically include the following:</p> <ol style="list-style-type: none"> <li>1. Members of the Board of Directors, major shareholders, executives, and other employees of the company must avoid situations that lead to a conflict of interest with the company's interests.</li> </ol>	<p>Secondly: Conflict of Interest</p> <p>1. Guidance on Conflict of Interest:</p> <p>The fundamental approach adopted by the company regarding conflict of interest, while acknowledging personal privacy rights, is that its employees must liberate themselves from the constraints of external interests, activities, and influences that could lead to any of the following:</p> <ol style="list-style-type: none"> <li>1. Hindering the freedom of independent practice of any of its employees, impairing their judgment, trust, initiative, or work in service of the company.</li> <li>2. Exposing its employees or the company itself to legal liability or public criticism.</li> </ol>	Complete modification of the Article

<p>2. Examples of conflict of interest include:</p> <ol style="list-style-type: none"> <li>1. Renting locations or warehouses to the company by a related party.</li> <li>2. Supplying goods to the company by a related party.</li> <li>3. Engaging in activities similar to those of the company by a related party.</li> </ol> <p>3. Disclosure of conflicts of interest is required, and obtaining the necessary license or approval before commencing activities that may lead to a conflict of interest.</p> <p>4. Permanent disclosure of situations that may lead to a conflict of interest or when such conflict arises is mandatory.</p> <p>5. The obligation to refrain from voting or participating in decision-making in the presence of a conflict of interest.</p> <p>6. If the Board approves the transaction, it must seek permission and approval from the General Assembly before commencing transactions that may lead to a conflict of interest.</p> <p>7. The company shall inform the public of the General Assembly's decision regarding the contract or transaction.</p> <p>8. Clear procedures when the company contracts or transacts with a related party, including notifying the authority and the public without delay if the contract or transaction equals or exceeds 1% of the company's total revenues according to the latest audited financial statements.</p> <p>9. The procedures to be taken by the Board of Directors if it discovers any violation of this policy.</p>	<p>3. Causing harm, damage, or loss to any of its operations, activities, or reputation.</p> <p>The provisions of this policy also apply to:</p> <ol style="list-style-type: none"> <li>1. Board members.</li> <li>2. Members of committees established by the board.</li> <li>3. Executive management.</li> <li>4. Company employees.</li> </ol> <p>Below are some examples of conflicts of interest that board members, directors, and all employees must avoid unless they have obtained prior written approval from the chairman of the board for board members or from the CEO for other employees.</p>	
<p>Article (4) Avoidance of Conflict of Interest:</p> <p>1. Conflict of interest for a board member requires adherence to the following:</p> <ol style="list-style-type: none"> <li>1. Performing duties with honesty and integrity, prioritizing the company's interests over personal interests, and refraining from exploiting their position for personal gain.</li> <li>2. Avoiding situations of conflict of interest and informing the board of conflicts that may affect their impartiality when considering matters before the board. The board should refrain from</li> </ol>	<p>Secondly: Conflict of Interest</p> <p>1. Board Members and Senior Executives</p> <p>A. Board members are not allowed, without annual renewal approval from the General Assembly, to have any interest, whether direct or indirect, in the company's business and contracts. This excludes activities conducted through public competition if the board member presents the best offer. Board members must inform the board of any personal interest they have in the company's business and contracts, and this disclosure must be documented</p>	<p>Complete modification of the Article</p>

<p>involving this member in discussions and not count their vote on such matters in board meetings and shareholders' assemblies.</p> <p>3. Maintaining the confidentiality of information related to the company and its activities and refraining from disclosing it to any person.</p> <p>4. Prohibiting voting on board or general assembly decisions regarding business and contracts conducted for the company if there is a direct or indirect interest in them.</p> <p>5. Prohibiting the exploitation or benefit, directly or indirectly, from any of the company's assets, information, or investment opportunities presented to them as a board member or to the company. This includes investment opportunities within the company's activities or those the company wishes to benefit from. This prohibition also applies to a board member who resigns in order to exploit investment opportunities that the company wishes to benefit from and that they became aware of during their membership on the board.</p> <p>2. Conflict of interest related to executive management and company employees requires adherence to the following:</p> <p>1. Informing the board of any outside work activities conducted by any executive management official, with approval required from the board, and disclosure required according to regulations and laws in this regard.</p> <p>2. If an executive official or employee wishes to engage in such activities, they must present the matter to the company's CEO for study, evaluation, and recommendation to the company's board of directors before issuing an appropriate decision on it.</p> <p>4. Conflict of interest related to major shareholders requires adherence to the following:</p> <p>1. All transactions and contracts with major shareholders and their relatives, who own 5% or more of the company's shares directly or indirectly or have a controlling interest in any of its subsidiary companies (within its group), are subject to the same conditions as transactions with third parties.</p> <p>2. Disclosure of all transactions with major shareholders and their relatives, who own 5% or more of the company's shares directly or indirectly or have a controlling interest in any of its subsidiary companies (within its group), according to regulations and laws.</p>	<p>in the meeting minutes. The member with an interest is not allowed to participate in voting on the related decision. The chairman of the board must inform the General Assembly, during its session, about the business and contracts in which any board member has a personal interest, accompanied by a special report from the auditors.</p> <p>B. Board members are not permitted, without annual renewal approval from the General Assembly, to engage in any activity that competes with the company, to serve as a director or board member in a company that competes with the company, or to trade in any branch of business conducted by the company.</p> <p>C. Board members are prohibited from exploiting or benefiting, directly or indirectly, from any of the company's assets, information, or investment opportunities presented to them as board members or to the company. This includes investment opportunities that fall within the company's activities or those that the company seeks to benefit from. This prohibition applies to board members who resign to exploit investment opportunities that the company desires to benefit from and of which they were aware during their board membership.</p> <p>D. The company's audit committee reviews the contracts and proposed transactions between the company and related parties.</p> <p>E. The company is not allowed to provide any cash loans to board members or guarantee any loans they make to others. This excludes housing loans and others within their limits and purposes, under the conditions applied in its transactions with its employees if the board member is an employee of the company.</p> <p>F. The remuneration and nomination committee of the company ensures that there is no conflict of interest for board members if they serve on the boards of directors of other companies.</p> <p>G. The company must disclose any deal between it and a related party or any arrangement in which both the company and a related party invest in a project, asset, or provide financing for it.</p> <p>H. The company must include in the board's report any business or contracts in which the company is involved, or in which any board member, CEO, CFO, or any person related to any of them has an interest. If there are no such transactions or</p>	
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<p>5. Conflict of interest related to other stakeholders requires adherence to the following:</p> <p>All transactions and contracts with other suppliers and customers of the company or any of its subsidiary companies (within its group) are subject to the same conditions as transactions with third parties regarding evaluation, fair implementation, disclosure, or reporting.</p>	<p>contracts, the company must submit a declaration to that effect.</p> <p>2. Company Employees</p> <p>A. Company employees are obligated to immediately notify the CEO or the internal audit unit of any existing or potential conflicts of interest they are aware of.</p> <p>B. The company's policy and authority structure ensure a complete separation of the powers and responsibilities of employees who carry out business transactions from those who record them.</p> <p>C. It is prohibited for insiders of the company to directly or indirectly benefit from insider information for the purpose of making a profit, commercial benefit, or moral benefit before announcing this information on the market's website within a specified period, as determined by market conduct rules and instructions issued by the relevant regulatory authorities.</p> <p>D. The company's procurement policy ensures a complete separation between the administrative unit that conducts technical evaluations and the administrative unit that conducts commercial evaluations of bids from contractors, suppliers, and service providers.</p> <p>E. The company may approve an employee obtaining a commercial register, provided that they sign a conflict of interest agreement. However, the employee must immediately notify management of any actual or potential conflicts of interest they may be aware of. This includes:</p> <ul style="list-style-type: none"> <li>- Owning, or a family member owning, a significant stake in any external project engaging in or seeking to engage in business with the company or competing with it.</li> <li>- Serving as a director, officer, partner, advisor, major shareholder, investor, or holding any significant role in any external project engaging in or seeking to engage in business with the company or competing with it.</li> <li>- Acting as a broker, agent, representative, or other intermediary for the benefit of a third party in business operations related to the company or its interests.</li> </ul>	
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**Article before and after modification**

**SADR logistics services**

Conflict of Interest Policy		
<p>6. Conflict of Interest Related to External and Internal Auditors and Consultants should comply with the following:</p> <p>1. External auditors of the company must be independent.</p> <p>2. The independence of the internal auditor should be maintained, and sufficient support should be provided to enable them to carry out internal audit activities. The internal auditor should functionally report to the audit committee and administratively to the company management.</p> <p>3. When appointing any financial, legal, or external auditor consultant, consideration should be given to conflicts of interest and the provisions of laws issued by regulatory and supervisory authorities in this regard.</p>	<p>3.1.2 Dealing with Suppliers and Other Parties</p> <p>It is considered a conflict of interest for any individual, directly or indirectly related to the company's staff, whether a board member, manager, employee, or worker, or any immediate family member (spouse, parents, or children), to have any connection with suppliers, contractors, consumers, beneficiaries, competitors, joint venture partners, service providers, or any other legal or natural person the company deals with.</p> <p>4.1.2 Personal Benefit from Company Information and Business Opportunities</p> <p>No employee of the company shall exploit their position to achieve personal gain for themselves or any immediate family member from their position to any other party.</p> <p>5.1.2 Business Courtesies, Gifts, and Invitations</p> <p>Company personnel must not accept any gifts, grants, or offers that may affect their decisions or actions towards the company or affect its reputation according to the following guidelines:</p> <p>a. Employees are not allowed to accept invitations from parties with whom the company deals with out of courtesy during their tenure with the company to attend local or international events, year-end parties, or any other events without obtaining prior written approval from the CEO.</p> <p>b. Acceptance of meals, beverages, or any other form of customary hospitality during working hours out of courtesy is allowed if it is within the context of justified work discussions or to enhance business relationships. Such courtesies must be reciprocal.</p> <p>c. An employee may not accept cash amounts from any party dealing with the company (such as customers, suppliers, consultants, business partners). Under no circumstances may they accept any non-monetary gifts exceeding one thousand (1000) Saudi Riyals only.</p> <p>d. If an employee receives a gift exceeding the value mentioned in the previous paragraph, they must return it to the donor, explaining the</p>	<p>Delete</p>

	<p>company's policies in this regard and notifying the Internal Audit Unit.</p> <p>e. An employee must refuse any personal services offered to them or to any immediate family member that may influence their decision-making process.</p> <p>f. The guidelines related to business courtesies, gifts, and invitations apply to all company employees at all times, even during their vacations.</p> <p>g. An employee is not allowed to solicit any other party for any valuable items for themselves or for a third party other than the company itself, in exchange for any services or for disclosing any information related to the company.</p> <p>h. All gifts received by the employee or offered to them must be disclosed in writing to the CEO or the Internal Audit Unit, except for the following cases:</p> <ul style="list-style-type: none"><li>- If such benefit is available to the public under the same conditions available to the employee.</li><li>- If gifts, grants, compliments, or services are accepted within a clear framework of family or personal relationships when ensuring that such personal relationships are the primary reason for offering these gifts and not motivated by the company's business.</li><li>- Accepting meals, beverages, or arranging travel or accommodation hospitality provided as part of arranging a legitimate and legal business meeting or to enhance business relationships with another party.</li><li>- Company officials obtaining loans from banks or financial institutions under the usual conditions for financing known and ordinary activities such as mortgages or personal loans.</li><li>- Acceptance of low-value promotional items such as ordinary pens, notebooks, standard electronic storage units, calendars, and the like.</li><li>- Obtaining any discounts or reductions for purchasing goods or services that do not exceed the discount rates available to the public.</li><li>- Receiving any prizes at social, charitable, educational, or religious gatherings as a token of appreciation for specific services or achievements where there is no connection between the donor</li></ul>	
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	<p>and any of the company's activities, clients, or related parties.</p> <p>6.1.2 Joining Public, Charitable, and Business Organizations</p> <p>Company personnel representing it in any organization, institution, or any other entities must not accept any form of compensation or consideration from such organizations or institutions. In the event that an employee receives any form of compensation or consideration from these organizations or institutions, they must hand over such compensation or consideration to the company if requested to do so.</p> <p>The above is merely examples of conflicts of interest. All company personnel are continuously required to avoid conflicts of interest and communicate with the CEO or the Internal Audit Unit to inquire about any situation that may be deemed a conflict of interest.</p>	
Article (5) Disclosure of Conflict of Interest by the Candidate	-	Delete
<p>Article (6) Company Competition Controls</p> <p>Taking into consideration what is stated in Article 72 of the Companies Regulations, and the relevant provisions in this Regulation, if a member of the Board of Directors wishes to engage in an activity that may compete with the company or its branches in the activities it conducts, the following must be observed:</p> <ol style="list-style-type: none"> <li>1. Notify the Board of Directors of the competitive activities they intend to undertake, and document this notification in the minutes of the Board of Directors meeting.</li> <li>2. The interested member shall abstain from voting on the decision made in this matter by the Board of Directors and the general assemblies of shareholders.</li> </ol> <p>Article (7) Definition of Competitive Activities</p> <p>Participation in any activity that may compete with the company or its branches in the activities it conducts includes:</p> <ol style="list-style-type: none"> <li>1. Establishment by a board member of a company or individual institution, or ownership of a significant percentage of shares or stakes in</li> </ol>	<p>Thirdly: Competition</p> <p>1.3 Company Competition Controls</p> <p>Taking into account what is stated in Article 27 of the Companies Regulations and the relevant provisions in the Corporate Governance Regulations, if a board member wishes to engage in an activity that may compete with the company or its branches in the activities it conducts, the following must be observed:</p> <ol style="list-style-type: none"> <li>a. A board member is not allowed to participate in any activity that may compete with the company or compete with the company in any of the branches of activity it engages in, unless the company has the right to demand appropriate compensation from him before the competent judicial authority, unless he has obtained prior annual approval from the ordinary general assembly to do so.</li> <li>b. If a board member fails to disclose his interest, the company or any interested party may demand before the competent judicial authority the nullification of the contract or compel the member to return any profit or benefit obtained from it.</li> </ol> <p>2.3 Definition of Competitive Activities</p>	Modification of articles and numbering

<p>another company or establishment engaged in activities similar to those of the company or its group.</p> <p>2. Acceptance of membership in the board of directors of a company or establishment that competes with the company or its group, or assuming the management of a competing individual institution or company in any form other than the company's subsidiaries.</p> <p>3. Obtaining a commercial agency or its equivalent, whether apparent or hidden, for another company or establishment that competes with the company or its group.</p> <p>Article (9) Acceptance of Gifts</p> <p>- Members of the Board of Directors and senior executives are not allowed to accept gifts from any person with whom the company has business dealings if such gifts may lead to conflicts of interest.</p>	<p>Participation in any activity that may compete with the company or its branches in the activities it conducts includes:</p> <p>a. Establishing a company or individual institution by a board member, or owning a significant percentage of shares or stakes in another company or establishment engaged in activities similar to those of the company or its group.</p> <p>b. Acceptance of membership on the board of directors of a company or establishment that competes with the company, its group, or assuming the management of a competing individual institution or company in any form other than the company's subsidiaries.</p> <p>c. Obtaining a commercial agency, whether apparent or hidden, for another company or establishment that competes with the company or its group.</p> <p>3.3 Acceptance of Gifts</p> <p>Members of the board, committee members, and senior executives are not allowed to accept gifts from any person with whom the company has business dealings if such gifts may lead to conflicts of interest.</p> <p>4.3 General Provisions for Conflict-of-Interest Guidelines in Company Operations</p> <p>The following are general provisions for conflict-of-interest guidelines in company operations, which are considered an integral part thereof:</p> <p>a. All company employees understand that all desktop and mobile computers, communication devices, and storage media provided to them are owned by the company and have been provided to them for specific use in its business only. The company has the right to access these devices, review their contents, and make copies whenever necessary, with the approval of the CEO.</p>	
	<p>b. Committee members are subject to all provisions related to conflict of interest as outlined in the regulations governing the committees they serve on.</p> <p>c. All company personnel must maintain their privacy and refrain from leaving any personal materials on these devices and store them in their personal devices. They must also keep their personal devices away from their desks to avoid</p>	

	<p>any unintended access to these devices, as they will be treated like any other company-owned devices.</p> <p>d. An employee must inform the Internal Audit Unit manager of any situation in which they observe any company personnel, contractors, or consultants contacting companies or other parties with the intention of assisting those companies in obtaining business with the company or leaking some information considered confidential. Or other companies contacting company employees, consultants, and contractors for the same purpose.</p> <p>e. All company personnel understand that the company will establish branches, administrative units, and participate in other companies or subsidiaries, or with other parties, and that it may transfer any of its personnel to any of those branches or companies. In this case, compliance with the conflict-of-interest guidelines in carrying out their work remains binding on its personnel who have been transferred or will be transferred to those new companies unless they are canceled and replaced with similar standards and guidelines established by those companies.</p> <p>5. Acknowledgment and Pledge All company personnel are required to sign the acknowledgment and pledge regarding compliance with the conflict-of-interest guidelines, including acknowledging access to them when carrying out their duties and understanding the instructions contained therein and being given the opportunity to inquire about them. They must commit unconditionally to all that is stated in them, explicitly or implicitly, and understand the penalties and disciplinary actions that will be applied in case of non-compliance. Additionally, all company personnel undertake to be informed of any additions or modifications made by the company's management to these guidelines and to be notified or announced from time to time.</p>	
<p>Article (8) Refusal to Renew License</p> <p>If the General Assembly refuses to grant or renew the license granted under Articles seventy-one and seventy-two of the Companies Law and Article forty-six of this Regulation, the board member must submit his resignation within a period specified by the General Assembly.</p>		<p>It has been deleted because the Capital Market Authority removed it according to the latest update of the Corporate Governance Regulations.</p>
<p>Article (10) Purpose</p>		<p>Delete</p>

<p>The purpose of this policy is to establish the guiding principles and foundations governing the relationship between Sader Company for Logistics Services and stakeholders who have a relationship with Sader Company, enabling them to raise complaints, grievances, and report any violations.</p>		
<p>Article (11) Overview</p> <p>The Board of Directors of Sader Company for Logistics Services is committed to applying the highest ethical standards. Sader Company for Logistics Services seeks to have stakeholders who demonstrate strong commitment, conviction, and trust in their dealings with it. Stakeholders can be defined as individuals or groups who have a direct or indirect interest in the company and may be affected by the company's procedures, objectives, and policies. Stakeholders include shareholders, management, employees, customers, creditors, banks, suppliers, government entities, and the community as a whole.</p> <p>In order to develop successful relationships with stakeholders, Sader Company for Logistics Services adheres to the following principles:</p> <ol style="list-style-type: none"> <li>1. Stakeholders who are affected by the actions and activities of Sader Company for Logistics Services have the right to be informed about the company's activities in light of regulations and laws, and to participate transparently regarding their interests and issues affecting them.</li> <li>2. Providing stakeholders with necessary and timely information regarding the company's activities, in compliance with regulations and laws.</li> <li>3. Sader Company for Logistics Services will strive to obtain feedback from stakeholders regarding its decisions concerning its operations and activities, in line with the system.</li> <li>4. Sader Company for Logistics Services aims to encourage stakeholders to determine how they wish to communicate their opinions, and accordingly, the company will make every effort to maintain flexibility and respond to stakeholders' preferences.</li> <li>5. Respecting the values and culture of each stakeholder.</li> <li>6. Sader Company for Logistics Services must ensure that its dealings with its board members and related parties are conducted according to the</li> </ol>		Delete

terms and conditions followed with stakeholders, without any discrimination or preference.		
<p>Article (12)</p> <p>Key Stakeholders</p> <p>The role of the company towards stakeholders is as follows:</p> <p>Shareholders:</p> <p>Sader Company for Logistics Services is committed to creating sustainable value for its shareholders, aiming to maximize their investments and achieve reasonable financial returns. The company always works in their best interest and protects their rights as outlined in the company's articles of association and related regulations and systems.</p> <p>Banks and Other Lenders (Creditors, Institutional Investors):</p> <p>Sader Company for Logistics Services must pay special attention to its obligations towards banks and financial institutions with which it deals. Many creditors and financiers will have pre-existing financial commitments, terms, and obligations that require Sader Company for Logistics Services to fulfill in order to obtain financing from these entities.</p> <p>- Members of the board of directors should have a clear understanding of these requirements and ensure that management monitors Sader Company for Logistics Services' position appropriately to ensure compliance with these commitments and terms. This is to avoid any penalties, sanctions, or other consequences that may harm the interests or relationships of the company. Additionally, it should be</p>		<p>It has been removed and incorporated into the governance regulations for that purpose. If the company desires, it can prepare a separate regulation entitled "Stakeholders" in accordance with current best practices.</p>



<ul style="list-style-type: none"> <li>• Ensuring continuous communication with the company's financiers, engaging them in periodic dialogues, and responding positively to the information they request in a manner that does not conflict with the system.</li> <li>• Sadr Logistics Services Company must respect its creditors, and it is important to understand the needs and aspirations of shareholders and respond to them appropriately. Sadr Logistics Services Company is keen and always works to strike a balance between the expectations and demands of investors, whether institutions, shareholders or individuals, to ensure that there is a Fair and equitable treatment to all shareholders and without discrimination between them.</li> </ul> <p><u>Board members, managers and employees</u> Sadr Logistics Services Company is committed to treating its members (board members and employees fairly) and providing equal opportunities for all employees within established employment policies, including recruitment, compensation, professional development and promotions without discrimination.</p> <ul style="list-style-type: none"> <li>• The Board of Directors of Sadr Logistics Company believes in providing safe and healthy working conditions, respecting human rights and respecting the rights of employees. The Board of Directors of Sadr Logistics Services Company expects its employees to disclose without hesitation when they see ethical deviations and violations in light of the policy for reporting violative practices approved by the Board of Directors (Whistleblowing policy).</li> </ul> <p>Board members must also realize the importance of employee support and their commitment to enabling Sadr Logistics Company to achieve its goals.</p> <p><u>Customers and suppliers</u> The Board of Directors should take an active interest in how Sadr Logistics Company handles and resolves customer complaints, and not rely solely on management. Relevant statistics and key issues arising from customer complaints should also be</p>		
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<p>communicated To the Board of Directors periodically.</p> <ul style="list-style-type: none"> <li>Sadr Logistics Services Company is committed to providing high-quality products, excellent services, and value-added solutions to its clients and customers. Sadr Logistics Services Company also seeks to deal with customers and suppliers in an ethical and honest manner. The company also seeks to build and maintain good relationships with its customers and suppliers and emphasizes ensuring the protection of the confidentiality of information related to them.</li> </ul> <p><u>5 Community</u> Individuals and institutions of the general community expect national companies to participate in the development of the community in which they operate by adopting social responsibility plans, initiatives and programs that contribute to its development. Sadr Logistics Company should give special importance to these social initiatives and have administrative entities to make decisions related to it and its development and development. Sadr Logistics Company also believes that failure to understand relevant community issues and respond appropriately to them may have financial consequences, bad reputation, and other negative consequences on the company. As a result, Sadr Logistics Company is committed to contributing to the development and advancement of society in all the countries in which it operates and to using resources responsibly to preserve the environment. The Council gives importance to the communities' view of the assistance provided by Sadr Logistics Company in the field of charitable and other community activities.</p>		
<p><b>Article (13)</b> <b>Mechanisms for resolving disputes and complaints for stakeholders</b></p> <p>In the event that a complaint or dispute arises between stakeholders and Sadr Logistics Services Company, with the exception of employees, stakeholders must contact the Secretary of the Board of Directors of Sadr Logistics Services Company or any other competent person determined by the company. Once the Secretary of the Board or the competent person is notified, he will</p>		<p>It has been deleted and included in the Governance Regulations accordingly. If the company wishes, it is possible to prepare a separate regulation entitled "Stakeholders" in accordance</p>

<p>refer the matter to the company's Audit Committee for guidance regarding the dispute or complaint, and appropriate procedures and decisions will be taken in this regard. The Audit Committee must ensure that the matter has been addressed by the company's management by taking the necessary corrective measures or making recommendations. In order to solve the problem in an appropriate manner that ensures fair investigations and procedures, the company may develop the policy Or additional detailed procedures in addition to this policy to ensure effective implementation.</p>		<p>with the current leading practice followed.</p>
<p><b>Article (14)</b> <b>Employee motivation and reward policy</b></p> <p>Sadr Logistics Services Company is keen to motivate its employees and treat them fairly in light of this policy and the human resources policies it adopts, which guarantee the employee a mechanism for development and promotion without discrimination or bias. The company establishes programs to develop and motivate participation and performance for its employees. In light of this, the company's Rewards and Nominations Committee reviews the salary scale specified for all employees and senior executives and the incentive program and plans on an ongoing basis and approves them based on the recommendation of the executive management and in a manner that does not conflict with the labor and workers system and any applicable regulations. In this regard, it includes policies and programs to motivate and reward employees, including Executive management as follows:</p> <p>A basic salary paid at the end of each calendar month and on a monthly basis)</p> <p>2. allowances that include, but are not limited to, a housing allowance, a transportation allowance, an education allowance for children, and a telephone allowance (according to the job grades determined by the policy of Internal human resources used)</p> <p><b>Medical insurance benefits for the employee and his family</b></p> <p>4. Life insurance policy that (includes work injuries, partial and total disability, and death during work)</p> <p>5. Annual bonus linked to performance indicators according to the annual evaluation carried out for it</p>		<p>It has been deleted and included in the Governance Regulations accordingly. If the company wishes, it is possible to prepare a separate regulation entitled "Stakeholders" in accordance with the current leading practice followed.</p>

<p>6. Short-term incentive plans linked to exceptional performance, and Long-term incentives plans, such as stock options programs (whenever they exist), which the company adopts in light of its bylaws and relevant applicable regulations.</p> <p>7. Other benefits include, but are not limited to, annual leave and travel tickets., Executive Airport Services for the Executive Management Team. And indemnity according to the work system and human resources policy approved by the Company.</p> <p>8. A special program for employee housing loans in light of the approved internal policy about this.</p> <p>9. The plans, programs and general guidelines for remuneration for senior executives are approved by a remuneration and nominations committee</p> <p>10. The CEO implements the remuneration policy for employees and senior executives In light of the plans, programs and general guidelines approved by the committee.</p>		
<p><b>Article (15)</b> <b>Final provisions</b></p> <p>1 - These regulations are considered effective from the date of their approval and approval by the company's general assembly.</p> <p>2 - The Audit Committee supervises the implementation of this policy by reviewing cases, transactions and contracts that take place with stakeholders or that are likely to involve a situation Conflicts of interest and submitting any recommendations it deems appropriate to the Board of Directors.</p> <p>3- Everything that is not stipulated in these regulations shall be subject to the Rules Guide for the Corporate Governance Regulations of Sadr Mineral Logistics Services Company, as well as the Corporate Governance Regulations issued by the capital market authority.</p>	<p><b>Fourth: Final provisions</b> <b>1.4 Accreditation and Acknowledgment</b> a. The conflict-of-interest policy was approved by the Board of Directors of Sadr Logistics Company in Resolution No. (2024/4) dated 05/13/2024 AD</p> <p><b>2.4 Publication and Accessibility</b> a. These regulations shall be effective from the date of their approval by the Council. B. This regulation is considered complementary to the company's governance regulations, the work regulations of the Council and its committees, and the corporate governance regulations issued by the Authority. c. These regulations supersede and replace all procedures, decisions or internal regulations of the company that conflict with them. d. Everything that is not provided for in this regulation shall be subject to the Corporate Governance Regulations issued by the Authority and the decisions issued by the Competent regulatory authorities.</p>	Article modification
<b>Disclosure and transparency policy</b>		
<b>Current regulation</b>	<b>Amended regulations</b>	<b>procedure</b>
<p><b>Article (1)</b> <b>Definitions</b> The following words and phrases have the meanings stated next to them unless the context requires otherwise <b>The Companies Law</b> the Companies Law issued by Royal Decree No. (M/3) dated 1-28-1437 AH <b>Financial Market Law:</b> Financial Market Law? issued by Royal Decree No. (M/30) dated 2 6-1424 AH</p>	<p><b>First, definitions</b> a. The words and phrases mentioned in these regulations have the meanings given to them in the list of terms used in the regulations of the Capital Market Authority. b. B For the purpose of applying these regulations, the words and phrases below shall have the meanings indicated in front of each of them, unless the context of the text requires otherwise.</p> <p><b>The company</b> is Sadr Logistics Services Company (a listed Saudi joint stock company).</p>	Edit the entire article

<p><b>Rules for the Offer of Securities and Continuing Obligations:</b> Rules for the Offer of Securities and Continuing Obligations issued by the Council of the Capital Market Authority.</p> <p><b>Listing Rules:</b> Listing rules approved by the Board of the Capital Market Authority.</p> <p><b>Authority:</b> Capital Market Authority.</p> <p><b>Market</b> The Saudi financial market</p> <p><b>The Company</b> Al-Samaani Factory Company for Metal Industries</p> <p><b>Board of Directors</b> Board of Directors Al-Samaani Factory Company for Metal Industries</p> <p><b>Corporate Governance</b> Rules for leading and directing the company that include mechanisms for regulating the various relationships between the Board of Directors, executive directors, shareholders, and stakeholders, by establishing special rules and procedures to facilitate the decision-making process and give it a character of transparency and credibility. For the purpose of protecting the rights of shareholders and stakeholders and achieving justice, Competitiveness and transparency in the market and business environment.</p> <p><b>Shareholders' Assembly:</b> An association formed from the company's shareholders in accordance with the provisions of the Companies Law And the company's basic system.</p> <p><b>Executive Member:</b> A member of the Board of Directors who is full-time in the executive management of the company and participates in her daily chores.</p> <p><b>Non-Executive Member:</b> A member of the Board of Directors who is not dedicated to managing the company and not participates in her daily chores.</p> <p><b>Independent member:</b> A non-executive board member who enjoys complete independence in his position and decisions, and none of the symptoms of independence stipulated in Article 20 apply to him in this list.</p> <p><b>Executive management or senior executives</b> are the people entrusted with managing the Daily company's operations, proposing and implementing strategic decisions, such as the CEO, his deputies, and the financial director</p> <p><b>Relatives or kinship</b></p> <ol style="list-style-type: none"> <li>1. Parents, grandparents and grandmothers, even if they are high.</li> <li>2. Children, and their children, no matter how low.</li> <li>3. Full brothers and sisters, or paternal siblings, Or for a mother and their children.</li> </ol>	<p><b>Authority:</b> Capital Market Authority.</p> <p><b>General Assembly:</b> Ordinary - Extraordinary Assembly.</p> <p><b>Board:</b> The company's board of directors.</p> <p><b>Chairman</b> of the Board of Directors of the company.</p> <p><b>CEO</b> The highest official in the executive management and delegated by the Council the Presidency The executive body of the company</p> <p><b>Senior executives People</b> entrusted with managing the company's daily operations, proposing and implementing strategic decisions, such as the CEO and his deputies and the financial manager.</p> <p><b>Financial Director:</b> Any natural person who manages the financial affairs of the company, whether he is called Chief Financial Officer, Financial Director, or any other title.</p> <p><b>Policy:</b> The company's disclosure and transparency policy.</p> <p><b>Disclosure</b> is the disclosure of essential financial and non-financial information that is of interest to investors and stakeholders. Disclosure is the announcement of all Important information about the company, which helps stakeholders make their decisions. Disclosure is made on a periodic basis and for a specific financial period or When something happens in order for the information to be available and available at the same time to all stakeholders and parties concerned without discrimination.</p> <p><b>Transparency:</b> is the full disclosure of the true financial picture of the company. Transparency requires that the financial statements or the fundamental events announced reflect the true reality of the company to all parties in the market.</p> <p><b>Stakeholders:</b> Every person who has an interest in the company, such as: shareholders, employees, creditors, customers, suppliers, and society.</p> <p><b>The Companies Law:</b> The Companies Law in the Kingdom of Saudi Arabia issued pursuant to Royal Decree No. (M/132) dated 01/12/1443 AH (corresponding to 06/30/2022 AD) based on the Council of Ministers' decision to approve the new Companies Law on 11/29/1443 AH corresponding to 2022 /06/28 AD) which entered into force on 06/26/1444 AH (corresponding to 01/19/2023 AD). The new system replaced the Companies Law issued by Royal Decree No. (M/3) dated 01/28/1437 AH (corresponding to 11/10/2015 AD) and the Professional Companies Law issued by Royal Decree No. (M/17) dated 01/26/1441 AH (corresponding to 09/25/2019 AD, provided that all provisions that conflict with it are repealed, and all existing companies as of the effective date of the new system must amend their positions in accordance with its provisions within a period not exceeding (two years) starting from its effective date, with the exception of the provisions specified by the Ministry of Commerce and the Authority. The financial market on 06/11/1444 AH corresponding to 01/04/2023 AD) - each in its own capacity - which companies must adhere to from the date of entry into force of the new system.</p> <p><b>Corporate Governance Regulations:</b> Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 05/16/1438 AH (corresponding to 02/13/2017 AD), and amended by Resolution No. (8-2023) dated 1444/ 06/25 AH (corresponding to 01/18/2023 AD) and based on the Companies Law.</p> <p><b>Financial Market Law:</b> The financial market system in force in the Kingdom, its amendments, and its executive regulations issued by Royal Decree No. (M/30) dated 6/2/1424 AH corresponding to 07/31/2003 AD, and amended by Royal Decree No. (M/16) dated 01/1441 /19 AH corresponding to 09/18/2019 AD</p>	
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<p>4. Husbands and wives.</p> <p><b>The holding company</b> is a joint stock or limited liability company that aims to control other joint stock or limited liability companies called subsidiaries, by owning more than half of the capital of those companies or by controlling the formation of its board of directors.</p> <p><b>Person:</b> Any natural or legal person recognized as such by the Kingdom's laws.</p> <p><b>Related parties</b></p> <ol style="list-style-type: none"> <li>1. The company's major shareholders.</li> <li>2. Members of the company's board of directors or Any of its subsidiaries and their relatives.</li> <li>5. Senior executives in the company or any of its subsidiaries and their relatives.</li> <li>8. Board members and Executive seniors of the company's major shareholders.</li> <li>26. Establishments - other than companies that Owned by a member of the board of directors or an Executives senior member or their relatives.</li> <li>27. Companies of which any of the members of The Board of Directors, senior executives or their relatives who is partner in it.</li> <li>11. Companies in which any of the Board of Directors members are , senior executives or their relatives, is a member of its board of directors or Senior executives in the company</li> <li>6. join stock companies in which Any of the members of the Board of Directors, senior executives, or their relatives, owns at a rate of (5%) or more, taking into account what is stated in Paragraph (d) of this definition.</li> <li>16. Companies in which any member of the board of directors, senior executives, or their relatives has influence in their decisions, even by providing advice or Guidance.</li> <li>28. Anyone His advice and directives influence the decisions of the company and its members of directors' board and its senior executives</li> <li>22. Holding or subsidiary companies Related to the company.</li> </ol> <p>Paragraphs (i) and (j) of this definition exclude advice and guidance that Provided professionally by a licensed person.</p> <p><b>Group</b>, in relation to a person, means that person and each of its affiliates.</p> <p><b>Affiliate:</b> A person who controls another person, or is controlled by that other person, or he has in common that it is controlled by a third person.</p>	<p><b>Rules for the Offer of Securities and Continuing Obligations:</b> Rules for the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority in the Kingdom by Resolution No. (3-123-2017) dated 04/09/1439 AH (corresponding to 12/27/2017 AD), and amended by the decision of the Board of the Authority. Financial market No. (8-5-2023) dated 06/25/1444 AH corresponding to 01/18/2023 AD.</p> <p><b>Listing Rules:</b> Listing rules issued by the Saudi Stock Exchange Company (Tadawul) and approved by Capital Market Authority Board Resolution No. 123/3/2017 dated 04/09/1439 AH corresponding to 12/27/2017 AD, and amended by its Resolution No. (1) - 108 - (2022) on 03/23/1444 AH</p> <p>Corresponding to 10/19/2022 AD</p> <p><b>Tadawul:</b> The Saudi Stock Exchange (Tadawul) is the only entity authorized to operate as a securities market (the "Market") in the Kingdom, where it lists and trade Securities. (Automated system for trading Saudi stocks).</p> <p><b>Tadawul Market Website:</b> Tadawul's electronic website.</p> <p><b>Rewards</b> amounts, allowances, profits and the like, periodic or annual rewards linked to performance, short-term or long-term incentive plans, and any other in-kind benefits, excluding the actual reasonable costs and expenses incurred by the company on behalf of the council member for the purpose of performing his work.</p> <p>Bylaws: the bylaws of the company</p> <p><b>The Company's financial Year</b> The company's fiscal year shall be twelve Gregorian months, beginning on the first of January and ending at the end of December of each year.</p> <p><b>Day:</b> A calendar day, whether or not it is a business day.</p> <p>All terms not defined in these regulations will have the same meaning as stated in the Corporate Governance Regulations, or in the list of terms used in the Authority's regulations and rules, unless the context requires otherwise.</p>	
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<p>In any of the above it is Control directly or indirectly.</p> <p><b>Stakeholders:</b> Everyone who has an interest in the company, such as employees, creditors, and customers and suppliers, and society.</p> <p><b>Major shareholders</b> are anyone who owns 5% or more of the company's shares or rights if Voting in it.</p> <p><b>Cumulative voting:</b> A voting method for selecting directors that gives each shareholder voting power by the number of shares he or she owns; So that he is entitled to vote for one or more candidates</p> <p>Dividing it among the candidates he chooses without duplicating these votes.</p> <p><b>Share of control</b> The ability to influence the actions or decisions of another person, directly or indirectly , individually or jointly with a relative or affiliate, through: (a) owning 30% or More than from voting rights in a company (B) The right to appoint 30% or more of the members of the administrative body</p> <p><b>Administrative apparatus:</b> The group of individuals who make strategic decisions for a person. And it is The company's board of directors is its administrative body.</p> <p><b>Remuneration amounts,</b> allowances, profits and the like, and associated periodic or annual bonuses related to performance, short-term or long-term incentive plans, and any other in-kind benefits, excluding actual reasonable expenses and expenses incurred by the company on behalf of a member of the Board of Directors for The purpose is to perform his work.</p> <p><b>Day</b> A calendar day, whether or not it is a business day.</p> <p><b>Guidance</b> materials mentioned in the system and are not binding.</p>		
<p><b>Article (2) introduction</b></p> <p>Without prejudice to the rules of offering securities, continuing obligations, and the rules of registration and listing, these regulations set forth policies and procedures for disclosure and transparency in order to ensure adherence to the best governance practices that guarantee the protection of the rights of shareholders and stakeholders, and to ensure that the company ensures that all material matters are disclosed accurately and accurately at The right time.</p>		delete
<p><b>Article (3) Disclosure policies and procedures</b></p>	<p><b>Second: Disclosure and transparency</b></p>	<p>Edit the entire article</p>

<p>1. Disclosure policies include appropriate disclosure that enables shareholders and stakeholders to view financial and non-financial information related to the company, its performance, and shares ownership and comprehensive review of the company's status.</p> <p>2. Disclosure to shareholders and investors shall be without discrimination, in a clear, correct and non-misleading manner, in a timely, regular and accurate manner. This is to enable Shareholders and stakeholders can fully exercise their rights.</p> <p>3. The company's website includes all the information required to be disclosed, and any Data or other information published through other means of disclosure.</p> <p>4. The company prepares quarterly financial reports issued based on the financial statements. The company also prepares the annual board of directors' report, including all data and required information.</p> <p>5 The company reviews its disclosure policies periodically, and verifies their compliance with the best practices , and with the provisions of the Financial Market Law and its executive regulations.</p>	<p><b>1.2 General policy and procedures for disclosure and transparency</b></p> <p>a. These policies must include appropriate disclosure methods that enable shareholders and stakeholders to view financial and non-financial information related to the company and Its performance, stock ownership, and the company's full position.</p> <p>B: Disclosure to investors and shareholders should be without discrimination, in a clear, correct and unobtrusive manner, in a timely, regular and accurate manner. And that to enable shareholders and stakeholders to fully exercise their rights.</p> <p>C. The company seeks for the company's website to include all the information required to be disclosed, and any other data or information published through other means of other disclosures.</p> <p>D. Preparing reporting systems that include specifying the information that must be disclosed, and the method of classifying it in terms of its nature or periodicity of disclosure.</p>	
<p><b>Article (4)</b> <b>Board of Directors report</b></p>	<p><b>Third: Disclosure in the Council's report</b> <b>1.3 Disclosure in the Council's report</b></p> <p>42 Information related to any competing business for the company or any of the branches of activity that it is practicing and which any member of the Board is practicing or has been practicing, which includes the names of those involved in the competing business, the nature and conditions of this business, and if there are no such businesses, the company must submit a declaration to that effect.</p>	<p>Adding only one paragraph, number 42</p>
<p><b>Article (5)</b> <b>Audit committee report</b></p>	<p><b>Fourth: Disclosure in the audit committee report</b></p>	<p>No modification</p>
<p><b>Article (6)</b> <b>Disclosure of board members</b></p> <p>The Board of Directors must regulate the disclosure processes of each of its members and Members of the Executive Management, taking into account the following:</p> <ol style="list-style-type: none"> <li>1. Establishing and updating a record of disclosures by members of the Board of Directors and Executive Management Periodically, in accordance with the disclosures required under the Companies Law and the Financial Market Law and their executive regulations.</li> <li>2. Providing access to the company's shareholder register without financial compensation.</li> </ol>	<p><b>2.3 Disclosure to Board Members</b></p> <p>The Board of Directors must regulate the disclosure processes of each of its members and members of the Executive Management, taking into account the following:</p> <ul style="list-style-type: none"> <li>- Disclosure is made in accordance with the disclosure and transparency policy approved by the General Assembly. Prepare a special record of the disclosures of members of the Board of Directors and Executive Management and update it periodically, in accordance with the disclosures required under</li> <li>- The Companies Law, the Financial Market Law, and their executive regulations.</li> <li>- Providing access to the company's shareholder register without financial compensation.</li> </ul>	<p>No modification</p>
<p><b>Article (7)</b> <b>Disclosure of Rewards</b></p>	<p>-</p>	<p>delete</p>



	<p><b>1.5 Publishing the company's financial results</b></p> <p>a. The company's fiscal year must be twelve Gregorian months, as specified in its statute. As an exception to this, the first fiscal year may be limited to no less than six months and not More than eighteen months starting from the date of its registration in the commercial register.</p> <p>B: The company must disclose its annual financial statements and its preliminary financial statements for the first, second and third quarters of its fiscal year to the Authority and the public immediately upon approval. And before publishing them to shareholders or others, approval of the financial statements is as follows:</p> <ul style="list-style-type: none"> <li>• With regard to the initial financial statements, they are approved after they are approved by the Board and signed by an authorized member of the Board and the CEO And the financial manager.</li> <li>• With regard to the annual financial statements, they are approved and approved in accordance with the provisions of the Companies Law and the Corporate Governance Regulations.</li> </ul> <p>c.at the end of each fiscal year of the company, the Board must prepare the company's financial statements and a report on its activity and financial position for the past fiscal year. This report includes the proposed method for distributing profits. The Council shall place these documents at the disposal of the auditor before the date set for the General Assembly At least forty-five (45) days.</p> <p>d. the documents referred to in Paragraph (B) must be signed by the Chairman of the Company's Board of Directors, its Chief Executive Officer and its Financial Director, and copies thereof shall be deposited at the company's main office at the disposal of the shareholders at least twenty-one (21) days before the date set for the General Assembly.</p> <p>e. The Chairman of the Board must provide shareholders with the company's financial statements, the Board of Directors' report, and the auditor's report, unless they are published on the company's website or through modern technology. He must also send a copy of these documents to the Authority, twenty-one (21) days at least before the date of the General Assembly.</p> <p>f. The Audit Committee must review the company's financial statements and the reports and notes submitted by the auditor, and express its views thereon, if any. It must also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other work it has undertaken that falls within the scope of its jurisdiction. The Board of Directors must deposit sufficient copies of this report at the company's main office at least twenty-one (21) days before the date of the General Assembly, to provide Any shareholder who wishes may receive a copy of it, and the report shall be read during the assembly meeting.</p>	New article
	<p><b>Sixth: Distribution of profits</b></p> <p>The company's policy in distributing profits, whether cash, practical, or an increase in the company's capital by issuing shares, is based on several controls that take into account the following:</p> <ol style="list-style-type: none"> <li>Dividend distribution policy contained in the system.</li> <li>The level of net profits achieved during the period</li> <li>Estimated current and future cash flows</li> <li>The company's investment and expansion plan</li> <li>Conditions and restrictions on dividend distributions under agreements concluded by the company.</li> <li>Approval and approval by the General Assembly based on the Council's recommendation in line with All related systems.</li> </ol>	New article



New article	<p><b>Seventh, Company Losses</b></p> <p>If a company's losses reach half of its paid-up capital at any time during the fiscal year, any company official or auditor must immediately notify the Chairman of the Board upon becoming aware of this. The Chairman of the Board must immediately notify the members of the Board. The Board must - within fifteen (15) days of becoming aware of this - convene an extraordinary general meeting to meet within forty-five (45) days from the date of its knowledge of the losses; to decide either to increase or decrease the company's capital - in accordance with the provisions of the Companies Law - to the extent that the loss ratio falls below half of the paid-up capital, or to dissolve the company before the specified date in its Articles of Association.</p>	
New article	<p><b>Eighth, Examples of Significant Developments Requiring Disclosure</b></p> <ol style="list-style-type: none"> <li>1. The company must disclose to the authority and the public immediately and without delay any of the following developments (whether material or not): <ol style="list-style-type: none"> <li>1. Any transaction to purchase, sell, pledge, or lease an asset at a price equal to or exceeding 10% of the company's net assets according to the latest audited preliminary financial statements or reviewed annual financial statements, whichever is later.</li> <li>2. Any debt outside the normal activities of the issuer amounting to or exceeding 10% of the company's net assets according to the latest audited preliminary financial statements or reviewed annual financial statements, whichever is later.</li> <li>3. Any losses equal to or exceeding 10% of the issuer's net assets according to the latest audited preliminary financial statements or reviewed annual financial statements, whichever is later.</li> <li>4. Any significant change in the company's production environment or activities, including - but not limited to - resource availability and accessibility.</li> <li>5. Change of the company's CEO or any change in the membership of its Board of Directors or Audit Committee. In the case of a special purpose entity, a change of the CEO of the sponsor or any change in the membership of the Board of Directors of the special purpose entity or the sponsor.</li> <li>6. Any dispute, including any lawsuit, arbitration or mediation, if the amount of the dispute or claim is equal to or exceeds 5% of the issuer's net assets according to the latest audited preliminary financial statements or reviewed annual financial statements, whichever is later.</li> <li>7. Any court judgment against the Board or any of its members related to the Board or any of its members.</li> <li>8. An increase or decrease in the issuer's net assets equal to or exceeding 10% according to the latest audited preliminary financial statements or reviewed annual financial statements, whichever is later.</li> <li>9. An increase or decrease in the issuer's total revenues equal to or exceeding 10% according to the latest reviewed annual financial statements.</li> <li>10. Entering into a revenue contract equal to or exceeding 5% of the issuer's total revenues according to the latest reviewed annual financial statements, or the unexpected termination of such contract.</li> <li>11. Any transaction between the issuer and a related party or any arrangement under which the issuer and a related party each invest in or provide financing for any project or asset if such transaction or arrangement is equal to or exceeds 1% of the issuer's total revenues according to the latest financial statements.</li> </ol> </li> </ol>	

	<ol style="list-style-type: none"> <li>12. Any disruption of any of the issuer's or its subsidiaries' (if any) main activities equal to or exceeding 5% of the issuer's total revenues according to the latest reviewed annual financial statements.</li> <li>13. Any change in the company's registered office or registered office.</li> <li>14. Any change of auditors.</li> <li>15. Filing a petition for liquidation, or issuance of a liquidation order, or appointment of a liquidator of the company, or any of its subsidiaries, or under any regulations applicable to the foreign company that has been listed, under the Companies Law, its shares on the main market in accordance with the listing rules, including the initiation of any proceedings under the bankruptcy regulations</li> <li>16. Issuance of a decision by the company or any of its subsidiaries to dissolve or liquidate the company, or the occurrence of an event, or the expiration of a time period that requires the company to be liquidated or dissolved.</li> <li>17. Issuance of any recommendation or decision by the issuer's authorized person to apply to the court to initiate any bankruptcy proceedings for the company under the Bankruptcy Law, with a statement of its effect on the issuer's financial position or general course of business.</li> <li>18. The company receiving a notification from the court that a third party has filed a petition for reorganization, liquidation, or administrative liquidation under the Bankruptcy Law, with a statement of its effect on the company's financial position or general course of business.</li> <li>19. Filing a petition for any bankruptcy proceedings for the company with the court under the Bankruptcy Law, with a clarification of the future steps and timelines and a statement of its effect on the issuer's financial position or general course of business.</li> <li>20. Issuance of a preliminary and final court judgment to open any bankruptcy proceedings for the issuer under the Bankruptcy Law, with a clarification of the future steps and timelines and a statement of its effect on the issuer's financial position or general course of business.</li> <li>21. Issuance of a preliminary and final court judgment to reject a petition to open any bankruptcy proceedings for the company under the Bankruptcy Law, or to reject any of them and open the appropriate bankruptcy proceedings, with an explanation of the reasons for the rejection and a statement of its effect on the issuer's financial position or general course of business.</li> <li>22. Issuance of a preliminary and final court judgment to terminate the financial reorganization or protective concordat proceedings for the company under the Bankruptcy Law, or to terminate any of them and open the appropriate bankruptcy proceedings, with a statement of its effect on the company's financial position or general course of business.</li> <li>23. Filing an objection with the competent court regarding the opening or refusal to open any bankruptcy proceedings under the Bankruptcy Law, or the termination or non-termination of the protective concordat or financial reorganization proceedings under the Bankruptcy Law, with a statement of its effect on the company's financial position or general course of business.</li> <li>24. Issuance of a ruling on the objection referred to in paragraph (23) of this Article upholding or overturning the court's ruling and resolving the case under the Bankruptcy Law, with a statement of its effect on the company's financial position or general course of business.</li> <li>25. Any material developments included in the reports submitted by the issuer in the open bankruptcy proceedings, under the Bankruptcy Law, with a statement of its effect on the company's financial position or general</li> </ol>	
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	<p>course of business, unless the trustee, the bankruptcy committee, or the competent authority decides that they are confidential under the Bankruptcy Law and its executive regulations.</p> <p>26. Issuance of a judgment, decision, announcement, or order by a court or judicial body, whether at the preliminary or appellate stage, that could negatively affect the issuer's exploitation of any part of its assets with a total value exceeding 5% of the company's net assets according to the latest audited preliminary financial statements or reviewed annual financial statements, whichever is later.</p> <p>27. The call for a general meeting or a special meeting and its agenda.</p> <p>28. The results of the general meeting or special meeting.</p> <p>29. Any proposed change to the company's capital.</p> <p>30. Any decision to declare dividends or recommend their declaration, payment of installments thereof, or other distributions to holders of listed securities.</p> <p>31. Any decision or recommendation not to distribute dividends in cases where the company is expected to distribute dividends.</p> <p>32. Any decision to call, repurchase, withdraw, redeem, or offer to purchase its securities and the total amount, number of securities, and their value.</p> <p>33. Any decision not to pay in relation to debt instruments or convertible debt instruments.</p> <p>34. Any change in the rights associated with any class of listed shares or convertible debt instruments.</p>	
New article	<p><b>Ninth: Announcements</b></p> <p><b>9.1 Special Instructions for Announcements</b></p> <p>A. Information to be Included in Any Announcement of a Material Event That Has Occurred or Is Expected to Occur:</p> <ol style="list-style-type: none"> <li>1. The announcement title must be complete, clear, accurate, and not misleading, and it must reflect the material development to be announced.</li> <li>2. Provide a detailed description of the material development, including all relevant information and related dates.</li> <li>3. Explain the factors and justifications that led to the material development.</li> <li>4. If the material development has a financial impact on the financial statements, the financial impact of this development must be mentioned. If this is not possible, the reason must be stated.</li> <li>5. The company must take all necessary care to ensure that any facts or information related to that material development is accurate and not misleading.</li> <li>6. The company must not exclude, delete, or conceal any information that could affect the substance or results of the material development.</li> <li>7. If the material development results in any financial obligation on the company or the provision of guarantees or the pledging of assets, the announcement must include the terms, duration, and value of this obligation, guarantee, or pledge, as well as the parties involved and its impact on the financial statements.</li> <li>8. If there are related parties involved in the event being announced, their information must be disclosed.</li> <li>9. In the event of a transaction between the company and a related party or any arrangement under which both the company and the related party invest in or finance any project or asset, if such transaction or arrangement is equal to or exceeds 1% of the company's total revenues according to the latest reviewed annual financial statements, the nature of the interest associated with the transaction or arrangement, the limits of that interest, the names of any persons involved, and the expected benefit to be obtained directly or</li> </ol>	

	<p>indirectly from that interest, whether financial or non-financial, must be disclosed. The ownership percentage of related persons in the parties involved in the event being announced must also be disclosed, if applicable.</p> <p>B. The announcement must be published through the means specified in the listing rules and must meet all the required formal requirements.</p> <p>C. The financial statements must be published on the market website no later than six (6) business days from the date of publication of the announcement of the financial results related to them.</p> <p>D. If the company announces a material development that may have future material developments, it must announce any new material developments that arise from that event.</p> <p>E. In the event of two material developments at the company, each must be disclosed separately from the other.</p> <p>F. If any of the material developments specified in Chapters Seven and Eight of the Securities Offering and Continuing Obligations Rules or Chapter Five of the Listing Rules occurs during the trading period, the company must wait until the end of the trading period and then announce it on the market website, taking all necessary precautions to ensure that news of those material developments does not leak before the announcement is published. However, if the news about the material development is of a type that the company cannot guarantee will not leak (such as news related to other parties that the company does not guarantee will keep confidential, or news that is the subject of media coverage; such as a natural disaster or fire, or the like), the company may request a temporary suspension of trading.</p> <p>G. Meetings of the company's board of directors, audit committees, or any other committees during which a matter that must be announced under the provisions of the Securities Offering and Continuing Obligations Rules will be discussed must be held within a period that enables the company to publish the announcement on the market website before the start of the trading period following the meeting.</p> <p>H. The competent authority in the company must develop policies and procedures for the disclosure of material developments to ensure that the company fulfills its obligations in this area. It must also develop procedures for the announcement of financial information to ensure that the announcement is consistent with these instructions. Company employees must continue to follow up with the relevant employees at the Saudi Arabian Financial Market Authority Tadawul until the announcement format is accepted and published. The policies and procedures referred to must include the names of the persons responsible for publication in the event of emergencies, specifying their level of authority in the area of publication and the names of other persons in the event that the person concerned is not present at the time of the event.</p> <p>L. The company must be aware that material developments may occur during the preparation of periodic financial statements. In such cases, the company must announce them immediately and not wait until its financial statements are issued, even if this occurs shortly before the financial results are published.</p> <p>I. Responding to rumors: The company must determine whether it is necessary to issue an announcement on the market website to respond to any rumors related to any material developments. The authority has the right to oblige companies to issue an announcement whenever it deems it necessary.</p> <p>J. Companies must not breach any other related obligations specified in the Financial Market System and its implementing regulations.</p> <p>Q. The company must adhere to the rules of sound Arabic language when drafting its announcements.</p> <p>G. Mandatory disclosure in Arabic and the source's translation into English for all disclosures and reports through the automated system that the market determines for this purpose in accordance with the listing rules.</p>	
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	<p>H. If the company broadcasts an announcement in English, the written text must be identical to the text of the announcement written in Arabic. In the event of any conflict between the two texts, the Arabic text shall prevail.</p> <p>I. Companies must adhere to the announcement models included in these instructions.</p> <p>J. A foreign company whose shares are listed on the main market in accordance with the listing rules must disclose financial information in Saudi riyals or the equivalent in other currencies.</p> <p><b>2.9 Other Announcements</b></p> <p>The company works to raise and enhance the level of transparency and disclosure and to assist investors and other stakeholders in making their investment decisions based on comprehensive and accurate information, which includes, without limitation, announcements of changes in management, announcements of changes in capital, general meetings, announcements of dividend distributions, supplementary and corrective announcements, announcements of the signing of memoranda of understanding, announcements of projects, announcements of asset purchase or sale transactions, financing announcements, debt instrument announcements, lawsuit announcements, and announcements of previously announced developments. In accordance with the templates and instructions issued by the relevant supervisory authorities.</p>	
New article	<p><b>Tenth: Access to the company's internal information</b></p> <p><b>10.1 Information Access and Handling Policy</b></p> <ol style="list-style-type: none"> <li>1. If any information is requested, approvals and authorizations must be obtained and the necessary signatures must be affixed to the information access form.</li> <li>2. It must be verified that the employee has the authority to access the information and that the authorized person in the requesting administrative unit has approved it. If these are not present on the form, it shall be submitted to the Director of the administrative unit for escalation to the CEO for review and guidance.</li> <li>3. The beneficiary employee from the requesting administrative unit shall be provided with the information he/she needs and his/her signature shall be obtained on the form to acknowledge receipt.</li> <li>4. Confidential information shall be handled under the direct guidance of the CEO.</li> <li>5. The above policies (1, 2, 3) are not applicable to cases where information is publicly available on the company's website.</li> </ol>	
Edit Article	<p><b>Eleventh: Final provisions</b></p> <p><b>1.11 Approval and Acknowledgement</b></p> <p>A. The Disclosure and Transparency Policy has been approved by the Board of Directors of Sadr Logistics Services Company in Resolution No. (4/2024) dated 13/05/2024.</p> <p><b>2.11 Publication and Enforcement</b></p> <p>A. These regulations shall be effective from the date of their approval by the Board.</p> <p>B. These regulations shall complement the company's governance regulations, the Board's operating regulations and its committees, and the corporate governance regulations issued by the Authority.</p> <p>C. These regulations shall repeal and replace any conflicting internal procedures, decisions, or regulations of the company.</p>	<p><b>Article (8)</b></p> <p><b>Effectiveness and Publication</b></p> <ol style="list-style-type: none"> <li>1. These regulations shall be effective from the date of their approval and adoption by the company's general assembly.</li> <li>2. Any matter not addressed in these regulations shall be subject to the Guide to the Rules of the Corporate Governance Regulations of Al Samaani for etal Industries Company, as well as the Corporate Governance Regulations issued by the Capital Market Authority.</li> </ol>

	D. Any matter not addressed in these regulations shall be subject to the corporate governance regulations issued by the Authority and the decisions issued by the competent supervisory authorities.	
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## Article before and after modification

## SADR logistics services

Policy, standards and procedures for membership in the Board of Directors and the emerging committees		
Current list	Modified list	Procedure
Complete article	<p>Policy Name: Policy, standards and procedures for membership in the Board of Directors and the emerging committees</p> <p>First: Definitions</p> <p>A. For the purposes of this regulation, the words and phrases used herein shall have the meanings set forth in the Glossary of Terms used in the Capital Market Authority Regulations.</p> <p>B. For the purposes of applying this regulation, the following words and phrases shall have the meanings set forth opposite each of them, unless the context otherwise requires:</p> <p>Company: Sadr Logistics Services Company (a Saudi listed joint-stock company).</p> <p>Authority: The Capital Market Authority.</p> <p>General Meeting: The ordinary or extraordinary general meeting.</p> <p>Board: The Board of Directors of the company.</p> <p>Chairman of the Board: The Chairman of the Board of Directors of the company.</p> <p>Secretary: The Secretary of the Board appointed from among its members or from others, who is responsible for recording the minutes of the Board meetings and documenting the decisions issued from these meetings and preserving them, in addition to exercising other powers assigned to him by the Board, and the Board determines his remuneration.</p> <p>Member: A member of the Board or its committees.</p> <p>Executive Member: A member of the Board who is a full-time member of the company's management and participates in its daily operations.</p> <p>Non-Executive Member: A non-executive member of the Board who does not participate in the daily operations of the company and does not receive a monthly or annual salary from it.</p> <p>Independent Member: A non-executive member of the Board who enjoys complete independence in his position and decisions, and to whom none of the independence impediments specified in this regulation apply.</p> <p>Managing Director: A member of the Board selected by the Board to follow up and supervise the management of the company.</p> <p>CEO: The senior executive in the company's management who is authorized by the Board to head the executive body in the company.</p> <p>Senior Executives: The persons responsible for managing the company's daily operations, proposing strategic decisions and implementing them, such as the CEO, his deputies, and the CFO.</p> <p>Committee: The Remuneration and Nominations Committee of the company.</p> <p>Policy: The Board of Directors Membership Policies, Standards, and Procedures of the company.</p> <p>Related Parties: A. Subsidiaries of the company, except for wholly-owned subsidiaries of the company.</p> <p>B. Major shareholders in the company.</p> <p>C. Members of the Board and senior executives of the company.</p>	<p>Policy Name: Policy, standards and procedures for membership in the Board of Directors and the emerging committees</p> <p>Article (1)</p> <p>Definitions</p> <p>The following words and phrases shall have the meanings set forth opposite them unless the context otherwise requires:</p> <p>Companies Law: The Companies Law issued by Royal Decree No. (M/3) and dated 28-1-1437H.</p> <p>Capital Market Law: The Capital Market Law issued by Royal Decree No. (M/30) and dated 2-6-1424H.</p> <p>Securities Issuance and Continuing Obligations Rules: The Securities Issuance and Continuing Obligations Rules issued by the Capital Market Authority Board.</p> <p>Authority: The Capital Market Authority.</p> <p>Market: The Saudi Arabian Capital Market.</p> <p>Company: SADR logistics services Company</p> <p>Board of Directors: The Board of Directors of Sadr Logistics Services Company</p> <p>General Meeting of Shareholders: A meeting formed by the company's shareholders in accordance with the provisions of the Companies Law and the company's bylaws.</p> <p>Executive Member: A member of the Board of Directors who is a full-time member of the company's executive management and participates in its daily operations.</p> <p>Non-Executive Member: A member of the Board of Directors who is not a full-time member of the company's management and does not participate in its daily operations.</p> <p>Independent Member: A non-executive member of the Board of Directors who is fully independent in their position and decisions, and to whom none of the independence impediments specified in Article 20 of these regulations apply.</p> <p>Executive Management or Senior Executives: The persons responsible for managing the company's daily operations, proposing strategic decisions and implementing them, such as the CEO, his deputies, and the CFO.</p>

	<p>D. Members of the boards of directors of subsidiaries of the company.</p> <p>E. Members of the board and senior executives of major shareholders in the company.</p> <p>F. Any relatives of the persons referred to in (A, B, C, or E).</p> <p>G. Any other company or entity controlled by any person referred to in (A, B, C, E, or F).</p> <p>For the purposes of paragraph (F) of this definition, "relatives" means father, mother, husband, wife, and children.</p> <ul style="list-style-type: none"> <li>- Relatives or Relationship:</li> <li>- Fathers, mothers, grandfathers, and grandmothers, even if they ascend.</li> <li>- Sons, daughters, and their descendants.</li> <li>- Brothers and sisters, whether full siblings, half-siblings, or maternal siblings.</li> <li>- Husbands and wives.</li> </ul> <p>System: The Articles of Association of the company.</p> <p>Market: The Saudi Arabian Capital Market.</p> <p>Trading: The Saudi Arabian Capital Market (Tadawul), the only entity authorized to operate as a securities market ("market") in the Kingdom, where it lists and trades securities. (Saudi Stock Exchange Automated Trading System).</p> <p>Market/Tadawul Website: The Tadawul electronic website on the Internet.</p> <p>Day: A calendar day, whether or not it is a business day.</p> <p>All terms that are not defined in this regulation shall have the same meaning as set forth in the Corporate Governance Regulations, or in the Glossary of Terms used in the Authority's Regulations and Rules, unless the context otherwise requires.</p>	<p>Relatives or Relationship:</p> <ol style="list-style-type: none"> <li>1. Fathers, mothers, grandfathers, and grandmothers, even if they ascend.</li> <li>2. Sons and daughters and their descendants.</li> <li>3. Brothers and sisters, whether full siblings, half-siblings, or maternal siblings, and their children.</li> <li>4. Husbands and wives</li> </ol> <p>Holding Company: A joint-stock or limited liability company that aims to control other joint-stock or limited liability companies called subsidiaries, by owning more than half of the capital of those companies or by controlling the formation of their boards of directors.</p> <p>Person: Any natural person or legal entity recognized as such by the Kingdom's systems.</p> <p>Related Parties:</p> <ol style="list-style-type: none"> <li>1. Major shareholders in the company.</li> <li>2. Members of the Board of Directors of the company or any of its subsidiaries and their relatives.</li> <li>3. Senior executives of the company or any of its subsidiaries and their relatives.</li> <li>4. Members of the Board of Directors and senior executives of major shareholders in the company.</li> <li>26. Establishments – other than companies – owned by a member of the Board of Directors or a senior executive or their relatives.</li> <li>27. Companies in which any of the members of the Board of Directors or senior executives or their relatives are partners.</li> <li>11. Companies in which any of the members of the Board of Directors or senior executives or their relatives are members of the Board of Directors or senior executives.</li> <li>6. Joint stock companies in which any of the members of the Board of Directors or senior executives or their relatives own 5% or more, taking into account the provisions of paragraph (d) of this definition.</li> <li>16. Companies in which any of the members of the Board of Directors or senior executives or their relatives have an influence on its decisions, even by providing advice or guidance.</li> <li>28. Any person whose advice and guidance have an influence on the decisions of the company and its</li> </ol>
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		<p>members of the Board of Directors and senior executives.</p> <p>22. Holding or subsidiary companies of the company.</p> <p>Exceptions to paragraphs (q) and (r) of this definition are advice and guidance provided professionally by a person licensed to do so.</p> <p>Group: In relation to a person, it means that person and all of their subsidiaries.</p> <p>Subsidiary: A person who controls another person, or who is controlled by that other person, or who shares with that other person control by a third person. In any of the foregoing, control shall be direct or indirect.</p> <p>Stakeholders: Everyone who has an interest in the company, such as employees, creditors, customers, suppliers, and the community.</p> <p>Major Shareholders: Anyone who owns 5% or more of the company's shares or voting rights.</p>

<p>Article (2) Introduction</p> <p>These policies aim to establish clear and specific standards and procedures for membership in the Board of Directors of Sadr Logistics Company as well as determining their remuneration, and the remuneration of the committees emanating from it and the executive management, in implementation of the provisions of the governance regulations issued by the Capital Market Authority and in application of the rules of governance regulations for Sadr Logistics Services Company and its basic system and these policies aim to achieve a high degree of transparency, achieve the company's objectives, and contribute to raising the company's efficiency in accordance with the standards and controls contained in the governance regulations issued by the Capital Market Authority and in implementation of the governance regulations of Sadr Logistics Services Company and its basic system.</p>		Deleted
<p>Article (3) Composition of the board of directors</p> <p>The company shall be managed by a board of directors composed of a number of members proportionate to the size of the company and the nature of the activity, provided that the number of independent members shall not be less than two or one-third of the board, whichever is greater and the majority must be non-executive members, elected by the ordinary general assembly of shareholders for a period not exceeding three years. As an exception to this, the founders appointed the first board of directors for a period of five years starting from the date of registration of the company in the commercial registry.</p>	<p>Second: The Board of Directors</p> <p>1.2 Formation of the Council</p> <p>a. One of the main responsibilities of the Board is to provide effective governance over the company's affairs for the benefit of its shareholders and to find a balance between the interests of its customers, employees, suppliers and its community. In all actions taken by the Board, the Board is expected to exercise its powers and responsibilities and issue business decisions according to what they believe to be in the company's interest when implementing this commitment.</p>	Edit the entire article
<p>Article (4) Appointment of members of the Board of Directors</p> <ol style="list-style-type: none"> <li>1. The company's bylaws specify the number of board members, provided that it is not less than three and not more than eleven members.</li> <li>2. The General Assembly elects the members of the Board of Directors for a period of three years, and they may be re-elected.</li> <li>3. It is required that a member of the Board of Directors does not hold membership in the Board of Directors of more than five joint stock companies listed on the market at the same time.</li> </ol>	<p>3.2 Appointment of Council members</p> <ul style="list-style-type: none"> <li>▪ The Company's Remuneration and Nominations Committee is responsible for identifying individuals qualified for appointment as members of the Board and recommending candidates for Board membership to the Board.</li> <li>▪ The Company's Remuneration and Nominations Committee shall undertake an annual review of the required skills, competencies and qualifications of individuals to be nominated for membership as well as of existing members.</li> </ul>	Edit the whole article

<p>4. The company must notify the Authority of the names of the members of the Board of Directors and their membership positions within five working days from the date of the start of the Board of Directors session or from the date of their appointment, whichever is earlier, and any changes that occur to their membership within five working days from the date of the changes occurring.</p>	<ul style="list-style-type: none"> <li>▪ The Company's Remuneration and Nominations Committee shall annually assist the Board in determining each Board member's compliance with the Company's business and conduct regulations and the independence of each member as required by relevant laws and regulations.</li> </ul> <p>1,3,2 Chairman of the Council The company's shareholders nominate board members at the annual general meeting. The Council then appoints from among its members a Chairman of the Council and a Vice-Chairman of the Council, and a managing director may be appointed.</p> <p>2,3,2 Managing Director The Council appoints the CEO from among its members or from outside the Council, and determines his duties and powers.</p> <p>4,3,2 Council member The following council member shall be taken into account when voting:</p> <ol style="list-style-type: none"> <li>a. Achievements that achieved by the member in his business career.</li> <li>b. To be familiar with and have a basic understanding of the company's basic operational and financial objectives, plans, and policies, as well as the results of the company's operations and its financial condition, as well as its major branches and affiliated business sectors, as well as knowledge of the relative position of the company and its business sectors compared to its competitors.</li> <li>c. He must have a complete understanding of, acceptance and acknowledgment of all policies and commitments followed by the company, as well as full consideration of the confidentiality of information in order to preserve the interests of shareholders and the company.</li> <li>d. What is included in Paragraph No.(3.3 Conditions for Council Membership) of this policy.</li> </ol> <p>5.3.2 Secretary of the Council The Council appoints a Secretary for the Council from among its members or from others, and determines his duties, powers, and remuneration by a decision of the Council.</p>	
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<p>Article (5) Conditions for membership in the Board of Directors The member of the Board of Directors must be professionally qualified and possess the necessary experience, knowledge, skill and independence, in a way that enables him to carry out his duties efficiently and competently, taking into account, in particular, the following:</p> <ol style="list-style-type: none"> <li>1. Leadership ability: This means that he must have leadership skills that qualify him to grant powers that lead to stimulating performance, applying best practices in the field of effective management, and adhering to professional values and ethics.</li> <li>2. Competence: This is by having the appropriate academic qualifications, professional and personal skills, level of training, and practical experiences related to the company's current and future activities, management, economics, accounting, law, or governance, as well as the desire to learn and train.</li> <li>3. The ability to direct: This is by having the technical, leadership, and administrative capabilities, speed in decision-making, understanding the technical requirements related to the workflow, and being able to strategically direct, plan, and have a clear future vision.</li> <li>4. Financial knowledge: by being able to read and understand financial statements and reports.</li> <li>5. Health fitness: This means that he does not have a health problem that prevents him from exercising his duties and specializations.</li> </ol> <p>When electing members of the Board of Directors, the General Assembly must take into account the recommendations of the Nominations Committee and the availability of the personal and professional capabilities necessary to perform their duties effectively in accordance with what is stated in this article.</p> <p>Article (6) Procedures for membership in the company's board of directors:</p> <ol style="list-style-type: none"> <li>1. The Nominations and Remuneration Committee shall coordinate with the</li> </ol>	<p>Third: Membership of the Board of Directors 1.3 Nomination for Council membership When nominating board members, the Company's Remuneration and Nominations Committee must take into account the terms and conditions stated in the Company's Governance Regulations and the Corporate Governance Regulations issued by the Authority, and the requirements decided by the Authority. The company announces, within a sufficient period of no less than sixty (60) days from the date of the end of the current session of the Council, the opening of nominations for membership in the new Council on the market website and on the company's website. The announcement of the opening of nominations explains all the information, documents, forms, and conditions required of those wishing to run for membership in the Council, as well as the procedures for submitting the nomination application, its conditions, and the timetable. Any of the current members has the right to nominate themselves for subsequent terms of their membership. The CVs of applicants for membership are reviewed and evaluated by the committee in light of the policies and rules of nomination and membership, and all documents are sent to the authority for an opinion before presenting them to the association for a vote. Every shareholder has the right to nominate himself or one or more other persons for membership in the Board, within the limits of his ownership percentage in the capital. It is prohibited to combine the position of Chairman of the Board with any executive position in the company, such as the position of CEO. The number of candidates for the Council whose names are put before the General Assembly must exceed the number of seats available so that the General Assembly has the opportunity to choose from among the candidates. A guidance paragraph in accordance with Article Sixty-Three (63), Nomination Procedures, Paragraph (B) of the Corporate Governance Regulations issued by the Authority's Board of Directors. 2.3 Vacant position in the Council If the position of one of the Council members chosen by the General Assembly becomes vacant, the Council may appoint a temporary member to fill the vacant position</p>	<p>Edit the whole article</p>
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<p>company's executive management to announce the opening of nominations for membership in the company's Board of Directors for a period of no less than thirty days</p> <p>2. The Nominations and Remuneration Committee submits its recommendation to the Board of Directors regarding nomination for Board membership in accordance with the aforementioned policies and standards.</p> <p>3. Whoever wishes to nominate himself for membership in the company's board of directors must announce his desire by notification to the company's management in accordance with the terms and dates stipulated in the applicable laws, regulations, circulars and decisions. This notification must include an introduction to the candidate in terms of his CV and qualifications as required by the legal requirements contained in the advertisement and his practical experiences in accordance with the candidacy.</p> <p>4. A candidate who previously served as a member of the board of directors of a joint-stock company must indicate the number and date of the boards of directors of the companies of which he served as a member.</p> <p>5. The Nominations and Remuneration Committee, in coordination with the company's executive management, provides the Capital Market Authority with the CVs of the candidates for membership in the company's board of directors. According to the "CV model for a candidate for membership in the Board of Directors of a joint-stock company listed on the Saudi Stock Exchange," the company announces information on the Authority's website about the candidates for membership in the Board of Directors, and when publishing or sending an</p>	<p>according to the order in which votes were obtained in the Assembly that elected the Council.</p> <p>The temporary member must have experience and competence.</p> <p>The Authority and the Commercial Registry must be notified of the appointment of the temporary member within fifteen (15) days from the date of appointment. The appointment must be presented to the Ordinary General Assembly at its first meeting, and the new member must complete the term of his predecessor.</p> <p>If the necessary conditions are not met for the Council to convene due to the number of its members being less than the minimum stipulated in the Companies Law and the Law. The Council must convene the Ordinary General Assembly within a period not exceeding sixty (60) days to elect the necessary number of members.</p>	
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<p>invitation to convene the General Assembly.</p> <p>6. The Nominations and Remuneration Committee must implement any comments received from the competent authorities regarding any candidate.</p> <p>7. Voting in the General Assembly is limited to those who nominated themselves in accordance with the aforementioned policies, standards and procedures.</p> <p>8. The vote in the General Assembly on the item to elect the Board of Directors shall be a cumulative vote.</p>		
<p>Article (7) Expiration of Board of Directors membership</p> <p>1. Council membership shall end at the end of its term or at the expiration of the member's authority in accordance with any law or instructions in force in the Kingdom, however, the Ordinary General Assembly may, at any time, dismiss all or some of the members of the Board of Directors without prejudice. The dismissed member has the right to claim compensation from the company if the dismissal occurs for an unacceptable reason or at an inappropriate time. The General Assembly may also, upon the recommendation of the Board of Directors, terminate the membership of any of its members who is absent from attending three consecutive meetings of the Board without a legitimate excuse, and a member of the Board of Directors may retire, provided that this is at an appropriate time, otherwise he will be responsible before the company for the damages resulting from his retirement.</p>	<p>4.3 Expiration of Council membership</p> <ul style="list-style-type: none"> <li>▪ The term of a member's membership in the Board is (4) four years from the date of his election and ends at the end of the prescribed term, resignation, death, or if it is proven to the Board that the member has violated his duties in a way that harms the interest of the company. The member's resignation shall be considered effective from the date of its acceptance by the Board, or any other later time decided by the Council.</li> </ul>	<p>Edit the whole article</p>



<p>2. When a member's membership in the Board of Directors expires through one of the membership termination methods, the company must notify the Authority and the Market immediately, stating the reasons for this.</p> <p>3. C- If a member of the Board of Directors resigns and has observations on the company's performance, he must submit a written statement thereof to the Chairman of the Board of Directors, and this statement must be presented to the members of the Board of Directors.</p>	<ul style="list-style-type: none"> <li>▪ The Ordinary General Assembly may, at any time, dismiss all or some of the Board members, even if the statute stipulates otherwise, without prejudice to the right of the dismissed person to compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time.</li> <li>▪ The General Assembly may - based on the recommendation of the Council - terminate membership if the member fails to attend three (3) consecutive sessions of the Council or five (5) separate sessions during his term of membership without a legitimate excuse accepted by the Council.</li> <li>▪ If it is proven that the member is not fit for membership in accordance with the provisions of any law, regulation, rule, or instruction in force in the Kingdom.</li> <li>▪ That he has been ruled bankrupt or insolvent, or has submitted a request for settlement with his creditors, or has stopped paying his debts.</li> <li>▪ He must have suffered from a mental illness, God forbid, that prevents him from exercising his responsibilities.</li> <li>▪ If it is proven that he committed an act of breach of trust or morals or was convicted of forgery.</li> <li>▪ A member of the Board has the right to retire, provided that this is at an appropriate time. Otherwise, he will be responsible by the company for the damages resulting from his resignation. He must notify the Chairman of the Board in writing, and the retirement will be effective from the date specified in the notification.</li> <li>▪ The Chairman of the Council has the right to retire on the condition that he informs the rest of the Council members and the Council Secretary, and the retirement is effective from the date specified in the notification.</li> <li>▪ A member of the Board has the right to resign, provided that this is at an appropriate time. Otherwise, the company will be responsible for the damages resulting from his resignation, and he must inform the Chairman of the Board in writing.</li> <li>▪ When the membership of a member of the Board expires, by any means, the company must notify the market and the Authority immediately, stating the reasons for this.</li> <li>▪ If the Chairman and members of the Board retire, they must convene the Ordinary General Assembly to convene to elect a new Board of Directors. The retirement shall not take effect</li> </ul>	
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	until a new Board of Directors is elected, provided that the duration of the retiring Board shall not exceed one hundred and twenty (120) days from the date of the retirement.	
<p>Article (9) Candidate disclosure of conflict of interest Anyone who wishes to nominate himself for membership in the Board of Directors must disclose to the Board and the General Assembly any cases of conflict of interest in accordance with the procedures established by the Capital Market Authority, which include:</p> <ol style="list-style-type: none"> <li>1 The presence of a direct or indirect interest in the business and contracts carried out for the benefit of the company.</li> <li>2. His participation in work that would compete with the company or compete with it in one of the branches of activity in which it is engaged.</li> </ol>	--	It has been deleted and included in the conflict of interest policy to avoid repetition, and placed in the list with the relevant context
<p><b>Chapter Two: Remuneration for members of the Board of Directors, members of the committees emanating from it, and the executive management</b></p> <p>Article (10) Remuneration for members of the Board of Directors and attendance allowance for meetings</p> <ol style="list-style-type: none"> <li>1. Each member of the Board of Directors is entitled to an amount of (3000 riyals) only three thousand riyals as an attendance allowance for one session.</li> <li>2. A member of the Board of Directors is entitled to an amount of (80,000 riyals) only, eighty thousand riyals, as an annual bonus for one fiscal year.</li> <li>3. A member of the Board of Directors has the right to combine the allowances for attending sessions, his remuneration for his membership in the Board of Directors, and any financial compensation for any additional work or executive, technical, administrative, or advisory positions assigned to him in the company, in addition to the remuneration that he can receive in his capacity as a member of the Board of Directors. The Board of Directors and in the committees formed by the Board of Directors in accordance with the Companies Law and the Company's Bylaws.</li> <li>4. If the remuneration for members of the Board of Directors is a percentage of the profits, after the above, the remuneration for members of the Board of Directors shall be allocated at a rate not exceeding (10%) of the net profits, and the remainder, if any, shall be distributed after that to the shareholders as an additional share of the profits.</li> <li>5. The committee determines the attendance allowance and bonus to which the secretary is entitled.</li> <li>6 The meeting attendance allowance and the additional attendance allowance are disbursed on a quarterly</li> </ol>		It was deleted and a dedicated list was created (rewards policy) and placed in the list with the relevant context

<p>basis, while the lump sum annual bonus is disbursed after its approval by the General Assembly of Shareholders. Article (11)</p> <p>Remuneration for members of committees emanating from the Board of Directors and an allowance for attending sessions</p> <ol style="list-style-type: none"> <li>1. Each member of the Audit Committee and the Remuneration and Nominations Committee is entitled to an amount of (1,500 riyals) only one thousand and five hundred riyals as an attendance allowance for one session.</li> <li>2. A member of the Audit Committee is entitled to an amount of (20,000 riyals) only twenty thousand riyals as an annual bonus for one fiscal year.</li> <li>3. A member of the Remuneration and Nominations Committee is entitled to an amount of (10,000 riyals) only ten thousand riyals as an annual bonus for one fiscal year.</li> </ol> <p>Article (12)</p> <p>Executive management bonus</p> <p>The Remuneration and Nominations Committee reviews the salary scale specified for all employees and senior executives and the incentive program and plans on an ongoing basis and approves them based on the recommendation of the executive management. Executive management remuneration includes the following:</p> <ol style="list-style-type: none"> <li>1. A basic salary paid at the end of each calendar month on a monthly basis):</li> <li>2. Allowances include, but are not limited to, housing allowance, transportation allowance, education allowance for children, and telephone allowance.</li> <li>3. Medical insurance benefits for him and his family</li> <li>4. A life insurance policy that includes work injuries, partial and total disability, and death while at work.</li> <li>5. Annual bonus</li> <li>6. Short-term incentive plans, and long-term incentive plans such as stock option programs.</li> <li>7. Other benefits include, but are not limited to, annual leave, annual travel tickets, executive airport services, and an end-of-service bonus according to the work system and human resources policy approved by the company.</li> <li>8. General plans and programs for senior executives' remuneration are approved by the Remuneration and Nominations Committee, and any other remuneration or allowances are approved by the Remuneration and Nominations Committee.</li> <li>9. The CEO implements the remuneration policy for employees and senior executives in light of the plans, programs and general guidelines approved by the committee.</li> </ol> <p>Article (13)</p> <p>Disclosure of rewards</p> <p>The Board of Directors is committed to the following:</p> <ol style="list-style-type: none"> <li>1. Disclosure of the remuneration policy and how to determine the</li> </ol>		
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<p>remuneration of board members and executive management in the company</p> <p>2. Disclosing accurately, transparently and in detail in the Board of Directors' report the remuneration granted to members of the Board of Directors and the Executive Management directly or indirectly, without concealment or misleading, whether they are amounts, benefits or privileges, whatever their nature or name, and if the benefits are shares in the company, then they are Enter the value of the shares' market value at maturity.</p> <p>3. Clarifying the relationship between the rewards granted and the applicable rewards policy, and indicating any material deviation from this policy. Statement of the necessary details regarding the rewards and compensation paid to each of the following separately.</p> <p>1. Members of the Board of Directors</p> <p>2. Five senior executives who received the highest remuneration from the company, including the CEO and CFO</p> <p>3. Committee members The disclosure contained in this article shall be in the Board of Directors' report and in accordance with the accompanying tables</p>		
	<p>Fourth: Publishing the nomination announcement</p> <p>1.4 Publication Policy</p> <p>The company must publish the nomination announcement on the company's website, the market's website, and in any other means determined by the Authority, in order to invite people wishing to run for membership in the Council, provided that the nomination period remains open for at least one month from the date of the announcement.</p>	ADD
	<p>Fifth: The shareholder's right to nominate</p> <p>1.5 Rights associated with nomination for Council membership</p> <p>The provisions contained in these regulations, the Company Governance Regulations, and the Corporate Governance Regulations issued by the Authority do not prejudice the right of every shareholder in the company to nominate himself or others for membership in the Board in accordance with the provisions of the Companies Law and its executive regulations.</p>	ADD
	<ul style="list-style-type: none"> <li>▪ The shareholder has the right to nominate himself for membership in the Council as long as he meets the conditions that qualify him for this membership by filling out the Council Membership Nomination Request Form (Appendix No. (1) and No. (1))</li> <li>▪ The shareholder has the right to inquire about the qualifications, talents and abilities of the Board members.</li> </ul>	
<p>Article (14)</p> <p>Controversial rulings</p> <p>a. These regulations are effective from the date of approval and approval by the company's general assembly</p>	<p>Sixth: Final Provisions 15 Habituation and Acknowledgment</p> <p>The policies, standards and procedures for membership of the Board of Directors were approved by the Board</p>	

<p>B. Everything that is not stipulated in this regulation applies to the rules guide for the corporate governance regulation of Sadr Logistics Services, as well as the corporate governance regulation issued by the Capital Market Authority.</p>	<p>of Directors of Sadr Logistics Services Company in Resolution No. (2024/4) dated 05/13/2024 AD.</p> <p>2.6 Publishing and salvaging</p> <p>a. This policy shall be effective from the date of its approval by the Ordinary Assembly</p> <p>B. This policy is considered complementary to the company's governance regulations, the Board's work regulations, the regulations organizing the work of the Remuneration and Nominations Committee, and the corporate governance regulations issued by the Environment.</p> <p>C. This policy supersedes all procedures, decisions or internal regulations of the company that conflict with it and shall be resolved locally</p> <p>D. Everything that is not stated in this policy will be subject to the Corporate Governance Regulations issued by the Authority and the decisions issued by the competent regulatory authorities.</p>	
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## البند الرابع عشر: التصويت على اعتماد سياسة المكافآت لأعضاء المجلس واللجان.

**Vote on adopting the remuneration policy for members of  
the Council and committees**

# **SADR for Logistic Services**

**Rewards policy**

**Final copy dated Dhul-Qi'dah 1445**

**AH / May 2024 AD**

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## Regulation information

## Version control

Issuance number	Issuance type	delivery date
0,1	Initial draft of the remuneration policy for discussion	Shawwal 20, 1445 AH / April 29, 2024 AD
0,2	A second draft of the remuneration policy for discussion	01 Dhul-Qi'dah 1445 AH / 09 May 2024 AD

## Review, approval and approval

Review	the date	Accreditation	the date
Remuneration and Nominations Committee	On 15/ 11/ 1445 AH (corresponding to 13 / 05/ 2024 AD)	Board of Directors	Board of Directors Resolution No. (4/2024 ) On 15/ 11/ 1445 AH (corresponding to 13 / 05/ 2024 AD)
Acknowledgment		Date	
General Assembly		Date	General Assembly Resolution No. ( ) dated / / 14 AH (corresponding to / / 20 AD)

## Policy distribution

No.	Name of the entity/people	Storage location
1	Project documentation and documents	Main project file
2	Members of the Board of Directors and committees	
3	Executive management	
4	Contributors	
5	The competent regulatory authorities and the entities that should be provided with them	

## First: Definitions

A. The words and phrases mentioned in these regulations have the meanings given to them in the list of terms used in the regulations of the Capital Market Authority.

B. For the purpose of applying these regulations, the words and phrases below shall have the meanings indicated in front of each of them, unless the context of the text requires otherwise.

Words and phrases	the meaning
Company:	Sadr Logistics Services Company (a listed Saudi joint stock company).
the Council:	The company's board of directors.
Chairman of the Board:	Chairman of the Board of Directors of the company.
The Commission:	The Company's Remuneration and Nominations Committee.
Administration:	The executive management is represented by the company's CEO, his deputies, the financial director, and the like, who are entrusted with managing the company's daily operations, and proposing and implementing strategic decisions.
chief executive officer:	The highest official in the executive management and authorized by the Board to head the executive body of the company.
Senior executives:	People entrusted with managing the company's daily operations, proposing and implementing strategic decisions, such as the CEO, his deputies, and the financial director.
Politics:	Rewards policy.
Rewards:	Amounts, allowances, profits and the like, periodic or annual bonuses linked to performance, short-term or long-term incentive plans, and any other in-kind benefits, excluding the actual reasonable costs and expenses incurred by the company on behalf of the Board member for the purpose of performing his work.
Company's fiscal year:	The company's fiscal year shall be twelve Gregorian months, beginning on the first of January and ending at the end of December of each year.

All terms not defined in these regulations will have the same meaning as stated in the Corporate Governance Regulations, or in the list of terms used in the Authority's regulations and rules, unless the context requires otherwise.

## Second: Introduction

### 1.2 Goal

The aim of the remuneration policy for members of the Council and its emerging committees is to organize remuneration to attract members of the Council or committees with appropriate scientific, technical and administrative competence, enabling them to perform their tasks and duties with high professionalism, taking into account the sector in which the company operates and the skills necessary to manage it.

The company also aims to create an attractive environment in which to work through which it can attract human resources with the required skill and experience and retain them to sustain its growth and achieve its vision, through the regulatory framework for the company's senior executives' rewards so that it is compatible with the rules and regulations issued by the relevant regulatory authorities.

### 2.2 Scope of application

This policy applies to the Board, its committees, and management of the company.

### 3.2 Application responsibility

The committee, in coordination with the company's management, follows up the implementation of the policy. Verify the integrity of the procedures taken; and evaluate any deviations that may arise during its application; the committee submits to the Council every matter that requires it for the purpose of guidance.

#### ▪ 4.2 Review and amend the policy

This policy is reviewed periodically by the committee whenever necessary in order to verify its compatibility with the objectives set for it and in accordance with the rules and regulations issued by the competent regulatory authorities.

The committee works to share with the administration any amendments or proposals to this policy and to explore its views in order to achieve its goal.

The committee submits any amendments or proposals to this policy to the Council for study and approval, and then submits it as a proposal to the General Assembly for a vote.

## Third: The general framework of the remuneration

### 1.3 General framework

- A. In general, the rewards and compensation paid to Board members are determined according to the framework set by the instructions issued by the competent regulatory authorities, and are generally governed by the provisions of the Companies Law, the Company's Law, and its Governance Regulations.
- B. The committee shall prepare a clear policy for the remuneration of members of the Council and the committees emanating from the Council and management, and submit it to the Council for consideration in preparation for its approval by the General Assembly, provided that this policy takes into account following standards related to performance, disclosing them, and verifying their implementation.
- C. The committee recommends to the Board the remuneration of members of the Board, the committees emanating from it, and the company's senior executives in accordance with the approved policy.
- D. The Council provides remuneration to the Council members based on the recommendation of the Committee and in accordance with the relevant rules, regulations and instructions, along with any conditions approved by the General Assembly. None of the remuneration and compensation proposed for the Chairman and members of the Council shall be approved except after the General Assembly approves them.
- E. The Board must publish all details of the proposed bonuses and compensation, within the Board's annual report, to be available to all shareholders before the General Assembly convenes in which those bonuses and compensation are voted on.
- F. The Council's report to the General Assembly must include a comprehensive statement of all the rewards, expense allowances, and other benefits received by Council members during the fiscal year. It should also include a statement of what council members received in their capacity as workers or administrators, or what they received in exchange for technical or administrative work or consultations. It should also include a statement of the number of Council meetings and the number of sessions attended by each member from the date of the last meeting of the General Assembly.
- G. The committee clarifies the relationship between the rewards granted and the applicable remuneration policy, and indicates any material deviation from this policy.
- H. The committee must ensure that an annual review of the company's rewards and compensation practices is carried out and ensure that standards related to performance are followed, disclosed, verified and implemented, and the relationship between the rewards granted and the applicable rewards policy is clarified, and any material deviation from this policy is indicated (by the internal audit function or a specialized third party). ) independently and without interference from the company's management.

- I. The structure of rewards and compensation for workers in control functions (such as internal audit) must be designed in a way that contributes to enhancing the neutrality and independence of these functions. Specifically, it should be ensured that the performance evaluation of workers in these functions and the determination of their rewards is done without any interference from the company's management.
- J. A member of the board or management (except for positions related to sales) may not receive commissions or bonuses for the work they contribute to concluding for the company. It is also not permissible to link any part of the remuneration and compensation of a member of the Board or management (except for jobs related to sales) to the company's revenues.
- K. The reward and compensation structure must be consistent with the company's objectives.
- L. Rewards and compensation must be fair and proportionate to the member's competencies, work and tasks assigned to him, and the goals set by the Council to be achieved during the fiscal year.
- M. Rewards must be commensurate with the company's activity and the skill required to manage it.
- N. Taking into account the size of the company and the experiences of board members.
- O. The reward must be appropriate to attract, motivate and retain qualified and experienced members.
- P. Council members' remuneration may be of varying amounts, taking into account the member's level of experience, his specializations, the work and tasks assigned to him, the number of sessions he attends, and other considerations.
- Q. The remuneration of independent board members must not be a percentage of the profits achieved by the company, or be based directly or indirectly on the company's profitability.
- R. Rewards and compensation are designed in a way that encourages prudent practices and not taking high risks to achieve short-term returns, and is consistent with the company's risk management policies and practices.
- S. The remuneration and compensation structure must not cause any conflict of interest that would negatively impact the company's performance.
- T. The Council must disclose in its annual report the details of policies related to remuneration, how they are determined, and the amounts and in-kind benefits paid to each of its members in exchange for any executive, technical, or administrative work or positions.

## Fourth: Statement of rewards and compensation

### 1.4 Rewards and attendance allowances for council members

- Each member of the Council is entitled to an annual reward estimated at one hundred and thirty thousand (130,000) Saudi riyals for one fiscal year.
- Each member of the Council residing in the city of the company's headquarters (Riyadh - meeting location) is entitled to an attendance allowance for the sessions in the amount of three (3,000) Saudi riyals for each Council session he attends. A council member who permanently resides outside the city where the meeting is held is entitled to compensation for travel costs in exchange for attending the meeting, as follows:
  - A first-class travel ticket (round-trip) from his place of residence to the meeting location.
  - Assignment allowance of two thousand five hundred (2,500) Saudi riyals, including all expenses.
- In the annual remuneration of board members, standards related to performance must be taken into account, such as whether the remuneration or part of it is linked to the member's performance, such as his attendance at meetings.
- In all cases, the value of the annual bonus and attendance allowances does not exceed the amount of one hundred and fifty-one (151,000) thousand Saudi riyals.
- A portion of the annual remuneration is deducted for each absent member, which is proportional to the number of absences compared to the number of annual meetings held.

### 2.4 Rewards and attendance allowances for committee members

- The Chairman of the Audit Committee is entitled to an annual reward amounting to forty thousand (40,000) Saudi riyals for one fiscal year.
- Each member of the Audit Committee is entitled to an annual reward of thirty thousand (30,000) Saudi riyals for one fiscal year.
- Each member of the Remuneration and Nominations Committee is entitled to an annual reward amounting to ten thousand (10,000) Saudi riyals for one fiscal year.
- The committee member residing in the company's headquarters city (Riyadh - meeting location) is entitled to an attendance allowance for the sessions in the amount of two thousand five hundred (1,500) Saudi riyals for each committee session he attends. A committee member who permanently resides outside the city where the meeting is held is entitled to compensation for travel costs in exchange for attending the meeting, as follows:
  - A first-class ticket (round-trip) from his place of residence to the meeting location.
  - Two thousand five hundred (2,500) Saudi riyals, including all expenses.

\*In the annual remuneration of committee members, standards related to performance must be taken into account, such as whether the remuneration or part of it is linked to the member's performance, such as his attendance at meetings.

\*In all cases, the value of the annual remuneration and attendance allowances for the Chairman of the Audit Committee shall not exceed the amount of fifty-two (52,000) thousand Saudi riyals.

\*In all cases, the value of the annual remuneration and attendance allowances for members of the Audit Committee does not exceed the amount of forty-two (42,000) thousand Saudi riyals.

\*In all cases, the value of the annual bonus and attendance allowances for members of the Remuneration and Nominations Committee does not exceed the amount of sixteen (16,000) thousand Saudi riyals.

\*A portion of the annual remuneration is deducted for each absent member, which is proportional to the number of absences compared to the number of annual meetings held.

### 3.4 Remuneration of the Secretary of the Council and Committees

- The Secretary of the Council is entitled to an annual reward amounting to ten thousand (10,000) Saudi riyals for one fiscal year.
- The Secretary of the Audit Committee is entitled to an annual reward amounting to ten thousand (10,000) Saudi riyals for one fiscal year.
- The Secretary of the Remuneration and Nominations Committee is entitled to an annual reward amounting to five thousand (5,000) Saudi riyals for one fiscal year.

### 4.4 Management remuneration

The committee reviews the salary scale specified for all employees and senior executives and the incentive program and plans on an ongoing basis and approves them based on the recommendation of management. Management's rewards include the following:

1. A basic salary (paid at the end of each calendar month on a monthly basis);
2. Allowances include, but are not limited to, housing allowance, transportation allowance, education allowance for children, and telephone allowance.
3. Medical insurance benefits for him and his family.
4. Life insurance policy (including work injuries, partial and total disability, and death at work).
5. Annual bonus.
6. Short-term incentive plans, and long-term incentive plans such as stock option programs.
7. Other benefits include, but are not limited to, annual leave, annual travel tickets, and executive airport services. And an end-of-service bonus according to the work system and human resources policy approved by the company.
8. General plans and programs for senior executives' remuneration are approved by the committee.
9. Any other rewards or allowances approved by the committee.

\* The CEO implements the remuneration policy for employees and senior executives in light of the plans, programs and general guidelines approved by the committee.



## **Fifth: Disbursement of rewards and compensation**

### **1,5 Cases of stopping the payment of rewards or redeeming them**

- A. If the General Assembly decides, based on a recommendation from the Council, to terminate the membership of any member of the Council, this member shall not be entitled to any remuneration for the period following the last meeting he attended, and he must return all remuneration paid to him for that period, if any.
- B. If it turns out that the bonuses paid to any member of the Board are based on incorrect or misleading information that was presented to the General Assembly or included in the Board's annual report, he must return them to the company, and the company has the right to demand that they be returned.

### **2,5 Mechanism for disbursing rewards and compensation**

- a. The remuneration due to Board members in exchange for their participation in Board membership emanating from the Board is calculated annually by the company's management and the calculation is presented to the committee.
- B. The committee reviews the calculation and recommends to the Board the disbursement of remuneration for members of the Board, the committees emanating from it, and the company's senior executives in accordance with the relevant policies.
- T. The Board issues a decision approving the disbursement of remuneration to members of the committees emanating from the Board and the company's senior executives based on the committee's recommendation.
- Th. The item disbursing remuneration to board members in exchange for their participation in board membership is included in the items of the company's general assembly for voting on it, and none of the remuneration proposed for the chairman and members of the board is approved until approved by the general assembly.
- C. Attendance and travel allowances are disbursed by the company's management on a quarterly basis in accordance with the policies regulating that.
- H. The annual bonus is disbursed after its approval by the General Assembly.

## Sixth: Disclosure of rewards

### 1,6 Approval of rewards and compensation

- A. Disclose accurately, transparently, and in detail in the Board's report the remuneration granted to Board members and management directly or indirectly, without concealment or misleading, whether they are amounts, benefits, or privileges, whatever their nature or name. If the benefits are shares in the company, the entered value of the shares is the market value on the maturity date.
- B. The company must include among the items on the General Assembly's agenda the rewards and compensation paid to members of the Board in exchange for their participation in Board membership, for the ending fiscal year, so that they are approved by the General Assembly.

### 2,6 Disclosure

- In accordance with what is stipulated in the regulations issued by the supervisory authorities, especially the Corporate Governance Regulations issued by the Authority, and what is included in the Companies Law, what is included in the Law, and the company's disclosure policy (and this policy), the company must commit to disclosing details in the annual council report submitted to the General Assembly. The amount and size of bonuses and compensation paid to executive, non-executive and senior executives of the Board. Disclosure should include a detailed specification of elements and items such as: basic salary, size of bonuses and bonuses, options to own shares, allowances for attending meetings, and travel compensation.
- The necessary details regarding the rewards and compensation paid for each of the following shall be stated separately:
  - Council members.
  - Members of committees emanating from the Council.
  - Five of the company's senior executives who received the highest rewards from the company, including the CEO and CFO (the Capital Market Authority Council issued Resolution No. (1 - 35 - 2018) dated 7/9/1439 AH corresponding to 3/26/2018 AD That the remuneration of senior executives be disclosed in total)
- The details of the remuneration and compensation mentioned in the previous paragraph must be disclosed in accordance with the remuneration supplement contained in the Corporate Governance Regulations issued by the Authority.

## Seventh: Final provisions

### 1,7 Accreditation and Acknowledgment

- A. The remuneration policy was approved by the Board of Directors of Sadr Logistics Services Company at its meeting No. (4/2024) held on 13/ 05/ 2024 AD.
- B. The remuneration policy was approved by the General Assembly of Sadr Logistics Services Company at its meeting No. (.....) held on ...../ ...../ 20 AD.

### 2,7 Publication and Accessibility

- a. This policy shall be effective from the date of its approval by the General Assembly.
- B. This policy is considered complementary to the company's governance regulations, the Board's work regulations, the regulations organizing the work of the Remuneration and Nominations Committee, and the corporate governance regulations issued by the Authority.
- C. This policy supersedes and replaces all company procedures, decisions or internal regulations that conflict with it.
- D. Everything that is not stated in this policy will be subject to the Corporate Governance Regulations issued by the Authority and the decisions issued by the competent regulatory authorities.

### Signature of approval and acknowledgment:

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<p><b>President of the General Assembly</b></p>	<p><b>Secretary of the General Assembly</b></p>

**Date: // 14 AH corresponding to // 20 AD**