
General Assembly Meeting Agenda 2024

1. Review and discuss the Board of Directors Report for the fiscal year ending on 31 December 2023.
2. Review and discuss the Financial Statements for the fiscal year ending on 31 December 2023.
3. Vote on External Auditors' Report for the fiscal year ending on 31 December 2023, after discussion.
4. Voting on releasing liability of Board members for the year ending on 31 December 2023.
5. Voting on the appointment of External Auditors from those nominated based on the recommendation of the Audit Committee to review and audit the financial statements of the second, third, and annual statements for the year 2024 and first quarter of 2025, and determination of their fees. (attached)
6. Vote on delegating the Board of Directors with the powers of the Ordinary General Assembly with the authorization contained Paragraph (1) of Article 27 of the Companies Law, for a period of one year from the date of approval of the General Assembly until the end of the session of the delegated Board of Directors, whichever is earlier, in accordance with the conditions stipulated in the executive regulations. The corporate system for listed joint stock companies.
7. Vote on the Board of Directors' decision to appoint (Mr. Turki bin Ahmed Al-Obailan) as a (non-executive) member of the Board of Directors, starting from the date of his appointment on September 28, 2023, to complete the Board's cycle until the end of the current cycle on April 2, 2026, to succeed the member, Mr. Basil bin Fahd Al-Sultan, as a member. (Non-executive). (CV attached).
8. Voting on amending the Audit Committee Regulation. (attached)
9. Vote on the policy, standards, and procedures of Board membership. (attached)



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**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF BATIC INVESTMENTS AND LOGISTICS COMPANY
(Saudi Joint Stock Company)**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Batic Investments and Logistics Company (Saudi Joint Stock Company) (the "Company"), and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive profit or loss, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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 consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standard) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements. We also have fulfilled our other ethical responsibilities in accordance with this Code. 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



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(Saudi Joint Stock Company)(continued)

Key audit matter	How our audit addressed the key audit matter
<p>Revenue Recognition</p> <p>Revenues mainly include: Security guard services, ATM feeding services, transportation services, smart parking services, insured money transfer services, maintenance and operation services, and other services, with a total of SR 480.6 million for the year ended 31 December 2023.</p> <p>We considered this as a key audit matter given the diversity of the Group's business activities. In addition, there are certain inherent risks that relate primarily to the judgment involved in recognizing revenue at a point in time or over a period of time.</p> <p>Refer to note 2 for the accounting policy related to revenue recognition, notes 21 and 26 for the related disclosures.</p>	<p>Our audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none"> • Evaluated the Group's accounting policies, as they specifically relate to revenue recognition, in accordance with the requirements of IFRS (15) and in accordance with the IFRIC (12). • Conducted a detailed test on a sample of revenue transactions and verify the source of the documents. Tested the accuracy of invoices based on the sample. • Conducted a detailed test on a sample of payments related to the supply and construction of the smart parking project and ensured that their revenues are recognized in accordance with the IFRIC. • Implemented analytical procedures by comparing expected revenues with actual revenues and analyzing differences. • Implemented cut-off testing to ensure that revenue is recognized when control is transferred to the customer in the correct accounting period. • Performed substantive analytical reviews to understand how the revenue has trended over the year. • Evaluated the adequacy of the relevant disclosures in the consolidated financial statements.



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TO THE SHAREHOLDERS OF BATIC INVESTMENTS AND LOGISTICS COMPANY
(Saudi Joint Stock Company)(continued)**

Other Information included in the Group's 2023 Annual Report

Other information consists of the information included in the Group's 2023 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Group's 2023 annual report is expected to become available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Group's 2023 annual report, 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 for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 consolidated 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.
- 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 Group's internal control.



**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF BATIC INVESTMENTS AND LOGISTICS COMPANY
(Saudi Joint Stock Company)(continued)**

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 Ernst and Young Professional Services


Fahad M. Al-Touimi
Certified Public Accountant
License No. (354)



Riyadh: 10 Ramadan 1445H
(20 March 2024)

**The Audit Committee Report to General Assembly of (BATIC)
For Fiscal Year 2023**

Honorable Shareholders of BATIC Investment and Logistics Company

The Audit committee is one of the committees of the Board of Directors of BATIC Investment and Logistics Company and the members of the current committee were formed by a resolution of the Company's Ordinary General Assembly on 03-04-2023 and its current members are:

- | | |
|-----------------------|--------------------------|
| 1. Mr. Taha Azhari | Audit Committee Chairman |
| 2. Mr. Turki AlObilan | Audit Committee Member |
| 3. Mr. Turki Alhammad | Audit Committee Member |

BATIC Audit Committee monitor the reporting of the company's financial statements on behalf of the Board of Directors. The company's management is primarily responsible for financial statements, for maintaining an effective internal control system for financial reporting and for assessing the effectiveness of internal control over financial reporting. During the year 2023, the Committee met five times at the company headquarter and through the means of visual and audio-visual communication technology, and the following is a summary of the committee's tasks and work during the year ended December 31-2023.

First: External Auditor and Financial Reports:

- The external auditor's independence ,objectivity, fairness, and effectiveness of the audit work, have been verified, taking into account the relevant rules and standards.
- The audit plan submitted by the Company external auditor was reviewed.
- The Committee reviewed the results of the company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.
- External auditor's reports and comments on financial statements were examined, and following up the procedures taken in connection therewith.

Second: Internal Audit:

- The independence of internal auditors has been ensured and the availability of the necessary resources and their effectiveness in performing the assigned activities and duties.
- The Committee reviewed and approved the risk-based internal audit plan and ensured that the resources needed to implement it properly were available.
- Periodically meeting was held with the Director of Internal Audit of BATIC.

Third: Opinion of the Audit Committee on the Adequacy of the Company's Internal Control System:

Based on the content of the reports submitted to the Audit Committee during the year ending 2023 by the external auditor and internal auditors, within the limits of the tasks and actions covered by the approved internal audit plan, the Committee found that there is no substantial deficiency in the internal control system or the company's work to affect the integrity of financial statements that require disclosure, and therefore in the opinion of the Committee that the Company internal control systems are considered to be effective and capable of providing reasonable assurances, noting that any internal control system regardless of its integrity and effectiveness cannot provide absolute but a reasonable basis for expressing opinions.

On behalf of the Audit Committee



**Mr. Taha Azhari
Chairman of the Audit Committee**

Form No. (1) Resume

1. Personal information of the Nominated Member					
Full name		Turki Ahmed Abdurrahman Alobilan			
Nationality		Saudi		Date of birth	29/04/1979
2. Academic Qualifications of the Nominated Member					
No.	Qualifications	Specialization	Date of obtaining the qualifications	The issuer of the qualification	
1.	Master	MBA	24/08/2008	University of Hull	
2.	Bachelor	Business Administration- Finance	15/07/2001	King Saud University	
3. Experiences of the Nominated Member					
Period		Experience			
2002-2008		Saudi Central Bank- Banking control Department			
2008-2012		Saudi Central Bank- Banking Supervision			
2012-2015		Saudi Central Bank- Head of inspection for Local Banks			
4. Current membership in the board of directors of other joint stock companies (listed or non-listed) or any other company, regardless of its legal form or the committees deriving from it:					
No.	Company name	Main activity	Membership type	Membership of committees	Legal form of the company
1.	Gulf Insurance Group	Insurance	independent	Audit Committee	Listed Company
2.	Jazan Development and Investment Co.	Food & Beverages	independent	Chairman of the Nominations&Compensations Committee Chairman of the Audit Committee	Listed Company
3.	Batic Investments and Logistics Co	Capital Goods	Non-executive	Member of the audit committee	Listed Company
4.					
5.					

Audit Committee Charter (Current)	Audit Committee Charter (Proposed)
<p><u>Article (1): Preamble</u></p> <p>The role of the audit committee is to supervise, monitor and manage the company's auditing and review work in accordance with the company's policies and programs that are compatible with the Authority's requirements and regulations, and to enhance and activate them to provide the greatest possible reassurance for all the company's commercial operations, in addition to supporting executive managers in understanding and controlling work risks through In order to protect the rights of shareholders, and to assist the Board of Directors to carry out its supervisory duties efficiently and effectively.</p>	<p><u>Article One: Introduction</u></p> <p>The role of the Audit Committee involves overseeing, monitoring, and managing the company's auditing and review activities in line with the company policies and programs that align with the requirements and regulations of the Authority. Its mission also includes enhancing and activating these policies to ensure the highest degree of assurance for all the company's commercial operations. Additionally, it supports executive managers in understanding and managing business risks to protect shareholders' rights and aids the Board of Directors in performing its supervisory tasks efficiently and effectively.</p> <p>The purpose of these regulations is to establish a framework for the committee's operation and governance in accordance with the law. This framework outlines the committee's composition, roles, responsibilities, along with the duties and responsibilities of the chairperson, their deputy, the members, and the committee secretary.</p>
<p><u>Article (2): Formation, membership and termination of the Audit Committee.</u></p> <p>1. By a decision of the company's Ordinary General Assembly, an audit committee is formed from the shareholders or others based on a nomination recommendation by the company's board of directors, provided that at least one of them is an independent member and that it does not include any of the executive members of the board of directors, and the number of members of the audit committee shall not be less than Three and no more than five, and one of them is specialized in financial and accounting affairs.</p> <p>2. The committee, at the time of approval of its formation, chooses a chairman from its members, and the committee appoints a secretary from among the committee members or others. In the absence of the committee chairman during the meeting, the attending members choose a chairman for the meeting from among them.</p>	<p><u>Article Two: Composition, Membership, and Termination of the Audit Committee</u></p> <ol style="list-style-type: none"> 1. The company's Board of Directors shall form an Audit Committee consisting of shareholders or others, provided that none of the company's executive board members are included. The Audit Committee must have at least three but no more than five members, including a specialist in financial and accounting matters. 2. At least one member of the Audit Committee must be independent. 3. Half of the committee members must be independent members or those who do not fall under the independence impairments stipulated in the corporate governance regulations issued by the Capital Market Authority. 4. Individuals who have worked in the executive management or financial management of the company, or for the company's auditors, within the past two years cannot serve as committee members.

3. Membership in the Committee ends with the following:

- With the member's resignation, without prejudice to the company's right to compensation if the resignation occurred at an inappropriate time.
- Issuance of a decision by the Board of Directors to exempt him from membership in the Committee for breach of his responsibilities, tasks and duties, which would result in harm to the interest of the company, or for his absence from three consecutive meetings within one year without a legitimate excuse, or upon a proposal from the Chairman of the Committee or two of the members of the Committee, coupled with the reasons for that or for any of the reasons, which the Board of Directors deems necessary, without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for an unacceptable reason.

4. If the position of a committee member becomes vacant during the term of membership, the council shall appoint another member in the vacant position, and the new member shall complete the term of his predecessor.

5. It is not permissible for anyone who worked for the auditor during the past two years in the executive or financial management of the company, or for the corporate auditor, to be a member of the audit committee.

5. A member of the Audit Committee may not serve on audit committees in more than five (5) publicly traded companies listed in the Saudi stock market simultaneously.

6. When the Board of Directors finalizes the committee's composition, it selects a chairperson from among its members. Additionally, a committee secretary is appointed, who can be from within the committee members or externally. If the chairperson is absent from a meeting, the present members will choose a temporary chairperson for that meeting. The Chairman of the Board or the Vice-Chairman cannot be part of this committee.

7. It's important that the committee members collectively possess suitable financial expertise, including at least one (1) member with qualifications and knowledge specifically in financial and accounting matters.

8. The appointment of committee members, whether they are from the Board of Directors or external, is for a term of four (4) years or less, as decided by the Board, with the possibility of reappointment.

9. Should a committee member's position become vacant for any reason during their term, the Board may appoint a replacement who meets the committee membership requirements to complete the remaining term.

10. Termination of Committee Membership

- I. A member's term on the committee ends with the conclusion of the Board's cycle.
- II. Committee members may resign, provided it is done at an appropriate time.
- III. The Board of Directors has the right to dismiss any committee member through a Board resolution in the following situations:
 - a) Misuse of their position on the committee or misconduct deemed by the Board to be detrimental to the company's overall objectives and reputation or specifically that of the committee.

	<ul style="list-style-type: none"> b) Loss of eligibility by the committee member or the occurrence of a physical disability that prevents them from performing their duties. c) Failure to fulfill their responsibilities, tasks, and duties, misuse of position leading to damage to the company's interests, or absence from three (3) consecutive meetings or five (5) separate meetings without legitimate excuse accepted by the Board of Directors.
<p><u>Article (3): Committee's terms of reference, powers and responsibilities</u></p> <p>The audit committee is responsible for monitoring the company's business and verifying the integrity and integrity of reports, financial statements and internal control systems. The committee's duties include, in particular, the following:</p> <ol style="list-style-type: none"> 1. Requesting documents, reports, clarifications and other appropriate information from the executive managers and officials of the company. 2. Inviting the company's executives, officials and employees to committee meetings to question them and request clarifications and explanations from them. 3. The use of experts, consultants and specialists from outside the company. 4. Performing any duties assigned to them by the Board of Directors within the limits of the powers of the Audit Committee. 5. Carrying out the annual review and evaluation of its bylaws and prepare recommendations for the Board of Directors regarding amending part of it (if required). 6. Preparing reports on a periodic basis for the Board of Directors, provided that they are submitted to the Board immediately upon completion of the committee meeting. 7. Dealing with the information available to the committee as a result of carrying out its work in complete confidentiality. 	<p><u>Article Three: Committee's Jurisdiction, Tasks, Powers, and Responsibilities:</u></p> <p>The Audit Committee is tasked with overseeing the company's operations to ensure the integrity, fairness, and transparency of financial reports and internal control systems. Specifically, the committee's responsibilities include:</p> <ul style="list-style-type: none"> a) Financial Reporting <ol style="list-style-type: none"> 1. Reviewing preliminary and annual financial statements before they are presented to the Board of Directors and offering an opinion to ensure their integrity, fairness, and transparency. 2. Providing a technical opinion, upon the Board's request, on whether the Board's report and the company's financial statements are fair, balanced, understandable, and include information enabling shareholders and investors to assess the company's financial position, performance, business model, and strategy. 3. Examining any significant or unusual items included in the financial reports. 4. Thoroughly investigating any issues raised by the company's CFO, compliance officer, or auditor. 5. Verifying accounting estimates for significant matters in the financial reports. 6. Reviewing the company's accounting policies and making recommendations to the Board of Directors. b) Internal Audit

8. Informing the Board of Directors of developments that affect its independence or conflicts of interest related to decisions taken by the Audit Committee.

9. Preparing an annual evaluation and review of the activities of the Audit Committee and its members, including the degree of compliance of the committee with its regulations.

Financial reports

1. Studying the company's initial and annual financial statements and its announcements related to its financial performance before submitting them to the Board of Directors, to ensure their integrity, fairness and transparency, and to express their opinion.

2. Expressing a technical opinion, at the request of the Board of Directors, as to whether the Board's report and the company's financial statements are fair, balanced, and understandable, and include information that allows shareholders and investors to evaluate the company's financial position or position, its performance, business model, and strategy.

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

4. Examining carefully any issues raised by the financial manager of the company or whoever assumes his duties or the compliance officer in the company or the auditor.

5. Checking the accounting estimates regarding the fundamental issues mentioned in the financial reports.

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

Internal audit

1. Studying and reviewing the company's internal and financial control and risk management systems, and preparing a written report containing its recommendations and opinion on the adequacy of these systems and the work performed within the scope of its competence, provided that the Board of Directors

1. Studying and reviewing the company's internal and financial control systems and risk management.

2. Reviewing internal audit reports and ensuring the implementation of corrective actions for noted observations.

3. Overseeing and supervising the performance and activities of the internal auditor and the internal audit department to ensure they have the necessary resources and are effective in their assigned roles.

4. Recommending to the Board the appointment of the head of the internal audit unit or department and proposing their remuneration.

c) External Auditors

1. Recommending to the Board the nomination, dismissal, fee determination, and performance evaluation of external auditors, after verifying their independence, reviewing their work scope, and contractual terms.

2. Ensuring the independence and objectivity of the external auditors and the effectiveness of the audit process, considering relevant rules and standards.

3. Reviewing the external auditor's plan and works, ensuring they do not provide technical or managerial services beyond the audit scope, and expressing opinions on this matter.

4. Responding to inquiries from the company's external auditors.

5. Studying the external auditors' reports and observations on the financial statements and monitoring actions taken in response.

d) Compliance Assurance

1. Reviewing the outcomes of regulatory reports and verifying that the company takes necessary actions regarding them.

2. Ensuring the company's adherence to relevant laws, regulations, policies, and instructions.

3. Reviewing contracts and transactions proposed to be made with related parties and providing opinions to the Board of Directors.

deposits sufficient copies of this report at the company's headquarters before the date of the meeting. the General Assembly at least ten days; To provide any shareholder who wishes with a copy thereof. The report is read during the meeting of the assembly.

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

3. Controlling and supervising the performance and activities of the internal auditor and the internal audit department in the company, if any, to verify the availability of the necessary resources and their effectiveness in performing the tasks and tasks entrusted to them. If the company does not have an internal auditor, the committee shall submit its recommendation to the Board regarding the need to appoint him.

Auditor

1. Recommending to the Board of Directors the appointment and dismissal of auditors, determining their fees and evaluating their performance, after ensuring their independence and reviewing the scope of their work and the terms of contracting with them.

2. Verifying the auditor's independence and position, and the effectiveness of the audit work, taking into account the relevant rules and standards.

3. Reviewing the company's auditor's plan and his work, verifying that he has not submitted technical or administrative work that is outside the scope of the audit work, and expressing its views on this.

4. Answering the inquiries of the company's auditor.

5. Studying the auditor's reports and his observations on the financial statements and follow-up on what was taken in their regard.

Commitment guarantee

1. Reviewing the results of the regulatory authorities' reports and verifying that the company has taken the necessary measures in this regard.

4. Elevating any issues deemed necessary for action to the Board of Directors and providing recommendations on required actions.

<p>2. Verifying the company's compliance with relevant laws, regulations, policies and instructions.</p> <p>3. Reviewing the contracts and transactions proposed to be conducted by the company with related parties, and submitting what it deems appropriate to the Board of Directors.</p> <p>4. Submitting to the Board of Directors the issues it deems necessary to take action, and making its recommendations on the steps that need to be taken.</p>	
<p><u>Article (4): Powers of Audit Committee</u></p> <p>The Audit Committee, in order to perform its duties:</p> <p>1. Has the right to view the company's records and documents.</p> <p>2. May request any clarification or statement from the members of the Board of Directors or the Executive Management.</p> <p>3. May request the Board of Directors to convene the company's general assembly if it impedes its work or if the company is exposed to serious damage or losses.</p>	<p><u>Article Four: Conflicts between the Audit Committee and the Board of Directors</u></p> <ul style="list-style-type: none"> ▪ In cases where there's a conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, especially if the Board refuses to adopt the committee's recommendations on appointing or dismissing the company's auditors, determining their fees, evaluating their performance, or appointing the internal auditor, the Board's report must include the committee's recommendation, its justifications, and the reasons for not adopting it.
<p><u>Article (6): Audit Committee meetings</u></p> <p>1. The Audit Committee meets periodically, provided that it does not have to be less than four meetings during the year, and whenever the need arises, and minutes of meetings shall be prepared that include its discussions and recommendations.</p> <p>2. The Audit Committee meets regularly with the company's auditor, and with the company's internal auditor, if any.</p> <p>3. The internal auditor and auditor may request a meeting with the committee whenever the need arises.</p>	<p><u>Article five: Audit Committee Meetings</u></p> <ol style="list-style-type: none"> 1. The Audit Committee shall meet regularly, at least four times a year, and as needed. Meeting minutes must be prepared, documenting discussions and recommendations. 2. The committee will also hold regular meetings with the company's external and internal auditors. 3. The internal auditor and external auditors may request a meeting with the committee whenever necessary. 4. For the committee's meetings to be valid, at least a majority of its members must attend. Decisions and recommendations are made by a majority vote of the attending members. In the case of a tie, the side of the meeting chairperson prevails. 5. Committee members can participate in meetings using modern communication technologies, which counts towards the quorum.

	<ol style="list-style-type: none"> Committee members cannot delegate another member to attend or vote on their behalf. The committee may invite any Board members, other committee members, executive management, or external guests to attend its meetings without the right to vote on committee decisions. This should be documented in the meeting minutes.
Add article	<p>Article Six: Making Decisions on Urgent Matters</p> <ul style="list-style-type: none"> The Audit Committee is authorized to make decisions and recommendations on urgent matters by circulating them to all members electronically unless a member requests a formal meeting to deliberate on the issue. Such decisions require a majority vote of the members and must be presented at the next committee meeting.
<p>Article (9): Minutes of meetings</p> <p>The Secretary of the Audit Committee prepares the minutes of the meetings, and the minutes of the meetings are signed by all the attending members.</p>	<p>Article Seven: Meeting Minutes</p> <ul style="list-style-type: none"> The committee secretary is responsible for preparing the minutes of the meetings, which must be signed by all attending members.
<p>Article (7): Arrangements for submitting notes</p> <p>The Audit Committee shall review the arrangements that allow the employees of the company to submit their observations regarding any irregularity in the financial or other reports in confidence. The committee shall ascertain the application of these arrangements by conducting an independent investigation commensurate with the extent of the error or abuse, and shall adopt appropriate follow-up procedures..</p>	<p>Article Eight: Procedures for Submitting Observations</p> <p>The Audit Committee should establish a mechanism that allows employees to confidentially report any discrepancies in financial reports or other concerns. The committee is then responsible for conducting an independent investigation appropriate to the magnitude of the error or infraction and implementing suitable follow-up actions.</p>
<p>Article (4): Powers of Audit Committee</p> <p>The Audit Committee, in order to perform its duties:</p> <ol style="list-style-type: none"> Has the right to view the company's records and documents. May request any clarification or statement from the members of the Board of Directors or the Executive Management. 	<p>Article Nine: Powers of the Audit Committee</p> <p>To fulfill its duties, the Audit Committee has the authority to:</p> <ol style="list-style-type: none"> Access the company's records and documents. Request clarifications or statements from members of the Board of Directors or executive management. Ask the Board of Directors to convene a general assembly of the company if its operations are

<p>3. May request the Board of Directors to convene the company's general assembly if it impedes its work or if the company is exposed to serious damage or losses.</p>	<p>hindered or if the company faces significant damage or losses.</p>
<p>Article (10): Audit Committee Reports The minutes of the meetings, which include the discussions, the opinions presented, and the decisions taken by the committee, are sent to the Chairman of the Board of Directors, the Secretary of the Board, and to the Board of Directors for review.</p>	<p>Article Ten: Audit Committee Reports Meeting minutes, including discussions, opinions, and decisions made by the committee, should be sent to the Chairman of the Board, the Secretary of the Board, and the Board of Directors for review.</p>
<p>Article (11): Secretary of the Audit Committee A member of the committee is selected to perform the duties of the audit committee secretary. The committee may appoint a committee secretary from non-members. The Secretary of the Audit Committee shall be responsible for distributing invitations to meetings and the agenda to all members of the Audit Committee and other tasks assigned to him by the Committee.</p>	<p>Article Eleven: Secretary of the Audit Committee A committee member is chosen to act as the secretary of the Audit Committee. Alternatively, the committee may appoint a secretary from outside its membership. The secretary is responsible for distributing meeting invitations, agendas to all committee members, and other tasks assigned by the committee.</p>
<p>Article (12): Conflict of Interests 1- If a member has any conflict of interest in a subject on the committee's agenda, he shall disclose that before the start of the discussion of the subject, provided that this is recorded in the minutes of the meeting, and he may not attend the discussion of the relevant subject, participate in a discussion, or vote on it. 2- If a member doubts whether he is in conflict of interests, he may request the opinion and guidance of the chairman. 3- If the chairman discloses that he has a conflict of interest in accordance with the provisions of Paragraph (1) and the other is not present at the relevant meeting, then the matter is postponed to another meeting in which neither of them has a conflict of interest and is present.</p>	<p>Article Twelve: Conflict of Interests 1. If a member has a conflict of interest regarding an agenda item, they must disclose this before discussions begin, with such disclosure recorded in the meeting minutes. The member cannot attend the discussion or participate in voting on the related matter. 2. If a member is uncertain about a potential conflict of interest, they may seek advice and guidance from the chairman. 3. If the chairman discloses a conflict of interest as per provision (1) and is not present at the relevant meeting, the matter is postponed to another meeting where neither has a conflict of interest and can be present.</p>
<p>Article (13): Confidentiality of Committee's work Committee members shall maintain the confidentiality of the information they obtain through their membership in the Committee, and use it for the purpose of performing their membership duties only, and not announce or disclose any of that information to</p>	<p>Article Thirteen: Confidentiality of the Committee's Work Committee members must maintain the confidentiality of the information obtained through their membership in the committee. They are to use such information solely for the purpose of performing their committee duties and must not disclose, announce, or exploit any</p>

<p>any other party, or disclose or exploit it in any way for any purpose or dealing. Regarding it with the media, or speaking on behalf of the company, the obligation also includes maintaining the confidentiality of information after the termination of membership in this committee.</p>	<p>of this information for any purpose. This includes dealing with the media or speaking on behalf of the company. The obligation to maintain confidentiality also extends beyond the termination of their committee membership.</p>
<p><u>Article (14): Compensation and Rewards of the Audit Committee</u></p> <ul style="list-style-type: none"> • An allowance for attending committee meetings is 3,000 three thousand riyals for each member for each meeting. • 012An annual reward of 50,000 riyals, fifty thousand riyals, and is due to the member, provided that he attends 75% of the committee's meetings. • Remuneration is paid based on the remuneration policy approved by the general assembly of the company's shareholders. 	<p><u>Article Fourteen: Compensation and Rewards for the Audit Committee</u></p> <ul style="list-style-type: none"> ▪ Members receive a meeting attendance fee of 3,000 Saudi Riyals for each meeting attended. ▪ An annual reward of 50,000 Saudi Riyals is granted to each member, provided they attend at least 75% of the committee meetings. ▪ Rewards are disbursed according to the rewards policy approved by the company's General Assembly of Shareholders.
<p><u>Article (15): Final Provisions (Revision and Amendment of this Policy)</u></p> <p>The regulations are subject to annual revision as part of reviewing the effectiveness of the governance of the Board and its affiliated committees, and no amendment may be made to them except upon a recommendation from the Board.</p>	<p><u>Article Fifteen: Final Provisions (Review and Amendment of This Policy)</u></p> <p>This policy is subject to periodic review as part of the effectiveness assessment of the Board's governance and its committees. No amendments may be made except upon a recommendation from the Board. The policy becomes effective from the date it is approved by the General Assembly of the company's shareholders.</p>

In the event of a conflict between the Arabic and the English forms, the text in the Arabic form is the approved one.

Batic Investment and Logistics Company List of Policies and standards for Board of Directors membership (Current)	Membership Policies, Standards, and Procedures in the Board of Directors (Proposed)
<p>First Article: Introduction:</p> <p>The policies and standards for Board of directors membership" document is the approved reference for Batic Investment and Logistics Company for the Board of director membership nomination procedures. The overall framework of the document can be summarized as follows:</p> <ol style="list-style-type: none"> 1- Board of directors membership General policies and controls 2- Policy implementation and members selection mechanism. 3- Level of efficiency required to obtain board of directors membership 4- Policy publishing and approving mechanism. 	<p>Article One: Introduction</p> <p>This policy aims to establish the standards and procedures governing membership in the Board of Directors of Batic Investment and Logistics Company, in accordance with the Saudi Companies Law, its executive regulations, and the regulations and policies issued by the Capital Market Authority.</p>
<p>Second article: Policy Scope of Application:</p> <p>This policy is applied on Batic Investment and Logistics Company board of directors members and all candidates wishing to nominate.</p>	<p>Delete article</p>

<p>Third article: Drafting the document</p> <p>Drafting this document is based on the following regulations:</p> <p>The Companies Act, issued under the Royal Decree No. (M/3) on 10/11/2015.</p> <p>Batic Investment and Logistics Company articles of association amended pursuant to Resolution of the extraordinary assembly dated 03/04/2017</p> <p>Corporate Governance Regulations issued by Capital Market Authority council under resolution No.(06/16/2017) dated 13/02/2017.</p> <p>Controls and regulative procedures issued to implement the Companies Act for the listed private Joint Stock Companies issued by the Capital Market Authority council under resolution No. (8-127-2016) dated 17/10/2016.</p>	<p>Delete article</p>
<p>Fourth Article: Definitions:</p> <p>The Companies Act: Companies Act issued under the royal decree No. (M/3) on 10/11/2015.</p> <p>The authority: The Capital Market Authority</p> <p>The Market: Saudi Capital Market</p> <p>The Company: Batic Investment and Logistics Company</p> <p>Board of directors: Batic Investment and Logistics Company board of directors</p> <p>Companies governance: Rules for leading and directing the company, mechanisms for regulating the various relations between the board of directors and the executive directors, shareholders and stakeholders through setting rules and special procedures to facilitate the decision-making process and add transparency and creditability for it to protect the shareholders and stakeholders rights, achieve equality, competitiveness and transparent in market and business environment.</p>	<p>Delete article</p>
<p>Fifth Article: policies and criteria for membership in the company's Board of directors</p> <p>The board of Directors consists of eight members as stipulated in the company's bylaw. It is specified that the member of the board of directors must be a professional who has the necessary experience, knowledge, skill and independence. To enable him to exercise his duties efficiently and competently, provided that the General</p>	<p>Article Two: Conditions and Criteria for Membership in the Company's Board of Directors</p> <p>A member of the Board of Directors must possess professional competence characterized by experience, knowledge, skill, and the necessary independence. This enables them to perform their duties efficiently and effectively. Specifically, a member must exhibit the following:</p>

Assembly, when electing members of the board of Directors, takes into account the recommendations of the remuneration and Nominations Committee of the company and the availability of personal and professional assets necessary to perform their tasks effectively, and takes into account that the member, in particular, has the following:

1. The candidate of the board of directors membership should not have been previously convicted of a crime against honor and honesty and should not be insolvent or bankrupt or become unfit for membership of the board by any regulations or instructions in force in the Kingdom of Saudi Arabia.
2. A member of the board of Directors shall not hold membership of more than five joint-stock companies listed in the capital market at the same time.
3. The board of directors member should represent all shareholders and be committed to what is in the best interests of the company in general and not what is in the best interests of the group he represents or who voted on his appointment to the board of directors.
4. The majority of the board members should be non-executives.
5. The number of independent board members shall not be less than two members or less than one third of the board members, whichever is more.
6. The independent member must enjoy complete independence in his position and decisions, and none of the independence qualities provided in Article (20) of the corporate governance regulation issued by the Capital Market Authority apply to him.
7. The ability to lead by having leadership skills that qualify him to grant powers that lead to motivating performance, applying best practices in the field of effective management, adherence to professional values and ethics, the ability to communicate effectively, thinking, and strategic planning.
8. Competence: it should have academic qualifications, professional skills, appropriate personal level of training, practical experience related to the company's current and future activities and knowledge of management, economics, accounting, law, or the desire to learn and train.

1. Leadership Ability: Possess leadership skills that enable them to delegate responsibilities in a way that motivates performance and adheres to best management practices, professional ethics, effective communication, and strategic thinking and planning.
2. Competence: Have the right academic qualifications, professional skills, appropriate personality, level of training, and work experiences relevant to the company's current and future activities. Knowledge in management, economics, accounting, law, or governance is essential, along with a willingness to learn and undergo training.
3. Guidance Capability: Demonstrate technical, leadership, and administrative capabilities, quick decision-making, an understanding of technical requirements related to workflow, and the ability to provide strategic direction, planning, and a clear vision for the future.
4. Financial Knowledge: Be capable of reading and understanding financial statements and reports.
5. Physical Fitness: Not have any health issues that would prevent them from performing their duties and responsibilities.
6. Personal Requirements: The candidate must be a natural person, at least twenty-five (25) years old, and either a shareholder or nominated by a shareholder.
7. The candidate for the Board of Directors must not have been previously convicted of a crime involving moral turpitude or dishonesty, must not be insolvent or bankrupt, or otherwise deemed unsuitable for board membership according to any applicable laws or regulations in the Kingdom.
8. A member of the Board of Directors should not hold positions in more than five publicly listed joint-stock companies in the financial market at the same time.
9. A Board member must represent all shareholders and act in the best interest of the company as a whole, not just the interests of the group they represent or by whom they were appointed to the Board.

9. The ability to direct by having the technical, leadership, and administrative capabilities, and speed in decision-making, strategic guidance, long-term planning, understanding the technical requirements related to the workflow, and having a clear future vision.

10. Financial knowledge, by reading and understanding financial statements and reports.

11. Health Fitness, so that he does not have a health barrier that hinders him from exercising his duties and specialties.

12. The candidate of the board membership should adhere to the principles of honesty, loyalty, care, and attention to the interests of the company and shareholders and present them on his interest.

A) The relationship of the board member with the company is indeed a sincere professional relationship and disclosure to the company of any meaningful information before the execution of any transaction or contract with the company or one of its subsidiaries.

B) While loyalty is achieved by avoiding transactions involving conflicts of interest, verifying the fairness of the trade, and taking into account the provisions on conflicts of interest contained in the Governance Regulation.

C) As for the care and attention, it is to perform the duties and responsibilities listed in the company's law, the capital market law, the company's bylaw and other related regulations.

13. Diversity in scientific qualifications and work experience should be taken into account, and priority should be given in the nomination to the needs of those with the appropriate skills for membership of the board of directors.

14. A member of the board of directors must resign before the end of his term on the board of directors in case of loss of his eligibility to work as a board member, or inability to practice his business, inability to allocate the time or effort necessary to perform his duties in the board. Still in case of conflict of interests, the member has the option to obtain a license from the General Assembly to be renewed every year or submit his resignation.

15. Any requirements approved by the competent legislative authorities of the kingdom must be applied.

10. The majority of the Board members should be non-executive.

11. The Board should have no fewer than two independent members or one-third of the total number of members, whichever is greater.

12. An independent member must fully maintain their independence in both position and decision-making, free from any conflicts that would undermine their independence as defined by the Capital Market Authority's corporate governance regulations.

13. Exercising duties within granted powers: Board members must perform their roles and responsibilities in managing and directing the company's operations within the scope of their authorized powers, as defined by the Companies Law, its executive regulations, the company's foundational regulations, and other relevant systems, aiming to fulfill the purposes for which such powers were granted.

14. Working for the company's interest and enhancing its success: Board members must:

- a- Act in good faith for the benefit of the company and all shareholders, prioritizing the company's and its shareholders' interests over personal gain, while considering the rights of other stakeholders.
- b- Strive to enhance the company's success, growth, and value maximization for the benefit of its shareholders over the long term.

15. Making decisions or voting independently: Board members must carry out their duties with objectivity and independence regarding the company's management and decision-making process, avoiding situations that could compromise their independence in making decisions or when voting.

16. Exercising due care, attention, caution, and skill: Board members are required to perform their duties and responsibilities in accordance with the Companies Law, the Capital Market Law, their executive regulations, the company's

	<p>foundational regulations, and other related systems, with the diligence, care, and skill reasonably expected from a prudent person, taking into account their general knowledge, expertise, and the skills that a Board member possesses, and those expected from someone in the same position.</p> <p>17. Avoiding Conflicts of Interest: Board members must avoid any dealings or situations where they have or might have a direct or indirect interest that conflicts with, or could potentially conflict with, the company's interest. They are required to comply with the specific provisions related to conflicts of interest outlined in the Companies Law and its executive regulations.</p> <p>18. Disclosing any Direct or Indirect Interest in Business and Contracts Conducted on Behalf of the Company: Board members must disclose any direct or indirect interest they may have in business transactions or contracts as required by the Companies Law and its executive regulations.</p> <p>19. Not Accepting Any Benefits Related to Their Role in the Company from Third Parties: Board members should not exploit their position, tasks, and powers as board members under any circumstances to gain benefits from third parties or accept any benefits offered to them by third parties in exchange for performing or refraining from performing certain actions.</p> <p>20. Diversity in Academic Qualification and Work Experience Should Be Considered, with Priority Given to Nominating Candidates Who Meet the Required Skills Needed for Board Membership.</p> <p>21. Board members must resign before the end of their term if they lose the eligibility to serve as a board member, are unable to perform their duties, or cannot dedicate the necessary time or effort required for fulfilling their responsibilities on the board. In case of a conflict of interest, the member has the option to either obtain approval from the general assembly, which must be renewed annually, or to submit their resignation.</p> <p>22. Any requirements set by the legislative authorities in the Kingdom must be applied.</p>
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	<p>The general assembly should consider the recommendations of the company's nomination committee when electing board members, ensuring the candidates have the personal and professional attributes necessary for effectively performing their duties as outlined in this section.</p>
<p>Ninth Article: Conflict of independence</p> <ol style="list-style-type: none"> 1. An independent member of the board of directors must be able to do his duties, express his opinions and vote on decisions objectively and impartially, to help the board of directors make decisions that contribute to achieving the company's interests. 2. The board of Directors shall conduct an annual assessment of the extent to which the members' independence has been achieved and ensure that there are no relationships or circumstances that affect or could affect him. 3. It is incompatible with the necessary independence provided by an independent board member, for example, but not limited to the following: <ol style="list-style-type: none"> A) Be the owner of five percent or more of the company's shares or the shares of another company from its group or has a relative with whom he owns this percentage. B) Be a representative of a someone who owns five percent or more of the company's shares or the shares of another company from its group. C) Be related to any of board of directors' members in the company or in another company of its group. D) Be related to any of the senior executives in the company or another company of its group. E) Be a member of the board of Directors of another company from the company's group nominated for membership of its board of directors. F) He is working or has worked as an employee during the past two years for the company or any party dealing with it or another company from its group, such as auditors and major suppliers, or has been the owner of controlling interests in any of those parties during the past two years. G) Have a direct or indirect interest in the works and contracts that are made for the company's account. 	<p>Article Three: Impairments to Independence</p> <ol style="list-style-type: none"> 1. An independent director on the Board must be able to perform their duties, express their views, and vote on decisions objectively and impartially, aiding the Board in making well-informed decisions for the benefit of the company. 2. The Board is responsible for conducting an annual assessment of each member's independence, ensuring no relationships or conditions exist that could influence their impartiality. 3. Examples of situations that compromise the required independence of an independent Board member include, but are not limited to: <ol style="list-style-type: none"> a) Ownership of 5% or more of the shares of the company or any within its group, or having familial ties with an owner of such a stake. b) Familial ties with any Board member of the company or any within its group. c) Familial ties with any senior executive of the company or any within its group. d) Serving as a Board member for another company within the same group as the company for which they are being considered. e) Being employed or having been employed in the past two years by the company or any within its group, or owning significant stakes in the company or any entity doing business with the company or within its group, such as auditors or major suppliers, within the last two years. f) Having a direct or indirect interest in business transactions or contracts undertaken on behalf of the company.

<p>H) To receive financial amounts from the company in addition to the remuneration of members of the board of directors or any of its committees.</p> <p>I) To participate in a business that would compete with the company or trade in one of the branches of activity carried out by the company.</p>	<p>g) Receiving financial compensation from the company beyond the Board membership fee or committee fees as specified in the corporate governance regulations issued by the Capital Market Authority.</p> <p>h) Engaging in any business activity that competes with the company, or trading in any of the company's operational fields.</p> <p>i) Having served on the company's Board for more than nine consecutive or non-consecutive years.</p> <p>Transactions and contracts designed to meet personal needs do not undermine a Board member's independence needing approval from the Regular General Assembly, provided these transactions are carried out under the same terms and conditions applied to all contractors and dealings fall within the company's regular business activities unless the nomination committee determines otherwise.</p>
<p>Sixth Article: procedures for candidacy for membership of the board of directors</p> <ol style="list-style-type: none"> 1. The announcement of the opening of the spot for candidacy board of directors membership shall be published on the website of the capital market (Tadawul) as well as on the company's website and in any other means determined by the authority to invite the people who are willing to candidates for the board of directors membership, provided that the door for candidacy remains open for at least one month from the date of the announcement, and voting in the General Assembly is limited to the candidates for membership of the board of directors announced by the company. 2. The shareholder submits the nomination request within the announced nomination period, which will not be less than 30 days from the announcement on the Tadawul website, and the nominations and remunerations committee may extend the deadline for submitting the nomination request. 3. The remuneration and Nominations Committee shall submit its recommendations to the board of 	<p>Article Four: The Nomination Process for Board Membership</p> <ol style="list-style-type: none"> 1. Every shareholder has the right to nominate themselves or someone else for the Board of Directors. 2. The Remuneration and Nominations Committee coordinates with the executive management to announce the nomination period for the company's Board membership at least sixty (60) days before the end of the Board's term, in accordance with regulatory requirements. 3. The announcement for Board nominations will be published on the financial market's website (Tadawul) and the company's website, as well as any other medium specified by the authority, to invite interested candidates. The nomination period will remain open for at least one month from the date of the announcement, and voting at the General Assembly will be limited to the candidates announced by the company. 4. Shareholders must submit their nomination applications within the announced nomination period, which shall not be less than 30 days from

<p>Directors regarding the nomination for membership of the board by this policy.</p> <p>4. Those who wish to nominate themselves for membership of the company's Board of directors must disclose their desire to be set using a notice submission to the company's management by the period and dates stipulated in this policy and the applicable laws and regulations. This notice must include a definition in Arabic in terms of their resume, qualifications, and experience of non-Saudis candidates for membership of the board and any other relevant documents requested by the company to meet the statutory requirements).</p> <p>5. The candidate for membership of the board must disclose to the board and the General Assembly any conflict of interest cases that include:</p> <p>A) The existence of a direct or indirect interest in the works and contracts that are made for the company he wishes to become one of their board of directors.</p> <p>B) His participation in a business that would compete with the company or compete with it in one of the branches of the activity he is engaged in.</p> <p>6. Applicants for membership of the board must fill out the form or forms specified by the Capital Market Authority, which can be obtained through the authority's website.</p> <p>7. The candidate who has previously become a member of the board of Directors of a joint-stock company must attach a statement and date to the number of boards of Directors of the companies he is a member of.</p> <p>8. The candidate who has previously become a member of the board of directors must attach to the notice of candidacy a statement from the company's management about the last session in which he assumed membership of the board, including the following information:</p> <p>A) The number of board meetings held during each session year.</p> <p>B) The number of meetings attended by the member and the percentage of attendance of the total meetings.</p>	<p>the announcement date on the Tadawul site. The Remuneration and Nominations Committee may extend the nomination application period.</p> <p>5. The Remuneration and Nominations Committee presents its recommendations for Board nominations to the Board of Directors according to the criteria outlined in this policy.</p> <p>6. Those wishing to nominate themselves for the Board must disclose their intent through a notification submitted to the company's administration within the timeframe and deadlines specified by this policy and applicable regulations. This notification must include a biography and qualifications in both Arabic and English, work experience, along with all necessary documents such as the national ID card, family card, passport for non-Saudi nominees, and any other related documents requested by the company to fulfill regulatory requirements.</p> <p>7. Applicants for the Board must fill out the form(s) specified by the Capital Market Authority, available on the Authority's website.</p> <p>8. Candidates who have previously served on the Board of Directors of joint-stock companies must include a statement and history of the number of company Boards they have been a member of.</p> <p>9. The nomination should clarify the nature of the membership, whether the member is an executive, non-executive, or independent.</p> <p>10. The Remuneration and Nominations Committee, in coordination with the executive management, will complete the regulatory requirements and provide all necessary documents to the relevant regulatory bodies.</p> <p>11. The election of Board members will be conducted through cumulative voting.</p> <p>12. Voting at the General Assembly will be restricted to those who have nominated themselves in accordance with the mentioned policies, criteria, and procedures.</p>
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<p>C) The Permanent Committees in which the member participated, the number of meetings held by each of those committees in each year of the session, the number of meetings attended, and the ratio of his attendance to the total meetings.</p> <p>9. The membership status must be clarified, whether the member is an executive, a non-executive member, or an independent member.</p> <p>10. The membership status should be clarified. That is if the member is nominated in his personal capacity or as a representative of someone else.</p> <p>11. The remuneration and nominations committee coordinates with the executive management to finalize the statutory requirements and provide the competent regulatory authorities with all the required documents.</p> <p>12. Voting on the board of directors' selection is carried out by the cumulative voting method.</p> <p>13. Voting in the General Assembly is limited to those who have nominated themselves by the policies mentioned above, criteria and procedures.</p>	
<p>Add article</p>	<p>Article Five: Disclosure of Conflicts of Interest by Board Nominees</p> <p>Candidates wishing to join the Board of Directors must disclose to the Board and the General Assembly any conflict of interest situations as defined by the procedures established by the Capital Market Authority. This includes:</p> <ul style="list-style-type: none"> ▪ Having a direct or indirect interest in transactions and contracts conducted for the company to which they seek election. ▪ Participating in any business that competes with the company, or engaging in any of the company's areas of activity.
<p>Seventh Article: mechanism of the chairman, vice chairman and managing director selection</p> <p>The company's shareholders elect the board of directors' members at the shareholders' General Assembly meeting according to the rules and criteria included in this policy. Then the committee selects its chairman and vice-chairman from among its members. A managing director may be appointed. The position of chairman of the board of Directors may not be combined with any executive position in the company. The board</p>	<p>Article Six: Selection Mechanism for the Chairman, Vice-Chairman, and Managing Member</p> <ul style="list-style-type: none"> ▪ Members of the company's Board of Directors are elected by the shareholders during the General Assembly meeting, following the system and standards outlined in this policy. The Board then selects from among its members a Chairman and a Vice-Chairman. A Managing Member may also be appointed. Combining the

<p>has the right to remove them from their positions or re-select them at any time.</p>	<p>position of Chairman with any executive position within the company is prohibited. The Board has the right to dismiss or re-elect them at any time.</p>
<p>Eighth Article: termination of the membership of the board member</p> <p>1. The membership of a member of the board of Directors expires in the following cases:</p> <ul style="list-style-type: none"> • Upon the expiration of the term prescribed for him, which is three years from his election by the General Assembly, the members whose period of office has expired may be re-elected. • The member's validity expires by any applicable law or instructions in the kingdom of Saudi Arabia. • Death (god forbid) or resignation. • If the association decides to exempt the member from membership for any reason. • In the event of a disease (God forbid), the member should stops working. • If it is proven to do something that violates honor and honesty. <p>2. The Ordinary General Assembly may at any time dismiss all members of the board of directors or some of them, even if the company's bylaws provide otherwise, without prejudice to the right of the dismissed member to the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time. A board of directors' member may resign, provided that this is done at an appropriate time; otherwise, he is liable to the company for the damages resulting from the resignation.</p> <p>3. If the position of one of the members of the Board of Directors is vacant, the board may appoint a temporary member to the vacant position, provided that he is someone with experience and competence, as the board deems appropriate, without resorting to the use of the ranking mechanism in obtaining votes in the assembly that elected the board described in Article (70) of the companies law. The appointment date must be notified to the competent authorities within five working days, and the appointment should be submitted to the Ordinary General Assembly at its first meeting. The new member completes the term of his predecessor.</p>	<p>Article Seven: Termination and Vacancy of a Board Member's Position</p> <p>1. A Board member's tenure ends in the following cases:</p> <ul style="list-style-type: none"> ▪ At the end of their designated term, which is four years from the date of election by the General Assembly, with the possibility of re-election. ▪ If they become ineligible under any applicable law or regulations in Saudi Arabia. ▪ Due to death or resignation. ▪ If the Assembly decides to dismiss the member for any reason. ▪ In case of an illness that prevents them from performing their duties. ▪ If found guilty of misconduct affecting honor and integrity. <p>2. The Ordinary General Assembly may remove all or some of the Board members, regardless of the company's bylaws. A Board member may resign by submitting a written notice to the Chairman. If the Chairman resigns, the notice should be directed to the remaining Board members and the Secretary. The resignation is effective from the date specified in the notice.</p> <p>3. If a Board member's position becomes vacant, the Board may appoint a temporary replacement from among qualified individuals, as deemed appropriate by the Board. This appointment must be ratified by the Ordinary General Assembly at its next meeting, and the new member completes the term of their predecessor, in accordance with the company's bylaws.</p> <p>4. If the Chairman and Board members resign, they are required to call an Ordinary General Assembly to elect a new Board. The resignation</p>

<p>4. If the necessary conditions are not met for the board of directors to convene due to a shortage of its members from the minimum stipulated in the company's law, the remaining members must convene the Ordinary General Assembly within sixty days to elect the necessary number of members.</p> <p>The General Assembly may, upon the recommendation of the board of directors, terminate the membership of any member absent from attending three consecutive board meetings without a legitimate excuse.</p>	<p>does not take effect until a new Board is elected and should not exceed the duration specified by regulations.</p> <p>5. If a new Board is not elected for a new term or if the required number of Board members is not met according to the Companies Law, any stakeholder can request the competent judicial authority to appoint experienced and qualified individuals to oversee the company's management and convene the General Assembly within ninety (90) days to elect a new Board or complete the necessary number of Board members, or to request the company's dissolution.</p> <p>The General Assembly may, upon the Board's recommendation, terminate the membership of any member who misses three consecutive meetings or five separate meetings without a legitimate excuse accepted by the Board.</p> <p>Article Ten: Final Provisions (Review and Amendment of This Policy)</p> <p>This policy is subject to periodic review as part of the effectiveness assessment of the Board's governance and its committees. No amendments may be made to it except upon a recommendation from the Board. The policy becomes effective from the date it is approved by the General Assembly of the company's shareholders.</p>
<p>Tenth Article: Final provisions (revision and amendment of this policy)</p> <p>The provisions of this policy shall be implemented and adhered by the relevant parties as of the date of its approval by the General Assembly of Shareholders. This policy shall be reviewed periodically when needed by the Remuneration and Nomination Committee, and any amendments proposed by the Committee shall be presented to the Board of Directors. Who studies and reviews the proposed amendments and recommends them to the general assembly of shareholders for approval.</p>	<p>Article Eighth : Final Provisions (Review and Amendment of This Policy)</p> <p>This policy is subject to periodic review as part of the effectiveness assessment of the Board's governance and its committees. No amendments may be made to it except upon a recommendation from the Board. The policy becomes effective from the date it is approved by the General Assembly of the company's shareholders.</p>

In the event of a conflict between the Arabic and the English forms, the text in the Arabic form is the approved one.